Technical Support to the South African Department of Labour (DOL), Labour Centres (LCs) and Sector Education Training Authorities (SETAs)

SETASA SMME and ABET
Final Report

October 2004

SUBMITTED TO USAID

Development Associates, Inc.

Funded under IQC Contract Number 674-I-00-00-00005-00, Task Order 009

Khulisa management services

JET EDUCATION SERVICES

CEPD

RTI INTERNATIONAL

USAID

Department of Labour

Table of Contents

1. BACKGROUND 1

1.1. THE SETAS AND THEIR NEED FOR TECHNICAL ASSISTANCE 1
1.2. THE SETA FOR SECONDARY AGRICULTURE (SETASA) AND ITS NEEDS 3
1.3. PLANNING FOR USAID TECHNICAL ASSISTANCE TO SETASA 3

2. DETAILS OF ACTIVITIES, PRODUCTS AND OUTCOMES 4

2.1. A CHRONOLOGY OF ACTIVITIES 4
2.2. PRODUCTS OF THE ACTIVITIES 5
2.3. POSITIVE OUTCOMES OF THE ACTIVITIES 6
2.4. LOW POINTS IN THE ACTIVITIES 7
2.5. PROJECT RESPONSE TO LOW POINTS 8

3. DELIVERABLES 9

3.1. WORLDWIDE SCAN ON INTERNATIONAL AGRICULTURE TRENDS 9
3.2. SETASA SMME STRATEGY 9
3.3. ABET CAPACITY DEVELOPMENT 9

4. CONCLUSIONS 9

5. RECOMMENDATIONS 10

Attachments

Attachment A	Report on international trends in SMME development by T Webb, UK
Attachment B	Adaptations of FoodBev report on SMMEs for SETASA by P Fraser, Development Associates
Attachment C	Attendance Lists for two major sector consultations
Attachment D	Unedited detailed notes from SSU consultations
Attachment E	Reaching out to Small Micro and Medium Enterprises (SMMEs) in the Secondary Agriculture Sector: Draft short technical report generated jointly and written by E French and J v d Linden
Attachment F	CD with comprehensive websites and references to Internet sources on SMMEs in development, compiled by T Webb
Attachment G	Contributions to strategic analysis and planning of SETASA, based on insights in Attachment D, by E French for Dr J Reddy
Attachment H	Planning documents for design of SETASA ABET qualification circulated to SETASA stakeholders, E French
Attachment I1 – I5	Set of final qualification documents prepared for approval by SETASA Standards Generating Body (SGB) and / or SAQA

Executive Summary

This document reports on a programme of technical assistance for the Sector Education and Training Authority for Secondary Agriculture (SETASA) in 2003/2004. It presents background information which is both essential for understanding the rest of the report, including its attachments, and can be seen as reflecting some of the insights gained during the technical assistance. The report then details the activities from various perspectives, before showing how they relate to the planned deliverables. The report ends with some suggestive conclusions and recommendations. Eight attachments contain the final documents and some developmental documents that may be worth keeping on the record.

The technical assistance programme had two components, the first concerned with assisting SETASA to serve smaller enterprises in its sector (SMMEs), the second with supporting SETASA's work in the area of adult basic education and training (ABET).

Work on the SMME issues was prefaced by a specially commissioned study of relevant international trends by one of the consultants. It was valuably informed by the results of a parallel project conducted by one of the consultants in a linked SETA. Intensive communication between the team of four consultants with a wide range of the leadership in the secondary agriculture sector confirmed the existence of various challenges to SETASA's ability to strengthen education and training in SMMEs. The complexity of the skills development regulations put the prescribed action out of the reach of many smaller enterprises. The sheer variety among SETASA's sub-sectors – from huge near-monopoly industries to clusters of tiny concerns - made any generally satisfying SMME policy difficult. It also became apparent that communication between SETASA and its constituency had been weak; one of the most valuable benefits of the technical assistance programme was to bring this constituency together, for the first time, in three days of consultation.

Out of the procedures of these consultations and visits to regional, the consultants drew up a proposal that built on existing SETASA structures, aimed at streamlining them and greatly enhancing SETASA's utilisation of expertise in the interest of customised delivery to the regions.

One consultant carried through the findings of the SMME inquiry into work aimed at shaping new directions with the acting CEO and the quality assurance specialist in SETASA. Out of this emerged the decision that he should focus on the development of an NQF Level 1 qualification that would give overall direction to ABET in the sector. Work on this project ranged from participation in a newly-formed SETA ABET Forum and in Umalusi's debates about the future of ABET qualifications, to the actual technical development of a new qualification. The qualification that emerged drew on existing registered unit standards in the interests of speed of delivery, but also introduced innovations in structure and in one large generalised unit standard for product handling designed specifically for secondary agriculture.

Throughout the period that the technical assistance was offered SETASA was beset by problems of overall management. These problems have not been resolved and the future of the organisation is uncertain. Nonetheless, the work completed through the technical assistance programme should continue to be useful in any new structure designed to serve skills development in secondary agriculture.

Acronyms

ABET	Adult Basic Education and Training
CEO	Chief Executive Officer
CEPD	Centre for Education Policy Development, Evaluation and Management
CHIETA	Chemical Industries Sector Education and Training Authority
DoL	Department of Labour
ETQA	Education, Training Quality Assurer
EXCO	Executive Committee
FoodBev	Food and Beverage SETA
GETC	General Education and Training Certificate
HR	Human Resources
IQC	Indefinite Quantity Contract
IT	Information Technology
JET	JET Education Services
Khulisa	Khulisa Management Services
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
PAETA	Primary Agriculture Education and Training Authority
RTI	Research Triangle Institute
SAQA	South Africans Qualification Authority
SETA	Sector Education and Training Authority
SETASA	Sector Education and Training Authority for Secondary Agriculture
SGB	Standards Generating Body
SMME	Small, Micro and Medium Enterprises
SSU	Sub-sector Units (in other SETAs they are called chambers)
USAID	United States Agency for International Development
WSP	Workplace Skills Plans

Preface

Development Associates, Inc. and its subcontractors, Khulisa Management Services and the Centre for Education Policy Development, Evaluation and Management (CEPD) have prepared this report. The findings and opinions expressed in this report are solely those of the authors and do not necessarily represent those of USAID/South Africa, or the South African Department of Labour (DOL). Similarly, any errors or omissions are the responsibility of the authors.

Team Members

Peter Fraser, Small and Micro Enterprise Expert, Development Associates

Peter Fraser began working in the field of small business development in the 1970s and has continued since then to be actively involved in the field having completed many long and short-term SMME design, implementation, monitoring, and evaluation projects in over 20 countries on three continents, including four countries in Africa. He has gained significant experience in providing consulting services through contracts with the United States Agency for International Development (USAID) and the Inter American Development Bank (IDB) in microfinance, technical assistance and training for small business and micro-enterprise skills upgrading. He has also played a key role in the development of group credit methodologies in the field of microfinance and has worked with business development organizations and financial institutions on institutional strengthening, strategy, and planning. Mr. Fraser received a Masters Degree from Indiana University (Bloomington Campus) in the United States in Latin American Studies with emphasis in development economics and business.

Edward French, Adult Education Specialist, CEPD

Mr. Edward French is a respected education specialist with many years of experience in developing educational testing and assessment instruments, adult education programmes and policies. In his 31 years of experience in the field of education, he has worked as a teacher, Educational Testing Specialist, Director of Adult Examinations at the Independent Examination Board, Director of an adult education R&D unit at Wits University, Senior Chief Researcher at the Human Science Research Council, and a founder of several Adult Education Programmes. He graduated with a Masters Degree in Education from the University of the Witwatersrand in 1988. Mr French's leadership skills, experience and educational qualifications have played a significant role in the establishment of the National Qualifications Framework and the creation of Curriculum 2005. He has recently been involved in projects concerning ABET, learnerships and broader policy for SAQA, Umalusi, CHIETA and other agencies. In addition, Mr French has various publications in adult literacy and basic education, assessment and research methodology / ethics. He is popularly known as a national authority in adult basic education.

Jantus van der Linden, South African Agricultural Education and Training Specialist, Khulisa Management Services

Jantus van der Linden has more than 25 years experience in the education and training field. He has a BA (Hons) degree in Development Administration and a Training Practitioners Diploma. His studies and working experience combine an in-depth knowledge of development principles and dynamics with training expertise - towards developing human resources solutions that are specifically geared to the needs and requirements of developing communities. He has been directly involved in most of the 250 projects and assignments undertaken by Manstrat (a management and strategic consultancy) over the past 15 years, either as the consultant undertaking the assignment or in a supervisory capacity. He specialises in rural and agricultural development, with a focus on the SMME and Informal Sectors. He has extensive experience in the planning and implementation of training interventions and projects aimed at this target group. This includes: Serving as Southern African regional consultant to evaluate Sub-Saharan Projects aimed at Economic Development and Employment Promotion (EDEP); consulting to ACHIB (African Council for Hawkers and Informal Businesses) on the design and development of training support; undertaking an assignment for the Department of Labour to develop innovative training approaches for the informal sector and operators of micro enterprises; undertook a national

study that established the learning needs of emerging (SMME) Farmers in the Agricultural Sector and developed a learning strategy for this target group. He has also developed the NSF Funding Application and Business Plan of CETA (the Construction industry SETA) for their Strategic Projects (strong SMME focus) and developed the NSF Funding Application and Business Plan of the FoodBev SETA for their Strategic Projects (strong SMME focus).

Trevlyn Webb, International Agriculture Expert, Development Associates

Trevlyn Webb is an agricultural economist and livestock expert with expertise in the successful, commercial production and international marketing of a wide range of agricultural commodities. In addition, he has extensive practical and commercial experience of large scale farming operations internationally and the production and marketing of a wide range of agricultural products. He has practical experience in the management and privatisation of small and medium enterprises including work in difficult development environments and utilising dynamic ideas, concepts and appropriate technology to make the most difficult projects successful. This is supported by close practical working relationships with farmers' organisations, breed societies and marketing organizations in Europe, Africa, S. E. Asia and the Caribbean. He has project monitoring experience with Tacis, World Bank, IFAD and FAO and has done extensive work with Agricultural and Wildlife organisations in Kenya, Zambia, Botswana, Namibia, Zimbabwe, South Africa, India and Malaysia to obtain International credit and donor funding for development projects. This includes serving on national farmers and agricultural association committees in Kenya and Zambia. Recently he has been particularly involved in projects in most countries behind the former "iron curtain" – from Poland and Moldova to Mongolia, but has also worked in Mozambique. Mr Webb holds bachelors degrees in commerce and agricultural economics from Rhodes University and the University of Wales.

1. Background

1.1. The SETAs and Their Need for Technical Assistance

Sector Education and Training Authorities (SETAs) are intended to be the engines for the fulfilment of the intentions and principles of South Africa's National Skills Development Strategy (NSDS). Essentially, the NSDS aims to upgrade South Africa's skills in general, with a view to global competitiveness, and to promote equity through redress for the impoverished education and training of the apartheid era.

SETAs are responsible for their sectors' disbursement of 70% of the statutory Skills Levy of 1% on wage bills. They must actively promote relevant and high quality skills development in their sector, but above all must be accountable for the use of the Skills Levy. The levy is intended to encourage and substantially finance training by employers. Such training must be accounted for in terms of:

- Minimum criteria for grant applications specified by the Department of Labour (DoL),
- The employer's Workplace Skills Plan (WSP) as approved by the SETA concerned,
- The National Qualifications Framework (NQF), in that all funded learning is expected to lead to qualifications or credits on the NQF,
- The accreditation of education and training providers and the quality assurance of provision according to the stipulations of the South African Qualifications Authority (SAQA).

Twenty percent of the Skills Levies goes to the National Skills Fund (NQF), which is available through due process for relevant social or community projects, such as the training of the unemployed, or for the promotion of skills that are designated strategic priorities.

The 25 SETAs were established after the passing of the Skills Development Act of 1998. The SETAs, linked to sectors of employment such as health, the chemical industries, agriculture, started coming into being in 2000. It soon became apparent that the tasks of these organisations were formidable. Major challenges included:

- Setting up structures and appointing staff in the light of requirements for representation of stakeholders on the governing Boards and in all major sub-structures (this included balanced representation of management and labour and other equity requirements);
- Attempting to define the sector, identify its scope, diversity, needs and membership, and reflecting these in a 5-year Sector Skills Plan (SSP) meant to meet identified needs and the performance targets set by the DoL. (The most notable target in relation to the present report was that 80% of the workforce served by each SETA should have a NQF Level 1 qualification (equivalent to the completion of the 9th grade in general education);
- Establishing multiple Learnerships (routes to applied competence through combinations of learning at work and institutional learning) in order to meet these targets. The requirements for the registration of Learnerships and Skills Programmes (short courses) were complex and untested in any experience;

- Instituting systems to manage and account for the use of inflows of finances (which in some sectors represented huge amounts seldom seen in the post-school education and training environment in South Africa); and
- Developing the structures and roles of the untested notion of an Education and Training Quality Assurance body (ETQA). This was required in each SETA to manage and account for the quality of provision and outcomes through accreditation and quality assurance of assessment.

In addition to these challenges, the SETAs soon faced other less predictable problems. Above all, perhaps, were the Catch-22 situations inherent in running a complex system in which many of the components are themselves in the process of conceptualisation and development. These included the fact that many of the unit standards and qualifications to which the Learnerships were meant to aspire did not yet exist. (The registration of qualifications and Learnerships constitute two complex processes necessary before the SETA could perform its core competencies.) The systems of accreditation were to prove very difficult to manage, leading to disabling situations where even long-standing providers of repute could not officially deliver their programmes. The DoL and SAQA put in place various developmental accommodations to allow the looser interim processes needed to get things going. These however often created confusion and disagreement. Apart from these challenges, the DoL decided to encourage the SETAs to take on the management of NSF funding for social and strategic projects, which posed additional capacity challenges.

Many SETAs also struggled with the challenge of the twin-sided concern of the NSDS. By 2002 it became apparent that the elite and high skills needs for education and training in the interests of international competitiveness were receiving the lion's share of attention. On the other hand, the concern with equity, serving the interests of workers with low levels of formal education, was proving difficult to deal with. There were various reasons for this. The felt need for rare high skills was much higher than the felt need for literacy and basic skills training in large-scale enterprises. These enterprises were the best organised and represented, and were able to voice demands in terms of these strategically important national or sectoral needs. On the other hand, the semi-skilled operator who might like to become a skilled operator, was not being given nearly as much attention.

Beyond these questions lay the problem of services by the SETAs to workers who fell within the moral mission of the SETA, but who for various reasons fell out of the net of provision. These could be divided into several groups:

- Those in smaller enterprises where the complexity of reclaiming from the levy (creating WSPs, setting up Learnerships, intricate reporting) led the employer to treat the levy contribution as an extra tax;
- Those whose employers did not have a large enough turnover to contribute to the Skills Levy, and were therefore off the list of SETA members;
- Those who themselves ran very small or micro enterprises within the definition of the sector; and
- Unemployed persons.

Because of these complexities and difficulties, an ingenious and finely thought-through plan for national transformation was threatened by the scope and demands of establishment and initial implementation. It was for this reason that USAID, in consultation with the DoL

decided to foreground technical support for five SETAs[1]. In 2001, the SETAs were invited to put forward requests for technical assistance. In 2002, the Development Associates Consortium was awarded the tender to manage the support. Subsequently, the consortium embarked on a consultative process with each of the SETAs to further define their scope of work.

1.2. The SETA for Secondary Agriculture (SETASA) and its needs

There was some argument about the original establishment of SETASA. It could have been part of one mega-SETA comprising what are currently the Primary Agriculture SETA (PAETA), SETASA itself, and the FoodBev (Food and Beverages) SETA. However, a contested decision was reached that these sectors should be separated, with SETASA taking in essence two broad areas – the first, processes of handling of agricultural outputs and the second, the production or supply of inputs to agriculture. Thus, SETASA was meant to service the skills needs of people working in abattoirs, silos, seed supply, fruit packaging, pest control, etc. As in most SETAs, there were fine lines between whether a business belonged in any one of the related SETAs. Member companies elected, through their categorisation of their skills levy in their returns to the SA Revenue Services, which of these SETAs to join.

The result in SETASA, as elsewhere, is the need to service a range of companies from huge near monopolies in the sugar and tobacco industries, to the micro enterprises represented in the Sub Sector for Pest Control. (SETASA's client membership is represented through ten Sub-Sector Units – SSUs – like Grain, Seed, Tobacco, Fruit. These SSUs operate mainly through participation in local voluntary associations, and are represented on the Board.)

Some SETAs, such as Financial Services, generate huge income in relation to their training needs. The more labour intensive sectors generate less for much greater need. SETASA is among the less fortunate in this respect, although it is on a per capita basis better off than PAETA.

In response to USAID's and the DoL's RFP, SETASA's CEO identified the need to reach out to and service Small, Micro and Medium Enterprises (SMMEs), and to develop a programme for promoting Adult Basic Education and Training (ABET) in the sector.

1.3. Planning for USAID Technical Assistance to SETASA

Negotiations preceding the start of the technical assistance to the SETASA were protracted in the first place by a misunderstanding of SETASA's former CEO that he was being offered a grant to supplement a major grant from the NSF. Once this was overcome, there was fairly firm agreement that the major part of the technical assistance programme would be directed at developing guidelines to help SETASA to better serve its SMMEs. However, the CEO asked for special attention to the effects of the trend to multiple smaller operations after the unbundling or devolution of large (often state or parastatal) organisations – most notably in this case the abattoirs,

On the other hand, the ABET-related assistance underwent several shifts in demand. By the time the overall programme of assistance to SETAs had been approved, SETASA had already engaged a consultancy to design and implement its NSF-funded ABET project. It was thus decided that the USAID technical assistance would involve assisting SETASA in drawing up proposals for further development in this context. When the ABET component was ready to

[1] The five SETAs were the Chemical Industries (CHIETA), SETASA, FoodBev SETA, Primary Agriculture (PAETA) and Public Services (PSETA).

implement, the CEO had left, and the acting management could see no benefit in the proposal-writing project, but asked instead for a more focused consultancy relating to their capacity to run ABET-level Learnerships in pursuit of the national target. This was further refined in discussion with the newly-appointed consultant CEO to satisfying the urgent need for an NQF Level 1 (ABET Level 4) qualification to provide an enabling structure for Learnerships and a learning pathway in the qualifications matrix.

Thus, at the outset of actual work on the project in June 2003 there were two main thrusts.

- By far the larger investment was in the contribution of four specialists – two international – who were to help SETASA to extend their effective engagement with Small Medium and Micro Enterprises (SMMEs) in the sector.
- A smaller component involved only one of the specialists in technical assistance related to SETASA's delivery of ABET.

2. Details of Activities, Products and Outcomes

2.1. A Chronology of Activities

January 2002	SETASA responds to RFP
November 2002	USAID / DoL present offer of technical assistance. SETASA CEO engages with the Development Associates Consortium to make changes in the Scope of Work
March 2003	Original CEO of SETASA suspended on grounds of financial mismanagement; (a Board member takes caretaker role – only in June - pending resolution and/or replacement of CEO)
April 2003	Preparatory survey of international trends in developing the SMME sector, especially in response to devolution, commissioned from UK consultant identified in international search
May 2003	After re-negotiation and submission of new offer, the plan for technical assistance to SETASA is approved by all sides
June 2003	First scheduled meetings of all four consultants. First consultative workshop of all SETASA SSUs convened and led by project team, on development needs and SMMEs
July 2003	International consultants undertake tour to understand regional conditions. Local consultants gather information from SETASA's database, staff and other stakeholders. Design of draft strategy for SETASA in the promotion of its SMMEs. Holding of second consultative workshop with SETASA SSUs and SETASA professional staff. Consultation and design of final draft strategy for fuller circulation among SETASA stakeholders. Compilation of CD of international links relevant to SMME development.
August 2003	Finalising of final draft strategy by local consultants and circulation for comment among SETASA stakeholders. Intended presentation to Board.
October 2003	Consultations with SETASA staff about focus of ABET technical assistance. Attendance of specialist at meeting of NSF ABET consortium. Compilation of new scope of work for ABET consultancy.

November 2003	ABET Specialist meets with newly appointed consultant CEO. Uses draft SMME strategy for guidance of new overall strategy. Contributes to compilation of presentation to the Board of SETASA regarding new directions. Attends and supports newly-formed SETA ABET Forum on behalf of SETASA.
December 2003	The ABET specialist, in order to develop SETASA NQF qualification, attends further meetings of SETA ABET Forum and contributes to the Umalusi work group on future ABET qualifications. Guides SETASA's own short-term appointment of a Project Literacy rural specialist to help with contextualisation in the NQF Level 1 qualification.
January 2004	Meetings in Johannesburg and Pretoria to draft design of the qualification. Analysis of existing unit standards and qualifications titles relevant to a SETASA qualification. Production and distribution to stakeholders of a discussion document on an ABET qualification.
February 2004	The actual unit standards were sourced and copied and the process of drafting an actual qualification for submission to the SGB was brought close to completion.
March 2004	A full qualification for NQF Level 1 (ABET) in the Secondary Agriculture Sector was drafted and circulated for comment. This included the selection and deployment of already registered unit standards, the development of a large new unit standard for product handling.
April 2004	The formulation of motivations and a guide for contextualisation was drawn up. A more detailed linked guide for enacting contextualisation by clustering and cross-fertilisation of aspects of unit standards was developed.
May 2004	An additional guide for contextualisation of the qualification, this time looking at unit standards from different domains could be combined to result in economies of time and effort. It was drawn up by Dr Basel of Project Literacy under the ABET specialist's guidance. At this point the deliverables for the ABET part of the technical assistance project were considered to have been delivered.
July 2004	SETASA SGB approves ABET qualification and forwards it to SAQA for registration.
September 2004	SETASA SGB receives qualification to submit to SAQA for registration and final report written.

2.2. Products of the Activities

The products of the activities are:

- Worldwide Scan on Trends in the Sector by T Webb, UK (Attachment A)
- Adaptations of FoodBev report on SMMEs for SETASA by P Fraser, Development Associates (Attachment A)

- Notes on SETASA's structure and components: General compilation by the consultants (Attachment B)
- Unedited detailed notes from SSU consultations (Attachment C)
- Reaching out to Small Micro and Medium Enterprises (SMMEs) in the Secondary Agriculture Sector: Draft short technical report generated jointly and written by E French and J v d Linden (Attachment D)
- CD with comprehensive websites and references to Internet sources on SMMEs in development, compiled by T Webb (Attachment E)
- Contributions to strategic analysis and planning of SETASA, based on insights in Attachment D, by E French for Dr J Reddy (Attachment F)
- Planning documents for design of SETASA ABET qualification circulated to SETASA stakeholders, E French (Attachment G)
- Set of final qualification documents prepared for approval by SETASA Standards Generating Body (SGB) and / or SAQA (Attachment H)

2.3. Positive Outcomes of the Activities

Among the clearest outcomes of the activities were the two workshops of SETASA staff, Board members and SSU representatives. These were lively, intense, frank yet amicable events that yielded rich insights into the struggle to make the NSDS work in the secondary agriculture sector. What was special about the workshops was that they were the first occasion that the members of SETASA had met. The previous management style in SETASA had been non-participative and non-consultative to a large degree. Indeed, throughout both parts of the technical assistance project the consultative approach (circulating documents for discussion and warmly soliciting inputs) was welcomed throughout the sector. Even though actual feedback from circulation was minimal, it appeared that the recipients were surprised and pleased to be informed and have their opinion called for.

Linked to this positive outcome was the quality and interest of the group of four consultants. All four were deeply dedicated to development, but came from radically different directions and contexts. Peter Fraser brought a depth of experience of consultancies supporting SMME development in South America. Trevlyn Webb had the most extraordinary range of perspectives from Eastern Europe and many countries of the former Soviet Union. Jantus van der Linden had years of work in rural and agricultural development, with an intimate knowledge of the history and structures of SETASA and of PAETA. Edward French brought the experience of 25 years in South Africa promoting adult literacy and basic education plus close involvement in the unfolding of the NQF and the NSDS since the early 1990s. The final recommendations from their work together was kept short because of what turned out to be an accurate perception of limited capacity among SETASA stakeholders for uptake of extensive text. Nonetheless, the report contains the condensed product of extended, serious deliberations around the facts and feedback – sometimes contradictory and difficult to interpret - from the short period of work together in South Africa.

The second outcome was the ability to inform the impressive attempts of the consultant CEO to reconstruct SETASA on the basis of the experience gained in the SMME investigation. Dr Reddy's intervention has meant that SETASA is not currently under threat of dissolution or being merged with other SETAs, as are a number of SETAs. Although Dr Reddy did not

adopt all the details of the model for a new structure recommended in the SMME document, her structure shares many features and the broad intent with the consultant's proposals.

Thirdly, the qualification development has allowed for the introduction of some new features into the NQF Level 1 / ABET area. These are too technical to outline here, but are reflected in the planning and rationale to be found in Attachments G and H. Although the qualification is yet to go through the standard processes of registration, the quality of its development and the new approach should contribute to the shaping of qualifications in this relatively neglected corner of the NQF.

Finally, the opportunity afforded the ABET specialist to participate in the development of the SETA ABET Forum was constructive – with a view to ensuring that the qualifications and related support system development matched emerging practices in the SETAs. On his first engagement the Forum was taking some problematic directions. Though clearly an important innovation intended to deal with some urgent questions that are inhibiting the SETAs' ability to serve ABET, the Forum was entering on a course which would put it into conflict with the competencies of various statutory authorities. The ABET specialist was able to play a major role in clarifying directions for the Forum. (The Ministerial SETA review process has put planned developments in the Forum on hold, but this should hopefully be temporary.)

2.4. Low Points in the Activities

It is no exaggeration to say that SETASA has been in a dire condition throughout the project. As was to be all too apparent throughout the present project, SETASA's foundations were too weak to build on. Financial systems were unsatisfactory. Disbursements were problematic, though these were managed miraculously by the staff in spite of the problems. The creation of the basis for qualifications and learnerships in the sector was well behind schedule. In terms of the present project perhaps the most limiting weakness was the poverty of information systems. The vital Sector Skills Plan, which should have been a fundamental source of data about the sector, was scarcely more than a (rather sentimental) wish list. Obtaining reliable information about the scope, membership, structures and finances was frustrating and unreliable. The essential initial research had never been done.

The small staff, not without appropriate gifts, was trapped in restrictive, unsatisfactory premises with poor resources. Not only did they lack clear leadership, but they felt undermined and discouraged by factions in the Board. They were also subject to variable, sometimes negative, relationships with the stakeholders and sub-sector units. On the whole the collective clientele has appeared largely disaffected by SETASA and the NSDS as a whole, though a "road show" in all the regions during Dr Julie Reddy's leadership apparently helped to re-establish greater optimism.

In the establishment phases of the USAID project, interaction with the CEO was predicated on the assumption that he represented a relatively communicative and transparent context. In retrospect, his communication with the Board about the USAID Technical Assistance project was thin, and his communication with the staff on the subject was virtually non-existent.

When the project commenced in June 2003 the organisation had been without leadership for nearly four months. The CEO had been suspended and then asked to resign because of questions about the financial management and other management practices in SETASA. No effective management structure was in place. At the beginning of June a temporary caretaker (one of the Board members representing the interests of one sub-sector) was put in charge of operations without the powers or time to do what was needed. Neither the caretaker nor staff members were clear about the USAID-funded intervention. While there was no hostility to

the project, the action commenced in a situation where it was clear that SETASA had little capacity to engage with the needs of the project for information, contact, communication or clarification of directions. Fortunately the previous relationship of the Khulisa team and of Jantus van der Linden with SETASA and the sector it represented, and the collateral knowledge of the related FoodBev SETA on the part of Peter Fraser, allowed the project to move ahead quite effectively in its limited time slot. Against this background, the successful workshops and the research visit of the international consultants to the Western Cape created a period of optimism for the sector.

A major low point came after the departure of the international consultants when both the caretaker manager and the ETQA manager of SETASA organised for Jantus van der Linden and Edward French to address the Board and gain feedback for its further refinement and publication. The two arrived at the SETASA offices at the appointed hour to find the Board in furious contention after a report from a legal team which had been working on stringent revised legislation to deal with under-performing SETAs. In spite of the reminders of various members of the Board that the specialists were waiting to present to them, the meeting adjourned without the visitors being invited in. The discourtesy of the Chair of the moment seemed palpable and deliberate to other members of the Board. This was not clearly motivated, other than through a possible animus against consultants. (When Dr Reddy investigated the financial records, she found that the Board had committed themselves to an almost disabling investment in consultancies in contracts difficult to terminate.)

The disabling condition of the Board, with a consistent failure to make decisions, or to support the responsible members of staff, has continued. By April, Dr Reddy had restored staff morale, the thrust and purposefulness of the organisation and the confidence of the Department of Labour. At the end of May she opted not to renew her contract, leaving a depressed staff, having despaired of the Board's ability to resolve its differences, stand by its commitments, and act on the urgent issues facing it. At the time of writing the staff have apparently instituted legal action against the Board. Like other urgent practical decisions, neither Dr Reddy's recommendations for structural changes, nor the similar ones recommended in the SMME report have been adopted or at least taken seriously.

2.5. Project Response to Low Points

Throughout the project, the response of project members to these negative and discouraging features of the context has been to take a long view. Thus, from the beginning, they shaped their work so that it would continue to have validity and be potentially useful in the event of SETASA's dissolution and incorporation into another SETA. Thus, the structural analysis and argument, and the process recommendations regarding the benefiting of SMMEs in this sector should be of continuing interest. The SETASA ABET Qualification could with ease be adapted for other agricultural or food production sectors. It would offer a model for other ABET qualifications being designed in the light of Umalusi's[2] preference for qualifications at this level that have greater commonality with the General Education and Training Certificate (GETC) than is the case in many SETA-generated qualifications.

[2] Umalusi is the ETQA for the general and further education and training bands.

3. Deliverables

There were three general deliverables of this assignment.

3.1. Worldwide Scan on International Agriculture Trends

At the beginning of the assignment, Trevlyn Webb conducted a Worldwide Scan on Trends in the Sector by T Webb, UK (Attachment A) and provided a CD with comprehensive websites and references to Internet sources on SMMEs in Agricultural Development (Attachment E).

3.2. SETASA SMME Strategy

The four consultants with assistance from the logistics person from Development Associates put together two workshops with relevant stakeholders to generate the SMME strategy. For more details on the workshops see Attachment C. The strategy was formulated and circulated as "Reaching out to Small Micro and Medium Enterprises (SMMEs) in the Secondary Agriculture Sector: Draft short technical report generated jointly and written by E French and J v d Linden" (see Attachment D). The acting CEO, Dr. Julie Reddy interacted extensively with the draft strategy. But like many other recommendations made to the board over the last year, this strategy has been neither adopted nor rejected. To continue working on this the consultants completed a document called "Contributions to strategic analysis and planning of SETASA, based on insights in Attachment D", by E French for Dr J Reddy (see Attachment F).

3.3. ABET Capacity Development

It was originally planned that out of the SMME strategy there would be the need to develop request for proposal from ABET providers and then to adjudicate the proposals to allow SETASA to award tenders. However, detailed consultations showed that SETASA's need for technical assistance was for the urgent development of NQF level 1 qualifications. In addition SETASA's ABET qualifications had to link to similar qualifications in other sectors, requiring the consultant to attend various advisory meetings on behalf of SETASA. The first deliverable from this part of the project was a set of planning documents for design of SETASA ABET qualification circulated to SETASA stakeholders (see Attachment G). After feedback from stakeholders, a set of final qualification documents were prepared for approval by SETASA Standards Generating Body (SGB) (see Attachment H). The qualification was approved by the SGB who have taken responsibility for its submission to SAQA for registration.

4. Conclusions

Technical assistance to an organisation that is too weak to respond to the assistance, take it on board – or even remember why it wanted it in the first place – will always be questionably effective.

The concept of the NSDS is persuasive and enormously hopeful. Its structures, not only the SETAs but the whole complex apparatus which determines the roles of the SETAs, are deeply problematic. Nearly everyone involved believes that the system is in need of correction – corrective steps are anyway chronically implemented – while some believe it to be incorrigible. SETASA in present mode certainly represents some of the worst failings in a sector where there its raison d'être would seem to be compelling.

As this report has shown, the technical assistance to SETASA has had some temporary benefits. Each step in the project has been undertaken with appreciation for the organisation's weakness, but also for the possibility that a well-meant professional intervention could help to strengthen it. Both the SMME report and the ABET Qualification may prove to have a longer life and salutary influence, and could be useful beyond SETASA. For this to happen they will need more active interest and support from the DoL or other SETAs before they flourish.

While the project team would pride themselves in their sense of the validity and usefulness of the SMME recommendations, they are also aware of their shortfall from the ambitions of the original request. This shortfall could be said to lie in an inescapable lack of specificity. The experience brought by both international consultants had great curiosity value for South Africans, but the consultants themselves were insistent that their observations of trends and practices abroad were of very little value in the face of the multitude of unique features of the SMME sector and the NSDS in South Africa. Some use was to be found in international categorising of the sector. The international consultants were also constrained, as were the local consultants, in making usefully specific recommendations by the lack of significant survey information about SMMEs in general, and in SETASA in particular. The poverty of the SETASA SSP has already been mentioned. A small amount of information might be gleaned from skills planning documents, but these only reflected a handful of medium enterprises and had not been analysed. There could be little doubt that the project would have been more worthwhile had the team conducted an intensive rapid survey to determine more about the structure, nature and needs of SMMEs in secondary agriculture. But this was not among the agreed deliverables of the project. Nor was it possible in the time available. The technical report had therefore to concern itself with broad strategic analysis and recommendations.

The ABET technical assistance was altogether more fortunate in having a specific task that the SETASA ETQA needed quite urgently if the targeted learnerships were to be set up and serviced. It was possible to do a workmanlike job that was practical, innovative and aimed at immediate usefulness across the sector. However, even here, in spite of extensive email consultation and exhortation, SETASA itself (other than the consultant CEO) and its SSUs and stakeholders, have not had the capacity or the time to provide feedback on the qualification – other than a few indications of general approbation and gratitude for being consulted. And the qualification now waits to be taken forward by an SGB that will only be meeting after a long hiatus on 13 July.

5. Recommendations

To SETASA it is suggested that:

- The analysis and recommendations in the SMME report be remembered and revisited when the organisation is less pre-occupied with mere subsistence.
- The ABET qualification must be utilised with urgency in order to create the basis for fulfilling the NSDS national target at this level. It will also realise the many benefits for ABET as a whole that are offered by the existence of this qualification.

The DoL clearly needs to intervene in SETASA at board level.

Attachment A

Technical Support to the South African Department of Labor (DOL), Labor Centers (LCs) and Sector Education Training Authorities (SETAs)

"Worldwide overview on trends in the secondary agricultural sector"

By

Trevlyn WEBB

Submitted to:

The Secondary Agriculture Education Training Authority (SETASA)

Funded under IQC Contract Number 674-I-00-00005-00, TASK Order 009

Table of Contents

1. PROJECT BACKGROUND 1

2. METHODOLOGY 1

3. STRATEGY 1

4. MAIN FINDINGS. 3

4.1. SETASA QUERIES FOR INFORMATION 3

5. SUGGESTIONS FOR A FUTURE DEVELOPMENT STRATEGY 5

6. RELEVANT INFORMATION USED 6

6.1 COUNTRY INFORMATION RELEVANT TO SMMES IN THE AGRO PROCESSING SECTOR. . 6

6.2 GENERAL INFORMATION FOR SMMES IN AGRICULTURAL PROCESSING. 7

6.3 RELEVANT PAPERS SEARCHED AND STORED FOR FUTURE REFERENCE. 7

6.4 INFORMATION PAPERS ON SMMES. 7

6.5 DONOR AND LENDING ORGANISATIONS 8

7. CONCLUSIONS. 8

8. RECOMMENDATIONS 9

Acronyms

SME	Small, Medium Enterprise
SETASA	Sector Education and Training Authority for Secondary Agriculture
SETA	Sector Education and Training Authority
IFC	International Finance Corporation - USA
CDC	Commonwealth Development Corporation - UK
CIS	Consortium of Independent States (Former USSR)
SADEC	Southern African Development and Economic Commission
WTO	World Trade Organisation
EU	European Union
US	United States
USA	United States of America
BSE	Bovine Spongiform Encephalitis
SE	South East
UHT	Ultra High Temperature
SIDL	Serge Island Dairy Limited
LC	Labour Centre
DOL	Department of Labour

1. PROJECT BACKGROUND

This project has been set up to assist SETASA in formulating an SMME/ABET strategy plan for future training activities. The overview has been to search for best international practise in SMME development, relevant to South Africa at the present time and to incorporate this into future plans.

2. METHODOLOGY

An international search of websites, farmers markets, libraries and international source information has been conducted to find information pertinent to a training strategy.

The aim of the search was to find relevant technology, awareness, safety, hygiene and export information that could be used in helping to develop skills in SMMEs. The search has been condensed and divided into the following sections:

- Relevant country experience;
- Good examples of SMME development strategies from other countries in their agricultural sectors;
- Training methods for SMME development and the isolation of effective systems that are working elsewhere in similar countries;
- International trading developments for SMMEs and how other countries and SMME companies are approaching a complicated market; and
- Best practise in similar SMMEs in other countries.

3. STRATEGY

The search has concentrated on SMME information relevant to SETASA development. Examples are given from all countries where the ideas are working and giving good results not on whether they are in the same stage of development. The greater level of competition in highly developed countries tends to balance out some of the advantages they have for SMMEs.

3.1 General areas covered in the search include agricultural and food inputs, production of animal and pet feed, red meat, poultry, fruit, juice, wool, grain and milled products, cotton ginning, sugar, tobacco production and coffee production, processing and marketing. Greater use of the internet and e-marketing now means that countries like South Africa can very quickly come up to international standards in products they are competitive in. Even the remotest parts of Russia are using the web to increase their SMME efficiency.

3.2 Animal and pet food has good international market potential as it does not have the same stringent rules that are applied to food for human consumption. Meat and offal and many other by-products can be used in the preparation of pet food, but not for livestock feed in most countries. This is a sector that is being taken over by SMMEs in countries such as India where a good market has been established through improvement of processing and e-marketing. Canning and sealed controlled condition packs are expanding the scope for these products in many countries.

3.3 South Africa already has a good international record in the export of red meat products and has close collaboration with Botswana, Namibia, Swaziland and Zimbabwe in this sector. There is a good, but very competitive market, in the Gulf States and expansion of sheep and

goat meat should also be looked into in this sector. Speciality products such as salami type sausages and dried meats have a good potential from this sector on international markets. Rapid expansion of local markets and import substitution should be the aim of future expansion in this sector.

3.4 Poultry is a difficult market and would have to compete with subsidies from the USA and the EU in many markets. Local and regional markets are best for expansion in this sector. Modern techniques have revolutionised poultry handling, display and marketing. This includes the preparation of a wide range of products that would normally be associated with pork. In most countries, pig and poultry meat are taking over from red meats as the main source of protein and this must be taken into consideration in any strategy.

3.5 South Africa has an established market and high level of expertise available in fruit SMMEs which needs to be expanded to new entrants into the business. Fruit and fruit juices have become more competitive over the last few years with large estates funded by international companies opening up in Central and South America. The best new potential for these commodities are for expansion in South East Asia and the former States of the Soviet Union as these markets have the greatest new capacity at the moment. The examples of marketing cooperatives for SMMEs in Greece and Israel should be closely observed and where possible copied.

3.6 In the wool and mohair sectors, markets are very versatile and the main training in many countries is to improve product and processing quality. After the havoc the Chinese have caused in the fibre market over the last decade it is very difficult to predict future trends. Information from leading buyers indicate there is always a good market for top quality Merino wool and Mohair and their fashion accessories, but the market is very selective and welcomes some down stream processing where cheaper labour is available.

3.7 Cotton, like wool, depends to a large extent on quality and for the best results improved ginning and spinning are being addressed. Garment quotas for the main markets are a major factor in export of finished cloths in this sector. China and India are difficult to compete with though Mauritius is a good local example of a country acquiring a quota and using it to best advantage. Expansion of hand made fashion garments are the trend from SMMEs in this sector.

3.8 Grain and milled flour reserves are at an all time low on international markets but are generally handled in large bulk to be efficient. The Canadian, US and EU exporters have to be competed with and it is very difficult to undercut their subsidised production and export. Expansion of local trading is the trend with SMMEs working in this sector by introducing new packaging and processing systems.

3.9 Sugar is mostly subject to quotas on international markets and needs to be very competitive in this respect. The South African estates are similar to the ones in Swaziland and Zambia where SMMEs in this sector have met with many difficulties despite massive international investment from organisations such as IFC and CDC. Better management systems will be important in improving the competitiveness in this sector.

3.10 Tobacco is an expanding product even though there is so much opposition to smoking in the developed world today. Demand in the CIS and China is still expanding rapidly and the bigger companies are moving their attention there. This sector will have to adapt its systems to suit these new markets in future.

3.11 Coffee processing with the benefits of SADC and inter Africa imports would have a large advantage for SMMEs. Quality must be very high to enter the most lucrative markets. Direct marketing companies that export directly from SMMEs in developing countries are

doing well and this trend is spreading to many other products coming from SMMEs in countries similar to South Africa.

3.12 Pest control is carried out widely by SMME contractors and is very successful in industrialised countries. In the CIS and Eastern Europe where parastatals have been taken over by private contractors, there have been many problems. The main one being lack of managerial ability rather than specialist skills. Safety is the main international concern in this sector today and this will have to be addressed for local products not to be penalised on international markets.

4. MAIN FINDINGS.

SETASA gave the following list of queries to be addressed in the search to help with formulating future strategies for the various sectors..

The following are findings from searches and experience in other countries in these areas:

4.1. SETASA QUERIES FOR INFORMATION

- **Are the international trends in secondary agriculture moving away from Parastatals and towards SMME's?**

State control of agricultural processing is becoming less common in all the countries searched and visited. The main reason for this is that the centralised economies have shown this to be a very inefficient system and it is far better managed in the private sector. In developed countries, large corporations are still the main companies in agricultural processing. The exceptions to this are SMMEs using modern technology and producing a high quality product for more affluent niche markets.

- **What are the most common structures being used for SMME development and are they sustainable?**

Management and labour have to be highly skilled but less specialised than in parastatals. This change requires more "on the job" training in the wider aspects of production, processing and marketing. Management and workers have to be more versatile in their work processes and adapt to new ideas more quickly. Where this has been highly successful is in countries where there are well established cooperatives, associations and extension facilities devoted to SMMEs in agriculture. Where this has not happened and the organisations set up are not commercial enough, they disappear very quickly and SMME development is very slow.

- **What are the best measures to take to make SMME's more sustainable?**

A combination of good training, information, inputs and marketing assistance from umbrella organisations are the most consistent ways SMMEs become sustainable. Strategy must include an element of all these to have the best results. Greater use of distance training and worker involvement and investment into SMMEs has speeded up this process of integration and product quality in countries such as Brazil and Mexico. The system of training trainers that then go back to their own companies and train their workforces has had a multiplier effect in many countries. This means that only a very small proportion of each company needs to be trained but the ripple effect increases its efficiency much more rapidly For this to work, in most circumstances, young and dynamic managers and workers must be targeted to use as examples to others. The SMME companies must have very good contacts with the marketing of their finished product and the feedback of information from consumer to market and back to the SMME must be rapid.

- **Is the shift to SMME's and away from Parastatals due to legislation or market forces?**

This shift depends on the individual country. In the CIS and Eastern Europe (where there were centralised economies run and managed by parastatals) the changes tend to be due to legislation brought about by international donors. In the more experienced market economies it is market forces that drive SMME development. A combination of state good enabling laws and economic factors are the best combination for fast and sustainable growth of the SMME sector. The more sustainable results have been seen where hard financial and marketing forces shape the type of SMMEs that survive, as seen in the case of New Zealand where there are virtually no subsidies to agricultural SMMEs. With the increased influence of WTO this will become even more apparent and be an advantage to countries such as South Africa.

- **Are the trends seen more in some sectors than others? E. g. red meat, dried fruit, grain milling etc.**

From the searches and from private experience there seems to be no set pattern in any particular product. In most cases where success is well established there is a very strong and dynamic association, or cooperative, working for, and financed by, the sector. This makes the SMMEs more competitive and better able to negotiate with large retailers and market outlets. The speed with which some of the countries in Eastern Europe have taken up informed SMME development strategies is a good example. Poland has managed to get a firm grip on pork markets in many countries through improved training systems. In the EU and US strict and expensive traceability and sanitation rules in the abattoir trade mean fewer and larger slaughter houses now working. In emerging economies, the trend is in the other direction with SMME's taking over from collapsed parastatals. In time these have expanded to form larger companies but there is still a place for the SMMEs with efficient processing and marketing systems producing specialty products for niche markets.

- **What are the perceptions of consumers in using products from SMME's vs. large processing organisations?**

This depends entirely on the quality and price of the product being produced. Consumers are becoming much better informed and are prepared to pay more for higher quality products that have less contamination and cruelty associated with their production and processing.

- **What are the more successful marketing strategies being used in other countries for SMME's?**

Successful strategies all have similar properties; they are very competitive, well priced, quality standards are easy to see and labelling is clear and concise. They market a product from a disciplined work force with high standards and stringent monitoring systems. The big outlets in developing countries where the best prices are achieved are extremely critical and will drop suppliers if standards slip in the least. Countries such as Kenya, Costa Rica and many others have made a great impact on fruit, flower and vegetable markets in richer countries because they have trained their people well in preparing a product that can be put straight on to supermarket shelves on arrival. These products are in well displayed packages with a consistent standard.

- Associations and cooperatives are formed in different ways in different circumstances but the main thing is to get the members of the various industry sections together and for them to form a committee. The actual constitution and rules will depend very much on South African law and I am afraid I do not know enough about this to comment in any great detail. There must be some good examples of associations such as the livestock

breeding associations that can be used to draw up the initial structure of the organisation that will be formed.

- The main difference between the 2 organisations is that the association is usually run on a voluntary basis with the officers not being paid and is a non profit body. The cooperative is a business organisation with paid office bearers and very profit orientated.
- With associations there is generally a committee drawn up and voted for by the members who in most cases give up a great deal of their time with no compensation for the good of the industry.
- The cooperative employs a manager and pays him a commercial salary to run the business for the benefit of the members. It can be wholly or partially owned by the members or as in some cases in Greece is a completely separate organisation with no producer or processor funds in the company. In this case the profits of the cooperative are not shared amongst the members at the end of the year.
- The actual system used in South Africa will depend very much on good examples that have already been established and are working in other sectors rather than trying to set up a new set of legal rules for them.

5. SUGGESTIONS FOR A FUTURE DEVELOPMENT STRATEGY

The key to successful primary agricultural and processing SMME's is a good marketing strategy and being able to produce a product that is branded and well accepted by consumers. In order to achieve this it is important that secondary processors and producers of finished products are included in any future strategy in order to get the best markets for raw and processed products.

The trend in Europe and USA is for SMMEs to combine the whole production, processing and marketing chain into one or closely connected companies. The wine and Ostrich sectors in the Cape Province are a good example of this integrated approach.

The search has identified some factors that make SMME's successful and others that have very little success in their enterprises. This does not depend on whether the country is highly developed or not, but on entrepreneurial, management and marketing skills. Examples from the largest economies must not be forgotten in this respect.

In the richer households in all countries the trend is for consumers to become more discerning and less price conscious in their choice of food. This process has been speeded up by the appearance of BSE, Foot & Mouth and other food related scares that have emerged in the last few years and made the general public much more aware of the dangers of poor production and processing systems. These concerns must be addressed in any future training systems.

Food safety is becoming a very important factor in consumer choices. This has been enlarged by the many food scares seen in the most developed countries over the last few years. This makes labelling and quality of products even more important as a factor in marketing. Therefore, training in modern techniques in processing, presentation, packaging and marketing are most important. All sectors need to become aware of consumer resistance to products that do not have a good reputation in this area. South American meat exporters have gained market share as a result of these scares. Hormones, insecticide, pesticide and other chemical residues in many products can now be measured and having above recommended levels of these have badly damaged some countries products. This is beginning to apply to wool and cotton and non-animal products.

Ethical considerations such as the use of hormones in the production of meat have become a very strong marketing disincentive for many consumers and SMMEs need to train their suppliers in order to get good quality products for processing. In Malaysia and other South East Asian countries, emphasis on integrated training schemes that include producers and processors are very popular.

Successful marketing strategies used by SMMEs in the agricultural sector tend to be a combination of local and international sales through cooperatives, associations and with e-marketing. A good example of this is the market Vanuatu has established with Japan for beef. The abattoir has trained farmers to produce a product very similar to Japanese Kobi beef but at a fraction of the cost. This shows that with some investment in a small well managed abattoir a product can be produced in a small developing country up to international standards.

The organic movement is a good example of the move in this direction where state and association inspections assure consumers that the products are produced under strict guidelines without the use of damaging drugs and fertilisers. Experience in many African countries shows that the misuse of drugs is causing loss of market because they have not been stringent enough in their standards in this area. Strategy should incorporate a strict code of conduct and training standards for organic products.

Use of e-marketing and the internet to get information and market is becoming a trend in most developing countries as it gives results and broadens the market for SMMEs at a reasonable cost. Training in the use of computer technology is a very important factor in future development and will rapidly allow developing economies to catch up with more advanced ones if they have used the correct systems..

6. RELEVANT INFORMATION USED

During the searches the areas covered included looking for relevant material useful to a future strategy for SMMEs involved in inputs and outputs from primary agriculture and first level processing from agriculture in South Africa.

The main findings are in several categories and are briefly summarised below:

6.1 Country information relevant to SMMEs in the agro processing sector.

The main recurring factor that emerged in successful SMMEs studied has been in countries that have a strong cooperative or association base to support their SMMEs. Good examples of this can be seen in Greece, Mexico and are beginning to emerge in Moldova. In each case there are strong working SMME information centres that give their members advice, training and marketing information on a constant basis.

An example of where agricultural SMMEs have had a good level of success in Africa is the Kenyan experience with fresh flowers, vegetables and fruit. Their success can be largely attributed to the setting up of marketing cooperatives that supply inputs, market outputs and have a large number of field extension workers to help smallholders.

The great success stories coming from S. E. Asia in the last decade can be summarised by a strong work ethic and adoption of relevant technology. In contrast, most countries in the CIS have tried to adopt very sophisticated technology but without the training levels of S. E. Asia. This has meant that their development has not moved so rapidly. It is not just the shortage of

finances that prevents success, as training in appropriate skills and technology are much more important.

6.2 General information for SMMEs in agricultural processing.

The trend in many countries has been to invest in modern and expensive processing technologies, often encouraged by investment from international donors. Where there has not been the correct level of training to go with these investments the results have been disastrous and loans have not been repaid. Milk processing in Jamaica (Cornwall dairies) and Pakistan (Mubarik dairies) are good examples where sophisticated UHT plants were set up with no backup in production. Successes at SIDL in Jamaica were achieved by the establishment of a good market in milk products then followed by factory expansion using modern technology and the creation of an UHT plant

In the fibre sector, examples can be seen in Mongolia where sophisticated processing factories for Cashmere have been set up, producing from a poor raw product with no concentration on improving flocks. Many of these SMMEs are now going bankrupt. The contrast is seen in Inner Mongolia in China where the Cashmere raw product is of a very high quality, the grading and sorting systems are well taught but processing facilities are far less sophisticated. These are thriving and leading the world market.

In the red meat sector, India is one of the largest exporters of beef in the world having established the market for low grade beef all over S. E. Asia using the correct prices and marketing technology.

In the seed sector, there are many examples of parastatals that have collapsed in the last 20 years to be replaced by very efficient SMMEs. This can be seen all over Europe as well as the Tanzanian example of bean seed exported to Holland and then on to many other countries. In most cases these SMMEs have been set up to supply a market in Europe or the USA because local labour costs are lower.

In the tobacco sector the west is putting more and more marketing obstacles in the way but the market is growing very rapidly in the former Soviet states and China and this is the area that needs to be concentrated on. Any new strategy must take this into consideration.

6.3 Relevant papers searched and stored for future reference.

Papers studied have shown different elements of in-house and distance-learning techniques to improve SMME success. The best examples include a range of training for management and workers at the same time. Success stories have been found where companies have had a combination of good worker relations and a stable work force that is prepared to stay and learn new ideas. Many of these often come from inside the company.

A good example is of an association set up in the dairy processing sector in East Germany where senior staff were seconded to other companies for 3 to 4 months in order to learn new ideas and techniques. Close cooperation in sales from the association meant there was less competition and concern about the trained staff getting away with company secrets. A training system amongst SMMEs in a small area, where there is little competition in products, could be used in some cases.

6.4 Information papers on SMMEs.

There is a huge mass of information available on SMME strategies in countries as divergent as Israel and Uganda. A consistent factor that appears in all the successful cases is a good

network of regional offices that are able to supply information and training to local businesses. These have to be supplied at a reasonable cost and are often subsidised by the state or international donor projects. They have to be able to supply SMMEs with any advice necessary on training, equipment, technology and marketing to be successful. In many cases they also supply the SMMEs with a market and some of their inputs and are owned in cooperation with the companies they serve.

6.5 Donor and lending organisations.

There is no shortage of finance but a shortage of really good ideas is the comment from many donors in the international development arena. This is of course being affected by the huge rebuilding costs being borne in Afghanistan and Iraq at the moment. A firm plan to attract project finance should not be ruled out in future strategy plans.

7. CONCLUSIONS.

Sufficient material has been gathered to assist in the formulation of the training strategy. Good relevant examples can be drawn from many other countries and incorporated or adapted to local conditions as long as practical approaches are used. Looking at the great amount of planning and research already done by the different SETAs some input from outside consultants with similar experience will help to confirm the best local and international ideas for a future training strategy.

8. RECOMMENDATIONS

The recommended training in the SSU and skills areas should include some of the following aspects in order to give best access to expanding markets and consumer requirements:

- In each case the training should stress economic factors involved and SMMEs should be encouraged to reward workers that improve their performance as a result of training. Marketing and product presentation are often over looked in training sessions and this would be a mistake.
- Health, hygiene and presentation directed by stringent standards should also be a major part of the learning process and this is best done in working factories with plenty of good examples to illustrate the main points.
- In red meat, as well as slaughtering and meat handling an element of animal traceability should be included as this is becoming increasingly important. This information can then be added to packaging to increase consumer confidence. International markets are becoming more difficult and selective in red meat therefore local markets need to be concentrated on.
- Grain handling and agricultural machinery maintenance are areas that have suffered in many countries and can lead to great harvesting and storage losses. An element of grain quality and improved market prospects due to lower fungal and other contaminants should also be stressed. A good market exists locally and regionally and ways of improving their ability to pay is important.
- Milling and mill management training should also go into value adding to show participants that good management skills mean that the end product can be used in a much wider range of foods and as a result increase the returns.
- Fruit packing and processing is becoming more complex and the use of safe preservatives for the export trade should be included where fruit is being sent overseas. Different juicing techniques are also important as this sector has enormous potential and international standards should be included in training.
- Increasing the productivity and safety in sugar mills is a very important factor in this processing sector but should also include some production and harvesting information as SMME operators often have to understand the whole process in order to get the best results from their estates and factories.
- Egg and broiler production is becoming a very complicated and intricate industry worldwide. In order for SMMEs to compete with imports from very large producers, animal friendly and free range systems as well as factory and farming practises should be included in training schedules. This will continue to be a localised industry with rises in consumer demand and quality requirements.
- Tobacco export is also an important part of the chain as new markets become more assessable.
- Safety standards and chemicals used are becoming increasingly important in the pest control sector. Simple hand and pocket books can reach a much wider audience than few people trained through formal programmes.

- Seed production and certification is becoming even more complicated with genetically modified crops becoming more popular. These also need to be considered in future seminars.
- The need to increase both wool and cotton quality and processing is very important for secure international markets. Production, grading, processing and garment production should be considered in this sector.

Attachment B

THOUGHTS DRAWING ON CONSULTATIONS WITHIN SETASA AND ON PREVIOUS RESEARCH FOR THE FOODBEV SETA

Peter Fraser

FINDINGS RELEVANT TO SMME EDUCATION AND TRAINING IN SOUTH AFRICA

1.1 SMME General Profile

Characteristics of Small and Medium Scale Business Owners and Enterprises

- Businesses of different sizes have variations of characteristics in organization, sales, accounting and management expertise implying different training and capacity development needs according to size;
- Owners often come from entrepreneurial families and are second or third generation in the business;
- First generation owners were, on occasion, technical diploma holders who had been employed as managers in larger enterprises and were retrenched sparking the need/opportunity to take the steps to business ownership;
- Owners of the smallest businesses often carry out all management functions, but generally have little, if any, formal business management training. They manage by intuition and accumulated experience. Many recognize their need for more business management training, and would take advantage of offerings if they were easily accessible;
- Larger, medium size businesses have a more structured management hierarchy than small businesses implying different training needs at the mid-management level;
- The larger the enterprise, the greater the need for operations and strategic planning;
- Most small and mid-size businesses do not export. They would generally not meet export quality and hygienic standards without significant capital investment that small enterprises do not aspire to;
- Enterprises that have been successful in the local market may be the most appropriate targets for export development incentives and initiatives. They would benefit from export specific training in conducting feasibility studies and strategic planning;
- No enterprises that would be normally defined as micro-enterprises (1 – 5 employees) were identified as registered or being attended by the FoodBev SETA;
- Small businesses often provide training in basic skills, health, and sanitation, etc. on their own, in house, as it is convenient and needed, always considering the "bottom line" and the cost of the training versus the benefit derived from a business perspective; and,
- Smaller companies must be very careful to control the direct costs of doing business; their net profits are very small, as is, and, even before deducting training expenses, do not permit much growth, if any. So any incremental expenses, including, but not limited to training costs, are of critical importance to SMEs and needs to be analyzed carefully.

-

Characteristics of Workers

- Workers often receive technical training from owners and other colleagues who have picked up skills over time;
- Workers have very little understanding of business principles;
- Workers often reject supervisory positions due to workplace/family/community relationships making it more difficult to entice some people to "advance" when it implies digressing from the cultural norms of deference to age and other kinds of relationships;
- Workers consider training an entitlement that should be conducted at company expense during work hours. It is difficult to convince workers to receive training after hours or on Saturdays; and,

1.2 Market Perception by Small and Medium Enterprises (SMEs) of the Skills Levy Program

The market perception of Small and Medium Enterprise (SME) clients regarding the Skills Levy Program include the following:

SMEs consider Skills Levy program "just another tax"

- The perception of the Skills Levy by SMEs as "just another tax" was the predominant response of small enterprises to telephone and face-to-face discussions of the Skills Levy, even though they had done the WSP; and,
- The levy is perceived as a "sunk cost", even though many companies don't really have much information on how they can take advantage of their contribution to the Skills Levy and access training through the SETA mandatory grant claim-backs and other discretionary grants. They take this position based on their understanding of what appears to them to be a difficult process that makes the real cost in terms of time and effort, as well as the opportunity cost, not worth the perceived return to the enterprise.

Processes and procedures are not "enterprise friendly"

- The program seems to be one that was developed without much consideration of the business realities of small and medium scale enterprises and there is significant cynicism about the functionality of the delivery mechanism for financing education and training in businesses under the Skills Levy Act;
- Small businesses are very concerned about day to day cash flow. Financing education and training under the Skills Levy program from current cash flow is not considered attractive;
- Except for the largest enterprises, most businesses consider the "mandatory grant" system to claim back 15% of the levy through the development of a Workplace Skills Plan (WSP) onerous. To claim back an additional 45% of the levy after the year WSP period, an implementation report needs to be completed reporting satisfactory implementation of the WSP.
- The costs of implementing the training for many small enterprises is considered greater than the amount that would be returned and, therefore, not worth the effort. In the case of very small companies the small amounts that they might be reimbursed are far less than what they would have to spend up front on training, or even merely planning the training;

- If a learnership agreement is made between an employee and a business, then the businesses can be reimbursed a significant amount more given additional tax incentives and grant funds. But the learnership can take over a year and is still not perceived by small and medium scale businesses to be worth the effort financially, given the loss of productive time of the learner and having to hire casuals as replacements.
- The opportunity cost of training to the enterprise over and above the "sunk cost" of the Levy and other direct costs of training and hiring casual, replacement workers is a major disincentive to conducting training for businesses of all sizes;
- Education and training in ABET and HIV/AIDS and general life skills is perceived as well-intended, but generally small and medium size businesses would not pursue this at the expense of time in the workplace and production examples;

Participation in the program geared to benefiting very large enterprises

- Large businesses with very large payrolls where the 1% levy is a significant amount, find the effort to claim back Skills Levy funds is onerous but worth it. These companies also generally have Human Resource Departments and training programs anyhow. These are the companies that are participating in the program, are the primary beneficiaries, and are in a position to defray the costs of training they are doing anyway, with the claim back of their Skills Levy contributions. They don't worry about the cash flow implications of up front financing of training, because it is already budgeted. Thus, every Rand claimed back implies a saving, not an additional expense. These companies are able to claim reimbursement of their skills levies and tax deductions with virtually no additional effort or incremental cost; and,
- Even so, there are disincentives even to large enterprises. There is reluctance by large companies to open their doors to learnerships, because they will have little control over selection of the candidate assigned to them by the SETA, and they may actually reduce overall productivity.

Concerns about losing best employees who are most likely to be selected for training

- Small and medium size businesses are generally required to send employees to another firm for their learnerships, generally a large firm, that has all the production and training facilities for the practicum part of a learnership. This represents a danger to the smaller firm financing and/or providing the learner for the learnership, because of the possibility of their being poached; and,
- Although smaller businesses generally think that the kind of training under the National Skills Development Strategy is good, they are sometimes suspicious of providing training to employees, because trained employees are likely to make larger salary demands, be poached by other companies, or seek higher paid employment elsewhere.

Accreditation Issues: Providers, Assessors, Moderators

- The accreditation process for providers, assessors, and moderators is considered arduous, time consuming, bureaucratic, and difficult;
- Currently accredited providers, assessors and moderators for learnerships are considered to be limited in number and difficult to access; and,

- Assessors and moderators are often current employees of large firms and may be competitors; the idea of them having access to competing companies may be a disincentive for large firms to participate in learnerships.

Credibility

- Providers who are not known industry specialists lack credibility. Businesses are more comfortable with providers that are known to them and that are particularly knowledgeable about their sector and type of business they are involved in. Therefore, industry specialists should be identified and involved as coordinators and advisors on training, training providers, assessors, and moderators; and,
- The option of using industry specialists for training that are part of a representative association or foundation that represents the whole industry, not just a few of the largest enterprises, appears to be attractive to SMMEs. They are suspicious of using individual businesses as training providers. They are also uncomfortable using assessors and moderators who are employees of competing businesses and would prefer them to be under the control and apparent neutrality of associations and/or foundations.

1.3 Skills Program Outreach

Participation of levies paying Small, Medium, and Micro- enterprises (SMMEs) is low

- In the course of its work, the consultant team confirmed that an extremely low percentage of registered SMMEs was being reached by the SETA. Participation of PDI owned businesses/BEEs would, in all likelihood, be at a minimal percentage of that already low participation rate amongst SMMEs.

RECOMMENDATIONS

Based of the findings collected through interviews with small and medium scale enterprises, document review, and the June 26 and 27 workshop/roundtable the Consultants make the following recommendations:

Market Identification: The SETASA should:

- **adopt an enterprise typology as follows:**
  Micro-enterprise – 1 to 5 employees
  Level I Small Enterprise – 6 to 24 employees
  Level II Small Enterprise – 25 to 49 employees
  Medium Scale Enterprises – 50 to 150 employees.

Until a better classification exists, this stratification of SMMEs seems to provide a way for the SETASA to target its services specifically to the needs of enterprises of in these different groupings.

- **target Level I and Level II Small Businesses for <u>discretionary and National Skills Fund grant-financed outreach and training</u> effort.**

The target market for both discretionary and National Skills Fund grant financed outreach and training efforts should be Level I and Level II small businesses. The consultants recommend that SETASA time and effort should initially be placed on reaching a much larger portion of registered Level I and Level II small businesses within its Sector than it has to date. The funds should be used primarily to reach firms paying the Skills Levy that, in the aggregate, employ very large numbers of previously disadvantaged people and that would benefit greatly from the kinds of capacity and skills upgrading programs offered through SETASA up-front grant funding.

- **continue promotion of medium scale businesses under the <u>mandatory claim-back grants program</u>.**

It is the consultants' understanding that medium scale enterprises are more likely than small enterprises to be able and willing to absorb up-front costs of training and other hidden costs, that are most felt under the mandatory grant claim-back system. Small businesses are more in need of the grant funding available under the discretionary and National Skills Fund grants and are not interested in spending the time and effort to claim back 60% of a small, R1,000 levy, or R600, to give an example.

- **use bulk of SETASA resources to expand coverage of un-reached firms already on SETA roster.**

Given the thousands of levy-paying registered small and medium scale businesses that are not yet participating, one priority for the SETASA should be on reaching them thereby making them stronger producers and employers and more sustainable, thereby protecting existing jobs through workforce technical skills upgrading and business orientation, on the one hand, and training in business management capacity upgrading for business owners/ managers that would be focused on providing the tools for enabling business growth and new employment creation, on the other.

- **significantly expand promotion and outreach to BEEs and other PDI-owned enterprises.**

A special effort needs to be made by the SETASA to reach registered or unregistered small enterprises in the Townships and other areas where the demographics will be more likely to produce black-owned and other firms owned and managed by PDIs.

- **de-emphasize identification of informal sector micro-enterprises until the coverage of small and medium size business coverage, particularly in demographic areas where BEEs and other PDI-owned companies are likely to be located, is greatly expanded.**

While the information is not conclusive, there are strong indications that micro-enterprises of less than 6 employees are likely to be unregistered (informal sector) and, therefore, very difficult to locate (or may not wish to be identified.) Furthermore, although there are clearly exceptions, the vast majority of these types of "economic activities" buy and sell goods and services or are small eateries, putting them under the rubric of other SETAs, such as the Wholesale and Retail SETA or the Hospitality SETA, as the consultants understand the sectoral distribution between SETAs. Even if a few of these informal micro-enterprises were located and were convinced to participate in SETASA sponsored training, it is the

consultants' best judgement that the probability of the training being used for business consolidation and growth or by the employees would be low and the per capita cost prohibitive. Given the huge number of people who need training who are reachable in larger small enterprises with growth potential that are already identified (identifiable), these people and their employers should be assisted in a higher order of priority under the NSDS and the SETA programs. Finally, there are other organizations specialized in the micro-enterprise sector.

Small Business Training: The SETASA should:

- develop ways to support the design and implementation of Training Strategies for small and medium scale enterprises that takes into consideration their differences when developing training content. (Refer to the SMME Descriptive Typology Matrix for detail.)
- identify Training Providers accredited for Generic Business Management or other business courses. Groups of these providers, preferably smaller organizations or individuals should be identified throughout the country so that smaller enterprises, located in more out of the way places will have access to training;
- utilize already established industry sub-sector representative organizations to coordinate technical information and training needs between the businesses conforming the sub-sector, the SETA, and the Consultant SDFs;
- encourage establishment of new sub-sector representative organizations as technical training designers and providers;
- identify existing sub-sector representative associations that have the capacity to become technical training providers, assessors, and moderators and assist with their timely accreditation;
- provide grant support for the development of the training capacity of selected well established sub-sector representative organizations enabling them to become Training Providers, Assessors and Moderators. The SETA should assist with their timely accreditation.
- identify and support new sub-sector representative associations and, once organized, the SETA should assist with their timely accreditation;
- encourage sub-sector representative associations to provide support to their particular sub-sectors in ABET, and special programs such as HIV/AIDS awareness and prevention. and,
- to enable even the smallest enterprises to participate in the NSDS, use (package) existing unit standards (or courses that could be converted) to develop content for training that can lead, step by step, to qualifications.

Skills Levy Outreach and Delivery: The SETASA should:

- develop an Outreach Strategy that addresses the negative market perception of the Skills Levy Program as described above in Findings;
- implement service delivery system improvements to develop credibility and to address real needs for enterprise strengthening, sustainability, and growth;
- implement new promotion and outreach activities with special emphasis on BEEs and other PDI-owned enterprises. This could be especially important under the SETASA's National Skills Fund grant program targeting small enterprises.

- SETASA should make a special effort to target unregistered enterprises and other registered small enterprises in the Townships and other areas where the demographics will be more likely to produce black-owned and other firms owned and managed by PDIs;
- as part of the outreach effort implement Regional Information Lines (telephone) that businesses can call to get current, detailed information on all aspects of the SETASA education and training programs; and,
- use radio and TV to inform companies about where program information can be obtained and the existence of Regional Information Lines.

ATTACHMENT C

ATTENDANCE LISTS OF SETASA WORKSHOPS

June Workshop

PROVINCE - KZN			
Name	**Company**	**Sector**	**City / Flight / Car / Room**
David Alcock	SAPCA	Pest Control	Durban – Flight & Room
George Nefdt	SANSOR	Seed	Durban – driving - Room
Marius Oosthuizen	ILLOVO	Sugar	Durban - Flight
Barry Hundley	Pet Food Association	Pet Food	Durban – Flight - Room
CAPE PROVINCE			
Andries Zwiegers	Two A Day Group	Fruit	Cape Town – Flight & Room
Paul Visser	Goedehoop Citrus	Fruit	CT – Flight & Room
Daniel Lane	FAWU	Poultry	CT – Flight & Room
Jimmy Stevenson	Tydstroom/Nulaid	Poultry	CT – Flight & Room (Kosher)
Clint Futter	British-American Tobacco	Tobacco	CT – Flight & Room
Myra Hofman	SETASA	SSU Coord.	CT – Flight & Room
Barry Stemmet	Chairperson: FAWU: SSU Fruit	Fruit	CT – Flight & Room
EASTERN CAPE			
Stoffel van Graan	BKB	Fibre	PE – Flight & room
FREE STATE			
Riaan Gerritzen	VKB	Grain	Bethlehem – (2 hr) - Room
Willie Marais	MWU Solidariteit	Grain	Vanderbijl – 150km
NORTH WEST			
Amos Msiza	SAFATU	Grain	Mmabatho- 3 hrs - Room
GAUTENG			
Henk Pottas	PCSIB	Pest Control	Pretoria
Elsie Maree	Hygrotech SA	Seed	Pretoria
Elvira Viljoen	Chamber of Milling	Milling	Pretoria
Joseph Kidson	MWU Solidariteit	Milling	Pretoria
Gerhard Neethling	RMAA (Red Meat Abattoir Asso) SETASA	Meat	Pretoria
Neels Britz	RMAA	Meat	Pretoria
Fano Luthile	SETASA		Pretoria
Mpho Mathelemusa	SETASA		Pretoria
Shaafig Fredericks	SETASA		Pretoria
Yolandi Botha	SETASA		Pretoria
Peter Fraser	US Consultant		Johannesburg
Ed French	Consultant		Johannesburg
Jantus van der Linden	Consultant		Pretoria

Trevlyn Webb	UK Consultant		Johannesburg
Caashief Lombard	USAID		Pretoria – attend 2 days
Jabu Sebeko	Department of Labour		Pretoria – attend 26th only

TOTAL NUMBER OF PARTICIPANTS: 31 ***(30 in attendance Day 1; 31 in attendance Day2)***

July Workshop

PROVINCE - KZN			
Name	**Company**	**Sector**	**City/Flight/Car-km**
David Alcock	SAPCA	Pest Control	Durban – Flight
Doda Gwala	FAWU	Poultry	Durban – Flight
Barry Hundley	Pet Food Association	Pet Food	Durban – Car (approx 520km each way)
Marius Oosthuizen	Sugar Milling Research Institute	Sugar	Durban – Flight
CAPE PROVINCE			
Daniel Lane	FAWU	Poultry	CT – Flight
Jimmy Stevenson	Tydstroom/Nulaid	Poultry	CT – Flight (Kosher)
Myra Hofman	SETASA	SSU Coord.	CT – Flight
Barry Stemmet	Chairperson: FAWU: SSU Fruit	Fruit	CT – Flight
EASTERN CAPE			
Stoffel van Graan	BKB	Fibre	PE – Flight
FREE STATE			
Riaan Gerritzen	VKB Cell: 082 788 1384	Grain	Bethlehem – (+ 250km each way)
Willie Marais	MWU Solidariteit	Grain	Vanderbijl – 150km
NORTH WEST			
Amos Msiza	SAFATU	Grain	Mmabatho- 3 hrs
GAUTENG			
Elvira Viljoen	Chamber of Milling	Milling	Pretoria
Joseph Kidson	MWU Solidariteit	Milling	Pretoria

Gerhard Neethling	RMAA (Red Meat Abattoir Asso) SETASA	Meat	Pretoria
Simon Setumo Sentle	Astral Foods, Meadow Seeds	Milling	Johannesburg
Fano Luthile	SETASA 012 365 2827		Pretoria
Mpho Mathelemusa	SETASA 012 365 2827		Pretoria
Shaafig Fredericks	SETASA		Pretoria
GAUTENG contd			
Peter Fraser	US Consultant		Johannesburg
Ed French	Consultant		Johannesburg
Jantus van der Linden	Consultant		Pretoria
Trevlyn Webb	UK Consultant		Johannesburg
Caashief Lombard	USAID		Pretoria – attend 2 days

TOTAL NUMBER OF PARTICIPANTS: 24

Attachment D

SETASA SMME Strategy Development Final Roundtable. Boksburg

Including SSU representatives, Board members, SETASA staff, consultants and Khulisa support staff

11 July 2003

PARTIAL UNEDITED RECORD OF PROCEEDINGS

This text is offered for the record because it captures something of the quality of inputs and debate in the consultations.

Session 1 – Short overview of the findings
Peter Fraser opens with an expression of gratitude for the participation.
Outlines process of past two weeks, especially visit to CT and 36 companies involved in his FoodBev research.
Lists problems in the regulatory environment; accreditation issues, learnerships, Skills Programmes, Provider, Assessor and Moderator etc, arduous, time consuming, bureaucratic and difficult.
Limited availability of accredited providers, assessors, moderators etc.
Identifying smaller businesses, BEEs, PDI-owned etc.
The question of equity – there's a disconnect between what we are trying to do and the focus on the target business.
What are the organisational constraints to getting these services out to the companies? (Breech – trouble with PC)
Talks about Myra's role in getting things worked as a catalyst.
People need a lot of help in getting through the system. While simplifications are happening, we need to find a way forward.
Processes and procedures not enterprise friendly.
SMEs consider skills levy another payroll tax.
Perception that participation advantages large concerns only.
Concerns about losing best employees.

Institutional capacity of SETASA and SSUs to service SMMEs.

Marketing and outreach capacity is thin.
SSUs and other representative associations do not have the capacity to serve SMMEs of all sizes.
SSMEs don't have a voice.
Client database is weak (Number size and nature – SME Typology)
Small enterprises are under represented on SETASA employer representative bodies.

RECOMMENDED SOLUTIONS

Strengthen SETASA role and functions. 4 Regional Coordinators

Strengthen SSU units. *(Constantly writing about employer representatives!!*)

SETASA involved in SMME-related Unit Standard issues.

Representation of Small and Micro involvement

Improvement of database.

JANTUS SPEAKING TO RECOMMENDATIONS

Interactivity of recommendations. Recommendations not faits accomplis.
Importance of local availability of SETASA through regional coordinator offices. (Modelled to some extent on effective physical presence in CT.)
Outlines roles and functions of regional offices – with a focus on SMME support.
Explains difference between present SDF usage and our proposal. Looks at inadequacy of current SDF time and roles.
Outlines role of SSU officers.
Question raised about funding of administration.

TREVLYN SPEAKING

The spaghetti plan is what it might be like in 10 years time.
Tells story of Cashmere business in Mongolia. Millions of investment, with monopoly control of product. Small people on motorbikes exporting. Only two of the big companies still existing. Warns against big companies. You need the small guys and you've got to find a way of making them work.
Feedlot people not interested in participation.
Goes down to SSUs – appropriate to some, but not all. Sees SSU officer as eg a retired man. Taken from NSF, discretionary funds or somehow as a project. Will work through and with the industry associations. Sees them as accountable to the association. Talking about an industry man.
Some confusion about structures.

Barry – we're restructuring SETASA

Peter picks up some of the stuff while I'm talking:

Riaan: We're focusing too much on structure. But what is the strategy? If the strategy is clear, then we must re-visit the structures. We're latching on to bureaucratic strategies that are in place.
Trev: Sets out two broad visions of the NSDS. And about opposition of big companies to SMME. Questions whether his own favouring of amalgamation would serve the smaller people.

Riaan: SETASA should make it attractive for the big guys to see that they should grow in strength at the bottom.
Trev: Role of retired businessman who no longer needs to serve the interests of big business. Internationally, where the associations are working they're much better than government.
Peter: Strategy and how it relates to structure. Problem with the system. There's a great deal that SETASA can do outside of the mainline recovery on the levy. Restates the four projects. Making sure that a delivery mechanism functions. We're not going to be able to change the NQF – we can make recommendations till the cows come home. We've been dealing with Outreach strategy, but we need a training strategy (but this is beyond our mandate).
Riaan: Perhaps one of the issues is that even the bigger organisations are not seeing the efficiencies, the empowerment that is supposed to be coming. We're sitting with an over designed system, and all the energy that has gone into it is not resulting in delivery that benefits the individual or the organisation.
Trev: Asked Myra to speak.
Myra: I was able to start before there were structures and policies. Three philosophies: If I serve my clients I help myself. Although big guys don't necessarily like this, focus on SDS correctly it's on the guys who can't help themselves, so I give them more help. One on one assistance. Smaller guys lack HR or training specialist – everything ad hoc – but while they don't have structure they still have training. I try to work around jargon like "strategic priority" that nobody understands. I project and simplify the process to them. Major interest of participants about money. Frightened about interference by outsiders. Keeps information flow going all ways. She adapts their information for the WSPs. Tries to be very flexible – SETASA as a whole, and then get into trouble with DoL. We have to be lenient when it comes to the smaller guys. Just get the money for the training that we do.

Jantus: We've failed to communicate what we're really doing. We've presented facets of what we have thought overall. What we haven't discussed is the issue of developing relevant learning programmes for the target groups. The whole issue of providers and the methods of delivery has not been presented here. But we have dealt with that work.
Trev: It wasn't our intention to make detailed recommendations – we couldn't be here long enough to know these things.
Stoffel: How would anything be taken forward.
Gerhard: Myra's role has also been done by Yolande and Mpho. We must take the project management system further.
Barry: Until the recommendations made here are endorsed by the Board they can't be enacted.
Stoffel: We have a problem, and we have an opportunity through USAID to solve the problem. We need to take these ideas to the Board and encourage them to take them seriously.
Barry: Are we not duplicating matters in the SETA, and is the SETA structural and sound, and does it have the capacity. These might all be good and well, but is the SETA capacitated to manage it. The structural issues might lead to nothing happening.
Trev:

Barry: The Board is full of cracks that should be corrected before bringing more good things in that will be wasted.
A FAIRLY HEATED INTERCHANGE CONTINUES
Amos: The Board needs capacitating more than the Board. The Board is not implementing strategies that are being recommended by the SSUs. The SETA is 2 years behind. We need to be serious about what we stand for.
Mpho: Most of the people here are members of the Board. The thing is failing from SSU level. There we discuss things where the members don't give feedback, the clients aren't informed, dealing with them is difficult. SSU members are serving big company interests.
Trev: You get this problem all over the world. The small people can't afford the time to sit on the boards. They need representation.
Marius: Strong endorsement that this will solve the problems. The SSUs are terrors when it comes to the money. God help you if you take the rollover funds
Amos: The Minister has identified the SETA as underperforming.
Fano: This is the first time we have been able to have this kind of thing. These recommendations are looking at the broader SETASA. The question is of how do you take this forward. Can we look at what it is that we want to do with these structures. We need to look at what is the workable one? I want to correct, Business Day, SETASA was quoted as one of the SETAs with problems, not as underperforming.

Afternoon session:

How it all hangs together.

Jantus opening.
Trev presents Role of SSU Sub-Sectors (see PowerPoint).

Jantus: Aims for gathering…
Call for correction of information in document sent out to the participants. Jantus gives his email address.
Debate and clarify proposals put on the table.
Appointing full time micro and small support people
Appointing specialist SMME people
Representation

Fano: Should we not have 3 representatives, instead of the 2 mentioned?

Barry: Is it possible for us to get copies of the slides – which I think are different from what was presented earlier? In the Exec Summary the role is personalised and thinks references to Myra should be removed. Other coordinators also doing the job.

Jantus: Agreed. The report will be processed by Ed and me and will be referred to the Board and others – we don't see ourselves as having carte blanche?
Any issues making you uneasy
Stoffel: SETASA isn't all about SMMEs. How is this work / structure going to fit in with the needs of the big companies.

Jantus: Explains why and how larger companies will be advantaged in the area.
Myra: If the SMME coordinator doesn't already do all these things. The Regional Coordinator may be stretched and not available to the big companies.
Stoffel: I'm still worried that the focus on SMMEs will limit time available.
Myra: Marketing and coordination were done by others – if you add this role and all the others, that person won't get to the big companies.
Barry: Are there any other issues… What happens from here on? There is nowhere here that we can deal with what the SMME specialists actually do. The Coordinators are OK, on the agenda.
Stoffel: How does the structure fit with existing structures? As to whether or not we're going in the right direction, at least there's a direction, and we don't have one now.
David Alcock: Stoffel, you're at least on the line to Myra. What about my kind of guys who aren't even on line? Portrays a visit from an SMME specialist who will fill out a form. Somebody has to be appointed to make that phone call to get them into the process.
Jantus: Explains flexibility of the model to meet different structure needs.
Barry: Every time we move into the substance without having agreed on the process. Do we need a dual way of dealing with the situation so that we have a short term project for now, and treat this as longer terms?
Shaafiq: Still not clear about the service and products that the SETA would be offering. Surely we need to give more than filling in WSPs.
Peter: We really don't have a clear idea of the needs out there to start being specific about the market place. Especially the more technical areas need to be covered by the associations etc. A lot of Uss have already been packaged, but we're not talking about full learnerships. We could recommend a lot on a general level, but my understanding is that the offering of short courses or skills programmes would be at the heart of what would be offered. We've got a catch 22, where we need something to market, but can't have it until we've got information out there. But if you don't have the structure you can't start to deliver, and you are a delivery agency.
Trev: Shaafiq, until you can say more about the people you've got to serve, SETASA couldn't serve them. If I asked for a complex set of info about your clients, would I get anything.
Shaafiq: If you tamper with SETASA's structure for its main business, how will your structures deal with the ETQA requirements.
Peter: It is not listed but it is there. Long discussion not well captured.
Barry: Please add ETQA and training question to the agenda. Also what are we saying about linkages into our other plans, structures etc. And then add research.
Jantus: Our planning has been all done in the light of the SSP and reports etc.
Stoffel: I can understand the value of a Regional Coordinator, for face to face contact. It may be very important in a poor area like the Eastern Cape.
Amos: What is the function of the person? Without decisions.???
Peter: If there's a US in place is can be planned and used.
Shaafiq: I'm not averse to the regionalisation of the SETA, but there are other debates that are worrying me, like how will the budgets be divided. You're changing how the SETA would operate.
Fano: These substructures are just vehicles to deliver. There's no autonomy. But the issue is around the issue of linkages with other departments (we had a workshop on this). Then

we had a problem to link ourselves with other regions. You are recommending that we follow what are also DoL structures. We need to locate these where we have the most companies. See the reason for the middle structure, but why the bottom structure – we can revisit it later. I see this structure as something that feeds into the whole SETA. (I'm not quite clear what he's arguing for.)
Cashief: By the end of the day I want recommendations that will need to be teased out in detail within the SETA itself.
Barry: It's important what Shaafiq has been saying. But this structure has not taken into consideration all aspects. Its motivation cannot be accepted as given by yourself. For example, there's not an example of a marketing coordinator in that structure. We need to take up the plans of the DoL.
Jantus: You're taking a big chance now.
Barry: If we take the top and leave the bottom out, and co-opt two people in the near future onto the board that represent SMMEs so that from the time that we get involved in these debates they are involved in the decision making. Co-option is important to avoid all legal things.
David: There's a concrete recommendation. Barry always raises two questions at once. Let me interrogate the consultants. Clarifies the role and action of a regional coordinator.
Jantus: We haven't developed a total implementation strategies, but I would say that it requires some extra skills beyond SSU coordinator.
David: Puts proposal that SETASA provides a physical regional presence beyond its present structure.
Barry: This is already in the business plan, so could be accepted easily.
David: Moving to the red band, we've got a lot of talent in the SSUs. Rooting in an industry association is a very good idea.
Riaan: We're complicating things to a great extent. It would be important to capacitate the regional people, with programmes that they were dealing with, that they would take these packages out there so that they've got things that they want. We overemphasise the whole administration issue, and that's not the long term objective. Before we get these people, lets put a package together for them to have a clear idea about their task.
Trev: This kind of detail would be dealt with in the process of designing the call for tenders.
Riaan: Outlines clear job descriptions.
Stoffel: We're going into too much detail. You can't sell a package when you don't know who you're selling to.
Trev: It's going to be very different from sector to sector. I agree with what both of you are saying.
Riaan: I won't vote for this without knowing what the terms of reference are.
David: The industry expert should be moved forward.
David: Let's make a decision on the SSU level. It seems to be industry specific. The consultants can go ahead to recommend it.
Barry: I second that.
David: Database problems. Looking at the statistics, that is not success. We've got to collect information before we can go forward. We need to measure participation of SMMEs.

Stoffel: Research must be our point of departure. Go out, have a research done on the need for a regional coordinator in this area. Etc.
Trev: Exactly what we need.
Barry: In terms of the research that would be done, could we address the area of funding. And direct this also at USAID…
Trev: Let's just start the money debate. SETASA has R22m that hasn't got a home.
Barry: Have financial statements been made public. Still have to go through auditor general. A request should go to USAID to fund the research. My view is that the research would take into consideration the whole SETASA, structures etc
Shaafiq: 120 companies have paid 80% of the grant. MoU money has already been allocated.
Financial info heavily debated.
Shaafiq: I can go through DoL to encourage research. We don't need to debate the issue. Huge need for research – eg into HR / OD. We also need to look at how we can help SETASA become a more effective organisation.
Barry: Reiterates demand for 2 SMME representation on Board with full voting powers. Question of how you will get SMMEs onto SSU boards.
Amos: A Board member is responsible to the Ministers of Labour. Those people should be voted to the Board by the SSUs.
Barry: Can one ask the question? Which major parts of SSUs are having representation from SMMEs. Eg Pest Control.
David: Where there is a large SMME presence, they should have representation on SSU.

Way forward:
Barry: Areas not addressed: can they be in terms of the positives and negatives. And then presented to the other contributing structures.
Questions about how report will be endorsed.

Technical Support to the South African Department of Labour (DOL), Labour Centres (LCs) and Sector Education Training Authorities (SETAs)

ATTACHMENT E

REACHING OUT TO SMALL MICRO AND MEDIUM ENTERPRISES (SMMEs) IN THE SECONDARY AGRICULTURE SECTOR

Technical Report Submitted to:

The Sector Education and Training Authority for Secondary Agriculture (SETASA)

Funded under IQC Contract Number 674-I-00-00005-00, Task Order 009

Department of Labour

About this report

This report was drawn up in order to offer a concise presentation of the observations and conclusions of a team of four specialists (two international, two South African) after an intensive programme of investigation, workshops and individual meetings.

The report was intended to be refined and endorsed after further discussions. It was circulated to Board members and the SETASA Sub-Sectors. It obtained very strong endorsement from the Pest Control Sub Sector (almost entirely consisting of Small, Micro and Medium Enterprises - SMMEs). Other Sub Sectors indicated approval verbally over time. The report was scheduled for discussion at a SETASA Board meeting, but was not in the event discussed because of a crisis in the meeting. Further inquiry indicated that some members of the Board were reluctant to engage with the recommendations. This was because they recommended a regrouping within the existing structures of SETASA, and the Board had adopted a position of no change until a new CEO was appointed. Other Board members had little interest in the report as they represented Sub-Sectors with very little interest in SMMEs. As a result, no further development was made to the report.

When a temporary CEO was appointed in November 2004 to get SETASA back on track she made use of this report in designing her own recommendations for restructuring. Though seen as urgent, the Board has not been able to agree on any major decisions of this kind up to June 2004.

Some of the research conducted by the specialists is captured in the Appendices to this report. Other products of the technical support programme are available separately.

Abstract

This report offers background to the project to examine and make recommendations regarding the challenge to the SETA for Secondary Agriculture (SETASA) of reaching Small, Micro and Medium Enterprises (SMMEs) in its sector. The problem is analysed, steps for dealing with it are outlined and recommendations are made. These recommendations are then fleshed out in an expanded staffing structure, including two visual representations of key relationships. A number of detailed activities that will be enabled by the proposed new capacity are then set out. The short report closes with some budgetary observations.

(A more detailed technical report, including a CD with a wealth of information on international experience in training support for SMMEs, will be made available in time).

Disclaimer

Development Associates, Inc. and its subcontractors, Khulisa Management Services and Centre for Education, Policy Development (CEPD) have prepared this report. The findings and opinions expressed in this report are solely those of the authors and do not

necessarily represent those of USAID/South Africa, or the South African Department of Labour (DOL). Similarly, any errors or omissions are the responsibility of the authors.

1. The Mandate

Like many other Sector Education and Training Authorities (SETAs), SETASA needs to find ways to reach and serve the majority of its constituency. The present report was commissioned under USAID's programme of technical support to the Department of Labour. The mandate of the appointed team of consultants was to investigate this situation and make recommendation to SETASA that could help to improve its coverage of Small, Micro and Medium Enterprises (SMMEs).

The consultancy involved prior investigations, three weeks of intensive interaction with SETASA, visits to SETASA clients, meetings with participating individuals and organisations, and two substantial workshops with key stakeholders. The group of four consultants included two specialists with long track records in the international support of SMME development, a specialist in education, training and development in South Africa, and a specialist in adult basic education and training. The last two consultants have extensive experience in matters relating to the implementation of the National Skills Development Strategy (NSDS). An important part of the approach to the investigation was the exchange of information, reflection and debate among the consultants in order to reach consensus about the following analysis and recommendations.

2. The Problem

The findings of the consultancy confirm a serious failure to reach SMMEs. Only 201, or 9% of the 2370 registered companies submit Workplace Skills Plans (WSPs). Without supplementary action or research the WSPs are the only source of useful information about the companies active in the sector. Little is therefore known about the 2169 or 91% of companies that do not submit WSPs. Beyond the 2914 registered companies lie a possible multitude of micro and informal enterprises that do not report sufficient income to pay the levy. Although such small companies might not fall within SETASA's immediate priorities, they do lie within its field of responsibility. SETASA's regular reports show an almost complete failure to meet its targets regarding SMMEs. (The reports do not make it clear whether this is because of inaction or limited or failed action aimed at meeting these targets.)

The reasons for the failure to reach SMMEs fall into two groups:

- Common to all SETAs, the regulations governing the implementation of the National Skills Development Strategy (NSDS) inhibit the participation of smaller concerns, and in some cases appear to make participation highly improbable.
- Specific to SETASA is a nest of factors that limit the organisation's capacity to reach and serve its SMMEs. These factors include:
    - poor information and information management;
    - a current and extended management crisis;
    - problems of capacity both in terms of the smallness of the staff and its limited experience;

- historical problems in the identity of the sector; and
- an inevitable favouring of the largest concerns who pay the majority of the levies and can employ staff to ensure the system works for them.

3. Possible solutions

The consultancy established that the regulations and provisions of the NSDS provide various opportunities for SETASA to use its Skills Levy contributions to improve outreach to the SMME sector. Financially, this could be enabled by strategic use of:

- the 10% grant for administration;
- the discretionary fund;
- unclaimed portions of levy contributions; and
- possible grants from the National Skills Fund (NSF).

These funds may be – and some of them are in fact being – mobilised to support various strategic projects. The consultants argue that in order to ensure that all SMMEs ultimately benefit from SETASA's work, two broad types of project can be run:

- Projects that support and encourage the full application of the mainline levy grant system. These need to be much fuller than the present support provision that allows no more that two or three hours of attention to a company's completion of WSPs. They should offer significant sub-sector specific support for the establishment and implementation of appropriate learnerships or other accredited forms of learning, including skills programmes.
- Projects that facilitate and coordinate direct provision of accredited training for the staff of smaller SMMEs that have little hope of participating in the mainline provisions of the NSDS. Such projects should:
  - identify the need for short courses and skills programmes;
  - ensure with the SETASA Education and Training Quality Assurance body that these are capable of producing National Qualifications Framework (NQF) credits; and
  - oversee the effective running of such provision (gratis or subsidised) by appropriate agencies.

These projects would be greatly facilitated if steps were taken at the same time to simplify procedures. For example, some SETAs are allowing very small companies to submit minimal documentation like declarations of intent as the start of a Joint Implementation Plan (JIP) supported by the SETA. SETASA has apparently agreed that such steps are needed, but not yet acted on the need.

The SETASA Board is empowered to decide on the use of the administrative, discretionary and unclaimed funds, and to apply to the National Skills Authority for the funding of projects under the NSF. Expenditure should, however, be on projects that satisfy SETASA's strategic priorities and/or those of the NSDS. The consultants consider that discretionary grants should be dedicated to the mainstream implementation of the

NSDS, while the NSF should essentially be applied to what might be called social projects, including education and training within the associated informal sector. (ABET needs to be encouraged in both the mainstream use of the Skills Levy – in large and medium companies – and as a component of NSF project targeting in the micro / informal sector.)

There is some anxiety within the management of SETASA about the real extent and long-term availability of unclaimed funds. While there are substantial accumulated funds, including interest on these funds, which appear to amount to over R30 million, some have been earmarked already. In addition, there is a feeling that some of these funds may still be claimed, and that once the system of WSPs and claims are more fully operational, far less will be available for discretionary use.

The consultants' analysis suggests that these fears are not strongly founded. There may be good reasons to believe that unclaimed funds will continue to accumulate well into the future. However, the Board should commission a tougher business analysis than the consultants are in a position to undertake regarding the real availability of funds. This will allow for realistic projects to be constructed and evaluated in the course of tendering or approval processes. Such an analysis will help to lessen the sense of risk that rightly makes various SETA boards fear accusations of "reckless trading", and that therefore inhibits bold action to serve the vision of the NSDS.

4. Steps for effective action in reaching SMMEs

To be able to create effective projects and extend the capacity of SETASA as suggested below, a number of steps will be necessary:

1. A resolution of the executive and identity crisis in SETASA. It is beyond the mandate of the consultants to deal with this unfortunate situation, but they have been obliged to take the crisis into consideration, and to formulate their recommendations so that they would be useable whatever the future of SETASA.
2. An improved and shared understanding of the vision, aims and processes of the NSDS throughout the organisation (Board, employees, stakeholders). This would need a common recognition that the interests of sub-sectors, the sector and the country as a whole will be served by the active use of the levy throughout the sector, and not only by maximum direct recovery of levy contributions.
3. A considerable enhancement of SETASA's database, and of the quality, quantity, management, transparency and flow of information about the sector and SETASA's activities in it. (The database is an essential strategic instrument for the fulfilment of the broadest aims of the NSDS. By identifying the client base and segmenting it accurately it facilitates cost effective training and well targeted training plans. For this reason, some SETAs have legitimately used some NSF resources for extending the capacity of their database.)
4. Linked to point 2, a commitment to researching the sector and its needs beyond the analysis of the return of Workplace Skills Plans (WSPs). While the returns of WSPs may well be greatly increased if the recommendations below are followed, some SMMEs – and most micro enterprises that do not pay the levy – may never

submit WSPs, or claim their full portion. Some research might be outsourced, but much could also be done as part of the role of the new capacity recommended below. Both routes to richer and more accurate information about the sector are likely to be needed.

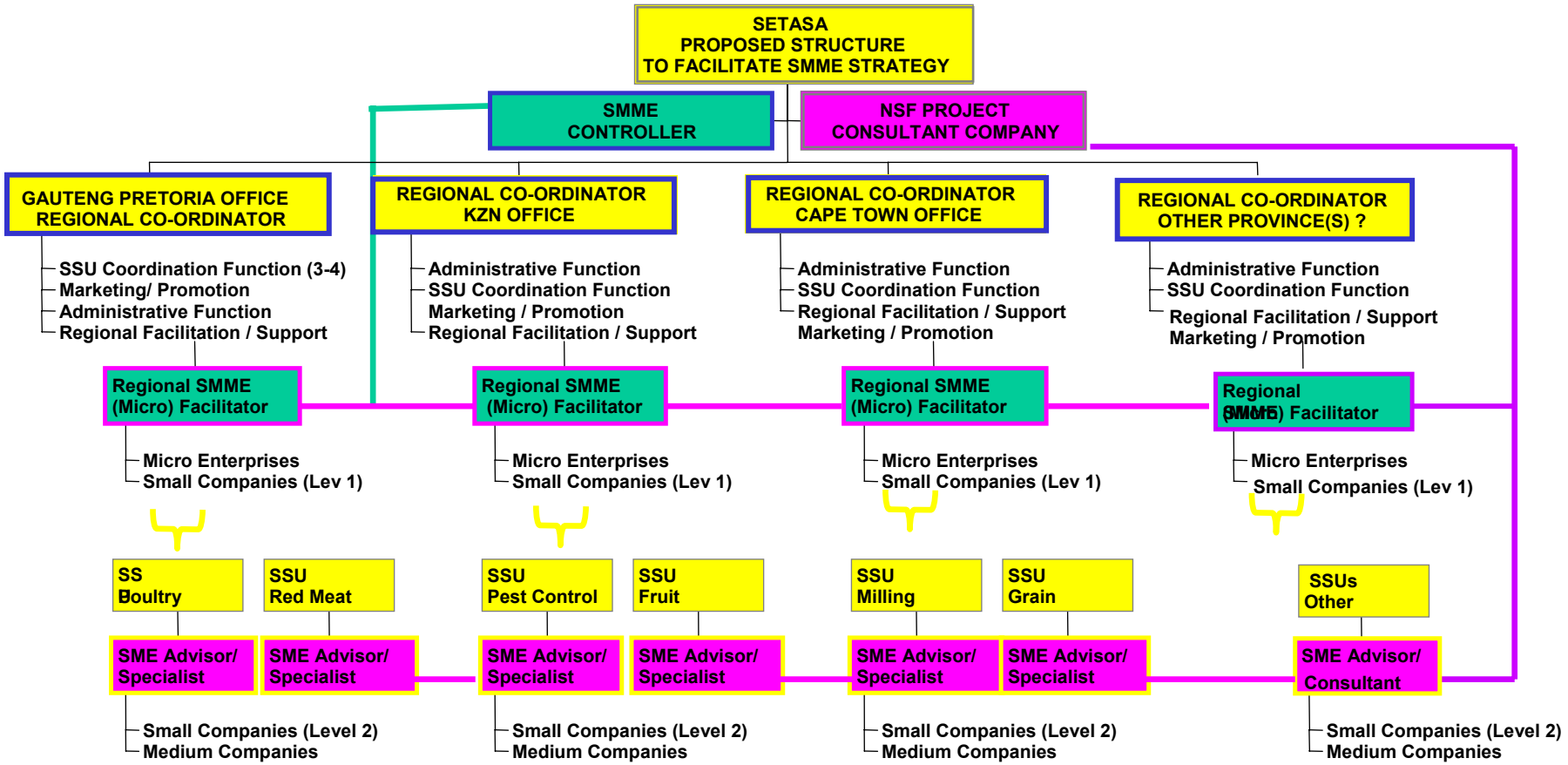
5. Prioritising exercises in relation to the segmentation / differentiation within the SMME sector. Here it is recommended that the considerable differences between the segments of the SMME sector be recognised. The consultants agree that levy-paying SMEs that are not submitting WSPs should be given major immediate attention, but that micro and informal enterprises that fall within the sector be kept on the agenda through limited, targeted interventions.
6. An improvement in SETASA's capacity, building on its existing structures, to promote education and training throughout its sector by
    a. Strengthening existing regional capacity and adding to this capacity so that SETASA has a useful number of Regional Coordinators on its staff (funded from the 10% administration distribution from the Skills Levy);
    b. Setting up one or more medium duration projects funded from discretionary funds / unclaimed grants to enhance technical training support from the Sub Sector Units (SSUs) to their clients;
    c. Setting up smaller cross-sectoral local projects to investigate and promote appropriate education and training among micro / informal enterprises in the sector; and
    d. Ensuring that the different parts of this new capacity and SETASA's established capacity hang together effectively.

The substantial body of the consultants' recommendations lie in guidance regarding the structuring, management and work of the new capacity suggested in point 6.

5. Extending SETASA's Capacity

An illustrative organogram for extending SETASA's capacity appears on the next page. Aspects of the organogram are unpacked in the following text.

ORGANISATION DEVELOPMENT AND RESTRUCTURING FOR SMME SUPPORT



6. Unpacking the recommended SETASA SMME Structure

1. To overcome the current shortfalls in outreach to the target group (SMMEs and especially the smaller companies) it is proposed that a regional presence and capacity be established (based on the success and pattern of the Cape Town Office). To this end a Regional Office (headed by a Regional Coordinator) should be established in Gauteng (at Head Office), in the Western Cape, in KZN and possibly in another province. The exact number of regional offices and their ideal location to be investigated further.
2. The proposed new Regional Coordinator posts will expand the existing SSU Coordinator function and shift to that of a proposed new regional coordination role. To this end the new Regional Coordinators will each still be assigned the coordination function of 3-4 SSUs and will further provide marketing/promotion, facilitation and other administrative support services within a regional context (refer schematic outline)
3. To expand SETASA's capacity in reaching and rendering services to the large contingent of SMMEs (90% of all companies) the following are proposed:
    a. The SMME Controller will retain overall responsibility for the planning, coordination and integration of the SMME outreach, support and facilitation services (specific focus on micro and smaller (level 1) companies).
    b. To assist and support the SMME Controller it is proposed that 3-4 cross-sectoral SMME (Micro) Facilitators be appointed to perform an outreach function and to investigate and promote appropriate education and training service rendering to the micro and smaller enterprises in the sector (staff complements up to 25 people). These SMME Facilitators will be located in the Regional Offices and report to both the SMME Controller (functionally) and to the Regional Coordinator (administratively). They will be "streetwise" within the micro enterprise and informal sector environment.
    c. Service rendering to the larger SMEs (those with employment complements of 25 to 150 staff) will be enhanced and facilitated through the contract appointment of functional specialists (so-called SME Advisors/Specialists) who will be assigned to each of the SSUs. They will either be based within a representative Industry Association within the SSU or within the Regional Office where the specific SSU is administered. These SME Advisors will be highly experienced and technically skilled persons with extensive knowledge of the sub-sector (possibly retired persons from the sub-sector).
4. To fund and manage the capacity building proposals (proposals 3b and 3c above), the following is proposed:

a. The registering of a specific medium term project (approximately 2-3 years) through which the proposed capacity building and service rendering could be realised

b. Obtaining funding resources to implement the project. It is envisaged that the required funds could be obtained through the combination of the administration fund (only for the additional Regional Coordinator(s)), some of SETASA's discretionary / unclaimed and other surplus funds and a project application to the NSF.

c. The tendering of such a project and the appointment of a suitable Service Provider that will be responsible for the supply and management of suitably qualified and experienced SMME Facilitators and SME Advisors and the achievement of set objectives and results.

d. Such a tendered project (and the appointed Service Provider) could also take responsibility for the indicated action research and database development.

A diagrammatic representation of the role of the new regional coordinators follows can be found at the end of this document.

7. Some more detailed objectives for the new structures

The following recommendations are drawn from broader research in a related SETA and confirmed in work with SETASA. The enhanced SETASA capacity could support the kind of activities suggested here.

a. Business Orientation and Training Strategy

- SETASA could adopt a Three Track Approach to SME Training:

Track I: Business Orientation and Training for current employees of SMEs

Objective: To provide business information that encourages current employees to advance in business supervisory and management areas.

Track II: Business management training for business owners/managers of SMEs

Objective: To stimulate business sustainability and future growth.

Track III: Business orientation and management training for learners in technical skills training programs.

Objective: To foster the notion that self-employment is an option.

- SETASA should base the training content for its SME Training on the selection of already approved unit standards and/or qualifications on the NQF that address the central themes of each of the three Training Tracks. (See Chart I on Page 6.)

b. Marketing and Outreach Strategy

SETASA could…

- augment outreach and coverage particularly in geographic areas where the SETA is most likely to identify and elicit participation of Black Empowerment Enterprises (BEEs);
- utilize already established industry sub-sector representative organizations to coordinate technical information and training needs between the businesses conforming the sub-sector, the SETA, and the new project staff;
- encourage establishment of new sub-sector representative organisations as technical training designers and providers;
- provide grant support for the development of the training capacity of selected sub-sector representative organizations enabling them to become Training Providers, Assessors and Moderators;
- commit each Regional Coordinator or proposed new project officer to advertise and to man, during working hours, SETASA Information Lines in each region; and,
- use radio and other local media to inform companies about where program information can be obtained and the existence of Regional SETASA Information Lines.

8. Budgetary considerations

Precise budgets will only be possible once this proposal has been further explored. The financial modelling will be tested and refined through the process of constructing calls for tenders and processing the tenders. However, it is possible to offer the following *rule-of-thumb calculations*.

The proposal above suggests 16 new officials (3 posts that can become Regional Coordinators are already established). We assume:

- an average cost-to-company remuneration / benefits package of R250 000 pa
- an amount equal to the individual remuneration (ie R250 000) to cover overheads and running costs. This includes the management fee of the Service Provider
- a budget of R300 000 for the work of each of the 15 new project officials for running of learning events, commissioned programmes and learnerships to be offered gratis or on a subsidised basis to SETASA's smaller client companies.

Thus, for the full proposal for one year:

- Remuneration and overheads	R 8 000 000
- Education and training programmes	R 4 500 000
Total	R12 500 000

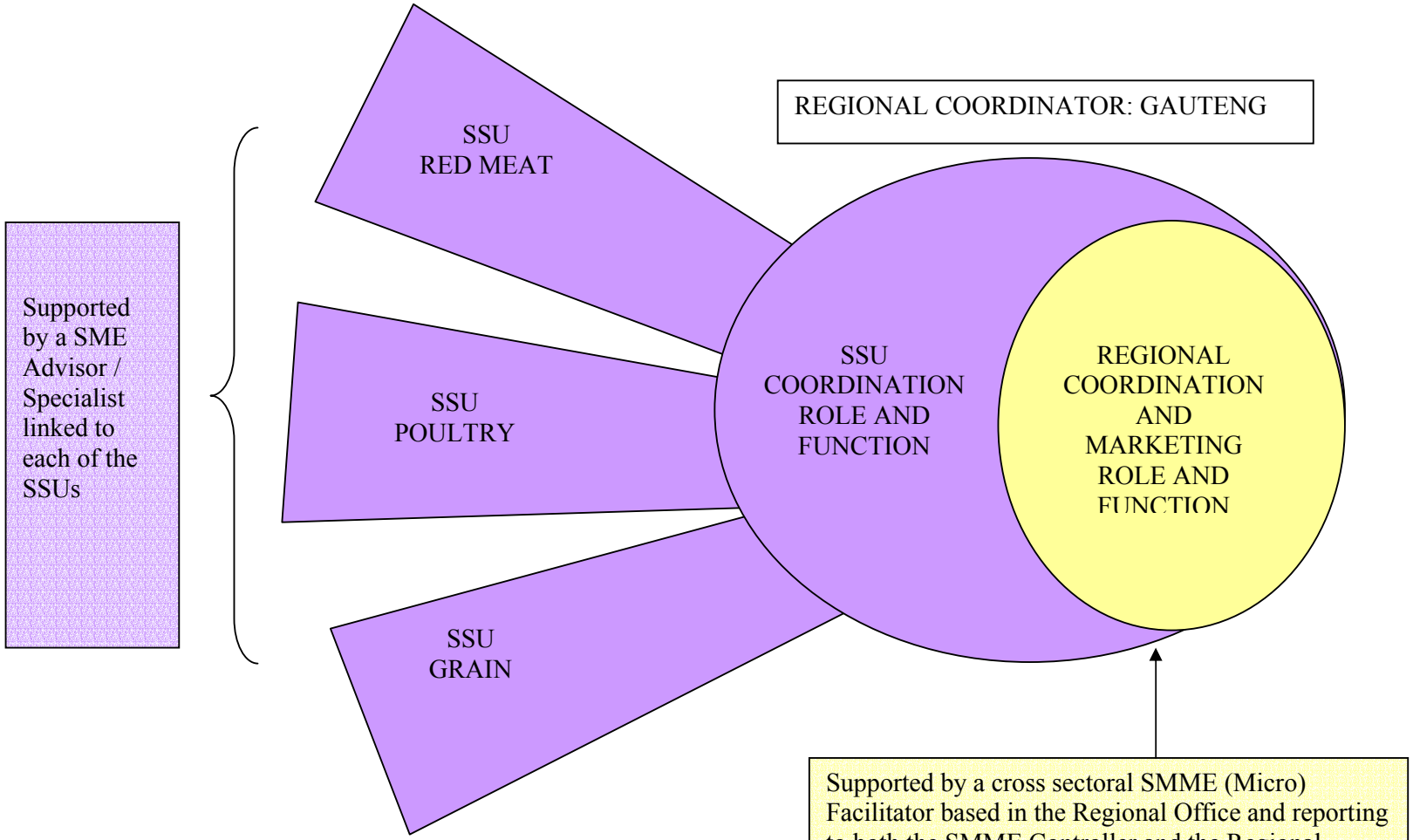
This amount would appear to fall well within the range available to SETASA. It could nonetheless be reduced by reducing the intended number of proposed new officials. For example, it is likely that not every SSU would need an SME Advisor / Specialist, or that some of these would be shared by related SSUs. The R300 000 operational budget for each new official could be over-ambitious, and would almost certainly on average not be

fully used in the first year of the project. (On the other hand, if the project took off successfully, demand for relevant training and education programmes could lead to greater expenditure on the provision of training.) Reasonable reductions could mean that the new development would only cost about R9 000 000 per year (not all of it coming from discretionary funding). Given the likely drastic improvement in SETASA's profile and the deepening of countrywide outreach, the amount could be considered modest.

9. Further advice

In the course of modelling the recommendations of this report, the consultants went into levels of detail that are not reflected here, especially regarding the structures and the ways in which they could be managed. It would not be appropriate to elaborate all of these now. They could be reflected in further developments, such as the framing of calls for tenders.

PROPOSED ROLE AND FUNCTION OF THE NEW REGIONAL COORDINATOR (COMBINING SSU COORDINATION AND REGIONAL REPRESENTATION FUNCTIONS)



Appendix A:

SETASA and SMMEs

The policy environment and capacity for change, July 2003

This appendix reflects findings about SMMEs, SETASA and its context, including the statistical facts and figures collected, together with interpretation of the problems relating to learning within the secondary agriculture sector.

A POLICY AND STATISTICAL PERSPECTIVE ON SMMEs

This section shows the importance of small, medium and micro enterprises within the South African economy and society at large, and as such aims to motivate and substantiate the importance of the proposed SETASA SMME Development Strategy.

SMMEs WITHIN THE LARGER SOUTH AFRICAN ECONOMY

The Policy Environment

In South Africa the small, medium and micro-sized enterprises (SMMEs) are expected to make a substantial contribution to the country's economic growth, competitiveness, job creation, poverty alleviation and black economic empowerment. Within the South African context SMME development is not a single challenge but is made up of the following three distinct challenges:

- The economic objective of small business promotion
- The socio-political objective of empowerment, and
- The welfare objective of poverty alleviation and supporting income generation in the survivalist sector

This is a very demanding agenda and the Government has embarked upon numerous policies and other initiatives aimed at encouraging the growth of such enterprises. The following serve as noteworthy initiatives in the above regard:

- The establishment of a policy framework for SMMEs – based mainly on the following:
  - The White Paper on the promotion of small business (1995) – setting out the government's strategy for the development and promotion of small businesses
  - The national Small Business Act (1996) which defines SMMEs and provides for the establishment of various agencies to implement policies and services as laid out in the White Paper
- Following the above legislative and policy framework, the following public sector institution building activities were undertaken:
  - Establishment of the Ntsika Enterprise Promotion Agency – responsible for the provision and co-ordination of training and other non-financial support services to SMMEs
  - Establishment of Khula Enterprise Finance – responsible for improving the access of SMMEs to finance
  - Establishment of the Centre for Small Business Promotion (CSBP) within the Department of Trade and Industry which was later replaced by the Enterprise Industry Development Unit - and with the mandate to formulate policy.
  - Establishment of the National Small Business Council (NSBC) – with the aim of serving as the "voice" of small business lobbying government. The council was however liquidated in 1998 and there has since not been an official small business representative body.
  - Establishment of Provincial Small Business Directorates.
  - Parastatals and Local Authorities were required to develop policies towards procurement and other support for SMME's.

Performance in relation to SMME policy

Unfortunately the policy and capacity creation measures have not been very successful and the SA Government has confessed to such. In June 2001 the Minister of Trade and Industry disclosed that over the previous four years a total of R 70 million had been lost as a result of the failure of approximately 118 000 small business enterprises that have received government

assistance. Khula officials supported this view and reported that over the previous three years between 70% and 80% of all SMMEs supported by them had failed.

A further disturbing fact is that, despite the broad consensus regarding "the national importance" of the small and medium enterprise sector, less than 1% of the national budget is channeled towards small business promotion programmes (with the relatively small number receiving support still showing an alarmingly high failure rate).

A profile of the SMME Sector

It is noteworthy that there is no general consensus regarding the size and scope of the SMME Sector and there is notable discrepancy between the figures produced by Ntsika, the DTI and Statistics SA. It is especially in the Informal Sector (mainly micro enterprises) that official data is most lacking. Statistics SA estimated that between 1999 and 2001, the number of jobs in the informal sector catapulted from 1,9 million to 3.3 million (mainly due to job losses in the formal sector). For the purposes of this document the term "Informal Sector" refers to those unregistered economic activities and people active in the informal economy and in social development projects aimed at community upliftment and the creation of employment and/or income generation opportunities.

The following table reflects the statistics provided by Ntsika (which is a considerably lower figure than the above employment estimates for the informal sector since it reflects registered businesses only). The Ntsika figures are however useful since it offers a sectoral distribution of the SMME population:

Employment in the SMME Sector (employment in registered businesses)

	1995	1997	2000	%
Agriculture, forestry, etc.	92 300	98 060	204 429	12,6%
Manufacturing	113 555	106 019	163 343	10%
Construction	79 974	88 516	147 830	9,1%
Trade, repairs, hotels and restaurants	351 183	365 980	699 106	43%
Transport, storage, communication	50 007	58 796	85 360	5,2%
Financial and business services	65 700	77 826	111 996	6,9%
Social and personal services	80 400	107 013	179 837	11,1%
	836 850	**906 690**	**1 626 459**	

SMME Training Requirements

Considering that there is little consensus on the size of the sector, it follows that there is even less clarity regarding the exact training and other capacity building needs and requirements of small enterprises. Whilst considerable further targeted research is required, some progress has however been made and the Global Entrepreneurship Monitor (GEM) Report offers some guidelines in this regard. The GEM Study (sponsored by various private sector companies and the Department of Trade and Industry) interviewed in excess of 400 disadvantaged entrepreneurs and 40 Service Providers. It indicated the following as top priority SMME training needs of a common or generic nature:

- Formal sector enterprises identified business (entrepreneurial) skills, marketing skills, financial management, marketing and administration skills as top priority needs.
- Informal (micro) enterprises indicated basic literacy, numeracy and communication (English) skills as top priority needs.

Considering the high failure rate of small businesses (even those that received government support), it is evident that considerable focus needs to be placed on the institutional and capacity building of SMME's to ensure their survival and growth. In this regard training was, amongst others, identified as a critical intervention. Via the Skills Development Strategy (and its relevant and related legislation) the government has put into place a Skills Levy that is generating sufficient funds to implement learning programmes on a significant scale.

SMMEs WITHIN THE SECONDARY AGRICULTURAL SECTOR

The Secondary Agricultural Sector as represented by SETASA is a new "constituency" and the traditional definition and recording of data results in very little statistical information being available from government sources or elsewhere for this functional sector. As a result virtually all information pertaining to the sector needs to be developed or collated from a zero base. This caused particular difficulties at the time of developing the first Sector Skills Plan in 2000 and still remains problematic. An approach was followed to use the collective results of WSP's submitted as the basic source of information and to use estimates which are adjusted and corrected as more valid information becomes available.

Against the above an analysis of the Sector Profile is tentative and based on many assumptions. As outlined earlier in the report a particular problem of the Secondary Agricultural Sector is to unravel the domains of SETASA from that of the Food and Beverages SETA and the Primary Agriculture SETA (PAETA). The diversity of the sector is evident from the following:

- Some sub-sectors consist mainly of SMME's (e.g. Pest control) whilst others (such as Fruit Packing and Sugar) have almost no SMME's.
- Some sub-sectors are dominated by males (e.g. Red Meat – 75%) whilst others are female dominated (e.g. Fruit Packing – 84%)
- Management and Administrative components vary drastically between sub-sectors (from 5% to 30% of the labour force)
- Whilst the sector generally employs a large component of elementary workers this ranges considerably between 10% and 80%

A Profile of SMMEs within the Secondary Agriculture Sector

As outlined in 1.2.1 above, there is no sound statistical database for the secondary agricultural sector. The lack of data is especially prevalent in the SMME sector and for the informal and micro enterprises in particular (which due to their informal nature are often unregistered and thus difficult to identify and locate).

Of the approximately 2 370 registered companies within the SETASA domain, close to 90 per cent can be classified as SMME's (1 935 micro and small and a further 235 medium sized enterprises). The following table provides a more in-depth breakdown and analysis of the enterprises within the SETASA domain:

SMME Type	No of Enterprises on SARS Database	Total Unregistered Enterprises	Registered but not Levy paying	Paying Levies – not participating	Participate fully WSP's and Training Reports
Micro and Informal (0-5 employees)	1 187 [1]	Unknown	502	685	Presumed none
Small (6-49 employees)	748	None or few	34	586	128
Medium (50 – 149 employees)	235	None	8	154	73

[1] SETASA has no information on these companies and they are presumed to be micro enterprises.

Sub-total SMMEs	2 170		544 (25%)	1 425 (66%)	201 (9%)
Large (150 plus employees)	200	None	None	20	180
TOTAL	2 370		544 (23%)	1 625 (69%)	380 (16%)

The difficulties experienced in reaching the SMME sector (no contact has been made with more than 50 per cent of the target group), and in getting them to fully participate in the available training programmes (with less than 9% submitting WSP's and claiming training implementation grants) are evident from the above statistics. It is against this background that the poor performance of SETASA in meeting their set training targets for the SMME sector should be evaluated.

A further breakdown of SMMEs as per Sub-Sector Unit grouping is as follows:

SSU	**Micro and Small (1 –49 employees)**		**Medium (50 –149 employees)**	
	Registered	**Paying**	**Registered**	**Paying**
Seed	80	53	4	4
Red Meat	696	509	61	56
Poultry	198	154	23	23
Fibre	12	11	1	1
Fruit	200	167	43	43
Milling, Pet Food	265	163	36	34
Grain	255	172	50	50
Sugar	41	28	6	6
Tea and Coffee	16	13	2	1
Tobacco	33	19	8	8
Pest Control	139	110	1	1
TOTAL	1 935	1 399 (72%)	235	227 (97%)

ENABLING FACTORS AND MECHANISMS THAT FACILITATE AND ENHANCE SERVICE DELIVERY TO SMMEs

Status awarded to SMMEs as a Constituency to be serviced

When SETASA developed its Sector Skills Plan in 2000, it identified and prioritised a number of the most important factors influencing performance in the Secondary Agricultural Sector. Such identified constraints and/or anticipated changes requiring specific attention and focus, resulted in the following five strategic development priorities:

- Strategy 1: Achieve, maintain and expand global competitiveness
- Strategy 2: Meet global statutory requirements (export promotion)
- Strategy 3: **Support SMME Development**
- Strategy 4: Focus on social upliftment programmes (improve the general educational level of employees – mainly through ABET)
- Strategy 5: Relationship Skills development

"Support for SMME Development" (Sector Strategy 3) was thus selected as one of the five key strategic objectives of SETASA, and it should be relatively easy to earmark and allocate funding and other resources to this functional area. Unfortunately this objective has as yet not received the priority attention it deserves and has largely been neglected. Whilst the SMME constituency thus enjoys high status in theory, service delivery to this sector has been very limited and uncoordinated. The numerous reasons for this state of affairs are addressed in section 4.3 below.

SETASA Organogram and Structures to service SMMEs

The following capacity and structures have been created within SETASA towards addressing the learning needs of SMMEs within the SETASA domain:

a) A post of SMME Controller was established with the exclusive aim and objective of facilitating and enhancing the planning, development and delivery of learning services to this target group

b) Three consultants were recently appointed as external Skills Development Facilitators to render support services to SMMEs within the Gauteng, KwaZulu Natal and Western Cape Provinces. Their primary task is to assist SMMEs in submitting WSPs and to implement the proposed training towards receiving the mandatory levy grants. Since these SDFs have not been operational as yet, the success of this approach is uncertain. It

is however the opinion of the consultants that whilst the approach will be partially successful in increasing the number of WSPs submitted, the proposed time allocation per SMME intervention (approximately 3-4 hours) is much too short to have a meaningful impact and result.

c) There are two SSU Coordinators who render support and facilitation services to the 11 SSUs within the sector. Whilst these SSU Coordinators primarily engage with the medium and larger companies, their responsibility includes assistance and support to SMMEs as a means of increasing their participation. To date extremely limited attention has been given to the smaller companies.

d) SETASA has also been awarded a Strategic NSF Project and this project has (amongst others) the promotion of ABET and SMME development as specific objectives. A NSF Project Manager has been appointed to plan and manage the project over its three- year cycle.

SMME Funding Sources and Mechanisms within SETASA

Information provided by SETASA revealed that they had surplus (unappropriated) funds at the end of the financial year (31 March 2003) to the amount of approximately R 56 000 000. Such unappropriated funds have been committed and allocated as follows for utilisation during the 2003/2004 financial year:

- Additional administrative commitments R 500 000
- Mandatory Grants (WSP and Training Implementation Reports) R 25 000 000
- Discretionary Grants (Special programmes – final 10% levy rebate) R 5 000 000
- **Projects** **R 25 500 000**

Projects that have a direct bearing on SMME's include:

- ABET R 4 000 000
- Aids Awareness R 2 200 000
- SMME Development R 1 700 000
- Workplace Skills Plans R 1 200 000

In addition to the above funds earmarked for SMME related learning programmes and development, SETASA was also awarded a three-year **NSF Strategic Project** for the period 2002 – 2004. This NSF Project has five main objectives or sub-projects, and SMME Support is one of the key objectives (Project No 2 – which received a funding allocation of R 5 million).

Implementation of the NSF project commenced some 18 months ago and a part of the budget have been used for implementing training initiatives. However funding that is still available on the NSF project for SMME development (funds that have not already been utilised and/or are not already earmarked for specific training commitments) are as follows:

- ABET R 2 400 000
- SMME Learning Programmes R 2 000 000

From the above it is thus evident that at this point in time the following funds are earmarked and available for implementation of the proposed SMME Development Strategy (and its related learning programmes and interventions which includes ABET):

- Dedicated SMME Development Interventions **R 3 700 000**
- Interventions that will also be available for and impact on SMME's
  - ABET R 6 400 000
  - AIDS Awareness R 2 200 000
  - Workplace Skills Plans R 1 200 000

  Sub-total (including interventions that indirectly support SMMEs) R 13 500 000

Confirmation was further obtained from the Department of Labour that SETASA has complete latitude to use unclaimed levy money and discretionary funds in the service of the NSDS targets (with SMME qualifying as such a strategic target). Scope thus exists, if motivated and approved by the SETASA Board, to fund SMME development and promotion initiatives from the unclaimed levy funds. Discussions with the financial staff of SETASA revealed that, following past trends regarding the availability of surplus funds (income generated via the skills development levy minus the payment of mandatory and discretionary employer grants), surplus funds will amount to more than R30 million in the next financial year (2004/2005). Given the motivation as outlined in this document, it is believed that a just case can be made to allocate at least R 10 million of such surplus funds for implementation of the proposed SETASA SMME Development Strategy. Officials indicated that a timeous request for the earmarking and allocation of such an amount for SMME development would receive favourable consideration.

PROBLEMS AND CONSTRAINTS EXPERIENCED BY SESTASA IN RENDERING SERVICES TO SMMEs

The findings of the consultancy confirm a serious failure to reach SMMEs. The reasons for such failure fall into the following two groups:

- Common to all SETAs, the regulations governing the implementation of the National Skills Development Strategy (NSDS) inhibit the participation of smaller concerns, and in some cases make participation highly improbable.

- Specific to SETASA is a nest of factors that limit the organisation's capacity to reach and serve its SMMEs. These factors include:
  - poor information and information management;
  - a current and extended management crisis;
  - problems of capacity;
  - historical problems in the identity of the sector; and
  - an inevitable favouring of the largest concerns who pay the majority of the levies and can employ staff to ensure the system works for them.

A more in-depth analysis of these problems or constraints reveals the following:

The NSDS regulatory environment which inhibits and constrains the participation of SMMEs

The consultancy revealed the following regulatory environment as particularly inhibiting to the smaller and micro enterprises in the sector:

- ***Regulations related to Accreditation and Quality Control of Training***
  - The accreditation process for providers, assessors, and moderators is considered arduous, time consuming, bureaucratic, and difficult;
  - Currently accredited providers, assessors and moderators for learnerships are considered to be limited in number and difficult to access, particularly in out-of-the-way places;
  - Assessors and moderators are often current employees of large firms that may be competitors to the firm where the learnership practicum is being implemented. The idea

of assessors, or other outside evaluators, having such intimate access to the provider companies, may be a disincentive for large competing firms to participate in learnerships and should be avoided; and,

- Identifying accredited training providers can be very difficult. The more out of the way the enterprise is the less likely it is to find a provider, leaving these areas largely unattended. This is another reason why smaller enterprises in isolated areas rarely are included in the programs.

- ***The Delivery System***

The mainline skills levy delivery system is inappropriate as a means to fund small and micro-enterprise training. There are a number of elements to this. First of all, the rules for accessing the financial resources to support training and education from SETASA through the mandatory grants make the process and procedures very time consuming and expensive for businesses. Workplace Skills Plans (WSPs) are quite difficult for most small and medium scale enterprises to complete. They may or may not have the required information. Unless the company has staff that can be freed up and assigned to collecting this information, it becomes a chore that eats into the firm's output and productivity. This kind of paperwork problem is a disincentive. Furthermore, the length of time required to claim back or get reimbursed for the training provided can be delayed because there aren't enough assessors to certify that the training was done to standard.

Problems experienced by SMME's with the training system itself – manifesting itself in non-participation

The market perception of Small and Medium Enterprise (SME) clients regarding the Skills Levy Program includes the following attitudes:

- ***Processes and procedures making up the Skills Levy education and training finance delivery mechanism are not "enterprise friendly"***
    - The program does not display much consideration of the business realities of small and medium scale enterprises and there is significant criticism regarding the functionality of the delivery mechanism for financing education and training in businesses under the Skills Levy Act;

- Small businesses are very concerned about day to day cash flow. Financing education and training under the Skills Levy program from current cash flow is not considered attractive;

- ***SMEs consider the Skills Levy as another payroll tax***

Without the direct help and guidance of the SSU Coordinator in understanding the system the larger small and medium sized companies visited in the Western Cape would have continued to view the Skills Levy as another tax. They would have taken this position based on the difficult process that makes the real cost in terms of the direct costs of training, as well as the opportunity cost in terms of time and effort and lost productivity, not worth the perceived return to the enterprise.

- ***Participation in the program is geared to benefiting very large enterprises***

Large businesses with very large payrolls where the 1% levy is a significant amount, find the effort to claim back Skills Levy funds onerous, but worth it. These companies also generally have Human Resource Departments and training programs anyhow. These are the companies that are participating in the program, are the primary beneficiaries, and are in a position to defray the costs of training they are doing anyway, with the claim back of their Skills Levy contributions. They do not worry about the cash flow implications of up- front financing of training, because it is already budgeted. Thus, every Rand claimed back implies a saving, not an additional expense. These companies are able to claim reimbursement of their skills levies and tax deductions with virtually no additional effort or incremental cost.

Even so, there are disincentives even to large enterprises. There is reluctance by some large companies to open their doors to learnerships, because they have somehow come to the perception that they will have little control over selection of the candidate and their involvement may result in reduced output and productivity.

- ***Concerns about losing best employees who are most likely to be selected for training***

Small and medium size businesses are generally required to send employees to an accredited large firm that has all the production, training facilities, and mentors for their learnership practicum. In the view of some SMMEs, this represents a danger, because of the possibility of their being poached.

Also, while smaller businesses generally think that the kind of training under the National Skills Development Strategy (NSDS) is good and is a necessity, they are sometimes suspicious of providing training to employees, because trained employees are likely to increase their salary demands, be poached by other companies, or seek higher paid employment elsewhere.

Institutional and capacity problems within SETASA to service SMMEs

The following were identified as institutional shortfalls and constraints that requires specific attention:

- ***A need to expand and strengthen SETASA's capacity, role and functions in the field of marketing and outreach***

SETASA has set up a system of SSU coordinators to promote and oversee various SSUs. Their primary job is to be the outreach arm of the SETASA into the business communities represented by the SSUs in their respective portfolios. They are primarily concerned with promoting the NSDS through the SETASA mandate, generating Workplace Skills Plans (WSPs) and, later, monitoring to verify implementation of the plan. This approach has worked well in the Western Cape, where the consultants had the opportunity to speak with companies that had been assisted under this method. The outcome of this approach was to help companies, mostly medium and large, cut through the initial red tape until they were comfortable with the process and procedures.

Whilst this one-on-one system has been beneficial in helping people understand the excessive paperwork, nonetheless the resulting demands on the time of company officials, that is being donated voluntarily, to the implementation of the NSDS, continues to be a disincentive to new clients. Even if the mainline levy system were simplified and the system had all its unit standards, providers, assessors, and moderators in place, there would still be the fundamental problem of the lack of internal capacity, in terms of numbers of people on the SETASA staff to promote, market, and implement the program in much more than the limited way they are doing now.

- ***A need to strengthen the Sub-Sector Units via industry specialists affiliated to SSUs or other representative associations.***

The SETASA coordinators are essentially outreach and promotion personnel and not industry specialists. In the outreach and marketing of the SETASA SMME programme in terms of letting

business managers/owners know what is available and how it can help them, these people can do a good job across sub-sectors. But when it comes to the specifics of the programme of training such as identifying the right training for the companies involved and hiring the providers of training, there is a need for industry input from someone who has credibility with the businesses. The industry specialist should be involved with the technical aspects of the training and the identification and approval of training providers. The industry specialist should be the channel of industry technical requirements for training to the SETASA SSU Coordinators for inclusion in the WSPs. This person would also be an ideal technical person to assist the SETASA with the identification of smaller enterprises in their sub-sectors, thereby assisting in the research required for the SETASA to understand and be able to better target its potential target SMME clients.

- ***Development of a SMME Client Data Base – improved data collection is needed to identify and target outreach and marketing of the SETASA program***

The SETASA does not have a clear picture of the size, number, and nature of Small, Medium, and Micro-enterprises that are potential clients. Therefore a very large number of firms are not being reached with relevant kinds of information about the SETASA program. There has been little research into enterprise size and their nature (profiles). Accordingly the implications for the content of training courses are unknown. The result of this lack of knowledge and understanding is that smaller enterprises often are under the impression that SETASA's offerings are not particularly relevant to their needs and are primarily geared to large enterprises with more esoteric needs and problems.

- ***Under-representivity of SMMEs on the SETASA structures***

A further key constraint is the under-representation of the SMME constituency within the SETASA Board, its Executive Committee and the various SSUs. It can generally be stated that the current representivity of the SMME constituency on the various organisational structures within SETASA does not reflect the seeming priority that is assigned to this target group within the SETASA Sector Skills Plan and its Business Plans. Inputs obtained during the two-day workshop held with representatives of the 11 SSU's, revealed that only two or three SSUs (namely Pest Control, Poultry and Red Meat) has members from small and medium enterprises whilst the remainder consisted of representatives from the large and dominant companies only. It was further acknowledged that the interests of the SMME constituency consequently did not receive

paramount attention in the deliberations and work of the SSU's. This has resulted in what is perceived as an inappropriate programme for especially the small and micro enterprises (both in terms of training offerings and the delivery system for financing the training).

Appendix B:

SETASA and SMMEs

Analysis and Strategic Considerations

HOW SHOULD TRAINING FOR THE INFORMAL SECTOR BE ORGANISED AND APPROACHED

It is believed that the formal and informal sectors have different focuses or points of departure. From the onset enterprises in the formal sector has wealth creation and economic growth as aim and objective, whilst concerns in the informal sector is primarily focussed on survival and poverty alleviation. All operators functioning in micro and informal sector enterprises thus do not necessary have the qualities required to be successful in the formal sector (*and vice versa*). It is thus evident that they must be treated differently and demand different training interventions and approaches.

A major problem in (South) Africa is the tendency to still base and derive informal sector skills training programmes on the training approaches and curricula used for formal sector vocational training programmes. This is mainly the result of the earlier dominance of the formal sector, and the fact that the majority of established training provider institutions have developed their courses and services to meet the needs of this sector. Instead of being ***demand orientated*** and developing courses to the specific needs and requirements of the informal sector, these providers attempt to take "short cuts" and offer those courses developed for the larger organisations in the formal sector. The result is courses of a more complex and sophisticated nature (where the range of skills within a trade or profession demands high specialisation versus adaptability and versatility skills needed within a micro or informal sector enterprise).

Whilst there is some merits (from an accreditation and recognition viewpoint) in the practice to view and design skills programmes as "mini" learnerships, it holds a large number of dangers and pitfalls for the informal sector recipient or beneficiary. These shortfalls are particularly relevant where training programmes designed for employees within a formal employment environment is merely applied as is to trainees from the informal sector – where circumstances and especially constraints are vastly different – thus demanding different training approaches and methodologies.

The following are examples of specific differences between the formal sector and informal sector target groups that requires further research and consideration in the design of skills development programmes for the latter:

- The inability and affordability issue of many micro and informal sector operators to attend longer duration off-the-job and institutionalized training courses (versus circumstances in the larger formal sector companies where staff is released for training on paid leave). This holds specific implications for the duration and scheduling of training courses.
- The different points of departure between the two sectors (namely wealth creation in the formal sector/larger companies versus survival in the informal sector/micro enterprises). Together with the previous point, this holds specific implications for the content of learning programmes in terms of "nice to know versus must know" unit standards.
- The difference in operating environments (namely fully serviced premises and well equipped workshops in the formal sector versus lack of services and limited tools and equipment in many micro and informal sector enterprises).
- The educational levels of the majority of informal sector operators (demanding specific training methodology and approaches and implications re entry requirements).
- The need to incorporate business and entrepreneurial skills as an integral component in most informal sector programmes (nature of business).

Against the above comments the following are highlighted as specific issues to be considered in the design and delivery of learning programmes and interventions for operators of micro and informal sector enterprises:

a) Firstly, micro and informal sector enterprises must be recognised and appreciated as concerns that play a very important role within the economy in terms of employment and

income generation – thus warranting focussed and dedicated attention. These enterprises should further not be viewed as mere entry points or "stepping stones" to the formal SMME sector and interventions should not aim to link the formal and informal sectors with the narrow objective of converting informal sector concerns into formal businesses.

b) The above implies that informal sector businesses require tailor made business development services and training programmes geared to their specific needs and requirements and aimed at making them more efficient and effective for and within the target market which they serve. Experience show that the majority of people will find a niche for their business/skills in the informal sector. Skills training should thus relate very closely to the range of products and services needed in and by the informal sector. For survival in the informal sector people must be self-sufficient, and tend to be generalists as opposed to specialists. Subsequently the skills and services demanded in the informal sector, requires that trainees be trained in such a way that they are capable of completing a specific job on their own (multi-skilling).

c) It is further of primary importance that the critical and central role of the ***person*** (as entrepreneur) is recognised and given sufficient attention. Too often focus is only placed on the technical ability and capacity of persons to perform the task on hand, whilst their personal and individual needs as human beings are being neglected. In this regard it should be realised that most of the informal sector operators would have received limited formal education and would have had little exposure within the "global/outside" world. As such they will most likely have a lack of confidence and belief in themselves – especially when confronted with new and foreign concepts. For successful entrepreneurial development it is thus essential that sufficient attention be given to the development of the total person.

d) There is a need for Informal Sector Skills Training to be as **short** as possible (but as long as necessary). The point of departure is that a trainee must gain all (but only) the knowledge and skills required and needed to competently perform those tasks needed to create or secure employment (probably in the informal sector) and thus enable such a trainee to secure a job and/or earn a living. Training should not be time-based, but the duration is determined by the time that it takes for a trainee to attain competence. Given the target group served, training should preferably be phased over a longer period of time covering the total business cycle – addressing problems as and when they occur in a real working environment. Experience has shown that the transfer of learning is much better if trainees learn to solve problems within a real life situation and this implies an

integration of training with production. Training thus spans the total business or production cycle and the trainee learns on-the-job.

e) Vocational and technical skills development (of a production, manufacturing or service nature) should be integrated with entrepreneurial and business skills training to prepare trainees for the possible need to establish self-employment and business ventures that will require time, financial and material management skills.

f) Given the educational constraints that many of the target groups will experience (i.e. low educational qualifications and not having been exposed to active learning for considerable periods of time), the design of skills training programmes and the adopted training approach should take such constraints into consideration. It is proposed that skills training courses for the informal sector should meet the following requirements:

- course content and training methodologies used should be pitched at a level that matches the educational and intellectual ability and capacity of the trainees
- given the restricted knowledge assimilation and retention ability of especially the adult trainees, the selected training methodology should optimise learning through a combination of hearing, observing and doing (practically performing tasks under supervision). Thus following an *approach of learning by doing.*

g) Preferably skills training courses for the informal sector should not be of an institutionalised nature (offered in a remote training centre), but should be undertaken on-job or on-site. Experience has shown that training should take place within an employment context or framework and/or be linked to work experience (projects, public works programs, training with production, etc.). The **training with production approach** has proved to be very effective and beneficial for training informal sector participants.

h) Trainers and instructors who will offer skills training for the informal sector must primarily be selected against their ability to communicate with their target group. Their knowledge and insight into the circumstances and needs of informal sector operators, and their ability to provide practical training and a transfer of knowledge and skills is deemed to be most important. Too often formal qualifications are used as the primary selection criteria at the peril of the above more important criteria.

Appendix C:

SETASA and SMMEs

Summary recommendations for organisation development and capacity building

SETASA ORGANISATION DEVELOPMENT AND CAPACITY BUILDING

The ability to undertake and implement many of the recommendations and solutions outlined in this Report hinges on an improvement of SETASA's capacity to promote education and training throughout the sector. Improved service rendering to especially the SMME target group largely depends on an expansion and improvement of the existing structures and institutional capacity. The main report provides a schematic outline of the proposed expanded SETASA structures and shows how the different parts of the new capacity hang together. The following are proposed towards addressing current institutional shortfalls and constraints:

a) Strengthening SETASA's Regional Presence and Capacity

Following the comparative success achieved with the outreach programme and activities in the Cape, it is proposed that consideration be given to means of duplicating this apparent "success pattern" and to establish a regional presence and capacity in various other key provinces. To this end a Regional Office (headed by a Regional Coordinator) should be established in key provinces such as Gauteng, KwaZulu Natal , the Cape and possibly one further province The exact number of regional offices and their ideal location should be investigated in further depth. The main role, functions and advantages of the proposed regional offices are:

- greater accessibility (and thus improved outreach) trough taking services **to** the people (thus breaking down the perception held by some constituents that they are isolated from a SETASA which is concentrated in Pretoria only)
- improved coordination of activities at the point of service delivery

- creating the much needed capacity and serving as a platform from where services could be rendered on a manageable basis within a region or location

The proposed new Regional Coordinator posts will combine the existing SSU Coordinator function with that of the proposed new regional coordination role. To this end the new Regional Coordinators will each still be assigned the coordination function of 3-4 SSUs and will further provide marketing/promotion, facilitation and other administrative support services within a regional context. See the main report for the schematic representation of this suggestion.

b) Increased Capacity in reaching and servicing SMME's

To expand SETASA's capacity in reaching and rendering services to the large contingent of SMMEs (90% of all companies) the following are proposed:

- The SMME Controller will retain overall responsibility for the planning, coordination and integration of the SMME outreach, support and facilitation services (specific focus on micro and smaller (level 1) companies).

- To assist and support the SMME Controller it is proposed that 3-4 cross-sectoral SMME (Micro) Facilitators be appointed to perform an outreach function and to investigate and promote appropriate education and training service rendering to the micro and smaller enterprises in the sector (staff complements up to 25 people). These SMME Facilitators will be located in the Regional Offices and report to both the SMME Controller (functionally) and to the Regional Coordinator (administratively). They will be "streetwise" within the micro enterprise and informal sector environment.

- Service rendering to the larger SMEs (those with employment complements of 25 to 150 staff) will be enhanced and facilitated through the contract appointment of functional specialists (so-called SME Advisors/Specialists) who will be assigned to each of the SSUs. They will either be based within a representative Industry Association within the SSU or within the Regional Office where the specific SSU is administered. These SME Advisors will be highly experienced and technically skilled persons with extensive knowledge of the sub-sector (possibly retired persons from the sub-sector).

c) **Funding and managing the suggested Capacity Building solutions**

To fund and manage the capacity building proposals outlined above, the following is proposed:

- The registering of a specific medium term project (approximately 2-3 years) through which the proposed capacity building and service rendering could be realised
- Obtaining funding resources to implement the project. It is envisaged that the required funds could be obtained through the combination of a project application to the NSF and via an allocation of some of SETASA's surplus funds for the project.
- The tendering of such a project and the appointment of a suitable Service Provider that will be responsible for the supply and management of suitably qualified and experienced SMME Facilitators and SME Advisors and the achievement of set objectives and results.
- Such a tendered project (and the appointed Service Provider) could also take responsibility for the indicated research and database development.

d) Increased representivity of SMME's on the SETASA Structures

As indicated earlier the SMME constituency is grossly underrepresented in both the SSU's and on the SETASA Board. The implication of this non-representation (with the exception of one or two SSUs) is that the specific learning needs and interests of the very large number of SMME's in the sector does not receive the priority attention it deserves.

To address this shortfall and constraint the following is proposed as a possible solution:

- In terms of the constitution SSUs are currently comprised of 10 members (5 employer representatives and 5 labour/employee representatives). It is proposed that at least one of the employer representatives is from a SMME, and that one employee representative wears a "SMME hat". These SMME representatives will have the task of ensuring that the training needs and requirements of the smaller companies receive sufficient attention in the deliberations, funding allocations and work undertaken by the SSUs.

- It is proposed that these SMME representatives (2 from each SSU), together with the full-time Regional SMME Facilitators and the SME Advisors assigned to the SSU's establish a ***SMME Forum***. This forum will be assigned the responsibility of planning and coordinating implementation of the SMME Development Strategy. It is envisaged that they will meet on a regular basis (e.g. six-monthly).

- It is further proposed that the SMME Forum nominate at least two or three of its members to serve on the SETASA Board – thus ensuring representivity of this very important target group on the policy making body of SETASA.

ATTACHMENT G
SECTOR EDUCATION AND TRAINING AUTHORITY
FOR SECONDARY AGRICULTURE

BRIEF CONFIDENTIAL DISCUSSION DOCUMENT

FOR THE SETASA BOARD
FROM DR JULIE REDDY
Acting CEO

In preparation for the meeting of 26 November

RENEWING SETASA
OR
RESCUING SETASA
OR
PREPARING FOR A DIGNIFIED DEMISE?

MOVING FROM DILEMMA TO DECISION

Distributed 21 November 2003

1. **WHY SETASA NEEDS TO CONTINUE AND FLOURISH**

SETASA's very existence was the result of a hard-won argument about whether it represented the interests of distinct clients. The decision to create SETASA came from the conviction that the workers and employers who operated in the stage between primary agricultural production and industrial processing had a distinctive profile. If they fell into a SETA mainly concerned with other stages of production their interests would be marginalised. A SETA needed to exist that understood the particular dynamics of this stage in the process of agricultural production and marketing.

Looking at the sector and communicating with those in it, there would seem to be good reasons for the continuing existence of SETASA. Although the boundaries of the sector blur, there could be a broad set of needs that are not like the needs of other sectors. Handling, protection and primary processing of perishable produce, generally in disadvantaged rural contexts, provides a distinct focus worthy of unique attention.

Other reasons could be brought to the argument. Although too little is known about the size and scope of the sector, it is clearly large enough to be worthy of its own authority, but small enough to make measurable and manageable impact.

2. **WHY SETASA IS IN DANGER IN SPITE OF THE APPARENT NEED**

It would be agreeable to be able to be able to argue under section 1 above that SETASA needed to continue and flourish because it represented a major investment in capacity development and was starting to perform useful functions with positive impact. One can indeed point to major investments in and by SETASA, both financial and personal. Sadly, the resultant capacity, functions and impact are seriously inadequate, compared with the confusions and dire problems created by the lack of professional management. (This is not to deny certain achievements in the NSF project and the management of grants in the context of larger or better-organised levy paying industries.)

SETASA's continued existence is under threat in view of the revised legislation governing SETAs. Not only is it threatened by Ministerial closure or merger because of its own under-performance. It is threatened by the potential to be found guilty of mismanagement as a result of further inquiries by the Auditor General, which would almost certainly ensure instant closure.

At present it is particularly threatened by the fact that every attempt to clean up SETASA's act is undermined by the lack of the necessary financial resources to fund the a rescue act, and initial moves to operational efficiency. Only finance from the 10% administration pool can be drawn on. Although just over 50% of this pool is spent on salaries, the remainder has been allocated to numbers of projects and other contractual commitments – not all of them legitimate or useful.

In addition, a whole range of factors further darken this bleak picture:

- The staff, some of whom are dedicated and capable, are demoralised and unmotivated.
- There seems to be too high a level of confusion in the staff (and the Board and the sector) about the scope, responsibilities and limits of a SETA's designated role.
- In addition, the staff function within an environment not conducive to professional service.
- Systems that are in place for the management of core delivery – like grant management – are not functioning well enough to secure client satisfaction.
- Partly as a result of this, the income to SETASA from the Skills Levy appears to be declining.
- The database, management information system and basic record keeping of SETASA are extremely poor, to the extent that they are capable of turning accountability and strategic planning into nightmares.

All of these and other problems could be put right. However, efforts to put them right face what look like Catch-22 situations. Each of these problems can only be corrected with money – for management, retraining, some capital outlay, outsourcing – and with time. The lack of money has already been touched on. The question of time is especially vexing. By March SETASA must demonstrate that it is meeting, or on its way to meeting, clear targets. These targets are well beyond its reach on the basis of present capacity and activities. The corrective action, to work at all, will have to be radical – in fact, it looks as though the organisation should much rather be re-invented than repaired. But both re-invention or repair are likely to take much more than 3 months, especially when certain basic commitments must be carried through with – such as the existing grant management, qualifications generation and registration etc – or the membership might start peeling away.

Since the new auditing requirements for SETAs include normal financial audit, a review of financial management systems and evidence of the meeting of delivery targets, SETASA will need a miracle to satisfy even a mild application of these requirements.

3. MOVING FROM DILEMMA TO DECISION

In this situation, the responsibility of the Board and Management of SETASA is in the first place to use all their resources to find positive solutions to these problems. It is essential to move from the sense of a disabling dilemma to a well-based and firm spirit of unified decision.

The intensive situation analysis of SETASA undertaken since the beginning of November is far from over. Every hour in the office seems to throw up a new and unexpected problem, in some cases reflecting very poorly on management decisions of the past. However, the kinds of steps that need to be taken for renewal include:

- Outsourcing of levy and grant management services to a competent dedicated service provider
- Restructuring of staff

- Relocation of the organisation
- Intensive redevelopment of the constitution, vision and mission of the organisation (which includes developing shared understandings of these by Board and staff).
- A major, short sharp research effort to establish the fundamental data about the sector, followed by the re-writing of a scientific and functional Sector Skills Plan.
- The continuation and upgrading of existing core services to clients.
- Rapid movement towards the satisfaction of targets (perhaps only one or two striking exemplary targets).

Should the will exist to rescue and re-invent SETASA the organisation will need major resourceful problem solving action that cuts through the Catch-22 situations. Whether this is possible and what it might look like is still to be discovered. Should ways through be devised, they will almost certainly include financial wizardry and persuasive political action (specifically to buy time or tolerance in the meeting of targets, which could only possible work with sufficient evidence of effective remedial action).

Other SETAs have been rent by the inability of the Board to work in harmony with itself or the CEO. Any possibility of a renaissance for SETASA will depend on unprecedented mutual support and understanding between the Board and the (acting) CEO.

ATTACHMENT H
SETASA
NQF Level 1 Qualifications for Secondary Agriculture:
Discussion Document

GENERAL OVERVIEW

This document outlines the issues relating to a generic NQF Level 1 qualification for the 'outputs' sub-sectors of SETASA[1].

The need for such a qualification is discussed in the context of advantages relating to the unrolling of learnerships and improvement of the skills base in the sector.

A model is put forward for discussion by the relevant SETASA constituents. This model focuses on common requirements for the workplace across the sub-sectors in order to formulate a generic qualification, with attention to the contextualisation of these requirements for each sub-sector. In order to build on development done in each sub-sector so far, the model accommodates specific sub-sector outcomes through the elective component of the qualification[2].

Examples of existing unit standards are used to illustrate what the qualification might look like. The process for developing and finalizing the qualification according to this model is summarized.

The model is based on a survey of registered and proposed qualifications and unit standards across all sectors at NQF Level 1, and those of SETASA and PAETA at NQF Levels 2 and 3 that were relevant to a generic ABET NQF 1 qualification.

Ideally this model qualification will be registered and will be accompanied by two short guidelines published by SETASA on ways to contextualise the generic qualification in particular sub-sectors, and on the development of ABET programmes to build up to the qualification.

1. Rationale

There are various reasons, both strategic and educational, why the availability of a qualification generic to a sector at NQF Level 1 is desirable. First among these is its usefulness to learnership implementation. A learner's achievement of a qualification at NQF Level 1 represents two things: an exit level competence covering the achievement of certain foundational skills or a 'general' education; and an assurance of the learner's readiness to enter an occupational pathway from NQF Level 2 upwards. Both the

[1] As set out in SETASA Demarcation and Scope of Sector on website.
[2] The model draws on C Vorwerk's '*Contextual Qualifications Model'* (GTZ, May 2002) for its understanding of the function of contexualisation in generic qualifications. It is however a hybrid model in that it accepts that the elective component of a qualification can reflect sub-sector needs, as set out in E Hallendorf's '*How to design qualifications'* (GTZ, August 2002).

achievement of foundational learning and an indication of potential to successfully progress are key to implementation of learnerships: these indicators assist with selection onto learnerships, and increase successful completion rates, thereby helping the SETA to achieve its targets.

Related to the implementation of learnerships is a practical issue that underpins this proposal. One possible model that SETASA could investigate is that each division of each sub-sector could produce its own qualification for NQF Level 1, with the only common areas being the fundamental components and perhaps a few standards related to life skills. However, this document proposes one qualification across the sub-sectors, with sub-sector content areas accommodated through contextualisation of generic standards, and through the elective component of the qualification. The fact that this process could be completed in a shorter time frame serves the goal of fast-tracking the delivery of education and training through learnerships in the sector.

The second advantage lies in the fact that an NQF Level 1 qualification provides a significant goal for ABET activities in the sector. For ABET learners to achieve a GETC comprising mainly of general education components is sometimes an impossible target, given time and provision constraints. However, a generic Secondary Agriculture NQF Level 1 certificate, which balances general education, life skills and generic workplace skills with sector skills and knowledge, would offer companies that have invested in ABET a more focused goal relating to the needs of their industry. At the same time it would offer learners a degree of 'generic' credits that would facilitate choice and movement.

Third, the existence of such a qualification would benefit SETASA's constituents as a whole. This qualification would broaden the skills base of current and potential employees in the sub-sectors. The achievement of generic competences means that employers are assured that there is a common standard of foundational competence relating to literacy, numeracy, life skills and workplace processes, and that there are common understandings of certain aspects of the sector as a whole.

An additional reason for preferring a generic qualification lies in the increasing concern of Umalusi (ETQA for General and Further Education and Training) about the proliferation of qualifications that are too specific to be granted a *General Education* and Training Certificate.

2. Towards a model for a generic qualification

The primary goal is to achieve a qualification that is useful to all sub-sectors within SETASA's primary focus. From a design point of view, the following questions are raised:

- What 'generic' unit standards can be sourced or designed for the fundamental and core components of the qualification?

- How should these be written so that they set out common knowledge and skills, and yet can be usefully contextualised across the diverse sub-sectors?

- What weight should specific electives for the sub-sectors carry in the qualification at this level?

These questions inform the kind of approach which could be adopted for the qualification.

Further, the assumptions on which the proposed qualification is based are as follows:

- The NQF Level 1 qualification applies only to the twelve sub-sectors dealing with outputs, and not those involved with inputs into primary agriculture.

- A common purpose statement applying across the designated sub-sectors can be formulated. Example: *The context for the achievement of this qualification is different for each sub-sector but the overall goal is the same: the integration of a range of activities which results in the efficient processing of agricultural outputs.*

- The organizing principle for this qualification (see following page) is that of a contextual approach to qualification design. This proposal sets out generic categories linked to organizational and workplace practices, as in the template below. These will be contextualised through unpacking the unit standards in the learning programme and assessment procedures for each specific sub-sector. Sub-sector needs and outcomes are also accommodated in the Elective component of the qualification.

ORGANISING PRINCIPLES FOR NQF 1 QUALIFICATION FRAMEWORK		
Fundamental **(compulsory)**	**Core** **(compulsory)**	**Elective** **(selected according to requirements of a specific context/ sub-sector or learner)**
Communication & Language Studies **Mathematical Literacy** **Natural Science:** introductory **Agriculture:** Introductory	**Life skills:** - general health - HIV Aids - self management **The business or industry:** - organizational purpose/ aim - product/ services - suppliers & customers - markets - the economy **The workplace:** - organizational structures & relations - industrial relations - workflow overview, including own role & tasks - reporting processes - QA systems - Health & Safety **Technical Processes:** - using machinery, equipment & tools - housekeeping	[Further electives could be developed]. **Life Skills:** - financial literacy - computer skills **Natural Science:** - animal biology - plant biology **Primary activities in a context:** - own role - own tasks **Vehicle driving** - heavy or specialized depending on environment **Use and maintenance of specialized equipment in a context** **Specific safety requirements in a context** - hazardous materials - health threats ……

3. Design Process: overview of existing standards

377 unit standards are registered at NQF Level 1. Of these, 40 are classified as 'generic' or 'fundamental', and are designed to be used across a number of qualifications. In addition, some unit standards either at this level or above that have been written for a particular sector could be used or adapted for the NQF Level 1 Secondary Agriculture

qualification. The qualification title would then specify the sub-sector in which the qualification would be contextualised.

The framework below offers a starting point for looking at how existing standards can be drawn upon for this model. This is done in order to inform discussion and input from the SSUs on the model put forward in this document. Only registered standards that appear to be generic have been included in this diagram. These have been put forward as *possibilities* for selection in the qualification, and are often duplicated if generated from different SGBs. For this reason the credit values have not been totaled for F, C and E components of the qualifications. PLEASE NOTE that generic standards have not yet been sourced for all the categories given in the Organizing Principles Framework above.

The framework is followed by a list of unit standard titles that are specific to a sector or industry. These may serve to illustrate how generic competencies in the Core can be unpacked for context content, or they can be used as standards addressing specific sub-sector requirements in the Elective component. Again, the standards themselves would need to be evaluated.

In order for this illustrative framework to be developed into a qualification for registration on the NQF in the short term, the following activities would need to be undertaken:

- Decide on the distribution of credit weightings across Fundamental, Core and Elective. This includes a formulation of the primary purpose of the qualification.

- Acquire and evaluate existing generic standards and select those most appropriate.

- Identify where new generic standards may have to be designed for the purposes of this qualification, and develop these.

- Acquire and evaluate existing sub-sector-specific standards, and select those most appropriate.

- Identify where new sub-sector-specific standards may have to be designed for the purposes of this qualification, and develop these. (Note that these could be designed down from a higher level, or newly formulated.)

In the short term it would be acceptable to prioritise those sub-sectors where most work has been done, and declare an intention to SAQA to add in further sub-sectors as Electives in the future. In addition, a *Guide to Contextualising Core Unit Standards* should be developed as a support to learnership implementation.

(Question marks in the following matrices refer to details that we are still sourcing. They are not important at this stage.)

FRAMEWORK DRAWING ON EXISTING STANDARDS (standards still to be evaluated & selected)

Fundamental	L	C	Core	L	C	Elective	L	C
Communication & Language Studies[3] CLS001:Engage in a range of speaking and listening interactions for a variety of purposes CLS002:Read and respond to a range of text types CLS003:Write for a variety of different purposes CLS004: Explore and use a variety of strategies to learn	1	20	**Life skills** 14659: Demonstrate an understanding of factors that contribute towards healthy living	1	4	**Life skills** 13999: Demonstrate an understanding of basic accounting practices	1	4
			14656: Demonstrate an understanding of sexuality and sexually transmitted infections including HIV/AIDS	1	5	15092: Plan and manage personal finances	1	5
			NCMI0011: Health & well being	1	4	14780: Apply financial life skills	1	4
			7503:Demonstrate effective self-management skills	1	2	NCMI008: Financial Life Skills	1	4
			15091:Plan to manage one's time	1	3	EUC2: Operate a personal computer system	2	6
Mathematical Literacy Select 16 credits from registered NQF1 maths stds	1	16	XX106: Organize oneself in the workplace	2	3	EUC4: Use personal computer operating system	2	3
			XX102: Operate in a team	2	4	EUC6: Demonstrate knowledge of and produce word processing documents using basic functions	2	3
Natural Sciences 7507: Demonstrate an understanding of the concept of science	1	2	14776: Apply self management practices in the workplace	1	5	9357: Develop and use keyboard skills to enter text	1	3
			NCMI0011: Management of time	1	4			
7509: Apply basic concepts and principles in the natural sciences (to be done in a workplace	1	5	12203: Demonstrate knowledge of issues relating to HIV and AIDS	1	2	**Natural sciences** 7508: Conduct and investigation in natural science (to be done either in animal or plant context?)	1	4
			13169: Describe and discuss issues	1	4			

[3] Please note that these are the revised standards produced by the CLS SGB in 2003..

context) NCMI002: Basic Sciences	1	12	relating to HIV-AIDS, TB and sexually transmitted illnesses and their impact on the workplace	1	?	**Primary Activities** *To be drawn from or adapted from specific sub-sector standards*		
Agriculture AGRI/01:Demonstrate an understanding of agriculture as a challenging and applied science, its link to agricultural technology and its socio-economic significance	1	2	13157: Read, interpret and understand information on a payslip	1	4	**Vehicle use** 10567: Transport personnel, material & equipment using a LDV	1	?
			NCMI007: Understanding the NQF			*Heavy vehicle skills: still to be sourced*		
			13171: Describe & show how the NQF can help me to plan a learning & career pathway	1	?			
AGRI/002: Demonstrate an understanding of the physical and biological environment and its relationship to sustainable crop production **OR**	1	4	12535: Understand the world of work	1	2	**Use of specialized equipment** AGRI/04C or 8215?: Use and care for lifting equipment	1	5
			The business or industry NCMI003: Business awareness	1	4	8213: Use agricultural engineering materials	1	5
AGRI/003: Demonstrate an understanding of the environment and its relationship to sustainable livestock production	1	4	13176: Describe & discuss basic issues relating to the nature of business, the stakeholders in a business and business profitability	1	?	8192: Remove & install a drive shaft	1	3
						8193: Recondition universal joints	1	3
			13172: Understand the employer/ employee relationship	1	?	8220: Remove & install a clutch	1	5
AGRI/004:Demonstrate an understanding of agricultural production management in relation to the socio-economic environment	1	3	*Understanding organizational structures: still to be sourced or designed*			**Specific safety requirements** ? Handling of hazardous chemicals	2	2
AGRI/005: Show that the principles, systems and technology applicable to an agricultural venture are successfully implemented	1	7	**The workplace** XX108: Maintain occupational health and safety	2	2	U/1018: Receive, store and handle hazardous materials	2	?
			CI06/01: Contributing to the safety, health and environment of the industry	2	4	NQF2F?: Identify pests and diseases relevant to agricultural commodity	2	4
8147: Introduction to Agri Trade	1	4	OCI1/001/06/01: To understand and apply	1	4			

			the basic safety, health and environmental issues in the workplace					
			147921: Maintain basic safety, health & environmental issues	1	10			
			7535: Identify potential hazards and critical safety issues in the workplace	1	3			
			NQF2F ?: Perform quality checks	2	3			
			NQF2F ?: Maintain occupational health & safety	2	2			
			NCMI001: Basic safety health & environmental issues	1	4			
			Own role, workflow and reporting procedures still to be sourced or designed					
			Technical processes 12037 Demonstrate knowledge of mechanical and electrical equipment	2	4			
			NQF2F?: Operate and perform routine maintenance on equipment and tools	3	5			
			NQF1M?: Care for, select and use hand and measuring tools	1	?			
			14804: Apply basic technology in the workplace	1	5			
			12209: Select & use basic hand tools and materials	1	4			
			NCMI004: Basic materials and handtools	1	12			

			NCMI005: Technological practices & principles	1	12			
			8182: Care for handtools, utensils and protective equipment	1	2			
			8184: Dismantle components	1	5			
			8186: Routine maintenance of technical and site equipment	1	5			
			8191: Identify, select use and care for tools & equipment	1	8			
			8195: Identify, select, use and care for measuring instruments	1	8			
			110209:Clean plant and equipment	1	?			
			14096: Understand & apply technological knowledge & skills in process	1	?			

LIST OF SECTOR OR SUB-SECTOR SPECIFIC STANDARDS

These could assist with contextualisation for sub-sectors, or be used/ adapted for the Elective component of the qualifications in relation to sub-sector needs. Existing sub-sector standards generally cover skills and knowledge needed for primary roles and activities. Standards from NQF 2 have been included as these could possibly be designed down to NQF Level 1.

Source	Std Title & ID	Level	Credit	Possible category
Food & Bev SETA	Clean & sanitise food manufacturing equipment and surfaces manually	1	3	Core or Elective
	Maintain personal hygiene, health and presentation in a food environment	1	3	Core or Elective
	Apply knowledge of the effect of micro-organisms on personal health, hygiene and food safety	2	4	Core or elective
Primary Agriculture	12591: Administer husbandry practices to farm animals	1	20	Elective
	13356: Assess the influence of the environment on sustainable livestock production	1	4	Elective
	13355: Demonstrate an understanding of the physical & biological environment and its relationship to sustainable crop production	1		Elective
	12594: Understand the process of slaughtering farm animals	1	20	Elective
Secondary Agriculture: Fruit processing	FRP001: Apply quality assurance procedures	2	4	Core
Secondary Agriculture: Fruit packing	FRP001 (?): Explain product characteristics	2	4	Core
	FRP003: Explain the cold chain	2	4	Core
	FRP004: Apply hygiene procedures	2	4	Core
	FRP005: Apply environmental procedures	2	4	Core
	FRP006: Apply health & safety procedures	2	6	Core
Secondary Agriculture: Grain industry	AT013: Introduction to Agri Trade	1	4	Fundamental or Core
Secondary Agriculture: Poultry & Eggs	Stds A1-13, CH1-6, CR1-7, FR1-7, GPE1-4, HE1-7, TE1-6: sets of tasks and activities in this sub-sector			Elective

Secondary Agriculture: Red Meat & Livestock	Stds ABA 01, 02, 10,11,12,17,22,23: sets of tasks and activities for this sub-sector	1		Elective
Secondary Agriculture: Animal Feed Production	AF004: Operate weigh bridge	1	2	Elective
Secondary Agriculture: Macadamias	Stds: MAC002–MAC 013: sets of tasks and activities in this sub-sector	1		Elective
Secondary Agriculture Grain	8139: Storage of stock	1	4	Elective
	8156: Collect a representative grain sample	1	4	Elective
	8163: Unload grain consignments in bulk	1	2	Elective
	I8167: Inspect stored grain	1	4	Elective
	8176: Prepare grain dispatch containers	1	4	Elective
	8179: Repair bags and tarpaulins	1	3	Elective
	8180: Deplete grain bin	1	2	Elective
	8184: Collect a representative groundnut sample	1	2	Elective
	8185:Prepare unshelled groundnut sample for grading	1	3	Elective
	8190: Introduction to grain handling industry	1	4	Elective
	8216: use attachment agents	1	5	Elective
	8217: Track weld ferrous metals	1	5	Elective
	8218: Cut metals using an oxy-fuel gas process	1	8	Elective
	8219: Weld metals using an oxy-fuel gas process	1	8	Elective

January 2004

SETASA

NOTES AND QUESTIONS FOR *URGENT* RESPONSE FROM SSUs
30 January 2004

FAST-TRACKING A GENERIC SECONDARY AGRICULTURE QUALIFICATION FOR NQF LEVEL 1 (ABET)

In order to meet very important commitments SETASA must register a series of qualifications for the sector in the coming weeks. This is essential if we are to get a significant number of Learnerships running in the course of the year.

A team of specialists led by Edward French has been working on the matter of an ABET Qualification for Secondary Agriculture Operators. They have considered a range of options and taken into account all relevant registered qualifications and Unit Standards. Their interim recommendation is that SETASA follow the model set out in the attached discussion document.

In brief, given the complex of factors that bear on qualification design leading to a GETC, their strong recommendation is for a generic qualification to be used in all of SETASA's sub-sectors. This does not allow for the listing of highly specific unit standards from the sector (e.g. De-husking Macadamia Nuts), but we believe that specific sectoral needs can easily be served within the generic qualification.

We propose drawing up guidelines to help you to express your sector's needs within such a generic qualification. The advantages of the qualification are set out in the discussion document.

Above all, we need to move quickly to make sure that there will be a basis for Learnerships at this key level at which the majority of workers in the sector find themselves.

In order to move forward rapidly we need your responses to the following questions:

1. Will your sector be able to make use of a qualification based on the recommended model?
2. If you find the model useful, do you have any suggestions for fine-tuning or improving it?
3. You will see that there are alternative possibilities for Unit Standards in some cases. Do you have any suggestions to make about which we should choose for this qualification? Is anything important missing from the overall listing of relevant Unit Standards

Please feel free to add any other reflections not covered by these questions. You should email or fax your responses to us at your very earliest convenience.

THANK YOU

(Discussion Document in separate attachment.)

SETASA

General Education and Training Certificate for Secondary Agriculture

Additional Notes for SETASA SGB and / or SAQA

The purpose and rationale for this qualification are set out in the draft SAQA Qualification Submission Framework. These notes are additional explanatory notes for SGB discussions on the qualification.

The qualification was developed after SETASA SSUs and other stakeholders had been sent a discussion document outlining a proposed approach (available on request). The comment received was positive and particularly appreciative of the consultation. Those who did not reply understood that non-returns would be taken as a sign of support for the proposals in the document.

1. Registered standards have been used to make up this qualification in order to fast-track the registration of the qualification. These include:
    - Registered generic standards for generic areas of learning. (Where appropriate, those registered for the Adult GETC have been included in order to enable GETC status for this qualification.)
    - Registered Secondary Agriculture standards that are appropriate across sub-sectors.
    - Only one standard that is not yet SAQA registered and that has been designed especially for this qualification.

2. The standards have been selected in order to enable contextualised and sub-sector specific delivery of the qualification through a learnership. A Guide to Contextualisation will be developed. Unit Standards registered by SETASA that could be useful in the process of contextualisation are offered in Appendix A.

3. The qualification is designed so that standards can be selected from the Elective component according to the primary activities of a learner's work context. The

compulsory standards in the Core and Elective total 104 credits. Given the range in the Elective, it is possible that selection may mean that the qualification totals more than 120 credits, as allowed by SAQA. This does not, however, necessarily mean increased learning time; contextualised delivery means that outcomes from different standards can be trained towards, demonstrated and assessed through the same activities. This is achieved through clustering of standards in the learning programme for assessment, as allowed by SAQA. (A document on this issue compiled by the LGW SETA is offered in Appendix B for clarification of this matter.)

4. The new standard which is not yet registered is entitled “Understand and carry out product handling tasks and activities in own sub-sector and context”. It was developed with close attention to existing draft and registered sector-specific standards or titles, in that it generalizes the work procedures and processes for specific products set out in these standards. This has been done in order to draw on the work around outcomes currently happening in the sub-sectors. The sub-sector specific standards are in fact seen as a contextualisation of the generic processes set out in the new standard. A list of secondary agriculture standards or titles reviewed for the generation of the new standard is attached.

5. It has been pointed out that the most common occupations at this level in the sector cluster around three areas: stores, clerical, and maintenance. As far as possible this observation has informed the construction of the qualification.

6. Level 2 Unit Standards have been employed, especially in the electives. After inspection it was clear that these were far more suitable than any of the relevant level 1 unit standards. They also appear to be quite accessible to a GETC candidate. They fall well within the proportion of credits that are allowed above or below the level of the qualification.

APPENDIX A

LIST OF SUB-SECTOR SPECIFIC STANDARDS FOR GUIDANCE OF CONTEXTUALISATION

The following set of Unit Standards could assist providers when they contextualise the more generic standards and would help the ETQA if it finds that it needs more specific guidance in moderating assessment. They might also be used/ adapted for the Elective component of the qualifications in relation to sub-sector needs. Existing sub-sector standards generally cover skills and knowledge needed for primary tasks in relation to a specific product. Some draft standards from NQF 2 have been included as these could possibly be designed down to NQF Level 1.

Source	Std Title & ID	Level	Credit	Status
Secondary Agriculture: Fruit processing	FRP001: Apply quality assurance procedures	2	4	Standards not supplied, these are draft titles not yet on the SAQA website
Secondary Agriculture: Fruit packing	FRP001 (?): Explain product characteristics	2	4	
	FRP003: Explain the cold chain	2	4	
	FRP004: Apply hygiene procedures	2	4	
	FRP005: Apply environmental procedures	2	4	
	FRP006: Apply health & safety procedures	2	6	
Secondary Agriculture: Poultry & Eggs	Stds A1-13, CH1-6, CR1-7, FR1-7, GPE1-4, HE1-7, TE1-6: sets of tasks and activities in this sub-sector			
Secondary Agriculture: Red Meat & Livestock	Stds ABA 01, 02, 10,11,12,17,22,23: sets of tasks and activities for this sub-sector	1		
Secondary Agriculture: Animal Feed Production	AF004: Operate weigh bridge	1	2	
Secondary Agriculture: Macadamias	Stds: MAC002–MAC 013: sets of tasks and activities in this sub-sector	1		
Secondary Agriculture Grain	8139: Storage of stock	1	4	R = registered stds
	8156: Collect a representative grain sample	1	4	R
	8163: Unload grain consignments in bulk	1	2	R
	I8167: Inspect stored grain	1	4	R
	8176: Prepare grain dispatch containers	1	4	R
	8179: Repair bags and tarpaulins	1	3	R
	8180: Deplete grain bin	1	2	R
	8184: Collect a representative	1	2	R

	groundnut sample			
	8185:Prepare unshelled groundnut sample for grading	1	3	R
	8190: Introduction to grain handling industry	1	4	R
	8216: use attachment agents	1	5	R
	8217: Track weld ferrous metals	1	5	R
	8218: Cut metals using an oxy-fuel gas process	1	8	R
	8219: Weld metals using an oxy-fuel gas process	1	8	R
Secondary Agriculture	Prepare nursery bed and fill pot	1		These standards are currently on the SAQA website for comment. Only NQF Level 1 stds have been noted.
	Plant tea bushes	1		
	Prune tea	1		
	Control pest and weed in tea fields	1		
	Fertilise tea fields and nursery	1		
	Irrigate tea fields and nursery	1		
	Leaf down	1		
	Holing of plant stations for planting macadamia trees	1		
	Plant macadamia trees	1		
	Harvest macadamia nuts in husk	1		
	Prune macadamia trees	1		
	Control pest and weed in macadamia orchards	1		
	Irrigate macadamia orchards	1		
	Fertilise macadamia orchard	1		
	Dispatch nut in shell	1		
	Dispatch final product	1		
	Deseed paprika raw material	1		

APPENDIX B: Extract from Local Government and Water Services SETA, *Qualification Assessment Guide for National Certificate in Wastewater Operations at NQF 2* (also in other LGW SETA guides)

III. CLUSTERING FOR INTEGRATED ASSESSMENT

SAQA defines a qualification as

> 'a planned combination of learning outcomes which has a defined purpose or purposes, and which is intended to provide qualifying learners with applied competence and a basis for further learning.'[4]

In order to achieve the purpose of a qualification, SAQA supports integrated assessment. This means that a learner is not taught or assessed in terms of fragmented 'bits' of knowledge which are taken out of context. Rather, the aim is to ensure that there is ' …. integration of roles, actions, skills behaviours, etc as specified in the learning outcomes' and to use the integrated assessment as ' …evidence of understanding of the purpose of the qualification and the achievement of applied competence.'[5]

This is why unit standards include both knowledge and skills components, and why SAQA has included the foundational skills of the critical cross-field outcomes. The principle of integration also allows for assessing sets of linked unit standards together, as well as assessing unit standards on their own.

SAQA describes integrated assessment as follows:

> Integrated assessment refers to:
>
> - Assessing a number of outcomes together
> - Assessing a number of criteria together
> - Assessing a number of unit standards together
> - Using a combination of assessment methods and instruments for an outcome/ outcomes
> - Collecting naturally occurring evidence (such as in a workplace setting)
> - Acquiring evidence from other sources such as supervisors' reports, testimonials, portfolios of work previously done, logbooks, journals, etc. [6]

The SAQA document goes on to say that assessing every standard, outcome or assessment criterion separately could result in assessment taking too long or becoming burdensome and duplicated. Most importantly, it could lead to a disjointed learning experience which gives no real evidence of overall applied competence.

Integrated assessment is therefore recommended at two levels:

---

[4] *Criteria and Guidelines for Assessment of NQF Registered Unit Standards and Qualifications,* page 43.
[5] *Criteria and Guidelines for Assessment of NQF Registered Unit Standards and Qualifications,* page 42.
[6] *Criteria and Guidelines for Assessment of NQF Registered Unit Standards and Qualifications,* page 55

- at the level of the qualification (i.e. when all credits have been accumulated but before the qualification is awarded); and
- at the level of unit standards or clusters of unit standards.

Learning programmes often combine more than one unit standard or several specific and critical outcomes together into one substantial learning unit, because there is often a natural link between unit standards in a qualification. This makes it possible to involve learners in far more extensive and interesting learning activities. In just the same way, more meaningful assessment tasks can be designed when groups of outcomes or standards are clustered and assessed through a single assessment task. This will consist of something substantial which takes time and includes opportunities for problem-solving, communicating effectively, and so on. One task might generate six pieces of evidence. Each piece of evidence might satisfy several assessment criteria or even outcomes. We need to look for richness of evidence, rather than volume of evidence.

Some unit standards or even specific outcomes may be assessed separately. Integration should not be forced. But the result of assessing each outcome (or worse, each assessment criterion) separately is hundreds of little fragmented meaningless assessments of the check-list type, taking up valuable learner and educator time without anything of value being learnt.

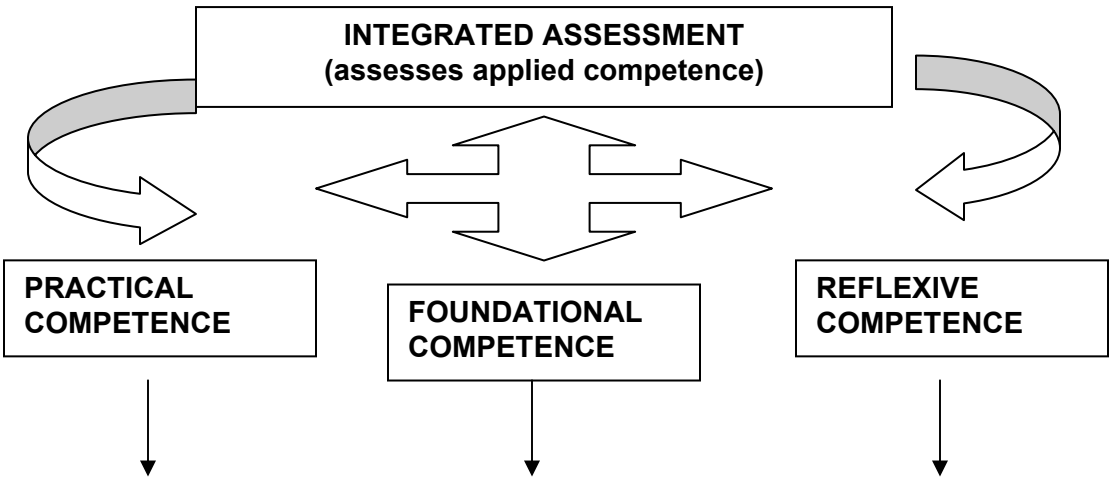
An integrated assessment task at qualification level is a SAQA requirement. A person may have accumulated the required credits over a long period, through, for example, short courses and skills programmes. The integrated assessment at qualification level can be used to ensure that the learner can combine the knowledge, skills and attitudes acquired piecemeal over time in a performance context linked to the purpose of the qualification. Such assessments require a demonstration of applied competence in a real or realistic work environment.

Integrated assessment at qualifications level

- enables learners to show that they are able to integrate concepts, ideas and actions across unit standards to achieve competence that matches the purpose of the qualification
- should show how already demonstrated competence in individual areas can be linked and applied for the achievement of a holistic outcome. The classic example is the driving test as an integrated assessment: a competent driver should be able to steer, change gears, brake and indicate as and how required, obey all traffic and safety regulations, and deal with emergencies.

Integrated assessment, therefore, is a big task or activity that could draw on evidence already generated (e.g. a written knowledge-based test; a project that has included practical demonstration) in order to bring together skills and knowledge in an application.

Another formulation of integrated assessment is as follows[7].



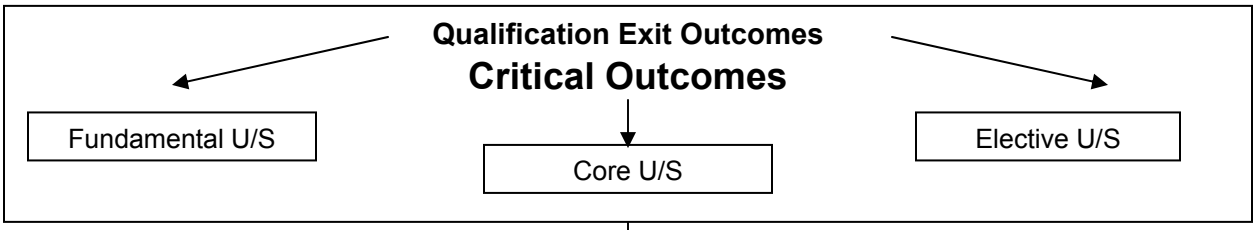
The demonstrated ability **to perform** a set of tasks and actions in authentic contexts (situations)	The demonstrated **understanding** of what we are doing and why we are doing it	The demonstrated ability **to integrate** our performances with our understanding so that we are able to adapt to changed circumstances and explain the reason behind these adaptations. This is achieved through **reflection**, that is the analysis of the issue or situation.

It is for these reasons that we are suggesting a clustering approach to assessment for credit in the Wastewater Process Operations qualification. This does not mean to say that some standards may not be assessed separately for credit, or that some standards may not be assessed separately during the learning programme for diagnostic and feedback purposes.

It is also important to recognise that, particularly during the workplace experience in a learnership, there are many opportunities for 'naturally occurring evidence' to be produced. Although not necessarily planned for a particular time or place, opportunities for such evidence to be generated can broadly be predicted, and provision should be made to record this naturally occurring evidence. Time will be saved because there will be no need to repeat the same assessment as planned at a later stage.

[7] *Criteria and Guidelines,* page 21

The diagram below illustrates some of the elements to consider when standards are clustered. In Section V you will find an exemplar of an integrated assessment at qualification level, and exemplars of assessments against clusters of unit standards making up the Wastewater qualification.



Integrated Assessment Task

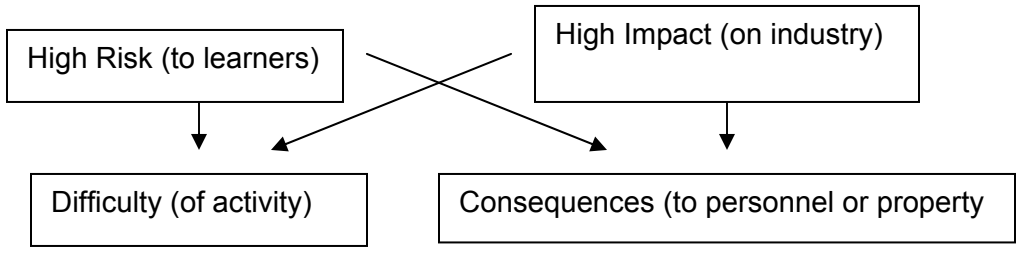
Summative, fit for purpose, assesses exit outcomes and samples across unit standards

Cycle of Assessments: Clustering of Unit Standards

At which points in the training and workplace experience will learners be assessed?
Against which unit standards or clusters of standards will learners be assessed?

Elements to consider:

- Relate to exit outcomes
- Relate to learning programmes in use
- Relate to internal and external assessment components if applicable
- Relate to different providers if applicable
- Relate to different delivery sites
- Relate to skills groups
- Relate to integration of theory and practice (application in context)
- Relate to appropriate ratio of theory and practice (application in context) for purpose and type of qualification
- Relate to appropriate focus on different skills/ activities for purpose and type of qualification



- Relate to 'balance' across the qualification in respect of credit values
- Relate to 'balance' in relation to institutional learning and workplace learning

ATTACHMENT I1

Qualification Title: **General Education and Training Certificate for Secondary Agriculture**

Qualification Code:

Qualification Type: **GETC**

NQF Field: **Agriculture and Nature Conservation**

Sub-Field: **Secondary Agriculture**

Level: **1**

Credits: **Minimum 120**

Issue date:

Review Date:

Purpose of the Qualification

This qualification is a generic qualification across the sub-sectors for Secondary Agriculture. These sub-sectors deal with the provision of inputs for the Primary Agriculture sector and with immediate processing of outputs from the Primary Agriculture sector.

A learner who has achieved this qualification will have a firm foundation of portable and generic competencies for further learning, an overview of key issues and practices in the secondary agriculture sector, and entry skills and knowledge relating to a specific area of secondary agriculture.

Learners will achieve a GETC level both in general education and life skills areas. In the Fundamental component of the qualification general education such as literacy and communication skills, numeracy, the natural sciences and technology provides the platform from which to proceed into the FET band. Competence in language use and computation are key to further learning, and enable learners to engage successfully with further education and training opportunities. Generic agriculture standards orient learners towards a knowledge of agriculture as an economic activity. In the Core component life skills such as financial literacy and health awareness give learners an understanding of the contexts in which they live and work.

As a qualification aimed at adult learners, the Core includes an overview of workplace environments and processes as well as the roles and responsibilities of employers and employees. The elective component focuses on an introductory pathway into a specific secondary agriculture sub-sector and its related skills and knowledge. Learners will select from the Elective section in relation to both their primary tasks (e.g. clerical or product handling) and the sub-sector in which they work.

Because this qualification addresses both foundational competence and sector pathways, it exceeds the minimum credit allocation of 120 credits in terms of the standards offered. Selection from the electives will determine final credit total. It should be noted, however, that the credit totals will not directly reflect the number of actual learning hours needed for achievement of this qualification. This is because there will be overlaps in learning time through contextualisation of outcomes. Training and assessment should be organized through the clustering of unit standards, as recommended by SAQA. In addition, some of the electives at NQF Level 2 could facilitate achievement of a qualification at NQF Level 2 in a particular sub-sector.

It is expected that the generic standards in this qualification are achieved through learning programmes which contexualise the outcomes in the relevant sub-sector.

Rationale

There are various reasons, both strategic and educational, why the availability of a qualification generic to a sector at NQF Level 1 is desirable. First among these is its usefulness to learnership implementation. A learner's achievement of a qualification at NQF Level 1 represents two things: an exit level competence covering the achievement of certain foundational skills or a 'general' education; and an assurance of the learner's readiness to enter an occupational pathway from NQF Level 2 upwards. Both the achievement of foundational learning and an indication of potential to successfully progress are key to implementation of learnerships: these indicators assist with selection onto learnerships, and increase successful completion rates, thereby helping the SETA to achieve its targets.

The second advantage lies in the fact that an NQF Level 1 qualification provides a significant goal for ABET activities in the sector. For ABET learners to achieve a GETC comprising mainly of general education components is sometimes an impossible target, given time and provision constraints. However, a generic Secondary Agriculture NQF Level 1 certificate, which balances general education, life skills and generic workplace skills with sector skills and knowledge, would offer companies that have invested in ABET a more focused goal relating to the needs of their industry. At the same time it would offer learners a degree of 'generic' credits that would facilitate choice and movement.
Third, the existence of such a qualification would benefit SETASA's constituents as a whole. This qualification would broaden the skills base of current and potential employees in the sub-sectors. The achievement of generic competences means that employers are assured that there is a common standard of foundational competence relating to literacy, numeracy, life skills and workplace processes, and that there are common understandings of certain aspects of the sector as a whole.

An additional reason for preferring a generic qualification lies in the increasing concern of Umalusi (ETQA for General and Further Education and Training) about the proliferation of qualifications that are too specific to be granted a *General Education and Training Certificate*. Where possible generic standards have been selected from those offered in the Department of Education's adult GETC.

Access to the Qualification

There is open access to this qualification. However, a degree of literacy is assumed as noted in Learning assumed to be in place.

Learning assumed to be in place

Learners should be literate at ABET Level 3 in the language of teaching and learning, and should have mathematical literacy competence at ABET Level 3. If they do not have the required ABET standards or their equivalents they should be assessed for placement and provided with bridging training which will enable them to achieve the Fundamentals in this qualification.

Exit Level Outcomes

On achieving this qualification the learner will be able to:

1. Use language and literacy for effective communication. This includes speaking and listening, and reading and writing to the required standard.
2. Understand appropriate mathematical concepts and use these in own workplace.
3. Have a broad understanding of agriculture as an economic activity.
4. Recognise the role and impact of technology in society
5. Have a broad understanding of life skills such as financial literacy and health awareness.
6. Function within a workplace environment and understand common workplace processes.
7. Be aware of safety and security issues in own context.
8. Recognise and use appropriate technology and equipment in a specific context.
9. Be familiar with general organisational principles and practices at a basic level.
10. Carry out primary tasks and activities in own secondary agriculture sub-sector and context (e.g. maintenance, administration, stores and product handling).

International Comparability

The bulk of this qualification is made up of the Fundamental and Core components, reflecting foundational learning and generic skills and knowledge. These have been derived from best practice adult education - both local and international. The elective pathways are based on standards pertaining to the relevant sub-sector.

Integrated assessment

Integrated assessment at the level of qualification provides an opportunity for learners to show that they are able to integrate concepts, ideas and actions across unit standards to achieve competence that is grounded and coherent in relation to the purpose of the qualification. Integrated assessment should show how already demonstrated competence in individual areas can be linked and applied for the achievement of a holistic outcome.

Integrated assessment must judge the quality of the observable performance, and also the quality of the thinking that lies behind it. Assessment tools must encourage learners to give an account of the thinking and decision-making that underpin their demonstrated performance. Some assessment practices will demand practical evidence while others may be more theoretical, depending on the type of outcomes to be assessed, and the nature and level of the qualification. The ratio between action and interpretation is not fixed, but varies according to the demands of the qualification.

While some of the Fundamental and Core components (e.g. natural sciences, workplace processes) of this qualification should be assessed through occupational contexts and activities relating to the sub-sector, care must be taken in both the learning programme and the assessment to ensure that these foundational skills such as Communications and Maths Literacy are truly portable. The primary aim of this qualification is to ensure that learners have a sound base of general education to prepare them for further learning, whatever career path they may choose. Learners must be able to transfer generic skills such as language, computation and learning skills etc across a number of different contexts, and apply them within a number of learning areas.

A broad range of task-orientated and theoretical assessment tools may be used, with the distinction between practical knowledge and disciplinary knowledge maintained so that each takes its rightful place.

Recognition of Prior Learning

This qualification may be achieved in part or completely through the recognition of prior learning, which includes formal, informal and non-formal learning and work experience. Any learner wishing to be directly assessed may arrange to do so, without attending further training or education. The assessor and the learner will decide together on the most appropriate assessment route to be taken.

Articulation possibilities

This qualification should be viewed as a General Education and Training Certificate (GETC) in accordance with current SAQA policies. In addition, some of the elective sub-sector specific standards could feed into credits for NQF Level 2 qualifications in the Secondary Agriculture sector.

Criteria for registration of assessors

Assessors must be registered with the ETDP SETA for the generic assessor standard. In addition, they must meet any further requirements laid out by the relevant SETA under which specific standards fall.

Moderation

Moderation of assessment will be overseen by the relevant ETQA(s) according to ETQA guidelines and procedures of Memoranda of Understanding.

Qualification Framework

General Education and Training Certificate in Secondary Agriculture: NQF Level 1								
Fundamental	**L**	**C**	**Core**	**L**	**C**	**Elective** **SELECT ACCORDING TO PRIMARY TASKS FROM:**	**L**	**C**
Communication and Language Studies:			***Life Skills***			***Use of specialised equipment/ maintenance skills***		
12462: Engage in a range of speaking and listening interactions for a variety of purposes	1	6	12203: Demonstrate knowledge of issues relating to HIV and AIDS	1	2	8194: Dismantle components	1	5
12469: Read and respond to a range of text types	1	6	14780: Apply financial life skills	1	4	8195: Identify, select, use and care for measuring instruments	1	8
12470: Write for a variety of purposes	1	6	13157: Read, interpret and understand information on a payslip	1	2	8215: Use and care for lifting equipment	1	5
12471: Explore and use a variety of strategies to learn	1	5	15091: Plan to manage one's time	1	3	8192: Remove & install a drive shaft	1	3
Mathematical Literacy			***Understanding the workplace***			8193: Recondition universal joints	1	3
Maths literacy stds total 29 credits. See App 1.	1	16	12036: Orientate self in the workplace	2	6	8220: Remove & install a clutch	1	5

Natural Sciences			13172: Understand the employer/ employee relationship	1	3	8216: use attachment agents	1	5
7507: Demonstrate an understanding of the concept of science	1	2	8493: Maintain occupational health and safety	2	2	8217: Track weld ferrous metals	1	5
7508: Conduct an investigation in the natural sciences	1	2	***Technical Processes***			8218: Cut metals using an oxy-fuel gas process	1	8
Agriculture			14096: Understand and apply technological knowledge and skills in Processes	1	2	8219: Weld metals using an oxy-fuel gas process	1	8
8147: Introduction to Agri Trade	1	4	110209: Clean plant and equipment	1	3	110022: Receive and store hazardous chemicals	2	2
13354: Demonstrate an understanding of agriculture as a challenging and applied system	1	2	8213: Use agricultural engineering materials	1	5	***Clerical and Administration***		
13358: Implement and maintain the principles, systems, practices and technology applicable to an agricultural venture	1	7	8202: Use basic hand skills	1	5	9357: Develop and use keyboard skills to enter text	1	3
Technology			8191: identify, select, use and care for tools and equipment	1	8	14348: Process incoming and outgoing telephone calls	2	3
14443: Demonstrate a critical	1	3				14347: Receive, distribute and	2	2

understanding of the role and impact of technology in society						dispatch mail in an office environment		
						14355: Order and distribute office supplies	2	2
						8104: Operate and take care of equi0ment in an office environment	2	2
						13999: Demonstrate an understanding of basic accounting practices	1	4
						14353: Conduct basic financial transactions	2	3
						13995: Demonstrate an understanding of contracts and their sources	1	2
						14339: Identify and maintain the types of records required in own industry and understand why it is necessary to create evidence and maintain confidentiality	2	5
						14338: Maintain an existing information system in a business environment	2	4
						Product Handling		
						Not yet registered: Understand and carry out product handling tasks and	1	12

						activities in own sub-sector and context		
						13998: Demonstrate an understanding of the principles of supply and demand, and the concept: production	1	2
Total for Fundamentals		59	Total for Core		45	Minimum of 16 credits or more to be selected		

L: NQF Level
C: Number of credits

Appendix 1: MLMS title and credit values at NQF level 1

- 14084: Demonstrate an understanding of and use the numbering system (1)
- 7447: Work with numbers in various contexts (6)
- 7448: Work with patterns in various contexts (4)
- 7449: Critically analyse how maths is used in social, political and economic relations (2)
- 7451: Collect, analyse, use and communicate numerical data (2)
- 7452: Describe, represent and interpret mathematical models in different contexts (6)
- 7453: Use algebraic notation, conventions and terminology to solve problems (3)
- 7461: Use maps to access and communicate information concerning routes, location and direction (1)
- 7463: Describe and represent objects and the environment in terms of shape, space, time and motion (2)
- 7464: Analyse cultural products and processes as representations of shape, space and time (2)

ATTACHMENT I2
SAQA

Title: Understand and carry out product handling tasks and activities in own sub-sector and context

SAQA US ID	**UNIT STANDARD TITLE**		
	Understand and carry out product handling tasks and activities in own sub-sector and context		
SGB NAME	**ABET BAND**	**PROVIDER NAME**	
	Undefined		
FIELD DESCRIPTION		**SUBFIELD DESCRIPTION**	
Agriculture and Nature conservation		Secondary Agriculture	
UNIT STD CODE	**UNIT STD TYPE**	**NQF LEVEL**	**CREDITS**
	Regular	NQF Level 1	10
REGISTRATION START DATE	**REGISTRATION END DATE**	**REGISTRATION NUMBER**	**SAQA DECISION NUMBER**

Purpose:
The learner who achieves this credit will understand his/her specific roles and responsibilities in the workplace, and be able to carry out his/her designated tasks. This standard serves as an introductory orientation to the learner's primary workplace activities related to product handling.

Learning assumed to be in place
Competence at ABET Level 3 literacy and numeracy.

Unit Standard range
This is a generic standard for the secondary agricultural sub-sectors, and will be contextualised within these sub-sectors. At NQF Level 1 learners will be working in defined contexts such as **Stores** or **Maintenance**. This standard addresses generic product-handling skills, such as **Intake, Process** or **Handle, Store** or **Maintain,** and **Dispatch.** The outcomes of this standard will be achieved and illustrated by the learner in relation to his/her own product and context of work.

SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA

SPECIFIC OUTCOME 1
Undertake collection or intake functions in relation to own product

Range: Product refers to the commodity with which the learner is primarily concerned: e.g. grain, feed, poultry, meat products, tobacco etc.

Assessment Criteria
- Appropriate equipment, tools and personal protective equipment (PPE) are selected and used
- Worksite procedures and health and safety regulations are adhered to
- Specific job instructions are followed
- Sequence of operations is explained

- Consequences of not using a specified piece of equipment are explained
- Consequences of not following a specified procedure, instruction or sequence are explained
- Scenarios involving damage to product or faulty product are identified
- Appropriate reporting procedures are illustrated

SPECIFIC OUTCOME 2
Process or handle own product appropriately

Range: Product refers to the commodity with which the learner is primarily concerned: e.g. grain, feed, poultry, meat products, tobacco etc.

Assessment Criteria
- Sampling, grading, or caring for product is effectively carried out
- Appropriate techniques for packaging are described and applied.
- Appropriate equipment, tools and PPE are selected and used
- Worksite procedures and health and safety regulations are adhered to
- Specific job instructions are followed
- Sequence of operations is explained
- Consequences of not using a specified piece of equipment are explained
- Consequences of not following a specified procedure, instruction or sequence are explained
- Scenarios involving damage to product or faulty product are identified
- Appropriate reporting procedures are illustrated

SPECIFIC OUTCOME 3
Store or maintain own product appropriately

Range: Product refers to the commodity with which the learner is primarily concerned: e.g. grain, feed, poultry, meat products, tobacco etc.

Assessment Criteria
- Requirements specific to own product are described.
- Storage facilities (e.g. areas or various kinds of containers) are identified and maintained
- Stock control (e.g. recording and reporting on stock levels) is carried out.
- Appropriate equipment, tools and PPE are selected and used
- Worksite procedures and health and safety regulations are adhered to
- Specific job instructions are followed
- Sequence of operations is explained
- Consequences of not using a specified piece of equipment are explained
- Consequences of not following a specified procedure, instruction or sequence are explained
- Scenarios involving damage to product or faulty product are identified

SPECIFIC OUTCOME 4
Dispatch own product appropriately

Range: Product refers to the commodity with which the learner is primarily concerned: e.g. grain, feed, poultry, meat products, tobacco etc. Dispatch could refer to external destination (e.g. customer) or to an internal destination (e.g. next phase in product cycle in a workplace).

Assessment Criteria

- Understanding of next phase of product life is shown
- Destination and dispatch procedures are identified and described
- Appropriate equipment, tools and PPE are selected and used
- Worksite procedures and health and safety regulations are adhered to
- Specific job instructions are followed
- Sequence of operations is explained
- Consequences of not using a specified piece of equipment are explained
- Consequences of not following a specified procedure, instruction or sequence are explained
- Scenarios involving damage to product or faulty product are identified

Accreditation Options: Providers of learning towards this unit standard will need to meet the accreditation requirements of SETASA, the ETQA for Secondary Agriculture

Moderation Options: The moderation requirements of this ETQA must be met in order to award credit to learners for this unit standard.

NOTES:

Notes on Range:
Sub-sectors for Secondary Agriculture are concerned with inputs for the Primary Agriculture sector, including:

Farming inputs for primary agricultural production
Manufacture of prepared animal feeds
Manufacture, import and distribution of prepared pet foods

They are also involved with immediate processing of outputs from the Primary Agricultural sector, including:

Production, slaughtering, deboning and packaging of meat and livestock products
Breeding, rearing, slaughtering, dressing and packaging of poultry
Egg production and packing
Packing and liquefying of gruit
Processing of wool
Storage and handling of grain
Primary processing of cotton
Manufacture of grain mill products
Sugar milling and sugar refining
Tobacco processing
Coffee and tea production, processing and marketing
Pest and pest control

Outcomes are therefore demonstrated within a selected area of Range.

NOTES TO ASSESSORS

Assessors should keep the following general principles in mind when designing and conducting assessments against this unit standard:

- Focus the assessment activities on gathering evidence in terms of the main outcome expressed in the title to ensure assessment is integrated rather than fragmented. Remember we want to declare the person competent in terms of the title. Where assessment at title level is unmanageable, then focus assessment around each specific outcome, or groups of specific outcomes. Do not focus the assessment activities on each assessment criterion. Rather make sure the assessment activities focus on outcomes and are sufficient to enable evidence to be gathered around all the assessment criteria.
- Evidence for this standard will be specific to a selected product in the range. Outcomes will be contextualised for the learner's workplace environment.
- Assessment activities should be as close to the real performance as possible, and where simulations or role-plays are used, there should be supporting evidence to show the candidate is able to perform in the real situation.
- Outcomes at this level may be assessed through observation of performance under supervision, with an appropriate assessment checklist as a record. Some outcomes may require the design of a specific task, scenario or case study, which could involve oral or written evidence.
- The task of the assessor is to *gather sufficient evidence, of the prescribed type and quality, as specified in this unit standard, that the candidate can achieve the outcomes again and again.* This means assessors will have to judge how many repeat performances are required before they believe the performance can be reproduced.
- All assessments should be conducted in line with the following well documented principles: assessment should be a*ppropriate, fair, manageable, integrated into work or learning, valid, and consistent.* Evidence should be *authentic, sufficient,* and *current.*

CRITICAL CROSS FIELD OUTCOMES

This unit standard promotes, in particular, the following critical cross-field outcomes:

- Identify and solve problems: through dealing with non-routine occurrences in product handling
- Work effectively with others and in teams: through carrying out processes with others.
- Organise and manage oneself and one's activities responsibly and effectively: through prioritising and managing tasks appropriately.
- Collect, analyse, organise and critically evaluate information: through receiving and reporting information appropriately.
- Communicate effectively using visual, mathematical and/or language skills: through communicating verbally and in writing in appropriate reporting formats.
- Use science and technology effectively and critically: through understanding of basic scientific or biological processes related to own product, the technological processes involved in product handling, and through using tools and equipment appropriately.

And the following *developmental outcomes:*

- Reflect on and explore a variety of strategies to learn more effectively: through reflecting on own work performance
- Participate as responsible citizens in the life of local, national and global communities: through engaging in workplace activities

EMBEDDED KNOWLEDGE

- Familiarity with conventional categorizing assumptions in the secondary agricultural context (e.g. generic classifications of tools; generic classifications of products such as grain or animal products).
- Knowledge of specific properties and features of own product that are not common knowledge.
- Understanding of any cultural beliefs linked to own product that may influence handling of specific product.

ATTACHMENT I3

SETASA

SETA for Secondary Agriculture

CONTEXTUALISATION GUIDE

for

GETC for Secondary Agriculture

April 2004

Context:
"the circumstances relevant to something under consideration"

***To contextualise*:**
- To put something into the appropriate framework, environment or setting
- To use the correct frame of reference
- To make connections between the subject and its surrounding circumstances

An example*:*
"Store your product safely" as an outcome applies to any product. An assessment criterion such as "Appropriate safety and maintenance measures for storage are implemented" would be applied to a demonstration of competence. *Contextualisation* of the outcome and the assessment criterion would demand linking performance to the specific product, its characteristics and its environment. The parameters for storing explosives, for example, would be very different to those for storing cosmetics. At the same time "storing" does have important common or generic features.

Contextualised learning programmes:
It is in the learning programme material, activities and assessment instruments that these specific parameters would be spelled out for a context – for example, that temperature of the storage space for explosives was checked; that correct stacking procedures for bulk cosmetics to avoid breakage were used.

1. Background to this Guide

This guide is connected to the SETASA qualification *GETC for Secondary Agriculture*, and should be read in conjunction with the overall rationale and framework for this qualification.

The qualification is a generic qualification across the sub-sectors for Secondary Agriculture as follows:

Sub-sectors for Secondary Agriculture are concerned with inputs for the Primary Agriculture sector, including:
- Farming inputs for primary agricultural production
- Manufacture of prepared animal feeds
- Manufacture, import and distribution of prepared pet foods

Sub-sectors are also involved with immediate processing of outputs from the Primary Agricultural sector, including:
- Production, slaughtering, deboning and packaging of meat and livestock products
- Breeding, rearing, slaughtering, dressing and packaging of poultry
- Egg production and packing
- Packing and liquefying of fruit

Processing of wool
Storage and handling of grain
Primary processing of cotton
Manufacture of grain mill products
Sugar milling and sugar refining
Tobacco processing
Coffee and tea production, processing and marketing
Pest and pest control

The qualification applies to all these sub-sectors because it focuses on foundational general knowledge, workplace processes and generic technical skills. At the same time, however, the standards have been selected in order to enable contextualised and sub-sector specific delivery of the qualification through a learnership in a specific work environment. In addition, the qualification is designed so that standards can be selected from the Elective component according to the primary activities of a learner's work context.

2. Purpose of this guide

The SETASA NQF Level 1 (GETC, ABET 4) qualification is a generic qualification designed to serve the needs of learners in the many diverse occupations in the Secondary Agriculture Sector listed above. This generic quality is both necessary and desirable in terms of the principles of outcomes-based learning and assessment. However, this puts the responsibility for contextualisation into the hands of the provider.

This Guide is intended as an aid to providers facing this potentially interesting and creative challenge. In its present form it is a starting point for possible workshops or sub-sectoral interaction aimed at generating an ever-growing resource of specific contextualisation guides. These specific guides should not only be of use to the providers, but will become part of the equipment of the quality assurers needed to develop confidence in contextualised assessment results.

While planning and implementing a learnership obviously requires a number of systemic arrangements, delivery of effective learning leading to achievement requires the following:

- Learning programme materials and resources
- An assessment plan and related assessment tools

Each sub-sector will have to develop its own contexualised materials and assessment resources for delivery of the learnership leading to the achievement of the generic qualification. The purpose of this guide is to suggest a contextual approach in these areas, by:

- Setting out some pointers on the development of learning materials and assessment tools
- Providing examples of contexualised learning and assessment activities against some of the outcomes in the qualification.

Providers will be able to add to this resource as they develop and implement the learnership.

3. Using unit standards to design learning programmes

Every qualification is made up of unit standards, representing the outcomes to be achieved by the learner. However, it bears repeating that a list of outcomes and assessment criteria is NOT the same as the table of contents for a course; a unit standard does NOT equal a learning programme. There are two main reasons for emphasising this here:

- Firstly, unit standards can be clustered together for the purposes of learning and assessment. This is discussed in 3.1 below.
- Secondly, the learning programmes related to this qualification will look very different in the different sub-sectors even though they represent the achievement of the same outcomes. This is because achievement will be demonstrated in different contexts and through different kinds of activities for sectors. For example, a unit standard such as 'Orientate self in the workplace' will demand assessment evidence that applies to a particular workplace as well as understanding of some common underlying principles related to being in a workplace. The contextualisation of unit standards is illustrated in 3.2 below.

You will also notice that the unit standards do not (and are not intended to) provide detailed information on design features such as learning sequence, teaching methodology and specific methods of assessment.

So while unit standards do give some guidance, their main function in relation to learning programmes is to inform developers of the outcomes, and the nature of the evidence in context that will illustrate those outcomes.

As any good educator and materials developer will know, there are a number of things you need to take into account when you are designing a training course. Some of these are as follows:

(i) Who are my learners?
(ii) What is the scope and aim of this learning programme, cluster or module?
(iii) What do my learners already know?
(iv) What will they need to know at the end of the learning programme, cluster or module, and indeed the entire qualification?
(v) What are the underlying abilities I want to promote?
(vi) In what order are they going to learn different things?
(vii) What kinds of methods am I going to use?
(viii) What kinds of materials am I going to use?
(ix) What kind of evidence will I use for assessment?
(x) When and how am I going to assess them?
(xi) What are my time frames?
(xii) What are my learning resources? (*people*: other learners, other practitioners, facilitators, coaches, supervisors, mentors; *materials*: paper-based, multi-media, equipment, workplace procedures).

Answers to these questions provide the framework for your learning programme components, and your assessment plan for the qualification and its components.

3.1 Clustering

SAQA defines a qualification as

> 'a planned combination of learning outcomes which has a defined purpose or purposes, and which is intended to provide qualifying learners with applied competence and a basis for further learning.'[1]

In order to achieve the purpose of a qualification, SAQA supports integrated assessment. This means that a learner is not taught or assessed in terms of fragmented 'bits' of knowledge which are taken out of context. Rather, the aim is to ensure that there is ' …. integration of roles, actions, skills behaviours, etc as specified in the learning outcomes' and to use the integrated assessment as ' …evidence of understanding of the purpose of the qualification and the achievement of applied competence.'[2]

Some unit standards or even specific outcomes may be assessed separately. Integration should not be forced. But the result of assessing each outcome (or worse, each assessment criterion) separately is hundreds of little fragmented meaningless assessments of the check-list type, taking up valuable learner and educator time without adding anything of value.

This is why SAQA recommends an integrated approach to assessment. In short, 'clustering' simply refers to bringing together related unit standards for the purposes of learning and assessment.

The first step in learning programme design for the SETASA NQF Level 1 qualification would be to look at which standards could be taught and assessed together. Whether this would take the form of a separate learning programme or as a 'cluster' or module within a learning programme would depend on the workplace context and the kinds of providers involved.

Here are some examples of possible clusters for the qualification. Please note that these combinations could change depending on the workplace context and the kinds of products involved.

Clusters or modules	**Comment**
14780: Apply financial life skills 13157: Read, interpret and understand information on a payslip 15091: Plan to manage ones time	An integrated assessment activity such as a project based on the analysis of a payslip could easily be linked to time management, relating pay to own budget, and the roles and responsibilities of employers and employees, in order to assess all four

[1] *Criteria and Guidelines for Assessment of NQF Registered Unit Standards and Qualifications,* page 43.
[2] *Criteria and Guidelines for Assessment of NQF Registered Unit Standards and Qualifications,* page 42.

13172: Understand the employer/ employee relationship	standards.
12203: Demonstrate knowledge of issues relating to HIV and AIDS	It is likely that this standard will be taught and assessed as a stand-alone, as there are short courses that have been designed to address HIV and AIDS issues.
12036: Orientate self in the workplace 8493: Maintain occupational health and safety 8147: Introduction to Agri Trade 13354: Demonstrate an understanding of agriculture as a challenging and applied system 13358: Implement and maintain the principles, systems, practices and technology applicable to an agricultural venture	Understanding of the agricultural sector can be discussed and assessed through the learner's own workplace, its products and work flow processes, and the relevant health and safety procedures. However, there may be some important specific outcomes from each of these Unit Standards that cannot easily be assessed in this integrated assessment. Evidence for satisfaction of such "outsider" outcomes could be collected and presented separately.
All the standards listed under 'Elective: Use of Specialised Equipment' could be clustered with the standards listed under 'Core: Technical Processes'. Alternatively, some of the standards under 'Elective: Clerical and Administration' could be clustered with some of the standards listed under 'Core: Technical Processes'. Both these clusters could also include Standard 14443: Demonstrate a critical understanding of the role and impact of technology in society.	Whatever the elective (the learner is using heavy machinery such as lifting eqipment or vehicle equipment, or using clerical equipment such as PC, phones and photcopiers), these activities can exemplify some of the outcomes in the core standards.
Not yet registered: Understand and carry out the product handling tasks and activities in own sub-sector and context. 13998: Demonstrate an understanding of the principles of supply and demand, and the concept: production	The elective standard around product handling is key to this qualification in that it directly addresses the learner's primary activities. It could be linked with some (although possibly not all) the outcomes set out in the 'science' standards, in that learners could grasp certain scientific principles (e.g. growth,

7507: Demonstrate an understanding of the concept of science 7508: Conduct an investigation in the natural sciences	heat, decay) in relation to their own products (e.g. plant or animal linked products).

3.2 Contextualising learning materials and assessment activities

Selecting clusters or modules for teaching delivery can be seen as the first step in outcomes-based learning programme design. Once you have decided how you will group various outcomes, you will need to either design or access the appropriate learning materials and assessment activities.

As we noted above, this qualification has been designed so that the unit standard outcomes are generic but the delivery and assessment must be contextualised for the sector. Each sector will obviously need to develop a framework of contextualised requirements in order to inform the ETQA for quality assurance purposes.

The next section takes some of the unit standards and looks at ways in which training or delivery could be contextualised. These examples serve merely as basic illustrations of an approach that would need to be developed in detail by subject matter experts and learning programme developers.

EXAMPLE 1

Contextualised Assessment Activity: Collecting representative grain samples

Unit Standard	Outcome/s	Tasks and Activities	Evidence and Assessment Record
Not yet registered: Understand & carry out product handling tasks and activities in own sub-sector and context	SO1: Undertake collection or intake functions in relation to own product	The learner is instructed to prepare and carry out a grain sampling process which will be observed and assessed against a checklist	Performance is supervised and monitored against a checklist linked to US outcomes. Checklist completed by assessor and put in Portfolio of Evidence (PoE)
12036: Orientate self in the workplace	SO1: Explain the health & safety procedures relating to own job SO5: Explain layout of own works	Learner is given diagram of relevant work area and visuals of tools, PPE and potential hazard areas to name and label.	Completed handout goes into learner's PoE.
8493: Maintain occupational health & safety	All outcomes	Learner is questioned orally against prepared questions in relation to: - identifying noxious seeds and foreign matter in grain sample - procedures to follow if these are identified - consequences of not doing quality checks on grain sample - health and safety risks in this context	Completed checklist goes into learner's PoE

EXAMPLE 2

Contextualised Assessment Activity: Macadamia Nuts

Unit Standard	Outcomes	Tasks and Activities	Evidence and Assessment Record
8213: Use agricultural engineering materials 8191: Identify, select, use and care for tools and equipment	All outcomes All outcomes	Learners are given illustrated handout of the cycle for Macadamia production: - holing of plant stations - planting of trees - harvesting nut in husk - pruning of trees - irrigation - fertilization Learners must name and identify appropriate tools and equipment used in each part of the cycle Observation of use of equipment in any relevant part of the cycle. Learner is given both correct and incorrect tools/ equipment from which to select, and at least one faulty piece. Fault should be identified, fixed and reported upon. Learner is questioned orally against prepared questions of consequences of malfunction of equipment, and ways of avoiding this.	Completed handout Performance is supervised and monitored against a checklist linked to US outcomes. Checklist completed by assessor and put in PoE Completed checklist goes into learner's PoE

ATTACHMENT I4
CONTEXTUALIZATION OF UNIT STANDARDS FOR THE NQF 1/GETC QUALIFICATION FOR LEARNERS WORKING IN VARIOUS SUB-SECTORS OF THE SECONDARY AGRICULTURE INDUSTRY.

This document contains some suggestions on how the proposed NQF 1 qualification can be contextualised to meet the requirements of current SAQA GETC policy document (October 2001) as well as the NQF review report (2003) (stated below) as well as the needs of the various sub-sectors within the Secondary Agriculture Industry.

The GETC policy document (p.15,16) states:

- "There is a primary purpose for the GETC across all sectors;
- The GETC constitutes a general education and training and prepares learners both for further learning and, whether immediately or in the longer term (directly or indirectly) for the world of work; and
- Notwithstanding its particular orientation, no GETC should focus on one "stream" (education versus training; academic versus vocational) at the expense of the other.
- The GETC qualification ***must*** lead to access for learners in all learning paths in Further Education and Training (FET).
- The core and elective learning areas should make provision for ***general education***, which should include provision for general industry needs.

The Consultative document on the NQF review (p.14) states that:

> The general education learning phase which must be provided to all learners as a fundamental right is the basis of all three pathways (general pathway; general vocations pathway and trade, occupational and professional pathway), giving learners the foundation they need to equip them for a range of further learning options through any of the three learning pathways in the further education and training band and to make informed choices about these options.

However, the skills and knowledge gained in all three sections of the qualification (Fundamental, Core and Elective) can, and should be, contextualised to meet the needs of the various sub-sectors of a particular industry e.g. those of Poultry, Red Meat, Grain, Milling, Fruit Processing and Packing, Tobacco, Cotton, Wool, Tea, Coffeesub- etc. sectors of the Secondary Agriculture Sector.

In the following table suggestions are made as to how integration between the various learning areas can be achieved by contextualising the outcomes of one learning area in the subject content of another learning area, for example the language specific outcomes of **Communication US 12462: Engage in a range of speaking and listening interactions for a variety of purposes** (Fundamental), can be achieved through the content knowledge and skills required by **Life Skills US 12203: Demonstrate knowledge of issues relating to HIV and AIDS** (Core)**.**

NQF 1/GETC QUALIFICATION FOR LEARNERS WORKING IN VARIOUS SUB-SECTORS OF THE SECONDARY AGRICULTURE INDUSTRY. TABLE SHOWING POSSIBLE WAYS OF ACHIEVING THE GENERIC OUTCOMES OF ONE LEARNING AREA BY CONTEXUTALIZING THEM IN THE MORE SPECIFIC SUBJECT CONTENT OF ANOTHER LEARNING AREA. (Not all the possibilities for contextualisation have been included).

FUNDAMENTAL UNIT STANDARDS	CORE UNIT STANDARDS THAT COULD BE USED TO FACILITATE FUNDAMENTAL US OUTCOMES	ELECTIVE UNIT STANDARDS THAT COULD BE USED TO FACILITATE FUNDAMENTAL US OUTCOMES
Communication and Language Studies:	***Life Skills***	***Clerical and Administration***
12462: Engage in a range of speaking and listening interactions for a variety of purposes 12469: Read and respond to a range of text types 12470: Write for a variety of purposes 12471: Explore and use a variety of strategies to learn	12203: Demonstrate knowledge of issues relating to HIV and AIDS Learners could **read & respond to texts** related to HIV/AID issues Learners could then engage in discussions based on their acquired knowledge (**speak & listen**) Learners could produce phamphlets, posters etc. that could be used in their workplace and/or community to create a greater awareness of HIV/AID issues (**write for a variety of purposes**)	9357: Develop and use keyboard skills to enter text (**write for a variety of purposes**) 14348: Process incoming and outgoing telephone calls (**speak & listen**) 14347: Receive, distribute and dispatch mail in an office environment - **read & respond to texts** 14355: Order and distribute office supplies **(read & respond to texts, speak & listen**) The above US/outcomes can be related to a specific Agriculture Venture within different SA sub-sectors.
	Understanding the workplace	***Clerical and Administration***
	12036: Orientate self in the workplace *****13172: Understand the employer/ employee relationship (roles and responsibilities). 8493: Maintain occupational health and safety Learners could **read & respond to texts** related to workplace policies and procedures as well as the company's AIDS policy. Learners could then engage in discussions based on their acquired knowledge (**speak & listen**). Learners could produce memos, notices, phamphlets, posters etc. that could be used in their workplace to create a greater awareness of workplace policies and procedures (**write for a variety of purposes**).	*****3995 Demonstrate an understanding of contracts and their sources. Learners could engage with general aspects of employer/employee contracts and compare these to those used in their workplace. (**read & respond to texts, speak & listen)** Learners could then create simple business contracts between their sub-sector/company and clients, and simple personal contracts between themselves and other people (**write for a variety of purposes**) ***** Aspects of these 2 USs can be integrated.

FUNDAMENTAL UNIT STANDARDS	CORE UNIT STANDARDS THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES	ELECTIVE UNIT STANDARDS THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES
Communication and Language Studies:		***Use of specialised equipment / maintenance skills***
12462: Engage in a range of speaking and listening interactions for a variety of purposes 12469: Read and respond to a range of text types 12470: Write for a variety of purposes 12471: Explore and use a variety of strategies to learn Although links have not been made with all Fundamental and Elective US, the communication unit standards listed above will form the basis of all other forms of teaching and learning and thus the various content knowledge involved in these USs can be used as the medium through which communication outcomes are facilitated and acquired.		8194: Dismantle components 8195: Identify, select, use and care for measuring instruments 8215: Use and care for lifting equipment 8192: Remove & install a drive shaft 8193: Recondition universal joints 8220: Remove & install a clutch 8216: use attachment agents 8217: Track weld ferrous metals 8218: Cut metals using an oxy-fuel gas process 8219: Weld metals using an oxy-fuel gas process 8194: Dismantle components 110022: Receive and store hazardous chemicals The above generic outcomes require learners to engage in various **communication activities** & can be contextualised to suit the needs of the various SA sub-sectors in which learners are employed. ▪ Liaising and informing affected parties according to work site procedures **(speak & listen).** ▪ Oral/ written job instructions are accurately followed and adhered to; Supervisors instructions and assignments, and manufacturer's manuals and/or specifications are adhered to **(read / respond to texts).** ▪ Completing documentation and reports; ▪ Stored chemicals are clearly labelled and have accurate date coding; All documentation relating to storage is accurate and complete, and in line with standard operating procedures **(write for various purposes).**

FUNDAMENTAL UNIT STANDARDS	CORE UNIT STANDARDS THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES	ELECTIVE UNIT STANDARDS THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES
Mathematical Literacy	***Life Skills****	***Product Handling****
14084: Demonstrate an understanding of and use the numbering system 7447: Work with numbers in various contexts 7448: Work with patterns in various contexts 7449: Critically analyse how maths is used in social, political and economic relations 7451: Collect, analyse, use and communicate numerical data 7452: Describe, represent and interpret mathematical models in different contexts 7453: Use algebraic notation, conventions and terminology to solve problems 7461: Use maps to access and communicate information concerning routes, location and direction***** 7463: Describe and represent objects and the environment in terms of shape, space, time and motion *7464: Analyse cultural products and processes as representations of shape, space and time.* * This outcome could be used to facilitate aspects of **US 13358: Implement and maintain the principles, systems, practices and technology applicable to an agricultural venture** e.g geographic distribution and socio-economic impact. Although links have not been made with all Fundamental and Elective US, many of the Mathematical Literacy unit standards listed above will be an essential component of these learning areas and thus the various content knowledge involved in these USs can be used as the medium through which these maths outcomes are facilitated and acquired.	14780: Apply financial life skills 13157: Read, interpret and understand information on a payslip 15091: Plan to manage one's time All the above outcomes involves **Working with numbers in various contexts; Analysing how maths is used in social, political and economic relations; Collecting, analysing, using & communicating numerical data; Representing objects & activities in terms of time.** ***Understanding the workplace**** 12036: Orientate self in the workplace – this requires the learners to **use maps to communicate information about environment** & **Represent objects & environment in terms of shape & space**. *These outcomes can be contextualised to suit the specific needs of the various agricultural businesses operating in the different SA sub-sectors	13998: Demonstrate an understanding of the principles of supply and demand, and the concept: production ***Use of specialised equipment/maintenance skills*** 8195: Identify, select, use and care for measuring instruments ***Clerical and Administration**** 14355: Order and distribute office supplies 13999: Demonstrate an understanding of basic accounting practices 14353: Conduct basic financial transactions 8104: Operate and take care of equipment in an office environment The above outcome involves **Working with numbers in various contexts; Analysing how maths is used in social, political and economic relations; Collecting, analysing, using & communicating numerical data;** *These outcomes can be contextualised to suit the specific needs of the various agricultural businesses operating in the different SA sub-sectors

FUNDAMENTAL UNIT STANDARDS	CORE UNIT STANDARDS THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES	ELECTIVE UNIT STANDARDS THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES
Natural Sciences*		***Use of specialised equipment / maintenance skills****
7507: Demonstrate an understanding of the concept of science 7508: Conduct an investigation in the natural sciences* * **Natural Science and Agriculture** can be linked as Agriculture is an Applied Natural Science and the scientific investigation undertaken by learners can be one that is relevant to the various agriculture ventures applicable to the different SA sub-sectors – i.e. pest control, effects of over use of hazardous chemicals on the environment (humans, plants, and animals). Although links have not been made with all Fundamental and Elective US, the Natural Sciences unit standards listed above will be an essential component of many of these learning areas and thus the various content knowledge involved in these USs can be used as the medium through which the Natural Sciences outcomes are facilitated and acquired.		8217: Tack weld ferrous metals SO 1 – Types of ferrous metals, electrodes, welding hazards and their characteristics are explained 8218: Cut metals using an oxy-fuel gas process 8219: Weld metals using an oxy-fuel gas process SO 1, SO2 – Different gas mixtures, pressures and when to use them & how to set them are explained. 110022: Receive and store hazardous chemicals SO 1 – Chemicals are handled in a safe and in an environmentally friendly manner, Hazards associated with each chemical category are discussed, and appropriate treatments described for cases of accidental human contact. The above outcome helps learners to **understand the concept of science** *These outcomes can be contextualised to suit the specific needs of the various agricultural businesses operating in the different SA sub-sectors

FUNDAMENTAL UNIT STANDARDS	CORE UNIT STANDARDS THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES	ELECTIVE UNIT STANDARDS THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES
Agriculture* 8147: Introduction To Agri Trade *** 13354: Demonstrate an understanding of agriculture as a challenging and applied system 13358: Implement and maintain the principles, systems, practices and technology applicable to an agricultural venture * **Natural Science and Agriculture** can be linked as Agriculture is an Applied Natural Science ** The outcomes of US 8147 can be taught within both a general context and a specific context in terms of the different agricultural ventures that operate within the various SA sub-sectors.	***Life Skills**** 12203: Demonstrate knowledge of issues relating to HIV and AIDS SO 3 Explore societal and **workplace** issues related to HIV/AIDS 14780: Apply financial life skills SO 2 Describe and benefits and limitations of commercial banking. 13157: Read, interpret and understand information on a payslip 15091: Plan to manage one's time SO 1 Set realistic goals for tasks & activities SO 2 Prioritise tasks and activities in order to plan use of time. ***Understanding the workplace**** 13172: Understand the employer/ employee relationship 8493: Maintain occupational health and safety * These outcomes can be taught within both a general context and a specific context in terms of the different SA agricultural ventures in which learners are employed in the various SA sub-sectors.	***Use of specialised equipment / maintenance skills **** 8194: Dismantle components 8195: Identify, select, use and care for measuring instruments 8215: Use and care for lifting equipment 8192: Remove & install a drive shaft 8193: Recondition universal joints 8220: Remove & install a clutch 8216: Use attachment agents 8217: Tack weld ferrous metals 8218: Cut metals using an oxy-fuel gas process 8219: Weld metals using an oxy-fuel gas process 110022: Receive and store hazardous chemicals ***Clerical and Administration **** 9357: Develop and use keyboard skills to enter text 14348: Process incoming and outgoing telephone calls 14347: Receive, distribute and dispatch mail in office 14355: Order and distribute office supplies 8104: Operate & care for office equipment 13999: Demonstrate an understanding of basic accounting practices 14353: Conduct basic financial transactions 13995: Demonstrate understanding of contracts and their sources. 14339: Identify and maintain the types of records required in own industry, understand reasons for creating evidence & maintaining confidentiality

FUNDAMENTAL UNIT STANDARDS	CORE US THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES	ELECTIVE US THAT COULD BE USED FOR FACILITATING FUNDAMENTAL US OUTCOMES
Agriculture *continued*	The teaching/learning of the above outcomes will help the learner to understand **agriculture as a challenging and applied system** & **the importance of implementing and maintaining the principles, systems, practices and technology applicable to an agricultural venture**	***Clerical and Administration **** 14338: Maintain an existing information system in a business environment ***Product Handling*** Understand and carry out product handling tasks and activities in own sub-sector and context 13998: Demonstrate understanding of principles of supply & demand, & the concept: production.
Technology	***Technical Processes ****	***Use of specialised equipment / maintenance skills ****
14443: Demonstrate a critical understanding of the role and impact of technology in society Although links have not been made with all Fundamental and Elective US, this Technology US will be an essential component of many of these learning areas and thus the various content knowledge involved in these USs can be used as the medium through which the Technology outcomes are facilitated and acquired.	14096: Understand and apply technological knowledge and skills in processes 110209: Clean plant and equipment 8213: Use agricultural engineering materials 8202: Use basic hand skills 8191: identify, select, use and care for tools and equipment The teaching/learning of the above outcomes will involve the learner developing a ***critical understanding of the role and impact of technology in society*** *These outcomes can be taught within both a general context and a specific context in terms of the different SA agricultural ventures in which learners are employed in the various SA sub-sectors.	8194: Dismantle components 8195: Identify, select, use and care for measuring instruments 8215: Use and care for lifting equipment 8192: Remove & install a drive shaft 8193: Recondition universal joints 8220: Remove & install a clutch 8216: Use attachment agents 8217: Tack weld ferrous metals 8218: Cut metals using an oxy-fuel gas process 8219: Weld metals using an oxy-fuel gas process ***Clerical and Administration **** 9357: Develop and use keyboard skills to enter text 14348: Process incoming and outgoing telephone calls 8104: Operate & care for office equipment The teaching/learning of the above outcomes will help the learner to **Understand and apply technological knowledge and skills in processes.**

ATTACHMENT I5

SETASA

SETA for Secondary Agriculture

REPORT ON THE DEVELOPMENT OF THE

GETC for Secondary Agriculture

July 2004

1. Background to the qualification

In the course of development of its National Skills Fund (NSF) project for ABET during 2003, SETASA became intensely conscious of the need of a qualification at NQF Level 1 to guide goal setting and quality assurance. In addition, this was essential to enable "design down" to ABET levels 1-3. There is a need for a framework within which

- the ABET fundamentals at all levels can be contextualised, and
- new core and elective ABET learning programmes can be developed for the secondary agriculture sector.

The urgency of the need was sharpened during planning for 2004. Both the promotion of ABET in the sector and the registration and implementation of learnerships at NQF Level 1 were top priorities. The urgency required that development of an ABET qualification – here for various reasons called a GETC – be fast-tracked.

The present report is kept brief, as the rationale for the qualification has been spelled out explicitly in the notes to its various components, and in the communications in Appendices A and B.

2. Establishment of need

ABET and the establishment of learnerships are major priorities within the NSDS and the targets set for SETAs. Within SETASA, the need has been expressed in…

- many planning meetings for, and feedback from, the NSF ABET project
- consultative meetings with all sub-sector units (SSUs) of SETASA held in June and July 2003
- SETASA Board meetings
- responses within regional SETASA "road shows" held early in 2004
- responses to the attached circulars
- the SETASA ETQA's repeated need for a basis for quality assurance against WSPs

3. Guiding values and principles

ABET Values

Core ABET values relating to respect for adult learners and their needs informed the process.

General education and training

The concern, articulated especially by Umalusi, that GETC qualifications have adequate commonality within the recognition that they are *general* education and training qualifications, was given a high priority.

Economy

Given time pressures, and noting emerging objections to a multiplicity of highly diverse NQF Level 1 qualifications, the need to use registered unit standards as far as possible was observed.

Contextualisation

To accommodate the concerns of employers and workers that investments in learning be relevant to work and career paths, the generality of the qualification was balanced by the provision of two contextualisation guides, which should accompany implementation of the qualification in the sector.

Information and consultation

As will be seen in the process section below, principled attention was given to informing and consulting stakeholders in the development of this qualification.

4. Process

On behalf of SETASA, the development of the qualification was led by Edward French, in close consultation with Melissa King. They have together been closely involved in the modelling of ABET standards since 1993. Dr Barbara Basel of Project Literacy also contributed to the process, bringing her extensive experience of contextualising NQF Level 1 standards in rural projects (notably Ikwelo).

The qualification was informed by a range of meetings in Umalusi, and in the newly-formed SETA ABET Forum, regarding the nature of NQF Level 1 and GETC qualifications.

The emergent thinking about the broad approach to the qualification was put to the SSUs and other stakeholders, with favourable responses (and no objections). (Appendices A and B.)

Having established an approach, intensive work was done in sourcing, classifying and evaluating all available registered qualifications at the appropriate levels. The final draft of the qualification – substantially as presented with this report - was circulated among the stakeholders, who expressed themselves pleased with the qualification (again with no objections, even though the model deliberately does not make use of some highly specific unit standards developed by SETASA sub-sectors – it does create space for their use).

5. Appendices…

Appendix A

NOTES AND QUESTIONS FOR *URGENT* RESPONSE FROM SETASA SSUs
30 January 2004

FAST-TRACKING A GENERIC SECONDARY AGRICULTURE QUALIFICATION FOR NQF LEVEL 1 (ABET)

In order to meet very important commitments SETASA must register a series of qualifications for the sector in the coming weeks. This is essential if we are to get a significant number of Learnerships running in the course of the year.

A team of specialists led by Edward French has been working on the matter of an ABET Qualification for Secondary Agriculture Operators. They have considered a range of options and taken into account all relevant registered qualifications and Unit Standards. Their interim recommendation is that SETASA follow the model set out in the attached discussion document.

In brief, given the complex of factors that bear on qualification design leading to a GETC, their strong recommendation is for a generic qualification to be used in all of SETASA's sub-sectors. This does not allow for the listing of highly specific unit standards from the sector (e.g. De-husking Macadamia Nuts), but we believe that specific sectoral needs can easily be served within the generic qualification.

We propose drawing up guidelines to help you to express your sector's needs within such a generic qualification. The advantages of the qualification are set out in the discussion document.

Above all, we need to move quickly to make sure that there will be a basis for Learnerships at this key level at which the majority of workers in the sector find themselves.

In order to move forward rapidly we need your responses to the following questions:

1. Will your sector be able to make use of a qualification based on the recommended model?
2. If you find the model useful, do you have any suggestions for fine-tuning or improving it?
3. You will see that there are alternative possibilities for Unit Standards in some cases. Do you have any suggestions to make about which we should choose for this qualification? Is anything important missing from the overall listing of relevant Unit Standards

Please feel free to add any other reflections not covered by these questions. You should email or fax your responses to us at your very earliest convenience.

Appendix B

SETASA
NQF Level 1 Qualifications for Secondary Agriculture: Discussion Document

GENERAL OVERVIEW

This document outlines the issues relating to a generic NQF Level 1 qualification for the 'outputs' sub-sectors of SETASA[1].

The need for such a qualification is discussed in the context of advantages relating to the unrolling of learnerships and improvement of the skills base in the sector.

A model is put forward for discussion by the relevant SETASA constituents. This model focuses on common requirements for the workplace across the sub-sectors in order to formulate a generic qualification, with attention to the contextualisation of these requirements for each sub-sector. In order to build on development done in each sub-sector so far, the model accommodates specific sub-sector outcomes through the elective component of the qualification[2].

Examples of existing unit standards are used to illustrate what the qualification might look like. The process for developing and finalizing the qualification according to this model is summarized.

The model is based on a survey of registered and proposed qualifications and unit standards across all sectors at NQF Level 1, and those of SETASA and PAETA at NQF Levels 2 and 3 that were relevant to a generic ABET NQF 1 qualification.

Ideally this model qualification will be registered and will be accompanied by two short guidelines published by SETASA on ways to contextualise the generic qualification in particular sub-sectors, and on the development of ABET programmes to build up to the qualification.

1. Rationale

There are various reasons, both strategic and educational, why the availability of a qualification generic to a sector at NQF Level 1 is desirable. First among these is its usefulness to learnership implementation. A learner's achievement of a qualification at NQF Level 1 represents two things: an exit level competence covering the achievement of certain foundational skills or a 'general' education; and an assurance of the learner's readiness to enter an occupational pathway from NQF Level 2 upwards. Both the

[1] As set out in SETASA Demarcation and Scope of Sector on website.
[2] The model draws on C Vorwerk's '*Contextual Qualifications Model'* (GTZ, May 2002) for its understanding of the function of contexualisation in generic qualifications. It is however a hybrid model in that it accepts that the elective component of a qualification can reflect sub-sector needs, as set out in E Hallendorf's '*How to design qualifications'* (GTZ, August 2002).

achievement of foundational learning and an indication of potential to successfully progress are key to implementation of learnerships: these indicators assist with selection onto learnerships, and increase successful completion rates, thereby helping the SETA to achieve its targets.

Related to the implementation of learnerships is a practical issue that underpins this proposal. One possible model that SETASA could investigate is that each division of each sub-sector could produce its own qualification for NQF Level 1, with the only common areas being the fundamental components and perhaps a few standards related to life skills. However, this document proposes one qualification across the sub-sectors, with sub-sector content areas accommodated through contextualisation of generic standards, and through the elective component of the qualification. The fact that this process could be completed in a shorter time frame serves the goal of fast-tracking the delivery of education and training through learnerships in the sector.

The second advantage lies in the fact that an NQF Level 1 qualification provides a significant goal for ABET activities in the sector. For ABET learners to achieve a GETC comprising mainly of general education components is sometimes an impossible target, given time and provision constraints. However, a generic Secondary Agriculture NQF Level 1 certificate, which balances general education, life skills and generic workplace skills with sector skills and knowledge, would offer companies that have invested in ABET a more focused goal relating to the needs of their industry. At the same time it would offer learners a degree of 'generic' credits that would facilitate choice and movement.

Third, the existence of such a qualification would benefit SETASA's constituents as a whole. This qualification would broaden the skills base of current and potential employees in the sub-sectors. The achievement of generic competences means that employers are assured that there is a common standard of foundational competence relating to literacy, numeracy, life skills and workplace processes, and that there are common understandings of certain aspects of the sector as a whole.

An additional reason for preferring a generic qualification lies in the increasing concern of Umalusi (ETQA for General and Further Education and Training) about the proliferation of qualifications that are too specific to be granted a *General Education* and Training Certificate.

2. Towards a model for a generic qualification

The primary goal is to achieve a qualification that is useful to all sub-sectors within SETASA's primary focus. From a design point of view, the following questions are raised:

- What 'generic' unit standards can be sourced or designed for the fundamental and core components of the qualification?

- How should these be written so that they set out common knowledge and skills, and yet can be usefully contextualised across the diverse sub-sectors?

- What weight should specific electives for the sub-sectors carry in the qualification at this level?

These questions inform the kind of approach which could be adopted for the qualification.

Further, the assumptions on which the proposed qualification is based are as follows:

- The NQF Level 1 qualification applies only to the twelve sub-sectors dealing with outputs, and not those involved with inputs into primary agriculture.

- A common purpose statement applying across the designated sub-sectors can be formulated. Example: *The context for the achievement of this qualification is different for each sub-sector but the overall goal is the same: the integration of a range of activities which results in the efficient processing of agricultural outputs.*

- The organizing principle for this qualification (see following page) is that of a contextual approach to qualification design. This proposal sets out generic categories linked to organizational and workplace practices, as in the template below. These will be contextualised through unpacking the unit standards in the learning programme and assessment procedures for each specific sub-sector. Sub-sector needs and outcomes are also accommodated in the Elective component of the qualification.

ORGANISING PRINCIPLES FOR NQF 1 QUALIFICATION FRAMEWORK		
Fundamental (compulsory)	**Core (compulsory)**	**Elective (selected according to requirements of a specific context/ sub-sector or learner)**
Communication & Language Studies **Mathematical Literacy** **Natural Science:** introductory **Agriculture:** Introductory	**Life skills:** - general health - HIV Aids - self management **The business or industry:** - organizational purpose/ aim - product/ services - suppliers & customers - markets - the economy **The workplace:** - organizational structures & relations - industrial relations - workflow overview, including own role & tasks - reporting processes - QA systems - Health & Safety **Technical Processes:** - using machinery, equipment & tools - housekeeping	[Further electives could be developed]. **Life Skills:** - financial literacy - computer skills **Natural Science:** - animal biology - plant biology **Primary activities in a context:** - own role - own tasks **Vehicle driving** - heavy or specialized depending on environment **Use and maintenance of specialized equipment in a context** **Specific safety requirements in a context** - hazardous materials - health threats …….

3. Design Process: overview of existing standards

377 unit standards are registered at NQF Level 1. Of these, 40 are classified as 'generic' or 'fundamental', and are designed to be used across a number of qualifications. In

addition, some unit standards either at this level or above that have been written for a particular sector could be used or adapted for the NQF Level 1 Secondary Agriculture qualification. The qualification title would then specify the sub-sector in which the qualification would be contextualised.

The framework below offers a starting point for looking at how existing standards can be drawn upon for this model. This is done in order to inform discussion and input from the SSUs on the model put forward in this document. Only registered standards that appear to be generic have been included in this diagram. These have been put forward as *possibilities* for selection in the qualification, and are often duplicated if generated from different SGBs. For this reason the credit values have not been totaled for F, C and E components of the qualifications. PLEASE NOTE that generic standards have not yet been sourced for all the categories given in the Organizing Principles Framework above.

The framework is followed by a list of unit standard titles that are specific to a sector or industry. These may serve to illustrate how generic competencies in the Core can be unpacked for context content, or they can be used as standards addressing specific sub-sector requirements in the Elective component. Again, the standards themselves would need to be evaluated.

In order for this illustrative framework to be developed into a qualification for registration on the NQF in the short term, the following activities would need to be undertaken:

- Decide on the distribution of credit weightings across Fundamental, Core and Elective. This includes a formulation of the primary purpose of the qualification.

- Acquire and evaluate existing generic standards and select those most appropriate.

- Identify where new generic standards may have to be designed for the purposes of this qualification, and develop these.

- Acquire and evaluate existing sub-sector-specific standards, and select those most appropriate.

- Identify where new sub-sector-specific standards may have to be designed for the purposes of this qualification, and develop these. (Note that these could be designed down from a higher level, or newly formulated.)

In the short term it would be acceptable to prioritise those sub-sectors where most work has been done, and declare an intention to SAQA to add in further sub-sectors as Electives in the future. In addition, a *Guide to Contextualising Core Unit Standards* should be developed as a support to learnership implementation.

(Question marks in the following matrices refer to details that we are still sourcing. They are not important at this stage.)

FRAMEWORK DRAWING ON EXISTING STANDARDS (standards still to be evaluated & selected)

Fundamental	L	C	Core	L	C	Elective	L	C
Communication & Language Studies[3]	1	20	**Life skills**	1	4	**Life skills**		
CLS001:Engage in a range of speaking and listening interactions for a variety of purposes			14659: Demonstrate an understanding of factors that contribute towards healthy living	1	5	13999: Demonstrate an understanding of basic accounting practices	1	4
CLS002:Read and respond to a range of text types							1	5
CLS003:Write for a variety of different purposes			14656: Demonstrate an understanding of sexuality and sexually transmitted infections including HIV/AIDS	1	4	15092: Plan and manage personal finances	1	4
CLS004: Explore and use a variety of strategies to learn				1	2		1	4
				1	3		2	6
				2	3	14780: Apply financial life skills	2	3
	1	16	NCMI0011: Health & well being	2	4	NCMI008: Financial Life Skills	2	3
Mathematical Literacy			7503:Demonstrate effective self-management skills	1	5			
Select 16 credits from registered NQF1 maths stds	1	2		1	4	EUC2: Operate a personal computer system	1	3
	1	5	15091:Plan to manage one's time	1	2		1	4
Natural Sciences			XX106: Organize oneself in the workplace	1	4	EUC4: Use personal computer operating system		
7507: Demonstrate an understanding of the concept of science	1	12				EUC6: Demonstrate knowledge of and produce word processing documents using basic functions		
			XX102: Operate in a team	1	?			
7509: Apply basic concepts and principles in the natural sciences (to be done in a workplace context)	1	2					1	?
			14776: Apply self management practices in the workplace	1	4			
				1	?			
NCMI002: Basic Sciences						9357: Develop and use keyboard skills to enter text		
	1	4	NCMI0011: Management of time	1	2		1	5
Agriculture				1	4			
AGRI/01:Demonstrate			12203:			**Natural sciences**	1	5

[3] Please note that these are the revised standards produced by the CLS SGB in 2003..

an understanding of agriculture as a challenging and applied science, its link to agricultural technology and its socio-economic significance	1	4	Demonstrate knowledge of issues relating to HIV and AIDS	1	?	7508: Conduct and investigation in natural science (to be done either in animal or plant context?)	1	3
							1	3
			13169: Describe and discuss issues relating to HIV-AIDS, TB and sexually transmitted illnesses and their impact on the workplace	1	?		1	5
AGRI/002: Demonstrate an understanding of the physical and biological environment and its relationship to sustainable crop production	1	3				**Primary Activities** *To be drawn from or adapted from specific sub-sector standards*	2	2
	1	7		2	2		2	?
OR AGRI/003: Demonstrate an understanding of the environment and its relationship to sustainable livestock production	1	4	13157: Read, interpret and understand information on a payslip	2	4	**Vehicle use** 10567: Transport personnel, material & equipment using a LDV	2	4
				1	4			
			NCMI007: Understanding the NQF	1	10	*Heavy vehicle skills: still to be sourced*		
AGRI/004:Demonstrate an understanding of agricultural production management in relation to the socio-economic environment			13171: Describe & show how the NQF can help me to plan a learning & career pathway	1	3	**Use of specialized equipment** AGRI/04C or 8215?: Use and care for lifting equipment		
				2	3			
				2	2			
AGRI/005: Show that the principles, systems and technology applicable to an agricultural venture are successfully implemented			12535: Understand the world of work	1	4			
			The business or industry NCMI003: Business awareness			8213: Use agricultural engineering materials		
				2	4			
8147: Introduction to Agri Trade			13176: Describe & discuss basic issues relating to the nature of business, the stakeholders in a business and business profitability	3	5	8192: Remove & install a drive shaft		
						8193: Recondition universal joints		
				1	?			
				1	5			
			13172: Understand the employer/ employee relationship			8220: Remove & install a clutch		
				1	4			

			Understanding organizational structures: still to be sourced or designed **The workplace** XX108: Maintain occupational health and safety CI06/01: Contributing to the safety, health and environment of the industry OCI1/001/06/01: To understand and apply the basic safety, health and environmental issues in the workplace 147921: Maintain basic safety, health & environmental issues 7535: Identify potential hazards and critical safety issues in the workplace NQF2F ?: Perform quality checks NQF2F ?: Maintain occupational health & safety NCMI001: Basic safety health & environmental issues *Own role, workflow and reporting*	1 1 1 1 1 1 1 1 1	12 12 2 5 5 8 8 ? ?	**Specific safety requirements** ? Handling of hazardous chemicals U/1018: Receive, store and handle hazardous materials NQF2F?: Identify pests and diseases relevant to agricultural commodity		

			procedures still to be sourced or designed **Technical processes** 12037 Demonstrate knowledge of mechanical and electrical equipment NQF2F?: Operate and perform routine maintenance on equipment and tools NQF1M?: Care for, select and use hand and measuring tools 14804: Apply basic technology in the workplace 12209: Select & use basic hand tools and materials NCMI004: Basic materials and handtools NCMI005: Technological practices & principles 8182: Care for handtools, utensils and protective equipment 8184: Dismantle components 8186: Routine maintenance of technical and site equipment 8191: Identify,					

			select use and care for tools & equipment 8195: Identify, select, use and care for measuring instruments 110209:Clean plant and equipment 14096: Understand & apply technological knowledge & skills in process					

LIST OF SECTOR OR SUB-SECTOR SPECIFIC STANDARDS

These could assist with contextualisation for sub-sectors, or be used/ adapted for the Elective component of the qualifications in relation to sub-sector needs. Existing sub-sector standards generally cover skills and knowledge needed for primary roles and activities. Standards from NQF 2 have been included as these could possibly be designed down to NQF Level 1.

Source	Std Title & ID	Level	Credit	Possible category
Food & Bev SETA	Clean & sanitise food manufacturing equipment and surfaces manually	1	3	Core or Elective
	Maintain personal hygiene, health and presentation in a food environment	1	3	Core or Elective
	Apply knowledge of the effect of micro-organisms on personal health, hygiene and food safety	2	4	Core or elective
Primary Agriculture	12591: Administer husbandry practices to farm animals	1	20	Elective
	13356: Assess the influence of the environment on sustainable livestock production	1	4	Elective
	13355: Demonstrate an understanding of the physical & biological environment and its relationship to sustainable crop production	1		Elective
	12594: Understand the process of slaughtering farm animals	1	20	Elective
Secondary Agriculture: Fruit processing	FRP001: Apply quality assurance procedures	2	4	Core
Secondary Agriculture: Fruit packing	FRP001 (?): Explain product characteristics	2	4	Core
	FRP003: Explain the cold chain	2	4	Core
	FRP004: Apply hygiene procedures	2	4	Core
	FRP005: Apply environmental procedures	2	4	Core
	FRP006: Apply health & safety procedures	2	6	Core
Secondary Agriculture: Grain industry	AT013: Introduction to Agri Trade	1	4	Fundamental or Core
Secondary Agriculture: Poultry & Eggs	Stds A1-13, CH1-6, CR1-7, FR1-7, GPE1-4, HE1-7, TE1-6: sets of tasks and activities in this sub-sector			Elective
Secondary Agriculture:	Stds ABA 01, 02, 10,11,12,17,22,23: sets of tasks and	1		Elective

Red Meat & Livestock	activities for this sub-sector			
Secondary Agriculture: Animal Feed Production	AF004: Operate weigh bridge	1	2	Elective
Secondary Agriculture: Macadamias	Stds: MAC002–MAC 013: sets of tasks and activities in this sub-sector	1		Elective
Secondary Agriculture Grain	8139: Storage of stock	1	4	Elective
	8156: Collect a representative grain sample	1	4	Elective
	8163: Unload grain consignments in bulk	1	2	Elective
	I8167: Inspect stored grain	1	4	Elective
	8176: Prepare grain dispatch containers	1	4	Elective
	8179: Repair bags and tarpaulins	1	3	Elective
	8180: Deplete grain bin	1	2	Elective
	8184: Collect a representative groundnut sample	1	2	Elective
	8185:Prepare unshelled groundnut sample for grading	1	3	Elective
	8190: Introduction to grain handling industry	1	4	Elective
	8216: use attachment agents	1	5	Elective
	8217: Track weld ferrous metals	1	5	Elective
	8218: Cut metals using an oxy-fuel gas process	1	8	Elective
	8219: Weld metals using an oxy-fuel gas process	1	8	Elective

January 2004