



DISCRETIONARY GRANT POLICY 2024/25

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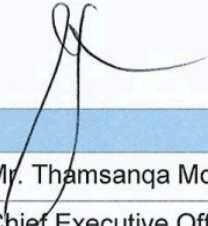


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Authored By	
Name	Ms. Juwayria Amod
Position	Executive Manager: Learning Programmes
Signature	 Date: 14/2/24
Recommended By	
Name	Mr. Thamsanqa Mdontswa
Position	Chief Executive Officer
Signature	 Date: 14/02/2024
Approved By	
Name	Mr. Chris Mudau
Position	Chairperson of the SASSETA Board
Signature	 Date: 14/02/2024

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TERMS AND DEFINITIONS

<u>Term / Acronym</u>	<u>Definition</u>
Accounting Authority	The Accounting Authority appointed in terms of section 11 of the Skills Development Act 97 of 1998, and which by virtue of section 49(2) (a) of the Public Finance Management Act 1 of 1999 is the Accounting Authority of SASSETA.
APP	Annual Performance Plan as contemplated in the National Treasury Regulations.
ATR	Annual Training Report as contemplated in regulation 4(1) of the SETA Grant Regulations.
BBBEE	Broad-Based-Black Economic Empowerment.
Board	Board means the Accounting Authority. Board and Accounting Authority are used interchangeably in this Policy.
Bursary	Discretionary Grant provided to students in line with the Discretionary Grants Policy (excluding internal staff bursary) to assist students/learners with the costs associated to their studies at a College or University.
CBO	Means Community Based Organisation.
Chief Executive Officer	The Chief Executive Officer of SASSETA, appointed in terms of section 13B of the Skills Development Act 97 of 1998, and to whom various powers have been delegated by the Accounting Authority.
CIPC	Means the Companies and Intellectual Property Commission.
DG	Discretionary Grants.
DHET	Department of Higher Education and Training.
Discretionary Grant	Money allocated within the SETA to be spent on discretionary grants and projects contemplated in regulation 3(2)(c) to (9) as read with regulation 6 of the Grants Regulations.
Internship	Workplace-based experiential learning opportunity that is generally offered as a supervised programme to supplement formal study completed.
Learnership	Structured learning process for gaining theoretical knowledge and practical skills in the workplace leading to a qualification registered on the NQF. A learnership is outcomes-based and not time-based and allows for recognition of prior learning.

<u>Term / Acronym</u>	<u>Definition</u>
Learning programme	Any structured educational programme formed from a set of unit standards or modules from any other registered qualification; based on learning activities intended to give a learner particular knowledge and skills.
LPERC	Learning Programmes: Evaluation and Recommendation Committee, established in terms of clause 17 read with 18, to adjudicate and make recommendation to the Chief Executive Officer with regard to Discretionary Grants.
LPERC Sub-Committee	A sub-committee of the Learning Programmes: Evaluation and Recommendation Committee (LPERC), established in terms of clause 17 read with 18, to evaluate and make recommendations to the LPERC with regard to Discretionary Grants applications and proposals.
Minister	The member of Cabinet to whom the Skills Development Act 97 of 1998 has been assigned in terms of section 91 (2) of the Constitution of the Republic of South Africa, 1996.
NGO	Means non-governmental organisation
NSDP	National Skills Development Plan, 2030.
Non-Pivotal Programmes	Non-Pivotal Programmes are programmes which do not necessarily lead to credit bearing qualifications, however, address key sectoral objectives and national priorities.
NQF	National Qualifications Framework.
PBO	Means Public Benefit Organisation.
Outsourced company	A company selected via the supply chain process that will, if so appointed, be used to evaluate DG applications and present such to the LPERC.
PLT	Practical Legal Training
Pivotal	Professional, vocational, technical, and academic learning programmes that result in qualifications or part qualifications on the National Qualifications Framework as contemplated in regulation 3 (6) and (7) as read with regulation 6 (11) to (15) of the SETA Grant Regulations.
Pivotal Training Plan	An annual plan for training, developed by companies employing more than 50 staff as contemplated in the SETA Grant Regulations.
PBO	Public Benefit Organisation

<u>Term / Acronym</u>	<u>Definition</u>
Public Institution	Public University, TVET College, CET College or a Government Department or Municipality or State-Owned Entity or a Public Entity listed in the schedules to the Public Finance Management Act 1 of 1999.
QCTO	Quality Council for Trades and Occupations.
RPL	Recognition of Prior Learning.
Rural Area	As determined by the Municipal Demarcation Board from time to time.
SDA	Skills Development Act 97 of 1998, as amended.
SETA	Sector Education and Training Authority.
SETA Grant Regulations	The Sector Education and Training Authorities Grant Regulations promulgated by the Minister in terms of section 36 of the Skills Development Act 97 of 1998, published in Government Notice No 990 in Government Gazette No 35940, dated 3 December 2012 as amended by Government Notice R486, Government Gazette No 36655 dated 15 July 2013.
Skills Levies Act	Skills Development Levies Act 9 of 1999, as amended.
Skills Programme	Occupation-based learning programme aimed at building skills that have economic value and which gives credit towards a qualification / part qualification on the NQF.
SLA	Service Level Agreement entered into with DHET.
SSP	Sector Skills Plan as contemplated in section 10 (1) (a) and (b) of the Skills Development Act 97 of 1998.
TVET	Technical, Vocation, Education and Training Institution.
WSP	Workplace Skills Plan contemplated in regulation 4 of the SETA Grant Regulations.



1. PURPOSE

The purpose of this Policy is to set out, in line with SETA Grant regulations, the basis on how SASSETA disburses Discretionary grants to achieve the implementation of its Sector Skills Plan (SSP), Annual Performance Plan (APP), DHET Service Level Agreement (SLA) and national imperatives as set out in the National Skills Development Plan (NSDP).

2. SCOPE

This Policy outlines the principles and approach governing the management and disbursement of the Discretionary Grants in response to the SETA Grant Regulations. The Policy is applicable to:

- 2.1 Public Education and Training Institutions as well as Private Skills Development Skills Development Providers.
- 2.2 An employer or enterprise within the jurisdiction of SASSETA (SETA 19), including an employer or enterprise not required to pay skills development levy in terms of Skills Development Levies Act.
- 2.3 Other legal person contemplated in sub-paragraph (7) of the SETA Grant Regulations that meets the criteria for the payment of such grants.
- 2.3 An employer contemplated in section 30 and 30 (A) of the Act who has submitted to its relevant SETA or Public Service PSETA WSP and ATR as a minimum in the prescribed format.
- 2.5 Trade Unions / Union Federation, NGO's, CBO's, NLPE's and Co-operatives operating in the safety and security sector.

3. OVERSIGHT

The approval of Discretionary Grant applications shall fall within the operational mandate, save in respect of awards that exceed the delegated authority of the Chief Executive Officer, and appeals. The Board shall retain oversight responsibility over the implementation of the Policy.

4. POLICY STATEMENT

- 4.1 This Policy acknowledges that skills development is not a linear process, in fact; skills and knowledge are produced in a complex set of institutions and institutional arrangements.
- 4.2 The Skills Development Act 97 of 1998 as amended, *inter alia*, provides an institutional framework to implement national, sector and workplace strategies to develop and improve the skills level of the South African workforce. It also makes provision for the establishment of SETAs as institutional vehicles to develop and implement sector skills plans, promote learning programmes, register agreements for learning programmes, collect and disburse skills development levies in accordance with the SETA Grant Regulations.

- 4.3 This Policy is consistent with the provisions of the Skills Development Levies Act 9 of 1999, and the SETA Grant Regulations, which stipulates the processes for the management and disbursement of the funds received as levy income.

5. POLICY OBJECTIVES

- 5.1 The primary objective of this Policy is to create an enabling environment for the management and disbursement of Discretionary Grants in a manner that is equitable, fair, competitive, transparent, and cost effective.
- 5.2 The secondary objective is to regulate the use of the Discretionary Grants for SASSETA to use them to implement the SSP, the APP, the DHET SLA and to address sector and national skills development priorities in the country. These are not grants that employers are entitled to but grants that SASSETA deploys to achieve its objectives in relation to the development of the sector. The purpose of the various discretionary grant policies is not to set out how employers can "get their money back" but rather how the SETA will achieve the implementation of the SSP, APP and DHET SLA in a financial year.
- 5.3 A further objective is to enable SASSETA to use Discretionary Grants to fund learning programs for learners who have been disadvantaged by cancellation of Discretionary Grants projects under which they were benefitting until they complete their studies.

6. GUIDING PRINCIPLES

- 6.1 The Discretionary Grant on 1 April each year must be spent or committed, provided learning programmes for the committed funds have already commenced or in the process of commencing.
- 6.2 SASSETA shall allocate at least 80% of its available Discretionary Grants within a financial year to PIVOTAL programmes that address the scarce and critical skills within the safety and security sector, the needs identified by DHET, in Public Institutions, in private sector's Workplace Skills Plans, the Sector Skills Plan, the NSDP outcomes or qualifications/skills programmes that lead to the top priorities identified in the national list of occupations in high demand, through funding applications.
- 6.3 SASSETA is committed to the promotion of NQF registered and quality assured programmes that addresses occupational shortages and skills gap needs as set out in the SSP, APP including work integrated learning.
- 6.4 The remaining portion, to the maximum of 20%, shall be used for non-pivotal and Strategic Projects.
- 6.5 SASSETA may ring fence funding for projects in a financial year. The ring fencing will be based on the funding applications received from the stakeholders in response to the request from SASSETA and other information gathering mechanisms such as the priorities of the DHET, SSP, APP, and other clearly defined government priorities on skills development linked to the NSDP.



- 6.6 Projects may be awarded in one financial year for implementation in the following financial year where funds are available and the current financial year's performance targets have been achieved.
- 6.7 The Skills Development Provider fee paid by SASSETA covers all direct training costs, and no further claims can be made.
- 6.8 The Skills Development Provider fees paid by SASSETA excludes indirect / incidental costs such as transport, accommodation, and meals (which will be for the cost of the employer), except where otherwise indicated.
- 6.9 SASSETA recognises and embraces the principles of transparency, openness, equity, access and fairness in allocation and disbursement of discretionary grants without prejudice to any individual or stakeholder.

7. LEGISLATIVE FRAMEWORK

- 7.1 According to the SETA Grant Regulations, a SETA must, on an annual basis, and in accordance with any guidelines issued by DHET and operational requirements, approve a Discretionary Grant Policy, specifying how the SETA discretionary funds will be allocated to meet sector needs as set out in the APP and the Service Level Agreement entered into with DHET and national skills development needs.
- 7.2 The Skills Development Act 97 of 1998 and the Skills Development Levies Act 9 of 1999 provide for the collection of levies from employers and provides directives and/or guidelines on how the funds allocated to SETAs should be disbursed.
- 7.3 The SETA Grant Regulations is to:
 - 7.3.1 Regulate the proportion of funds available for skills development that is spent on administration costs.
 - 7.3.2 Make provision for SETAs to contribute to the cost of the work of the Quality Council for Trades and Occupations (QCTO).
 - 7.3.3 Discourage the accumulation of surpluses and carry-over of unspent funds at the end of each financial year.
 - 7.3.4 Improve the quantity and quality of labour market information received by SETAs through Workplace skills plans, annual training reports and professional, internships, vocational, occupational, technical, and academic learning (PIVOTAL) training reports, which provide a reflection of skills needs and inform planning.
 - 7.3.5 PIVOTAL programs, which are NQF-registered and quality assured, towards addressing priority scarce and critical skills needs in the sector, as identified through Sector skills plans and research; and
 - 7.3.6 Create a framework within which expanded use is made of public education and training Skills Development Providers for the provision of skills development programmes.
- 7.4 Other pieces of legislation that guide the implementation of projects are:



