


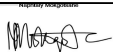


merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

DISCRETIONARY GRANT GUIDELINES

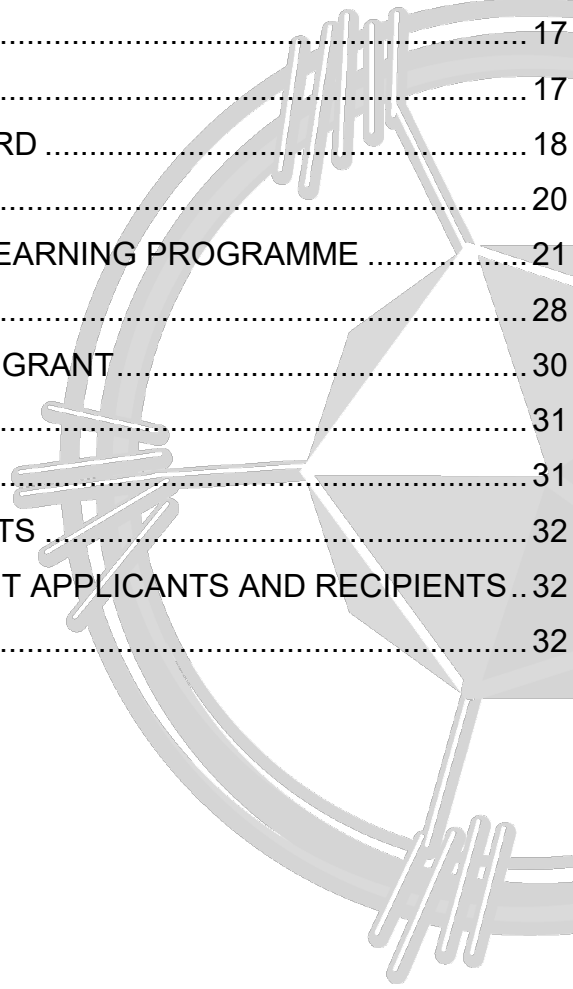
2026/27

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Document Number	DGD-GL-002	Revision Date	27 March 2026
Page Number	Page 1 of 32	*Next Revision Date	27 March 2031
Revision Number	Rev 08	Access	Controlled
Reviewed by: Chief Operations Officer	 <small>(05042026 11 26 445)(UTC-02:00)</small>	Approved by: Chief Executive Officer	 <small>(05042026 11 26 445)(UTC-02:00)</small>

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1. ACRONYMS

AA	- Accounting Authority
ABET	- Adults Basic Education and Training
AMIC	- Automobile Manufacturing Industry Certificate
APP	- Annual Performance Plan as contemplated in SETA Grant Regulation 3(7)
ARPL	- Artisan Recognition of Prior Learning
ATR	- Annual Training Report as contemplated in section 10(1)(b)(ii) of the Skills Development Act, Act No. 98 of 1998 read with regulation 4(1)
B-BBEE	- Broad-Based Black Economic Empowerment
CBOs	- Community-based Organisations
CCMA	- Commission for Conciliation, Mediation and Arbitration
CEO	- Chief Executive Officer
CET	- Continuing Education and Training
CETC	- Community Education and Training College
CHE	- Council for Higher Education
CLO	- Clients Liaison Officer
CSI	- Corporate Social Initiative
COO	- Chief Operations Officer
DHET	- Department of Higher Education and Training
EME	- Exempted Micro-Enterprise
GETCA	- General Education and Training Certificate for Adults
HEI	- Higher Education Institution
ISO	- International Organisation for Standardisation
MANCO	- Management Committee
merSETA	- Manufacturing Engineering and Related Services Sector Education and Training Authority
MoA	- Memorandum of Agreement
NASCA	- National Senior Certificate for Adults
NCV	- National Certificate Vocational

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NPO	- Non-Profit Organisation
NPP	- Non-Pivotal Plan
NQF	- National Qualification Framework
NSDMS	- National Skills Development Management Systems
NSDP	- National Skills Development Plan 2030
OQSF	- Occupational Qualifications Sub-Framework
PIVOTAL	- Professional, Vocational, Technical and Academic Learning
PPP	- Public Private Partnership
PP	- PIVOTAL Plan
PR	- PIVOTAL Report
PSET	- Post-School Education and Training
PWDs	- People with Disabilities
QCTO	- Quality Council for Trades and Occupations established through the Skills Development Act, Act No. 97 of 1998.
QSE	- Qualifying Small Enterprise
RAP	- Retrenchment Assistance Programme
RPL	- Recognition of Prior Learning
SANAS	- South Africa National Accredited Systems
SAQA	- South African Qualifications Authority as contemplated in the National Qualification Framework Act, Act No. 67 of 2008.
SARS	- South African Revenue Service
SDA	- Skills Development Act, 1998 (Act No. 97 of 1998, as amended)
SDF	- Skills Development Facilitator
SDP	- Skills Development Provider
SDLA	- Skills Development Levies Act, 1999 (Act No. 9 of 1999, as amended)
SETA	- Sector Education and Training Authority
SMME	- Small, Medium and Micro Enterprise
SP	- Strategic Plan
SSP	- Sector Skills Plan
TERS	- Temporary Employer/Employee Relief Scheme
TVET	- Technical and Vocational Education and Training
UIF	- Unemployment Insurance Fund

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- VSP** - Voluntary Severance Package
- WIL** - Work Integrated Learning
- WSP** - Workplace Skills Plan

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

2. DEFINITIONS

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 post-school programmes for the purpose of lifelong learning.

Adult Education and Training (AET) 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 (ARPL) 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 (ATR) means a report on the implementation of an organisation's Workplace Skills Plan (WSP), wherein it reports on the education and training interventions that were delivered in the previous year.

Blue Economy means manufacturing of tools and process that will contribute to sustainable use of ocean resources for economic growth.

Broad-Based Black Economic Empowerment (B-BBEE) means an economic system structured and transformed to enable the meaningful participation of the majority of its citizens and to further create capacity within the broader economic landscape at all levels through skills development, employment equity, socio-

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economic development, preferential procurement, enterprise development, especially small and medium enterprises, promoting the entry of black entrepreneurs into the mainstream of economic activity, and the advancement of co-operatives.

B-BBEE Certificate means a certificate that is issued by a SANAS accredited B-BBEE verification agency at the end of the verification process, summarising the results of the verification. The certificate includes indicators such as the size of the entity, the level of black ownership and its overall B-BBEE status or non-compliance. The certificate is valid for a year and is renewed annually based on evidence submitted for B-BBEE verification.

B-BBEE Sworn Affidavit means a legal instrument that can be used by exempt micro enterprises and qualifying small enterprises in place of a B-BBEE certificate.

Bursary means a study grant for learners to enrol at continuing education and training colleges or higher education and training institutions on programmes relevant to the priority skills required in the manufacturing and engineering sector.

Bursary Scheme means financial grant of studies for qualifications registered on the National Qualifications Framework (NQF).

Career Awareness means strategic initiatives—such as exhibitions, school visits, and industry exposure programmes—that inform learners and the unemployed about occupations, skills requirements, and learning pathways in manufacturing and engineering sectors to help them make informed career decisions aligned with industry demands.

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

Community Education and Training College means a college established under the Continuing Education and Training Act (Act No. 16 of 2006, previously titled “Further Education and Training Act”, providing education and training programmes on a full, part time or distance learning basis that are aligned or lead to qualifications or part qualifications registered on level 1 to 4 of the NQF, which qualifications are quality managed by Umalusi.

Commitment means a contractual obligation which exists at the end of the financial year that will oblige the SETA to make a payment or payments in the future.

Community Education and Training College means a public or private college established under the Continuing Education and Training Act (Act No. 16 of 2006) as

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amended. Public colleges are established as technical and vocational education and training colleges or community education and training college by the Minister of Higher Education and Training. Private colleges are declared and registered (or provisionally registered) as colleges having first been incorporated or recognised as a company in terms of the Companies Act (Act No. 71 of 2008) (“Companies Act”). Public and private colleges offer on a full or part time or distance learning basis continuing education and training programmes.

Community Education and Training (CET) means all learning and training programmes aligned to or leading to qualifications or part qualifications registered on level 1 to 4 of the NQF, provided at public or private continuing education and training colleges.

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.

Credits means the amount of learning contained in a qualification or part-qualification whereby one (1) credit is equated to ten (10) notional hours of learning.

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

Corporate Social Initiative means a development project within a community or for a community that is not core to Manufacturing Engineering and Related Sector Education and Training Authority (merSETA) but related to education or training, and in which merSETA may invest to create long term benefits that will improve the socio-economic well-being of grant beneficiaries.

Discretionary Grants means money allocated within a Sector Education and Training Authority (SETA) to be spent on skills development related programmes contemplated in regulation 3(2)(c) to (9) as read with regulation 6.

Employers means any person, company, close corporation, partnership, organ of state, or other entity that —

(a) employs one or more employees within the Republic of South Africa; and

(b) is registered with the relevant Sector Education and Training Authority (SETA), and includes —

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(i) a levy-paying employer, being an employer whose annual leviable amount equals or exceeds R500,000 and who is registered with the South African Revenue Service for the payment of the Skills Development Levy in terms of the Skills Development Levies Act 9 of 1999; and

(ii) a non-levy paying employer, being an employer whose annual leviable amount is less than R500,000, or who is otherwise exempt from the Skills Development Levy, but who remains subject to the Skills Development Act 97 of 1998

Employer Associations means a body of employers, usually from the same sector of the economy, associated to further the interests of member companies such as conducting negotiations with trade unions, providing advice, making representations to other bodies.

Entity/Organisation means a body that is legally established in terms of relevant establishment laws such as the Companies Act, various education legislation, Non-Profit Organisation Act (Act No. 71 of 1997), Public Service Act (Act No. 103 of 1994) (“Public Service Act”) and the Constitution of the Republic (“Constitution”) of South Africa 1996.

Funding Window means a public call made through open media platforms and publications for applications for mandatory and discretionary grants in accordance with the merSETA Grants Policy and related Grants Criteria and Guideline.

Full Funding Scheme means financial sponsorship of studies to the maximum amount of the bursary funding.

Government Departments and Public Entities means national, provincial, and local government departments and public entities established in terms of the Public Service Act, Municipal Acts, and the Constitution, governed by the Public Finance Management Act (Act No. 1 of 1999) and Municipal Finance Management Act (Act No. 56 of 2003) and participate in skills development related interventions within or for the merSETA sector.

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

Institutional and Sectoral Research means research commissioned by a SETA on any aspect of the administration or management of a SETA, as well as research into sectoral supply and demand.

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Higher Education Institution means a public or private institution established in terms of the Higher Education Amendment Act (Act No. 9 of 2016) that provides higher education on a full-time, part-time or distance basis and may be a university, university college or higher education college as defined by the Act. Private higher education institutions must be first incorporated or recognised in terms of the Companies Act to be established and registered.

Intervention (and initiative has same meaning) means an activity or combination of activities implemented to address the mandate and strategy of the merSETA. Interventions include but not limited to research, planning, evaluation, innovation, learning programmes, quality assurance of learning, strategic programmes projects and partnerships.

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

International Partners mean entities, which include, but are not limited to international development agencies, international learning, and research institutions, legally constituted in their country of origin.

Labour Organisations means an organisation, agency, committee, or group that represents the interests of employees by participating in activities such as conducting negotiations with employers, providing advice, making representations to other bodies.

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

Learning Programme for purposes of this document means (i) 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; (ii) artisan recognition of prior learning, bursary supported learning programmes, adult education and training programmes, academic skills programmes, skills set, credit bearing or non-credit bearing short courses, student internships A, B, and C, individual modules for Quality Council for Trades and Occupations (QCTO) part or full qualifications.

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Legislation for the purpose of the Policy means the Skill Development Act (SDA), Skills Development Levies Act (SDLA), Public Finance Management Act (PFMA) and related Acts and Regulations.

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 grant's submission. This is applicable to companies where recognition agreements exist, regardless of the number of employees.

Labour Representative means the representative of the labour constituency within the workplace.

Levy Income means the total amount of money received by a SETA in terms of section 7(1) and 8(2)(a) as read with 8(3)(b) of the Skills Development Levies Act.

Levy Paying Employer means an employer who is compelled obliged to pay skills development levies in terms of section 3(1) of the Skills Development Act.

Management Committee means the merSETA committee chaired by the Chief Executive Officer (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.

Memorandum of Agreement 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.

Means Test means an assessment that shall be conducted to determine whether an individual is eligible for bursary allocation, based upon family/household's combined annual income.

merSETA Permanent Employee's Child means legal dependant or biological child or adoptive child doing studies in the Post School Education and Training (PSET) institutions.

Missing Middle Category means family/household with incomes between R350,000.00 and R700,000.00.

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NGOs, CBOs, NPOs, NPCs means civil society organisations focused on public benefit and community development, whose core activities are related to education, training and skills development and, or services and goods linked to the merSETA industries' value chain, and chain and must be registered under the laws governing the registration of such entities, including the Companies Act, NPO Act and Income Tax Act. The entities may also be registered with the Department of Social Development.

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 discretionary grants non-PIVOTAL programmes.

Non-PIVOTAL Programmes means (i) credit and non-credit bearing programmes not leading to qualifications or part qualifications but must still address the key objectives and priorities of merSETA; (ii) project initiatives that include but are not limited to Non sectoral research, evaluation, innovation projects, sponsorships, career development projects and other non-learning programmes core to the achievement of the merSETA mandate and strategy.

Notional hours of learning mean the estimate of the learning time that it would take an average learner to meet the defined outcomes, it includes consideration of contact time, research, completion of assignments, time spent in structured learning in the workplace, individual learning, group work, projects and others ten (10) notional hours equate to one (1) credit.

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 grants funding in terms of Section 6(7) and Section 6(10) of the Grant Regulations (Government Gazette No. 35940).

Payment Claim Form means a form with a list of MoA deliverables achieved, with a statement of the sum due.

Partial Funding Scheme means financial sponsorship of studies to a partial amount of the bursary funding.

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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 mean Professional, Vocational, Technical and Academic Learning programmes leading to 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.

Private Education and Training Providers means non-public providers or private education and training institutions registered as private higher education institutions or continuing education and training colleges or skills development provider established by private sector companies or employer associations. Private education and training providers and skills development provider must be compliant in terms of legislative requirements and registration for the purpose of participation in learning and skills development interventions pertaining to relevant policies of the Department of Higher Education and Training (DHET), Council for Higher Education (CHE), Umalusi, QCTO and the merSETA.

Public Education and Training Institutions means Public Higher Education Institutions as defined in the Higher Education Act, 1997 (Act No. 101 of 1997) and a public college as defined in the Further Education and Training Act, 2006 (Act No. 16 of 2006).

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

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achieve a unique goal within a defined deliverable schedule, inclusive of activities and reporting, and monitoring and evaluation requirements.

Project Costs means costs payable for an approved project funded through a discretionary grant.

Retrenchment Assistance Programme means a training programme for persons who have been retrenched or in the process of being retrenched (both voluntarily and under duress) or have opted for a Voluntary Severance Package (VSP) from April 2007 who is eligible for training assistance.

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

Qualification means a national qualification registered on the NQF.

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

Skills Development Providers means a legal entity accredited by the QCTO to offer occupational qualifications or part-qualifications registered on the Occupation Qualification Sub Frame (OQSF).

Skills Programmes means an accredited learning programme that is occupationally based and which, when completed, may constitute credits towards a qualification

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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 NQF qualification according to the National Qualification Framework Act (Act No. 67 of 2008).

Social Partners means in terms skills development legislation, organised employers, organised labour, government, community, and professionals brought together to cooperate in working relationships to achieve a mutually agreed upon goals to the equitable benefit of all social partners.

Sponsorship means the strategic provision of resources to external events or programmes in exchange for specified marketing and stakeholder engagement benefits—such as brand visibility and speaking opportunities—that ensures return on investment for resources to support initiatives aligning with the SETA’s mandate.

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

Strategy means the integrated planned presentation of merSETA strategic imperatives and obligations encapsulated in the sector skills plan, 5 (five) year strategic plan, annual performance plan and the DHET service level agreement. The Accounting Authority (AA) is the custodian of the merSETA strategy, providing oversight and monitoring its implementation.

Structured Workplace Learning means the component of learning in an occupational qualification, an internship, or work placement for professional designation whereby a learner is mentored by a qualified, and where required, registered mentor in the application and integration of the knowledge and practical skills learnt, under supervision, in the actual context of a workplace in accordance with the prescripts set by the relevant qualification authority or professional body.

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 of the NQF managed by the Council on Higher Education and South African Qualification Authority (SAQA).

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Student Internship - Category B means a period of workplace-based learning undertaken as part of the requirement for a professional designation, and candidacy in the merSETA means the same.

Student Internship - Category C means a period of workplace-based learning undertaken as part of the requirement for the Occupational Qualifications of the Trade and Occupations Sub Framework of the NQF managed by QCTO and the SAQA.

Tax Clearance Certificate means a document issued by the South African Revenue Services (SARS) confirming that the applicant's tax affairs are in order

Training Committee means an established committee for the purpose of active participation in skills development learning programmes in companies for both those companies who have a recognition agreement with trade unions or those who employ **50** (fifty) or more employees and do not have a recognition agreement with trade unions.

Technical and Vocational Education and Training College means a college established under the Continuing Education and Training Act No 16 of 2006, providing education and training programmes that lead to qualifications or part qualifications registered on level **2** (two) to **4** (four) of the NQF, which are quality managed by Umalusi. TVET colleges may accredited by the QCTO as skills development providers to provide programmes leading to occupational qualifications of the Trades and OQSF of the NQF as well as programmes at level **5** (five) of the Higher Education Sub-Framework of the NQF under a certification agreement with a higher education and training institution.

Temporary Employer / Employee Relief Scheme means an Unemployment Insurance Fund scheme to provide relief of a worker or group on temporary suspension of work of a worker or group of workers that is used for training purposes. The layoff depends on an agreement between an employer and a trade union on behalf of workers, or in the absence of a trade union, between an employer and individual workers, who may otherwise be subject to dismissal for operational requirements.

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 ARPL process.

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Umalusi means and refers to the Council for Quality Assurance in General and Further Education and Training for qualifications ranging from Level 1 to 4.

Verification for the purpose of this Policy means the process of ensuring that all eligible organisations applying for mandatory and discretionary grants, meet the requirements for the awarding of grants.

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

Work Integrated Learning (WIL) means an umbrella term to describe curricular, pedagogic and assessment practices, across a range of academic disciplines that integrate formal learning and workplace concerns, which culminates in a qualification or part qualification and can include practical, professional practice, internships, workplace experience, industry-based learning, cooperative education, service learning, real work learning, placements, experiential learning and clinical placements.

** All terminology not defined above shall bear the same meaning as in the applicable legislation.*

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3. PURPOSE

3.1. The purpose of the merSETA grants criteria and guideline is to set out conditions, rules, and standards for:

3.1.1. The management of grants to include the application, verification, evaluation, awarding and implementation of Discretionary Grants (DG) funds.

3.1.2. Grants allocation for Projects addressing the Professional, Vocational, Technical and Academic Learning (PIVOTAL) and non-PIVOTAL programmes.

3.1.3. Evidence milestones required in the delivery of committed funds through Memorandum of Agreements (MoAs).

4. PRINCIPLES OF GUIDELINE

4.1. **Transparency:** The merSETA conducts grant funding processes in a manner that is honest, open, ensuring access to information whilst guided by the laws of the Republic of South Africa.

4.2. **Accountability:** The merSETA conducts grant funding processes in a manner that demonstrates its obligation to responding to the needs of its stakeholders and beneficiaries.

4.3. **Inclusivity:** The merSETA supports structural economic transformation that promotes an inclusive growth agenda; transformation in terms of control and ownership; and demographic transformation of the labour market with respect to issues such as race, gender, differently abled people, youth, and township and rural communities.

4.4. **Ethics:** The merSETA conducts grant funding processes in manner that is professional, unbiased, fair, and equitable and recognises the diversity and dignity of its stakeholders and beneficiaries.

4.5. **Conflict of Interest:** The merSETA conducts grant funding processes in a manner that promotes the interests and needs of its stakeholders and beneficiaries through best practice governance oversight and monitoring, and requires declaration of conflict of interest from DG applicants.

4.6. **Due Diligence:** The merSETA is accountable for the efficient, effective and responsible allocation and utilisation of levy grants which are public funds. The merSETA therefore applies the due diligence principle in the management of levy

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grants and the way they are allocated and used for the needs and services of its Grant Policy beneficiaries.

5. DISCRETIONARY APPLICATION AND AWARD

5.1. Application for merSETA Discretionary Grants

- 5.1.1. Other than the Manco- Initiated Project (See Section 5.2), the merSETA will open dedicated funding window(s) for DG.
- 5.1.2. Applications for discretionary grant funding are submitted following an official notice from merSETA published in public platforms which may include newspapers, the merSETA website-www.merseta.org.za and merSETA social media/platforms. The application notice determines the application submission method as well as submission deadline. Any application that does not comply with the application notice will automatically be disqualified.
- 5.1.3. Discretionary Grant applications will be subjected to a verification, an evaluation, and approval processes within 90 days.
- 5.1.4. Unless stated in the discretionary grants application advertisement, all discretionary grant applications will be received through the National Skills Development Management System (NSDMS). No application will be accepted through any other means other than the modality stipulated in the advertisement notice.
- 5.1.5. Applicants must align applications to the priority areas of the merSETA Sector Skills Plan and indicators as outlined in the merSETA Annual Performance Plan obtainable on the merSETA website-www.merseta.org.za as well as any other strategic priority initiatives identified in the merSETA advertised notices and guidelines.
- 5.1.6. The merSETA may also initiate international partnerships for the benefit of the local industry.
- 5.1.7. Applicants must complete a declaration conflict of interest and or close relationship with any employee at merSETA.

5.2. Manco- Initiated Projects

- 5.2.1. MANCO engages relevant stakeholders (public entities, government, employer associations, trade unions) to identify skills needs and conceptualize interventions.

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- 5.2.2. Projects must align with merSETA’s Sector Skills Plan (SSP), Strategic Plan (SP), National Skills Development Plan (NSDP), Annual Performance Plan (APP), and other government priorities.
- 5.2.3. Proposals must include:
 - 5.2.3.1. Consultation with industry partners and host organization
 - 5.2.3.2. Evidence of demand for skills/programmes.
 - 5.2.3.3. Selection process for Skills Development Providers, prioritizing public institutions where possible.
 - 5.2.3.4. Project management plan, including milestones and deliverables.
 - 5.2.3.5. Learner absorption and employment plan post-training.
- 5.2.4. MANCO evaluates proposals and recommends funding allocations to the Finance and Grants Committee (FGC).
- 5.2.5. FGC reviews and approves projects in line with available discretionary grant funding.
- 5.2.6. Any additional funding requests require MANCO recommendation and FGC approval.

5.3. Sponsorships Process

- 5.3.1. Sponsorship applications are accepted during quarterly windows and must be submitted to the Marketing and Communications Unit, which manages all sponsorship budgets, campaigns, and verifications. The evaluations must be performed by the DGEC in accordance with the Grant Policy. A cross-divisional forum oversees planning and measurement of sponsorship activities.
- 5.3.2. No division may negotiate or sign a sponsorship agreement without Management Committee (MANCO) approval, and all agreements require a formal MoA signed by CEO.
- 5.3.3. The sponsorship opportunity must be aligned to at least one priority identified in merSETA's current approved Sector Skills Plan. The initiative must not duplicate existing merSETA-funded programmes without adding a demonstrably distinct value proposition or reaching an otherwise unreached audience. The sponsored entity or organiser must demonstrate credibility and capacity to deliver the proposed career-related activities, evidenced by prior experience, relevant accreditation, or professional affiliations.

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5.4. Discretionary Grants allocation

- 5.4.1. Discretionary Grants are allocated at the sole discretion of the merSETA.
- 5.4.2. Learning programmes, funded through the MG process, shall not be funded from DG.
- 5.4.3. Discretionary Grant will be allocated in line with the grant policy, merSETA strategic and annual performance plan and availability of funds.

6. PRIORITY LEARNING PROGRAMMES

- 6.1. The merSETA's grants funding targets pertaining to Projects addressing PIVOTAL, NON-PIVOTAL interventions (initiatives) aligned to merSETA strategic priorities, as identified in the Sector Skill Plan (SSP), SP, APP and National Skills Development Plan (NSDP) 2030 outcomes.
- 6.2. PIVOTAL programmes include: learnerships, apprenticeships, bursaries, skills programmes, skills set, Individual modules (Occupational certificates), part qualification (QCTO) modularised qualification, graduate internships TVET Colleges, Universities of Technology and Universities) and student internships (Categories A, B and C).
- 6.3. Entities eligible to apply for discretionary grant funding to undertake PIVOTAL programmes include but not limited to: Employer companies, Non-Governmental Organisations (NGOs), Non-Governmental Organisations (NPOs), Community-Based Organisations (CBOs), Non-Profit Company (NPC), Public Education and Training Institutions, Government partnership and public entities.
- 6.4. Applications for funding of bursaries for unemployed learners may be allocated to entities that will manage the bursary programme, including selection according to means test, support student during the learning and fulfil the merSETA reporting requirements.
- 6.5. Permanent merSETA employees' children bursary towards accredited, registered part qualifications, and full qualifications will be managed and reported by the merSETA through the Guideline for the Post School Education and Training (PSET) Study Grants Application for the merSETA Employee's Unemployed Children (ETC-GL-009).

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7. DISCRETIONARY GRANTS VALUES PER LEARNING PROGRAMME

7.1. PIVOTAL learning programmes

The table below indicates grant values for PIVOTAL learning programmes as defined. The grant values are limited to learner support and training costs. An admin fee up to 7.5% may be awarded upon approval indirect training costs, i.e. including but not limited to recruitment, contracting, monitoring, reporting, and payment administration.

PIVOTAL PROGRAMMES	ESTIMATED VALUE
QCTO modularised qualification certificates (Occupational Certificate – Full Qualification) Learnership Level 1	R45,834.00 payable in tranches for the duration of the training programme per learner until successful completion.
Learnership Level 2	R56,838.00 payable in tranches for the duration of the training programme per learner until successful completion.
Learnership Level 3	R67,839.00 payable in tranches for the duration of the training programme per learner until successful completion.
Learnership Level 4 or higher	R78,840.00 payable in tranches for the duration of the training programme per learner until successful completion. (Applicable if credits are less than 540) R206,290.00 payable in tranches for the duration of the training programme per learner until successful completion. (Applicable if credits are greater than 540)
Apprenticeships	R206,290.00 payable in tranches for the duration of the training programme per learner until successful completion of the trade test. Bonus grants for people with disabilities R20,625.00 per learner (proof to be submitted on registration)

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PIVOTAL PROGRAMMES	ESTIMATED VALUE
Graduate Internship	Basic grant to company: R96,250.00 per annum per learner.
Candidacy (student internship category B)	Maximum grant of R288,750.00 for a three-year period (R96,250.00 per annum).
Adult Basic Education and Training (ABET) at ABET Level 4, as well as the National Senior Certificate for Adults at NQF Level 4	Basic grant to company (Minimum of two subjects): up to a maximum of R3,300.00
Bursaries at Higher Education and Training Institutions for permanently appointed employees at merSETA member companies for programmes that are 6 months or more.	Basic grant: R26,125.00 actual cost to be paid as per invoice/s and capped at bursary value).
Bursaries at TVET Colleges for permanently appointed employees at merSETA member companies.	Maximum grant of R26,125.00 per learner. actual cost to be paid as per invoice/s and capped at bursary value)
Bursaries for the unemployed learners studying at PSET institutions.	Maximum bursary grant of R180,000.00 for full bursary at HEI; and R100,000.00 for partial bursary and full bursary at TVET College. (Include but not limited to: Tuition fee, textbooks fee, laptop and student accommodation – actual cost to be paid as per invoice/s and capped at bursary value) Subject to annual budget availability
Artisan Recognition of Prior Learning (ARPL) and Recognition of Prior Learning (RPL)	R35,000.00 Employed Candidates (total grant including pre-assessment, gap training and trade testing, where applicable).
Artisan Recognition of Prior Learning (ARPL) and Recognition of Prior Learning (RPL)	R55,000.00 Unemployed Candidates (total grant including pre-assessment, gap training and trade testing, where applicable).
Occupational Part Qualifications	R199,00 per credit per Part Qualification up to 119 credits. Plus additional learner allowances NQF L1 (Learner allowances) = R183 per credit NQF L2 (Learner allowance) = R275 per credit

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	<p>NQF L3 (Learner allowance) = R367 per credit</p> <p>NQF L4 or higher (Learner allowance) = R458 per credit</p> <p><u>Bonus grants for people with disabilities</u> R4,583.00 per learner (proof to be submitted on registration).</p>
Occupational Skills Programmes	<p>R385.00 per credit per Occupational Skills Programme. A learner may enrol for multiple Occupational Skills Programmes, but the total funded credits will be capped at a maximum of 80 credits per learner.</p> <p>The grant is made up of R199.00 per credit for training and R186.00 per credit for a learner allowance.</p> <p><u>Bonus grants for people with disabilities</u> R4,583.00 per learner (proof to be submitted on registration).</p>
Student Internship - Category A (formerly Experiential Learning, P1 and P2)	<p>Basic grants to companies of R44 000.00 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 R88,000.00.</p>
Internship for National Diploma	<p>Basic grants to companies of R96,250.00 per learner for the practical exposure for a minimum of 18 and maximum of 24-month period.</p>
<p>Project management fee will be allocated at the discretion of merSETA and will be calculated at 7.5% or less the total award.</p>	

7.2. Non-PIVOTAL Programme Initiatives

The table below provides examples of the types of initiatives that may fall within the category of non-pivotal programmes. The listed initiatives are not exhaustive. Applicants must take note that other programmes will be identified in DG funding window notices (advertises) sent out to invite DG applications.

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NON-PIVOTAL PROGRAMME INITIATIVES	DESCRIPTION OF NON-PIVOTAL INTERVENTIONS
Lecturer Development	Learning programmes 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 programmes 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, Medium and Micro Enterprise Development	Learning related programmes to support and encourage the development of small and micro-enterprises . The support may include funding/ training/workshops/ short skills/ mentorship/ incubation/ online training.
Co-operatives, CBOs, NGOs, NPCs, NPOs	Learning related programmes to support and encourage skills development for co-operatives and CBO/NGOs. The support may include funding/ training/workshops/ short skills/ mentorship/ incubation/ online training.
Skills/occupations for green or circular activities within or for mer industries	Developing skills for green or circular economy related occupations or production or for establishing sustainable “green” values and activities through skills programmes, skill sets or part qualifications or full qualifications.
Worker Education and Training	Trade Unions in the merSETA Sector, for the benefit of educating and developing their members on skills development programmes, which form part of their duties as worker representatives.
Innovation and Research Programmes and Projects	Programmes may include curriculum research and programme / qualification development projects and pilot projects for transforming/emerging/new occupations in demand.
Non-Credit Bearing Programmes	Non-credit bearing training will be funded as non-PIVOTAL programmes for R1 288.00 per day for training including a stipend for a maximum of 10 days for the unemployed.
CET and TVET Colleges Infrastructure Development	Community Education and Training (CET) and Technical and Vocational Education and Training (TVET) College funded for merSETA occupational programmes, equipment and workshop infrastructure.
Anti Gender Based Violence and Sexual Harassment Programmes	Gender-based violence programme programmes will be funded through proposal submissions with a proposed budget. This grant is available for employers to implement GBV programmes in their workplace.

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NON-PIVOTAL PROGRAMME INITIATIVES	DESCRIPTION OF NON-PIVOTAL INTERVENTIONS
Career advice and guidance programme	Career advice and guidance related projects include but not limited to initiatives such as conferences/workshops/seminars, sponsorship requests, career awareness and advocacy expos/exhibitions/events/publications, and career advice and guidance capacity building/training projects that enhance awareness of the merSETA services, products and influence positive uptake of the merSETA programmes to target audiences. Initiatives linked to the career programme may also include raising knowledge of current, emerging, transforming, and future occupations and skills for both merSETA internal and external stakeholders influencing continuous services and products delivery required of the merSETA mandate and functions.
Digital and Future Skills	Programmes aimed at developing digital, digitally-enabled, and advanced technical skills required to support technological advancement, digitalisation, and Industry 4.0 within merSETA sectors, ensuring workforce readiness, improved productivity, and long-term industrial competitiveness.
Support the imperatives contained within Job Summit Agreements	Programmes 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 role, particularly where companies need to scale their operations, these may include inter alia work readiness programme, short courses (accredited or non-accredited) that allow candidates to respond to changing economy.
Rural development programmes targeting women, youth, and people with disability	Programmes which support the implementation of rural development programmes for women, youth, and people with disability. The intervention seeks to address structural and geographic barriers that limit participation and retention of rural learners by providing support linked to relocation, travel, subsistence, and related learner support costs. This initiative contributes to inclusive growth, rural development, and equitable access to skills development in line with national transformation and inclusion objectives
Revitalisation of township local economy	Support the revitalisation of rural and townships to uplift local economy through skills development.

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NON-PIVOTAL PROGRAMME INITIATIVES	DESCRIPTION OF NON-PIVOTAL INTERVENTIONS
	<p>The intervention seeks to address structural and geographic barriers that limit participation and retention of rural learners by providing support linked to relocation, travel, subsistence, and related learner support costs.</p> <p>This initiative contributes to inclusive growth, rural development, and equitable access to skills development in line with national transformation and inclusion objectives</p>
<p>Grants for Accommodation for WBL Learners</p>	<p>Grant funding to support accommodation arrangements for WBL learners enrolled in merSETA-funded learning programmes where access to suitable training sites, workplaces, or centres of specialisation requires temporary or long-term relocation.</p> <p>The intervention is intended to promote learner retention, successful completion of WBL programmes, and improved throughput rates by mitigating accommodation-related constraints that may negatively affect learner participation and performance.</p> <p>This support enables greater mobility of artisan learners and facilitates access to quality training environments aligned with occupational and trade requirements.</p>
<p>Grants to Increase Employer or Provider Capacity for Artisan Development</p>	<p>Grant funding is aimed at strengthening the capacity of employers and accredited training providers to effectively implement and sustain artisan development programmes.</p> <p>The intervention may support initiatives that enhance training infrastructure, equipment, systems, mentorship capacity, workplace readiness, or institutional capability required for quality artisan training and development.</p> <p>This initiative seeks to expand the pool of capable artisan training sites, improve the quality of workplace-based learning, and increase the overall output of qualified artisans in merSETA-priority occupations</p>
<p>Black Industrialists</p>	<p>To support the growth, sustainability, and competitiveness of black-owned and black-controlled enterprises within merSETA sectors by strengthening industrial skills capability, management capacity, and productive workforce development linked directly to black industrialist firms.</p> <p>This intervention seeks to enable meaningful participation of black industrialists in manufacturing, engineering, and related value chains by funding skills development initiatives that enhance operational efficiency, technical capacity, localisation, and job creation within qualifying enterprises. The focus is on supporting enterprises that are actively producing, expanding, or upgrading industrial capacity, with skills development aligned to business growth and transformation objectives.</p>

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NON-PIVOTAL PROGRAMME INITIATIVES	DESCRIPTION OF NON-PIVOTAL INTERVENTIONS
Re-industrialization and industrial capacity expansion	<p>To contribute to the rebuilding, modernisation, and expansion of South Africa’s industrial base within merSETA sectors through skills development interventions that support new industrial activity, capacity upgrades, localisation, and technology-driven production. This intervention focuses on addressing industrial decline, skills obsolescence, and capacity constraints by supporting training linked to new plants, expanded production lines, modernised equipment, and strategic industrial projects. The emphasis is on ensuring that the workforce skills required for re-industrialisation and industrial expansion are developed in step with investment in infrastructure, machinery, and industrial systems, thereby strengthening long-term sector competitiveness and employment.</p>



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8. EVALUATION CRITERIA

8.1. Each DG window will specify specific criteria for accessing grant funding. However, the criteria set out in 8.2 is the minimum requirement

8.2. The merSETA shall apply differentiated evaluation criteria for new and existing organisations applying for discretionary grant funding. New applicants shall be assessed primarily on demonstrated capacity, strategic alignment, project design, and risk mitigation measures, while existing applicants shall be assessed primarily on past performance, compliance history, and delivery outcomes.

8.3. Minimum Compliance (Applicable to ALL Applicants)

8.3.1. These criteria apply equally to new and existing organisations:

8.3.1.1. Legal registration and status verification

8.3.1.2. Valid tax clearance or proof of request

8.3.1.3. B-BBEE certificate or sworn affidavit (where applicable)

8.3.1.4. Banking details verified and signed

8.3.1.5. Conflict of Interest declaration

8.3.1.6. No outstanding debt to merSETA

Failure on any of the above results in disqualification.

8.4. Evaluation Criteria for New Organisations / New Entrants

Criterion	Evaluation Focus
Strategic Alignment	Alignment with merSETA SSP, APP, NSDP priorities
Institutional Capacity	Governance structures, management capability, financial controls
Technical Capacity	Accreditation status, skills development capability, partnerships
Project Design & Logic	Clarity of objectives, outputs, outcomes, and milestones
Evidence of Demand & Impact	Labour market need, beneficiary targeting, transformation impact
Risk Mitigation Measures	Use of partnerships, phased delivery, third-party implementation

8.5. Additional Controls for New Entrants:

8.5.1. Funding caps may be applied at lower thresholds

8.5.2. Phased or pilot funding may be approved

8.5.3. Mandatory enhanced contract management and monitoring

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8.5.4. Note: Past performance with other SETAs or public entities may be considered as supporting evidence but does not replace merSETA performance history.

8.6. Evaluation Criteria for Existing / Previously Funded Organisations

Criterion	Evaluation Focus
Past Performance with merSETA	Delivery against MoA milestones, outputs, and outcomes
Compliance History	Adherence to MoA conditions, reporting, and audit outcomes
Financial & Contract Management	Timely claims, accuracy of reporting, recoveries
Implementation Progress	Status of current or previous MoAs
Strategic Alignment	Continued relevance to SSP, APP, NSDP
Delivery Scale Readiness	Capacity to manage requested funding quantum

8.7. Restrictions for Existing Organisations

8.7.1. The following apply irrespective of funding window or year:

8.7.1.1. Organisations that breached MoA conditions and failed to rectify shall not be permitted to apply.

8.7.1.2. A written motivation and proof of corrective action must be approved before eligibility is restored

8.7.1.3. Organisations that withdrew from two (2) consecutive allocations resulting in recoveries must submit a formal motivation.

8.8. Approval is discretionary and may result in reduced allocations, conditional funding or disqualification.

8.9. Private Skills Development Providers

8.9.1. Private SDP will have a dedicated windows that are aimed or limited to specific learning programmes and priority occupations as identified in the SSP. SDPs must meet the following criteria:

8.9.1.1. Must only apply for learning programmes for which they have a valid accreditation

8.9.1.2. SDPs with a track record with merSETA will be assessed on their past performance

8.9.1.3. SDPs new to the merSETA provide reference letters of successful projects delivered in the past or in progress.

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8.9.1.4. Provide a report on record of absorption of learners post the interventions they completed (absorption rates).

8.10. DG applications following from the following organisations will not be considered for further verification

8.10.1. Grantees with an outstanding debt with the merSETA

8.10.2. Grantees that have defaulted on one or more previous MoAs

8.10.3. Grantees currently under DG or QA related investigation by the merSETA

8.10.4. Restricted supplier and tender default report as listed by the National treasury

9. ENTITIES ELIGIBLE FOR DISCRETIONARY GRANT

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

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

9.1.2. Public sector entities that implement programmes identified in merSETA SSP that meet allocation criteria.

9.1.3. 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.

9.1.4. Non-profit Organisations (NPOs inclusive of NGOs), and co-operatives that implements programmes within the merSETA sector that meet allocation criteria.

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

9.1.6. Refer to Annexure A below. Criteria and Guidelines for evaluating and recommending DG Project Applications 2026/27 for other types of eligible entities; and

9.1.7. Individuals.

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10. CONTRACTING AND COMMITMENT

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

11. CONTRACT MANAGEMENT

- 11.1. Contract management will be conducted in line with the signed memorandum of agreement, and the grant recipient takes full responsibility for the implementation of the allocation and deliverables.
- 11.2. All MoAs will be managed by a designated merSETA official located either at Head Office or at a regional office of the merSETA.
- 11.3. For MoAs with learning programme interventions, the merSETA regional offices will play a critical role in the management of said MoAs and providing support to the grant recipient including ensuring quality assurance of learning requirements such as workplace approval and accreditation.
- 11.4. Some projects as determined by the merSETA will have project governance structures which will meet at regular intervals to monitor the implementation projects. Such project governance structures will have terms of reference outlining the terms of engagement for both parties.
- 11.5. For MoAs with learning programme interventions, funding beyond recruitment phase will be limited to the total number of recruited learners at the recruitment deadline as stipulated in the MoA. As a result, the grantee will not be eligible for recruiting more learners beyond the deadline (use-it-or-lose-it principle). The grantee may request an extension to the recruitment due date. The request must reach the merSETA at least 7 days before the deadline. The merSETA will notify the employer in writing of the number of learner eligible for further funding on the MoA.
- 11.6. **Change control, variations and addenda:** merSETA applies formal change control to all DG MoAs to protect funds, maintain audit trails, and ensure delivery against approved objectives. Any request to change scope, deliverables, targets, timelines, budget allocations, payment milestones, or implementation arrangements must be submitted in writing to the **Contract Owner** with a

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motivation and impact assessment. The Contract Owner must obtain approvals in line with merSETA delegations (including the relevant committee/authority where required) before implementation. Approved changes must be documented through a signed addendum, with clear effective dates and updated milestones.

11.7. The merSETA reserves the right to terminate the memorandum of agreement if the grant recipient has not adhered to the terms of the agreement.

12. EVIDENCE REQUIRED TO CLAIM PAYMENTS

12.1. 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.

13. COMMUNICATION CHANNELS WITH GRANT APPLICANTS AND RECIPIENTS

13.1. The merSETA will make use of the following communication channels:

merSETA website: www.merseta.org.za	Skills Development Forums.
Stakeholder publications	Roadshows
Newspapers	Regional offices
E-mail blitz	All official merSETA meetings
merSETA social media/platforms	

14. GUIDELINE REVIEW

14.1. This Grants Guideline will be reviewed every five (5) or as per operational and strategic changes and requirements and monitored in line with the merSETA Quality Management System, based on ISO 9001:2015 for effective implementation

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