



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

2011/15 GRANT GUIDELINES

AND CALL FOR

EXPRESSIONS OF INTEREST (EOI)

1. EXECUTIVE SUMMARY

The 2011/2015 Discretionary grant offerings represent a new response to NSDS III in anticipation of shifting focus to the merSETA strategic priorities of artisan development, partnerships, increased flow of new entrants into the system and the development of skills for the existing workforce.

The 2011/2015 discretionary grant offerings, which are allocated at the sole discretion of the merSETA, will focus towards specific interventions and priorities expressed in the form of eight goals for NSDS III linked skills development and levy resource utilisation.

Whilst some of the existing Discretionary grant offerings remain, some new grants have been introduced that are responsive to:

- whole apprenticeships that end in a trade test;
- training for self employment;
- foundational learning competence; and
- sector specific research grants.

Discretionary Grants are allocated at the discretion of the merSETA to incentivise priority skills development needs identified in the Sector Skills Plan (SSP) and National Skills Development Strategy (NSDS III) as an incentive to employers, in response to a call for **Expressions of Interest** (EOI) for Discretionary Grants. The merSETA has allocated a budget of approximately R440 million for this financial year's discretionary grants.

Stakeholders are advised to note that the regulation allows for 20% to be allocated for discretionary grants at the sole discretion of the merSETA Governing Board and as such, organisations that apply should take this into consideration when submitting the discretionary grant application.

| merSETA Strategic Priorities |
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| Artisan Development |
| Establishing and Facilitating Strategic Partnerships |
| Increasing the Flow of New Entrants Into the System |
| Developing the Skills of the Existing Workforce |

In preparing their Discretionary Grant proposals, employers are advised to study the **National Skills Development Strategy (III)** and its eight (8) goals, which are:

1. *Establishing a credible institutional mechanism for skills planning;*
2. *Increasing access to occupationally directed programmes;*
3. *Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities;*
4. *Addressing the low level of youth and adult language and numeracy skills to enable additional training;*
5. *Encouraging better use of workplace-based skills development;*
6. *Encouraging and supporting co-operatives, small enterprises, worker-initiated NGO and community training initiatives;*
7. *Increasing public sector capacity for improved service delivery and supporting the building of a developmental state; and*
8. *Building career and vocational guidance.*

(See www.dhet.gov.za)

4.1 Submission Guidelines

- The Discretionary Grant application is due by the closing date of **30 September 2011** for the financial year 2011/2012.
- The Discretionary Grant application portal is available on the merSETA website. Electronic submission is compulsory. (www.merseta.org.za)
- Levy-paying employers, and small employers (SMEs) exempt from the skills development levy may apply.
- Employers are assured that all information received will be treated with the highest regard for confidentiality. Information received in the grant applications are aggregated for the purposes of research and planning.
- The total value of the Discretionary Grant is automatically calculated during the application process on the basis of formulae per candidate and learning intervention; the budget available for allocation is approved annually by the Governing Board based on the available Discretionary Grant reserve.

- The merSETA may not pay the Discretionary Grant to an employer unless the employer i) has registered with the Commissioner in terms of the SDL Act ii) has paid the levies directly to the South African Revenue Service (SARS) in the manner and within the period determined in the SDL Act iii) is up-to-date with levy payments to SARS at the time of approval and in respect of the application period, or iv) is exempted from paying the skills levy.
- Further discretionary grant awarding will depend on progression on delivery of previous discretionary grants awards.
- All withdrawals will be investigated to determine reasons for the withdrawal and how it could affect future discretionary grant applications.

4.2 Discretionary Grant Criteria:

- All claims must be in respect of learners who are in possession of a valid South African Identity document and are South African citizens.
- Companies with more than 50 employees are required to have a Workplace Training Committee, and will be prompted in the application process to submit a copy of the most recent minutes of that meeting for uploading, as proof that consultation has taken place around the planned activities and agreement reached.
- Application to be signed off by both the employer representative and the labour representative for companies required to have a workplace training committee.
- In the case of learning programmes, the merSETA reserves the right to conduct a **verification exercise** to determine that all requirements are in place to deliver these programmes (equipment, subject matter experts, training provider accreditation, etc), before progressing the application to the Evaluation Panel.

Discretionary Grants are allocated at the sole discretion of the merSETA depending on funds and any additional Governing Board criteria.

Publications of these offerings will not necessarily all be funded during this funding window.

Expressions of Interest (EOI) from employers, or *employer-nominated* representatives wishing to participate in one or more of the following learning interventions (and in accordance with the evaluation criteria), are eligible to apply for a Discretionary Grant. (A glossary of terms is provided at the end of this document.)

| # | Learning Intervention | Detail | Value | Who may apply |
|------------|--|--|---|-------------------------------|
| 1 | Apprenticeships: | All of these apprenticeship grants are subject to workplace approval and verification. If identified through the RPL process that more than 120 credits have been awarded, the learner would be expected to enter into a structured learning programme at the next level. | | merSETA levy paying Employers |
| | 1.1 NQF 2 – 4 ending in a trade test | | R112,500.00 payable in tranches <u>“Top-up” Grant for Persons with Disability @ R10,000 .00 per learner</u> | |
| | 1.2 Section 13 | | R112,500.00 payable in tranches per <u>“Top-up” Grant for Persons with Disability @ R10,000.00 per learner</u> | |
| | 1.3 RPL ending in a Section 28 trade test | | A maximum of R15,000.00 per candidate for RPL assessment process Up to a maximum of R12,500.00 for GAP training based on submission of GAP training plan and outstanding unit standards. | |
| 1.4 ATRAMI | | R37,500.00 payable in two tranches on commencement, and completion. | | |
| 2 | Learnerships 18.1 &18.2 (not trade related) | Linked to scarce and critical skills. Could be NEET or TREE related. | R13,000.00 per learner per level. Plus additional learner allowance: NQF L1 = R12,000.00 per annum (with progression) NQFL2 = R18,000.00 per annum NQF L3 = R 24,000.00 per annum NQFL4 = R30,000.00 per annum <u>“Top-up” Grant for Persons with Disability @ R10,000.00 per learner</u> <u>R13000 plus Learner Allowance to be combine for Employed Workers(18.1) to determine grant</u> | merSETA levy paying employers |

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| | RPL (Not trade related) | | A maximum of R15,000.00 per candidate for RPL assessment process Up to a maximum of R12,500.00 for GAP training based on submission of GAP training plan and outstanding unit standards. | |
| 3 | Skills Programmes for Economic Development: | Project plan to be submitted | | |
| | 3.1 Youth not yet in employment, education or training (NEET) | Innovative occupationally based programmes, in conjunction with FET Colleges are encouraged. See explanation in glossary below. | 210 per credit per learner <u>“Top-up” Grant for Persons with Disability @ R10,000.00 per learner</u> | MerSETA sector Employers |
| | 3.2 Training for Rural Economic Empowerment (TREE) | Innovative programmes, in conjunction with accredited training providers. FET Colleges are encouraged. See explanation in glossary below. | R210.00 per credit per learner | NGOs, CBO, Cooperatives and or merSETA sector Employers who have established complimentary funding partnerships |
| | 3.3 Permanent employees | Innovative occupationally based programmes, in conjunction with accredited training providers. FET Colleges are encouraged. See explanation in glossary below. | R210.00 per credit per learner | merSETA sector employers that have not submitted a WSP. |
| | 3.4 Post Trade Test enterprise development at an accredited institution . Progress of learners monitored by merSETA. | NQF L5 programmes at a CHE accredited institution for qualified artisans. | R25,000.00 per learner on a part-time block release programme per annum | merSETA sector Employers who have an interest in coaching individuals through trade related business start-ups. |
| | 3.5 Maths and Science Foundational Programmes | Special projects aimed at Grade 11 and 12 Learners within feeder schools to improve matric pass rates in Maths and Science. | R2,000.00 per learner per annum. | merSETA Employers in partnership with academic institutions |
| 4 | Government Certificate of Competence (GCC) | The OSH Act is an integral part of the manufacturing & engineering industrial sector – and it is this Act that defines the regulations pertaining to engineers holding the Government Certificate of Competence. <u>See more detailed notes in the glossary section below.</u> | R12,000.00 for the training cost and R4,000.00 for examination fees. | merSETA levy paying Employers |
| 5 | Adult Education and Training (AET): | | | |
| | 5.1 Occupational AET | Occupationally directed AET Programmes for employed learners only, based on learning in context theories and ending in assessment by an external | R2,000.00 per learner, per learning area | merSETA levy paying employers |

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| | | assessment body. Sector specific learning materials are available from the merSETA. | | |
| | 5.2 Foundational Learning Competence (FLC) | This certificate is designed to ensure that learners have sufficient foundational learning (the appropriate level of communication and mathematical literacy) to cope with occupational learning demands and to benefit more from the learning process. (See glossary below). | This is an Expression of Interest (EOI) in order to assess the pool of interested companies, for possible development of a pilot project in the sector. | merSETA levy paying employers |
| | 5.3 Bursaries | Bursaries for employees linked to scarce and critical skills and subject to merSETA bursaries policy this would include candidates that have completed NQF L4 or a trade test are eligible for an a grant to further their education in an HET institution on a part-time basis. | Calculated to a maximum value of R35,000.00 per candidate per year. | 1. Employees and candidates proposed with a letter of recommendation by merSETA levy paying Employers; 2. Individuals wishing to study engineering at a HET institution meeting the Merseta bursary requirements; |
| 6 | People with Disabilities | Special project-based and targeted approaches to interventions for persons with disability. <u>Project plan to be submitted.</u> | R55,000.00 per learner – based on a full qualification. | 1. merSETA levy paying Employers; 2. Accredited NGOs who specialise in training for people with disabilities and who have established links with merSETA sector employers for workplace integration |
| 7 | Special Research Grant | Provision is made for 5 sub-sector research projects that will feed into the Sector Skills Plan (SSP). The nominated organisation or lead company will head up the research and prepare Terms of Reference together with the chamber committee and Research and Development Committee. | R500,000.00 per sub-sector per annum | Submissions will be accepted by each Chambers Committee based on SSP priorities |
| 8 | NGO/CBO/ Co-ops-support | Grants available to support NGO's/CBO'S with learning areas identified against the Provincial Growth and Development Strategy, IPAP 2 and aligned to the merSETA Sector Skills Plan. | As per the merSETA learning areas stipulated. – i.e., MerSETA funding should be for the training portion and funding partnerships with Government, Premiers' Offices and NSF should be secured for the other funding requirements | Registered NGOs, CBOs and Cooperatives with proposals linked to merSETA learning areas, Community Career Guidance Centres, Woman Empowerment Programs and worker initiated programs |
| 9 | Factory tours in support of career guidance | Funding available to support young learners from grade 8 to 12 on factory tours with Merseta levy-paying companies operated by the merSETA | This is an Expression of Interest (EOI) in order to assess the pool of interested companies. Expressions of interest will be referred to Chambers to ensure linkages to career guidance for each of the five sectors, | merSETA sector Employers |

Terminology

'Urban' and 'Rural'

There is no agreed definition of the terms "urban" and "rural" in South Africa. The term is used loosely for different purposes and this causes confusion. For the purposes of this grant, the terms mean:

- Rural – Sparsely populated area outside of the limits of a city or town or a designated commercial, industrial, or residential centre. Rural areas may be characterised by farms, vegetation, and open spaces. In South Africa, rural areas are often characterised by lack of access to economic opportunity, and the existence of high levels of unemployment. Due to high levels of poverty, rural areas may be also be densely populated.
- Urban – Built-up and populated area that generally includes a municipality and, generally, has a population of 5000 or more. In South Africa, urban areas are often characterised by the presence of access to economic opportunity and the existence of lower levels of unemployment.

Scarce Skills Occupations

Scarce skills refer to those occupations in which there is a scarcity of qualified and experienced people currently needed or anticipated in the future, either (a) because such skilled people are not available or (b) they are available but do not meet employment criteria.

Where an optional scarce skills code (from the Organising Framework for Occupations (OFO)) is requested on the application form, please provide a 6-digit OFO code. A list of scarce skills experienced in the merSETA sector is available on the merSETA website.

Where an employer believes that new scarce skills have emerged, they may submit their skills shortage area with a written justification to the Seta. As the scarce skills list is published with the grant application 12-18 months in advance, discretion is allowed in terms of the application of criteria. Go to <http://www.nopf.co.za/> for more information.

NEET

NEET is a government acronym that stands for people currently "Not in Education, Employment, or Training". The classification comprises people aged between 16 and 34. It is estimated that in South Africa there are 2, 8-million youth who are "not in employment, education or training" (NEET). The merSETA wishes to encourage the development and implementation of a range of innovative, occupationally-based programmes by promoting the growth of a public FET college system that is responsive to the industrial activities of its geographic area.

TREE

Training for Rural Economic Empowerment (TREE) is an umbrella term that seeks to address national development in the context of the rural development agenda. It refers to targeted programmes suited to the socio-economic profile of communities, and includes identification of economic opportunities, and training needs assessments. These interventions are based on principles of participatory and sustainable local development in the manufacturing sector. Partnerships at all levels characterise the delivery, funding and governance mechanisms of TREE orientated learning interventions, which should ideally have a strong focus on manufacturing & related engineering entrepreneurship.

Government Certificate of Competence (GCC)

The OSH Act is an integral part of the manufacturing & engineering industrial sector and defines the regulations pertaining to engineers holding the Government Certificate of Competence. The certification is related to both mechanical and electrical competence and is an important stepping stone towards gaining the experience and qualifications for registration as a Practising Engineer through ECSA. The purpose of the grant is to incentivise partnerships through the infrastructure and engineering expertise of merSET- levy paying employers to assist in developing a new cohort of GCC Engineers. Aimed at aspirant National Technical Certificate, Part 6 candidates, or University of Technology S4 candidates, or other more senior artisans, it is designed to stimulate the articulation of vocational students into higher education by providing an occupational identity and commitment for long-term career growth. This grant could address both NEET and TREE objectives.



People with Disabilities

The Employment Equity Act of 1998 suggests that we cannot choose or exclude a candidate based on disability and, therefore, provides guidelines for best practice that enables fair and non-discriminatory selection. There is often a misconception that construction, manufacturing and production environments are not suitable to people with a disability. The types of **disabilities** covered include sight, hearing, and communication, physical, intellectual and emotional. A medical certificate should be provided as evidence. A comprehensive research report on learning approaches and interventions for this group of people is available on the website or upon request.

Recognition of Prior Learning (RPL)

The South African Qualifications Authority (SAQA) views Recognition of Prior Learning (RPL) as an initiative that is meant to support the transformation of the education and training system of our country. This is a mechanism that will assist in the removal of both the visible and invisible barriers to learning and assessment. The notion of life-long learning will be enhanced through the RPL assessment processes, thus ensuring that all learning, irrespective of how, when and where such learning has been obtained is recognised and such learning achievement are acknowledged. The assessment of such learning will be against nationally registered standards and/or qualifications and within the framework of the Manpower Training Act, Section 28 trade test.

It is the merSETA's policy to recognise existing skills and knowledge and competence irrespective of how such learning was obtained. Such learner achievements shall be recognised through an assessment process against NQF-registered unit standards and/or qualifications and within the framework of the Manpower Training Act, Section 28 trade test. The assessment process will verify the achievement of the learning outcomes inclusive of the embedded knowledge required by the standard, qualification or trade assessment. A copy of the merSETA RPL Policy is available on the website, and additional guidelines are available upon request.

Gap-fill Training

Gap fill training relates to a RPL intervention, as it is considered good practice to assist RPL candidates in achieving competence towards a full qualification, through skills programmes. The extent of the gap must be determined in that it should never exceed a specific percentage of the qualification content. It is proposed that the gap training for:

- NQF qualifications be pitched at a third of the full qualification;
- For trades, the extent of the trade preparation should not exceed six (6) weeks.

Payment will be made in one payment on passing for Section 28 and upon ETQA moderating the portfolio of evidence for learnerships. Payment is capped at R400 per day up to a maximum of six (6) weeks for Section 28 and 30 percent of the learnership allowance in any particular year and level.

Retrenchment Assistance Plan (RAP)

To retrain workers who are retrenched or are in the process of being retrenched as a result of the industry downturn or workplace closure. The training will help retrenched workers upgrade their skills or develop new skills so that they can re-enter the labour market as quickly as possible or embrace entrepreneurship. Re-employment or self-employment of the retrenched worker remains the ultimate objective of the project. RAP Guidelines are available on the merSETA website (subject to change by the Finance and Grants Committee).

Adult Education and Training (AET)

This is an umbrella term that relates to a range of support programmes designed to promote entry into formal occupational learning programmes.

Occupational AET

In response to growing awareness of the unsuitability of traditional ABET for the needs of the workplace, the merSETA has successfully piloted and implemented a new approach, called Occupational AET, pitched at NQF L4, in which the curriculum and materials have been contextualised to typical terminology and processes in each of the five merSETA sub-sectors. Curriculum documents and materials are available from the merSETA.

Foundational Learning Competence (FLC)

Foundational learning is an integral part of the Occupational Qualifications Framework (OQF) required for a National Occupational Award NQF Levels 2-4. The Foundational Learning Certificate is not NQF aligned, although a statement of results provides the basis for full award of the Occupational Qualification.