



**merSETA**

MANUFACTURING, ENGINEERING  
AND RELATED SERVICES SETA

**DISCRETIONARY GRANT  
FUNDING WINDOWS  
GUIDELINES  
2026/2027 FINANCIAL YEAR**

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## 1. INTRODUCTION AND STRATEGIC CONTEXT

The merSETA Grants Policy (DGD-PL-001) requires that discretionary grant (DG) funding windows be publicly advertised to enable the implementation of the Sector Skills Plan (SSP), the 2025–2030 Strategic Plan, the 2026/27 Annual Performance Plan (APP), and the DHET Service Level Agreement. The award of DG funding is at the sole discretion of the merSETA and is subject to verification, evaluation, and approval processes detailed in the Grants Guidelines (DGD-GL-001).

For the 2026/27 financial year, the merSETA has structured its seven (7) DG funding windows according to **eligible entity type**. This approach ensures that each applicant category receives targeted guidance on the programmes available to them, the applicable grant values, transformation requirements, and the APP output indicators to which their application will contribute.

### 1.1 MTDP Strategic Alignment

MTDP Priority	merSETA Response via DG Windows
Priority 1: Inclusive Growth & Job Creation	Windows 1, 2, 3 – employers, SMMEs, govt; artisan dev., learnerships, WBL, upskilling
Priority 2: Reduce Poverty & High Cost of Living	Windows 2, 6 – SMMEs, rural/township; entrepreneurship, co-op and NPO skills
Priority 3: Capable, Ethical & Developmental State	Windows 5, 7 – TVET/CET/HEI partnerships; SDPs and assessment centre support

### 1.2 General Eligibility Requirements (All Windows)

**All applicants must satisfy the following minimum requirements:**

- Valid B-BBEE certificate or sworn affidavit (EME/QSE) from a SANAS-accredited verification agency.
- Legal registration as an entity in terms of the relevant establishment legislation.
- No outstanding compliance issues from prior merSETA-funded projects.
- Completed and signed declaration of conflict of interest.
- Submission via the NSDMS platform ([www.merseta.org.za](http://www.merseta.org.za)) or as specified in the window advertisement, before the stated closing date.
- Where applicable, accreditation as a Skills Development Provider (SDP) by the QCTO or merSETA ETQA.
- An administration fee of up to 7.5% of the total award may be approved for indirect training costs.

### 1.3 Funding Window Schedule – 2026/27

Wi n.	Entity Category	Opening Date	Closing Date	Programme Types
1	Employers: Levy-Paying	30 April 2026	29 May 2026	PIVOTAL
2	Employers: Non-Levy-Paying & SMMEs	30 April 2026	29 May 2026	PIVOTAL / Non-PIVOTAL
3	Government Departments & Municipalities	30 June 2026	20 July 2026	PIVOTAL / Non-PIVOTAL
4	SEZs, Industrial Parks, Dev. Corps, SOCs	30 June 2026	20 July 2026	PIVOTAL / Non-PIVOTAL
5	HEIs, TVET & CET Colleges	30 May 2026	29 June 2026	PIVOTAL / Non-PIVOTAL
6	NGOs, CBOs, Trade Unions, Co-operatives	30 May 2026	29 June 2026	Non-PIVOTAL / PIVOTAL
7	SDPs & Assessment Centres	21 July 2026	17 August 2026	PIVOTAL

## FUNDING WINDOW 1 EMPLOYERS: LEVY-PAYING

Skills development investment for companies that pay skills development levies across all six merSETA chambers.

### 1.1 Purpose and Strategic Alignment

This window is designed for **levy-paying employers** registered with merSETA across the Automobile Manufacturing, Metal & Engineering, Motor Retail, Components Manufacturing, New Tyre Manufacturing, and Plastics Manufacturing chambers. Levy-paying employers form the core of the merSETA stakeholder base and are the primary vehicle for achieving APP targets on employed learner upskilling, artisan production, and workplace-based learning. This window supports Strategic Outcomes 1, 2, and 3 and responds directly to NSDP Outcomes 1, 2, 3, and 4.

### 1.2 Eligible Entity Types

Eligible Entities

Levy-paying employers (all six merSETA chambers) | Employer associations (on behalf of member companies)

Employers whose annual leviable amount equals or exceeds R500,000 and who are registered with SARS for payment of the Skills Development Levy qualify under this window. Employer associations may apply on behalf of member companies and must demonstrate mandate and consent from the companies concerned.

### 1.3 APP 2026/27 Target Alignment

APP Indicator	Annual Target	Q1	Q2	Q3	Q4
3.1 – % DG to high-level skills (managers, professionals, technicians)	10%	–	–	–	10%
3.2 – % DG to mid-level skills (skilled craft, trade, clerical, service)	50%	–	–	–	50%
3.3 – % DG to elementary skills (machine operators, elementary workers)	15%	–	–	–	15%
3.19 – Employed learners registered for learnerships	1 000	100	400	300	200
3.20 – Employed learners completing learnerships	800	100	250	250	200
3.21 – Employed learners registered for bursaries (new entries)	300	50	100	100	50
3.22 – Employed learners registered for bursaries (continuing)	150	25	75	25	25

3.23 – Employed learners completing bursaries	50	10	15	15	10
3.24 – Employed learners registered for skills programmes	1 000	100	400	300	200
3.25 – Employed learners completing skills programmes	800	100	250	250	200
3.26 – Learners registered for AET programmes	1 000	100	400	300	200
3.27 – Learners completing AET programmes	500	50	175	175	100
3.28 – Learners registered for trade/artisan qualifications (new)	3 800	400	1 500	1 500	400
3.29 – Learners completing trade/artisan qualifications	1 800	400	500	500	400
3.30 – Learners entering ARPL programme	1 600	100	600	500	400
3.31 – Learners completing ARPL programme	900	200	350	175	175
3.35 – New SETA-Employer partnerships established	1 000	100	200	500	200

#### 1.4 Eligible Programmes and Grant Values

Programme / Intervention	Type	Grant Value (per learner)
Apprenticeships (full qualification > 540 credits)	PIVOTAL	R206,290.00 per learner
Learnership – Level 1	PIVOTAL	R45,834.00 per learner
Learnership – Level 2 or 3	PIVOTAL	R56,838.00 or 67,839.00 per learner
Learnership – Level 4 or higher (< 540 credits)	PIVOTAL	R78,840.00 per learner
Learnership – Level 4 or higher (> 540 credits)	PIVOTAL	R206,292.00 per learner
Occupational Skills Programme (credit-bearing)	PIVOTAL	R385.00 per credit (max 80 credits)
Occupational Part Qualification	PIVOTAL	R199.00/credit (max 119) + NQF learner allowances

Bursary – Employed learner at HEI (6+ months)	PIVOTAL	R26,126.00 per learner per year
Bursary – Employed learner at TVET College	PIVOTAL	Maximum R26,126.00 (actual invoice)
ARPL – Employed candidates	PIVOTAL	R35,000.00 per candidate
AET – ABET Level 4 / NASCA	PIVOTAL	Up to R3,300.00 per learner
Student Internship Cat. A (P1 and/or P2)	PIVOTAL	R44,000.00 per semester; R88,000.00 (P1+P2)
Graduate Internship / Candidacy (Cat. B)	PIVOTAL	R96,250.00 p.a.; max R288,750.00 (3 yrs)
Bonus – Persons with Disabilities (apprenticeships)	Bonus	Additional R20,625.00 per learner
Bonus – Persons with Disabilities (skills/part quals)	Bonus	Additional R4,583.00 per learner
Accommodation grants for WBL learners	Non-PIVOTAL	Actual cost; capped per DGD-GL-001
Employer/provider capacity building for artisan dev.	Non-PIVOTAL	Project-based; motivated budget

### 1.5 Specific Requirements

- Learning programmes already funded through the Mandatory Grant (MG) process will not be funded through DG.
- Applications must align to the SSP priority occupations list. The top-ranked priority occupations include: Welder, Toolmaker, Motor Mechanic, Electrician, Mechanical Fitter, Millwright, Boilermaker, Diesel Mechanic, CNC Machinist, Robotic Technician, and related listed trades.
- Employers with existing active DG agreements may apply for additional agreements on demonstration of satisfactory performance on their existing agreement.
- Minimum 20% youth, 10% women, and 4% persons with disabilities must be reflected in learner lists.
- The DG allocation split of 10% high-level / 50% mid-level / 15% elementary is applied across all Window 1 awards cumulatively.

## FUNDING WINDOW 2 EMPLOYERS: NON-LEVY-PAYING & SMMEs

*Expanding skills development access to small businesses and non-levy-paying employers in the mer-sector.*

### 2.1 Purpose and Strategic Alignment

This window is dedicated to **non-levy-paying employers** and **Small, Medium, and Micro Enterprises (SMMEs)** whose annual leviable amount is below R500,000 or who are otherwise exempt from the Skills Development Levy. SMMEs form a critical part of the mer-sector value chain, particularly in metal fabrication, motor aftermarket services, plastics manufacturing, and engineering services. This window supports Strategic Outcome 4 (Skills for productive enterprises within the social economy) and responds to NSDP Outcome 6 (Entrepreneurship and co-operative development) and SIHIP mandates on SMME development.

### 2.2 Eligible Entity Types

#### Eligible Entities

**Non-levy-paying employers (leviable amount < R500,000) | SMMEs in the mer-sector value chain | Emerging enterprises in manufacturing and engineering services | Black-owned enterprises and Black industrialist firms**

### 2.3 APP 2026/27 Target Alignment

APP Indicator	Annual Target	Q1	Q2	Q3	Q4
2.7 – Small & emerging enterprises trained in priority occupations	681	–	50	300	331
3.10 – Unemployed learners registered for skills programmes	2 000	–	–	–	300
3.11 – Unemployed learners completing skills programmes	2 000	200	600	700	500
3.12 – Unemployed learners registered for learnerships	2 000	400	700	600	300
3.13 – Unemployed learners completing learnerships	1 200	250	350	350	250
3.24 – Employed learners registered for skills programmes	1 000 (shared with Win.1)	100	400	300	200
3.39 – People trained in entrepreneurship / enterprise dev.	200	25	80	60	35

Outcome 4.1 – Absorption into employment/self-employment	80% of completers	–	–	–	Annual
Outcome 4.3 – SMME/Co-op/NGO initiatives completed (5-yr)	5,500	–	–	–	Contribution

## 2.4 Eligible Programmes and Grant Values

Programme / Intervention	Type	Grant Value (per learner)
Learnership – Level 1	PIVOTAL	R45,834.00 per learner
Learnership – Level 2 or 3	PIVOTAL	R56,838.00 or 67,839.00 per learner
Learnership – Level 4 or higher (< 540 credits)	PIVOTAL	R78,840.00 per learner
Occupational Skills Programme (credit-bearing)	PIVOTAL	R480.00 per credit (max 60 credits)
ARPL – Employed candidates	PIVOTAL	R35,000.00 per candidate
ARPL – Unemployed candidates	PIVOTAL	R55,000.00 per candidate
Student Internship Cat. A (P1 and/or P2)	PIVOTAL	R44,000.00 per semester
AET – ABET Level 4 / NASCA	PIVOTAL	Up to R3,300.00 per learner
Non-Credit Bearing Short Courses – unemployed	Non-PIVOTAL	R1,540.00 per learner per day (max 10 days)
Entrepreneurship / Enterprise Development Skills	Non-PIVOTAL	Project-based; motivated budget
SMME Business / Management Short Courses	Non-PIVOTAL	R1,540.00 per learner per day (max 10 days)
Black Industrialist Enterprise Skills Development	Non-PIVOTAL	Project-based; aligned to enterprise growth plan
Re-industrialisation and Industrial Capacity Expansion	Non-PIVOTAL	Project-based; aligned to production expansion plan
Bonus – Persons with Disabilities (skills/part quals)	Bonus	Additional R4,583.00 per learner

## 2.5 Specific Requirements

- Applicants must demonstrate a connection to the mer-sector value chain (automotive, metal & engineering, plastics, components, tyre, or motor retail).

- For enterprise development skills, applications must include a business plan or enterprise growth plan demonstrating the link between skills development and business sustainability.
- Minimum 20% youth, 10% women, and 4% persons with disabilities must be reflected in learner lists.
- Priority given to applications from black-owned enterprises, women-owned enterprises, and enterprises in township and rural areas.
- Non-credit bearing programmes will not be funded unless they clearly address occupational skills gaps identified in the SSP.

## FUNDING WINDOW 3 GOVERNMENT DEPARTMENTS & MUNICIPALITIES

*Partnering with the public sector to deliver skills at local and provincial level through the District Development Model.*

### 3.1 Purpose and Strategic Alignment

This window enables partnerships with **national, provincial, and local government departments and municipalities** to implement skills development programmes that address community and public sector capacity needs aligned to the mer-sector. It is a primary vehicle for implementing the District Development Model (DDM) and supports Strategic Outcome 4. The merSETA has existing partnerships with Offices of the Premier in the Eastern Cape, Free State, Northern Cape, KwaZulu-Natal, and Gauteng, and this window formalises and expands those relationships.

### 3.2 Eligible Entity Types

<b>Eligible Entities</b>	<b>National government departments   Provincial government departments and Offices of the Premier   Local municipalities and metropolitan municipalities   Municipal entities (e.g., utility companies, development agencies)</b>
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### 3.3 APP 2026/27 Target Alignment

APP Indicator	Annual Target	Q1	Q2	Q3	Q4
3.4 – Unemployed TVET learners registered for WIL	300	50	100	100	50
3.5 – Unemployed learners completing WIL (TVET)	200	40	50	60	50
3.8 – Unemployed learners registered for workplace internships	500	50	175	175	100
3.9 – Unemployed learners completing workplace internships	300	25	75	90	110
3.12 – Unemployed learners registered for learnerships	2 000 (shared)	400	700	600	300
3.38 – Rural development projects supported	6	–	2	2	2
3.39 – People trained in entrepreneurship / enterprise dev.	200 (shared)	25	80	60	35
Outcome 4.4 – Successful rural development projects (5-yr)	100	–	–	–	Contribution

### 3.4 Eligible Programmes and Grant Values

Programme / Intervention	Type	Grant Value (per learner)
Learnership – Level 1 to 4	PIVOTAL	R45,834.00 – R206,290.00 per learner (level-dependent)
Apprenticeships (for municipal technical trades)	PIVOTAL	R206,290.00 per learner
Student Internship Cat. A (P1 and/or P2)	PIVOTAL	R44,000.00 per semester
Graduate Internship / Candidacy (Cat. B)	PIVOTAL	R96,250.00 p.a.; max R288,750.00 (3 yrs)
Occupational Skills Programme (credit-bearing)	PIVOTAL	R385.00 per credit (max 60 credits)
AET – ABET Level 4 / NASCA	PIVOTAL	Up to R3,300.00 per learner
Rural Development Programmes (incl. learner support costs)	Non-PIVOTAL	R1,288.00/day training + relocation/subsistence per DGD-GL-001
JET / Green Economy Skills (Solar PV, NEV, energy efficiency)	Non-PIVOTAL/P IVOTAL	Per applicable PIVOTAL grant or project-based
Infrastructure Development Capacity (SIHIP-aligned)	Non-PIVOTAL	Project-based; motivated budget per application
Non-Credit Bearing Short Courses – unemployed	Non-PIVOTAL	R1,288.00 per learner per day (max 10 days)
Bonus – Persons with Disabilities	Bonus	Additional R20,625.00 or R4,583.00 per learner

### 3.5 Specific Requirements

- Applications must align to the merSETA SSP priority occupations or demonstrate a direct link to the mer-sector value chain.
- Partnerships must include a formal Memorandum of Understanding (MoU) or cooperation agreement between the government entity and merSETA.
- Priority given to applications that target unemployed youth, persons with disabilities, and communities in rural or economically disadvantaged districts.
- Applications must include a learner absorption plan demonstrating intended employment, public sector placement, or self-employment outcomes post-training.
- DDM-aligned projects must specify the district municipality and community being served.

## FUNDING WINDOW 4 SEZs, INDUSTRIAL PARKS, DEVELOPMENT CORPORATIONS & SOCs

*Driving re-industrialisation, localisation, and economic zone development through targeted skills investment.*

### 4.1 Purpose and Strategic Alignment

This window is dedicated to **Special Economic Zones (SEZs), industrial parks, development finance institutions, development corporations, and State-Owned Companies (SOCs)** active in the mer-sector. These entities are critical vehicles for re-industrialisation, localisation, and the expansion of manufacturing capacity in South Africa, directly supporting Strategic Outcome 1 (Localisation, re-industrialisation, and growth) and MTDP Priority 1. This window also supports the JET Investment Plan and the Automotive, Steel & Metal Fabrication, and Plastics Sector Master Plans.

### 4.2 Eligible Entity Types

<b>Eligible Entities</b>	<b>Special Economic Zones (SEZs) and their operating entities   Industrial parks and hubs (public and PPP-structured)   Development finance institutions (e.g., IDC, NEF, DBSA)   Development corporations (national and provincial)   State-Owned Companies (SOCs) with a mer-sector mandate   Public-private partnerships in industrial development</b>
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### 4.3 APP 2026/27 Target Alignment

APP Indicator	Annual Target	Q1	Q2	Q3	Q4
3.28 – Learners registered for trade/artisan qualifications (new)	3 800 (shared with Win.1)	400	1 500	1 500	400
3.29 – Learners completing trade/artisan qualifications	1 800 (shared)	400	500	500	400
3.8 – Unemployed learners registered for internships	500 (shared)	50	175	175	100
3.14 – Engineering graduates registered for candidacy	150	30	50	40	30
3.15 – Engineering graduates completing candidacy	20	5	5	5	5
3.16 – Unemployed learners registered for bursaries (new)	350 (shared)	–	100	50	200
Outcome 1.1 – % increase in mer-sector GDP contribution	1% (5-yr)	–	–	–	Contribution

Outcome 1.2 – Avg % increase in manufacturing local content	30% (5-yr)	–	–	–	Contribution
Outcome 1.3 – % increase in individuals trained for high-demand occupations	25% (5-yr)	–	–	–	Contribution

#### 4.4 Eligible Programmes and Grant Values

Programme / Intervention	Type	Grant Value (per learner)
Apprenticeships (listed trades for SEZ/industrial operations)	PIVOTAL	R206,290.00 per learner
Learnership – Level 4 or higher (> 540 credits)	PIVOTAL	R206,290.00 per learner
QCTO Occupational Certificate Learnerships	PIVOTAL	Per applicable PIVOTAL grant
Graduate Internship / Candidacy (Cat. B – engineering)	PIVOTAL	R96,250.00 p.a.; max R288,750.00 (3 yrs)
Occupational Skills Programme (credit-bearing, high-demand)	PIVOTAL	R385.00 per credit (max 80 credits)
Bursary – Unemployed at HEI (full bursary)	PIVOTAL	Maximum R200,000.00 per learner
ARPL – Employed or Unemployed candidates	PIVOTAL	R35,000.00 (employed) / R55,000.00 (unemployed)
JET Skills: Solar PV, NEV, Hydrogen economy skills	PIVOTAL/ Non-PIVOTAL	Per applicable PIVOTAL grant or project-based
Re-industrialisation and Industrial Capacity Expansion	Non-PIVOTAL	Project-based; aligned to industrial expansion plan
Industry 4.0 / Digital Skills (robotics, automation, CNC)	PIVOTAL/ Non-PIVOTAL	Per programme type or project-based
Employer/Provider Capacity Building for Artisan Development	Non-PIVOTAL	Project-based; motivated budget
Bonus – Persons with Disabilities	Bonus	Additional R20,625.00 or R4,583.00 per learner

#### **4.5 Specific Requirements**

- Applications must demonstrate how the skills programme directly supports the SEZ or industrial park's core manufacturing or engineering operations.
- For SOCs and development corporations, applications must include evidence of the entity's mandate within the mer-sector and a skills demand justification.
- Priority given to applications that target high-demand occupations listed in the merSETA SSP and that support re-industrialisation or localisation objectives.
- JET-related applications must reference the applicable component of the MTDP JET Investment Plan and demonstrate contribution to the 7,000 JET graduate target by 2029.
- Minimum 20% youth, 10% women, and 4% persons with disabilities must be reflected in learner lists.

## FUNDING WINDOW 5 HEIs, TVET & CET COLLEGES

*Strengthening the public education system's capacity to deliver quality, industry-relevant mer-sector skills.*

### 5.1 Purpose and Strategic Alignment

This window supports **Higher Education Institutions (HEIs), Technical and Vocational Education and Training (TVET) colleges, and Community Education and Training (CET) colleges** to enhance their capacity, infrastructure, and programme quality for mer-sector skills delivery. It directly responds to NSDP Outcome 5 (Support the growth of the public college system) and Strategic Outcome 3 (Prioritise future skills and industrial revolution). The merSETA has a specific mandate to support TVET Centres of Specialisation (CoS), develop new occupational qualifications, and grow the pipeline of WIL placements through college partnerships.

### 5.2 Eligible Entity Types

#### Eligible Entities

**Public TVET colleges (established under CET Act No. 16 of 2006) | Public CET colleges | Public and private HEIs (registered with DHET) | University of Technology (UoT) faculties | Industry-academic partnerships (employer + college/HEI joint applications)**

### 5.3 APP 2026/27 Target Alignment

APP Indicator	Annual Target	Q1	Q2	Q3	Q4
3.4 – Unemployed TVET learners registered for WIL	300	50	100	100	50
3.5 – Unemployed learners completing WIL (TVET)	200	40	50	60	50
3.6 – Unemployed learners registered for WIL (HEIs)	250	45	100	55	50
3.7 – Unemployed learners completing WIL (HEIs)	175	70	45	35	25
3.16 – Unemployed learners registered for bursaries (new)	350	–	100	50	200
3.17 – Unemployed learners registered for bursaries (cont.)	350	–	100	50	200
3.18 – Unemployed learners completing bursaries	150	50	20	30	50
3.32 – TVET college partnerships established	5	–	2	2	1

3.33 – SETA-HEI partnerships established	3	–	–	1	2
3.34 – CET partnerships established	2	–	–	1	1
4.1 – TVET Centres of Specialisation (CoS) supported	4	–	2	1	1
4.2 – TVET colleges funded for occupational progs. & infra.	6	–	2	2	2
4.3 – TVET college lecturers exposed to industry	100	–	–	–	100
4.4 – SETA offices maintained in TVET colleges	3	–	1	2	–
4.5 – CET colleges funded for occupational progs. & infra.	5	–	1	2	2
4.6 – CET learners accessing AET programmes	40	–	20	10	10
2.4 – Sector research agreements for TVET occupational progs.	4	–	–	–	4
Outcome 3.3 – HEI Applied Research & Innovation projects (5-yr)	10	–	–	–	Contribution

#### 5.4 Eligible Programmes and Grant Values

Programme / Intervention	Type	Grant Value (per learner)
Student Internship Cat. A – TVET/HEI WIL (P1 and/or P2)	PIVOTAL	R44,000.00 per semester; R88,000.00 (P1+P2)
Student Internship – National Diploma (18–24 months)	PIVOTAL	R96,250.00 per learner
Graduate Internship / Candidacy (Cat. B – engineering)	PIVOTAL	R96,250.00 p.a.; max R288,750.00 (3 yrs)
Bursary – Unemployed at HEI (full bursary)	PIVOTAL	Maximum R180,000.00 per learner
Bursary – Unemployed at TVET / partial HEI	PIVOTAL	Maximum R100,000.00 per learner
AET – CET college delivery	PIVOTAL	Up to R3,300.00 per learner (min. 2 subjects)
TVET College Infrastructure & Equipment	Non-PIVOTAL	Project-based; motivated per application

TVET Centres of Specialisation (CoS) support	Non-PIVOTAL	Project-based; motivated per application
Lecturer Industry Exposure Programmes	Non-PIVOTAL	Project-based; per programme scope
CET College Infrastructure & Programmes	Non-PIVOTAL	Project-based; motivated per application
HEI Applied Research & Innovation Projects	Non-PIVOTAL	Project-based; subject to FGC approval above R3.85m
Sector Research Agreements (TVET occupational progs.)	Non-PIVOTAL	Project-based; motivated in application
4IR Laboratory Establishment at TVET/HEI	Non-PIVOTAL	Project-based; subject to FGC approval
SETA Office Establishment at TVET College	Non-PIVOTAL	Per operational agreement with merSETA

### 5.5 Specific Requirements

- TVET and CET colleges must be accredited or provisionally accredited by the QCTO or merSETA ETQA for the specific occupational programme being funded.
- WIL and internship applications must include confirmed employer placement agreements for each learner cohort.
- Infrastructure applications must include a detailed needs assessment, bill of quantities, and maintenance plan.
- Lecturer industry exposure applications must include a structured programme plan, participating employers, and reporting methodology.
- Applied research and innovation applications must include a research protocol, intended outputs (publications, qualification development, pilot implementation), and HEI ethics approval where applicable.
- Industry-academic joint applications must include signed letters of commitment from both the academic institution and the industry partner.

## FUNDING WINDOW 6 NGOs, CBOs, TRADE UNIONS & CO-OPERATIVES

*Channelling skills development into communities, organised labour, and the social economy.*

### 6.1 Purpose and Strategic Alignment

This window serves **Non-Governmental Organisations (NGOs), Community-Based Organisations (CBOs), Non-Profit Companies (NPCs), Non-Profit Organisations (NPOs), registered Trade Unions, and Co-operatives** active in the merSETA sector ecosystem. It is the primary vehicle for achieving Strategic Outcome 4 (Skills for productive enterprises within the social economy and driving township and rural economic development), NSDP Outcome 6 (Entrepreneurship and co-operative development), and NSDP Outcome 7 (Worker-initiated training through trade unions). This window also supports the SIHIP Rural Development for Community Impact and Sustainable Entrepreneurial SMME and Co-operatives Development streams.

### 6.2 Eligible Entity Types

#### Eligible Entities

NGOs, NPOs, NPCs registered under the NPO Act No. 71 of 1997 | CBOs registered with the Department of Social Development | Trade unions registered under the Labour Relations Act | Co-operatives registered under the Co-operatives Act No. 14 of 2005 | Labour federations (on behalf of affiliated unions)

### 6.3 APP 2026/27 Target Alignment

APP Indicator	Annual Target	Q1	Q2	Q3	Q4
2.3 – Trade unions supported through skills development	2	–	1	1	–
2.6 – Cooperatives trained in priority occupations or skills	4	–	–	–	4
3.36 – CBOs/NGOs/NPOs funded for skills development	30	5	10	10	5
3.37 – Trade unions supported through skills development	2	–	1	1	–
3.38 – Rural development projects supported	6	–	2	2	2
3.39 – People trained in entrepreneurship / enterprise dev.	200	25	80	60	35
3.10 – Unemployed learners registered for skills progs. (via NGOs)	2 000 (shared)	–	–	–	300

4.7 – Career development events in urban areas	25	7	6	6	6
4.8 – Career development events in rural areas	25	7	6	6	6
Outcome 4.1 – Absorption into employment/self-employment	80% of completers	–	–	–	Annual
Outcome 4.2 – Unemployed completing WBL & bursaries (5-yr)	30,000	–	–	–	Contribution

#### 6.4 Eligible Programmes and Grant Values

Programme / Intervention	Type	Grant Value (per learner)
Non-Credit Bearing Short Courses – unemployed (max 10 days)	Non-PIVOTAL	R1,288.00 per learner per day
Occupational Skills Programme (credit-bearing)	PIVOTAL	R385.00 per credit (max 80 credits)
Learnership – Level 1 to 3 (via employer/NPO MoA)	PIVOTAL	R71,000.00 – R84,800.00 per learner
Rural Development Programmes (incl. learner support costs)	Non-PIVOTAL	R1,288.00/day + relocation/subsistence per DGD-GL-001
Township Economy Revitalisation Skills Programmes	Non-PIVOTAL	Project-based; motivated budget
Entrepreneurship / Enterprise Development Skills	Non-PIVOTAL	Project-based per application
Co-operative Development Skills Programmes	Non-PIVOTAL	Project-based; training and facilitation costs
Worker Education & Training (Trade Union members)	Non-PIVOTAL	Project-based; aligned to member skills needs
Bursary Management (for unemployed learners – bursary scheme)	PIVOTAL	Max R180,000.00 (full HEI) or R100,000.00 (TVET/partial)
Career Development Events and Awareness Campaigns	Non-PIVOTAL	Project-based; motivated budget per event/campaign
Anti-GBV Programmes in workplaces / communities	Non-PIVOTAL	Project-based; motivated budget
AET – ABET Levels 1–3 (foundational literacy/numeracy)	Non-PIVOTAL	Project-based; per learner facilitation cost

Accommodation / Learner Support Grants (rural WBL)	Non- PIVOTAL	Actual cost; capped per DGD-GL-001
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## 6.5 Specific Requirements

- NGOs, CBOs, and NPOs must demonstrate active engagement in skills development activities relevant to the mer-sector value chain.
- Co-operatives must be registered under the Co-operatives Act No. 14 of 2005 and must demonstrate productive activity in a mer-sector related field.
- Trade union applications must be limited to worker education and skills development for union members and shop stewards and must include a list of participating members and their employer companies.
- Rural development applications must specify the district municipality and communities served, and must include a learner support plan addressing geographic and access barriers.
- Bursary management applications must include a means test methodology, a learner selection plan, and a post-completion absorption tracking plan.
- Minimum 60% of beneficiaries must be women, youth (15–35), or persons with disabilities.
- Priority given to applications serving rural provinces: Eastern Cape, Limpopo, Free State, Northern Cape, and North West.

## FUNDING WINDOW 7 SDPs & ASSESSMENT CENTRES

Enabling accredited providers and assessment centres to deliver quality, QCTO-aligned skills programmes year-round.

### 7.1 Purpose and Strategic Alignment

This window is open to **accredited Skills Development Providers (SDPs) and registered Assessment Centres** that implement occupationally directed programmes on behalf of merSETA-funded learners. SDPs and assessment centres are the operational delivery arm of the skills development system, and their quality, capacity, and reach are directly linked to the merSETA's ability to achieve its APP targets. This window supports Strategic Outcome 3 (Prioritise future skills and industrial revolution) and NSDP Outcome 3 (Improving the level of skills in the South African workforce). Applications are received **quarterly** throughout the 2026/27 financial year.

### 7.2 Eligible Entity Types

#### Eligible Entities

SDPs accredited by the QCTO or merSETA ETQA for specific occupational qualifications | Registered trade test centres (for artisan development) | Assessment centres accredited for ARPL and RPL processes | Private training providers (accredited, mer-sector focus) | Employer-based training centres (accredited)

### 7.3 APP 2026/27 Target Alignment

APP Indicator	Annual Target	Q1	Q2	Q3	Q4
3.28 – Learners registered for trade/artisan qualifications (new)	3 800 (delivery contribution)	400	1 500	1 500	400
3.29 – Learners completing trade/artisan qualifications	1 800 (delivery contribution)	400	500	500	400
3.30 – Learners entering ARPL programme	1 600	100	600	500	400
3.31 – Learners completing ARPL programme	900	200	350	175	175
3.10 – Unemployed learners registered for skills progs.	2 000 (delivery)	–	–	–	300

	contribution)				
3.11 – Unemployed learners completing skills progs.	2 000	200	600	700	500
3.19 – Employed learners registered for learnerships	1 000 (delivery contribution)	100	400	300	200
4.11 – Occupational Qualifications/Part-Quals submitted to QCTO	22	2	5	8	7
Outcome 3.1 – % beneficiaries completing future skills/4IR	20% of total (5-yr)	–	–	–	Contribution

#### 7.4 Eligible Programmes and Grant Values

Programme / Intervention	Type	Grant Value (per learner)
Apprenticeship delivery (full qualification > 540 credits)	PIVOTAL	R206,290.00 per learner (paid to employer; SDP contracted separately)
Learnership delivery – any level	PIVOTAL	R71,000.00 – R257,900.00 per learner (level-dependent)
QCTO Occupational Certificate delivery	PIVOTAL	Per applicable PIVOTAL grant
Occupational Skills Programme delivery (credit-bearing)	PIVOTAL	R385.00 per credit (max 80 credits)
Occupational Part Qualification delivery	PIVOTAL	R199.00/credit (max 119) + NQF learner allowances
ARPL – Employed candidates (full process)	PIVOTAL	R35,000.00 per candidate
ARPL – Unemployed candidates (full process)	PIVOTAL	R55,000.00 per candidate
Trade test delivery and assessment	PIVOTAL	Included in apprenticeship/ARPL grant; or project-based for standalone trade tests
Occupational Qualification Development (QCTO submission)	Non-PIVOTAL	Project-based research and development budget
JET / Future Skills: SPVT, NEV, 4IR occupational progs.	PIVOTAL	Per applicable occupational programme grant value

Non-Credit Bearing Short Courses (max 10 days)	Non-PIVOTAL	R1,288.00 per learner per day
Accommodation Grants for WBL learners	Non-PIVOTAL	Actual cost; capped per DGD-GL-001
Grants to increase employer/provider capacity for artisan dev.	Non-PIVOTAL	Project-based; equipment, infrastructure, mentorship capacity
Project management fee (at merSETA discretion)	Admin	Up to 7.5% of total award

## 7.5 Specific Requirements

- SDPs must hold valid QCTO or merSETA ETQA accreditation for each programme they intend to deliver. Accreditation must be current at the time of application and throughout the implementation period.
- Assessment centres must hold valid registration for each occupational qualification, trade, or part-qualification for which they conduct assessments.
- SDPs applying for artisan-related programmes must demonstrate access to accredited trade test facilities or confirm a partnership with an accredited trade test centre.
- Applications must include a detailed delivery plan specifying: learner numbers per programme, delivery sites, facilitator CVs and qualifications, assessment plan, and quality assurance mechanisms.
- SDPs must submit a learner recruitment and selection plan demonstrating how transformation targets (youth 20%, women 10%, PwD 4%) will be met.
- SDPs delivering QCTO occupational qualifications must demonstrate alignment to the QCTO curriculum and assessment guide, and must have a registered External Integrated Summative Assessment (EISA) plan.
- For qualification development (4.11 QCTO submissions), applications must include a development plan, stakeholder consultation record, and a QCTO submission timeline.
- No SDP may be awarded funding for a programme for which their accreditation has lapsed, been suspended, or is under investigation.

## 2. APPLICATION AND EVALUATION PROCESS

### 2.1 Application Process

All DG applications must be submitted through the National Skills Development Management System (NSDMS) at [www.merseta.org.za](http://www.merseta.org.za), unless the specific window advertisement specifies an alternative platform. Applications not submitted via the prescribed platform will be automatically disqualified.

Step	Action	Responsibility
1	Funding window published in public media, merSETA website, and social media platforms	merSETA Communications / Grants Management Unit
2	Completed DG application submitted via NSDMS within the specified window period	Applicant Entity
3	Administrative verification of completeness and eligibility (within 30 business days)	merSETA Client Services Department
4	Technical evaluation against window-specific criteria by the DGEC	Discretionary Grant Evaluation Committee (DGEC)
5	Adjudication and funding recommendation by the DGAC	Discretionary Grant Adjudication Committee (DGAC)
6	Approval of funding allocations by MANCO (or FGC for management-initiated / CSI projects above R3.85m)	MANCO / Finance and Grants Committee
7	Outcome notification to applicants (within 90 days of application close date)	merSETA Grants Management Unit
8	Memorandum of Agreement (MoA) signed between merSETA and approved entity	CEO / Grants Management Unit and Entity
9	Programme implementation, quarterly performance reporting, and evidence submission	Approved Entity
10	Performance-based disbursement of grant funds aligned to MoA milestones	merSETA Finance / Grants Management Unit

### 2.2 Minimum Evaluation Criteria

Criterion	Minimum Requirement
Legal Status	Valid registration certificate or founding documents
B-BBEE Compliance	Valid B-BBEE certificate (SANAS-accredited) or sworn affidavit (EME/QSE)

SDP Accreditation	QCTO/merSETA ETQA accreditation for the relevant programme(s) where applicable
APP/SSP Alignment	Application references specific APP indicators and SSP priority occupations
Implementation Capacity	Evidence of ability to deliver proposed outputs within the proposed timeframe
Transformation Targets	Demonstrated commitment to minimum youth, women, and PwD participation
Conflict of Interest	Completed and signed declaration submitted with application
Compliance Record	No outstanding compliance issues from prior merSETA-funded projects

### 2.3 Contract Management and Use-It-or-Lose-It

- DG awards must be taken up (MoA signed) within 6 months of award notification. Unutilised awards will be forfeited and reallocated within the same financial year.
- Extension requests must be submitted in writing before contract expiry. A maximum of one 6-month extension may be granted on demonstration of valid justification.
- Performance-based disbursements are aligned to MoA milestones. Payments will be withheld if supporting documentation is not submitted.
- Entities with active MoAs may apply for additional agreements on demonstration of satisfactory performance on existing agreements.

### 2.4 Transformation Requirements (All Windows)

Target Group	5-Year SP Target	2026/27 Minimum per Award
Youth (aged 15–35)	20% increase over 5-year SP period	Minimum 20% of learners per award
Women	10% increase over 5-year SP period	Minimum 10% of learners per award
Persons with Disabilities	4% increase over 5-year SP period	Minimum 4% of learners per award
Black South Africans	Aligned to B-BBEE objectives	B-BBEE certificate mandatory for all applicants
Rural and township communities	Windows 1B, 6 prioritised	Priority allocation in rural/township-focused applications

## **2.5 Appeals Process**

Applicants may appeal a DG outcome by submitting through the merSETA online platform within **30 business days** of receiving the outcome notification. The DGAAC will investigate and provide feedback within 30 business days of receipt. The decision of the CEO (recommended by the DGAAC) is final.

### 3. CONSOLIDATED 2026/27 DG WINDOW SUMMARY

W in .	Entity Category	Programme Type	Key APP Indicators	Strategic Outcome
1	Employers: Levy-Paying	PIVOTAL	3.1–3.3, 3.19–3.31, 3.35	Outcomes 1, 2 & 3
2	Employers: Non-Levy-Paying & SMMEs	PIVOTAL / Non-PIVOTAL	2.7, 3.10–3.13, 3.24, 3.39	Outcome 4
3	Government Depts. & Municipalities	PIVOTAL / Non-PIVOTAL	3.4–3.5, 3.8–3.9, 3.12, 3.38, 3.39, Outcome 4.4	Outcome 4
4	SEZs, Industrial Parks, Dev. Corps & SOCs	PIVOTAL / Non-PIVOTAL	3.14–3.16, 3.28–3.29, 3.8, Outcomes 1.1–1.3	Outcome 1
5	HEIs, TVET & CET Colleges	PIVOTAL / Non-PIVOTAL	3.4–3.7, 3.16–3.18, 3.32–3.34, 4.1–4.6, 2.4	Outcome 3
6	NGOs, CBOs, Trade Unions & Co-operatives	Non-PIVOTAL / PIVOTAL	2.3, 2.6, 3.36–3.39, 4.7–4.8, Outcome 4.1–4.2	Outcome 4
7	SDPs & Assessment Centres	PIVOTAL / Non-PIVOTAL	3.10–3.11, 3.19, 3.28–3.31, 4.11, Outcome 3.1	Outcome 3