




**CULTURE, ARTS, TOURISM, HOSPITALITY & SPORT SECTOR EDUCATION AND  
TRAINING AUTHORITY**

<b>POLICY TITLE</b>	DISCRETIONARY GRANTS POLICY
<b>POLICY NUMBER</b>	1
<b>POLICY CODE</b>	DG-PL-2019


## APPROVAL PAGE

The approval page ensures that proper steps are followed to indicate the status of the document.

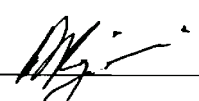
### **Executive Manager Recommendation** (Compliance check)

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Designation	Acting Executive Manager: Skills Development	Date	04/12/18


### **CFO Recommendation** (Compliance check)

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Designation	Acting CEO	Date	4/12/2018

### **Accounting Authority (AA) Approval**

Name of AA Person	Dr. Victor Ramathesele	Signature	
Designation	Chairperson of the Board	Date	04/12/2018
AA Decision Number	DG-PL-2019		

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## 1. DEFINITIONS

<b>APP</b>	Annual Performance Plan of CATHSSETA
<b>ATR</b>	Annual Training Report
<b>CATHSSETA</b>	Culture, Arts, Tourism, Hospitality and Sport Sector Education Training Authority
<b>DHET</b>	Department of Higher Education and Training
<b>ETQA</b>	Education and Training Quality Assurance
<b>DG</b>	Discretionary Grant
<b>HET</b>	Higher Education and Training
<b>JOINT APPOINTMENT</b>	Is an appointment of two or more parties who have agreed to pool their resources for the purpose of applying for the Discretionary Grant.
<b>NQF</b>	National Qualifications Framework contemplated by the National Qualifications Framework Act, 67 of 2008
<b>NSDS III</b>	National Skills Development Strategy 3
<b>PIVOTAL</b>	Professional, vocational, technical and academic learning programmes that results in qualifications or part qualifications on the NQF and as contemplated in the Grant Regulations
<b>QCTO</b>	Quality Council for Trades and Occupations established in terms of section 26G of the Skills Development Act
<b>SAQA</b>	South African Qualifications Authority contemplated by the National Qualifications Framework Act, 67 of 2008
<b>SDA</b>	Skills Development Act, 97 of 1998 ('the Act')
<b>SDLA</b>	Skills Development Levies Act, 9 of 1999
<b>SETA</b>	Sector Education and Training Authority
<b>SSP</b>	CATHSSETA Sector Skills Plan
<b>TVET</b>	Technical, Vocational, Education and Training
<b>WSP</b>	Workplace Skills Plan
<b>PROJECT</b>	An approved learning project funded by the discretionary grant.

## 2. BACKGROUND

- 2.1 The CATHSSETA is established in terms of the Skills Development Act (SDA). In accordance with the SDA, the Minister of Higher Education and Training published Grant Regulations governing the allocation of SETA levy income in the form of Mandatory and Discretionary Grants.
- 2.2 The Regulations (Government Gazette no. 35940) regulate the manner in which the Discretionary Grants are to be allocated, and they enjoin the CATHSSETA to develop a policy relating thereto.
- 2.3 This document constitutes the policy referred to above.

## 3. PURPOSE

- 3.1 In line with the SETA Grant Regulations; DHET Guidelines on the implementation of SETA Grant Regulations as well as other directives from DHET, the purpose of this policy is to set out the basis of how the CATHSSETA disburses Discretionary grants to achieve the implementation of its Sector Skills Plan (SSP), Annual Performance Plan (APP) and national objectives as laid out in the National Skills Development Strategy (NSDSIII).
- 3.2 The policy furthermore aims at;
  - 3.2.1 Ensuring that the skills levy is effectively targeted to meet the skills needs of employers and employees in the CATHSSETA sector;
  - 3.2.2 Articulating how the CATHSSETA aims to achieve national objectives as set out in the National Skills Development Strategy (NSDSIII); and
  - 3.2.3 Informing the CATHSSETA member organisations and stakeholders how Discretionary Grants and CATHSSETA funded projects can be accessed to enhance their participation.
- 3.3 The CATHSSETA will monitor the use of funds and will measure the successful achievement of its objectives by, amongst others, measuring its impact on individuals, enterprises, sectorial development.

## 4. SCOPE OF APPLICATION

This Policy applies to all stakeholders within CATHSSETA's gazetted sectors. CATHSSETA's scope is vast and diverse, and has been categorized into six sub-sectors each with a delineated scope as follows:

- 4.1 **Hospitality** - representing accommodation services, food preparation, catering and food and beverage services, fast foods and restaurants.
- 4.2 **Tourism and Travel Services** - representing retail and general travel operations, inbound tourism services, airlines, car rental and event management, tourist guiding (including adventure guiding), hunting, trekking and safari operators.
- 4.3 **Gaming and Lotteries** - representing casinos, bookmakers, lotteries, horse racing, Limited Payout Machine Industry and Bingo.
- 4.4 **Conservation** - representing all forms of environmental and wildlife conservation, botanical gardens and zoos.
- 4.5 **Sport, Recreation & Fitness** - representing sports, recreation and fitness services, sporting event management, indoor and outdoor sports, sporting events and activities, parks and beaches, recreational fairs and shows.
- 4.6 **Arts, Culture and Heritage** - representing art producers, dramatic arts, craft designers, film, television, theatre, entertainment, music, art councils, museums and cultural heritage sites.

## 5. LEGAL BASIS

- 5.1 This policy is informed and underpinned by the following:
- 5.1.1 Sector Education and Training Authorities (SETAs) Grant Regulations Regarding Monies Received by a SETA and Related Matters (Regulation No. 35940 of 3<sup>rd</sup> December 2012 as amended and contained in Regulation Gazette No. 9867 Vol. 570);
- 5.1.2 The Skills Development Act, 1998 (No. 97 of 1998) Section 10(1) as amended, which aims to provide an institutional framework to implement national sector and workplace strategies to develop and improve the skills level of the South African workforce,
- 5.1.3 The Skills Development Levies Act (No.9 of 1999) (SDLA), which stipulates the processes for the management and disbursement of funds received as levy income.

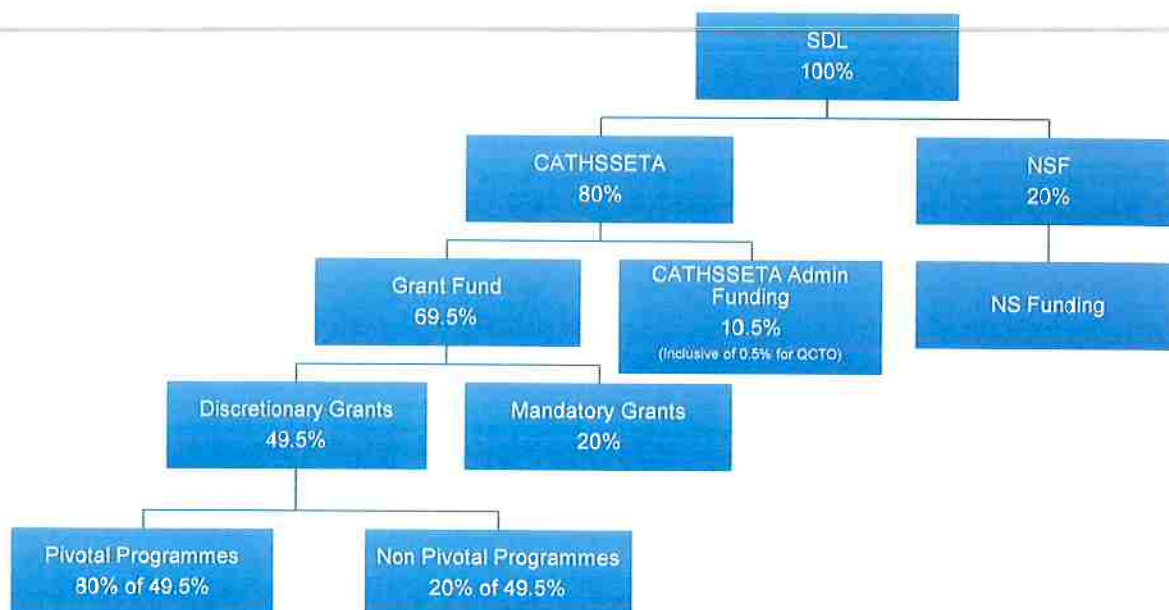
## 6. KEY PRINCIPLES

- 6.1 CATHSSETA is committed to furthering its SSP, which takes account of national strategic goals as set out in the NSDS III, the National Skills Accord and other relevant national priorities.
- 6.2 CATHSSETA recognises and embraces the principles of transparency, openness, equity, access and fairness in the allocation and disbursement of Discretionary Grants without prejudice to any individual or stakeholder;

- 6.3 CATHSSETA is committed to the promotion of NQF registered and quality assured programmes that address priority Occupational Shortages and Skills gaps (formerly scarce and critical skills) needs as set out in the ~~SSP and the APP, including work integrated learning. Priority will be given to the~~ CATHSSETA accredited learning programmes.
- 6.4 CATHSSETA strives to achieve value for money by ensuring that funds are spent on skills development programmes to meet sector needs.
- 6.5 In order to widen the reach and impact of the Discretionary Grant funding, priority will be given to emerging organisations who meet the criteria set out in the invitation to submit applications.
- 6.6 CATHSSETA is governed by the Public Finance Management Act and the regulations issued in terms thereof. CATHSSETA is committed to ensuring compliance with the principles therein.
- 6.7 CATHSSETA will minimise surpluses at the end of each financial year through monitoring and providing project support to stakeholders

## 7. DISAGGREGATION OF SKILLS LEVIES – PERCENTAGES AND TYPES OF GRANTS

- 7.1 In terms of the SETA Grants Regulations, the levy grant system is allocated as illustrated below:



- 7.2 In terms of Clause 3 (3) of the above referenced regulations, CATHSSETA must transfer any unclaimed Mandatory Grant funds and any interest earned thereon by 15 August of each year to the Discretionary Grant fund.
- 7.3 CATHSSETA will thus transfer any unclaimed Mandatory Grants and/or unallocated funds from the administration budget to the discretionary fund pool. Any other funds received will also be channelled towards Discretionary Grants.

#### Administration Costs

- 7.4 The SETAs are limited to 10.5% of the total levies paid by employers to use for administration operations costs which is not part of the 7.5% related to project costs.
- 7.5 In addition to sub-regulation (1), a SETA may use the contributions received from public service employers in the national or provincial spheres of government as contemplated in section 30 of the Act, and relevant national and provincial public entities as contemplated in section 30A of the Act for its administration costs.
- 7.6 From 1 April 2013, a SETA will transfer as part of its administration costs as contemplated in sub-regulation (1) and approved in the annual SETA strategic plan, an amount that does not exceed 0.5% of the total levy paid by the employer to the QCTO for quality assurance functions as contemplated in section 26H of the Act, and the actual quantum of funds to be transferred will be determined by the Minister by 31 July of each year.

#### Mandatory Grants

- 7.7 Mandatory Grants means funds designated as Mandatory Grant contemplated in the Grant Regulations of 2012, to fund the education and training programmes as
- Discretionary Grants Policy



contained in the Works Skills Plan (WSP) and Annual Training Report (ATR) of CATHSSETA.

7.8 The Mandatory Grant is 20% of an employer's 1% skills levy. CATHSSETA will only pay out an employer's Mandatory Grant if the eligible criterion for payment outlined in the Mandatory Grants policy are met.

7.9 The submission deadline for the WSP and ATR is 30 April every year. Mandatory Grants will be paid quarterly. Any Mandatory Grants not claimed by the 30 June will be transferred into the CATHSSETA's discretionary fund by 15 August annually.

#### **Discretionary Grants**

7.10 Discretionary Grant means the money allocated within CATHSSETA to be spent on Discretionary Grant projects.

7.11 49.5% of the levy is allocated to the Discretionary Grants. The Discretionary Grant will fund PIVOTAL and NON PIVOTAL programmes. CATHSSETA is required to allocate 80% of its available Discretionary Grants within a financial year to PIVOTAL programmes in order to address **Occupational Shortages and Skills gaps (formerly scarce and critical skills)** in its sectors.

7.11.1 Up to a maximum of 7.5% of the overall Discretionary Grant or seta funded projects may be used for administration or project management cost.

7.11.2 Up to a maximum of 7.5% of direct project cost as per signed contracts may be used for administration cost. Administration cost for contracts are limited to Work Integrated learning and Internship projects only.

7.11.3 In case where the 7.5% is likely to be exceeded, approval must be sought from the Accounting Authority.

7.11.4 Project costs means costs payable for approved projects funded through Discretionary Grants.

7.12 The Discretionary Grants are to be used to address the skills needs as set out in CATHSSETA's Sector Skills Plan (SSP) and the Annual Performance Plan (APP).

#### **PIVOTAL Programmes (Minimum 80% of Discretionary Grant Budget)**

7.13 PIVOTAL is defined as Professional, Vocational, Technical and Academic Learning programmes that result in occupational qualifications or part qualifications on the National Qualifications Framework. PIVOTAL learning programmes include:

7.13.1 Learnerships registered on the National Qualifications Framework;

7.13.2 Apprenticeships and artisanal qualifications;

7.13.3 Skills Programmes (Part qualification), made up of a combination of unit standards that fall within a qualification, with the aim of increasing the skills level of employed and unemployed learners;

- 7.13.4 Work Integrated Learning for TVET and University learners studying for an occupational qualification, who require work experience and learning as part of the qualification;
- 7.13.5 Internships for learners from Universities and Universities of Technology (UoTs) who have completed their occupational qualification and who are seeking a period of workplace experience in their chosen occupation. The work experience must be structured and supervised by a suitably qualified person; and
- 7.13.6 Bursaries to support employees and unemployed learners to take part in programmes that result in an occupational qualification.
- 7.13.7 Preference will be given to learners from public Institutions of higher learning. Private Institutions of higher learning will only be considered if the qualification applied for is not available at public institutions, and there is evidence of such.
- 7.14 In allocating Discretionary Grant funds, the CATHSSETA will prioritise PIVOTAL programmes. The proportion of funds allocated to each of these categories will be determined by the Accounting Authority by taking into account the priorities for the year as set out in the SSP and the APP of the CATHSSETA.

**Non PIVOTAL Programmes (Maximum 20% of Discretionary Grant)**

- 7.15 Non PIVOTAL programmes are those programmes that are aimed at developing the CATHSSETA sector in accordance with CATHSSETA's priorities, as outlined in its SSP and APP. Non PIVOTAL programmes are a maximum of 20% of Discretionary Grants, as indicated by the diagram in paragraph 7.1 above. These include career guidance, sector conferences, sector research, TVET Capacity Building and Public Service Training, development of skills centres and other such non-credit bearing interventions that impact on the sector skills agenda. Non-PIVOTAL programmes will be funded through Strategic Projects.
- 7.16 **Strategic Projects**
- 7.16.1 Funding of Strategic Projects is linked to the NSDS III and CATHSSETA Annual Performance Plan targets and budget. Without derogating from the generality of the above, CATHSSETA shall in funding Strategic Projects in its discretion disburse funds, covering non-PIVOTAL aspects of the project but seeking to enhance learning or conditions of learning, towards additional items.
- 7.16.2 Funding of Strategic projects includes, but not limited to the following:
- Research Chair;
  - Lecturer development (increase number, improve qualifications and work placements);
  - Learning materials (including learning aids, computers, tools, costume or gear, and or special attire);
  - Equipment and training material (any other resources used to deliver training, including excursions);
  - Infrastructure (including portable resources);

- Development of qualifications and curricula (Including new, or upgraded);
- Career Guidance (events, material and any other support);
- Rural development programmes; Youth Development programmes; and
- ~~Any other learning support intervention that will improve and enhance learning provision – subject to motivation demonstrating relevance.~~

7.16.3 Over and above the projects mentioned in paragraph 7.16.2, should the targets for PIVOTAL Learning Programmes not be met through the Discretionary Grants funding window, these targets will be funded through Strategic Projects.

7.16.4 Strategic Project application shall be received during the Discretionary Grant window, CATHSSETA shall invite interested stakeholders to apply for funding Strategic Projects. CATHSSETA may also invite applications for financing of Strategic Projects at any time during the year, including periods outside the Discretionary Grant window.

## 8. REDUCTION OF THE CARRY OVER AND ELIMINATION OF RESERVES

At the end of each financial year, the CATHSSETA shall have spent, or committed through obligations in line with the SETA Grant Regulations, at least 95% of discretionary funds available to it by March each year and up to maximum of 5% of uncommitted funds shall be carried over to the next financial year. It is therefore essential for the CATHSSETA and its stakeholders to work together to put in place contracts as speedily as possible once a grant is approved.

## 9. DISCRETIONARY GRANTS FUNDING FRAMEWORK

Allocation and disbursement of Discretionary Grants is at the sole discretion of the Board of CATHSSETA. Disbursement of the Discretionary Grant shall be informed by Sector Priorities as identified in the Sector Skills Plan read together with the Annual Performance Plan of the CATHSSETA. Disbursement of the grants must be towards achievement and implementation of the Sector Skills Plan. One or more windows will open in the 2019/20 financial year to ensure the targets are met.

### 9.1 PIVOTAL Programmes

9.1.1 Discretionary Grant funding for PIVOTAL programmes will be disbursed in accordance with the pre-determined objectives set out in the SSP read together with the APP. Disbursement of funds must be reviewed by CATHSSETA on an annual basis.

9.1.2 CATHSSETA shall allocate at least 80% of Discretionary Grants to PIVOTAL programmes according to the following apportionment:

9.1.3 Funding will be made available to programmes addressing Occupational Shortages and Skills gaps (formerly scarce and critical skills), structured integrated workplace learning and occupational qualifications across all levels within CATHSSETA's sectors through Discretionary Grant windows. The Discretionary Grant windows are

opened by CATHSSETA 5 months before implementation of the skills development intervention during the respective financial year in order to address the objectives of the APP. Each window will specify the applicable criteria;

- 9.1.4 Funding will be allocated to national developmental imperatives and implemented through funding among others resources of public institutions; and
- 9.1.5 Funding will be allocated to Strategic Projects addressing rural areas, TVET Capacity Building and Public Service Training, strategic government interventions as well as those projects serving immediate NSDSIII transformation goals;
- 9.1.6 Funding of Pivotal programmes will be aligned to the approved APP targets and Budget.

## 9.2 Funding Criteria

The following criteria inform the priority areas where Discretionary Grant funding must be directed. It is possible that some Discretionary Grant funded projects will fulfil more than one criteria, whilst others may not. The specific focus within each criterion may also change, based on CATHSSETA APP performance, industry/economic imperatives, Accounting Authority imperatives and/or Ministerial imperatives.

- 9.2.1 *Entities owned by or projects targeted at designated groups* – projects that are specifically designed for certain designated groups to participate as 100% beneficiaries of the project, or those applicants who represent designated groups.
- 9.2.2 *Entities with capacity to absorb learners into full time employment.* Preference shall be given to those projects with high propensity to absorb learners into the workforce. The large levy payers are more likely to absorb learners into full time employment after completion of the programme. This aligns with the White Paper on Post School Education. It is also considered prudent to support large levy paying entities.
- 9.2.3 *Projects/Applicants in rural or remote or previously disadvantaged regions* the mandate of the CATHSSETA is to develop skills for South Africa. As such, it is an imperative that those projects that target training in remote/rural regions targeted for economic development in line with SIPs. The criteria applied here may extend to where the applicant has their Head-Office, as awarding funds to entities based in a priority region/province also indirectly stimulates economic development. CATHSSETA shall ensure that across the NSDSIII cycle, skills development funds have been representatively allocated across the country.
- 9.2.4 *Projects/Applicants from priority sub-sectors*– the CATHSSETA represents several sub sectors. It is critical that skills development efforts are channelled fairly across all sectors/chambers. Through sub- sector engagement, priorities

must be identified and allocations aligned to match chamber priorities must be identified and allocations aligned to match chamber priorities and requirements.

- 9.2.5 *Training Providers that have a track record and industry credibility for skills development* – in order to meet its performance targets efficiently, it is important that CATHSSETA partner with reputable training providers who have a reputation for delivery. Through such partnerships, larger sized projects may be funded, reducing the cost and complexity of managing DG projects and also increasing the chances of delivery for CATHSSETA.
- 9.2.6 *New entrants including SMMEs* – affording opportunities to new entrants and promoting diversity. This will reflect fairness and openness of the allocation process and to avoid bias towards the same entities being awarded DG funding. Strategic allocations to SMMEs will be aligned to Government's prioritisation and advancement of SMMEs as catalysts to achieving economic growth and development. Further preference to SMME's will help CATHSSETA attain other objectives as laid out in NSDSIII as well as its stakeholders, who are largely small enterprises.
- 9.2.7 *State entities, Government departments, TVETS and Institutions of higher learning* - as prescribed by the NSDSIII.
- 9.2.8 *NGOs, community based organisations and co-operatives* – the NSDSIII identifies these types of organisations/institutions as a priority for SETAs and attainment of the skills development objectives, particularly as these types of institutions represent economic opportunities and access for skills development to the most disadvantaged areas of society. As such, those projects or applicants from these institutions must be given preference.
- 9.2.9 *Projects that align with other national imperatives* – these will vary from year to year based on the socio economic context at the time. Currently, these include projects targeted at SIPs and those promoting HIV/Aids awareness and prevention.
- 9.2.10 In certain circumstances, CATHSSETA will enter into partnership with the categories of persons / entities set out above. CATHSSETA shall develop a procedure for handling applications for partnership.

## 10. ELIGIBILITY TO APPLY FOR DISCRETIONARY GRANT FUNDING

- 10.1 The Grant Regulations encourages access to Discretionary Grants to be accessible to all legal persons or enterprises of different sizes (including small and micro enterprises, Non-Government Organisations (NGOs) and cooperatives in the CATHSSETA sector) to apply for any category of grant, or participate in any type of skills development programme.
- 10.2 Discretionary Grant may be paid to a legal person, including:

- 10.2.1 a public education and training institution;
- 10.2.2 an employer within the jurisdiction of CATHSSETA, including an employer who is not required to pay a skills development levy in terms of the SDLA;
- 10.2.3 other legal person contemplated in sub-regulation (7) that meets the criteria for the payment of such grant; and
- 10.2.4 an employer contemplated in section 30 and 30(A) of the Act who has submitted to its relevant line SETA or Public Service SETA (PSETA) within the time frames prescribed a WSP and ATR as a minimum.
- 10.2.5 Stakeholders eligible to apply for Discretionary Grants include:
  - 10.1.5.1 CATHSSETA member organisations (levy paying and non-levy paying);
  - 10.1.5.2 TVETs and Institutions of Higher Education;
  - 10.1.5.3 Government departments, state owned entities and other organs of state;
  - 10.1.5.4 Training providers;
  - 10.1.5.5 Non-Governmental Organisations (NGOs), Non-Profit Organisations (NPOs), Community Based Organisations (CBOs) and Cooperatives;
  - 10.1.5.6 Organised labour;
  - 10.1.5.7 Industry bodies; and
  - 10.1.5.8 Other relevant stakeholders with the CATHSSETA sector

## 11 APPLICATION, SELECTION AND ALLOCATION PROCESS FOR REGULAR PROJECTS

- 11.1 The Accounting Authority shall approve the specifications of the advert to be aired at any given time. Once the specifications have been approved, the CATHSSETA shall, by way of flighting a Discretionary Grant advert, invite the stakeholders of the CATHSSETA sector to apply.
- 11.2 Allocation of Discretionary Grants towards Strategic and Regular projects will be made via a four step process as follows:
  - 11.1.1 **Step 1:** Assess applications submitted in response to public advertisement for compliance;



- 11.1.2 **Step 2:** Evaluate applications based on an objective evaluation criterion, outlined in Annexure C, and conduct portfolio calibration to align to strategic imperatives and APP targets;
- 
- 11.1.3 **Step 3:** Due diligence on shortlisted applicants;
- 11.1.4 **Step 4:** Preparation of recommendation report to the Accounting Authority;
- 11.2 Applications must be submitted as prescribed in the advertisement(s). No exceptions may be granted. There will be no extension to submit application forms after the closing date.
- 11.3 The CATHSETA shall not consider a Discretionary Grant application if:
- 11.3.1 The Discretionary Grant criteria aligned to the grant regulations are not met;
- 11.3.2 The submission deadline and evaluation criteria have not been met; or
- 11.3.3 The CATHSETA does not have an adequate budget to allocate the required award.
- 11.4 Project proposals addressing one (or several) of the following themes will be eligible for funding:
- 11.4.1 PIVOTAL programmes delivered through education and training institutions
- 11.4.2 Learning interventions aligned to SAQA registered qualifications and unit standards where such qualifications and unit standards are available;
- 11.4.3 Artisan training through enrolment of an apprentice and ensuring that the learner is exposed to theoretical learning, workshop training and practical work experience;
- 11.4.4 Training which includes a workplace learning component commitment for a student who must do practical work as part of his/her qualification;
- 11.4.5 Structured work placement for students already studying towards a qualification regarded as a shortage or skills gap (formerly scarce or critical);
- 11.4.6 Enrolment of an employee or unemployed young person in a specific learnership or skills programme which will ensure that such a person gains specialised knowledge and experience which is needed in the industry; and
- 11.4.7 Learnerships and skills programmes must be linked to occupationally directed qualifications.
- 11.5 The application for Discretionary Grants should include the PIVOTAL plan, set out the overall goal and objective and how these link to addressing sector skills needs, specify the learning programme(s), number of learners per learning programme, the major milestones to be met over the proposed period, and cost projections for

completion. Where appropriate, subsequent yearly commitments/awards will be related to satisfactory performance, in terms of outputs, verified expenditures, and the approval of future annual activity, future outputs, and spending forecasts.

- 11.6 The applicant needs to ensure that the training provider selected to provide the training is an accredited and qualified provider. The applicant should ensure that the training programme(s) are accredited and lead to a recognized qualification. In instances where training is for a short course, the value and benefit of the training programme(s) to the learner and (potential) employer(s) must be demonstrated.
- 11.7 All applications shortlisted for funding must demonstrate capacity to successfully implement the project proposed. The CATHSSETA will verify that the organisation has the capacity to deliver effectively, efficiently, and in a timely manner through a due diligence process.
- 11.8 The funding criteria, set out in 9.2 of this policy, or as specifically determined by the Accounting Authority shall be applied in the awarding of funds to Discretionary Grant applicants.
- 11.9 CATHSSETA will determine the relative merits of all applications received in response to the Discretionary Grants advertisement, in a fair and consistent manner.
- 11.10 The CATHSSETA will take the following measures to guarantee an accurate, transparent, objective and impartial assessment procedure:
  - 11.10.1 Formulate a process of allocation and assessment that is consistent with this policy;
  - 11.10.2 Implement the said process and retain records in sufficient quality and clarity for a reasonable duration consistent with CATHSSETA retention policy.

## 12 CONTRACTING OF DISCRETIONARY GRANT FUNDED PROJECTS

- 12.1 Entities that are approved by the Accounting Authority for awards will be given an "Intention to Contract". The "Intention to Contract" will list requirements to be fulfilled, and applicable timeframes, for the CATHSSETA to proceed to contract with the entity. Where the applicant is not an accredited training provider, the requirement for the joint appointment of the training provider between the CATHSSETA and the entity concerned will be fulfilled as part of this stage.
- 12.2 If the conditions set out in the "Intention to Contract" letter are fulfilled, and within the set timeframes, the CATHSSETA will develop a contract to be signed between CATHSSETA and the relevant entity. The following are the minimum conditions that must be fulfilled by the applicant;
  - 12.2.1 recruit the learners who will participate in this project and submit the relevant learner documents to the CATHSSETA;



- 12.2.2 Submit an itemised budget and project implementation plan to the CATHSSETA. The budget and the implementation plan will be included as annexures to the contract;
- 
- 12.2.3 Submit a written confirmation duly signed by an authorised person or body to enter into a valid agreement with CATHSSETA;
- 12.2.4 Qualifying Levy Payers should have submitted their Workplace Skills Plan (WSP), in the previous Mandatory Grants window cycle;
- 12.2.5 Where funded projects require an accredited training provider, proof of accreditation for appointed training provider and a signed Service Level Agreement (SLA) between the employer and training provider should be submitted;
- 12.2.6 Submit proof of separate bank account or cost centre in the case of public institutions dedicated to the project where all invoices pertaining to the project will be paid into.
- 12.3 If any of the suspensive conditions referred to in the "Intention to Contract" are not fulfilled by the date stipulated for fulfilment, then the "Intention to Contract" shall lapse and the intended Discretionary Grant funding will be automatically forfeited.

### 13 PROJECT COORDINATION

- 13.1 After the CATHSSETA has expressed its intention to contract with an entity, all the documents required in terms of that intention must be submitted to the CATHSSETA. CATHSSETA reviews the documents and the information submitted and, if satisfied approves them and advises the legal department to proceed with relevant contracting and the entity to proceed with commencement of training.
- 13.2 Only after the submitted documents have been approved by CATHSSETA will the issue a formal notification to commence training and conduct compulsory induction together with the learners, training provider and employer.
- 13.3 CATHSSETA will conduct induction and project monitoring and evaluation visit at least once during the lifespan of the project.
- 13.4 The CATHSSETA will, on its part, conduct external moderation visits as part of quality assurance of learner achievement.

- 13.5 13.5 Learners enrolled for Internship programmes including University Placements and TVET NCV WIL who withdraw after 50% participation in the programme will be reported as completions.

- 13.6 All learners absorbed by employers within our sector prior to finishing their learning programme (Apprenticeship, Learnership, Skills Programme, Internships and Work Integrated Learning)

#### **14 DISBURSEMENT OF THE DISCRETIONARY GRANTS FUNDS AND RISK MANAGEMENT**

- 14.1 The payment model will be performance based and tied to delivery and achievements. Disbursements will only be made against a valid invoice submitted to the CATHSSETA.
- 14.2 In accordance with the monitoring and evaluation procedures applied by the CATHSSETA and in terms of the service level agreement (SLA) which will be concluded with the CATHSSETA, invoices submitted to the CATHSSETA must be based on work done and must be accompanied by evidence that an activity claimed for has indeed been conducted/delivered.
- 14.3 Claims unaccompanied by the relevant evidence will not be processed and/or paid.
- 14.4 It is the responsibility of the entity to ensure that all requirements are met and the supporting documents are provided as per the service level agreement/contract when submitting a claim.
- 14.5 All projects funded in terms of the CATHSSETA's Discretionary Grant policy must have a bank account into which all payment and disbursements will be made, with the exception of public/government institutions for which a separate cost centre must be created. The CATHSSETA will have access to statements pertaining to the account as and when it requests.

#### **15 DISPUTES**

- 15.1 In an event where a dispute arises between an entity and CATHSSETA in as far as the implementation of this policy is concerned, such disputes shall be referred to the CATHSSETA Accounting Authority / CEO in writing, and The Accounting Authority / CEO's office shall act as mediator.
- 15.2 In an event where a dispute arises between an entity and the learner, the CATHSSETA will act as a mediator. Disputes that arise as a result of employment relationship between the learner and the entity, such disputes will be dealt with under

the ambit of the labour laws, and the Commission for Conciliation, Mediation and Arbitration (CCMA).

## **16 ACCOUNTABILITIES**

### ***Adherence to Signed Agreements***

- 16.1 Applicants will be held accountable for the success of Discretionary Grant funded projects. The ability to effectively manage projects within the respective entities is a basic requirement. Applicants are responsible for the planning, monitoring, filing, reporting, assessing and generally managing processes to ensure a high quality output.
- 16.2 The CATHSSETA will undertake regular employer and/or training provider site visits, and will ask for submission of evidence by entities for the training funded in order to:
- 16.2.1 Measure the impact of the training implemented by various entities;
- 16.2.2 To ensure that the financial and human resources allocated are clearly accounted for; and
- 16.2.3 To ensure that the training conducted and funded by CATHSSETA does indeed address the areas addressed in its Sector Skills Plan.
- 16.3 In the event of a grant being used outside the scope set out in the agreement between the CATHSSETA and the recipient organisation, or in the event of the terms of that agreement not being adhered to, the CATHSSETA reserves the right to terminate the agreement and where necessary to take appropriate measures to recover funds.

## **17. POLICY REVIEW**

The policy will be reviewed annually.

## **18. ADMINISTRATION OF POLICY**

CATHSSETA shall implement and enforce this policy.

## **19. EFFECTIVE DATE OF POLICY**

The policy, as approved by the Accounting Authority shall take effect from 1 April 2018.

## Annexure A

### 2019/20 DISCRETIONARY GRANT FUNDING FRAMEWORK

The Discretionary Grant funding framework as described in paragraph 9, is hereby presented in a Table format. The framework includes the delivery approach, which are the 6 PIVOTAL programmes described as learning programmes. The framework indicates the target applicants, dates on which Discretionary Grants windows for applications will be opened, amounts payable as well as the criteria that will be applied.

GRANT TYPE	TARGET	SUBMISSION DATE	SUBMISSION TYPE	PAYMENT DATE
MANDATORY	Levy Payers (SDF)	30 April 2019	Applications submitted through the Indicum online system	July October January April
DISCRETIONARY	Levy Payers Non Levy Payers SMMEs Trade Unions NGO's/ NPO's HEIs/TVETs Government Departments Training Providers	One Window – November 2018  Remedial Window – September 2019	Applications submitted through the Indicum online system	Allocation of Discretionary Grant funding will address PIVOTAL and Non PIVOTAL programmes and be apportioned as follows: <u>PIVOTAL Projects</u> <ul style="list-style-type: none"> <li>80% of funding will be allocated to the Discretionary Grant window to be accessed by the target applicants</li> </ul> <u>Non PIVOTAL Projects</u> <ul style="list-style-type: none"> <li>20% of funding will be allocated to Non PIVOTAL projects at the discretion of CATHSSETA, to develop the sector.</li> <li>Discretionary Grant budget will be allocated to Strategic projects, should the targets not be met</li> </ul>

# DISCRETIONARY GRANT 2019/20 WINDOW

PIVOTAL PROGRAMME	TARGETED APPLICANTS	DATES	TARGET BENEFICIARIES	FUNDING ALLOCATION PER LEARNER	CRITERIA
BURSARY	Public Universities Universities of Technology TVET Colleges Employers	November 2018	160 Employed Learners 450 Unemployed Learners (Studying towards undergraduate qualifications)	Employed Learners: R 35,000 per Learner Unemployed fulltime R 80,000 per Learner	Bursary Guidelines
LEARNERSHIP	Employers & Training Providers	November 2018	320 Employed Learners	R 24, 000 per Employed Learner	Learnership Grant Guidelines
APPRENTICESHIP			422 Unemployed Learners	R 66,000 per Unemployed Learner	Learnership Grant Guidelines
INTERNSHIPS	Public Universities Universities of Technology Employers (Recruiting learners from Public Universities and Universities of Technology)	November 2018	261 Unemployed learners	R 66,000 per Learner	Internships Guidelines
	Public Universities Universities of Technology Employers (Recruiting learners from Public Universities and Universities of Technology)		300 Unemployed Learners	R 60, 000 per Learner for a period of 12 months	
WORK INTEGRATED LEARNING (University placement)	Public Universities Universities of Technology Employers (Recruiting learners from Public Universities and Universities of Technology)	November 2018	228 Unemployed Learners	R21, 000 per learner for a period of 6 months; R42, 000 per learner for a period of 12 months	Work Integrated Learning Grant Guidelines
WORK INTEGRATED LEARNING (TVET College Placement):	TVET Colleges	November 2018	983 Unemployed learners	R24, 600 per Learner for a period of 6 months for NCV learners	

Discretionary Grants Policy

Approval date: 04/12/2018

PIVOTAL PROGRAMME	TARGETED APPLICANTS	DATES	TARGET BENEFICIARIES	FUNDING ALLOCATION PER LEARNER	CRITERIA
	Employers (Recruiting learners from TVET colleges)			R 49, 200 per N6 learners for a period of 12 months as per sectoral determination for hospitality.	
SKILLS PROGRAMME	Employers (Levy paying employers must be up to date with their levies and mandatory grants) Training Providers	November 2018	890 Unemployed Learners 325 Employed Learners	R180 per credit, up to 60 credits per learner, excluding stipend of R107.80 per day for unemployed learners.	Skills Programmes Grant Guidelines
Skills Programme - AET (Adult Education & Training)		November 2018	53 employed learners		
Skills Programme – ICT (Information, Communications & Technology)	Employers Training Providers	November 2018	53 employed learners		
	Cooperatives	November 2018	4 Cooperatives (20 learners per Cooperative)		
	Small Business Supported (SMME)	November 2018	185 Small Business		
Skills Programme	NGO's	November 2018	8 NGO's (20 learners per NGO)	Maximum R 14,280 per learner	
	Trade Unions	November 2018	4 Trade Unions (20 learners per trade union)	Maximum R 14, 280 per learner	

Discretionary Grants Policy

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Approval date:

04/12/2018

**Discretionary Grant Implementation Schedule/ Process: 2019/20 Roadmap**

	<b>Activity</b>	<b>Requirements</b>	<b>Responsible Party</b>	<b>Date</b>
1.	Dissemination of information and requirements for applications and implementation	Relevant documents on Discretionary Grants Application, implementation, funding, etc. circulated to stakeholders. To include priority areas, criteria, implementation guidelines, templates and grants amounts. Disseminated via website and CATHSSETA mailing list.	Learning Programmes Department	Open November 2018
2.	Deadline for submission of all Applications	Submission of completed application forms on the Indicum online system Application documents, any additional information requested and specified documents. (as per guidelines)	Applicants	No later than 23h59 on 31 January 2019 No late submissions considered.
4.	Evaluation of applications	Evaluation of applications according to criteria	Learning Programmes Department	By 28 February 2019
5.	Provision of Feedback	Written feedback provided	Learning Programmes Department	15 March 2019
6.	Implementation of projects	Engagement of successful employers by responsible units Each programme follows applicable processes	Learning Programmes Regional Offices	From 1 April 2019

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## **Annexure C**

### **DISCRETIONARY GRANT**

**2019/20**

### **EVALUATION PROCESS AND CRITERIA**



## DISCRETIONARY GRANT ALLOCATION PROCESS

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### 1. DISCRETIONARY GRANT ALLOCATION PROCESS

The following process must be followed when allocating Discretionary Grants towards “Regular” projects. The process is designed to ensure attainment of targets and improvements to overall performance of CATHSSETA in administering Discretionary Grant funded projects.

A 4 step process in the processing of applications received must be followed:

#### 2. Step 1: Compliance

The applications will be assessed to determine if they meet minimum compliance requirements. The following information or documents must be provided:

- Complete application form
- Entity registration documents\*
- Valid tax clearance certificate\*
- Acknowledgement of CATHSSETA DG policy
- PIVOTAL plan completed fully

Where these are not provided by applicant, at the discretion of the Accounting Authority, requests for submission may be issued prior to disqualifying applicant from proceeding to next step.

#### 3. Step 2: Portfolio calibration and evaluation of application based on pre-set evaluation

Those applications that pass compliance will be evaluated and scored against a pre-set evaluation grid as articulated in *Annexure D* below. The grid will be set to specifically assess applications for demonstrated ability to implement and successfully run the project. This evaluation assesses each application formulaically and ranks the applications based on a mathematical score. The following aspects will be reviewed and scored:

- **Project Implementation Plan:** review to identify strategic imperatives to be met by project e.g. targeting designated groups, collaboration with state departments, training site etc.; detail provided in project plan illustrates that applicant is knowledgeable on delivery of Discretionary Grant funded project; qualifications to be funded are in line with CATHSSETA Discretionary Grant policy including SSP and other strategic areas (e.g. SIPS)
- **Recruitment Plan:** review to assess beneficiaries being targeted; demonstration that pre-requisites for success are in place and little risk of project delays due to learner recruitment

- **Hosting and / or Training capacity:** Review evidence submitted to demonstrate that applicant has sufficient capacity to provide theoretical and workplace training to number of learners applied for.
- **Financial capacity:** Review evidence submitted to demonstrate that applicant can manage an allocation of the size applied for, so as to minimise performance risks post contracting.
- **Proven prior performance:** Review any evidence submitted to demonstrate that applicant has successfully delivered Discretionary Grant funded projects or contracts of a similar nature (This will not discriminate against applicants who have not implemented Discretionary Grants project prior).

Evaluating applications against the above aspects will minimise the risk of non-performance post contracting.

### **Portfolio calibration - Strategic alignment and APP targets**

The allocation process must first and foremost address the strategic imperatives of the CATHSSETA, to the budget available, within the targets (or gaps) of the APP and SSP. The following strategic imperatives have been proposed to the Accounting Authority. These inform the priority areas, where DG funding must be directed. Having mathematically scored each application, further analyses must be conducted to ensure funding is directed and allocated to those projects that also meet any of the below criteria. It is possible that some applications will fulfil more than one criteria, whilst others may not. The focus within each criterion may change from advert to advert, based on CATHSSETA APP performance, industry/economic imperatives, Accounting Authority imperatives and/or Ministerial imperatives.

- Entities owned by or projects targeted at designated groups** – Projects that are specifically designed for certain designated groups to participate as 100% beneficiaries of the project; or those applicants who represent designated groups.
- Entities with capacity to absorb learners into full time employment** – Skills development in the absence of employment is a futile exercise. As such, preference must be given to those projects that guarantee or provide high likelihood of absorption of learners into the workforce. The large levy payers are more likely to absorb learners into full time employment after completion of the programme. This aligns with the White Paper on Post School Education. It is also considered prudent to support large levy paying entities.
- Projects/Applicants in rural or remote or previously disadvantaged regions** – The mandate of the CATHSSETA is to develop skills for South Africa. As such, it is an imperative that those projects that target training in remote/rural regions or provinces/areas where government has marked for economic development, for example Northern Cape, are given preference. The criteria applied here may extend to where the applicant has their Head-Office, as awarding funds to entities based in a priority region/province also indirectly stimulates economic development. A role the SETAs must play. It is also critical that CATHSSETA ensure that across the NSDSIII

cycle, skills development funds have been representatively allocated across the country.

- iv. **Projects/Applicants from priority sectors / chambers** – The CATHSSETA represents several sub-sectors. It is critical that skills development efforts are channelled fairly across all sectors/chambers. Through Chamber engagement, priorities must be identified and allocations aligned to match chamber priorities and requirements.
- v. **Training Providers that have a track record and industry credibility for skills development** – in order to meet its performance targets efficiently, it is important that CATHSSETA partner with reputable training providers who have a reputation for delivery. Through such partnerships, larger sized projects may be funded, reducing the cost and complexity of managing DG projects as also increasing the chances of delivery for CATHSSETA.
- vi. **New entrants including SMMEs** – Affording opportunities to new entrants and promoting diversity. This will also reflect fairness and openness of the allocation process and to avoid bias towards same entities being awarded DG funding. Strategic allocations to SMMEs will be aligned to Government's prioritization and advancement of SMMEs as catalysts to achieving economic growth and development. Further preference to SMME's will help CATHSSETA attain other objectives as laid out in NSDSIII as well as its stakeholders, who are largely small enterprises.
- vii. **State entities, Government departments, TVETS and Institutions of higher learning** - as prescribed by the NSDSIII.
- viii. **NGOs, community based organisations and co-operatives** – The NSDSIII fingers these types of organisations/institutions as a priority for SETAs and attainment of the skills development objectives. Particularly, as these types of institutions represent economic opportunities and access for skills development to the most disadvantaged areas of society. As such, those projects or applicants from these institutions must be given preference.
- ix. **Projects that align with other national imperatives** – these will vary from year to year based on the socio economic context at the time. Currently, these include projects targeted at SIPs and those promoting HIV/Aids awareness and prevention.

Applicants that have been evaluated in step 2, will be analysed against the above criteria and a shortlist generated. The purpose of this step is to ensure that allocations are made in line with CATHSSETA strategic objectives and not only in line with the SSP and DHET SLA.

#### **4. Step 3: Due diligence**

This is a compulsory part of the allocation process in that verification is conducted to shortlisted applicants. This serves to 1) ensure that the operations of the applicant are

legit as physically inspected and verified by Due Diligence official; 2) corroborate initial assessment made in step 2 (evaluation) specifically in terms of operational capacity to train number of learners applied for; and 3) obtain originals and/or certified copies of compliance documents which were submitted electronically. Physical due diligence will be conducted for first time implementers, and telephonic due diligence will be conducted for applicants who have implemented Discretionary Grants in the previous financial year.

As an output of the due diligence exercise each applicant on the Accounting Authority award list will have a complete commercial file containing requisite documentation required for contracting and payments. This optimizes the contracting process and avoids delays with payments of entities during implementation.

Based on the due diligence, a detailed due diligence report is prepared, with recommendations on whether each entity must be awarded an allocation. It is at this stage that the size of the allocation may be reduced, remain the same or increase (based on outcomes of due diligence).

#### **4.1. Step 4: Preparation of recommendation report to the Accounting Authority**

The recommendations from the due diligence reports are taken into account when generating the final report for the Accounting Authority. The total allocations are analysed against APP targets and further revised. The final report and listing of allocations is generated for presentation to the Accounting Authority.

## Evaluation Grid

Category 1: Type of applicant		Score
1. Entity type	10	
2. Entity size	10	
3. B-BBEE Status	10	
4. % Equity Black Ownership	10	
5. % Equity Black Women Ownership	10	
6. Has this applicant received funding from CATHSSETA before (1st time implementer)	10	
Total Points		60

Category 2: Alignment of project to CATHSSETA's Transformational Imperatives		Score
7. Project is targeting designated groups	10	
8. Project addresses other national imperatives in addition to skills development	10	
9. Gender diversity	10	
10. Youth focus	10	
11. Disability focus	10	
12. Location of project	10	
13. Partnerships proposals	30	
14. Qualifications aligned to the Occupational Shortages and Skills gaps (formerly scarce and critical skills) occupations	10	
Total Points		100

Category 3: Implementation capability of applicant		Score
15. Has the applicant submitted a compelling project implementation plan	20	
16. Has the applicant submitted a detailed project budget	20	
17. Has the applicant provided an effective learner recruitment plan	20	
18. Has the applicant demonstrated sufficient hosting capacity – Host letters	20	
19. Training provider	20	
20. Financial capacity	10	
21. Does the entity have prior experience with running a SETA related project	20	
22. Number of years the organisation has been in business	10	
Total Points		140
Overall Points		300

### Transformation and Developmental Imperatives

In selecting beneficiaries, it is essential that CATHSSETA's transformation and developmental imperatives are adhered to. This requires that in any particular Discretionary Grant window, of all the learners that will benefit from Discretionary Grant funding for that window, at least 60% must be 35 years of age or younger. Where possible, people with disabilities are considered and offered first priority. At least 65% of beneficiaries for that Discretionary Grant window must be female and 85% should be black (Indian, Coloured and African). At least 45% of selected beneficiaries must come from rural or informal settlements and 55% with a household income of less than R60K per annum.

NO	DEVELOPMENT AND TRANSFORMATION IMPERATIVES	TARGET DESCRIPTION	ALLOCATION
1	Age	Youth – under 35years old	60%
2	Disability	All forms of disabilities	1%
3	Gender	Female	65%
4	Race	Black	85%
5	HIV/AIDS	HIV/AIDS awareness and prevention component to be included in most of training programme	100%
6	Geography	Rural and Informal settlements	45%
7	Class	Income – Less than R60k per annum (as per SARS)	55%



**Annexure F**  
**List of Occupational Shortages and Skills gaps (formerly Scarce and Critical Skills) and any other occupational shortages and skills gaps**  
**for development and growth of the CATHSSETA sector.**

Sub-Sector	OFO Major Group	OFO Code	Occupation	Intervention
Arts, Culture, and Heritage	MANAGERS	2017-134901	Environmental Manager	Internships and Workplace Experience (SIPS)
	PROFESSIONALS	2017-235502	Private Tuition Dance Teacher	Bursary: National Diploma - Dance Education
	PROFESSIONALS	2017-263206	Heritage Consultant	Learnership: National Certificate - Heritage Resource Management
	TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-352103	Sound Technician	Bursary: National Diploma - Sound Technology and Production
	SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS	2017-651501	Rigger	Learnership: National Certificate - Mechanical Handling (Rigging)
Conservation	PROFESSIONALS	2017-213109	Zoologist	Bursary and Internships: Bachelor of Science - Zoology
	PROFESSIONALS	2017-213307	Park Ranger	Learnerships: National Certificate - Nature Resource Guardianships Terrestrial
	PROFESSIONALS	2017-226302	Health and Safety Officer	Skills Programme: National Certificate - Occupational Health, Safety and Environment
	PROFESSIONALS	2017-324101	Veterinary Nurse	Bursary and Internships: Bachelor of Veterinary Nursing

Sub-Sector	OFO Major Group	OFO Code	Occupation	Intervention
Gaming and Lotteries	MANAGERS	2017-122101	Sales and Marketing Manager	Bursary and Internship: National Diploma - Marketing Management
	PROFESSIONALS	2017-241102	Management Accountant	Bursary: National Diploma - Management Accounting
	TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-335916	Gaming Operations Compliance Officer	Learnership: National Certificate - Gaming Operations
	MANAGERS	2017-141101	Hotel or Motel Manager	Bursary: Management Development Programme
Hospitality	MANAGERS	2017-141201	Catering Manager	Bursary: National Diploma - Catering Management
	MANAGERS	2017-141201	Café (Licensed) or Restaurant Manager	Bursary and Learnership: Food and Beverage Studies/Services
	TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-313907	Food and Beverage Manufacturing Process Controller	Learnership: National Certificate - First Line Manufacturing Manager (Food and Beverage)
	TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-343401	Chef	Learnership: National Certificate - Professional Cookery
	SERVICE AND SALES WORKERS	2017-512101	Cook	Skills Programme: Cook Convenience
	SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS	2017-642601	Plumber	WIL and Learnership: National Certificate - Plumbing



Sub-Sector	OFO Major Group	OFO Code	Occupation	Intervention
	SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS	2017-671101	Electrician	WIL and Learnership: Occupational Certificate - Electrician
	MANAGERS	2017-143105	Sport Administrator	Learnership: National Certificate - Sport Administration
	PROFESSIONALS	2017-226905	Biokineticist	Bursary: Human Movement and Sports Science
	PROFESSIONALS	2017-263406	Sport Psychologists	Bursary: Bachelor of Arts in Sport Psychology
	TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-342204	Sport Coach	Learnership: Further Education and Training Certificate: Sport Coaching: Juniors/Beginners
	TECHNICIANS AND ASSOCIATE PROFESSIONALS	2017-342301	Fitness Instructor	Learnership: National Certificate Fitness; Bursary: National Diploma
	PROFESSIONALS	2017-243103	Marketing Practitioner	Learnership: National Certificate - Marketing Practice
	CLERICAL SUPPORT WORKERS	2017-422102	Travel Consultant	Learnership: National Certificate - General Travel
	SERVICE AND SALES WORKERS	2017-524401	Customer Contact Centre Salesperson	Learnership: National Certificate - Contact Centre and Business Process Outsourcing Support
ALL	MANAGERS	2017-112101	Director (Organisation)	Bursary: Business Administration; Management Development Program (SIPs)

Sub-Sector	OFO Major Group	OFO Code	Occupation	Intervention
	CLERICAL SUPPORT WORKERS	2017-441903	Program or Project Administrators	Workplace (SIPS)
	PLANT AND MACHINE OPERATORS AND ASSEMBLERS	2017-733201	Truck Driver (General)	Workplace (SIPS)
	PLANT AND MACHINE OPERATORS AND ASSEMBLERS	2017-862202	Handyperson	Workplace (SIPS)

## LEARNING PROGRAMME GUIDELINES

### Annexure G

#### Skills Programme Guidelines

1. For the purposes of this guideline, and in line with the Skills Development Act, a "skills programme" means a skills programme that –
  - 1.1 is occupationally based;
  - 1.2 when completed, will constitute a credit towards a qualification registered in terms of the NQF;
  - 1.3 uses a skills development provider accredited by the QCTO (or group of such skills development providers); and
  - 1.4 complies with any requirements that may be prescribed in terms of the Skills Development Act.
2. CATHSSETA may only fund a skills programme if such programme—
  - 2.1 complies with the requirements of the Skills Development Act and any regulations prescribed thereunder;
  - 2.2 complies with requirements imposed by CATHSSETA in this policy or this guideline;
  - 2.3 is in accordance with the SSP or national skills development strategy; and
  - 2.4 can be supported by the funds available.
3. Employers registered within CATHSSETA's jurisdiction may apply for a Discretionary Grant to support skills programmes for employed or unemployed persons. The Discretionary Grant value will be calculated per credit for a registered skills programme. The maximum value per credit shall be as follows:

NQF Level	Grant value	Amount Payable for unemployed skills programme stipend
NQF 2	R180	R 107.80 per day per learner (maximum amount per learner = R 8 500 for a duration of 3 months or the programme)
NQF 3	R190	
NQF 4	R215	
NQF 5	R238	

4. Unless written approval from CATHSSETA has been obtained, the following items will not be considered for skills programme funding—
  - 4.1 administration and project management costs, including start-up costs, capital and or infrastructural expenditure, policy development, and ongoing programmes of the applicant organisation;
  - 4.2 all costs and expenses of staff that may be incurred as a result of delivering the project, which include but are not limited to travel, accommodation, meals and payment of training facilities, remuneration and all other operational costs; and
  - 4.3 any additional costs such as textbooks, examination fees, transport and refreshments.
  - 4.4 CATHSSETA will not disburse more than R14 280 towards a skills programme.

5. CATHSSETA will not accept skills programme applications where the:
  - 5.1 information provided is insufficient in order to demonstrate the need for the skills programme;
  - 5.2 ~~skills programme application is submitted by a training provider without the employer's endorsement; or~~
  - 5.3 training provider does not have the necessary accreditation and programme approval from an appropriate accrediting body.
6. Where an applicant has successfully been awarded a Discretionary Grant for a skills programme, a memorandum of agreement must be signed by both CATHSSETA and the successful applicant. The employer will need to ensure that they submit an implementation plan of the project and signed service level agreement with the training provider.
7. CATHSSETA is empowered to set any terms and conditions for funding of skills programmes as it considers necessary.
8. CATHSSETA skills programmes grants will be paid monthly based on performance
9. CATHSSETA may withhold funds or recover any funds paid by it, if the CATHSSETA is of the opinion that—
  - 9.1 the funds are not being used for the purpose for which they were made available;
  - 9.2 any term or condition of the funding is not complied with; or
  - 9.3 the training is not up to standard.
10. CATHSSETA shall monitor the skills programmes funded by it on a regular basis.
11. The employer must notify CATHSSETA in writing of any early termination of the skills programme and such termination must be in accordance with the agreement entered into between CATHSSETA and the grant recipient.

## Work Integrated Learning Programme (TVET College) Guidelines

1. For the purposes of this guideline, "work integrated learning programme" ("**WILP**") means a structured work-based internship programme.
2. WILPs are aimed at the following categories of persons:
  - 2.1 students who are currently registered with TVET Colleges, and require internships to complete their studies (in-service training); and
  - 2.2 unemployed graduates who have completed their National Vocational Level four (NCV L4) or Nated six (N6) and are not employed or are under employed due to a lack of work experience.
3. This guideline applies to:
  - 3.1 institutions of learning who need to place interns in an industry;
  - 3.2 any organization or department that would like to fund interns in WILPs in their sector;
  - 3.3 persons who would like to be placed for WILPs in a sector ("**interns**"); and
  - 3.4 employers of interns, as well as members of their staff.
4. An employer must ensure transparent recruitment and selection processes, systems and procedures when appointing interns. Careful screening of applicants should be done in cases where the nature of work is confidential or hazardous.
5. The number of permanent employees, as well as the employment equity plan of the employer, must guide the number of interns that can be hosted by an employer.
6. After the selection process, the selected intern must be notified and sign an employment contract with the employer prior to the assumption of duty. The Basic Conditions of Employment Act, 1997 will be applicable to all interns.
7. The employer has the option to offer permanent employment to an intern at the end of the WILP. The retention of interns outside the internship contract should be in accordance with the employers' internal staff recruitment policies and procedures.
8. The role of CATHSSETA, the employer and the interns in the implementation of WILPs shall be as follows:
  - 8.1 CATHSSETA shall:
    - 8.1.1 promote partnerships between institutions of learning and employers;
    - 8.1.2 provide and maintain a database of learners and graduates seeking placement;
    - 8.1.3 determine funding frameworks for funding where possible;
    - 8.1.4 register agreements and approve a workplace as a learning place; and
    - 8.1.5 monitor, evaluate and report on the WILP.

- 8.2 The employer shall:
- 8.2.1 identify occupations in which WILPs will serve;
  - 8.2.2 determine resources necessary to support the WILP (i.e. appropriate work space and material and equipment);
  - 8.2.3 provide the intern with adequate supervision at work, as well as identifying mentors and coaches for the intern;
  - 8.2.4 integrate the WILP into the performance and assessment agreements of mentors;
  - 8.2.5 ensure compliance with all relevant labour law legislation;
  - 8.2.6 provide the intern with appropriate training in the work environment to achieve the relevant outcomes required by an intern development plan, as formulated and agreed upon between the employer and the intern;
  - 8.2.7 pay the intern any agreed stipend during the course of their employment;
- 8.3 The Training Institution shall:
- 8.3.1 improve the capacity to deliver skills supply relevant to the industry needs;
  - 8.3.2 implement work integrated learning aligned to the CATHSSETA sectors;
  - 8.3.3 monitor and evaluate the WIL project;
  - 8.3.4 perform all functions and duties as per the institutional WIL policy framework;
  - 8.3.5 abide by the rules and regulations of the employer;
- 8.4 The intern shall:
- 8.4.1 perform all functions and duties as assigned by the employer;
  - 8.4.2 abide by the rules and regulations of the employer;
  - 8.4.3 complete all tasks, assignments and assessments; and
  - 8.4.4 complete the learning programme.

9. Discretionary Grants for Work Integrated Learning will be paid out in the following manner:

Learning Programme	Admin Fee	Amount per Learner	Duration
Work Integrated Learning NCV Level 4	R 3 600 for the duration of the programme	R 21 000 for the duration of the programme	6 months
Work Integrated Learning Nated 6	R 7 200 for the duration of the programme	R 42 000 the duration of the programme	12 – 18 months (pending approval from Accounting Authority)

## Internship / Work Integrated Learning Programme (University & University of Technology) Guidelines

1. For the purposes of this guideline, "Internship/ work integrated learning programme" ("**WILP**") means a structured work-based internship programme.
2. Internship and WILPs are aimed at the following categories of persons:
  - 2.1 students who are currently registered with Universities and Universities of Technology, and require Experiential Learning to complete their studies (Work Integrated Learning); and
  - 2.2 unemployed graduates who have obtained their qualification and are not employed or are under employed due to a lack of work experience (Internship).
3. This guideline applies to:
  - 3.1 institutions of learning who need to place interns in an industry;
  - 3.2 any organization or department that would like to fund interns in WILPs in their sector;
  - 3.3 persons who would like to be placed for WILPs or Internship in a sector; and
  - 3.4 employers of interns, as well as members of their staff.
4. An employer must ensure transparent recruitment and selection processes, systems and procedures when appointing interns. Careful screening of applicants should be done in cases where the nature of work is confidential or hazardous.
5. The number of permanent employees, as well as the employment equity plan of the employer, must guide the number of interns that can be hosted by an employer.
6. After the selection process, the selected intern must be notified and sign an employment contract with the employer prior to the assumption of duty. The Basic Conditions of Employment Act, 1997 will be applicable to all interns.
7. The employer has the option to offer permanent employment to an intern at the end of the WILP. The retention of interns outside the internship contract should be in accordance with the employers' internal staff recruitment policies and procedures.
8. The role of CATHSSETA, the employer and the interns in the implementation of WILPs / Internship shall be as follows:
  - 8.1 CATHSSETA shall:
    - 8.1.1 promote partnerships between institutions of learning and employers;
    - 8.1.2 provide and maintain a database of learners and graduates seeking placement;
    - 8.1.3 determine funding frameworks for funding where possible;
    - 8.1.4 register agreements and approve a workplace as a learning place; and



- 8.1.5 monitor, evaluate and report on the WILP.

The employer shall:

- 8.1.6 identify occupations in which WILPs will serve;
- 8.1.7 determine resources necessary to support the WILP (i.e. appropriate work space and material and equipment);
- 8.1.8 provide the intern with adequate supervision at work, as well as identifying mentors and coaches for the intern;
- 8.1.9 integrate the WILP into the performance and assessment agreements of mentors;
- 8.1.10 ensure compliance with all relevant labour law legislation;
- 8.1.11 provide the intern with appropriate training in the work environment to achieve the relevant outcomes required by an intern development plan, as formulated and agreed upon between the employer and the intern;
- 8.1.12 pay the intern any agreed stipend during the course of their employment;

8.2 The Learning Institution shall:

- 8.2.1 improve the capacity to deliver skills supply relevant to the industry needs;
- 8.2.2 implement work integrated learning aligned to the CATHSSETA sectors;
- 8.2.3 monitor and evaluate the WIL project;
- 8.2.4 perform all functions and duties as per the institutional WIL policy framework;
- 8.2.5 abide by the rules and regulations of the employer;

8.3 The intern shall:

- 8.3.1 perform all functions and duties as assigned by the employer;
- 8.3.2 abide by the rules and regulations of the employer;
- 8.3.3 complete all tasks, assignments and assessments; and
- 8.3.4 complete the learning programme.

9. Discretionary Grants for Internship/ Work Integrated Learning will be paid out in the following manner:

Learning Programme	Admin Fee	Amount per Learner	Duration
Internship	R 7 200 for the duration of the programme	R60 000 for the duration of the programme	12 months
Work Integrated Learning (experiential learning)	R 3 600 for the duration of the programme	R 21 000 for the duration of the programme	6 months
	R 7 200 for the duration of the programme	R 42 000 for the duration of the programme	12 months



### Bursary Grant Guidelines

1. For the purposes of this guideline, a "bursary" refers to financial support to learners registered for part or full-time studies at an accredited institution in areas identified as Occupational Shortages and Skills gaps (formerly scarce and critical skills) by CATHSSETA (see Annexure F). A "bursary grant" refers to monies paid to institutions to finance the study cost of learners.
2. A bursary grant serves as an incentive to young people to study at accredited tertiary institutions, in areas of Occupational Shortages and Skills gaps (formerly scarce and critical skills) in the arts, culture, conservation, gaming, heritage, hospitality, tourism and sport sector.
3. Levy-paying or non-levy paying organizations may apply for a bursary grant. Learners who have enrolled, or are in the process of enrolling, as full-time or part-time students at any South African University, University of Technology, or TVET College may apply for a bursary (Preference is given to Public Universities, Universities of Technology and TVET Colleges).
4. Bursaries are restricted to learners who have enrolled for qualifications related to the following CATHSSETA chambers:
  - 4.1 Arts and Culture;
  - 4.2 Hospitality;
  - 4.3 Tourism;
  - 4.4 Conservation;
  - 4.5 Gaming and Lottery;
  - 4.6 Sports and Recreation.
5. In order to align with the academic year, the timeline for applications for bursary grants will be as follows:
  - 5.1 Invitations to apply for Discretionary Grants and the CATHSSETA bursary support scheme will be published as per the Discretionary Grants implementation schedule.
  - 5.2 Evaluation of applications will be conducted by CATHSSETA in each Discretionary Grant window.
  - 5.3 Bursary grant allocations will be recommended and approved by CATHSSETA as per the Discretionary Grants implementation schedule.
  - 5.4 Eligible applicants will be notified of acceptance or rejection as per the Discretionary Grants implementation schedule.
6. A bursary will only be awarded if it addresses the Occupational Shortages and Skills gaps (formerly scarce and critical skills) identified in Annexure F. To the extent that a bursary grant application focuses on an area of study not included in Annexure F, a reasoned proposal can be provided in the Discretionary Grant application motivating for inclusion. This will only be allowed in exceptional circumstances and taking into account the SSP.

7. An applicant must be applying for funding for an accredited CHE, SAQA or UMALUSI qualification.
8. Bursary grant funding is available. The bursary grant funding may be for a one-year course which culminates in a nationally recognized qualification, or as part of a multiple-year qualification.

9. The total value of the bursary amount, for Undergraduate programmes, will be as per the table below:

Level of Study	Maximum Amount per learner
Undergraduate/ NQF Levels 5,6 & 7	R 80 000 for one year
TVET Colleges	R 58 000 for one year
Employed Learners	R 35 000 for one year

10. The total value of the bursary amount, for Post-Doctoral Research, will be determined through an evaluation process that will examine each application on its merits, the proposed contribution to the sector and the availability of Discretionary Grant funds.
11. A bursary agreement may not be terminated before the termination date of the agreement, unless CATHSSETA approves of the early termination in accordance with the bursary agreement.

## Learnership & Apprenticeship Guidelines

1. For the purposes of this guideline, a "learnership" means a learning programme which:
  - 1.1 consists of a structured learning component;
  - 1.2 includes practical work experience of a specified nature and duration;
  - 1.3 would lead to a qualification registered by the South African Qualifications Authority associated with a trade, occupation or profession, and
  - 1.4 is registered with the Director-General in the prescribed manner.
2. A "learnership agreement" means an agreement entered into for a specified period between:
  - 2.1 a learner;
  - 2.2 an employer or a group of employers; and
  - 2.3 a training provider accredited by the QCTO (or group of such training providers).
3. The requirements and obligations arising from the Skills Development Act and Learnership Regulations, as it relates to learnership agreements and learnerships, apply to this guideline.
4. The following principles and criteria are applicable to any stakeholder making a Discretionary Grant application for a learnership:
  - 4.1 CATHSSETA encourages the use of public TVET colleges in delivering a learnership;
  - 4.2 applicants must indicate the skills needed and addressed by the learnership programme in their Discretionary Grant application;
  - 4.3 where applicable, the employer must demonstrate previous successful learner placement with the company;
  - 4.4 in order to be awarded a grant, evidence of workplace readiness for the practical work experience component of the learnership must be indicated and submitted to the CATHSSETA (this includes the job description for the learner, which should be aligned to the unit standards of the qualification towards which the learner is studying);
  - 4.5 an employer applying for disabled learners needs to provide evidence that they have mechanisms in place to support disabled learners (e.g. occupational therapists and physical resources that accommodates the needs of the disabled learner);
  - 4.6 The learnership shall be implemented within a period of 12 months. A grace period of 3-6 months will be granted to all implementers in order for them to complete the certification process of the programme.
  - 4.7 In the case of abscondment or death, a termination form is required.
  - 4.8 The ratio of employed learners to unemployed learners in a learnership must be 4:1. That is, for every 4 learner employees there is only 1 unemployed learner. For employers with less than 50 employees a ratio of 2:1 will be applicable; and
  - 4.9 allocation of learnerships will depend on employer size according to the following ratio:

- 4.9.1 large-sized companies (of more than 150 employees) qualify for 1 learnership for every 10 employees;
- 4.9.2 medium-sized companies (of between 50 and 149 employees) qualify for 1 learnership for every 5 employees; and
- 4.9.3 small-sized companies (of less than 50 employees) qualify for 1 learnership for every 2 employees.

5. CATHSSETA will not grant an award for the funding of a learnership where the:

- 5.1 information provided is insufficient to demonstrate the need for the learnership;
- 5.2 learnership application is submitted by a training provider without the employer's endorsement; or
- 5.3 training provider does not have the necessary accreditation and programme approval from an appropriate accrediting body.

6. Employers implementing learnerships for the first time will be fully inducted by CATHSSETA.

7. Discretionary Grants for learnerships will be paid out in the following manner:

	Level of Study	Maximum Amount per learner	Duration
Unemployed Learners	NQF Level 2 & 3	R 64 000 for the duration of the programme	12 months
	NQF Level 4 & 5	R 66 000 for the duration of the programme	12 months
Apprenticeship			12 months
Employed Learners	NQF Level 2 & 3	R 22 000 for the duration of the programme	12 months
	NQF Level 4 & 5	R24 000 for the duration of the programme	12 months

## INDUSTRY FUNDED PROGRAMMES GUIDELINES

### Annexure L

#### Implementation of Industry funded learning programmes Guidelines

1. For the purposes of this guideline, and in line with the Skills Development Act, signed Service Level Agreement with Department of Higher Education and Training as well as the Learnership regulation of 2007, industry funded programmes will be implemented following the principles and processes outlined in this document.
2. Industry funded programmes may take form of a learnership and skills programmes for both employed and unemployed learners.
3. Industry funded programmes are solely funded by the industry employers within the CATHSSETA 6 sub sectors.
4. Industry funded programmes will be registered on the CATHSSETA Quarterly Monitoring Report, this will ensure that the SETA monitors and tracks training that takes place within the 6 sub sectors.
5. Implementation of industry funded programmes is at the discretion of the employers who will lead implementation of such programmes.
6. Implementation of industry funded programmes will be in accordance with the processes outlined in section 7 of the guidelines below.
7. Process for Implementation of Industry funded programmes

##### 7.1 Learnership Enrolment and Registration

	Activity	Requirements	Required Document	Responsible Party
1.	Submission of Letter of Intent to <i>Cathsseta</i>	Relevant letter from employer indicating qualification, number of learners, socio-economic status, provider, commencement and termination dates	Employer Letter submitted 21 days prior to implementation	Stakeholder/Applicant
2.	Approval of learning programme and feedback to stakeholder	Verification of provider accreditation	Accreditation letter and accreditation certificate	CATHSSETA representative
3.	Submission of all required documents as per approval letter	As per the approval letter	Learner Agreements	Stakeholder/Applicant

	<b>Activity</b>	<b>Requirements</b>	<b>Required Documents</b>	<b>Responsible Party</b>
4.	Registration of learner agreements	All learner agreements captured	Learner Agreements	CATHSSETA representative
5.	Commencement of the learning programme	Structured workplace and off-the-job training starts in line with implementation plan	Learner Agreements ID Qualifications Employment contracts where applicable	Stakeholder/Applicant

## 7.2 Learnership Completion and Certification

	<b>Activity</b>	<b>Requirements</b>	<b>Required Documents</b>	<b>Responsible Party</b>
1.	Training Provider upload learner details; link learner to programme	Provider upload assessments and moderation	Learner registration details are system based;	Training Provider representative
2.	Pull a learner print run Report	Check learners who are uploaded and are ready for certification	Learner Print Run Report	CATHSSETA Representative
3.	ETQA approval of learners for certification	List of Learners on Print Run Report.	The recent Verification Report of training provider (less than 12 months old)	CATHSSETA representative
4.	Certification of learners on the system	Certificate Learners that were approved based on the Print Run Report.	Verification report ,print run report and certificate	CATHSSETA representative

## 7.3 Skills Programmes Enrolment and Registration

	<b>Activity</b>	<b>Requirements</b>	<b>Required Documents</b>	<b>Responsible Party</b>
1.	Training Provider granted access to SETA management to enrol learners.	Training provider must be accredited to offer qualifications/skills programme that they intend to train learners on.	Accreditation Letter 3 – 5 days prior to implementation of programme	Training provider representative and CATHSSETA Representative
2.	Learners are enrolled on the SETA management System	Username and password	Accreditation letter Learner registration details are system based;	Training provider Representative and CATHSSETA representative

#### 7.4 Skills Programmes Completion and Certification

	Activity	Requirements	Required Documents	Responsible Party
1.	Training Provider upload learner details; link learner to programme	Provider upload assessments and moderation	Learner registration details are system based;	Training Provider representative
2.	Pull a Learner Print Run Report	Check learners that are uploaded and are ready for certification	Print Run Report	CATHSSETA Representative
3.	ETQA approval of learners that are on the print run	List of learners on print run	Check the recent verification report (less than 12 months old)	CATHSSETA representative
4.	Certification of learners that were ETQA approved based on the print run.	Certificate learners that were approved based on the Print Run Report.	Print run report and Verification report	CATHSSETA representative