ANNEXURE “B”

Towards an HRD Observatory for South Africa

Terms of Reference for appointment of a service provider to produce the Status of HRD Reports for 2027 and 2029

Period: March 2027 – November 2029

1. Background

The HRDC requires a stronger evidence base to support strategic leadership, policy development and intervention in human resource development. Current challenges include limited access to reliable evidence, fragmented data systems, the absence of a central HRD intelligence platform, and evidence gaps in sectors central to economic transformation, including the Just Energy Transition, critical mineral beneficiation and renewable energy technologies. The proposed HRD Observatory will centralise the collection, analysis and dissemination of information on skills development, labour-market demand and skills supply from learning institutions.

The 2027 and 2029 Status of HRD Reports will form an important analytical component of the Observatory. They should retain continuity with the 2016 Status of HRD Report to enable trend analysis, while extending the evidence base to address emerging economic sectors, changing forms of work, technology and AI, climate change, future capabilities and new data requirements.

The reports should also support the Observatory's Community of Practice through evidence generation, stakeholder validation, collaboration around HRD data and intelligence, and translation of evidence into policy and planning.

2. Scope of Services

The service provider will contribute to the establishment of the HRD Observatory by advising on the selection and incorporation of appropriate indicators and leading the compilation, analysis and report writing required for Status of HRD Report 1 (2027) and Status of HRD Report 2 (2029).

The assignment will rely primarily on secondary and administrative data and existing reports, complemented by targeted qualitative engagement with experts and stakeholders for the foresight and validation components. A new national primary survey is not required.

3. Scope of Research and Methodology

The main aim is to produce two credible, comparable and forward-looking assessments of the status of HRD in South Africa. The approach should be grounded in the 2016 report, which assessed HRD through four broad lenses—**poverty and inequality, quality of education, absorptive capacity of the economy, and social cohesion**—and was based primarily on secondary data and analysis of existing reports. The new assignment should retain sufficient continuity with these measures to permit trend analysis, while responding to the much more explicit emphasis in the 2025–2035 HRD Strategy on future-fit capabilities, changing forms of work, AI and technology, climate change, resilience and the broader human-development dimensions of HRD.

The service provider will be expected to deliver against the following specified objectives:

1. Objective 1: Maintain continuity with the 2016 Status Report

- Reconstruct, where possible, the key indicators and measures used in the 2016 report and update them using the most recent available data.
- The service provider must distinguish between indicators that remain directly comparable, indicators that require methodological adjustment, and indicators that can no longer be reliably measured.

2. **Objective 2: Develop an updated Status of HRD indicator framework**

- Review the 2016 indicators against: the Reconceptualised HRD Strategy 2025–2035; the Master Skills Plan 2025–2030; relevant national development and planning frameworks; the work of the HRD Observatory; current labour-market intelligence; international approaches to measuring human capital, capabilities and skills; and emerging data and measurement practices.
- The service provider should recommend a **core indicator set** that remains stable across future iterations, supplemented by a flexible set of thematic and emerging indicators.

3. **Objective 3: Produce analysis on selected indicators utilising a future oriented approach**

- The assessment should move beyond measuring the supply of skills to examine whether South Africa's economy is creating opportunities to utilise and develop those capabilities.
- The analysis should recognise that economic participation may occur through multiple forms of work and livelihood activity and should not equate HRD success solely with formal wage employment.
- A central requirement of the assignment is that the 2027 and 2029 reports should become increasingly **forward looking**.
- The service provider must therefore develop an approach to identifying emerging changes in the economy and their implications for HRD.
- This should include, at minimum some analytical reflection on:
  - **Emerging and transforming sectors**
  - **Future skills and capabilities**
  - **Data required for future sector development**
- The service provider should identify which data should be collected nationally, which data could be obtained through administrative sources, which could be generated through surveys, and which could be obtained through new forms of data such as digital trace or real-time labour-market data.

4. Key Research Questions

- ✓ What is the current status of HRD in South Africa and how has it changed since 2016?
- ✓ Which indicators should remain core indicators for monitoring HRD over time?
- ✓ Where are the major inequalities, bottlenecks and mismatches between skills supply and economic demand?
- ✓ Which sectors are emerging or transforming, and what skills and capabilities will they require?
- ✓ What new occupations, forms of work and combinations of capabilities are emerging?
- ✓ What data are required to anticipate future skills demand and support the development of new sectors?
- ✓ How can the HRD Observatory improve the availability, comparability and use of HRD intelligence?
- ✓ By 2029, which trends anticipated in 2027 have materialised, which have not, and what are the implications for HRD planning?

5. Activities and Timeframes

The assignment will be delivered as a single multi-year contract covering two report iterations. The detailed workplan will be agreed at inception.

Activity	Output	2027	2029
1. Inception, literature and policy review	Inception report and agreed methodology	Months 1–2	Months 1–2
2. Indicator and data review	Updated indicator and data framework	Months 1–3	Months 1–3
3. Data compilation, preparation and analysis	Validated datasets and trend analysis	Months 3–5	Months 3–5

4. Emerging sectors, future skills and foresight	Future sectors and HRD Futures analysis	Months 4–6	Months 4–6
5. Draft Status of HRD Report	Draft report	Month 7 - 8	Month 7 - 8
6. Stakeholder validation and presentation	Validation workshop/presentation	Month 8 - 9	Month 8 - 9
7. Final analysis and report	Final report and policy products	Month 9 -10	Month 9 – 10

6. Deliverables

- ✓ Inception report, including methodology.
- ✓ HRD Indicator and Data Framework, including 2016 legacy indicators, revised core indicators, emerging indicators and metadata.
- ✓ 2027 Status of HRD Report establishing the revised baseline and identifying emerging sectors, future skills and data priorities.
- ✓ 2027 Emerging Sectors and Future Skills Policy Brief.
- ✓ 2029 Status of HRD Report updating the core indicators and assessing changes since 2016 and 2027.
- ✓ 2029 assessment of the predictive/anticipatory value of the 2027 foresight analysis.
- ✓ Updated policy briefs and HRD Data Gaps and Innovation Report in 2029.
- ✓ Machine-readable datasets, metadata and indicator products suitable for integration into the HRD Observatory.

7. Expected Team Expertise

The service provider should demonstrate expertise and experience relevant to the scope of the assignment covering human resource development; education and skills systems; labour-market and economic analysis; statistics and data science; sector analysis; labour market information and analysis; indicator development; understanding of occupational and skills shortages; methodologies for the identification of skills and occupation demand; and policy analysis. Applicants may demonstrate these competencies through their own qualifications and experience, or where applicable, through the experience of personnel and specialist support proposed to undertake the assignment.

Experience working with high-level government, social partners, data custodians and multi-stakeholder structures will be advantageous.

Mandatory requirements

The Project Lead (Principal Investigator) must hold a PhD in Labour Market Studies or a closely related discipline, with at least 20 years of relevant experience, and be affiliated with a university or recognised public research institution. The proposal must include the CV of the PI.

The proposal must also include at least one completed skills and labour report, with the description of methodologies used. Up to 5 items will be considered. These must have been completed in the past 10 years.

8. Proposal Requirements

- ✓ Understanding of the HRD and Observatory context.
- ✓ Conceptual and analytical approach and methodology.

- ✓ Approach to identifying emerging sectors, future skills and capabilities.
- ✓ Approach to data gaps, innovative data sources and Observatory integration.
- ✓ Stakeholder engagement and quality assurance arrangements.
- ✓ Workplan, team composition, relevant experience and examples of comparable assignments.
- ✓ Financial proposal.

Applications must be received no later than 26 November 2026.

80/20 Preference Point System.

9. Evaluation Criteria

The proposal will be assessed according to five criteria:

- ✓ Understanding of the assignment and context (10%)
- ✓ Overall research methodology and approach (30%)
- ✓ Approach to data, indicators and future skills analysis (20%)
- ✓ Qualifications and relevant experience of the proposed team (25%)
- ✓ Project management and quality assurance (15%)

Criterion	Weight	Sub-indicators for assessment (allocated points indicated in brackets)	Ranking scale
Understanding of assignment and HRD context	10	• Understanding of the purpose and requirements of the Status of HRD Report and its contribution to the Observatory project (5)	Not addressed: 0 points Poor (generic, not specific to this assignment): 1 point Weak (partly addresses the requirement, with major gaps): 2 points Adequate (addresses the requirement, with some gaps or limited detail): 3 points Good (fully addresses the requirement with a sound, assignment-specific approach): 4 points Excellent (fully addresses the requirement with a robust, innovative and context-specific approach): 5 points
		• Understanding of the South African HRD policy, institutional and developmental context (5)	Not addressed: 0 points Poor (generic, not specific to this assignment): 1 point Weak (partly addresses the requirement, with major gaps): 2 points Adequate (addresses the requirement, with some gaps or limited detail): 3 points Good (fully addresses the requirement with a sound,

			assignment-specific approach): 4 points Excellent (fully addresses the requirement with a robust, innovative and context-specific approach): 5 points
Research methodology and analytical approach	30	• Robustness and appropriateness of proposed research methodology (10)	Not addressed: 0 points Poor (generic, not specific to this assignment): 2 points Weak (partly addresses the requirement, with major gaps): 4 points Adequate (addresses the requirement, with some gaps or limited detail): 6 points Good (fully addresses the requirement with a sound, assignment-specific approach): 8 points Excellent (fully addresses the requirement with a robust, innovative and context-specific approach): 10 points
		• Approach to reviewing and maintaining comparability with the 2016 report (5) • Approach to integrating quantitative and qualitative evidence (5) • Approach to trend analysis and interpretation of HRD indicators (5) • Approach to analysing relationships between skills supply, labour-market demand and economic absorption (5)	Not addressed: 0 points Poor (generic, not specific to this assignment): 1 point Weak (partly addresses the requirement, with major gaps): 2 points Adequate (addresses the requirement, with some gaps or limited detail): 3 points Good (fully addresses the requirement with a sound, assignment-specific approach): 4 points Excellent (fully addresses the requirement with a robust, innovative and context-specific approach): 5 points
HRD data, indicators and future skills analysis	20	• Experience in analysing education, skills and labour-market data and developing or applying indicator frameworks. (10) • Approach to identifying emerging sectors, future skills needs and their implications for HRD policy. (10)	Not addressed: 0 points Poor (generic, not specific to this assignment): 2 points Weak (partly addresses the requirement, with major gaps): 4 points Adequate (addresses the requirement, with some gaps or limited detail): 6 points Good (fully addresses the requirement with a sound,

			assignment-specific approach): 8 points Excellent (fully addresses the requirement with a robust, innovative and context-specific approach): 10 points
Qualifications and relevant experience of the proposed team	25	• Experience of the Principal Investigator in leading comparable national or sector level studies.[1] (10)	No evidence of any comparable studies led by the PI: 0 points Weak (evidence of the PI having led 1 comparable study): 2 points Acceptable (evidence of the PI having led 2 to 3 comparable studies): 6 points Excellent (evidence of the PI having led more than 3 studies): 10 points
		• Relevant experience of PI and proposed personnel in HRD, skills, education or labour-market research, including comparable studies. (5) • Quantitative and data-analysis expertise. (5)	No evidence of any reports in this area: 0 points Weak (evidence of the team having contributed to 1 report in this area): 1 point Acceptable (evidence of the team having contributed to 2 to 3 reports in this area): 3 points Excellent evidence of the team having contributed to more than 3 reports in this area): 5 points
		• Experience working with government and multi-stakeholder policy structures. (5)	No evidence of the team having any experience with such engagements: 0 points Weak (evidence of the team having led 1 such engagement): 1 point Acceptable (evidence of the ream having led 2 to 3 such engagements): 3 points Excellent (evidence of the team having led more than 3 such engagements): 5 points

Project management and Quality assurance *The supplier must provide a management plan to ensure quality and timely delivery as well as evidence of project management capability through reference letters highlighting other high-quality comparable studies completed on time.*	15	• Workplan: feasibility against the timeframes in Section 5, clear roles, and management of risks including data access. (5) • Stakeholder engagement, validation and quality assurance arrangements. (5)	Not addressed: 0 points Poor (generic, not specific to this assignment): 1 point Weak (partly addresses the requirement, with major gaps): 2 points Adequate (addresses the requirement, with some gaps or limited detail): 3 points Good (fully addresses the requirement with a sound, assignment-specific approach): 4 points Excellent (fully addresses the requirement with a robust, innovative and context-specific approach): 5 points
		• Client reference letters for comparable assignments confirming quality and timely delivery. (5)	No letters: 0 points 1 letter: 1 point 2 letters: 3 points 3 letters: 5 points
Total	100		

The functionality criteria aim into assess the bidder's capabilities, reliability and overall ability to execute and maintain a bid and / or contract. The minimum functional **75%**. Bids that score less than **75%** on functionality criteria will be disqualified and will not progress to the next stage of evaluation.

For technical enquiries, please email (only) Dr Bongiwe Mncwango at BMncwango@hsrc.ac.za

Proposals must be emailed by **26 November 2026 @ 16:00pm** to Ms. Zanele Nkosi at znkosi@hsrc.ac.za