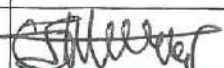
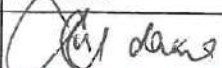




merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

GRANT CRITERIA AND GUIDELINE 2020/21

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 1 of 27	*Next Revision Date	29 February 2022
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Reviewed: Senior Manager: Programme Implementation		Approved: Chief Executive Officer	

10 March 2020

*The document shall be revised at least 3 months before next revision date or as per merSETA organisational and operational changes

Table of Contents

1. Acronyms	3
2. Definition	5
3. Purpose	12
4. Principles of the Guideline	12
4.1 Scope Aligned to the merSETA Grants Policy	12
4.2 The Key Strategic Areas for Discretionary Grants Funding	12
4.3 Discretionary Grants Allocation	13
4.4 Priority interventions	14
4.5 Categories of Companies and Estimated Allocation	17
4.6 Entities Eligible for Discretionary Grant	21
4.7 Past Performance and Discretionary Grants Allocation	21
4.8 Contracting and Commitment	22
4.9 Contracting Management	22
4.10 Evidence Required to Claim Payments	23
4.11 Guide for the Submission of Mandatory Grants	23
4.12 Criteria for the Approval of Mandatory Grants	25
4.13 Administrative Requirements	26
4.14 Mandatory Grants Application Platform	26
4.15 Communication Channels with Grants Applications and Recipients	26
5. Guideline Review	27

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 2 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

1. Acronyms

*Acronyms are non-exhaustive and will be supplemented from time to time.

AA	- Accounting Authority
ABET	- Adult Basic Education and Training
AET	- Adult Education and Training
AMIC	- Automobile Manufacturing Industry Certificate
APP	- Annual Performance Plan
ARPL	- Artisan Recognition of Prior Learning
ATR	- Annual Training Report
CBOs	- Community-based Organisations
CEO	- Chief Executive Officer
CETCs	- Community Education and Training Colleges
CHE	- Council on Higher Education
COO	- Chief Operations Officer
DHEST	- Department of Higher Education, Science and Technology
GETCA	- General Education and Training Certificate for Adults
GBV	- Gender-Based Violence
HEI	- Higher Education Institution
ISO	- International Organisation for Standardisation
MANCO	- Management Committee
merSETA	- Manufacturing Engineering and Related Services Sector Education and Training Authority
NASCA	- National Senior Certificate for Adults
MoA	- Memorandum of Agreement
NCV	- National Certificate Vocational
NGO	- Non-governmental Organisation
NPO	- Non-Profit Organisations

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 3 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

NPP	- Non-Pivotal Plan
NQF	- National Qualifications Framework
NSDMS	- National Skills Development Management System
NSDP	- National Skills Development Plan 2030
NSDS	- National Skills Development Strategy
PIVOTAL	- Professional, Vocational, Technical and Academic Learning
PPP	- Public Private Partnership
PP	- PIVOTAL Plan
PR	- PIVOTAL Report
PwDs	- People with Disabilities
QCTO	- Quality Council for Trades and Occupations
RPL	- Recognition of Prior Learning
SAQA	- South African Qualifications Authority
SARS	- South African Revenue Service
SDA	- Skills Development Act, 1998 (Act No. 97 of 1998, as amended)
SDF	- Skills Development Facilitator
SDLA	- Skills Development Levies Act, 1999 (Act No. 9 of 1999, as amended)
SETA	- Sector Education and Training Authority
SME	- Small and Micro Enterprise
SMS	- Seta Management System
SP	- Strategic Plan
SSP	- Sector Skills Plan
TVET	- Technical and Vocational Education and Training
WIL	- Work Integrated Learning
WSP	- Workplace Skills Plan

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 4 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

2. Definition

* The below definitions are not exhaustive and may from time to time be reviewed.

Acts for the purpose of the policy, specifically means the Skills Development Act (Act No. 97 of 1998, as amended), the Skills Development Levies Act, (Act No. 9 of 1999, as amended), Public Finance Management Act (Act No. 1 of 1999, as amended) and related Acts and Regulations.

Adult in education and training, means a person who is sixteen years (16) or older and entered into post-school programmes for the purpose of lifelong learning.

Adult Education and Training means education, training and skills development for adults, including formal, non-formal and informal learning to improve knowledge and skills for personal development, further learning and/or employment.

Apprenticeship means a workplace-based learning programme culminating in an occupational qualification for a listed trade.

Artisan means a person certified as competent in a listed trade in accordance with the relevant legislation, informed by the Skills Development Act (Act No. 97 of 1998, as amended).

Artisan Recognition of Prior Learning means the principles and processes through which prior knowledge and skills of a person are made visible, mediated and assessed for the purpose of alternative access and admission for trade test certification.

Annual Training Report means a report on the implementation of an organisation's Workplace Skills Plan wherein it reports on the education and training interventions that were delivered in the previous year.

Blue Economy in respect of the mer-industry means manufacturing of tools and processes that will contribute to sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of the oceans' ecosystem.

Bursaries means study grants for students to enrol at further and higher education and training institutions on programmes relevant to the priority skills required in the manufacturing and engineering sector. The bursaries are not automatically renewed on a year-on-year basis. These bursaries are for employed and unemployed candidates. Bursaries will not be granted for short courses and are not automatically awarded on merit.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 5 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

Circular Economy means an economic model that minimises resource inputs and waste generation in the mer-industry.

Co-operatives means forms of ownership registered in terms of the Co-operatives Act (Act No. 14 of 2005, as amended) and, for the purpose of this Policy, involved in skills development activities that are within or for the merSETA sector.

Critical Skills means skills and knowledge within an occupation that are required for the work/job tasks and activities of an occupation.

Discretionary Grants means funding allocated to incentivise or support education, training and skills development and related activities that will address strategic priorities of the merSETA, as well as those of employers, workers, communities and government.

Employers means companies that are registered in terms of the Companies Act (Act No. 71 of 2008). Employers include levy paying and non-levy paying companies according to the Skills Development Levies Act (Act No. 9 of 1999, as amended).

Employer Associations means associations representing employers operating in the merSETA sector.

Employee Skills Development Facilitator means a representative from a company where there is no recognition agreement, representing the workplace and appointed by the employees to serve on the training committee and signs-off on the mandatory and Discretionary Grant submission. This is only applicable to companies employing fifty (50) or more employees.

Government Departments means national, provincial and local government departments involved in skills development activities within or for the merSETA sector.

Green Economy means manufacturing in a manner that reduces the amount of natural resources needed to produce finished goods through more energy and materials-efficient manufacturing processes.

Industry 4.0 means the digitalisation of mer-industries which involves the use of digital tools and the impact on business processes, the organization of work and the occupational profile of our mer-sector labour market.

International Government Partners means co-funding initiatives with other international government entities, which include, but are not limited to international

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 6 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

development agencies, international learning and research institutions, legally constituted in their country of origin.

Labour Skills Development Facilitator means a representative from organised labour, where a recognition agreement has been signed between business and labour, representing the workplace and appointed by a recognised trade union, to serve on the training committee and signs-off on the Mandatory and Discretionary Grant submission. This is applicable to companies where recognition agreements exist, regardless of the number of employees.

Labour Organisations means recognised labour unions representing workers in the merSETA's sub-sectors.

Learnership means a workplace-based learning programme culminating in an occupational qualification.

Learning Programme means a structured and purposeful set of learning experiences that lead to a qualification or part-qualification, knowledge, skills and competencies. This may include learnerships, apprenticeships, skills programmes and any other prescribed programme that include a structured work experience component.

Trade-Related Learnerships towards fully qualified artisan status means the completion of NQF Levels Two (2) to Four (4) trade-related learnerships and subsequently obtaining a trade test certificate through the artisan recognition of prior learning (ARPL) process.

Management Committee (MANCO) means the merSETA committee chaired by the CEO, comprising of senior members appointed in terms of Treasury Regulation 24.1 and responsible for decision-making in relation to the approved Delegation of Authority Framework of the merSETA.

Mandatory Grants means funds designated as contemplated in Regulation 4 of the Grant Regulations, to fund the education and training programmes as contained in the Workplace Skills Plan and Annual Training Reports of levy paying companies.

Memorandum of Agreement (MoA), means a legal agreement concluded between two (2) or more parties for the execution of agreed learning programmes and project objectives, setting out the terms and conditions of the agreement. Counterparties in this type of agreement may be those contemplated in Sections 6(7) and (10) (a) to (d) of the Grants Regulations.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 7 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

NGOs, CBOs, NPOs, NPCs means civil society organisations focused on public benefit and community development, registered with the Department of Social Development and involved in activities that are within and for the merSETA sectors.

Non-Credit Bearing Short Course means a short learning programme where credits are not awarded. Non-Credit Bearing Short Courses could be funded through Mandatory Grants and grants for non-PIVOTAL programmes.

Non-PIVOTAL Programmes means credit and non-credit bearing interventions. Non-credit bearing interventions, not leading to qualifications, must still address the key objectives and priorities of the merSETA. Non-PIVOTAL programmes could also include research projects, innovation projects and other non-qualification related programmes, core to the merSETA's strategy.

Other Legal Entities means legal persons or organisations, duly registered, inclusive of co-operatives, civil society organisations, non-profit organisations, international organisations, as well as public entities, public education and training institutions and recognised trade unions, eligible to receive Discretionary Grant funding in terms of Section 6(7) and Section 6(10) of the Grant Regulations (Government Gazette No. 35940).

Partnerships means contractual arrangements between one (1) or more parties where the parties agree to a common education, training and/or skills development purpose, aligned to national and sector specific strategic imperatives.

Part Qualification means an assessed unit of learning that is registered on the NQF as a part qualification.

PIVOTAL Programmes means professional, internship, vocational, technical and academic learning programmes that result in qualifications or part qualifications registered on the NQF. PIVOTAL programmes may include internships or professional programmes that culminate in SAQA recognised designations.

Post School Education means universities, universities of technologies, TVET and community colleges involved, in skill development activities within and for the merSETA sector. The skills development activities may include research or providing direct skills development support in rural and other prioritised socio-economic contexts.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 8 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

Private Education and Training Providers means non-public providers or private education and training institutions registered as private higher education institutions, compliant in terms of legislative requirements and registrations for the purpose of participation in skills development activities pertaining to relevant policies of the DHEST, CHE and UMALUSI.

Public Education and Training Institutions for the purpose of the policy, means:

Public Higher Education Institutions;

Technical High Schools;

Public TVET Colleges; and

Community Education and Training Colleges.

Programmes means strategic imperatives consisting of one or more projects or partnerships related to strategic imperatives in the merSETA's Strategic Plan (SP) and Annual Performance Plan (APP).

Projects means non-routine, temporary undertakings with defined strategically aligned scope of work, a clear start and end point and time-bound deliverables to achieve a unique goal within a defined deliverable schedule, inclusive of activities and reporting, and monitoring and evaluation requirements.

Public/Private Partnerships means a transaction between an institution of the state and private sector party.

Recognition of Prior Learning means the principles and processes through which the prior knowledge and skills of a person are made visible, mediated and assessed for the purposes of alternative access and admission, recognition and certification, or further learning and development (SAQA 2013: National Policy for the Implementation of RPL and Government Gazette 42319 of 19 March 2019)).

Research Institutes means for the purpose of the policy, institutes involved in research initiatives related to the merSETA sector.

Scarce Skills means occupations identified through sector-related research and labour market analysis, as in demand, but for which there is inadequate supply of appropriately qualified people.

Sign off means a signed agreement between an employer and a recognised trade union(s) about the identified skills development interventions referred to in the grant applications. A sign-off could be an electronic sign-off. This applies to enterprises or

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 9 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

companies where a recognition agreement exists with trade unions or alternatively, employee representatives in companies who employ 50 or more people and do not have a recognition agreement with trade unions.

Skills Development Providers means providers of occupationally directed learning programmes.

Skills Programmes means an accredited learning programme that is occupationally based and which, when completed, may constitute credits towards a qualification registered on the NQF, as informed by the Skills Development Act (Act No. 97 of 1998, as amended).

Skill Sets means a clustered range of skills required by a qualified person or a person already doing a task or job for the purpose of trans-skilling, re-skilling or up-skilling in relation to industry needs and is linked to more than one National Qualification Framework (NQF) qualification according to the National Qualification Framework Act (Act No. 67 of 2008).

Strategic Projects means ongoing initiatives and interventions that are intended to address strategic priorities of the merSETA, which include national or industry imperatives, as encapsulated in the merSETA's SP and APP.

Student Internship - Category A (Formerly Experiential Learning, P1 and P2) means a period of workplace-based learning undertaken as part of the requirement for the Diploma, National Diploma, Higher Certificate or Advanced Certificate, as stipulated in the Higher Education Qualifications sub-framework.

Student Internship - Category B means a period of workplace-based learning undertaken as part of the requirement for a professional designation.

Student Internship - Category C means a period of workplace-based learning undertaken as part of the requirement for the Occupational Qualifications of the Quality Council for Trades and Occupations (QCTO).

Training Committee means an established committee for the purpose of active participation in skills development interventions in companies who have a recognition agreement with trade unions or employ 50 (fifty) or more employees who do not have a recognition agreement with trade unions according to Skills Development Act (Act No. 97 of 1998, as amended).

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 10 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

Verification for the purpose of this policy means the process of ensuring that all eligible organisations applying for mandatory and / or Discretionary Grants, meet the requirements for the allocation of grants.

Workplace Skills Plan means a strategic document that articulates how an employer intends to address the training and development needs in the workplace during a forthcoming year.



Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 11 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

3. Purpose

3.1 The purpose of this guideline is to

3.1.1 Provide a guideline and criteria for applications for mandatory and discretionary grant funding;

3.1.2 Provide a guideline and criteria for discretionary grant allocations for the PIVOTAL and non-PIVOTAL interventions;

3.1.3 Provide descriptions of potential PIVOTAL and non-PIVOTAL interventions; and

3.1.4 Set out evidence required for claiming payments upon progress and completion milestones;

4. Principles of the Guideline

4.1 Scope Aligned to the merSETA Grants Policy

4.1.1 This criteria and guideline document applies to all divisions of the merSETA and all role players, public and private, in the merSETA's skills eco-system, participating in the merSETA sector and have an interest in education, training and skills development activities.

4.2 The Key Strategic Areas for Discretionary Grants Funding

4.2.1 The merSETA's discretionary grant funding is aligned to the National Skills Development Plan. The merSETA discretionary grant funding will be used to achieve the strategic areas stipulated below. The merSETA is encouraging grant recipients to align application to these areas.

4.2.1.1 **The social economy and community development** to support the creation of economic opportunities and sustainable livelihood for the youth, women, people living with disabilities, township and rural communities in a bid to create sustainable livelihoods.

4.2.1.2 **A demand led skills development system** driven by the economy, socio-economic context as well as other national priorities.

4.2.1.3 **A demand led skills development system** driven by the economy, socio-economic context as well as other national priorities.

4.2.1.4 **Advancing local manufacturing** driven by technology, innovation, sustainability (green, blue and circular economy), globalisation and changing global manufacturing

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 12 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

value chains.

- 4.2.1.5 **The future of jobs, future skills and demand for labour** to address changes in business models, globalisation, technology, consumer markets and tastes, local and international regulations.
- 4.2.1.6 **Changing trends in education, training and curriculum** driven by innovation, new knowledge, process and product changes in the workplace, regulation, global trends and demand for certain skills require changes in policy and regulation.
- 4.2.1.7 **Supporting structural transformation** to promote **inclusive growth, employment** and growth of the local manufacturing.
- 4.2.2 The merSETA will open dedicated funding window(s) for discretionary grants applications, to be submitted by eligible entities or institutions intending to implement programmes and projects aligned to the mer-sector.
- 4.2.3 Discretionary grants applications for projects and programmes will be subjected to an evaluation, verification and to an approval process, inclusive of a final merSETA Management Committee approval.
- 4.2.4 With respect to implementing learning programmes, both credit bearing and non-credit bearing, entities intending to apply for multi-year intakes, the merSETA could allow for the submission of PIVOTAL and Non-PIVOTAL Plans for Discretionary Grant-funded interventions, showing three-year intake targets, which could be financially committed on an annual basis, in line with the three-year target setting.
- 4.2.5 Financial commitments for the three-year intakes will be committed annually, depending on the performance against approved allocations.
- 4.2.6 Unless stated in the discretionary grants application advertisement, all discretionary grants applications will be received through the NSDMS system. No application will be accepted through any other means other than the modality stipulated in the advertisement notice.

4.3 Discretionary Grants Allocation

- 4.3.1 Discretionary grants are allocated at the sole discretion of the merSETA, based on the Delegation of Authority Framework, to achieve the merSETA's objectives in relation to the development of the SETA's sectors.
- 4.3.2 Only applications received within the application funding window and submitted

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 13 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

through the stipulated submission platform will be evaluated and allocated provided they meet the required criteria and capacity to implement such an intervention.

- 4.3.3 Learning interventions, funded through the Mandatory Grant funding process, shall not be funded from Discretionary Grant funding.
- 4.3.4 Discretionary grants allocations will be allocated in line with the Grants Policy-Ref: CGD-PL-001 and availability of funds.
- 4.3.5 Discretionary grants allocations for levy-paying companies will be aligned to a determined percentage of the levy contribution of the applying entity. (See more details in company categories section).
- 4.3.6 Additional funding could be considered, over and above the funding referenced in the clause above, provided the applicant demonstrates a need for such allocation, capacity to deliver the learning intervention and potential for the placement of learners upon completion of the learning programme.
- 4.3.7 Applicants are encouraged to align application to the priority indicators as outlined in the merSETA Annual Performance Plan obtainable at merSETA website.

4.4 Priority interventions

- 4.4.1 The merSETA's grants funding targets pertaining to PIVOTAL, NON-PIVOTAL interventions aligned to the merSETA strategic priorities, as identified in the SSP, SP, APP and NSDP 2030 outcomes.
- 4.4.2 PIVOTAL interventions include: learnerships, apprenticeships, bursaries, skills programmes, skills set, Individual modules (Occupational certificates), part qualification (QCTO modularized qualification), graduate internships (TVET colleges, universities of technology and universities) and student internships (Categories A, B and C).
- 4.4.3 Entities eligible to apply for discretionary grants funding to undertake PIVOTAL interventions include but not limited to: Employer companies, NGOs, NPOs, CBOs, Public education and training institutions, Government partnership, public entities.
- 4.4.4 The merSETA may initiate international partnerships for the benefit of the local industry.
- 4.4.5 Application for funding of PIVOTAL interventions are submitted following an official notice from merSETA published in public platforms (Newspapers) including the

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 14 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

merSETA website. The application notice determine the application submission method as well as submission deadline. Any application that does not comply with the application notice will automatically be disqualified.

PIVOTAL PROGRAMMES/ INTERVENTIONS	ESTIMATED VALUE
<p>NQF Level 2 to 4 learnerships ending in a trade test: trade-related learnerships where the learner will move to the next level of the learnerships when competent. When the learner is declared competent on Level 4, the learner will undertake the relevant trade test.</p>	<p>R165 000.00 payable in tranches for the duration of the training programme per learner until successful completion of the trade test. Should a learner not undertake a trade test the value of R2 187.17 will be deducted from the final tranche payment.</p> <p><u>Bonus grants for people with disabilities</u> R16 500.00 per learner (proof to be submitted on registration)</p>
<p>QCTO modularised qualification certificates</p> <p>Learnership Level 1</p> <p>Learnership Level 2</p> <p>Learnership Level 3</p> <p>Learnership Level 4 or higher</p>	<p>R36 336.20 payable in tranches for the duration of the training programme per learner until successful completion. This grant includes the R17 599.00 per annum learner allowance.</p> <p>R45 470.25 payable in tranches for the duration of the training programme per learner until successful completion. This grant includes the R26 402. 00 per annum learner allowance.</p> <p>R54 270.94 payable in tranches for the duration of the training programme per learner until successful completion. This grant includes the R35 202. 77 per annum learner allowance.</p> <p>R165 000.00 payable in tranches for the duration of the training programme per learner. This grant value is applicable if credits are over 540. If less than 540 credits the grant value is R63 071.64. This grant includes the R44 003.47 learner allowance per annum.</p>
<p>Apprenticeships</p>	<p>R 165 000.00 payable in tranches for the duration of the training programme per learner until successful completion of the trade test.</p> <p><u>Bonus grants for people with disabilities</u> R16 500.00 per learner (proof to be submitted on registration)</p>

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 15 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

Learnerships (Historical registered qualifications unit standard-based)	<p>R19 068.17 per learner per level. Plus additional learner allowances</p> <p>NQF L1 = R36 667.20 which includes the R17 599.00 per annum learner allowance.</p> <p>NQF L2 = R45 470.25, which includes the R26 402.00 per annum learner allowance.</p> <p>NQF L3 = R54 270.94, which includes the R35 202.77 per annum learner allowance.</p> <p>NQF L4 or higher = R63 071.64 which includes the R44 003.47 learner allowance per annum.</p> <p><u>Bonus grants for people with disabilities</u> R5 500.00 per learner (proof to be submitted on registration)</p>
Public TVET College Graduate Placements	<p>A learner placed for six months for workplace exposure: R23 100.00</p>
Graduate Development (Internships) University of Technology and University Graduates	<p>Basic grant to company: R77 000.00 per annum per learner</p>
Adult Basic Education and Training (ABET) at ABET Level 4, as well as the National Senior Certificate for Adults at NQF Level 4	<p>Basic grant to company (Minimum of two subjects): R ,640.00 per subject</p>
Bursaries at Higher Education and Training Institutions for permanently appointed employees at merSETA member companies for programmes that are 6 months or more.	<p>Basic grant: R20 900.00</p>
Bursaries for TVET Colleges for permanently appointed employees at merSETA member companies.	<p>Maximum grant of R20 900.00 per learner. Actual payment will depend on the specific invoice amount of the TVET college.</p>
Artisan Recognition of Prior Learning (ARPL) and Recognition of Prior Learning (RPL)	<p>R40 336.52 (total grant including pre-assessment, gap training and trade testing, where applicable)</p>
Skills Programmes	<p>R308.00 per credit per skills programme (One learner can do multiple skills programmes up to 80 credits. The grant value will be capped at the maximum of 80 credits).</p> <p>Where learners have undertaken skills programmes which consists of less than 80 credits, the credits remaining, based on the maximum of 80 credits can be allocated to awarded skills programme learners, within</p>

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 16 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

	<p>the signed MoA. The grant is made up of R159.50 per credit for training and R148.50 per credit for a learner allowance.</p> <p><u>Bonus grants for people with disabilities</u> the disability bonus is R3 666.40 per learner (proof to be submitted on registration)</p>
Skills Sets	<p>R308.00 per credit (only one programme per learner will be awarded. The grant value will be capped at the maximum of 80 credits for skills sets).</p> <p>Where learners have undertaken Skills Set which consists of less than 80 credits, the credits remaining, based on the maximum of 80 credits can be allocated to awarded Skills Set learners within the signed MoA, where the Skills Sets consist of more than 80 credits.</p> <p>The grant is made up of R159.50 per credit for training and R148.50 per credit for a learner allowance.</p> <p><u>Bonus grants for people with disabilities</u> the disability grant value is R3 666.40 (proof to be submitted on registration)</p>
Student Internship - Category A (formerly Experiential Learning, P1 and P2)	Basic grants to companies of R35 200.00 per learner, per semester (a semester is a six - month period). Where a learner has been placed to complete P1 and P2 such learner will be allocated a grant of R70 400.00.
Internship for N Diploma	Basic grants to companies of R77 000.00 per learner for the practical exposure for a minimum of 12 and maximum of 18 month period.
Credit Bearing Short Courses	R159.50 per credit (only one programme per learner will be awarded, up to a maximum of 120 credits).
Project management fee may be allocated at the discretion of merSETA and will be calculated at 7.5% of the total award.	

4.5 Categories of Companies and Estimated Allocation

4.5.1 This section only applies to the allocation of discretionary grant funding to employer companies. The merSETA has 3 employer categories: Platinum, Gold and silver companies.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 17 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

COMPANY CATEGORY	CRITERIA
<p>Platinum</p> <p>Top Training Clients</p>	<p>For an employer to be categorized in the Platinum Category, employers would have met the following criteria:</p> <p>Must be merSETA levy-paying companies and up-to-date with levies;</p> <p>Have received mandatory grants payments for last three years (if applicable);</p> <p>Have an average pass rate of 80% in implementation of learning interventions, including apprenticeships according to the company's training track record.</p> <p>It is important to note that an active training committee has to be in place if the employer has 50 or more employees and where there is a recognized trade union or unions, they must form part of the training committee.</p> <p>2% of learners applied for and enrolled are persons with disabilities</p> <p>Have a progress or placement average of 70%.</p> <p>Develop lecturers, public TVET Colleges initiatives, by indicating the availability of such workplaces to train such lecturers.</p> <p>Placements will be measured for a three- year period.</p> <p>Allocation is determined by the merSETA depending on the availability of funds and the entity's levy contribution.</p> <p>The allocation will also consider core funding of 50/50 contribution between the merSETA and the applying entity.</p> <p>Where levies contributed by the entity are less than R165 000 which is the amount required to train 1 apprentice the merSETA will consider an allocation of R165 000.00</p>
<p>Gold</p>	<p>Have a training record.</p> <p>Must be a merSETA levy-paying company</p> <p>Levies up-to-date</p> <p>Mandatory grant submission and approval</p> <p>Average 60% Pass rate</p> <p>Minimum 2 year training track record</p> <p>Progress/ Placement average of 60%</p>

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 18 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

	<p>Allocation is determined by the merSETA depending on the availability of funds and the entity levy contribution.</p> <p>The allocation will also consider core funding of 50/50 contribution between the merSETA and the applying entity.</p> <p>Where levies contributed by the entity are less than R165 000.00 which is the amount required to train 1 apprentice the merSETA will consider an allocation of R165 000.00</p>
Silver	<p>Limited exposure to skills development</p> <p>Have never worked with the merSETA before, To including non- levy paying companies.</p> <p>Allocation is determined by the merSETA depending on the availability of funds and the entity levy contribution.</p> <p>The allocation will also consider core funding of 50/50 contribution between merSETA and the applying entity.</p> <p>Where levies contributed by the entity are less than R165 000.00 which is the amount required to train 1 apprentice the merSETA will consider an allocation of R165 000.00</p>

- 4.5.2 Non-PIVOTAL Programmes means credit and non-credit bearing interventions. Non-credit bearing interventions, not leading to qualifications, must still address the key objectives and priorities of the merSETA. Non-PIVOTAL programmes could also include research projects, innovation projects and other non-qualification related programmes, core to the merSETA strategy.
- 4.5.3 Entities eligible to apply for discretionary grant funding to undertake PIVOTAL interventions include but not limited to: Employer companies, NGOs, NPOs, CBOs, Public education and training institutions, Government partnership, public entities.
- 4.5.4 The merSETA may also initiate international partnerships for the benefit of the local industries.
- 4.5.5 Application for funding of NON-PIVOTAL interventions are submitted following an official notice from the merSETA published in public platforms (Newspapers) including the merSETA website. The application notice determine the application submission method as well as submission deadline. Any application that does not comply with the application notice will automatically be disqualified.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 19 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

NON-PIVOTAL INTERVENTIONS	DESCRIPTION OF NON-PIVOTAL INTERVENTIONS
Lecturer Development	Learning interventions intended at promoting the growth of public TVET colleges by exposing TVET college lecturers to workplace experience.
Adult Education and Training (AET), previously known as Adult Basic Education and Training (ABET), at ABET Levels 1 to 3	Learning interventions addressing the low level of youth and adult language, numeracy and other employability skills. The learning programmes may include an ABET or AET or Foundational Learning Certificate (FLC) or short courses.
Small and Micro Enterprise Development	Learning interventions to support and encourage the development of small and micro enterprises. The support may include funding/ training/workshops/ short skills/ mentorship/ incubation/ online training
NON-PIVOTAL INTERVENTIONS	DESCRIPTION OF NON-PIVOTAL INTERVENTIONS
Co-operatives, CBOs, NGOs	Learning interventions to support and encourage co-operatives, and CBO/NGOs. The support may include funding/ training/workshops/ short skills/ mentorship/ incubation/ online training.
Green Skills Development	Developing sustainable green skills for green-specific occupations, based on QCTO qualifications, or for supporting sustainable "green" values and skills through skills programmes, skill sets or QCTO-related part qualifications. Registered qualifications, skills programme and skills sets are supported through PIVOTAL programmes.
Worker Education and Training	Trade Unions in the merSETA Sector, for the benefit of educating and developing their members on skills development interventions, which form part of their duties as shop Stewarts and beneficial to the merSETA sectors.
Innovation and Research Programmes and Projects	Interventions may include curriculum research and programme / qualification development projects for transforming/emerging/new occupations in demand.
Non-Credit Bearing Programmes	None-credit training will be planned on the WSP and reported on ATR. Non-credit bearing trainings will be funded as Non- PIVOTAL programmes for the amount of R982.30 per day for training including stipend for maximum of 10 days.
Anti Gender Based Violence and Sexual Harrasment Programmes	Gender-based violence programme interventions will be funded through proposal submissions with a proposed budget. This grant is available for employers to implement GBV interventions in their workplace.
Career guidance projects/programmes	Career guidance interventions related to the mer-Sector.
Current and future skills	Interventions needed for development in technological advancement and digitalisation (4 th Industrial Revolution).
Support the imperatives contained within Job Summit Agreements	Interventions which include the temporary employee and employer relief scheme through delivery of flexible programmes that ensure that young people are suitably prepared and skilled to fill every entry level roles, particularly where companies need to scale their operations, these may

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 20 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

	include inter alia work readiness programme, short courses (accredited or no-accredited) that allow candidates to respond to changing economy.
Rural development programmes targeting women, youth and people with disability	Interventions which support the implementation of rural development programmes for women, youth and people with disability.
Revitalisation of rural township local economy	Support the revitalisation of rural and townships to uplift local economy through skills development.

4.6 Entities Eligible for Discretionary Grant

4.6.1 Public and private entities within the manufacturing, engineering and related services sector are eligible for discretionary grant funding. The eligible entities include but not limited to:

4.6.1.1 Public education and training institutions (Universities, Universities of Technology, and TVETs), and public Community Education and Training Centres;

4.6.1.2 Public sector entities that implements programmes within the merSETA sector that meet allocation criteria;

4.6.1.3 An employer (Companies) or enterprise within the jurisdiction of the merSETA, including an employer or enterprise not required to pay a skills development levy in terms of the Skills Development Levies Act;

4.6.1.4 Non-Profit Organisations (NPOs inclusive of NGOs), and co-operatives that implements programmes within the merSETA sector that meet allocation criteria; and

4.6.1.5 Trade unions in the merSETA sectors, for the benefit of educating and developing their members through skills development-related programmes.

4.7 Past Performance and Discretionary Grants Allocation

4.7.1 Past performance in PIVOTAL, non-PIVOTAL and Project awards will be considered in the evaluation and approval of new grant applications. The below performance criteria is applicable to entities that have previously received discretionary grants funding for learning programme interventions.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 21 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

Discretionary Grant Window	Satisfactory Progression Criteria
DG Year 16	<ul style="list-style-type: none"> • Agreements closed out with exception of approved extensions with signed addendums in place.
DG Year 17	<ul style="list-style-type: none"> • Third tranche payment of all learning interventions have been paid. • All short learning interventions (12 Months and less) have closed out.
DG Year 18	<ul style="list-style-type: none"> • Second tranche payment of all learning interventions have been paid. • All learning interventions to be closed out, except for learners on apprenticeships, NQF Level 2 to 4, bursaries and internships.

4.8 Contracting and Commitment

4.8.1 Contracting will be done in the form of a signed agreement by all parties which stipulates the awarded interventions and funding value. The agreement stipulates the expected deliverables and performance targets and delivery timelines.

4.9 Contracting Management

- 4.9.1 Contract management will be carried out in line with the signed agreement and the grant recipient takes full responsibility for the implementation of the allocation and deliverables.
- 4.9.2 Projects which do not have learning programmes will be managed by a designated merSETA team.
- 4.9.3 Some projects as determined by the merSETA will have Steering Committees which will meet at regular intervals to monitor the implementation projects. The Steering Committees will have Terms of Reference outlining the terms of engagement for both parties.
- 4.9.4 The merSETA reserves the rights to terminate the agreement if the grants recipient has not adhered to the terms of the agreement.
- 4.9.5 For projects/programmes with learning intervention, the merSETA regional offices will play a critical role in monitoring, facilitate workplace approvals, and providing support to the grant recipient.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 22 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

4.10 Evidence Required to Claim Payments

- 4.10.1 Upon signing and return of the Memorandum of Agreement, a tranche payment is made to the grant recipient.
- 4.10.2 In a project which has learners, the grant recipient is required to register learners at the merSETA learner registration platform. The second tranche payment will be made according to the registered number of learners.
- 4.10.3 The third tranche payment of a project which has learners will be paid when the project has achieved a 50% progress milestone.
- 4.10.4 The fourth tranche payment of a project which has learners will be paid when the project has achieved 100% completion.
- 4.10.5 In other forms of projects, the payment schedule will be agreed with the grant recipient and forms part of the contract. The contract will stipulate the required deliverables to make a payment claim.

4.11 Guide for the Submission of Mandatory Grants

- 4.11.1 An employer submitting the mandatory grant application must be a merSETA levy-paying company and must have submitted a Workplace Skills Plan (**WSP**), Annual Training Report (**ATR**), PIVOTAL Plan (**PP**), Non-PIVOTAL Plan (**NPP**) and PIVOTAL Report (**PR**), where applicable.
- 4.11.2 Where employers do not wish to participate in PIVOTAL and Non-PIVOTAL programmes during the specific reporting period, the PIVOTAL and Non-PIVOTAL Plan is optional.
- 4.11.3 The merSETA will not fund training for re-licencing purposes, undertaken as part of legislative requirements. Re-licensing forms part of an employer's legal obligations.
- 4.11.4 Mandatory grant amounts paid to employers for planned learning interventions may not be equal to the amount requested, in view of the value of mandatory grants that could be less than the training costs projected by the employer.
- 4.11.5 The merSETA will monitor the implementation of at least twenty percent of all mandatory grant submissions. The merSETA has the right to verify any report submitted. The verifications will be carried out by the Client Liaison Officer in the respective regional office.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 23 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

- 4.11.6 Where a company has deviated more than forty percent (40%) from the previous year's workplace skills plan, the company is required to submit a motivation stating the reasons for the deviation. The sole reason for the use of the information contained in the deviation motivation would be to assess the trends in the workplace and the circumstances the employer and employees are experiencing.
- 4.11.7 Consideration will be given for the inclusion of training implemented and reported in the ATR, which was not specified in the WSP.
- 4.11.8 Where required, nominated employee/labour SDF's is required to be registered on the National Skills Development Management System (NSDMS) by the primary SDF, against the specific company and must submit a signed authorisation document to the merSETA before access will be granted.
- 4.11.9 Where the nominated employee/labour SDF is not available to sign off on the application, alternate employee/labour SDFs must sign off on the application.
- 4.11.10 Where required, the employee/labour SDF is required to sign off electronically directly on NSDMS.
- 4.11.11 Where disputes have been declared, the employer must log the dispute and ensure that the information related to the dispute is uploaded against the "document upload tab", on or before the submission deadline.
- 4.11.12 Companies who submitted mandatory grant applications within the specified timeframe and have not met the minimum criteria listed below, may be requested to submit outstanding information by no later than 15 July of the financial year. Minimum criteria could include:
- 4.11.12.1 Clarification of sign-off by either the labour or employee SDF (whichever is applicable);
- 4.11.12.2 Outstanding labour or employee SDF signatories (whichever is applicable);
- 4.11.12.3 Proof that an inter-SETA transfer was approved and the transfer has occurred prior to the mandatory grant submission deadline; and
- 4.11.12.4 Minutes of the training committee meeting/s.
- 4.11.13 It is important to note that the above will be the only information that will be considered after 30 April of the financial year.
- 4.11.14 Employers who fail to meet the prescribed criteria, outlined in this document, will forfeit their grant.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 24 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

- 4.11.15 Where the nominated employee/labour SDF is not available to sign off on the application, alternate employee/labour SDFs must sign off on the application.
- 4.11.16 Where required, the employee/labour SDF is required to sign off electronically directly on NSDMS.
- 4.11.17 Where disputes have been declared, the employer must log the dispute and ensure that the information related to the dispute is uploaded against the “document upload tab”, on or before the submission deadline.
- 4.11.18 Where disputes have been declared, the employer must log the dispute and ensure that the information related to the dispute is uploaded against the “document upload tab”, on or before the submission deadline.
- 4.11.19 It is important to note that the above will be the only information that will be considered after 30 April of the financial year.
- 4.11.20 Employers who fail to meet the prescribed criteria, outlined in this document, will forfeit their grant.
- 4.11.21 Employers who fail to meet the prescribed criteria, outlined in this document, will forfeit their grant.
- 4.11.22 Mandatory grants not claimed within the stipulated timeframe will be transferred to the discretionary grant by 15 August of the financial year.
- 4.11.23 The merSETA CEO, as the Accounting Authority’s delegated representative, may grant an extension of a maximum period of one month from the submission date, as regulated. In order for the merSETA to consider the extensions, the extension request must be submitted electronically on the NSDMS on or before the 30 April deadline.

4.12 Criteria for the Approval of Mandatory Grants

- 4.12.1 The merSETA must allocate mandatory grants to the merSETA’s levy-paying employers who submitted their applications on or before 30 April of the financial year and met the following criteria:
- 4.12.1.1 Submitted and implemented a Workplace Skills Plan (WSP) and Annual Training Report (ATR), PIVOTAL Plan (PP), Non-PIVOTAL Plan (NPP) and a PIVOTAL Report (PR), where applicable, in the required format.

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 25 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

4.12.1.2 Registered for the first time in terms of the Skills Development Levies Act and submitted an application for a mandatory grant within six months of registration.

4.12.2.3 Levy payments are up-to-date.

4.12.2.4 Employers who have recognition agreements with a trade union or unions, must provide evidence that the WSPs and ATRs have been subjected to consultation with the recognized trade unions in the form of training committee minutes and the WSPs and ATRs must be signed off by the labour SDF appointed by the recognized trade union, unless an explanation could be provided.

4.12.2.5 Employers who have no recognition agreement and have 50 or more employees, must provide evidence that the WSPs and ATRs have been subjected to consultation with the nominated employee SDF in the form of training committee minutes and the WSPs and ATRs must be signed off by the employee SDF appointed by the employees within the organisation.

4.13 Administrative Requirements

4.13.1 It is the responsibility of the employer/organisation to supply the merSETA with the information relating to the banking details by submitting the information online.

4.13.2 The merSETA will validate requests for changes to banking details.

4.13.3 The merSETA reserves the right to request supporting documentation to verify compliance with the conditions of each project and/or grant rule/s prior to effecting payments.

4.14 Mandatory Grants Application Platform

4.14.1 The merSETA will make the National Skills Development Management System (NSDMS) available for electronic submissions.

4.15 Communication Channels with Grants Applications and Recipients

4.15.1 The merSETA will make use of the following communication channels:

4.15.1.1 The merSETA's website;

4.15.1.2 Stakeholder publications;

4.15.1.3 Newspapers;

4.15.1.4 E-mail blitz;

Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 26 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled

- 4.15.5 Skills Development Forums;
- 4.15.6 Roadshows;
- 4.15.7 Regional offices; and
- 4.15.8 All official merSETA meetings.

5. Guideline Review

5.1 The procedure will be reviewed every two (2) years or as per operational and strategic changes, section 5 above and monitored in line with the merSETA Quality Management System-ISO 9001:2015 for effective implementation.



Document Title	Grant Criteria and Guideline 2020/2021		
Document Number	DGD-GL-001	Revision Date	29 February 2020
Page Number	Page 27 of 27	*Next Revision Date	29 February 2022
Revision Number	Rev 02	Access	Controlled