NATIONAL SKILLS FUND

Strategic Plan

2020-2025

higher education & training
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NSF
National Skills Fund
FUNDING TO SKILL OUR NATION

NATIONAL SKILLS FUND
STRATEGIC PLAN 2020 - 2025

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OFFICIAL **SIGN-OFF**

It is hereby certified that this strategic plan:

1. Was developed by the management of the National Skills Fund under the guidance of the Minister of Higher Education, Science and Technology, Dr BE Nzimande, MP.
2. Takes into account all the relevant policies, legislation and other mandates for which the National Skills Fund is responsible.
3. Accurately reflects the impact, outcomes and outputs which the National Skills Fund will endeavour to achieve over the period 1 April 2020 to 31 March 2025 given the resources budgeted during the period.

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EXECUTIVE AUTHORITY STATEMENT

DR BE NZIMANDE, MP
Minister of Higher Education, Science and Technology

The National Development Plan (NDP) recognises education, skills and innovation as key instruments to transform the economy and ultimately combat the triple challenge of poverty, inequality and unemployment.

With a mission to providing skills development funding towards a capable workforce for inclusive growth, the National Skills Fund (NSF) fulfils a key role in realising South Africa's aspirations of an inclusive economy as envisaged by the NDP. Essentially, the NSF remains a critical national skills development resource through the skills development levy and is strategically positioned within the ambit of the Department of Higher Education and Training (DHET). The mandate of the DHET thus provides a key basis for the NSF to strategically contribute to national skills development priorities.

As such, towards building a skilled and capable workforce to support an inclusive growth path, the National Plan for Post-School Education and Training (NP-PSET) provides a consolidated roadmap for a more integrated, transformed, articulated and effective post-school system. Its focus is on programmes that will address the needs of the poor in a manner that supports the equity imperatives of the country. Consequently, the NP-PSET requires the NSF to regain its focus over the medium term with more support for the most marginalised groups, including the unemployed, and primarily in the community education and training (CET) college system.

Significantly, the integration of Higher Education and Training together with Science and Technology under a single Ministry – Higher Education, Science and Technology – in the sixth administration holds the potential to open up opportunities in the production of both knowledge and skills. Science and technology can thus be leveraged to realign, reposition and project the joint capabilities of these two departments and its entities in new ways, and significantly contribute towards South Africa's innovation system.

Notably, the White Paper on Science, Technology and Innovation (WP-STI) is explicit in its policy position focused on strengthening skills in the economy. It states that South Africa requires diversity in its post-secondary education and that it is necessary to improve the responsiveness of the post-school education and training (PSET) system to the skills needs of the 21st century, in particular innovation and technology-driven change that affects organisations and individuals alike. It thus places responsibility on the NSF to directing its skill funding to improving not only the low skills base, but also increasing the pool of students accessing university and science-based technical and vocational education and training (TVET) programmes.

Importantly, the sixth administration of government highlights the need for improved strategic planning and intergovernmental coordination towards the attainment of the objectives of the NDP. As South Africa strives towards overcoming the spatial legacies of underdevelopment inherited from the apartheid and colonial system, the coordination of government's efforts is geared to accelerating the eradication and reduction of poverty, inequality and unemployment. As such, the NSF will, through its sustained strategic mandate, contribute to the New District Model, a national spatial development plan launched by the President and based on the systematic planning focused on South Africa's 44 district and 8 metropolitan municipalities.

In building the country's capabilities, the Department of Planning Monitoring and Evaluation (DPME)'s *Towards a 25-year Review* identifies education and skills, and the opportunity to work as the elements where South Africa most needs to make progress. In the medium term, this calls for improved access to quality education while unlocking the potential of young people by building their capabilities. While South Africa had realised some made gains in promoting access to education and training in the previous medium term strategic framework (MTSF), much focus is needed to see advancements in vocational training and work experience, particularly for TVET college students and graduates.

In the five-year strategic period, the NSF will therefore continue to be a key role-player in realising government's national skills priorities. Consistent with the previous MTSF, and as informed by the White Paper for Post-School Education and Training (WP-PSET), the NSF will prioritise the funding of education and training initiatives through the awarding of bursaries and scholarships, as well as skills development interventions focused on the youth, small businesses, co-operatives and rural development. Additionally, NSF-funded programmes designed to bring the realm of education closer to the world of work through learnerships, internships and apprenticeship programmes will continue being a focus in the next five years.

Additionally, the advent of the fourth industrial revolution (4IR) demands that young people be equipped with the necessary skills to cope with a changing world of work and opportunities. As part of a renewed commitment to producing a skilled and capable workforce to help forge a national knowledge economy, government is assisting with the provision of high-speed, broadband connectivity to all 50 public TVET colleges across the country. Funded by the NSF, this project also remains a key focus in the medium term in a bid to strengthen the TVET college system.

Another priority in the medium term is the completion of the 10 TVET campuses being built by the DHET in rural or semi-rural areas across the Eastern Cape, KwaZulu-Natal, Limpopo and Mpumalanga. Considering that the NSF had invested heavily in university infrastructure in the 2009–2013 strategic period, before directing much of its infrastructure budget to the TVET colleges in the 2014–2019 period, it is expected that the NSF will, in the 2020–2025 period, begin to inject some of its funding towards the CET college system.

Looking ahead, with the backing of my office and the Accounting Authority, the Director-General of Higher Education and Training, the NSF is committed to staying on course in the implementation of the national government's skills development priorities, while maintaining a considered funding approach to ensure maximum impact in contributing to the triple challenge of poverty, inequality and unemployment.

DR BE NZIMANDE, MP
MINISTER: HIGHER EDUCATION, SCIENCE AND TECHNOLOGY
EXECUTIVE AUTHORITY OF THE NATIONAL SKILLS FUND

DEPUTY MINISTER STATEMENT

MR BK MANAMELA, MP
Deputy Minister of Higher Education, Science and Technology

When South Africa continues to be faced by the increasing rate of unemployment, the absorption of young people into the formal economy remains a major government priority focus in the medium term. The current socio-economic environment therefore requires skills institutions to become agile and cushion young people and vulnerable communities from the effects of poverty, inequality and unemployment.

Consequently, the medium term strategic framework (MTSF) has specific targets on creating and increasing access to post-school education and training (PSET) opportunities and ensuring quality skills development. Essentially, the education, training and innovation system should produce adequate skills and knowledge to meet the current and future needs of the economy and society. Research and development needs to be expanded to ensure that it contributes towards building an inclusive society and to support a growing and competitive economy.

Notably, in implementing the objectives of the National Skills Development Strategy (NSDS) III, the NSF had realised some reasonable success to expanding skills programmes and learnership opportunities to all provinces and done well in focusing resources towards the youth. However, in the 2020–2025 strategic period, the NSF must further build on these NSDS III achievements.

Consequently, the National Skills Development Plan (NSDP) 2030 provides the NSF with a renewed impetus to sharpen its strategic focus. As expressed in the NSDP, there is great expectation that the NSF will continue to train an increased number of unemployed people for the labour market or self-employment, while addressing the needs of the poor, prioritising the cohort not in employment, education nor training (NEET), and supporting wider government strategies such as youth programmes, building small businesses and co-operatives, as well as rural development.

It is foreseen that the 4IR will result in a further shift from labour-intensive production to knowledge and skills-intensive production. South Africa will need an adequate pool of expertise to propel the adoption and use of emerging technologies. Even though South Africa has a strong innovation culture and entrepreneurial activity that is supported by a well-established financial sector, human capital remains the most pressing challenge in preparing for the future of production.

Therefore, while emerging technologies may have stimulating implications from a productivity, efficiency and creativity perspective, the real impact will be felt at a human development level by those who are not skilled for the 21st century technologies. Hence, in the five-year strategic period, the NSF should play an active role in funding the development of some of the foundational skills needed for the 4IR.

Importantly, attempts to raise South Africa's potential growth rate must include progress on the fundamental building blocks of long-run sustainable growth. In the PSET environment, this includes enhancing the relevance of the PSET sub-systems by better aligning the learning outcomes to labour market needs. It includes youth employment interventions such as government programmes that incentivise job creation such as learnerships and internships, as well as apprenticeships that facilitate school-to-work transition based on the close cooperation between institutions of learning and the private sector.

With the view to expanding and integrating the PSET system, in the medium term, the NSF remains an important source of funding to enable linkages between the skills system and other post-schooling sub-systems. As such, the NSF will continue to be responsible for building linkages within the skills system and funding skills development capacity in public education and training institutions.

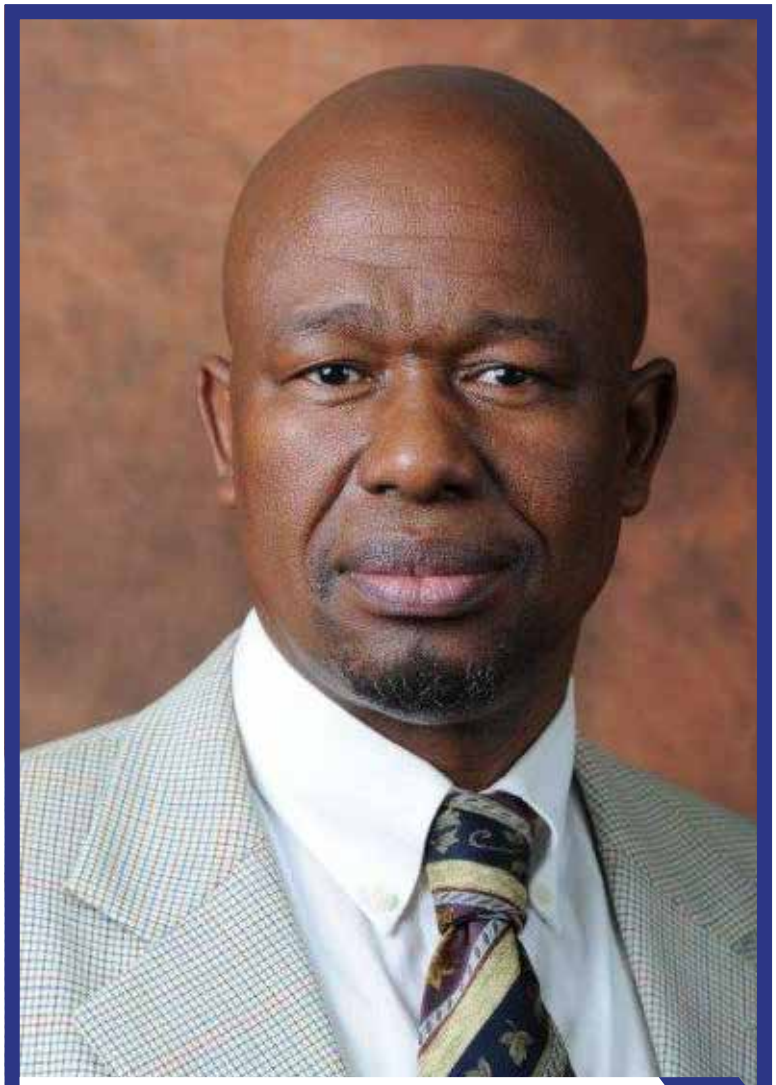
Critically, South Africa is confronted with a shortage of qualified artisans to sustain industries and support economic growth. In line with the NDP which amplifies government strategic infrastructure projects aimed at enabling economic growth, as well as the production of 30 000 artisans per annum by 2030, the DHET has identified artisan development as one of the priority areas for skills development.

In a bid to boost artisan development, the NSF will issue public calls for proposals to implement artisan development programmes during the 2020–2025 period. This will further add to the existing artisan development programmes that the NSF will continue to fund. The existing NSF-funded artisan development programmes include: the DHET's flagship artisanal Centres of Specialisation (CoS) programme being implemented at 26 TVET college campuses and focused on 13 priority artisanal trades, and the National Artisan Moderation Body (NAMB) funded to implement a single national artisan trade testing and certification system across all economic sectors that are quality assured by the Quality Council for Trade and Occupations (QCTO). It also includes the Artisan Recognition of Prior Learning (ARPL) being implemented by the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA).

The NSF 2020–2025 Strategic Plan is modest in its projections of targets owing to a decline in its resource base in the previous five-year strategic period and the increasing competing priorities within the PSET system. However, it will guide the entity as it attempts to balance the demand to invest in national priorities and contribute to building a vibrant, integrated and progressive PSET system.

MR BK MANAMELA, MP
DEPUTY MINISTER: HIGHER EDUCATION, SCIENCE AND TECHNOLOGY

ACCOUNTING AUTHORITY STATEMENT



MR GF QONDE
Director-General of Higher Education and Training

South Africa's skills system operates within a sound policy environment and has the full support of the sixth administration of government. This stable, enabling environment provides a defined course for the NSF to continue to provide its catalytic funding towards education, training and innovation, as a means to improve the employability and entrepreneurial potential of South Africans, and reduce unemployment, inequality and poverty.

With a single purpose of funding to skill our nation, the NSF has made a positive contribution towards the advancement of some of the most pressing post-school education and training (PSET) priorities in the medium-term strategic framework (MTSF). Through the funding of education and training programmes, the NSF funded the education and training of close to 120 000 beneficiaries during the 2017/18 and 2018/19 financial years, with close to 28 000 being bursary and scholarship recipients pursuing undergraduate and postgraduate qualifications. The other NSF education and training beneficiaries, mainly young people not in employment, education nor training (NEET), participated in NSF-funded learnerships and skills programmes implemented through skills development service providers.

In building the skills base of small, medium and micro enterprises (SMMEs) and co-operatives, the NSF funded 5 166 emerging enterprises in the 2017/18 and 2018/19 financial years. A further 4 680 learners were funded by the NSF during this period for skills programmes through SMMEs and co-operatives skills programmes. Notably, the long-term partnership between the DHET and the Department of Small Business Development (DSBD), through its entity the Small Enterprise Development Agency (SEDA), contributed to the magnitude of SMMEs and co-operatives funded for skills development in the prior years. Additionally, through community and non-profit organisations and non-governmental organisations, the NSF funded the education and training of 24 511 learners and an additional 1 678 learners, respectively.

The DHET Strategic Plan 2020–2025 reflects an intensified focus toward expanding access to post-school opportunities. The NSF will, therefore, continue to provide funding to expand access to PSET opportunities, by not only focusing on universities enrolments, but also increasing enrolment at the TVET and CET colleges, as well as boosting artisans and work-based learning. As a catalytic fund, the entity will also continue its enabling role towards the development of a responsive PSET system, improved quality of PSET provisioning, and improved success and efficiency of the PSET system.

Importantly, poverty will remain a critical lens of priority for the NSF, and the introduction of the New District Model will enable the NSF to identify, target and support the areas in the lowest poverty indexes.

Realising improvements in planning is also dependent on strengthening research capabilities. It is on this basis that the NSF will, in the 2020–2025 strategic period, invest in strengthening its research capabilities to gain a deeper understanding of the labour market dynamics and to build a demand-led skills development system, in conjunction with the DHET's research priorities. For the NSF, this requires a review of priority programmes that the NSF commits to funding, with a primary focus in the medium term to shift towards more occupational qualifications and skills programmes in high demand being funded.

The NSF 2020–2025 Strategic Plan has aligned its objectives to key government policy instruments such as the National Development Plan (NDP), while addressing the most salient post-school priorities as expressed in the White Paper for Post-School Education and Training (WP-PSET), the National Plan for Post-School Education and Training (NP-PSET), and National Skills Development Plan (NSDP) 2030.

While the NSF is tasked with the broad responsibility to initiate as well as respond to national skills priorities, in the 2020–2025 period, this implies that the NSF must maintain focus on identifying and targeting gaps in resource shortages and catalytic partnership opportunities for national priorities. In so doing, this five-year strategic plan will guide the NSF management, staff, its implementing partners and PSET stakeholders as they navigate the task of allocating resources not only to meet the priority skills needs of the country, but also to assist in building the capacity of the post-school system.

MR GF QONDE
DIRECTOR-GENERAL OF HIGHER EDUCATION AND TRAINING
ACCOUNTING AUTHORITY OF THE NATIONAL SKILLS FUND

PURPOSE OF THIS DOCUMENT

The NSF 2020–2025 Strategic Plan highlights the NSF's strategic foundation as well as the performance and financial plan for the period 1 April 2020 to 31 March 2025. It is the outcome of an annual planning process that sets targets for the first year as well as projections for the rest of the five-year period. The strategic elements, namely the NSF's vision, mission and values, represent the long-term direction that guides the annual planning process. These strategic elements are normally reviewed over five-year periods.

The strategic plan has been compiled based on the requirements of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) and the Department of Planning, Monitoring and Evaluation revised framework and guideline for strategic plans and annual performance plan:

- National Treasury Instruction Note 5 of 2019/20 issued on 14 January 2020.
- Revised Framework for Strategic Plans and Annual Performance Plans issued on 14 January 2020.
- Guidelines for the Implementation of the Revised Framework for Strategic and Annual Performance Plans issued on 14 January 2020.

The strategic plan will guide the work of the NSF and serves as a basis for an assessment of the NSF's performance by stakeholders over the strategic period 1 April 2020 to 31 March 2025 and beyond, taking into consideration the implementation of the DHET 2020–2025 Strategic Plan, WP-PSET and the NSDP 2030.

DESCRIPTION OF THE **STRATEGIC PLANNING PROCESS**

In the sixth administration of government, the Department of Planning Monitoring and Evaluation (DPME) issued a draft revised Strategic Planning Framework and Guideline in January 2020. In addition, the DPME issued the five-year implementation plan of the NDP for the period 2020–2025 in order for departments and entities to align their plans with the objectives of the NDP. The revised framework and guidelines seek to improve planning and the effective implementation of government programmes.

In addition, the NSF management engaged with and discussed the policies, plans and strategic documents that inform the development of its final strategic planning framework. The NSF also engaged with and discussed the outcome of the audit of the entity for the period 2018/19 as well as the assessment of the organisational performance as per the performance information from 1 April 2015 to the end of quarter 1 of 2019.

Further, the NSF assessed the draft medium-term strategic framework (MTSF) of the DHET. The NSF management identified outcomes to which the NSF will contribute in line with its mandate and objectives. These draft inputs were presented to the Minister of Higher, Education and Technology on 22 August 2019. Further, the NSF participated in the strategic planning session of the DHET convened on 28–30 August 2019. These processes and engagements provided the basis for the NSF to prepare its draft strategic plan and APP for the financial years commencing 1 April 2020 up to 31 March 2025. In addition, the NSF held a strategic planning session on 12–13 September 2019 to discuss, debate and prepare the NSF 2020-25 Strategic Plan and 2020/21 APP.

Lastly, in terms of section 5 of the Skills Development Act (SDA), 1998 (Act No. 97 of 1998), one of the functions of the National Skills Authority (NSA) is to advise the Minister on the strategic framework and criteria for allocation of funds from the NSF. The NSF will therefore, as in the past, table this strategic plan to the NSA for consideration in the presentation thereof to the Minister of Higher Education, Science and Technology and the Director-General of the DHET, as the executive and accounting authorities of the NSF, respectively.

PART A
OUR MANDATE

PART A OUR MANDATE

Constitutional mandate

The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) (the Constitution) is the supreme law of the country; thus all laws of the country must be consistent with the Constitution. All government institutions and entities derive their mandate from the Constitution. The Constitution makes provision for other legislations regarding planning and performance monitoring across the three spheres of government.

The National Skills Fund derives its mandate from section 28(1) and section 30B of the Skills Development Act, 1998 (Act No. 97 of 1998) (SDA). The SDA is in support of section 29(1) of the Bill of Rights, as enshrined in the Constitution, which outlines that everyone has the right to further education, which the state, through reasonable measures, must make progressively available and accessible.

Legislative and policy mandates

i) Established in terms of the Skills Development Act

The NSF was established in 1999 in terms of section 27(1) of the Skills Development Act, 1998 (Act No. 97 of 1998) (SDA), stating the following: "The National Skills Fund is hereby established". The NSF is thereby not established with legal persona.

In terms of section 29(1) of the SDA, the Director-General of the Higher Education and Training is the accounting authority of the NSF as contemplated by section 49(2)(b) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

In terms of section 29(1)(d) of the SDA, the Director-General of the Higher Education and Training must, subject to the laws governing the public service, appoint the executive officer of the NSF who will, upon such appointment, be in the employ of the public service.

ii) Listed as a Schedule 3A public entity in terms of the PFMA

On 12 October 2012, the Minister of Finance listed the NSF as a Schedule 3A public entity in terms of the PFMA, retrospectively effective from 1 April 2012 (Notice No. 821 in Government Gazette No. 35759).

The listing of the NSF as a public entity does not determine the legal persona status of the NSF, but prescribes the compliance framework that the NSF must adhere to in terms of the PFMA. The legal persona status is determined by the NSF's founding legislation, namely the SDA.

The purpose of the SDA is to:

- Ensure credible labour market analysis to provide a supply and demand analysis of national skills priorities.
- Require alignment with policies of the state and the DHET.
- Develop the skills of the South African workforce.
- Increase the levels of investment in education and training in the labour market.
- Encourage employers to use the workplace as an active learning environment.
- Encourage workers to participate in learning programmes.
- Improve the employment prospects of South African citizens specifically those who are previously disadvantaged.
- Ensure the quality of learning in and for the workplace, and ensure quality of provision delivery in line with the establishment of QCTO.
- Establishment of the NSF as well as other skills levy institutions that must collaborate in order to achieve the objectives of the SDA.
- Make provision for financing through the skills levy.

iii) Mandate of the National Skills Fund

The money of the NSF may be used for the primary objectives as defined by the prescripts of the SDA, namely:

- To fund projects identified in the national skills development strategy as national priorities (section 28(1) of the SDA).
- To fund projects related to the achievement of the purposes of the SDA as the Director-General determines (section 28(1) of the SDA).
- To fund any activity undertaken by the Minister to achieve a national standard of good practice in skills development (section 30B of the SDA).
- To administer the NSF within the prescribed limit (section 28(3) of the SDA). Regulations to prescribe the limit for the administration of the NSF at 10% of revenue have been approved and published in Notice No. R.1030, Government Gazette No. 33740 dated 8 November 2010.

iv) Revenue sources of the National Skills Fund

The current main revenue sources for the NSF are:

- 20% of the skills development levies as contemplated in the Skills Development Levies Act (SDLA), 1999 (Act No. 9 of 1999).
- Interest earned on investments held at the Public Investment Corporation (PIC).

The NSF may also receive revenue from the following sources:

- The skills development levies collected and transferred to the NSF, in terms of the SDLA in respect of those employers or sectors for which there is no Sector Education and Training Authority (SETA).
- Money appropriated by Parliament for the NSF.
- Donations to the NSF.
- Money received from any other source.

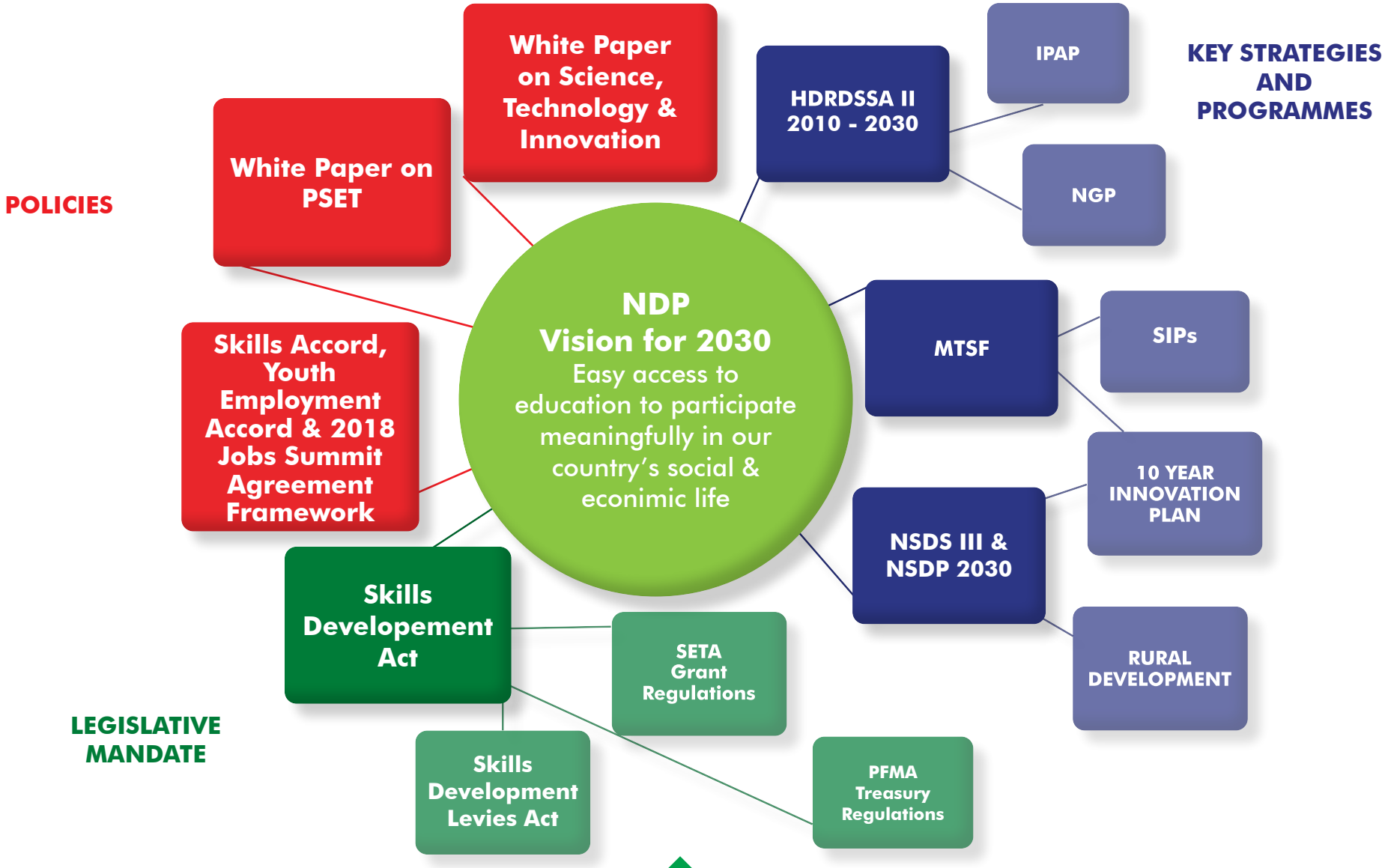
v) Retention of accumulated surplus

In terms of section 29(3) of the SDA, the unexpended balance in the NSF at the end of the financial year must be carried forward to the next financial year as a credit to the NSF.

vi) Other key legislation applicable to the NSF

Legislation / Regulation	Summary of its purpose
National Qualifications Framework (Act No. 12 of 2019)	• Creates a single integrated national framework for learning. • Facilitates access to education, training and career paths. • Enhances the quality of education and training. • Creates a single integrated national framework for learning. • Accelerates the redress of past unfair discrimination. • Allows for the South African Qualifications Authority (SAQA) and the quality councils to oversee the NQF. • Recent amendments make provision for skills development providers to be registered, processes for verification, and offences and penalties that have a bearing on fraudulent qualifications.
Workplace Based Learning Programme Regulations of 2018	• Provides a framework for the types of workplace based learning provision through PSET. • Provides for administration and role of parties to workplace based learning including employers, learners, education and training providers, quality councils and the DHET.
SETA Grant Regulations, 3 December 2012, Vol. 570, 35940	Provides a benchmark for the management of the skills levy including the thresholds for administration costs and the governance and operational considerations for managing skills levies.
Spatial Planning and Land Use Management (SPLUMA), 2013 (Act No. 16 of 2013)	It was adopted shortly after the introduction of the NDP. SPLUMA is an important component of the drive to set the broad spatial agenda of the country, promoting the development principles of spatial justice, spatial sustainability, efficiency, spatial resilience and good administration.
The South African Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)	Emphasises that "the three spheres of government are distinctive, interdependent and interrelated". All three spheres of government (local, provincial and national) are autonomous. Notwithstanding their autonomy, the three spheres of government must plan together for the utilisation of scarce resources and to ensure achievement of government priorities.

INSTITUTIONAL POLICIES, LEGISLATION AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD



INSTITUTIONAL POLICIES, LEGISLATION AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

i) National Development Plan (NDP) 2030

The NDP 2030 is the over-arching long term strategy of government aiming to eliminate poverty and reduce inequality by 2030, among other policy imperatives. It serves as the single most important longer term strategy to which all strategies of government must be aligned.

This strategic plan of the NSF is comprehensively aligned to the objectives of the NDP. The NDP places the following specific funding responsibility on the NSF: "Training for start-ups and emerging businesses, rural development, adult basic education and training, and community development should be supported by money from the National Skills Fund and managed by relevant departments or agencies, such as Small Enterprise Development Agency, Kha Ri Gude and the National Youth Development Agency. This would enable the National Skills Fund to focus on large skills development programmes that form part of a broader programme. This would simplify the grant funding mechanism by supporting fewer, but larger programmes" (NDP, p. 286).

The NDP further outlines specific objectives and actions aimed at improving the education, training and innovation system. The following objectives, as outlined in the NDP towards improving the education, training and innovation system, may entail additional funding responsibilities being placed on the NSF in contributing towards achieving these objectives and implementing the relevant actions:

- Expand the college system with a focus on improving quality. Better quality will build confidence in the college sector and attract more learners. The recommended participation rate of 25% would accommodate about 1.25 million enrolments.
- Provide 1 million learning opportunities through CET centres.
- Produce 30 000 artisans per year.
- Increase enrolment at universities by at least 70% by 2030 so that enrolments increase to about 1.62 million from 950 000 in 2010.
- Increase the number of students eligible to study towards mathematics and science degrees to 450 000 by 2030.
- Increase the percentage of PhD qualified staff in the higher education sector from the current 34% to over 75% by 2030.
- Produce more than 100 doctoral graduates per million per year by 2030. That implies an increase from 1 420 in 2010 to well over 5 000 a year.
- Expand science, technology and innovation outputs by increasing research and development spending by government and through encouraging industry to do so.

Actions outlined in the NDP for technical and vocational education and training:

- Support the development of specialised programmes in universities focusing on training college lecturers and provide funding for universities to conduct research on the vocational education sector.
- Build the capacity of TVET institutions to become preferred institutions for vocational education and training. Learners should be able to choose the vocational pathway before completing Grade 12. Expand the geographical spread of TVET institutions.
- Build a stronger relationship between the college sector and industry. SETAs have a crucial role in building relationships between education institutions and the employers.

Actions outlined in the NDP for higher education:

- Implement a national programme to develop the next generation of academics for South African higher education.
- Complete the construction of two new universities in Mpumulanga and the Northern Cape, new medical schools in Limpopo and a number of academic hospitals; expand the infrastructure of existing institutions and allow all universities to use distance education to reach more learners.
- Provide an option of a four-year university degree, combined with bridging courses and more support for universities to help students from disadvantaged backgrounds.
- Provide all students who qualify for the National Student Financial Aid Scheme (NSFAS) with access to full funding through loans and bursaries to cover the costs of tuition, books, accommodation and other living expenses. Students who do not qualify should have access to bank loans, backed by state securities. Both the NSFAS and bank loans should be recovered through arrangements with South African Revenue Service (SARS). Service-linked scholarships should be available in areas such as nursing, teaching and social work.

ii) White Paper for Post-School Education and Training (WP-PSET)

The WP-PSET sets out government's vision for an integrated system of PSET that is able to respond to the needs of the South African society and economy. It outlines policy directions to guide the DHET and the institutions for which it is responsible in order to contribute to building a developmental state with a vibrant democracy and a flourishing economy. Its main policy objectives are:

- A post-school system that can assist in building a fair, equitable, non-racial, non-sexist and democratic South Africa.
- A single, coordinated PSET system.
- Expanded access, improved quality and increased diversity of provision.
- A stronger and more cooperative relationship between education and training institutions and the workplace.
- A PSET system that is responsive to the needs of individual citizens, employers in both public and private sectors, as well as broader societal and developmental objectives.

Among others, the WP-PSET directs attention to critical improvement and capacitation areas within the PSET system integration that include:

- TVET college capacitation and infrastructure.
- Educational institution and employer partnerships and work integrated learning.
- Artisan development strategy operationalisation.
- Recognition of prior learning.
- Community colleges and public adult learning centre development.
- Development of scarce and critical skills (occupations in high demand).
- Education and training improvement.
- NSDS III

iii) National Skills Development Plan (NSDP) 2030

The NSDP was approved by the Minister of Higher Education and Training on 7 March 2019 for implementation with effective from 1 April 2020. The vision of the NSDP is "an educated, skilled and capable workforce for South Africa".

The NSDP builds on the implementation of the NSDS III and intends to address systemic considerations to improve the effectiveness and efficiency of the skills development system and institutions. It mainly the NSDP seeks to further integrate skills development interventions within the PSET system in order to address the triple challenge of high levels of unemployment, poverty, and inequality, through skills development interventions such as learnerships, apprenticeships and other forms of workplace based learning. It is envisaged that improving and increasing access to occupations in high demand and priority skills will contribute to supporting economic growth, employment creation and social development. The NSDP will contribute to strategies and priorities of various sectors of the economy, with an emphasis on inclusive growth and employment generation, as set out in the NDP, Industrial Policy Action Plan (IPAP) and other key policy documents of government.

The NSDP further outlines the following national priority outcomes that will take precedence in the NSF:

- Outcome 1: Identify and increase production of occupations in high demand
- Outcome 2: Link education and the workplace
- Outcome 3: Improve the level of skills in the South African workforce
- Outcome 4: Increase access to occupationally directed programmes
- Outcome 5: Support the growth of the public college system
- Outcome 6: Skills development support for entrepreneurship and co-operative development
- Outcome 7: Encourage and support worker initiated training
- Outcome 8: Support career development services

Transformational imperatives

In addition, the NSDP continues to focus on the societal transformational imperatives and parameters enunciated in the NSDS III and remains relevant in the South Africa's scio-economic climate, and which are:

- **Gender:** provide more access opportunities for women
- **Youth:** increase access opportunities for youth
- **Geography:** focus to shift to previously neglected rural areas
- **Race:** programmes to address racial skill disparities
- **Class:** redress imbalances brought about by class
- **People with disability:** avail more training and workplace opportunities for disabled people
- **HIV/AIDS:** programmes to embrace awareness and education advocacy on HIV/AIDS.
- **Equity and access:** Provide access and reduce inequality through increase access to those who are previous disadvantaged

The NSF, as guided by the NSDP that builds on the work undertaken under the NSDS III, will measure each education and training projects funded against these developmental and transformational imperatives.

iv) Human Resource Development Strategy of South Africa (HRDSSA) 2010–2030

The HRDSSA is the long-term overarching strategy to drive human development in the country. The funding strategy of the NSF responds to and supports priorities that emanate from the following commitments of the HRDSSA:

- Commitment 1: We will urgently overcome the shortages in the supply of people with the priority skills needed for the successful implementation of current strategies to achieve accelerated economic growth.
- Commitment 2: We will increase the number of appropriately skilled people to meet the demands of our current and emerging economic and social development priorities.
- Commitment 3: We will ensure improved universal access to quality basic education and schooling (up to Grade 12) that is purposefully focused on: (a) achieving a dramatic improvement in the education outcomes for the poor, (b) equipping learners with optimal capacity for good citizenship, and (c) the pursuit of post-school vocational education and training for employment.
- Commitment 4: We will urgently implement skills development programmes that are purposefully aimed at equipping citizens with requisite skills to overcome related scourges of poverty and unemployment.
- Commitment 5: We will ensure that young people have access to education and training that enhances opportunities and increases their chances of success in further vocational training and sustainable employment.
- Commitment 6: We will improve the technological and innovation capability and outcomes within the public and private sectors to enhance our competitiveness in the global economy and to meet our human development priorities.
- Commitment 7: We will ensure that the public sector has the capability to meet the strategic priorities of the South African developmental state.
- Commitment 8: We will establish effective and efficient planning capabilities in the relevant departments and entities for the successful implementation of the HRDSSA.

v) Medium Term Strategic Framework (MTSF) 2020–2025

The MTSF is government's strategic planning framework for the 2020–2025 electoral term. This is the government's monitoring framework for the NDP five-year implementation plan during the electoral cycle. It reflects how government will measure its progress against the commitments made in the election manifesto of the governing party and the NDP five-year implementation plan. It is a basis for measurement of government performance and must be aligned with measurement of performance at the national, provincial and local government spheres. The MTSF sets out the actions government will take and targets to be achieved.

By 2030, South Africa should have access to education and training of the highest quality, leading to significantly improved learning outcomes. The education, training and innovation system should cater for different needs and produce highly skilled individuals. The graduates of South Africa's universities and TVET Colleges should have the skills and knowledge to meet the present and future needs of the economy and society.

Government has identified seven priorities derived from the Electoral Mandate and the State of the Nation Address:

- Priority 1: Economic transformation and job creation
- Priority 2: Education, skills and health
- Priority 3: Consolidating the social wage through reliable and quality basic services
- Priority 4: Spatial integration, human settlements and local government
- Priority 5: Social cohesion and safe communities
- Priority 6: A capable, ethical and developmental state
- Priority 7: A better Africa and world

Priority 2, namely education, skills and health is relevant to the NSF as a public entity under the auspices of the DHET. This priority contributes to pillar 2 of the three NDP pillars that is "Capabilities of South Africans".

Further, emanating from the MTSF and the State of the Nation Address, of February and June 2019, there are 14 priority economic sectors to strengthen coordination interventions of the state over the next five-year period. In addition, a more targeted and consolidated approach has been conceptualised for spatial integration. As a national entity, the NSF will be required to prioritise these interventions. Measuring impact. The NSF will be required to undertake more detailed research and planning into order to collaborate and support the attainment of the priorities of the MTSF in so far as it relates to the mandate of the NSF.

vi) DHET Strategic Plan 2020–2025

The DHET has been set the following four outcomes in line with the MTSF, and these priority outcomes will steer the NSF to contribute to the achievement of the MTSF outcomes:

- Outcome 1: Expanded access to PSET opportunities
- Outcome 2: Improve success and efficiency of the PSET system
- Outcome 3: Improve quality PSET provisioning
- Outcome 4: Create a responsive PSET system

1) Expanded access to PSET opportunities

The WP-PSET targets enrolments of 1 million students in CET colleges, 2.5 million in TVET colleges and 1.6 million in higher education institutions by 2030. Given the 2017 enrolments of 258 199 CET students, 688 028 TVET students and 1.2 million higher education students, the size and shape of the PSET system will change markedly over the next 10 years. It is envisaged that the TVET sector will become the biggest sector, with the CET sector approaching the enrolment size of the public higher education sector. Enrolments in technical and vocational programmes are expected to increase considerably compared to current enrolments, in order to both expand entry-level access to the world of work in various trades and occupations, and to prepare students for entrepreneurship or self-employment.

The expansion of the PSET system requires a careful, judicious and systematic enrolment planning process that is in line with available resources, capacity and funding. Targeted interventions will therefore be developed to ensure equitable participation that is supported by increased numbers of quality staff, affordable fees and inclusive and sustainable financial aid. In addition, institutional differentiation is necessary to foster a wider variety of modalities of provision, learning programmes and pedagogy, to cater for diverse student and employer needs, and to permit all PSET institutions (public and private) to develop niche areas that respond to national development imperatives.

2) A responsive PSET system

As the WP-PSET points out, the PSET system is an important institutional mechanism that must be responsive to the needs of society. Improved responsiveness entails developing a better understanding of demand and supply, which in turn requires enhanced liaison and engagement with communities at local, regional and international levels, as well as socially responsive research, collaboration, partnerships and capacity building. The objective is to provide qualification programmes and curricula that are responsive to the needs of the world of work, society and students. Greater is cooperation is envisaged between PSET institutions and the world of work, with a specific focus on the connections and interactions between provider institutions and skills levy institutions, and between provider institutions and employers, particularly but not only for workplace-based learning purposes and for strengthening research and innovation. Strengthening workplace-based learning at system and institutional levels, as well as encouraging employers to participate therein, will help to improve education and employment outcomes, as will greater industry involvement in the financing of research and development and in developing partnerships and promoting synergies with higher education institutions and research councils.

3) Improved quality of PSET provisioning

If the 2030 targets are to be met, every institution across the entire PSET system will need to improve the quality of its provision. It will be wasteful and negligent to permit quality to lag while access expands. The quality of teaching and learning, research, management and governance, staff, quality assurance and infrastructure need to be improved in order to improve the quality of PSET

provision. Most importantly, the quality of PSET teaching and learning must be prioritised. Better learning will be supported by improving and diversifying student services, housing, foundational programmes and modes and models of programme delivery. Better teaching will be supported by increasing the numbers, quality and qualifications of lecturers, especially but not only black academics at senior levels. At the same time, lecturers' pedagogical, curriculum development and research capacities will be improved, together with their abilities to harness digital technologies to support teaching and learning in innovative ways. The development of digital pedagogies will be supported. Institutional governance, leadership and management, including student leadership, will be strengthened, so that together they can realise their own quality institutional goals while driving their sector forwards in pursuit of national objectives.

4) Improved success and efficiency of the PSET system

The quality of provision as indicated above is premised on qualified, experienced and committed staff, informed, caring, focused and reliable student support services, and adequate and available infrastructure. Increased efficiency and success across all PSET sectors will promote a culture of completion, which in turn will not only improve cost-effectiveness, build work-readiness and facilitate employment but also help to embed lifelong learning capabilities among citizens.

vii) White Paper on Science, Technology and Innovation (WP-STI)

In May 2019, the President of South Africa in the sixth administration of government reconfigured a number of Ministries and departments. A new Ministry of Higher, Education and Technology was pronounced, with Dr BE Nzimande appointed as the first Minister in the portfolio. Consequently, the Minister of Higher Education and Technology is the Executive Authority for the DHET and the Department of Science and Innovation. The new configuration has a number of policy and system opportunities for South African citizens and the state. Both departments have approved white papers, namely; the WP-PSET issued in 2017 and the WP-STI issued in March 2019.

In successful and leading skills development systems globally, some of the success has been attributed to the alignment to industrial policies, fiscal wide policies and incentives as well as close relations with systems of innovations and patent developments. While the departments had not been merged at the time of preparing this plan, the processes of collaboration and alignment between the two departments informed by the white papers are underway.

The WP-STI "sets the long-term policy direction for the South African government to ensure a growing role for science, technology and innovation in a more prosperous and inclusive society. It focuses on using science, technology and innovation to accelerate inclusive economic growth, make the economy more competitive, and improve people's daily lives. It aims to help South Africa benefit from global developments such as rapid technological advancement and geopolitical and demographic shifts, as well as respond to the threats associated with some of these global trends" (WP-STI, p.x).

The vision set out is "science, technology and innovation enabling inclusive and sustainable South African development in a changing world" (WP-STI, p.11) with the objectives of:

- Improved coherence and coordination
- Increased National System of Innovation (NSI) partnering between business, academia, government and civil society
- Strengthened and transformed NSI institutions
- Increased human capabilities
- Expanded research enterprise
- Enhanced enabling environment for innovation
- Improved funding across the NSI

These WP-STI objectives coupled with the scope of emerging trends, technology and innovation that is inclusive of the green economy, the circular economy and the 4IR will provide key insights for the emerging fields of knowledge and material that will shape the future. These shifts will have an impact on the type of education, training and skills development required to develop capable South African citizens as well as to ensure a supply of capable and skilled workforce for the labour market of the future.

In addition, a more detailed matrix indicating the NSF alignment to key strategies and policies of government is provided in Annexure A.

PART B
OUR STRATEGIC FOCUS

PART B OUR STRATEGIC FOCUS

VISION
Funding to skill our nation

MISSION
To provide funding for national skills development towards a capable South African citizenry, that contributes to improving economic participation and social development.

VALUES

Integrity	Passion	Accountable
Honest, Ethical, Trustworthy, Transparent, Open, Fair, Consistent	Diligent, Committed, Motivated, Dedicated, Positive	Responsible, Reliable, Taking ownership, Productive
Service excellence		
Caring, Considerate, Friendly, Responsive, Respectful, Understanding, Empathetic, Approachable, Polite, Unselfish, Assertive, Confident, Continuous learning, Innovative, Proactive, Creative, Flexible, Initiative, Adaptive, Attention to detail, Analytical, Rational, Objective, Results driven, Prompt, Sense of urgency, Punctual, Collaborative		

SITUATIONAL ANALYSIS
This section discusses the NSF's organisational environment, capacity issues and key determinants of performance. It also provides an analysis of the NSF as an entity and how it is impacted by its environment. The SWOT[1] and STEEPLED[2] analysis techniques were used to identify various factors that may impact on the NSF. These were then considered during the compilation of the NSF's outcome setting. The analysis provided an important guideline in the crafting of the NSF strategic priority areas, critical success factors, and enablers that would strengthen organisational capacity and coherent delivery, but would also enhance the way the organisation views and understands its mandate.

External environment analysis
Towards the achievement of South Africa's developmental aspirations by 2030, the NDP positions education and training through skills development as a key lever to transform society, eradicate poverty and grow a sustainable, inclusive economy.

Additionally, the NDP places specific funding responsibilities on the NSF in areas such as the training for start-ups and emerging businesses, rural development, adult basic education and training, and large-scale skills-based community development programmes in partnership with government departments or agencies.

Essentially, the NSF is a critical national skills development add after resource funded through the skills development levy and is strategically positioned as an entity within the ambit of the DHET. As the principal custodian of the PSET system, the DHET is mandated to implement policies and priorities that build a skilled and capable workforce as the basis of an inclusive growth path.

Consequently, in the 2020–2025 strategic period, the DHET has intensified its focus toward expanding access to post-school opportunities, not only focusing on universities enrolments, but also increasing enrolment at TVET and CET colleges, as well as boosting artisans and workplace-based learning. In the medium term, the DHET also plans to further improve on the success and efficiency of the PSET system, while maintaining commitment to improve the quality of PSET provisioning through industry or exchange programmes, the promotion of entrepreneurship hubs, and rollout of Centres of Specialisation for artisanal trades. The mandate of the department thus provides a key basis for the NSF to strategically contribute to national skills development priorities.

Further, the NSDP 2030 affirms the NSF's scope in the 2020-2025 strategic period to direct its funding towards improving the effectiveness and efficiency of the skills system, while building on the NSDS III achievements. Significant strides have been realised by the skills system in recent years, as demonstrated in the NSA evaluation study on the NSDS III during the 2011–2016 period and which points to the following notable highlights:

- The revival of artisan training.
- Almost 1.1 million enrolments across different learning programmes offered under the auspices of the SETAs.
- A total of 330 000 learners funded for education and training programmes through the NSF.
- Learners not previously employed being absorbed into full-time employment after the completion was high in the case of apprenticeships, learnerships and internships.

1. SWOT: Strengths, Weaknesses, Opportunities, Threats | 2. STEEPLED: Social, Technological, Economic, Environmental, Political, Legal, Ethics, Demographics

- Reasonable success to expand training opportunities to all provinces.
- The NSF has done well in focusing resources towards the youth. Of the approximately 200 000 people funded for education and training each year, about one-third are under 25 (32%), almost two-thirds are under 30 (62%) and three-quarters are under 35 (76%).

While the NSDS III was relevant in terms of the challenges it sought to address, and effective in achieving a strategic shift in the way the skills system functions, the evaluation of the NSDS III during the period 2011–2016 further points to the need to build a demand-led skills development system. Ensuring the adequate supply of appropriate skills is dependent on knowing what skills are needed to support economic growth and social development. Strengthening research capabilities and gaining a deeper understanding of the labour market dynamics remain a critical focus for the NSF in the medium term towards improvements of its skills planning.

Improvements in skills planning are critical considering the lack of availability of appropriate skills is often said to be a constraint on economic growth and social development. This includes the National Treasury Economic Policy which states that South Africa's current economic trajectory is unsustainable: economic growth has stagnated, unemployment is rising, and inequality remains high. Therefore, it is imperative for government to ensure that skills supply responds to skills demand. Attempts to raise the country's potential growth rate must therefore include progress on the fundamental building blocks of long-run sustainable growth. In the PSET environment, this includes enhancing the relevance of the education systems by improving the alignment of the learning outcomes to labour market needs. It includes youth employment interventions such as government programmes that incentivise job creation such as learnerships and internship, as well as apprenticeships that facilitate school-to-work transition based on close cooperation between institutions of learning and the private sector.

Notably, the Quarterly Labour Force Survey reported the country's unemployment rate at 29,1% in the third quarter of 2019. The largest percentage of those not in employment, education nor training (NEET) are young persons aged 15–24 years.

Furthermore, it is acknowledged that opportunities in rural areas are far more limited than those in urban areas and informal settlements are also victims of under-provision. People born and living in poor rural areas have fewer opportunities than urban residents, and those in townships and informal settlements do not fare as well as their suburban counterparts.

Significantly, the National Plan for Post-School Education and Training (NP-PSET) requires the NSF to regain its focus over the medium term in supporting these marginalised groups, including the unemployed, and primarily in the CET college system.

Therefore, in the 2020–2025 strategic period, the NSF will place significant focus towards the education and training of people from vulnerable population groups including women, the youth and disabled persons. As informed by the evaluation of the NSDS III 2011-2016, the NSF will review the priority programmes it commits to funding, towards a primary focus on occupational qualifications and programmes in the later years of the five-year strategic period. Additionally, training programmes geared towards small and micro entrepreneurs in the informal sector also will be prioritised with the view of reviving the skills base of peri-urban areas largely comprising townships and informal settlements. Focus will also be maintained towards worker education initiatives that contribute towards improving the quality of industrial relations in workplaces, and for a healthier and productive economy.

Internal environment analysis

The DHET has done much to reposition the NSF as an entity since the NSF transferred from the Department of Labour (DoL) to the newly formed DHET in 2009. This is evident in the significant increase in the NSF's annual allocation towards skills development year-on-year since it was transferred to the DHET in 2009.

Yet, the NSF, together with the rest of the PSET system, still has to fully rise to the skills challenge that the nation is facing. Thus, the work of the NSF still needs to improve to ensure that it operates at optimal levels.

To this end, a series of events during the previous MTSF has led to the NSF implementing an integrated project aimed at transforming the organisation to become

more effective and efficient through the development of a new operating model. The project, subsequently named Project Siyaphambili, entailed the development of a new NSF operating model and consisted of developing and implementing new business processes, a new organisational structure, and defining the NSF's ICT model.

The rationale for implementing Project Siyaphambili, as informed by evaluation conducted during the 2009-2013 period, mainly arose from the following:

i. Weaknesses identified and recommendations made through a serious of reviews and evaluations commissioned by various departments and other role players on the skills levy system as a whole, and on the NSF specifically. These studies include the following:
   - Ministerial Task Team on SETA Performance, gazetted on 16 August 2013 by the Minister of Higher Education and Training.
   - Review of the current skills development system and recommendations towards the best model for delivering skills in the country published by the Human Resource Development Council of South Africa on 24 November 2013.
   - Expenditure Performance Review (dated 30 July 2014) on the NSF conducted by National Treasury.

ii. The envisaged role of the NSF as outlined in the WP-PSET.

iii. The NSF's annual investment in skills development that has significantly increased since the NSF was transferred from the DoL to the DHET, which is expected to continue into the future.

In addition to the abovementioned, the NSF was listed as a Schedule 3A public entity, in terms of the PFMA, effective 1 October 2012.

Remarkably, the NSF has realised several achievements under Project Siyaphambili by the end of the 2014–2019 strategic period in addressing these weaknesses that were identified (above). Notably, during the previous strategic period, the NSF has subsequently been capacitated in a number of functional areas:

- The NSF appointed additional project managers, resulting in the NSF being able to fund and manage more skills development projects and bringing the ratio down to one NSF project manager to approximately 12 to 15 projects, thereby improving project monitoring.
- Dedicated skilled financial support to NSF project managers and skills development providers was appointed in the form of fund managers, in order to improve the accuracy and completeness of project financial reports.
- The dedicated strategic planning and performance reporting function within the NSF was established with the appointment of the Chief Director: Strategy, Organisational Performance and Innovation from June 2019. This is already starting to show more strategic focus within the NSF, towards ensuring that all skills development initiatives funded realise maximum returns on investments and that the organisational performance is optimally geared towards realising these maximum returns on investment.
- A dedicated projects initiation function in the NSF was established, resulting in the NSF improving in the initiation of new strategic skills development initiatives.
- The project evaluation function in the NSF was also established, resulting in the NSF starting to evaluate the outcomes and impacts of its projects funded from the 2019/20 financial year onwards.
- A dedicated legal, governance, risk and compliance function for the NSF was established, improving legal support turnaround times.
- A dedicated ICT function for the NSF was established, supporting the implementation of the NSF's new Microsoft Dynamics ICT system.
- A dedicated supply chain management function for the NSF was established.
- A dedicated internal audit function for the NSF was established, which is already adding value in improving NSF processes.
- A dedicated public relations and communications function in the NSF was established, which is already improving the NSF's communication to stakeholders.
- Additional highly skilled financial capacity was appointed within the NSF, resulting in the NSF not having to outsource its financial reporting functions.

However, the key challenges experienced by the NSF during the rollout of Project Siyaphambili has been mainly the slow recruitment processes in the DHET to fill vacancies. This was mainly as a result of an under-capacitated DHET human resources management (HRM) function. The function shift of the TVET colleges from the provincial education departments to the national DHET resulted in the national DHET having to perform many of the HRM functions for the 50 public TVET colleges, without additional capacity.

With a funded staff establishment of 155 posts, the NSF will maintain its focus in ensuring that the remaining key vacant positions in the NSF's organisational structure are filled.

While the NSF received the first qualified audit opinion from the Auditor-General South Africa (AGSA) in the 2018/19 financial year, this outcome was at a time when a lot of what the NSF set out to achieve through Project Siyaphambili was beginning to yield positive results.

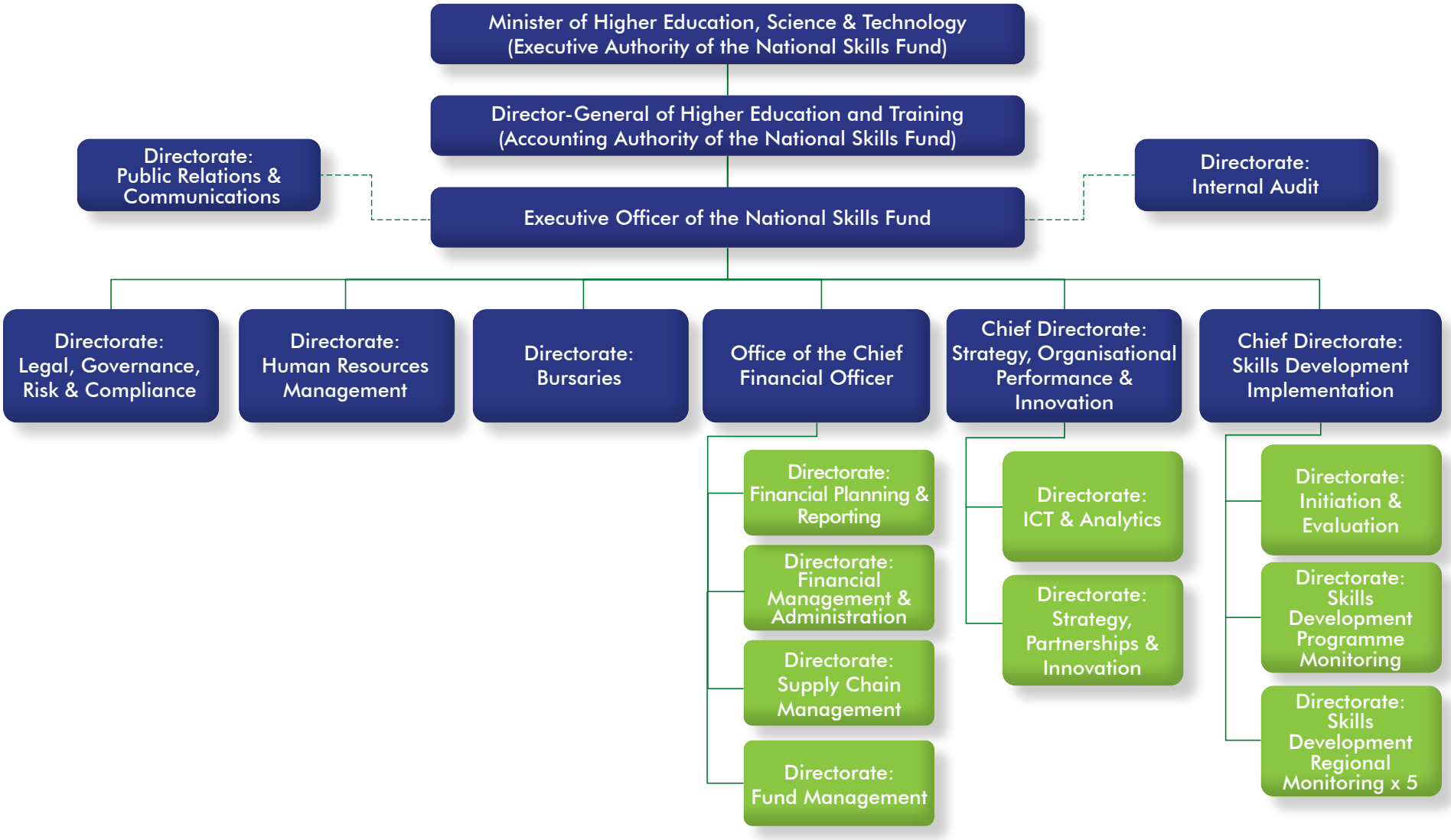
A key focus of the NSF will be to realise an improved audit outcome from the 2019/20 financial year onwards. The main root cause for the 2018/19 audit qualification is as a result of skills development providers not reporting to the NSF, despite attempts by the NSF project and fund managers to finalise outstanding quarterly and close-out financial reports. Throughout the previous strategic period, certain skills development providers did not report to the NSF consistently, comprising some state-owned companies, public TVET colleges and certain national government departments that are implementing skills development projects with funding from the NSF.

The NSF has subsequently strengthened its consequence management processes to address the lack of reporting by these skills development providers to the NSF. As a result, the NSF will address the non-compliance of these skills development providers in accordance with provisions in the NSF's contractual agreements signed between the NSF and these skills development providers.

Additionally, the NSF will maintain its focus to ensuring that its Microsoft Dynamics ICT system is fully functional by the end of the 2019/20 financial year. The envisaged benefits of the automated business processes and systems, once fully operational, include more accurate reporting through improved monitoring of skills development programmes and projects and improved monitoring of the fund's performance.

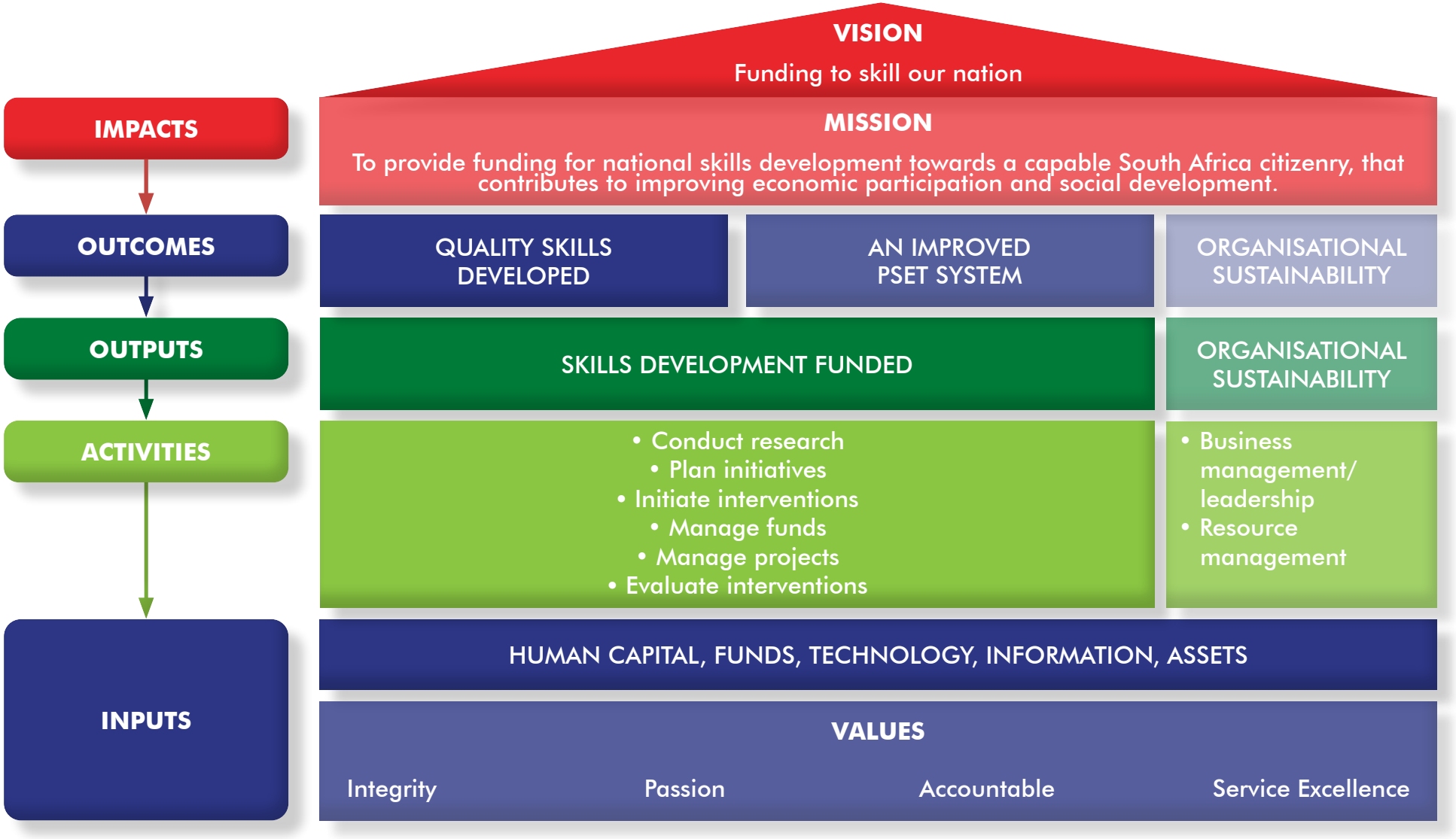
MACRO ORGANISATIONAL STRUCTURE

The NSF's approved organisational structure was implemented from the 2017/18 financial year.



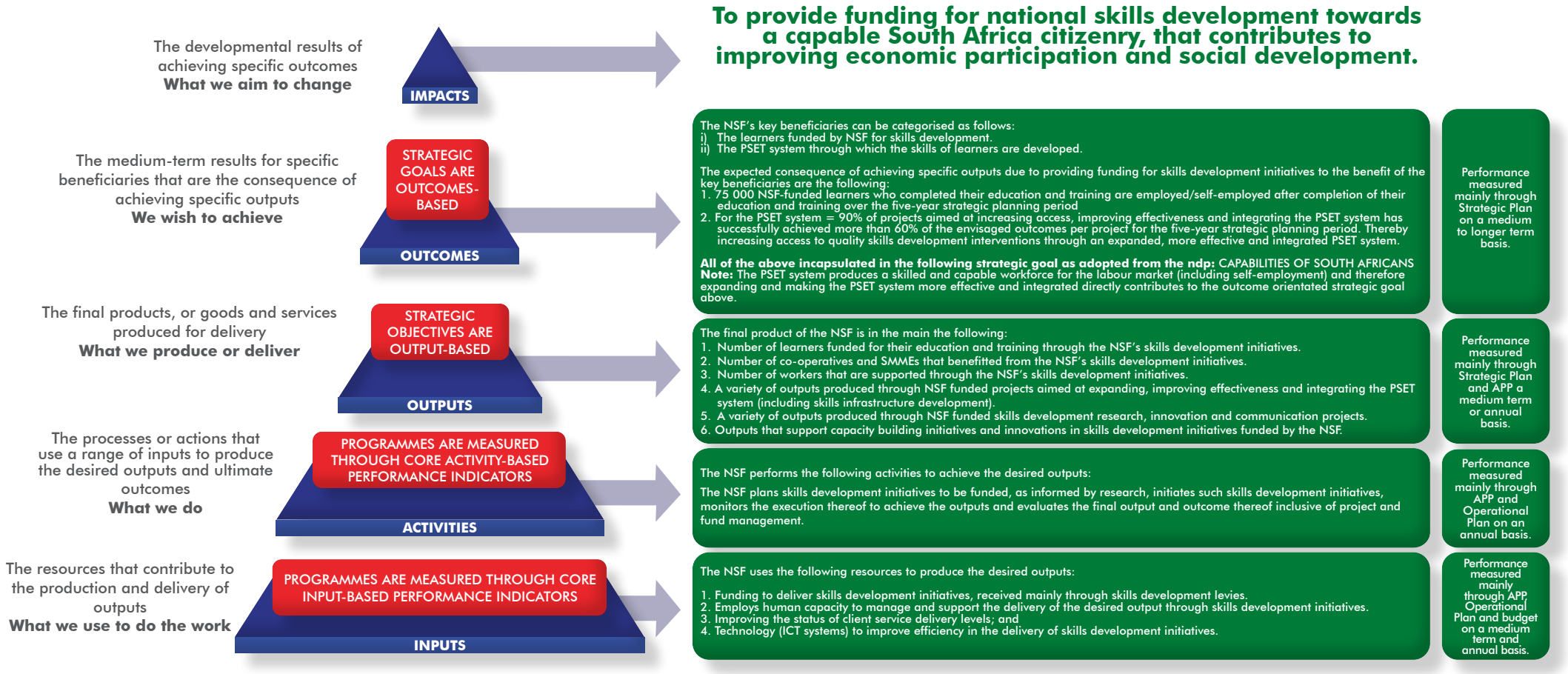
PART C
MEASURING OUR PERFORMANCE

STRATEGIC FRAMEWORK



BACKGROUND ON THE DEVELOPMENT OF THE STRATEGIC PLAN AND ANNUAL PERFORMANCE PLAN (THEORY OF CHANGE)

The development of the NSF's strategic plan and annual performance plan has been premised on the *Framework for Strategic Plans and Annual Performance Plans* published by the National Treasury. The following info graphic has been adapted from the *Framework for Strategic Plans and Annual Performance Plans* to show how the NSF's strategic plan and annual performance plans are aligned to the framework.



PART C MEASURING OUR PERFORMANCE

INSTITUTIONAL PERFORMANCE INFORMATION

MEASURING THE IMPACT

Impact statement	To provide funding for national skills development towards a capable South Africa citizenry, that contributes to improving economic participation and social development.

The NSF's key beneficiaries can be categorised as follows:

i) The learners funded by the NSF for skills development.

ii) The PSET system through which the skills of learners are developed.

The expected consequence of achieving specific outputs due to providing funding for skills development initiatives to the benefit of these key beneficiaries are the following:

i) For the learners funded by NSF = The attainment of employment or self-employment as a result of successfully acquiring relevant skills.

ii) For the PSET system = An expanded, more effective and integrated PSET system.

The PSET system produces a skilled and capable workforce for the labour market (including self-employment) and therefore expanding and making the PSET system more effective and integrated directly contributes to the NSF's envisaged impact, namely that of contributing towards improving economic participation and social development by funding the development of capable South African citizenry.

The attainment of this envisaged impact is aimed towards addressing South Africa's triple challenge of poverty, inequality and unemployment by providing for those from disadvantaged backgrounds and from vulnerable groups with education and training opportunities that will contribute towards their employment (including self-employment) prospects and wealth generation capabilities.

Organisational sustainability

The ultimate objective is to ensure a sound service delivery environment and effective resource management within the NSF. Focus will be on ensuring effective business operations in relation to strategic planning, financial and project monitoring and evaluation, organisational positioning, organisational performance management, organisation culture development, corporate image, stakeholder relations management as well as corporate governance inclusive of a clean audit outcome.

OVERVIEW OF NSF RESOURCE CONSIDERATIONS

Revenue trends

Levy income is expected to grow over the medium-term expenditure framework (MTEF) period at an average of 6% per annum. The NSF's constant revenue streams relate to the revenue that the NSF receives on a monthly basis from skills development levies and investment income from its investments at the Public Investment Corporation (PIC).

The levy is indicating a growth of 9% on the audited 2018/19 financial year, whereas in the previous two financial years it has grown on average by 7%. Given the current economic climate, the levy growth projection has been limited to an average of 6% per year over the MTEF period.

Overall revenue for 2020-2025								
R'000	Audited		Revised estimate	Medium-term estimate			Additional 2 years	
	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
Revenue from non-exchange transactions	**3 204 737**	**3 504 195**	**3 715 261**	**3 882 578**	**4 116 996**	**4 393 964**	**4 613 662**	**4 844 345**
Skills Development Levy	3 199 737	3 496 140	3 715 261	3 882 578	4 116 996	4 393 964	4 613 662	4 844 345
Income from SETAs	5 000	8 055	-	-	-	-	-	-
Revenue from exchange transactions	**551 016**	**503 458**	**589 759**	**618 919**	**649 682**	**682 137**	**716 378**	**752 502**
Finance income from investments at PIC and cash at bank	490 298	445 263	531 564	560 724	591 487	623 942	658 183	694 307
Finance income from advance payments to skills development programmes and projects	60 718	58 195	58 195	58 195	58 195	58 195	58 195	58 195
TOTAL REVENUE	**3 755 753**	**4 007 653**	**4 305 020**	**4 501 497**	**4 766 678**	**5 076 101**	**5 330 040**	**5 596 847**
R movement in comparison with prior year	**(118 081)**	**251 900**	**297 367**	**196 477**	**265 181**	**309 423**	**253 939**	**266 807**
% movement in comparison to prior year	**(3,05%)**	**6,71%**	**7,42%**	**4,56%**	**5,89%**	**6,49%**	**5,00%**	**5,01%**

EXPENDITURE TRENDS

Skills Development Funding Disbursements

Skills development funding disbursements will increase to an average of R5.36 billion disbursed per year over the MTEF period, with an average of R3.93 billion disbursed towards education and training of learners and an average of R1.43 billion disbursed towards improving the PSET system. The skills development funding disbursements towards the education and training of learners will focus on the following:

- Occupational programmes (mainly for learners in the public TVET colleges)
- Skills programme qualification (part qualification)
- Workplace-based learning (full qualification) (includes apprenticeships, learnerships, internships, candidacy etc.)
- Worker education
- Bursaries and scholarships (mainly for students at university)

Administrative expenditure

The NSF's administrative expenditure will increase during the 2019/20 and 2020/21 financial years due to the increase in human resource capacity with the implementation of the NSF's new organisational structure, as well as investment in addressing the NSF's ICT needs. The expected future revenue is sufficient for the NSF to address its structural changes within the prescribed legislative administrative limit of 10% of revenue and will be able to sustain the NSF's increased capacity going forward.

Overall expenditure for 2020-2025								
R'000	Audited		Revised estimate	Medium-term estimate			Additional 2 years	
	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
PROGRAMME 1: QUALITY SKILLS DEVELOPED (SKILLS DEVELOPMENT FUNDING DISBURSEMENTS)	**7 026 411**	**2 290 780**	**4 270 583**	**6 029 792**	**4 899 422**	**5 151 181**	**5 578 208**	**6 029 073**
Sub-programme 1.1: Education and Training	2 884 176	2 283 940	2 654 751	3 822 623	3 693 635	4 281 452	4 651 255	5 042 618
Sub-programme 1.2: Improved PSET System	4 142 235	6 840	1 615 832	2 207 169	1 205 788	869 729	926 953	986 456
PROGRAMME 2: ORGANISATIONAL SUSTAINABILITY (NSF ADMINISTRATIVE EXPENSES)	**120 979**	**154 908**	**279 786**	**272 157**	**300 951**	**315 815**	**331 423**	**347 806**
Employee costs	59 688	70 717	129 847	132 147	161 097	169 244	177 813	186 818
Operating expenses	54 392	79 072	139 874	129 432	128 746	134 930	141 411	148 203
Management fees and bank charges	1 915	1 813	1 919	2 017	2 118	2 220	2 326	2 438
Depreciation and amortisation	4 965	3 271	8 146	8 561	8 990	9 421	9 873	10 347
Loss on disposal of assets	19	35	-	-	-	-	-	-

Overall expenditure for 2020-2025								
R'000	Audited		Revised estimate	Medium-term estimate			Additional 2 years	
	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
LEVY COLLECTION COSTS TO SARS	**48 353**	**48 578**	**54 000**	**56 754**	**59 592**	**62 452**	**65 450**	**68 591**
TOTAL EXPENSES	**7 195 743**	**2 494 266**	**4 604 369**	**6 358 703**	**5 259 965**	**5 529 448**	**5 975 081**	**6 445 470**
R movement in comparison with prior year	**4 598 576**	**(4 701 477)**	**2 110 103**	**1 754 334**	**(1 098 738)**	**269 483**	**445 633**	**470 389**
% movement in comparison to prior year	**177,06%**	**-65,34%**	**84,60%**	**38,10%**	**-17,28%**	**5,12%**	**8,06%**	**7,87%**

Overall budget for 2020-25								
R'000	Audited		Revised estimate	Medium-term estimate			Additional 2 years	
	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
TOTAL REVENUE	3 755 753	4 007 653	4 305 020	4 501 497	4 766 678	5 076 101	5 330 040	5 596 847
TOTAL EXPENSES	7 195 743	2 494 266	4 604 369	6 358 703	5 259 965	5 529 448	5 975 081	6 445 470
SURPLUS / DEFICIT	**(3 439 990)**	**1 513 387**	**(299 349)**	**(1 857 206)**	**(493 287)**	**(453 347)**	**(645 041)**	**(848 623)**

Accumulated surplus and reserves								
Opening balance	10 258 605	6 818 615	8 332 002	8 032 653	6 175 447	5 682 159	5 228 812	4 583 772
Surplus / (Deficit)	(3 439 990)	1 513 387	(299 349)	(1 857 206)	(493 287)	(453 347)	(645 041)	(848 623)
Closing balance	**6 818 615**	**8 332 002**	**8 032 653**	**6 175 447**	**5 682 159**	**5 228 812**	**4 583 772**	**3 735 148**

PART C MEASURING OUR PERFORMANCE

MEASURING OUTCOMES

For each outcome, the NSF has selected the following outcome indicators to measure the achievement of the outcomes at the end of the five-year period. In selecting outcome indicators, consideration has been made to cater for a disaggregation of data with respect to women, youth and people with disabilities, during reporting quarterly and annually over the five year strategic planning period. Applicable indicators where reporting on the disaggregated data will be made are reflected in the Technical Indicator Descriptions (Part D).

Programme 1 purpose: Quality Skills Developed

The NSF has set an outcome that 75 000 NSF-funded learners will complete their education and training at the end of the five-year strategic planning period. In order to realise the outcome of 75 000 NSF-funded learners completing, the NSF has planned to fund 305 000 learners for education and training interventions over the five-year period. It has been noted from trends in statistical publications (such as the PSET Macro Indicator Report among others) that not all learners entering education and training may complete their studies or that may not complete in line with the end of the five-year period. The reasons for non-completion in terms of performance reporting have been considered in line with the budget of the NSF in the targeting of NSF-funded learners that should complete as supported by NSF-funded interventions to improve the PSET system thereby enabling an increased access to education and training, specifically those in line with the strategic priorities identified.

It is also critical to highlight that while the funding of education and training beneficiaries is a key outcome of the NSF strategic plan, it is also important to ensure that the PSET system interventions funded by the NSF, as part of Sub-programme 1.2 Improved PSET, align to support and improve the quality of skills development. By improving the quality of skills development interventions and the PSET system, it is envisaged that the throughput rate for completion may realise positive completion rates.

Measuring the extent to which NSF funding for learners both recurring and new NSF-funded learners who complete their education and training who are employed/self-employed, within a reasonable period of time after successful completion of their education and training. This will provide a reliable measure of success of the skills development initiatives funded in creating a capable South African citizenry that contributes towards improving economic participation and social development.

Sub-programme 1.1 purpose: Education and Training

This sub-programme consists mainly of funding learners aimed at educating and training for strategic education and training initiatives. These strategic education and training initiatives are linked to contributing to the achievement of the objectives of key government imperatives and initiatives, such as the following:

1. Education and training of learners towards occupations in high demand aimed at addressing the demand for a skilled labour force through a supply of educated and trained learners in areas of demand while also responding to priorities of the NDP, which is implemented through the various initiatives linked to the district model that is inclusive of rural development, economic priority sectors, among others (e.g. oceans economy, health, mining and beneficiation).
2. Education and training of learners towards occupations aimed at aligning to support the priority economic sectors that align to the objectives of the Industrial Policy Action Plan (IPAP), which is implemented in partnership with the Department of Trade and Industry.
3. Education and training of learners towards occupations aimed at achieving the objectives of the New Growth Path, which is implemented through, among others, the Strategic Integrated Projects (SIPs) as part of implementation of the National Infrastructure Plan.
4. Education and training of learners aimed at contributing towards the objectives of the Department of Science and Innovation 10-Year Innovation Plan, the WP-STI.
5. Education and training of learners towards occupations aimed at addressing scarce and critical skills as identified through ongoing research.
6. Education and training of workers in line with worker initiatives.

Occupations in high demand and those that are priority occupations are those that address key growth and transformational objectives as evidenced through research and contained in the various strategies, plans and initiatives of government. These priority occupations are important for economic growth, and include aspects required to achieve transformational objectives, which contribute to developing thinking citizens, who can function effectively, creatively and ethically as part of a democratic society.

The NSF will also fund the education and training of learners that contribute towards other key government priorities and initiatives, which include among others supporting national programmes such as providing skills development through the Expanded Public Works Programme (EPWP) and National Rural Youth Service Corps (NARYSEC) programme, skills development aimed specifically at growing SMMEs and co-operatives, community-based skills development initiatives.

Programme 1: Quality Skills Developed	Baseline	Five-year target	Responsible
75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period	47 000	75 000	Chief Directors: Strategy, Organisational Performance and Innovation & Skills Development Implementation

Sub-programme 1.1 : Education and Training				
Outcome	**Outcome indicator**	**Baseline**	**Five-year target**	
75 000 NSF-funded learners who completed their education and training are employed/ self-employed after completion of their education and training over the five-year strategic planning period	14 500 NSF-funded learners to complete their education and training towards occupations in high demand (OIHD) over the five-year strategic period	12 267	14 500	Chief Directors: Strategy, Organisational Performance and Innovation & Skills Development Implementation Directors: Bursaries/Initiation/Regional
	14 500 NSF-funded learners from rural areas who completed their education and training over the five-year strategic period	12 418	14 500	
	1 000 SMMEs and co-operatives who benefited from NSF-funded skills development initiatives where NSF-funded learners completed their education and training over the five-year strategic period	800	1 000	
	600 NSF-funded learners who completed their education and training through SMME and co-operative skills development initiatives over the five-year strategic period	400	600	
	8 400 NSF-funded learners who acquired skills through NSF-funded community-based skills development initiatives over the five-year strategic period	7 000	8400	
	360 workers who completed their education and training through worker education initiatives over the five-year strategic period	300	360	

Resource considerations: Education and Training

R'000	Audited		Revised estimate		Medium-term estimate		Additional 2 years	
	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
Education and Training	2 884 176	2 283 940	2 654 751	3 822 623	3 693 635	4 281 452	4 651 255	5 042 618

The NSF's funding towards education and training of learners over the five-year strategic period (2020/21 to 2024/25) will mainly be towards the following programmes and projects:

- Learners undergoing workplace-based learning (apprenticeships, learnerships, cadetships, internships, etc.) at the workplace.).
- Funding of learners for occupational programmes (full qualifications) in the TVET colleges.
- Funding of undergraduate and postgraduate bursaries for university students aimed at scarce and critical skills areas, which is not fiscus funded.
- The NSF will also provide funding for skills programmes (or part qualifications) over the five-year strategic period (2020/21 to 2024/25) to be delivered through the community college system that will be increased incrementally each year.
- Skills development programmes delivered through non-profit organisations, national government programmes (e.g. the EPWP will be another funding focus which shall include skills programmes aimed at co-operative and SMME development).
- Worker education.

Sub-Programme 1.2: Improved PSET System

Sub-programme 1.2 purpose: Improved PSET System

The purpose of this outcome target and performance indicator is to measure the outcome of the NSF's investment in expanding, improving effectiveness and integrating the PSET system. The outcome of the NSF's investment in expanding, integrating and improving effectiveness of the PSET system will be impacted by the success of the NSF's portfolio of projects,. Each project's individual achievements with specific envisaged outcomes will be evaluated to determine the overall achievement of the projects collectively. These include infrastructure development to support expanding access, capacity building, research, constituency interventions such as Human Resource Development Council of South Africa (HRDCSA), NSA as well as innovation to steer the NSF priority interventions for PSET to ensure effective and quality provision through PSET educational institutions and the skills development system that support and increase access to quality and responsive education and training provision.

Sub-Programme 1.2: Improved PSET System				
Programme 1: Quality Skills Developed				
Outcome	**Outcome indicator**	**Baseline (2018/19)**	**Five-year target**	**Responsible**
90% of projects aimed at increasing access, improving effectiveness and integrating the PSET system have successfully achieved more than 60% of the envisaged outcomes per project for the five-year strategic planning period.	90% of completed NSF-funded projects aimed at PSET system improvement that have achieved more than 60% of the envisaged outcomes over the five-year strategic period	New indicator	90%	Chief Directors: Strategy, Organisational Performance and Innovation & Skills Development Implementation Directors: Bursaries/Initiation/ Regional/ Programme
	90% of completed NSF-funded projects aimed at increasing access to the PSET system that have achieved more than 60% of the envisaged outputs over the five-year strategic period	New indicator	90%	Chief Directors: Strategy, Organisational Performance and Innovation & Skills Development Implementation Directors: Bursaries/Initiation/ Regional/ Programme

Resource considerations: Improved PSET System

R'000	Audited		Revised estimate		Medium-term estimate		Additional 2 years	
	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
Improved PSET System	4 142 235	6 840	1 615 832	2 207 169	1 205 788	869 729	926 953	986 456

Programme 2: Organisational Sustainability

Programme 2 Purpose: Organisational Sustainability

The ultimate objective is to ensure a sound service delivery environment and effective resource management within the NSF. Focus will be on ensuring effective business operations in relation to strategic planning, financial and project monitoring and evaluation, organisational positioning, organisational performance management, organisation culture development, corporate image, stakeholder relations management as well as corporate governance inclusive of a clean audit outcome.

Programme 2: Organisational Sustainability				
Outcome	**Outcome indicator**	**Baseline (2018/19)**	**Five-year target**	**Responsible**
Organisational Sustainability	Obtain a clean audit opinion outcome by the end of the strategic period	Qualified audit	Clean audit	Chief Financial Officer/Chief Directors: Skills Development Implementation & Strategy, Organisational Performance and Innovation.
	90% of funded positions filled by the end of the strategic period	77% non-SMS posts 53% SMS posts	90%	Director: HRM
	Improve the percentage of client satisfaction rating to 70% by the end of the strategic period	New indicator	70%	Director: Public Relations and Communications
	90% of the key ICT needs addressed or in the process of being addressed by the end of the strategic period	67%	90%	Director: ICT and Analytics

Resource considerations: Organisational Sustainability

The NSF's administrative expenditure will increase during the 2019/20 and 2020/21 financial years due to the increase in human resource capacity with the implementation of the NSF's new organisational structure, as well as investment in addressing the NSF's ICT needs. The expected future revenue is sufficient for the NSF to address its structural changes within the prescribed legislative administrative limit of 10% of revenue and will be able to sustain the NSF's increased capacity going forward.

R'000	Audited		Revised estimate		Medium-term estimate		Additional 2 years	
	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
NSF ADMINISTRATIVE EXPENSES	**120 979**	**154 908**	**279 786**	**272 157**	**300 951**	**315 815**	**331 423**	**347 806**
Employee costs	59 688	70 717	129 847	132 147	161 097	169 244	177 813	186 818
Operating expenses	61 291	84 191	149 939	140 010	139 854	146 571	153 610	160 988

KEY RISKS

OUTCOME	KEY RISK	RISK MITIGATION
Quality skills developed **An improved PSET system** **Increased access to PSET system**	Funding fiscus shortfalls and grants allocated to DHET (e.g. Fee Free education)	• Reprioritise • Full commitment of funds • Proper communication of the full commitment • Limit reserves that are not committed to the minimum • Start spending reserves • Student leadership development
	Misuse of funds by service providers	• Improved monitoring • Standardised effective consequence management (e.g. enforcement of memorandum of agreement, penalties) • Improved due diligence processes
	Reduction in the skills development levy	• Reprioritise • Public-private partnerships • Start spending reserves • Alternative sources of funds • Continuous "going concern" assessment
	Funding of ad hoc projects and programmes not in line with mandate	• Develop a funding framework aligned to mandate • Obtain concurrence from the Accounting Authority
	Lack of delivery capacity within PSET	• Integrate programmatic planning • Utilise public-private partnerships
	Delays and quality of occupational qualifications	• Engage with the QCTO to plan in relation to accreditation, qualifications availability and certification to avoid delays and challenges in relation to quality assurance.
Organisational sustainability	Lack of an integrated NSF ICT system	• Procurement includes maintenance and support for 3–5 years • NSF develops own internal ICT capacity • Approved ICT strategy and implementation plan • Further enhancements to address business needs • Adherence to procurement and contract management processes
	Lack of required capacity after going live of the integrated NSF ICT system	• Provision of support and maintenance after implementation by provider appointed to develop information system as required • Effective management and oversight of implementation of support and maintenance
	Insufficient skills transfer from ICT and system development provider(s) to NSF staff	• Second line support and maintenance provided by provider appointed to develop information system as required • First line support to be provided by NSF ICT • Ensure sufficient capacity development for ICT system administrators
	Information and data not migrated accurately, completely and timely in the correct format	• Go live plan agreed to by NSF and provider appointed to develop information system as required • Ensure NSF data integrity
	Environmental issues and connectivity	• Service level agreement or operational level agreement (OLA) between DHET and NSF for all related ICT services • Ensure internet connectivity as required

PART D
TECHNICAL INDICATOR DESCRIPTIONS

PART D TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1: QUALITY SKILLS DEVELOPED

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1	75 000 NSF-funded learners who completed their education and training over the five-year strategic period
Definition	Learners funded by the NSF who have completed their education and training within the five-year strategic period in response to strategic priority areas such as occupations in high demand (OIHD), rural development, learners from SMMEs and co-operatives, community-based skills development and/or worker education interventions. "Number" refers to the number of learners who completed their education and training in response to strategic priority areas such as OIHD, rural development, learners from SMMEs and co-operatives, community-based skills development and/or worker education interventions. "NSF-funded learners" refers to all learners funded, reported and monitored by the NSF, whether through Skills Development Levy (SDL) funding, investment income or other sources of funding e.g. funding received from the Unemployment Insurance Fund (UIF). The NSF is responsible for sourcing additional funding over and above its traditional revenue sources, initiating these skills development initiatives, monitoring the progress on all funded learners, as well as evaluating the outcome of funded learners. Thus, irrespective of where the funding for these learners stems from, the NSF invests time and administrative expenses into funded learners and, therefore, reports on these learners. The NSF will, however, distinguish between learners funded from traditional NSF sources (e.g. the SDL and NSF investment income) and other additional revenue sources (e.g. UIF contributions) in the notes or as addenda to the annual performance report. "Completed" refers to learners funded by the NSF who received a certificate, statement of result, letter of recognition and/or an external moderation report from a relevant quality assurance body (i.e. QCTO/CHE/UMALUSI/SETA) or skills development provider.
Source of data	Source documents: Certificates or statement of results, letter of recognition or endorsed external moderation reports filed electronically. NSF quarterly reports that include the performance information collated and verified to identify NSF-funded learners who have completed their education and training. The project evaluation reports and the outcomes of tracer and evaluation studies produced. Collection of data: The information will be collated from skills development providers (SDPs) and/or project reports. The data on the learners funded by the NSF for education and training will be collated from project reports for the relevant period under review.

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1	75 000 NSF-funded learners who completed their education and training over the five-year strategic period
Method of calculation / Assessment	Cumulative five-year target: Number of learners who are reported as having completed their education and training, supported by source documents within the five-year strategic planning period. While learners may be funded for their period of education and training and counted as recurring students, at the time of reporting on the five-year target, the completion will be reported based on a completion certificate for the learner and hence counted once for the end of the strategic period. Annual target: Number of learners that are reported as having completed their education and training, supported by source documents in the year. In addition, quarterly reports will serve as the supporting document. Calculation formula:

Skills development initiative	**Number of NSF-funded learners who completed their education and training**
A	X
B	Y
etc	X+Y
Total: Year 1 of current strategic period	XX
Total: Year 2 of current strategic period	XX
Total: Year 3 of current strategic period	XX
Total: Year 4 of current strategic period	XX
Total: Year 5 of current strategic period	XX
Total for strategic period	XX+XX+XX+XX+XX

Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. Functional MS Dynamics and performance information reported and verified. PSET institutions accept learners meeting minimum requirements. Sufficient funding.
Disaggregation of beneficiaries (where applicable)	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A

PART D TECHNICAL INDICATOR DESCRIPTIONS

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1	75 000 NSF-funded learners who completed their education and training over the five-year strategic period
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Desired performance	Increase the number of NSF-funded learners in line with strategic priority interventions (OIHD, rural, SMME, community and worker education)
Reporting cycle	Annual
Indicator responsibility	*Joint responsibility between:* Chief Director: Strategy, Organisational Performance and Innovation Chief Director: Skills Development Implementation *Key support responsibility:* Chief Financial Officer Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Directors: Regional/Programme

SUB-PROGRAMME 1.1: EDUCATION AND TRAINING

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.1	14 500 NSF-funded learners to complete their education and training towards occupations in high demand (OIHD) over the five-year strategic period
Definition	Number of NSF-funded learners who completed their education and training towards OIHD over the five-year strategic period. "Number" refers to the extrapolated number of learners who completed their education and training in response to strategic priority areas gazetted as OIHD. "NSF-funded learners" refers to all learners funded, reported and monitored by the NSF, whether through SDL funding, investment income or other sources of funding e.g. funding received from the UIF. The NSF is responsible for sourcing additional funding over and above its traditional revenue sources, initiating these skills development initiatives, monitoring the progress on all funded learners, as well as evaluating the outcome of funded learners. Thus, irrespective of where the funding for these learners stems from, the NSF invests time and administrative expenses into funded learners and, therefore, reports on these learners. The NSF will, however, distinguish between learners funded from traditional NSF sources (e.g. the SDL and NSF investment income) and other additional revenue sources (e.g. UIF contributions) in the notes or as addenda to the annual performance report. "Completed" refers to learners funded by the NSF who received a certificate, statement of result, letter of recognition and/or an external moderation report from a relevant quality assurance body (i.e. QCTO/CHE/UMALUSI/SETA) or skills development provider. "Occupations in high demand" refers to those occupations that have shown relatively strong employment growth, and/or are experiencing shortages in the labour market, or which are expected to be in demand in the future as per the National List of Occupation in High Demand.
Source of data	Source documents: Certificates of completion or statement of results, letter of recognition or endorsed external moderation reports filed electronically (for OIHD). NSF quarterly reports that include the performance information collated and verified to identify NSF-funded learners who have completed their education and training. Collection of data: The information will be collated from SDPs and project reports. Data on learners funded by the NSF for education and training will be collated from project reports for the relevant period under review.

PART D TECHNICAL INDICATOR DESCRIPTIONS

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.1	14 500 NSF-funded learners to complete their education and training towards occupations in high demand (OIHD) over the five-year strategic period
Method of calculation / Assessment	Cumulative five-year target: Number of learners who are reported as having completed their education and training towards OIHD, supported by source documents within the five-year strategic planning period. Annual target: Number of learners who are reported as having completed their education and training towards OIHD, supported by source documents in the year. In addition, quarterly reports will serve as the supporting documentation. Calculation formula:

Skills development initiative	**Number of NSF-funded learners who completed their education and training towards OIHD**
A	X
B	Y
etc	X+Y
Total: Year 1 of current strategic period	XX
Total: Year 2 of current strategic period	XX
Total: Year 3 of current strategic period	XX
Total: Year 4 of current strategic period	XX
Total: Year 5 of current strategic period	XX
Total for strategic period	XX+ XX+XX+XX+XX

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.1	14 500 NSF-funded learners to complete their education and training towards occupations in high demand (OIHD) over the five-year strategic period
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. Functional MS Dynamics and performance information reported and verified. PSET institutions accept learners meeting minimum requirements. Sufficient funding.
Disaggregation of beneficiaries (where applicable)	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Desired performance	Increase the number of NSF-funded learners in line with strategic priority interventions (OIHD).
Reporting cycle	Annual
Indicator responsibility	*Joint responsibility between:* Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation *Key support responsibility:* Chief Financial Officer Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Directors: Regional/Programme

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.2	14 500 NSF-funded learners from rural areas who completed their education and training over the five-year strategic period
Definition	Learners from rural areas who are funded by the NSF and have completed their education and training over the five-year strategic period. "Number" refers to the extrapolated number of learners who completed of their education and training in response to rural development "NSF-funded learners" refers to all learners funded, reported and monitored by the NSF, whether through SDL funding, investment income or other sources of funding e.g. funding received from the UIF. The NSF is responsible for sourcing additional funding over and above its traditional revenue sources, initiating these skills development initiatives, monitoring the progress on all funded learners, as well as evaluating the outcome of funded learners. Thus, irrespective of where the funding for these learners stems from, the NSF invests time and administrative expenses into funded learners and, therefore, reports on these learners. The NSF will, however, distinguish between learners funded from traditional NSF sources (e.g. the SDL and NSF investment income) and other additional revenue sources (e.g. UIF contributions) in the notes or as addenda to the annual performance report. "Completed" refers to learners funded by the NSF who received a certificate, statement of result, letter of recognition and/or an external moderation report from a relevant quality assurance body (i.e. QCTO/CHE/UMALUSI/SETA) or skills development provider.
Source of data	Source documents: Project reports indicating the number of NSF-funded learners from rural areas who completed their education and training. Certificates or statement of results, letter of recognition or endorsed external moderation reports filed electronically. NSF quarterly reports that include the performance information collated and verified to identify NSF-funded learners from rural areas who have completed their education and training. Collection of data: The information will be collated from SDPs and project reports. Data on the learners the NSF has funded for education and training from rural areas will be collated from project reports for the relevant period under review.

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.2	14 500 NSF-funded learners from rural areas who completed their education and training over the five-year strategic period
Method of calculation / Assessment	Cumulative five-year target: Cumulative number of learners from rural areas who completed their education and training over the five-year strategic period. Annual target: Number of learners from rural areas who completed their education and training within the year. Calculation formula:

Skills development initiative	Number of NSF-funded learners from rural areas who completed their education and training
A	X
B	Y
etc	X+Y
Total: Year 1 of current strategic period	XX
Total: Year 2 of current strategic period	XX
Total: Year 3 of current strategic period	XX
Total: Year 4 of current strategic period	XX
Total: Year 5 of current strategic period	XX
Total for strategic period	XX+ XX+XX+XX+XX

Disaggregation of beneficiaries (where applicable)	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: The calculation will only be based on NSF-funded learners from rural areas. Rural areas are regarded as all the district municipalities in South Africa, excluding international learning projects and the eight metropolitan municipalities, namely: Buffalo City (East London area), City of Cape Town, City of Johannesburg, City of Tshwane, Ekurhuleni (East Rand area), eThekwini (Durban area), Mangaung (Bloemfontein area), and Nelson Mandela Bay (Port Elizabeth/ Uitenhage area). This definition is in accordance with the definition from the Department of Rural Development and Land Reform. Also, the measurement will be informed by the location of the learning site. To align to the New District Coordination Model to improve coherence and impact of government service Delivery and development (August 2019). Spatial impact area: N/A

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.2	14 500 NSF-funded learners from rural areas who completed their education and training over the five-year strategic period
Calculation type	Cumulative (year-to-date)
Desired performance	Increase the number of NSF-funded learners from rural areas in line with strategic priority interventions (OIHD, rural, SMME, community and worker education) thereby increasing access.
Reporting cycle	Annual
Indicator responsibility	*Joint responsibility between:* Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation *Key support responsibility:* Chief Financial Officer Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Regional/Programme directors

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.3	1 000 SMMEs and co-operatives to benefit from NSF-funded skills development initiatives where NSF-funded learners completed education and training over the five-year strategic period
Definition	The number of SMMEs and co-operatives where NSF-funded learners completed their education and training over the five-year strategic period. "Number" refers to extrapolated number SMMEs and co-operatives where NSF-funded learners completed their education and training. "NSF-funded learners" refers to all learners funded, reported and monitored by the NSF, whether through SDL funding, investment income or other sources of funding e.g. funding received from the UIF. The NSF is responsible for sourcing additional funding over and above its traditional revenue sources, initiating these skills development initiatives, monitoring the progress on all funded learners, as well as evaluating the outcome of funded learners. Thus, irrespective as to where the funding for these learners stems from, the NSF invests time and administrative expenses into funded learners and, therefore, reports on these learners. The NSF will, however, distinguish between learners funded from traditional NSF sources (e.g. the SDL and NSF investment income) and other additional revenue sources (e.g. UIF contributions) in the notes or as addenda to the annual performance report. "Completed" refers to learners funded by the NSF who received a certificate, statement of result, letter of recognition and/or the external moderation report from the relevant quality assurance body (i.e. QCTO/CHE/UMALUSI/SETA) or skills development provider. "SMMEs" refers to small, medium and micro-sized enterprises as provided in Government Gazette of 15 March 2019 No. 42304 Revised Schedule 1 of the National Definition of Small Enterprise in South Africa. "Co-operatives" refers to a business where a group of people get together voluntary to address their common needs.
Source of data	Source documents: Project reports indicating the number of NSF-funded learners through SMMEs and co-operatives funded by the NSF that completed their education and training. Certificates or statement of results, letter of recognition or endorsed external moderation reports filed electronically. NSF quarterly reports that include the performance information collated and verified to identify NSF-funded learners reported by SMMEs and co-operatives who have completed their education and training. Collection of data: The information will be collated from SDPs. The data on SMMEs and co-operatives where NSF-funded learners completed their education and training will be collated from project reports for the relevant period under review.

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.3	1 000 SMMEs and co-operatives to benefit from NSF-funded skills development initiatives where NSF-funded learners completed education and training over the five-year strategic period
Method of calculation / Assessment	Cumulative five-year target: Number of SMMEs and co-operatives where NSF-funded learners completed their education and training, supported by source documents within the five-year strategic period. Annual target: Number of SMMEs and co-operatives where NSF-funded learners completed their education and training, supported by source documents in the year. In addition, quarterly reports will serve as supporting documentation. Calculation formula:

Skills development initiative	**Number SMMEs and co-operatives where NSF-funded learners completed their education and training**
A	X
B	Y
etc	X+Y
Total: Year 1 of current strategic period	XX
Total: Year 2 of current strategic period	XX
Total: Year 3 of current strategic period	XX
Total: Year 4 of current strategic period	XX
Total: Year 5 of current strategic period	XX
Total for strategic period	XX+XX+XX+XX+XX

Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verifications. The SMME and co-operative has been registered. Functional MS Dynamics and performance information reported and verified. Sufficient funding.

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.3	1 000 SMMEs and co-operatives to benefit from NSF-funded skills development initiatives where NSF-funded learners completed education and training over the five-year strategic period
Disaggregation of beneficiaries (where applicable)	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Desired performance	To support the growth and development of SMMEs and co-operatives through providing access to PSET opportunities and creating access to education and training that supports the growth and development of the SMME and co-operative sector.
Reporting cycle	Annual
Indicator responsibility	*Joint responsibility between:* Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation *Key support responsibility:* Chief Financial Officer Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Directors: Regional/Programme

PART D TECHNICAL INDICATOR DESCRIPTIONS

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.4	600 NSF-funded learners who completed education and training through SMME and co-operative skills development initiatives over the five-year strategic period
Definition	Number of NSF-funded learners who completed their education and training through SMME and co-operative skills development initiatives as a strategic priority over the five-year strategic period "Number" refers to the number of learners who completed their education and training through SMMEs and co-operatives. "NSF-funded learners" refers to all learners funded, reported and monitored by the NSF, whether through SDL funding, investment income or other sources of funding e.g. funding received from the UIF. The NSF is responsible for sourcing additional funding over and above its traditional revenue sources, initiating these skills development initiatives, monitoring the progress on all funded learners, as well as evaluating the outcome of funded learners. Thus, irrespective of where the funding for these learners stems from, the NSF invests time and administrative expenses into funded learners and, therefore, reports on these learners. The NSF will, however, distinguish between learners funded from traditional NSF sources (e.g. the SDL and NSF investment income) and other additional revenue sources (e.g. UIF contributions) in the notes or as addenda to the annual performance report. "Completed" refers to learners funded by the NSF who received a certificate, statement of result, letter of recognition and/or an external moderation report from a relevant quality assurance body (i.e. QCTO/CHE/UMALUSI/SETA) or skills development provider. "SMMEs" refers to small, medium and micro-sized enterprises as provided in Government Gazette of 15 March 2019 No 42304 Revised Schedule 1 of the National Definition of Small Enterprise in South Africa. "Co-operatives" refers to a business where a group of people get together voluntary to address their common needs.
Source of data	Source documents: Certificates or statement of results, letter of recognition or endorsed external moderation reports filed electronically. NSF quarterly reports that include the performance information collated and verified to identify NSF-funded learners that have completed their education and training. Collection of data: The information will be collated from SDPs. The data on the learners the NSF has funded for education and training will be collated from project reports for the relevant period under review.

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.4	600 NSF-funded learners who completed education and training through SMME and co-operative skills development initiatives over the five-year strategic period
Method of calculation / Assessment	Cumulative five-year target: Number of learners who are reported as having completed their education and training through SMME and co-operative skills development initiatives, supported by source documents within the five-year strategic planning period. Annual target: Number of learners who are reported as having completed their education and training through SMME and co-operative skills development initiatives, supported by source documents in the year. In addition, quarterly reports will serve as the supporting documentation. Calculation formula:

Skills development initiative	**Number of NSF-funded learners who completed their education and training through SMME and co-operative skills development initiatives**
A	X
B	Y
etc	X+Y
Total: Year 1 of current strategic period	XX
Total: Year 2 of current strategic period	XX
Total: Year 3 of current strategic period	XX
Total: Year 4 of current strategic period	XX
Total: Year 5 of current strategic period	XX
Total for strategic period	XX+ XX+XX+XX+XX

Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. Functional MS Dynamics and performance information reported and verified. Sufficient funding.
Disaggregation of beneficiaries (where applicable)	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact Area: N/A
Calculation type	Cumulative (year-to-date)

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.4	600 NSF-funded learners who completed education and training through SMME and co-operative skills development initiatives over the five-year strategic period
Desired performance	To support the growth and development of SMMEs and co-operatives through providing access to PSET opportunities; and creating access to education and training that supports the growth and development of the SMME and co-operative sector.
Reporting cycle	Annual
Indicator responsibility	*Joint responsibility between:* Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation *Key support responsibility:* Chief Financial Officer Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Directors: Regional/Programme

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.5	8 400 NSF-funded learners who acquired skills through NSF-funded community-based skills development initiatives over the five-year strategic period
Definition	Learners funded by the NSF who acquired skills through community-based skills development initiatives over the five-year strategic period. "NSF funded learners" refers to all learners funded and monitored via the NSF, whether through SDL funding, investment income or other sources of funding e.g. funding received from the UIF. The NSF is responsible for sourcing additional funding over and above its traditional revenue sources, initiating these skills development initiatives, monitoring the progress on all funded learners, as well as evaluating the outcome of funded learners. Thus, irrespective of where the funding for these learners stems from, the NSF still invests time and administrative expenses into these learners and, therefore, reports on these learners. The NSF, will however, distinguish between learners funded from traditional NSF sources (e.g. the SDL and NSF investment income) and other additional revenue sources (e.g. UIF contributions) in the notes or as addenda to the annual performance report. "Acquired skills" refers to learners who have completed their education and training through community-based skills development initiatives. "Community-based skills development" refers to learning programmes that have been categorised as "workplace-based skills programmes - other" and thus will be limited to learning programmes categorised as such.
Source of data	Source documents: Community-based skills development project reports, indicating the number of learners who acquired skills through NSF-funded community-based skills development initiatives over the five-year strategic period. Collection of data: Learners who acquired skills through community-based skills development will be collated from project reports.
Method of Calculation / Assessment	Cumulative five-year target: Cumulative number of learners who acquired skills through community-based skills development initiatives over the five-year strategic period. Annual target: Number of learners who acquired skills through community-based skills development initiatives within the year. Calculation formula:

Skills development initiative	**Number of NSF-funded learners who completed their education and training through community-based skills development initiatives**
A	X
B	Y
etc	X+Y
Total: Year 1 of current strategic period	XX
Total: Year 2 of current strategic period	XX
Total: Year 3 of current strategic period	XX
Total: Year 4 of current strategic period	XX
Total: Year 5 of current strategic period	XX
Total for strategic period	XX+ XX+XX+XX+XX

PART D TECHNICAL INDICATOR DESCRIPTIONS

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.5	8 400 NSF-funded learners who acquired skills through NSF-funded community-based skills development initiatives over the five-year strategic period
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. Functional MS Dynamics and performance information reported and verified. Sufficient funding.
Disaggregation of beneficiaries (where applicable)	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Desired performance	Increase the number of NSF-funded learners in line with community-based initiatives thereby increasing access to community education and training.
Reporting cycle	Annual
Indicator responsibility	*Joint responsibility between:* Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation *Key support responsibility:* Chief Financial Officer Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Regional/Programme directors
Definition	Workers to be educated through worker education initiatives over the five-year strategic period. "Worker education" refers to learning programmes funded by the NSF that relate to trade unions, worker federations or similar organisations and their education programmes. It includes other worker-initiated training programmes related to the further education and training of workers in broader sectoral policy and capacity to effectively engage in the workplace and broader economy.
Source of data	Source documents: Project reports, indicating the number of workers who benefitted from NSF-funded worker education initiatives. Collection of data: The number of workers who benefitted from NSF-funded worker education initiatives will be collated from project reports.

<table>
<tr><td>Outcome 1</td><td>75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period</td></tr>
<tr><td>Outcome Indicator 1.6</td><td>360 workers who completed their education and training through worker education initiatives over the five-year strategic period</td></tr>
<tr><td>Method of calculation / Assessment</td><td>Cumulative five-year target: Cumulative number of workers who benefitted through NSF-funded worker education initiatives over the five-year strategic period.
Annual target: Number of workers who benefitted through NSF-funded worker education initiatives within the year.

Calculation formula:
<table>
<tr><th>Skills development initiative</th><th>Number of workers funded by the NSF for worker education</th></tr>
<tr><td>A</td><td>X</td></tr>
<tr><td>B</td><td>Y</td></tr>
<tr><td>etc</td><td>X+Y</td></tr>
<tr><td>Total: Year 1 of current strategic period</td><td>XX</td></tr>
<tr><td>Total: Year 2 of current strategic period</td><td>XX</td></tr>
<tr><td>Total: Year 3 of current strategic period</td><td>XX</td></tr>
<tr><td>Total: Year 4 of current strategic period</td><td>XX</td></tr>
<tr><td>Total: Year 5 of current strategic period</td><td>XX</td></tr>
<tr><td>Total for strategic period</td><td>XX+ XX+XX+XX+XX</td></tr>
</table></td></tr>
<tr><td>Assumptions</td><td>That the identification of education and training plans and interventions in place or that require development.
The accuracy, completeness and validity of the indicator depend on the accuracy, completeness and validity of the data related to workers reported in project reports.</td></tr>
<tr><td>Reporting cycle</td><td>Annual</td></tr>
<tr><td>Disaggregation of beneficiaries (where applicable)</td><td>Target for woman: N/A
Target for youth: N/A
Target for people with disabilities: N/A</td></tr>
<tr><td>Spatial transformation (where applicable)</td><td>Contribution to spatial transformation priorities: N/A
Spatial impact area: N/A</td></tr>
<tr><td>Calculation type</td><td>Cumulative (year-to-date)</td></tr>
</table>

PART D TECHNICAL INDICATOR DESCRIPTIONS

Outcome 1	75 000 NSF-funded learners who completed their education and training are employed/self-employed after completion of their education and training over the five-year strategic planning period
Outcome Indicator 1.6	360 workers who completed their education and training through worker education initiatives over the five-year strategic period
Desired performance	Trade unions, their education programmes, as well as other worker-initiated training programmes play an important role in the further education and training of workers in broader sectoral policy and capacity to effectively engage in the workplace and broader economy. Trade unions and worker education and training initiatives are able to use the critical networks of their organisations (e.g. shop stewards and union officials) to educate their members and other workers to suit their needs in a manner that is also beneficial to the economy as a whole. South Africa has a long history of worker education and training that needs to be supported and expanded. Worker-initiated education and training can contribute to a workforce that is better able to understand the challenges facing the economic sectors in which they operate. This would benefit the workplace, our economy as well as the developmental objectives of our country.
Indicator responsibility	*Joint responsibility between:* Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation *Key support responsibility:* Chief Financial Officer Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Directors: Regional/Programme

SUB-PROGRAMME 1.2: IMPROVED PSET SYSTEM

Outcome 2	90% of projects aimed at increasing access, improving effectiveness and integrating the PSET system has successfully achieved more than 60% of the envisaged outcomes per project for the five-year strategic planning period.
Outcome 2.1	90% of completed NSF-funded projects aimed at PSET system improvement that have achieved more than 60% of the envisaged outcomes over the five-year strategic period.
Definition	Percentage of projects aimed at PSET system improvements that have successfully achieved more than 60% of the envisaged outputs. Percentage of projects that have been completed for PSET system improvements that have successfully achieved more than 60% of the envisaged outputs.
Source of data	Source documents: Final close-out reports outlining the output results of each completed project. Collection of data: • Information will be collated from close-out reports outlining the final output results of each project. • Last quarterly report verified outlining the expenditure to-date against the performance output to-date

Outcome 2	90% of projects aimed at increasing access, improving effectiveness and integrating the PSET system has successfully achieved more than 60% of the envisaged outcomes per project for the five-year strategic planning period.
Outcome 2.1	90% of completed NSF-funded projects aimed at PSET system improvement that have achieved more than 60% of the envisaged outcomes over the five-year strategic period.
Method of calculation / Assessment	Calculation formula: Percentage (%) of projects aimed at PSET system improvements that have successfully achieved most of the envisaged outputs = Number of projects aimed at PSET system improvements that successfully achieved 60% of the envisaged outputs / Total number of projects aimed at PSET system improvements *100

Skills development project	Number of outputs as per project plan	Number of outputs successfully achieved as per final closeout report	Percentage of outputs successfully achieved	If more than 60%, then regarded as successful achievement
A	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"
B	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"
C	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"
D	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"
Etc.	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"
Number of projects* that achieved most of the outputs				A = all "successful" projects added together
Total number of projects*				B = count all project
Percentage of projects* that achieved most of the envisaged outputs				A / B * 100
*Projects only include those that have been completed within the first four years of the strategic period.				

An overall conclusion will be formed on each project as to whether it was successful in achieving most of the envisaged outputs, and which will be determined as part of evaluating the final close-out report.

Only projects that have been completed within the first four years of the current strategic period and the last year of the previous strategic period will be considered in the measurement of this indicator. This is a based on the premise that the successful output of a project can usually be evaluated after a period of time, with six months being deemed the shortest reasonable time after a project has been completed to measure the final overall output of a project.

Outcome 2	90% of projects aimed at increasing access, improving effectiveness and integrating the PSET system has successfully achieved more than 60% of the envisaged outcomes per project for the five-year strategic planning period.
Outcome 2.1	90% of completed NSF-funded projects aimed at PSET system improvement that have achieved more than 60% of the envisaged outcomes over the five-year strategic period.
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. Functional MS Dynamics and performance information reported and verified. Sufficient funding.
Disaggregation of beneficiaries (where applicable)	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Desired performance	To improve and integrate the PSET system towards increasing access to quality education and training and in response to the strategic priority interventions that seek to support the realisation of socio-economic development in South Africa. To improve project management and close out of projects in support of strengthening the PSET system to increase access to quality and relevant education and training. This includes research, innovation and capacity building as well as constituency-based skills development interventions.
Reporting cycle	Annual
Indicator responsibility	*Joint responsibility between:* Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation *Key support responsibility:* Chief Financial Officer Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Directors: Regional/Programme

Outcome 2	90% of projects aimed at increasing access, improving effectiveness and integrating the PSET system has successfully achieved more than 60% of the envisaged outcomes per project for the five-year strategic planning period.
Outcome 2.2	90% of completed NSF-funded projects aimed at increasing access to the PSET system that have achieved more than 60% of the envisaged outcomes over the five-year strategic period
Definition	Percentage of projects aimed at increasing access to the PSET system that have successfully achieved more than 60% of the envisaged outputs. Percentage of projects that have been completed for increasing access to the PSET system that have successfully achieved more than 60% of the envisaged outputs.
Source of data	Source documents: Final close-out reports outlining the output results of each project completed. Collection of data: • Information will be collated from close-out reports outlining the final output results of each project. • Last quarterly report verified outlining expenditure to-date against the performance output to-date.
Method of calculation / Assessment	Calculation formula: Percentage (%) of projects aimed at increasing access to the PSET system that have successfully achieved most of the envisaged outputs = Number of projects aimed at increasing access to the PSET system that successfully achieved 60% of the envisaged outputs / Total number of projects aimed at PSET system improvements *100

Skills development project	Number of outputs as per project plan	Number of outputs successfully achieved as per final closeout report	Percentage of outputs successfully achieved	If more than 60%, then regarded as successful achievement
A	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"
B	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"
C	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"
D	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"
Etc.	X	Y	Z = Y / X * 100	If Z > 60%, then "successful", else "unsuccessful"

Outcome 2	90% of projects aimed at increasing access, improving effectiveness and integrating the PSET system has successfully achieved more than 60% of the envisaged outcomes per project for the five-year strategic planning period.
Outcome 2.2	90% of completed NSF-funded projects aimed at increasing access to the PSET system that have achieved more than 60% of the envisaged outcomes over the five-year strategic period
	<table><tr><td>Number of projects* that achieved most of the outputs</td><td>A = all "successful" projects added together</td></tr><tr><td>Total number of projects*</td><td>B = count all project</td></tr><tr><td>Percentage of projects* that achieved most of the envisaged outputs</td><td>A / B * 100</td></tr><tr><td colspan="2">*Projects only include those that have been completed within the first four years of the strategic period.</td></tr></table> An overall conclusion will be formed on each project as to whether it was successful in achieving most of the envisaged outputs, and which will be determined as part of evaluating the final close-out report. Only projects that have been completed within the first four years of the current strategic period and the last year of the previous strategic period will be considered in the measurement of this indicator. This is a based on the premise that the successful output of a project can usually be evaluated after a period of time, with six months being deemed the shortest reasonable time after a project has been completed to measure the final overall output of a project.
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. Functional MS Dynamics and performance information reported and verified. Sufficient funding.
Disaggregation of beneficiaries (where applicable)	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Desired performance	To improve and integrate the PSET system towards increasing access to quality education and training in response to the strategic priority interventions that seek to support the realisation of socio-economic development in South Africa. To improve project management and close out of projects in support of strengthening the PSET system to increase access to quality and relevant education and training. This includes infrastructure and innovation.
Reporting cycle	Annual

Outcome 2	90% of projects aimed at increasing access, improving effectiveness and integrating the PSET system has successfully achieved more than 60% of the envisaged outcomes per project for the five-year strategic planning period.
Outcome 2.2	90% of completed NSF-funded projects aimed at increasing access to the PSET system that have achieved more than 60% of the envisaged outcomes over the five-year strategic period
Indicator responsibility	*Joint responsibility between:* Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation *Key support responsibility:* Chief Financial Officer Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Directors Regional/Programme

PROGRAMME 2: ORGANISATIONAL SUSTAINABILITY

Outcome 3:	Improving the effectiveness and efficiency of the NSF organisational service delivery and performance by implementing organisational systems and structures and obtaining clean audit outcomes over the five-year strategic planning period
Outcome Indicator 3.1	Obtain clean audit outcomes over the five-year strategic period
Definition	An auditor's opinion outcome is a certification that accompanies financial statements. It is based on an audit of the procedures and records used to produce the statements and delivers an opinion as to whether material misstatements exist in the financial statements. It is an outcome of an auditor's review of an organisation's financial statements. The CLEAN AUDIT OUTCOME: Clean audit outcome relates to three aspects; the financial statements are free from material misstatements, there are no material findings on the annual performance report and lastly, there are no material findings on non-compliance with legislation. FINANCIALLY UNQUALIFIED AUDIT OPINION: The financial statements contain no material misstatements. Unless the Auditor-General expresses a clean audit outcome, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects. QUALIFIED AUDIT OPINION: The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated. ADVERSE AUDIT OPINION: The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements. DISCLAIMER OF AUDIT OPINION: The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is
Source of data	Source documents: The information is collected from the audit opinion issued by the Auditor-General in the previous financial year. Collection of data: Capturing of daily transactions into the financial accounting system and a periodic review to authorise transactions. Completing of financial workbook to support captured transactions into the financial system. Preparation of month-end files concluded timeously within the prescribed timeframe, reviewed and signed off by Finance Director. Quarterly management accounts are prepared, reviewed and signed off by the Finance Director and sent to the Minister for approval. The management report includes reporting on the following areas: • The financial status of the organisation; • The entity's report on compliance with the PFMA and the Treasury • Regulations; • The entity's Quarterly Performance Report; and • Year-end closure process. The audit opinion is derived from the previous financial year's annual report.

PART D TECHNICAL INDICATOR DESCRIPTIONS

Outcome 3:	Improving the effectiveness and efficiency of the NSF organisational service delivery and performance by implementing organisational systems and structures and obtaining clean audit outcomes over the five-year strategic planning period
Outcome Indicator 3.1	Obtain clean audit outcomes over the five-year strategic period
Method of calculation / Assessment	The method of calculation is by comparing the previous year's audit opinion with that of the previous year's financial and performance information reported on 31 May of each financial year; and determining whether there has been an improvement in the audit opinion from that of the previous year. The previous year's audit opinion issued by the Auditor-General of South Africa (AGSA) and the movement in the audit outcome issued. Significant progress (>50% of audit findings raised) made by management on addressing the audit finding raised by the Auditor-General in the external audit action plan.
Assumptions	There are no assumptions; the audit opinion is based on the annual financial statements, annual performance report and supporting evidence provided to the AGSA.
Calculation type	Non-cumulative (year-to-date)
Reporting cycle	The reporting is annual and for the five-year strategic period.
Indicator responsibility	*Joint responsibility between:* Chief Financial Officer Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation *Key support responsibility:* Director: Legal, Governance, Risk and Compliance Director: Initiation and Evaluation Director: Bursaries Directors: Regional/Programme Director: HRM

Outcome 3:	Improving the effectiveness and efficiency of the NSF organisational service delivery and performance by implementing organisational systems and structures and obtaining clean audit outcomes over the five-year strategic planning period
Outcome 3.2	90% of funded positions filled by the end of the strategic period
Definitions	The percentage of other positions filled by year-end (%) The other positions relate to funded positions and not to unfunded positions. Funded positions mean those positions that have been approved by the Director-General and / or Minister, whichever is applicable and there is sufficient funding available to fund the positions as at year-end.
Source of data	Source documents: A staff establishment register needs to be kept of all the posts approved and funded, with the relevant level of each post. The staff establishment register should also indicate the person appointed against each post approved and funded, supported by the employment contract (an employee file). Collection of data: The staff establishment register will be collated from the posts approved by the Director-General and / or Minister, whichever is applicable, for which there are sufficient funding. The establishment register will also be updated with signed employment contracts.
Method of calculation / Assessment	Annual and quarterly targets: The number of positions filled as a percentage of the total number of positions approved and funded. Formula: Percentage of positions filled (%) = Number of positions filled / Total number of approved and funded positions * 100
Assumptions	Budget availability. The accuracy, completeness and validity of the indicator depend on the accuracy, completeness and validity of the staff establishment register. Approved organogram. DHET Human Resource Recruitment processes within timeframes and are timeously advertised and approved.
Disaggregation of beneficiaries	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-to-date)
Reporting cycle	Annual
Desired performance	The annual target strives towards filling at least 90% of the other approved and funded positions.
Indicator responsibility	Joint responsibility between: i) Executive Officer ii) Heads of each unit Key support responsibility: i) Director: HRM

Outcome 3:	Improving effectiveness and efficiency of the NSF organisational service delivery and performance by implementing organisational systems and structures and obtaining clean audit outcomes over the five-year strategic planning period
Outcome 3.3	Improve the percentage of client satisfaction rating to 70% by the end of the strategic period
Definitions	Percentage of client satisfaction rating at the end of each financial year. "Client" refers to the broad range of SDPs and strategic partners that are implementing skills development interventions with funding from the NSF. "Client satisfaction" is regarded as the measure of how the needs of clients (SDPs and strategic partners) and responses from the NSF are collaborated and delivered to excel client expectation. Client satisfaction is a part of clients' experiences that will expose the NSF's behavior on clients' expectations.
Source of data	Source documents: Final customer satisfaction report produced of biennially (after every two years) Collection of data: • Survey administered to clients face-to-face/telephonically/via email. • In-depth focus groups/interviews with key decision makers (SDPs and strategic partners).
Method of calculation / Assessment	Quantitative: A descriptive scale that measures the clients' response from very dissatisfied to satisfied. The client will be given a list of questions to choose from that range from very dissatisfied to very satisfied. • Very dissatisfied • Dissatisfied • Neither satisfied nor dissatisfied • Satisfied • Very satisfied The percentage of 'satisfied' or 'very satisfied' responses will be regarded as overall client satisfaction. Qualitative: In-depth interviews of the decision-makers (SDPs and strategic partners) will assist to review NSF systems, disciplines and procedures from the client's point of view, and should also identify any "people" issues the NSF may have. Raw survey data and a computation of the survey findings, as well as focus group and interview recordings will be key reporting requirements.
Assumptions	Availability and responsiveness of SDPs and strategic partners in the surveys, interviews/focus groups. Appropriate sampling to ensure a balanced representation of NSF clients. Budget availability. Responsiveness of suitably qualified (market) research companies to the call for request for proposals for the research design, implementation and reporting.
Disaggregation of beneficiaries	Sampling of clients (SDPs and strategic partners) to be evenly split across NSF sub-programmes – Education & Training and Improved PSET System.
Spatial transformation (where applicable)	Sampling of clients (SDPs and strategic partners) to reflect the national footprint of the NSF, with a fair split between SDPs operating in urban, peri-urban and rural areas.

Outcome 3:	Improving effectiveness and efficiency of the NSF organisational service delivery and performance by implementing organisational systems and structures and obtaining clean audit outcomes over the five-year strategic planning period
Outcome 3.3	Improve the percentage of client satisfaction rating to 70% by the end of the strategic period
Calculation type	Non-cumulative - percentage of clients (SDPs and strategic partners) that are satisfied with the NSF at the end of each financial year.
Reporting cycle	Biennial (every two years)
Desired performance	70% satisfaction rate at the end of the five-year strategic period.
Indicator responsibility	*Key responsibility:* Director: Public Relations & Communication *Key support:* Chief Director: Strategy, Innovation and Organisational Performance Chief Director: Skills Development Implementation Chief Financial Officer

PART D TECHNICAL INDICATOR DESCRIPTIONS

Outcome 3:	Improving effectiveness and efficiency of the NSF organisational service delivery and performance by implementing organisational systems and structures and obtaining clean audit outcomes over the five-year strategic planning period
Outcome Indicator 3.4	90% of the key ICT needs addressed or in process of being addressed by the end of the strategic period
Definitions	Percentage of key ICT needs that have been implemented at year-end (%). "Implemented" means the ICT have been completely implemented, are operational within the NSF and are being used by the targeted users in their day-to-day activities. ""Key ICT needs" refers only to important ICT needs as determined by NSF's ICT management and not to all NSF's ICT needs.
Source of data	Source documents: An ICT register should be kept of all the key ICT that is needed by the NSF vs. what has been implemented for use by the NSF. Collection of data: The register needs to be collated from the necessary supporting documents (e.g. ICT contracts implemented).
Method of calculation / Assessment	Annual targets: ICT implemented at year-end as a percentage of the ICT needs identified at the beginning of the financial year. Formula: Percentage of key ICT needs that have been implemented at year-end (%) = Number of ICT implemented at year-end / Number of key ICT needs * 100 One key ICT item listed on the ICT register will be regarded as one unit for calculation of this target.
Assumptions	Budget available Internal ICT capacity Clear and well managed service level agreements.
Disaggregation of beneficiaries	Target for woman: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Contribution to spatial transformation priorities: N/A Spatial impact area: N/A
Calculation type	Cumulative (year-to-date) with annual targets: Percentage, key ICT that has been implemented as a percentage of the key ICT needs.
Reporting cycle	Annual and cumulative over the five-year period. Cumulative (year-to-date)
Desired performance	To implement 90% of key ICT needs as the timely availability of ICT is essential for the effective and efficient operations of the NSF in achieving its objectives.
Indicator responsibility	*Key responsibility:* Director: ICT and Analytics *Supported by:* Chief Director: Strategy, Performance and Innovation Chief Director: Skills Development Implementation Chief Financial Officer

ANNEXURE

ANNEXURE A

NSF ALIGNMENT TO KEY STRATEGIES AND POLICIES OF GOVERNMENT

Key area	Relevance							NSF response	Strategic input
	WP-PSET	NSDS III /NSDP	HRDSSA	NDP	MTSF	DHET Strategic Plan	WP-STI		
1) Educational institutions and employer partnerships linked to work integrated learning	X	X		X	X	X		The NSF acknowledges that work integrated learning (WIL) is a key area of intervention. Funding mechanisms will be integrated to steer the PSET system towards systemically incorporating work integrated learning as part of learners' education and training. The NSF will also contribute towards addressing current WIL gaps experienced by current learners that have completed their theoretical education and training, but lack workplace training. The NSF will also contribute towards continued research, analysis and planning required in this area. The NSF will continue to facilitate WIL partnerships, understand the total learner value chain right up to work integrated learning and focus on areas of need.	Ongoing research, analysis and planning are required in the area for WIL. Stakeholder relationships should be facilitated to bring learning and the workplace closer together and funding mechanisms should steer learning and the workplace closer together. Projects should be structured to include practical experience to learners through work based training as part of the overall value chain.
2) Effective skills demand planning through research and analysis (including planning system)		X	X	X		X		The NSF will continue to fund the development and establishment of effective skills supply and demand planning through research and analysis. The NSF-funded the Labour Market Intelligence Project (LMIP), Applied Development Research Solutions (ADRS) Wits Educational Policy Unit and Higher Education and Training Management Information System (HETMIS). The NSF will also provide seed funding for the establishment of a National Skills Planning Unit.	The NSF will improve internal strategic planning capabilities, through: i) The appointment of strategic, research and analysis capacity. ii) The implementation of enabling strategic, research and analysis technology. iii) The formation of strong linkages between the National Skills Planning unit and the NSF's internal strategic planning function to ensure integrated planning takes place.

Key area	Relevance							NSF response	Strategic input
	WP-PSET	NSDS III /NSDP	HRDSSA	NDP	MTSF	DHET Strategic Plan	WP-STI		
3) Departmental review of legislation and White Paper alignment					X		X	The NSF has special interest in this area and continues to participate actively in the development of the White Paper implementation plan, as well as fund areas already under implementation. Redefining the skills system and SETA landscape is a critical area of collaboration.	The NSF to collaborate with stakeholders and participate in the process to ensure alignment of stakeholders and optimum value from funding of projects. Lessons learned including insights from the NSF evaluation study will be shared to improve future policies.
4) Promoting partnerships and innovation in project delivery		X					X	The NSF has to further unpack and understand the roles and responsibilities of partners, in the context of external factors. There should be regular communication to obtain the commitment from stakeholders.	Stakeholder strategies and frameworks are important. The NSF must strengthen its capabilities in this area and incorporate stakeholder requirements in funding contracts. Partnerships with various stakeholders will have to be initiated and strengthened in line with the NSF strategic planning processes.
5) TVET colleges capacitation and infrastructure	X	X		X	X		X	The NSF is funding this area. The NSF recognises that this is not a once off intervention, but rather a continuous funding exercise. Thus, not a short term effect, but rather a long term consideration. The NSF acknowledges that further planning is required.	The NSF understands that it will be involved in the expansion of the TVET college system and must participate in the planning and definition of its involvement. A stakeholder strategy and framework to be compiled and implemented. The NSF may have to acquire the necessary skills and capacity to drive infrastructure project outcomes.

ANNEXURE A

Key area	Relevance							NSF response	Strategic input
	WP-PSET	NSDS III /NSDP	HRDSSA	NDP	MTSF	DHET Strategic Plan	WP-STI		
6) CET colleges development	X			X	X		X	This area is still under development and NSF will work with the DHET CET Branch to assist in both policy development and in piloting a few projects that will continue to support learners. This area may potentially have a substantial financial implication.	The NSF will have to promote partnerships between universities and colleges. Provincial Skills Development Forums and others will be utilised in each province to ensure that the CET work is achieved.
7) The implementation of the NSDP 2030	X			X	X		X	The NSDP has been approved as aligned to the NP-PSET. Legislative amendments and implementation will seek to strengthen the position and mandate of the NSF. SETAs have the industry links that are required to bring learning and workplace closer together, and should be used and protected. Partnerships with workplaces and SETAs are a critical lever for the realisation of the NSF strategic objectives of increasing access to education and training.	The NSF to be actively involved in the strategy formulation and support. The NSF to play a role in defining the implementation of the NSDP and improving the levy system in its entirety.
8) Artisan development strategy operationalisation	X	X		X			X	The NSF is currently funding this area and it will remain a high focus area in the future.	The funding plan for artisan development should be refined and aligned to subsectors.
9) Development of scarce and critical skills (incorporating SIPs)	X	X	X	X	X		X	This is a high focus area, especially with regards to bursary allocations and vocational and technical skills through TVET colleges. The NSF will utilise funding mechanisms to guide bursary allocations to universities and skills developed through the public TVET college system towards training of learners on scarce and critical skills. This includes scarce and critical skills bursaries for students in the university sector and the creation of centres of specialisation at public TVET colleges that are linked to scarce and critical skills.	The NSF's utilisation of research to guide funding mechanisms is important. The NSF will proactively plan to satisfy demand for scarce skills through focussed funding. The NSF will incorporate skills to deliver SIPs and the Operation Phakisa initiatives in its TVET college projects and bursary requirements.

Key area	Relevance							NSF response	Strategic input
	WP-PSET	NSDS III /NSDP	HRDSSA	NDP	MTSF	DHET Strategic Plan	WP-STI		
10) Improve the quality of education and training in post school education	X						X	Large amounts of money are spent on bursaries as well as on vocational and technical skills delivery through TVET colleges – The NSF wants to ensure an increase in the success rate and throughput of beneficiaries. The NSF has to move closer to the relevant role players to ensure money spent complies with NSF rules, such as scarce skills coverage, acceptable throughput and student mentoring programmes. The NSF will also contribute towards specific initiatives aimed at improving the quality of management, lecturers, curriculum, systems, processes and infrastructure in TVET colleges.	All beneficiaries to complete courses, with required coaching and mentorship and funding provided. Mentorship and coaching needs to be refined and driven. The NSF will keep on funding this aspect in future. There must be integration across all systems and data.
11) Facilitate partnerships and development of SMMEs		X		X			X	The NSF acknowledges that this is a key aspect in creating economic growth.	Link to departmental plans, partnerships to train SMMEs, community college funding – further research and analysis is required. Establish linkages with the DSI in the area of innovation and SMME support as well as those with core state interventions with regards to SMME and co-operative skills development support.
12) Worker, NGO and community based education programmes		X		X				The NSF recognises this as an important link in the skills development value chain.	Analysis and planning in collaboration with the existing task team is required in this area. The NSF must link with stakeholders and understand strategies in this area. The NSF must identify gaps in the value chain and consider specific recommendations made by stakeholders recently, to define its role.

ANNEXURE A

Key area	Relevance							NSF response	Strategic input
	WP-PSET	NSDS III /NSDP	HRDSSA	NDP	MTSF	DHET Strategic Plan	WP-STI		
13) Recognition of Prior Learning (RPL) integration	X							The industry becomes challenging in this area. There are perceived levels of learning that are not acceptable to the industry. Industry and learning must be linked, and training standardised.	The NSF to meet with role players to better understand the value chain and gaps. Funding for capacitation, training and the system. Influence and collaboration so that previous training is validated and components are taken into account.
14) PSET integration	X	X	X	X	X		X	The NSF supports integration initiatives. The NSF can use this for access to stakeholders.	Through funding, assist to integrate the PSET system. The NSF requires ICT specialists to assess whether the NSF and the PSET system gets optimal benefit from ICT funded projects and whether synergies can be unlocked through integration with existing ICT systems in the PSET environment, rather than duplication. Robust methodologies and frameworks have to be in place in which the NSF will fund information systems and information technology.

ANNEXURE B

ACRONYMS

4IR	Fourth industrial revolution
AIDS	Acquired immune deficiency syndrome
AGSA	Auditor-General of South Africa
APP	Annual performance plan
ARPL	Artisan recognition of prior learning
CET	Community education and training
CHE	Council on Higher Education
CoS	Centres of Specialisation
DHET	Department of Higher Education and Training
Director-General	Director-General of Higher Education and Training
DoL	Department of Labour
DPME	Department of Planning, Monitoring and Evaluation
DSBD	Department of Small Business Development
DST	Department of Science and Technology
EPWP	Extended Public Works Programme
HETMIS	Higher Education and Training Management Information System
HIV	Human immunodeficiency virus
HRDCSA	Human Resource Development Council of South Africa
HRDSSA	Human Resource Development Strategy of South Africa
HRM	Human resources management
ICT	Information and communication technology
INDLELA	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
IPAP	Industrial Policy Action Plan
LMIP	Labour Market Intelligence Programme
Minister	Minister of Higher Education, Science and Technology
MTEF	Medium-term expenditure framework
MTSF	Medium-term strategic framework
NAMB	National Artisan Moderating Body
NARYSEC	National Rural Youth Service Corps
NSFAS	National Student Financial Aid Scheme
NDP	National Development Plan
NEET	Not in employment, education nor training
NGO	Non-governmental organisation
NGP	New Growth Path
NP-PSET	National Plan for Post-School Education and Training
NQF	National qualifications framework
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSI	National system of innovation
OIHD	Occupations in high demand
PFMA	Public Finance Management Act, No. 1 of 1999, as amended, including related regulations and practice
PIC	Public Investment Corporation
PSDF	Provincial Skills Development Forum
PSET	Post-school education and training
QCTO	Quality Council for Trades and Occupations
SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SDA	Skills Development Act, No. 97 of 1998, as amended, including related regulations and practice notes
SDL	Skills Development Levies Act, No. 9 of 1999 as amended, including related regulations and practice notes
SEDA	Small Enterprise Development Agency
SETA	Sector education and training authority
SIPs	Strategic infrastructure projects
SMME	Small, medium and micro-sized enterprise
TVET	Technical and vocational education and Training
UIF	Unemployment Insurance Fund
UMALUSI	Umalusi Council for Quality Assurance in General and Further Education and Training
WIL	Work-integrated learning
WP-PSET	White Paper for Post-School Education and Training
WP-STI	White Paper for Science, Technology and Innovation

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