





merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

GRANTS POLICY 2026/27

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 1 of 26	*Next Revision Date	25 November 2030
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Table of Contents

1. Acronyms*	3
2. Definitions*	5
3. Purpose	15
4. Scope of application of the policy	15
5. Policy Statement	15
6. Authority and Governance	16
7. Legislative and regulatory requirements	17
8. Principles of the policy	17
9. Mandatory Grants Criteria	18
10. Discretionary Grants Criteria	19
11. Strategic Programmes and Partnerships	20
12. Discretionary Grants Committees	22
13. Disbursement of grants	22
14. Grants Appeal Process	23
15. Policy Review	23

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 2 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

1. **Acronyms***

AA	Accounting Authority	MoA	Memorandum of Agreement
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)	NGO	Non-Governmental Organisation
APP	Annual Performance Plan as contemplated in regulation 3(7)	NPO	Nonprofit Organisation
B-BBEE	Broad-Based Black Economic Empowerment	NQF	National Qualifications Framework
CBO	Community-based Organisation	NSDP	National Skills Development Plan 2030
CEO	Chief Executive Officer	OQSF	Occupational Qualifications Sub-Framework
CETC	Community Education and Training Colleges	PFMA	Public Finance Management Act, Act No. 1 of 1999, as amended
COO	Chief Operations Officer	PIVOTAL	Professional, Vocational, Technical and Academic Learning programmes that result in qualifications or part qualifications on the National Qualification Frameworks as contemplated in regulation 3(6) and (7) as read with regulation 6(11) to (15)
CSI	Corporate Social Initiative	QCTO	Quality Council for Trades and Occupations was established through the Skills Development Act, Act No. 97 of 1998.
DGAAC	Discretionary Grant Application Appeal Committee	SAQA	South African Qualifications Authority as contemplated in the National Qualification Framework Act, Act No. 67 of 2008.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 3 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

24 March 2026 *The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

DGAC	Discretionary Grant Adjudication Committee	SDA	Skills Development Act, Act No. 97 of 1998, as amended
DGEC	Discretionary Grant Evaluation Committee	SDF	Skills Development Facilitator
DGVCC	Discretionary Grant Verification and Compliance Committee	SDLA	Skills Development Levies Act No. 9 of 1999, as amended)
DHET	Department of Higher Education and Training	SETA	Sector Education and Training Authority
HEI	Higher Education Institution	SME	Small and Micro Enterprise
ISO	International Organisation for Standardisation	SP	Strategic Plan
MANCO	Management Committee	SSP	Sector Skills Plan as contemplated in section 10(1) and (b) of the Act
MER	Manufacturing Engineering and Related Services	TVET	Technical and Vocational Education and Training
merSETA	Manufacturing Engineering and Related Services Sector Education and Training Authority	WSP	Workplace Skills Plan as contemplated in regulation 4

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

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 4 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

***The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes**



2. Definitions*

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

Act	means the Skills Development Act, 1998 (Act No. 97 of 1998).	Administration Costs	means costs relating to rent, heat, light, power, insurances, bank charges, audit fees, accounting fees, legal fees, postage, printing, and stationary, documentation, and books, advertising, reports, wages, and salaries, travel expenses, staff training, purchase of computers, and information systems, maintenance of computers and systems, general maintenance, hiring costs of photocopier, telephone and fax, meetings, land, non-residential buildings, and improvements thereon, furniture and office equipment, other machinery and equipment, transport assets, consultancy fees including institutional research and sectoral research, quality assurance, promotional items, national skills development strategy conferences expenses, recruitment
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Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 5 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

24 March 2026 **The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes*

			expenses and any other reasonable administration costs approved by a SETA Accounting Authority.
Broad-Based Black Economic Empowerment	means the viable economic empowerment of all black people, in particular women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies that include, but are not limited to: increasing the number of black people that manage, own and control enterprises and productive assets; (b) facilitating ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises; (c) human resource and skills development; (d) achieving equitable representation in all occupational categories and levels in the workforce; (e) preferential procurement from enterprises that are owned or managed by black people; and (f)	Bursaries	means study grants for students to enroll 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.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 6 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

	investment in enterprises that are owned or managed by black people as defined in Act, No. 53 of 20023 as amended.		
Community Development	means that the merSETA Sponsorship and CSI funding includes a commitment to supporting community development initiatives, such as education and welfare programs, that benefit the communities where you operate.	Community Education and Training College	means a college established under the Continuing Education and Training 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	refers to those contractual obligations that exist at the end of the financial year that will oblige SETA to make a payment or payments in the ensuing year.	Contractual Agreement	means there is a written agreement with specific terms between a SETA and a third party whereby the third party undertakes to perform tasks in relation to a discretionary grant project for which a SETA will be obliged to make payment against said discretionary grant/s.
Co-operatives	means forms of joint ownership or associations registered in terms of the Co-operatives Act No. 14 of	Corporate Social Initiative	means the merSETA Corporate Social Initiative (CSI) projects which are external to the normal business

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 7 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

	2005, as amended.		activities of the merSETA. The purpose is to uplift and develop communities and in so doing, increase merSETA brand recognition, awareness thereby creating overall access to the SETA.
Discretionary Grants	means money allocated within a SETA to be spent on discretionary grants and projects contemplated in regulation 3(2)(c) to (9) as read with regulation 6	Discretionary Grants Committees	means the designated groups within the merSETA tasked with the review, evaluation, and adjudication of applications for discretionary grant funding. These committees operate according to approved policies, Annual Performance Plans, and relevant Terms of Reference, ensuring that discretionary grant allocations are made transparently, fairly, and in alignment with strategic priorities and available resources.
Employers (and companies bear the same meaning)	means companies that are registered in terms of the Companies Act. Employers include levy-paying and non-levy-paying companies as defined and described in the SETA Grant Regulations of 3 December 2012.	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, and making representations to other bodies.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 8 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

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 submissions.	Entity	means an organisation legally established in terms of relevant establishment laws such as the Companies Act, various education legislation, the Nonprofit Organisation Act, Act No. 71 of 1997, the Public Service Act, Act No. 103 of 1994 ("Public Service Act") and the Constitution of the Republic ("Constitution") of South Africa 1996.
Financial threshold	means a specific amount of money that serves as a maximum limit for a particular Sponsorship or CSI activity or decision.	Government Departments and Public Entities	means national, provincial and local government departments and/or public entities established in terms of the Public Service Act, the Municipal Systems Act, the Constitution, governed by the Public Finance Management Act No. 1 of 1999 and Municipal Finance Management Act No. 56 of 2003 and participate in skills development related interventions within or for the merSETA sector.
International Partners	means entities, including international development agencies and international learning and research institutions,	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

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 9 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

	legally constituted in their country of origin.		sectoral supply and demand.
Labour Representative	means the representative of the labour constituency within the workplace, appointed by the recognized trade union	Learnership	means a learning programme that leads to an occupational qualification or part qualification and includes an apprenticeship and cadetship.
Learning Programme	means a structured and purposeful set of learning experiences that lead to a qualification or part-qualification, or a set of knowledge, skills and competencies. This may include learnerships, apprenticeships, skills programmes and any other set of learning which may or may not include a structured work experience component. The Grant Guideline Ref DGD-GL-001 contains the full range of learning programme types eligible for funding.	Legislation	for the purpose of the policy means the SDA, SDLA, PFMA and related Acts and Regulations.
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 to pay skills development levies in terms of section 3(1) of the Skills Development Act.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 10 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

Management Committee	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 as aligned to and with the approved Delegation of Authority Framework of the merSETA.	Mandatory Grants	means funds designated as mandatory grants as contemplated in Regulation 4 of the Grant Regulations, to fund the education and training programmes as contained in the Workplace Skills Plan (WSP) and Annual Training Reports (ATR) submitted to a SETA.
Memorandum of Agreement	means a legal agreement concluded between two or more parties consenting to the execution of agreed specific interventions or strategic initiatives, setting out the terms and conditions of the agreement. Counterparties in these types of agreements may be those contemplated in Sections 6(7) and (10)(a) to (d) of the Grants Regulations and entities listed in this Policy.	NGOs, CBOs, NPOs and 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 must be registered under the laws governing the registration of such entities, including the Companies Act, the NPO Act and Income Tax Act. The entities may also be registered with the Department of Social Development.
Partnerships	means contractual arrangements between one or more parties where the parties agree on a	Private Education and Training Providers	means non-public providers or private education and training institutions registered as private

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 11 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

	common education, training and/or skills development purpose, aligned to national and sector-specific strategic imperatives		higher education institutions or continuing education and training colleges or training centres established by private sector companies or employer associations. Private education and training providers 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 DHET, 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 Continuing Education and Training Act No 16 of 2006, previously titled "Further Education and Training Act" and any amendments thereto promulgated into law in the future.	Programmes	mean initiatives consisting of one or more projects related to strategic imperatives in the merSETA SSP, SP and APP and include strategic initiatives to implement innovative skills development solutions to address emerging new complex skills challenges.
Projects	means non-routine, temporary undertakings with defined strategically aligned scope of	Project Costs	means costs payable for an approved project funded through a discretionary grant.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 12 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

	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		
Research Institutes	means, for the purpose of the Policy, institutes that have the capacity to provide research services in and for the merSETA sector.	Sponsorship	means the provision of resources such as money, people, or equipment to an event, program, or cause in exchange for certain sponsorship rights outlined in a sponsorship agreement.
Skills Development Provider	means a legal entity accredited by the QCTO to offer occupational qualifications or part-qualifications registered on the QQSF.	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.
Structured Learning Component	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	Surplus	means a positive residual balance in the statement of financial performance for the financial year ending on 31 March less current liabilities and commitments to training of learners in programmes funded from discretionary grants.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 13 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

	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.		
Structured work experience component	means the workplace curriculum components of an occupational qualification.		
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 levels 2 (two) to 4 (four) of the National Qualifications Framework, which is quality managed by Umalusi. TVET colleges may be accredited by the QCTO as skills development providers to provide programmes leading to occupational qualifications of the Trades and Occupations Sub-framework of the NQF as well as programmes at	Trade Union	means an organisation of workers that promotes and protects the interests of its members on issues such as wages and working conditions, especially through negotiations with employers.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 14 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

	level 5 (five) of the Higher Education Sub-Framework of the NQF under a certification agreement with a higher education and training institution.		
Verification for the purpose of mandatory grants	means the process of ensuring that all eligible organisations applying for mandatory grants, meet the requirements for the awarding of grants.	Verification for the purpose of discretionary grants	means the process of determining or assessing an organisation or person applying for discretionary grants meet the capability and capacity requirements to deliver programmes applied for. This verification will be conducted by any means, including but not limited to site visit, desktop assessment, virtual assessment, automated assessment.
Work Integrated Learning	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 practicals, professional practice, internships, workplace experience, industry-based learning,		

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 15 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

	cooperative education, service learning, real work learning, placements, experiential learning and clinical placements.		
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****Definitions are non-exhaustive and will be supplemented from time to time.***



Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 16 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

3. Purpose

The purpose of the merSETA Grants Policy is to set out conditions, rules, and standards for:

- 3.1. The application, awarding and management of mandatory and discretionary grant funding.
- 3.2. Enabling the collection and processing of a credible workforce and skills needs data from merSETA sector companies and organisations to learn, assess and further implement programs emerging from the trends and needs of the workforce and skills need data.

4. Scope of application of the policy

4.1. This policy applies to:

- 4.1.1. All governance structures and divisions of the merSETA, making provision for the funding of the mandate and core functions of the merSETA which include but are not limited to research, planning, monitoring, evaluation, innovation, learning programme and project implementation, quality assurance for learning, and career guidance.
- 4.1.2. Entities and organisations (as stipulated in the Grants Regulations, Government Gazette no 35940 of 3 December 2012 and this policy) that are active or have the potential to be active in the merSETA skills development ecosystem by implementing interventions or initiatives that address merSETA strategic priorities.
- 4.1.3. Beneficiaries of the skills development policy and legislation include but not limited to employers, currently employed workers, retrenched workers, unemployed youth, professionals, historically economically and socially disadvantaged people such as designated Black people, women, people with disabilities, township and rural communities.

4.2. This policy does not apply to any costs, expenses, disbursements, or financial commitments that fall outside the scope defined herein, unless governed by separate agreements.

5. Policy Statement

5.1. The Grants Policy supports the funding of the merSETA mandate and strategy, as informed by the skills development legislation titled the Skills Development Act (SDA)

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 17 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

and the Skills Development Levies Act (SDLA), Grant Regulations (Government Gazette No 35940 of 3 December 2012), strategic imperatives of the National Skills Development Plan (NSDP), and the needs of all social partners.

The merSETA recognises the catalytic role of skills development in economic and employment growth and seeks to optimally impact these objectives through its work.

- 5.2. The revenue source of the merSETA is the skills levies collected by South Africa Revenue Services (SARS).
- 5.3. The merSETA opens funding windows by publicly advertising for mandatory and discretionary grant funding applications to enable the implementation of the SSP, Five (5) Year strategic plan, Annual Performance Plan (APP) and Department of Higher Education and Training (DHET) Service Level Agreement.
- 5.4. The award for Discretionary Grant funding is at the sole discretion of the merSETA, and, is subject to a verification, evaluation and approval system, without exception, but limited to availability of funds or time for allocation or maximum allocation to against targets, as detailed in the Grant Guidelines-Ref: DGD-GL-001 which is available on the merSETA website.
- 5.5. Funding is awarded for PIVOTAL and Non-PIVOTAL interventions.

6. Authority and Governance

- 6.1 Noting that the merSETA Delegation of Authority Framework and the FGC Terms of Reference articulate the powers, duties and functions of the AA, FGC and MANCO:
 - 6.1.1 The AA has accountability for setting policy and strategy, budgeting, and monitoring implementation of aforesaid; and is thus accountable for approving this policy.
 - 6.1.2 The FGC has delegated authority from the AA to approve management-initiated projects referred to in this policy.
 - 6.1.3 The MANCO has sub-delegated authority from AA to approve Discretionary Grant Funding applications, with the exception of those that fall under the approval of the FGC.
 - 6.1.4 The merSETA CEO is responsible for the implementation and operationalisation of policy and strategy and delegates certain responsibilities to management to implement set policy and strategy including this policy.
 - 6.1.5 The staff of the merSETA are responsible for complying with this policy in executing their duties and tasks in a manner that does not contravene the principles of this policy.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 18 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

7. Legislative and regulatory requirements

The list is not exhaustive and may from time to time be reviewed.

7.1. Legislation, regulation and government policy

- 7.1.1. The Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended and applicable regulations.
- 7.1.2. The Broad-Based Black Economic Empowerment (B-BBEE) Act, Act No. 53 of 2003, as amended and Codes of Good Practice.
- 7.1.3. The Skills Development Levies Act (SDLA), Act No. 9 of 1999, as amended.
- 7.1.4. The SETA Grant Regulations, Government Gazette no 35940 of 3 December 2012
- 7.1.5. The National Skills Development Plan 2030.

7.2. This policy must be read in conjunction with the following related merSETA policies:

- 7.2.1 The Delegation of Authority Framework-Ref: CGD-GL-003.
- 7.2.2 The Discretionary Grants Programmes and Projects Policy (Incorporating Partnerships)-Ref: SPU-PL-001.
- 7.2.3 The Monitoring and Evaluation Policy-Ref: MAE-PL-002.
- 7.2.4 The merSETA Disciplinary Code-Ref: HRM-PL-004.
- 7.2.5 The merSETA Organisational Code of Ethics-Ref: CGD-PL-002.
- 7.2.6 The merSETA Conflict of Interest Policy-Ref: CGD-PL-010

8. Principles of the policy

- 8.1. **Transparency:** The merSETA conducts grant funding processes in a manner that is honest, and open, ensuring access to information whilst guided by the laws of the Republic of South Africa.
- 8.2. **Accountability:** The merSETA conducts grant funding processes in a manner that demonstrates its obligation to respond to the needs of its stakeholders and beneficiaries.
- 8.3. **Inclusivity:** The merSETA supports structural economic transformation that promotes an inclusive growth agenda; transformation in terms of control and ownership; and the demographic transformation of the labour market with respect to issues such as race, gender, people with disabilities, youth, and township and rural communities.
- 8.4. **Ethics:** The merSETA conducts grant funding processes in a manner that is professional, unbiased, fair, and equitable and recognises the diversity and dignity of its stakeholders and beneficiaries. The merSETA endeavours to serve its

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 19 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

**The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes*

stakeholders, beneficiaries and communities to the best of its abilities and always to safeguard the rights and welfare of those that may be vulnerable to its work in this regard.

- 8.5. **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. All incidents of conflict of interest whether actual and perceived will be managed through relevant governance provisions, which includes but not limited to Conflict of Interest Policy.
- 8.6. In addition to compliance with the Conflict of Interest Policy, it is the responsibility of MerSETA employees to declare any interactions with grant applicants and / or application processes to all appropriate structures through which they participate in the approval of such applications, and where necessary to recuse themselves from activities where such approvals are decided upon.
- 8.7. **Due Diligence:** The merSETA is accountable for the efficient, effective ,transparent 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 grants and the way they are allocated and utilised for the needs of and services of its Grant Policy beneficiaries.
- 8.8. **Use-it-or-Lose-it Principle for Discretionary Grants:** Discretionary grant awards must be taken up by the allocated employer or enterprise within six (6) months of signing the Memorandum of Agreement with merSETA or the Grant Management Unit. If the grant remains unutilised or unclaimed within this period, the award will be forfeited and the unclaimed funds will be reallocated within the same financial year. Reallocation may occur through the opening of a new funding window or the re-evaluation of applications from a previous window, unless the organisation notifies merSETA or the Grant Management Unit of specific challenges and requests an extension.
- 8.9. **Extension Requests:** Requests for contract extensions must be submitted in writing and may be granted for a further six (6) months from the expiry date of the original contract. No additional extensions will be considered unless the organisation can reasonably demonstrate that circumstances beyond their control prevented contract closure.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 20 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

8.10. **Forfeiture and Reallocation:** All unclaimed discretionary grants after the initial six (6) month period will be forfeited and may be awarded, at merSETA’s discretion, to other eligible organisations approved for discretionary grants in that financial year. The application of this principle will be determined by merSETA MANCO, taking into account the reasons provided by the organisation for any project delays.

9. Mandatory Grants Criteria

9.1. Mandatory grant applications and submission of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) are received from 1 February until 30 April every year. All merSETA levy-paying companies can apply for PIVOTAL, as well as non-PIVOTAL programmes during the submission period.

9.2. Mandatory grant applications are submitted separately from discretionary grant applications.

9.3. In the event that an application may not be concluded before the closing date, individual applications for an extension, may be requested in writing prior to the closing date for consideration, the granting of which is at the discretion of the Chief Executive Officer (CEO).

9.3.1 The Minister of Higher Education and Training can gazette a national extension for the submission of mandatory grants. This is exercised in accordance with the Skills Development Act, 1998, and the SETA Grant Regulations.

9.4. Applications are submitted through a dedicated merSETA online platform outlined in the call for applications notice.

9.5. Employers, who signed recognition agreements with a trade union, or unions must have the Workplace Skills Plan (WSP), and Annual Training Report (ATR) signed by all parties.

9.6. Companies employing 50 (fifty) or more employees, who do not have a recognition agreement with a trade union or unions, must facilitate a process for employees to nominate an employee SDF to be the appointed employee SDF to sign off on the grant application.

9.7. Learning programme interventions applied through the mandatory grant funding process will not be funded from discretionary grants.

10. Discretionary Grants Criteria

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 21 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

- 10.1 Discretionary grant applications are received when a funding window is opened by the merSETA through a public notice. More than one (1) funding window may be opened within the financial year.
- 10.2 The evidence of B-BBEE compliance is mandatory for the awarding of a discretionary grant. In order to comply with this criteria, merSETA requires the submission of a B-BEE scorecard which has been issued by a SANAS accredited agent and is valid at the time of submission of the discretionary grant application..
- 10.3 The merSETA will also accept the submission of an appropriate affidavit for an EME or a QSE, commissioned by an appropriate official.
- 10.4 The merSETA will not consider the B-BBEE level obtained in the scorecard.
- 10.5 The grant award for merSETA sector levy-paying entities for PIVOTAL programmes is benchmarked but not limited to the value of entities' **49.5%** (forty-nine-point five percent) levy contribution.
- 10.6 The Grant Guideline Ref DGD-DL-001 provides, inter alia, detailed criteria and guidelines for the evaluation and awarding of discretionary grants to levy-paying employers.
- 10.7 Non levy paying entities are eligible for discretionary grant funding on the condition the applications are aligned to the merSETA strategic priorities. These entities include but are not limited to the following:
- 10.7.1 Black Industrialists.
 - 10.7.2 Public and Private Higher Education Institutions.
 - 10.7.3 Public TVET and Community Education and Training Colleges.
 - 10.7.4 Public and Private Skills Development Providers.
 - 10.7.5 Cooperatives.
 - 10.7.6 Government Departments and other public entities.
 - 10.7.7 Not-for-Profit Organisations.
 - 10.7.8 Organisations Active in the Township and rural economy.
 - 10.7.9 Organisations focused on activities of the digital economy (Industry 4.0).
 - 10.7.10 Employer associations, and Trade Unions.
 - 10.7.11 Entities Focusing on Activities of the Blue, green and circular Economy; and
 - 10.7.12 Individuals.
- 10.8 Clauses 10.5 above are not applicable to discretionary grant awards of non-levy paying entities. Criteria and guidelines for such entities are detailed in the Grant Guideline

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 22 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

Ref DGD-GL-001. Non-levy entities include but are not limited to: Small, Medium and Micro enterprises.

11. Strategic Programmes and Partnerships

- 11.1. The merSETA supports strategic programmes and projects from different role players. Strategic programmes and projects are based on priorities identified in the Sector Skills Plan (SSP), Strategic plan (SP), Annual Performance Plan (APP) and other government strategic policy initiatives and may be initiated by the Department of Higher Education and Training (DHET) and related public post-school education and training institutions of the DHET, Accounting Authority (AA) and its Committees, Chambers, Management Committee (MANCO) and other government departments or public entities.
- 11.2. Strategic programmes or projects may be implemented through various local and international partnerships. Strategic programmes or projects may include but are not limited to national, industry or sub-sector specific, regional or provincial, employer association-driven, labour organisation-driven and, or inter-SETA collaboration-focused.
- 11.3. Proposals for partnership programmes or projects or CSI projects that address merSETA strategic priorities may be received from eligible legal entities as stipulated in the Grant Regulations and this policy and include international organisations as defined in this policy. Such proposals are received through open funding window period(s) and, without exception, subject to the verification, evaluation and approval system detailed in the Grant Guideline-Ref: DGD-GL-001 available on the merSETA website.
- 11.4. Proposals and recommendations from the Chamber Committees (Chamber initiated) will be considered by MANCO in line with the merSETA strategic priorities and grant funding processes.
- 11.5. Projects that have not been submitted through an official funding window but demonstrably align with merSETA's strategic priorities may be considered and adopted management-initiated projects. Once adopted by management such projects are subjected to the Finance and Grants Committee (FGC) approval following set verification, evaluation and approval criteria.
- 11.6. Any proposed CSI project and/or Sponsorship with an estimated budget of R3 850 000.00 (Three million and five hundred thousand) or less may be approved by the

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 23 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

CEO upon recommendation of MANCO. Proposed CSI projects and/or Sponsorships with an estimated budget exceeding R3 850 000.00 (three million and five hundred thousand) must be submitted to the Finance and Grants Committee for review and approval.

11.7. The Finance and Grants Committee shall receive quarterly reports on the merSETA’s CSI and Sponsorship commitments and expenditure. The reports shall include a summary of all CSI and Sponsorship activities, including a breakdown of the budgeted and actual expenditures for each project. This financial report is intended to ensure that all CSI and Sponsorship projects align with the merSETA’s overall financial strategy and goals.

12. Discretionary Grants Committees

12.1. The Grant Committees shall evaluate project-based applications in line with the Annual Performance Plans and the applicable programme or project Terms of Reference. All evaluations will be subject to the availability of budgeted funds

12.2. The evaluation of discretionary application will be conducted by the Grant committees in line with the Terms of Reference for Discretionary Grants Committees (DG-TR-001) and are outlined in the table below:

NAME OF COMMITTEE	ROLES
Discretionary Grant Evaluation	<ul style="list-style-type: none"> i. Evaluates applications against evaluation criteria. ii. Recommends qualifying applications to the Adjudication Committee for review.
Discretionary Grant Adjudication	<ul style="list-style-type: none"> i. Adjudicates over applications recommended by the Evaluation Committee. ii. Recommends qualifying and rejected (non-award) applications to the grants MANCO for review and approval.
Discretionary Grant Application Appeal	<ul style="list-style-type: none"> i. Evaluates application appeals. ii. Recommends qualifying and rejected (non-award) application appeals to the MANCO for review and approval.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 24 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

13. Disbursement of grants

- 13.1. Mandatory grant disbursements are initiated on the approval of mandatory grant applications and related levies received, in line with the mandatory grant criteria stipulated in the Grant Guidelines-Ref: DGD-GL-001 and the requirements set out in the Grant Regulations, (Government Gazette No 35940 of 3 December 2012).
- 13.2. Discretionary grant disbursements are performance-based and aligned to the delivery of set milestones, stipulated in the agreement between merSETA and the entity.
- 13.3. The merSETA allows for multi-year agreements where such agreements comply with this policy as well as demonstrate the need for such agreement to achieve merSETA strategic priority.
- 13.4. The merSETA reserves the right to withhold payments for either mandatory or discretionary grant disbursements, should all the relevant supporting documents not be provided by an entity.
- 13.5. In the case whereby an entity has an active agreement with the merSETA and wishes to apply for funding through an additional agreement, consideration may be given to such an application on demonstration of satisfactory performance on its active agreement. The additional application remains subject to the verification, evaluation and approval system detailed in the Grant Guideline-Ref: DGD-GL-001.

14. Reasons for rejecting a Project or Discretionary Grant application

- 14.1. The merSETA reserves the right to reject any application for Project or Discretionary Grants that does not comply with the requirements set out in this policy and related guidelines. Applications may be rejected for, but not limited to, the following reasons:
 - 14.1.1. Non-Compliance with Eligibility Criteria: Applicant does not meet the minimum requirements as stipulated in the funding window guidelines.
 - 14.1.2. Incomplete or Incorrect Documentation: Missing mandatory documents or submission of inaccurate information.
 - 14.1.3. Late Submission: Applications received after the official closing date and time.
 - 14.1.4. Budget Misalignment: Proposed budget exceeds allowable limits or is inconsistent with approved cost structures.
 - 14.1.5. Non-Alignment with Strategic Priorities: Project objectives do not align with merSETA's Sector Skills Plan or strategic objectives.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 25 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes

- 14.1.6. Duplicate Applications: Multiple submissions for the same project or funding window.
- 14.1.7. Non-compliance with previous awards: Applicant has outstanding compliance issues from prior funded projects.
- 14.1.8. Insufficient Capacity or Resources: Evidence suggests the applicant cannot deliver the proposed outputs within the agreed timeframe.

15. Grants Appeal Process

- 15.1. Should an appeal be lodged in respect of a mandatory grant application, the appeal must be submitted through the merSETA online platform, detailing the reasons for the appeal. The appeal must be submitted within **14** (fourteen) business days of receipt of the outcome notification.
- 15.2. Should an appeal be lodged in respect of a discretionary grant outcome, the appeal is done through the merSETA online platform for processing and decision. The merSETA investigates appeals and provides feedback to the relevant parties within **30** (thirty) business days of receipt.
- 15.3. The appeals process is detailed in the Grant Guidelines document that supports the operationalisation of this policy.
- 15.4. In all appeal cases where authority is delegated to the CEO, the decision of the CEO is final as recommended by a set committee.

16. Policy Review

- 16.1. The Policy will be reviewed every year, or as per operational and strategic changes and requirements, and monitored in line with merSETA Quality Management System, based on ISO 9001:2015 for effective implementation.

Document Title	Grants Policy		
Document Number	DGD-PL-001	Revision Date	25 November 2025
Page Number	Page 26 of 26	*Next Revision Date	25 November 2030
Revision Number	Rev 14	Access	Controlled

*The document shall be revised at least 12 months before the next revision date or as per merSETA organizational and operational changes