

SPECIFICATIONS: IMPACT EVALUATION OF SERVICES SETA'S SINCE INCEPTION (2000/01-2024/25) – EOI-25/26-05 (Research) – Annexure 1

BACKGROUND AND CONTEXT

Sector Education and Training Authorities (SETAs) originated from South Africa's need for a skills revolution to compete globally, leading to the Skills Development Act of 1998, which established the SETA system and regulated their funding through the Skills Development Levies Act of 1999. Launched in 2000, SETAs are mandated to address skills gaps by developing and implementing sector-specific skills plans, learnerships, and other training programs to enhance the workforce and economy.

The initial 25 SETAs were formally established by the Minister of Labour to cover every industry in 2000. SETAs have undergone re-establishment and recertification periods to align with evolving national strategies; including their move to the Department of Higher Education and Training in 2009. The number of SETAs were further reduced to 21 in 2010 to allow for improved efficiency.

This evaluation is commissioned at a critical juncture for the Services SETA.. , as the SETA requires to establish a clear, evidence-based understanding of the SETA's historical performance to establish a baseline for future corrective action, strategic realignment, and improved delivery against our mandate.

PROBLEM STATEMENT

The Services SETA has been in existence for more than 25 years. Over this period, it has collected billions of rands in revenue from the skills levies paid by employers, and provided training opportunities to the employed workforce and unemployed youth to create the pipeline of future workforce. Despite these milestones, the impact of the Services SETA on the services sector is not fully appreciated owing to insufficient information.

Against this background, it is important to take a full stock of the Services SETA's performance since inception to fully appreciate its impact, challenges and opportunities to deepen impact. This exercise will help inform evidence-based decision-making processes in the Services SETA.

AIM OF THE STUDY

The aim of the study is to assess the performance of the Services SETA since inception and impact of the changing policy landscape, in particular the National Skills Development Strategies and Plans

SCOPE OF WORK

This evaluation will cover the period from the inception of the Services SETA to the present day, with a focus on historical performance against intended targets, identifying implementation challenges and historical trends. The assessment will be organized around the following core thematic areas:

1. Strategic Planning and Alignment

- Analysis of all key strategy documents (Sector Skills Plans, Strategic Plans, and Annual Performance Plans).
- Assessment of the alignment between these documents and the prevailing national skills development policies (NSDS and NSDP).

2. Governance and Oversight

- Review of the historical effectiveness of the Accounting Authority/Board and its committees.
- Assessment of internal control systems, risk management frameworks, and compliance with the Public Finance Management Act (PFMA) and other relevant legislation.

3. Performance and Programme Implementation

- Evaluation of the achievement of planned targets and objectives.
- Assessment of the design, management, and impact of key skills development programmes, including the allocation and use of discretionary grants.
- Review of quality assurance mechanisms for programme delivery.

4. Organisational Capacity and Structure

- Analysis of the suitability of the SETA's organisational design and human resource capacity to deliver on its mandate.
- Evaluation of the operational systems and processes that support programme implementation.

5. Financial Management

- Scrutiny of financial documents to assess whether expenditure was aligned with strategic objectives.
- Review of the efficiency and effectiveness of fund utilisation, including an analysis of procurement irregularities identified in previous reports.

OBJECTIVES OF THE STUDY

Taking into account, changing skills development strategies, this study look into the following areas of interest:

1. Good and Efficient Governance

- How has the composition, role and functionality of Governance Structures evolved over time?

2. Creation and Maintenance of Stakeholder Value

- What approaches and strategies has the Services SETA, over time, adopted to create and maintain stakeholder value?
- Who are the Services SETA's stakeholders? How has this concept evolved over time?
- What has been the outcomes of these approaches and strategies?
- How has the Services SETA benefited from these initiatives?

3. Systems and Processes, and Impact on Overall Performance

- Are Services SETA business processes clearly defined and understood?
- Are Services SETA systems sufficiently aligned with business processes?
- How have systems evolved over time?
- What systems have been in place?
- How have these impacted on organisational performance?

4. Planning Process and Alignment with the Mandate

- To what extent has the Services SETA's planning practices and approach align with changing policy landscapes?
- How have these practices and approaches enhanced overall organisational performance?

5. Financial Management and Audit Outcomes

- To what extend has the Services SETA managed its finance in line with applicable policies and standards over the years covering the changes in skills development policies?

6. Overall Organisational Performance and Value for Money

- How has the Services SETA performed in the past 25 years, relative to the income?
- How many learners has the Services SETA enrolled over the time under review?
- What proportion of learners trained have completed their learning intervention against enrolments?
- What proportion of learners trained have been absorbed into gainful employment?

7. Contribution to subsectors transformation and transformational imperatives

- Relative to its economic muscle, how has the Services SETA contributed to the transformation of the services sector – that is, creation of new industries, changes in ownership of businesses, participation of historically marginalized groups in the certain industries?
- To what extent has the Services SETA contributed to the transformation imperatives agenda – blacks, women, youth, people living with disability, rural development?

8. Qualifications Offerings Alignment and Quality Assurance Systems

- How has the Services SETA ensured adequacy of available suit of qualifications for skills development interventions?
- To what extent have these suit qualifications aligned with skills demand?
- What has the state of quality assurance and compliance with applicable quality assurance bodies?

9. Project Management Practices

- What project management practices have been adopted at the Services SETA over time?
- How effective have management of skills development projects in the Services SETA?
- How have these contributed to organizational performance?

10. Organizational Configuration and People

- How has the Services SETA's organizational structure changed over time to respond to changing policy landscape?
- How have changes in the organization structure enhanced organizational performance and impact?
- What human resources development interventions have been designed and implemented?

11. Entrepreneurship Development and Support

- What strategies have the Services SETA employed to promote growth and development of entrepreneurship in the services sector?
- How successful have these initiatives been?

PROPOSED RESEARCH METHODOLOGY

The following research steps are proposed:

1. Analysis of Existing Data

- Analysis of existing financial and learner information data

2. Review of Strategic Documents

- Review and analysis of sector skills, strategic, annual performance plans and annual reports, and research reports covering the report under review.

3. Key Stakeholder Interviews

- Interview with key stakeholders covering various constituencies – policy makers, previous boards, oversight bodies, previous management, employers and employer associations, labour, professional bodies.

4. Case Studies

- Conducted limited case studies to demonstrate pockets of success and aid to identify gaps and provide recommendations.

5. Cost-Benefit Analysis

- Identify and employ a cost-benefit analysis tool to evaluate the Services SETA investment over time to demonstrate value for money.

TYPES OF EVALUATION STUDIES RECOMMENDED

It is highly recommended that an appointed service provider should consider including the following types of evaluations relevant to specific research questions:

1. Design Evaluation
2. Implementation Evaluation
3. Summative and Impact Evaluation
4. Consolidated Evaluation Report with recommendations

COMPETENCY AND EXPERTISE REQUIREMENTS

The successful bidder must have the following competencies:

- (i) Have proven capacity to undertake a large-scale research project of this nature and to complete the project by the due date.
- (ii) Must demonstrate an understanding of existing evaluation approaches in SETAs monitoring and evaluation in the context of SETA and similar government agencies.
- (iii) Must demonstrate understanding of evaluation types in the context of SETA and similar government agencies.
- (iv) An overview of the key personnel to be used on the contract. Provision of curriculum vitae of the team who will be responsible for this project.
- (v) Please note that the representativity (in terms of race and levels of employment) of the team is an important factor.
- (vi) Description of the current infrastructure arrangements (Organizational structure, systems, and networks).
- (vii) The ability to implement the project in a cost-effective way.
- (viii) Demonstrate these capabilities through a detailed proposal and project plan as guided by this TOR.

DURATION OF THE STUDY

December 2025 – May 2026