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Funding Policy on Discretionary Grants



APPROVED

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Change History

Version	Review Date	Approval Date	Amendment
0.1	December 2007	March 2008	Initial Edition
0.2	April 2013	April 2013	Second Edition
0.3	July 2014	March 2015	Third Edition
0.4	April 2015	April 2015	Fourth Edition
0.5	April 2017	March 2018	Fifth Edition
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1. DEFINITIONS, ACRONYMS AND TERMINOLOGY

AET	Adult Education and Training
SDA	to the Skills Development Amendment Act, 97 of 1998
APP	EWSETA Annual Performance Plan
Apprenticeship	A learning programme that leads to a trade test and eventually achievement of a trade.
Artisan	Anyone who has passed a Trade Test and deemed/declared competent in a relevant field of work. Artisans are associated particularly with engineering fields such as electrical, measurement control and instrumentation, fitter and turner, welding, boilermaker etc.
Discretionary Grants	Are grants paid to EWSETA member companies and other legal enterprises, at the discretion of the EWSETA Accounting Authority, to encourage stakeholders to contribute towards the achievement and objectives of the National Skills Development Strategy, the EWSETA Sector Skills Plan and Annual Performance Plan. All unclaimed mandatory grant funds from prior year will be transferred to the discretionary grant funding.
Employer	An organisation registered with Companies and Intellectual Property Commission (CIPC)
Learning programme	Includes a learnership, an apprenticeship, a skills programme and any other prescribed learning programme which includes a structured theoretical and work experience component.
Labour Representative	Means a representative of organised labour within the workplace, nominated by the recognised trade union/unions.
Levy Paying Employer	Means an employer compelled to pay skills development levies in terms of section 3(1) of the Skills Development Levies Act. 9 of 1999.
NQF	Means the National Qualifications Authority
PIVOTAL	Professional, vocational, technical and academic learning programmes that result in qualifications or part qualifications on the National Qualifications Framework.
Hard to Fill Vacancies (HTFV)	Those vacancies that takes the employer a period longer than six months to find candidates to fill the vacancies
Private Education and Training Providers	Means institutions that are privately owned

Project costs	Means costs payable for an approved project funded through a discretionary grant
Public Education and Training Providers	Means the institutions that are funded from the fiscus and reports to government
Public / Private Partnerships	Means a partnership between a public sector company provider and a legal government agency or public education and training provider
Recognition of Prior Learning (RPL)	Means assessments program aim at removing barriers to learning in support of transformation of educational and training system.
Work Integrated Learning (includes Work Experience and Internships)	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
Surplus	Means a favourable residual balance in the statement of financial performance for the financial year ending on 31 March less commitment to training of learners in programmes funded from discretionary funds
Learner Database	A list of learners legitimate to be trained for the financial year ending 31 March.
Notional Learning Hours	The number of hours, which it is expected a learner (at a particular level) will spend, on average, to achieve the specified learning outcomes at that level. It includes all learning relevant to achievement of the learning outcomes e.g. directed study, essential practical work, project work, private study and assessment.
NSDP	National Skills Development Plan 2030.

2. INTRODUCTION

2.1. The Energy and Water SETA has responsibility of improving the skills of the workforce through quality demand-led training in order to enhance organisational productivity and performance through skills development. The Energy and Water SETA approach to the Discretionary Grants Funding Programme is guided and directed by Annual Performance Plan and Sector Skills Plan (SSP). The aim of the EWSETA SSP is to work in defined areas of priority to enhance organisational capacity and accelerate the training of employees in the sector.

Levy Grant system Element	Allocation %	Conditions
Total levy	100%	1% of Remuneration Costs
SARS Collection Fee	2%	Maximum of 2%
NSF	18%	% prescribed by Minister
SETA Administration	10.5%	Maximum of 0.5% to QCTO
Mandatory Grant	20%	Unclaimed to Discretionary
Discretionary Grant	49.5%	Maximum of 80% to PIVOTAL

2.2. This Funding Policy and Guidelines is aimed at giving effect to the above allocation parameters by outlining how the SETA's finances and financial administration for grants will be managed, i.e. how mandatory grants will be paid; what the quality criteria in relation to the payment of these grants will be; and what discretionary grants will be paid and for what programmes, including an outline of the hard to fill vacancies which will be available in this sector.

2.3. This policy is intended to enable effective monitoring and evaluation of the skills development interventions funded by the Energy and Water SETA and change the focus from numerical targets to effective monitoring and measurement, and impact evaluation. To this end, Energy and Water SETA has adopted a Skills Value Chain approach to address priorities identified in the SSP and through Strategic Plan and APP. The disbursement of funds will be managed to achieve the intended goals as aligned to the plans.

3. PURPOSE

3.1. To establish a framework with which Discretionary Grants are disbursed.

3.2. To provide member organisations with a comprehensive overview of the requirements for grants. In order to ensure that applications for grants are properly focused, some information is provided to assist organisations to conceptualise their applications. This

policy also defines the method of allocating funds with respect to targets, qualifying criteria, evaluation criteria and grant value.

4. SCOPE

This policy will be applicable to the following:

- 4.1. Legal person or enterprises in different sizes (including small and micro enterprises, Non-Government Organisations (NGO's) and Cooperatives in the sector),
- 4.2. Public and Private education and training institution,
- 4.3. An employer or enterprise within the jurisdiction of EWSETA, including an employer or enterprise that is levy exempt in terms of Skills Development Levies Act,
- 4.4. EWSETA officials that administers grants.
- 4.5. Energy and Water SETA Accounting Authority.

5. PRINCIPLES

The Policy on Discretionary Grant is committed to and guided by the principles of:

- 5.1. efficient and timely considerations of matters covered by this policy,
- 5.2. fairness and reasonableness,
- 5.3. transparency.

6. POLICY PROVISIONS

- 6.1. To ensure consistency with the Energy and Water SETA sector skills priorities the following are to be noted as the basis upon which funding decisions will be made. The Energy and Water SETA may only make a discretionary grant if there are sufficient funds available. The Energy and Water SETA will utilise discretionary funding to implement its SSP and APP as contemplated in the Treasury Regulations issued in terms of the Public Finance Management Act.
- 6.2. Training providers and non-levy paying entities may also seek grants from Energy and Water SETA. These grants may be allocated to projects, programmes and research

activities if they support the implementation of the sector skills plan or Energy and Water SETA's strategic objectives.

- 6.3. All qualifying institutions in the Energy and Water Sector are invited to apply for the open Discretionary Grant Funding Window.
- 6.4. Other stakeholders, who may not be paying levies to Energy and Water SETA, may apply.

7. DISCRETIONARY GRANT BUDGETING PRINCIPLES

- 7.1. Funds will be allocated according to the primary areas of funding and stated priorities that are HTFV. These priorities are consistent with the circumstances of the respective sub-sectors, the strategic vision of the current Sector Skills Plan, Strategic Plan Framework and Annual Performance Plan
- 7.2. Application proposals should be submitted according to the format and guidelines provided by Energy and Water SETA.
- 7.3. All proposals must clearly indicate and substantiate the potential contribution to workplace skills development and gains towards Energy and Water SETA sub-sectors.
- 7.4. All proposals must demonstrate capacity to successfully implement the proposed project.
- 7.5. Minimum of 80% of the available discretionary grants within a financial year will be allocated to PIVOTAL programmes that address HTFV within the Energy and Water SETA.
- 7.6. The Energy and Water SETA will allocate a maximum of 20% to funding of programmes, other than PIVOTAL programmes, to develop the sector in accordance with priorities outlined in the SSP.
- 7.7. The Energy and Water SETA will set out in its Annual Performance Plan targets aligned to budget of discretionary grants that will be available for training of HTFV through PIVOTAL programmes.
- 7.8. The APP will set out how:
 - 7.8.1. Discretionary funds will be allocated to achieve SSP outputs and outcomes.
 - 7.8.2. The National Skills Development Plan outputs and outcomes will be achieved in the sector.

8. IMPLEMENTATION AND MONITORING COSTS

- 8.1. For the Various grant and project categories, only a total maximum of 7.5% of approved grant or Energy and Water SETA funded projects may be used for project administration. To ensure quality and successful implementation of the Energy and

Water SETA funded project, monitoring and site visits are important due to the technicality of the implemented qualifications.

- 8.2.** All projects and learning interventions will be monitored by Energy and Water SETA. Monitoring and Evaluation activities will be conducted to ensure that progress is consistent with the planned schedule of activities and good quality is adhered to at all times.
- 8.3.** A planned training schedule will be utilised for monitoring and tracking process to check the progress and render support and assistance where necessary.

9. FUNDING OF PIVOTAL PROGRAMMES

9.1. Applicants are advised to prepare their proposals in line with Energy and Water SETA priorities as prescribed in the Discretionary Grants Funding Window Advert. The Energy and Water SETA will be consistent in the application of the criteria established in the respective programmes so that it could be fair to all.

9.2. The PIVOTAL programmes are made up of the following:

9.2.1. Learnerships

To access learnership discretionary grant, an applicant must have a workplace approved and a valid accreditation with programme approval.– this procedure has been introduced to promote fairness, transparency and equity in the granting learnership incentives awards. A learnership should be minimum of 120 credits.

9.2.2. Skills programme

Any stakeholder may apply for a grant towards the costs of providing skills programmes. It is for the SETA to determine arrangements for the applications for grants, credits and unit standards before the application is approved.

Grants allocation depends on how many credits are been implemented. They should not be less than 60 credits. Energy and Water SETA only awards employed learners a skills programme grant.

9.2.3. Apprenticeship

. Artisans are associated particularly with engineering fields such as electrical, measurement control and instrumentation, fitter and turner, welding, boilermaker etc. and must be sector specific trades.

9.2.4. Recognition of Prior Learning (RPL)

RPL means the principles and processes through which the prior knowledge and/or skills of a person are made visible and are assessed for the purposes of certification, alternative access and admission, and further learning and development.

As a principle, it endorses the value of giving recognition to knowledge and skills that have been acquired outside a formal learning programme.

For Apprenticeships (RPL) the Energy and Water SETA will pay per assessments; training and tradetrade test per candidate. Public TVET colleges, aligned to Energy and Water sector workplaces are also encouraged to apply.

9.2.5. Work Intergrated Learning (incl. Work Experience and Internships)

Applications for training which have already commenced will not be considered.

Any organisation, which seeks to employ learners under this category, may apply to EWSETA for financial support.

This grant type shall be made available to companies that host trainees that require learning in the workplace and interns who need to qualify for programmes within Energy and Water SETA's scope of coverage.

Students will either be assisted to complete a qualification, gain work experience/internship and work placement.

9.2.6. Bursaries

Applicants can be students, employers or youth organisation and institutions.

Applications for under graduate bursaries in the study fields identified by Energy and Water SETA SSP will be considered for designated groups specifically impacting the sector. For both employed and unemployed learners. The funding of bursary programmes covers the tuition fees; learning devices; academic books; supporting materials; stationery; student accommodation and meal plans.

Applications for Post Graduate bursaries in the study fields identified by Energy and Water SETA SSP will be considered for designated groups specifically impacting the sector, for both employed and unemployed bursars. The funding of the post graduate studies will cover the tuition fees; student accommodation and meals (if unemployed); and academic related learning material and equipment. Funding will depend on the availability of funds and cost of the degree.

9.2.7. Adult Education and Training

Applications for training which have already commenced will not be considered.

Any organisation in the Energy & Water sector which seeks to train learners in AET programmes may apply to EWSETA for financial support.

EWSETA will subsidise on full completion of an AET level (1-4) for each learner that gets taken by an employer.

9.2.8. Special Projects (incl. cluster, sectoral or group projects-rural development projects to be prioritised)

Projects funding is available for qualifying companies, organisations and accredited training providers in the Energy and Water sector to enhance skills development.

9.2.8.1. Strategic Partnerships Projects

Strategic Partnerships is defined as all programme interventions that are received outside of the normal funding window and contribute to APP, SSP, NSDP and national imperatives in Energy and Water sector. The intention is to link up with initiatives in Energy and Water sector on high impact projects and hence the need to raise the bar of partnerships very high for private and public sector. The criteria for funding partnerships is as per below:

- 9.2.8.1.1.** Co-funding between EWSETA and levy and non levy paying employer on cost associated with training;
- 9.2.8.1.2.** Partnerships on performance indicators or strategic pillars that have not been met on previous fiscal years;
- 9.2.8.1.3.** Partnerships that create jobs.

9.2.8.2. High level skills development projects linked to sector development

Energy and Water SETA to prioritise projects to address high level skills needs and sector development and innovation capacity. Higher Education Institutions are invited to submit project applications for appropriate interventions to support entry into priority Energy and Water SETA programmes, access to post-graduate programmes, increased work experience and experiential learning students.

In order to address the scarce and critical skills of various Energy and Water SETA sub-sectors, internal stakeholders are invited to make special projects applications that will address their scarce and critical skills.

9.2.8.3. Matric Intervention

Energy and Water SETA will dedicate the necessary financial resources to support career and vocational guidance projects in order to promote Energy and Water sector occupations in targeted education constituencies, e.g. Basic Education Department Nationally and Provincially.

9.2.8.4. TVET/Public/Private Partnerships

Energy and Water SETA funding strategy will support TVET institutions and assist in building their capacity by ensuring that programmes offered meet the needs of industry, including the support of apprenticeships, learnerships, N-study programmes (N1 - N6) and the National Certificate Vocational (NCV) programmes and put in place partnerships to offer vocational courses in order to strengthen the relationships between employers and TVET Colleges so that workplace learning

can become the visible supplement to institutional learning projects and increasing placement of college students and graduates in workplaces will be supported.

9.2.8.5. Other

Project funding is available for qualifying and registered companies, organisations and accredited training providers in the Energy and Water Sector to enhance skills development amongst the unemployed through the implementation of learnerships, apprenticeships, work experience and internships, which includes literacy, numeracy, life skills, business entrepreneurship and technical/critical scarce skills programme for unemployed people living in designated rural areas:

- 9.2.8.5.1.** Co-operatives
- 9.2.8.5.2.** SMMEs (Small Firms)
- 9.2.8.5.3.** Small BEE Firms
- 9.2.8.5.4.** Labour Unions
- 9.2.8.5.5.** No-governmental organisations (NGOs)
- 9.2.8.5.6.** Community-based organisations (CBOs)
- 9.2.8.5.7.** Non-levy paying enterprises (NLPEs)

Energy and Water SETA will support special projects that seek to empower people in the rural areas to create opportunities to make a living for themselves through entrepreneurship. Project funding is available per learner to organisations and training providers accredited to provide new venture creation qualifications to promote entrepreneurs amongst the youth with reference to Energy and Water sector ventures and also to provide education and training for projects directed at designated groups – youth, women and people living with disabilities.

HIV and AIDS Awareness programmes is critical for the sustainability and productivity of the Energy and Water Sector. Energy and Water SETA encourages accredited skills development providers to apply for special project funding that promotes HIV/AIDS awareness amongst Energy and Water Sector employees in order to address the scourge of this pandemic.

10. GENERAL INFORMATION

10.1.1. The above categories of stakeholders should be falling within the Energy and Water SETA scope of coverage.

10.1.2. Providers and Workers who wish to apply for grants shall register online and complete the online application. The Energy and Water SETA will evaluate the application and if approved make a Service Level Agreement available that needs to be signed to formalise the discretionary grant allocation.

10.1.3. The dormant projects will be investigated and decisions will be made on merits. The non-implementation of project will negatively impact future awards.

10.1.4. Funding Window will open twice within the fiscal year depending on the performance against the approved Annual Performance Plan. .

11. IMPLEMENTATION DATE

11.1. This policy is effective from **01 September 2020**.

12. APPROVAL

Name	Ms. Mpho Mookapele	
Position	Acting Chief Executive Officer	
Signature		Date
Name	Dr. Limakatso Moorosi	
Position	Board Chairperson	
Signature		Date

APPROVED AUGUST 2020

ANNEXURE A: LEARNING PROGRAMME DETAIL AND FUNDING REGIME**PROPOSED GRANTS AMOUNT PER INTERVENTION**

Pivotal/Non-Pivotal	Learning Programme Type	List of Programmes/ Interventions	Amount per Learner (18.1)	Amount Per Learner(18.2)	Stipend for 18.2 Learners
Non-PIVOTAL	(1) Adult Education & Training	AET 1	R10, 000 per learner	n/a	n/a
		AET 2	R10, 000 per learner	n/a	n/a
		AET 3	R10, 000 per learner	n/a	n/a
		AET 4	R10, 000 per learner	n/a	n/a
		Matric Intervention	n/a	R3, 000 per learner	n/a
PIVOTAL	(2) Apprenticeship	Artisan Development Programme	R 165, 000.00 per learner.		
		Artisan Recognition of Prior Learning	R 50 000.00 per learner		
PIVOTAL	(3) Learnerships	Learnerships – NQF 4 (PIVOTAL)	R 17 600 per learner	R 17 600 per learner	R 36 000 per learner per annually

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		Learnerships – NQF 5 (PIVOTAL)	R 17 600 per learner	R 17 600 per learner	R 38 000 per learner per annually
		Learnerships – NQF 6 (PIVOTAL)	R 17 600 per learner	R 17 600 per learner	R 40 000 per learner per annually
PIVOTAL	(4) Skills Programmes	Skills Programme R300 per credit per learner (minimum of 60 credits are allowed)	R300 per credit per learner	R300 per credit per learner	n/a
PIVOTAL	(5) Bursaries Amount per learner to be paid annually	Academic Programmes NQF 10 – Doctorates/PhD	Depend on the cost of the degree		
		Academic Programmes NQF 9 - Masters	Depend on the cost of the degree		
		Academic Programmes NQF 8 – Post Graduate Diploma	Depend on the cost of the degree		
		Academic Programmes NQF 8 – Honours	Depend on the cost of the degree		
		Academic Programmes NQF 7 – Bachelor's Degrees & Advanced Diplomas	R 80 000		
		Academic Programmes NQF 6 – National Diplomas and Advanced Certificates	R 60 000		
		Academic Programmes NQF 5 – Higher Certificates and Advanced National Certificates (Vocational)	R 50 000		
		Academic Programmes – Certificate TVET (Private and Public)	R 37 000		

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PIVOTAL	(6) Work Integrated Learning/Work Experience/Internship	Placements for Workplace Experience – UoT	R 60 000 (R5 000 per month per learner, Max 12 months)		
		Placements for Workplace Experience - University	R 60 000 (R5 000 per month per learner, Max 12 months)		
		Placements for Workplace Experience – TVET	R 42 000 (R3 500 per month per learner, Max 12 months)		
		Internships @ R3 500 pm for 18 Months (TVET)	R 63 000 (R3 500 per month per learner, Max 18 months)		
		Internship @ R5 000 pm for 18 Months (University)	R 90 000 (R5 000 per month per learner, Max 18 months)		
Top-up funding for Rural and Disability learners			R10 000 per learner	R10 000 per learner	n/a

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