

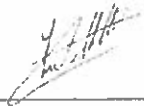


**CULTURE, ARTS, TOURISM, HOSPITALITY & SPORTS SECTOR EDUCATION
AND TRAINING AUTHORITY**


POLICY TITLE	DISCRETIONARY GRANT (DG) POLICY
POLICY NUMBER	1
POLICY CODE	DG-PL-2023/24

APPROVAL PAGE


The Approval page is to ensure that the approval steps were followed in order to indicate the status of the document. **CATHSSETA Management** (Compilation of document) **Author of the document** (Compliance check)

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1. INTRODUCTION

- 1.1. The CATHSSETA is established in terms of the Skills Development Act No 97 of 1998 as amended (SDA). In accordance with the SDA, the Minister of Higher Education and Training published the SETA Grant Regulations of 2012 (Government Gazette no. 35940) governing the allocation of SETA levy income in the form of Mandatory (MG) and Discretionary Grant (DG).
- 1.2. The SETA Grant Regulations of 2012 regulate the way the Discretionary Grant are to be allocated, and they enjoin the CATHSSETA to develop a policy relating thereto.
- 1.3. This document constitutes the policy referred to above.

2. PURPOSE AND OBJECTIVES

- 2.1. In line with the Department of Higher Education and Training (DHET) Guidelines on the implementation of SETA Grant Regulations of 2012 as well as other directives from DHET, the purpose of this policy is to set out the basis of how CATHSSETA disburses Discretionary Grant to achieve the implementation of its Sectors Skills Plan (SSP), Annual Performance Plan (APP) and national objectives as laid out in the National Skills Development Plan (NSDP).
- 2.2. The policy furthermore aims at:
 - 2.2.1. Ensuring that the skills levy is effectively utilised to meet the skills needs of employers and employees in the CATHSSETA sectors.
 - 2.2.2. Articulating how the CATHSSETA aims to achieve national objectives as set out in the NSDP; and
 - 2.2.3. Informing CATHSSETA levy-paying organisations, public Institutions of higher education and training, and CATHSSETA-accredited training providers how DG-funded projects can be accessed to enhance their participation.
- 2.3. CATHSSETA will monitor the use of funds and measure the achievement of its objectives by, amongst others, measuring its impact on individuals, enterprises, and sectorial development.

3. ABBREVIATIONS AND ACRONYMS

ACRONYM	DESCRIPTION
AA	Accounting Authority
AA Chairperson	Chairperson of the Board of CATHSSETA who is appointed by the Minister of Higher Education and Training
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DOA	Delegation of Authority and Approval Framework
PFMA	Public Financial Management Act 1 of 1999
PAC	Policy Advisory Committee
SDA	The Skills Development Act No. 97 of 1998 as amended
SDLA	The Skills Development Levies Act, 9 of 1999
POPIA	Protection of Personal Information Act 4, 2013
SETA	Sector Education and Training Authority
SOP	Standard Operating Procedure
DHET	Department of Higher Education and Training
DG	Discretionary Grant
SP	Strategic Projects
APP	Annual Performance Plan of CATHSSETA
NSDP	National Skills Development Plan
SSP	Sector Skills Plan
WBLPA	Workplace-Based Learning Programme as per workplace-based learning programme agreement regulations
CET	Community Education and Training
HET	Higher Education and Training
JOINT APPOINTMENT	Is an appointment of two or more parties who have agreed to pool their resources to apply for the Discretionary Grant
ETQA	Education and Training Quality Assurance
NQF	National Qualifications Framework contemplated by the National Qualifications Framework Act, 67 of 2008
QCTO	Quality Council for Trades and Occupations established in terms of section 26G of the Skills Development Act
SAQA	South African Qualifications Authority contemplated by the National Qualifications Framework Act, 67 of 2008
PIVOTAL	Professional, Vocational, Technical and Academic learning programmes that result in qualifications or part qualifications on the NQF and as contemplated in the Grant Regulations
TVET	Technical, Vocational, Education and Training
NCV	National Certificate Vocational
PROJECT	An approved learning project funded by the Discretionary Grant

4. DEFINITIONS

The following definitions apply to this policy:

CONCEPT	DESCRIPTION
Accounting Authority	The Board (or Board of Directors) of CATHSSETA appointed in terms of section 11 (1) (b) of the Skills Development Act (No. 97 of 1998) and designated in terms of Section 49 of the PFMA, 1999 as amended
Approval	Adoption and approval of a document by the approval authority
Approval Authority	Is any functionary vested with powers to approve or disapprove a policy document that is presented for consideration?
Board	A controlling body of a public entity
Constitution	Constitution of the Republic of South Africa, Act No. 108 of 1996 as amended
Employee	Any individual who is employed and remunerated by CATHSSETA
Executive Manager	A functionary responsible for the management of a department with the CATHSSETA
Governance structures	Any oversight Committee of the AA or the entire AA.
Manager	A functionary responsible for the day-to-day management of a unit within the CATHSSETA
Management structures	Structures that exist at the management level of the CATHSSETA.
Policy development	This means the end-to-end process is outlined to develop a policy document.
Policy document	A document that outlines the statement of intent in respect of a particular issue.
Policy communication	The process whereby an approved new, revised or withdrawn Policy or Policy Directive, is communicated to CATHSSETA staff using various means of communication.
Policy effective date	The date on which the policy comes into effect is pronounced by the approval authority.
Policy management	The process of developing, approving, communicating, implementing, reviewing and updating/amending policy documents.
Policy owner	The Executive Manager is responsible for the custodianship of the policy document.

CONCEPT	DESCRIPTION
Project costs	Means costs payable for an approved project funded through a Discretionary Grant.
Policy review	Assessment of the effectiveness of the policy based on practical implementation and outcomes realized.
Policy revision or amendment	Making changes to the existing document based on circumstances that may be outside your control such as political, economic, social, technological, environmental and legislative changes.
Policy updating	Updating the document using new and emerging information
Standard Operating Procedure	Detailed process outline on how to implement a policy statement.

5. SCOPE OF APPLICATION

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

- 5.1.1. **Arts, Culture and Heritage** – representing art producers, dramatic arts, craft designers, film, television, theatre, entertainment, music, art councils, museums and cultural heritage sites.
- 5.1.2 **Conservation** - representing all forms of environmental and wildlife conservation, botanical gardens, and zoos.
- 5.1.3. **Gaming and Lotteries** – representing casinos, bookmakers, lotteries, horse racing, limited pay-out machine industry and Bingo.
- 5.1.4. **Hospitality** - representing accommodation services, food preparation, catering and food and beverage services, fast foods and restaurants.
- 5.1.5. **Sport, Recreation and 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.
- 5.1.6. **Tourism and Travel Services** - representing retail and general travel operations, inbound tourism services, airlines, car rental and event management, tourist guiding

6. LEGISLATIVE FRAMEWORK

6.1. This policy is informed and underpinned by the following:

Source Document	Stated Requirement
SETA's Grant Regulations	SETA Grant regulations (gazette No. 9867 Vol. 570, regulation No. 35940 of 3 rd December 2012), which outline the disbursement of monies received by a SETA and related matters.
Skills Development Act (No. 97 of 1998)	Provides an institutional framework to implement national sector and workplace strategies to develop and improve the skills level of the South African workforce.
Skills Development Levies Act (No.9 of 1999)	Stipulates the processes for the management and disbursement of funds received as levy income.
Sectoral Determination No 5: Learnerships	Regulates conditions of employment and sets rates of allowances for learners in South Africa where Sector Education and Training Authorities are established.
National Qualification Framework	Sets the guidelines for qualification development and implementation.

7. POLICY PROVISIONS AND CONTENT

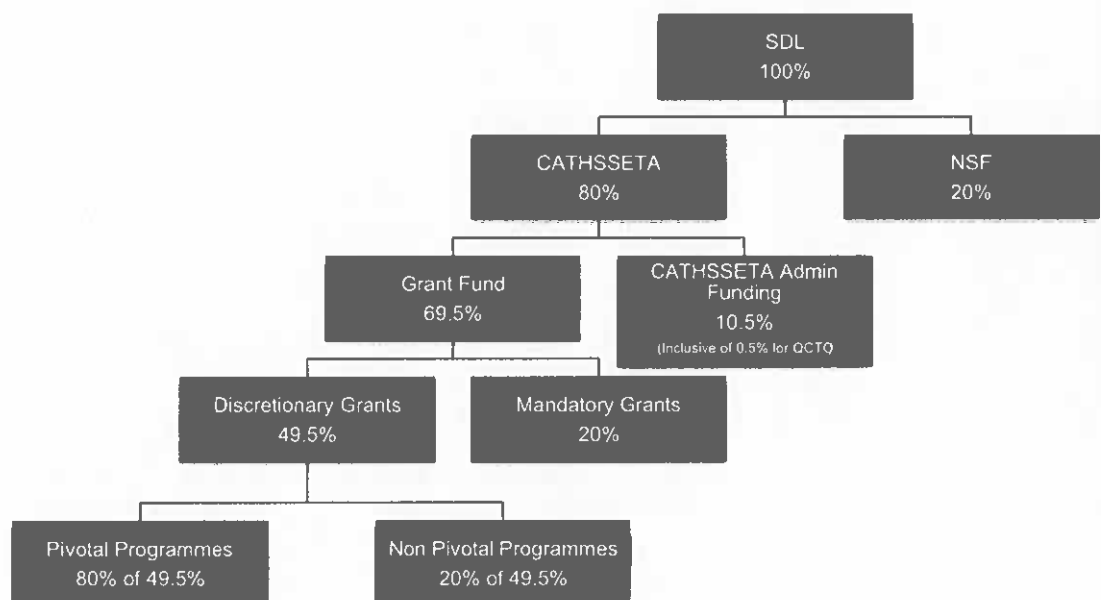
7.1. Key Principles

- 7.1.1. CATHSSETA is committed to furthering its SSP, which takes account of national strategic goals as set out in the NSDP, the National Skills Accord and other relevant national priorities.
- 7.1.2. CATHSSETA recognises and embraces the principles of transparency, openness, equity, access and fairness in the allocation and disbursement of Discretionary Grant without prejudice to any individual or stakeholder.
- 7.1.3. CATHSSETA is committed to the promotion of NQF-registered and quality-assured programmes that address priority Occupational Shortages and Skills gap needs as set out in the SSP and the APP, including work-integrated learning. Priority will be given to CATHSSETA-accredited learning programmes.

- 7.1.4. CATHSSETA strives to achieve value for money by ensuring that funds are spent on skills development programmes to meet sector needs.
- 7.1.5 CATHSSETA recognises that in certain circumstances where targets are not met, partnerships will be used to close the targets
- 7.1.6. CATHSSETA will minimise surpluses at the end of each financial year through monitoring and providing project support to stakeholders.

7.2. Disaggregation of Skills Levies – Percentages and Types of Grant

7.2.1. In terms of SETA Grant Regulations, the levy system is allocated as illustrated in diagram 1 below:



7.2.2. Administration Costs

- 7.2.2.1. SETAs are limited to use 10.5% of the total levies paid by employers to use for administration costs.
- 7.2.2.2 A SETA may out of any surplus monies determine and allocate Discretionary Grant to employers, education and training providers who have applied for a Discretionary Grant, in the prescribed form, within the agreed-upon cut-off period.

7.2.2.3 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 26 of the Act, and the actual quantum of funds to be transferred will be determined by the Minister of DHET by 31 July of each year.

7.2.3. Discretionary Grant

7.2.3.1. Discretionary Grant means the money allocated within CATHSSETA to be spent on Discretionary Grant projects. This Grant is to be used to address the skills needs as set out in CATHSSETA's SSP and APP.

7.2.3.2. 49.5% of the SDL is allocated to Discretionary Grant. The Discretionary Grant will fund PIVOTAL and non-PIVOTAL programmes. CATHSSETA is required to allocate 80% of its available Discretionary Grant within a financial year to PIVOTAL programmes to address Occupational Shortages and Skills gaps and CATHSSETA sub-sector qualifications.

7.2.3.3. Up to a maximum of 7.5% of the overall Discretionary Grant-funded projects may be used for the administration of project management costs.

Therefore, project administration costs to be covered by a maximum of 7.5% relates to rent, water, and lights. legal fees, postage, stationery, advertising, travel expenses, cleaning, security, and information systems as well as the maintenance thereof. Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics. Project costs are recognised as expenses in the period in which they are incurred.

7.2.3.4 In case where the 7.5% is likely to be exceeded, approval must be sought from the CATHSSETA Accounting Authority and the National Department of Treasury.

7.2.4. PIVOTAL Programmes (Minimum 80% of Discretionary Grant Budget)

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

- a) *Learnerships* – an occupationally based learning pathway that links structured learning (theory and practice) with workplace experience, culminating in an NQF qualification that represents occupational competence, directed at employed and unemployed learners.
- b) *Artisans* – occupationally based learning pathway, aligned to the Occupational Certificate: Chef qualification.
- c) *Skills Programmes/AET* (part qualification) - made up of a combination of unit standards that fall within a qualification, to increase the skills level of employed and unemployed learners.
- d) *Internship N diploma including NCV (WIL TVET placement) and Internship Category A (WIL University placement)* – Unemployed learners studying towards occupational qualifications, who require work experience and learning as part of the qualification. The work experience must be structured and supervised by a suitably qualified person (mentor).
- e) *Graduate Internship* – for unemployed learners from institutions of higher learning, who have completed their occupational qualification and are seeking a period of workplace experience in their chosen occupation. The work experience must be structured and supervised by a suitably qualified person (mentor).
- f) *Bursary* – A program for employed and unemployed learners that require tuition (full-time or part-time) at a TVET college, University of Technology or University for a specific period, to achieve a formal NQF-aligned qualification.
- g) *Recognition of Prior Learning (RPL)* – the process through which formal and informal learning is measured, mediated for recognition across different contexts and certified against the requirements for credit, access, inclusion or advancement in the formal education and training system or workplace.

7.2.5.1. Preference will be given to learners from public institutions of higher learning. Private institutions of high learning will only be considered if the qualification applied for is not available at public institutions, and there is evidence of such, or applications from private institutions will assist in closing the APP targets for the financial year.

7.2.5.2. In allocating Discretionary Grant funds, CATHSSETA will prioritise PIVOTAL programmes. The proportion of funds allocated to each of these categories will be determined by the CATHSSETA Accounting Authority, by considering the priorities for the year as set out in the SPP and the APP.

7.3 CATHSSETA Graduate Internship

7.3.1. Funding for the CATHSSETA graduate Internship programme will be linked to the NSDP and CATHSSETA APP targets and budget.

7.3.2. First option: CATHSSETA shall set aside a number not exceeding 5% of the total graduate internship, Internship N-diploma and Internship category A annual targets combined.

7.3.3. Second option: Where the SETA has funded a TVET College, University or the University of Technology, CATHSSETA can become a host employer for the institution.

7.3.4. CATHSSETA Graduate Internship programme will be implemented in line with the DG Graduate Internship, Internship Category A and Internship N-diploma learning programme guidelines

7.4 Non-PIVOTAL

7.4.1. A maximum of twenty per cent (20%) of the Discretionary Grant shall be reserved to prioritise financing of Strategic Projects and Partnerships

7.4.2. Funding of strategic projects includes, but is not limited to the following:

- a) Research Chair.
- b) Lecturer development (increased number, improved qualifications and work placements).
- c) Learning materials (including learning aids, computers, tools, costume, or gear, and or special attire).
- d) Equipment and training material (any other resources used to deliver training, including excursions).
- e) Infrastructure (including portable resources).
- f) Development of qualifications and curricula (Including new or upgraded).
- g) Career Guidance (events, material, and any other support).

- h) Rural development programmes; Youth Development programmes; and
- 7.4.3. Should the targets for PIVOTAL programmes not be met through Discretionary Grant funding windows, these targets will be funded through Strategic Projects and Partnerships.
- 7.4.4. Strategic Project applications shall be received during the Strategic project window. CATHSSETA shall invite interested stakeholders to apply for funding at any time during the year.

7.5 FUNDING DELIVERY MODELS AND APPROACH

The CATHSSETA may allocate a Grant by using various approaches and/or models that are outlined below:

7.5.1 SOLICITING OF PROPOSALS USING PUBLIC CALL OR INVITATION

- 7.5.1.1 The CATHSSETA may at any time issue a public call (referred to as DG Call) by placing adverts either on the website or national media, inviting stakeholders to submit funding proposals for PIVOTAL and Non-PIVOTAL programmes that will address the needs identified in the SSP.
- 7.5.1.2 CATHSSETA may also issue an invitation to specific stakeholder groupings such as TVET Colleges, HEIs Legislatures, etc. via email on the website to apply for Discretionary Grant Funding for programmes identified for the specific financial year, e.g. Artisan Development, Work Integrated Learning, Bursaries or any other programme identified for the specific invitation.
- 7.5.1.3 Clear terms of reference or specifications for each PIVOTAL and Non-PIVOTAL programme to be funded shall be developed in line with the approved criteria and guidelines as well as funding framework setting out the programmes to be funded as well as all the requirements to be met.

7.5.2 PARTNERSHIP FUNDING MODEL

- 7.5.2.1 CATHSSETA shall use the partnership approach to fund programmes that are either delivered through public training institutions, provincial and state academies and/or key government departments/entities that champion certain competencies within the national and provincial spheres of Government, as indicated in the SSP, to align the demand and supply of skills.
- 7.5.2.2 CATHSSETA may, at its discretion, invite proposals from partner/s or accept proposals from partners who approach CATHSSETA in areas that contribute

towards the fulfilment of its strategic goals and objectives. Such proposals must be aligned to CATHSSETA SLA and SSP or address issues of national priority.

7.5.3 Qualifying applicants for Discretionary Grant

Discretionary Grant funding is eligible for applicants listed below:

- 7.5.3.1 *Entities paying levies to CATHSSETA* – projects being implemented by employers contributing the 1% levy towards skills development. These projects should be aligned to the occupational shortages and skills gaps, key transformational imperatives or CATHSSETA sub-sectors.
- 7.5.3.2 *Entities with the capacity to absorb learners into full-time employment* – The large levy payers are more likely to absorb learners into full-time employment after completion of the programme.
- 7.5.3.3 *Projects/Applicants in rural, remote or previously disadvantaged regions* CATHSSETA's mandate is to develop skills for South Africa, as such, it is imperative that projects should target remote/rural regions
- 7.5.3.4 *CATHSSETA Accredited Training Providers with a track record and industry credibility for skills development* - To meet its performance targets efficiently, it is important that CATHSSETA partner with reputable training providers who have a reputation for delivering and collaborating with CATHSSETA levy payers.
- 7.5.3.5 *CATHSSETA levy paying new entrants including SMMEs* – affording opportunities to new entrants and promoting diversity.
- 7.5.3.6 State entities, Government departments, TVET Colleges and Institutions of higher learning (as prescribed in the NSDP) - Preference will be given to entities implementing projects aligned to CATHSSETA sectors, collaborating with employers within the CATHSSETA sub-sectors.

7.6 EVALUATION OF PROPOSALS RECEIVED THROUGH A PUBLIC CALL OR INVITATION

- 7.6.1 All Discretionary Grant proposals received shall be evaluated by the Discretionary Grant Evaluation Committee (DGEC) in terms of the Policy. Such a Committee shall be appointed by the CEO. To ensure that DGEC meetings take place as scheduled a total of six (6) members shall be appointed of which any four (4) shall form a quorum.

- 7.6.2 If the DG process has been used to solicit proposals, the Secretariat shall be provided by the Core Business Division.
- 7.6.3 The DGEC may recommend the allocation of funds for an intervention to one or more qualifying applicants depending on the availability of funds if there is more than one qualifying application.
- 7.6.4 In cases where the funds are not sufficient for allocation to all qualifying applicants the DGEC may recommend the highest-scoring applicant.

7.7 PROPOSALS RECEIVED THROUGH THE PARTNERSHIP FUNDING MODEL

- 7.7.1. Where CATHSSETA invites applications, clear terms of reference or specifications for each PIVOTAL and Non-PIVOTAL programme to be funded shall be developed in line with the approved DG criteria and guidelines as well as the funding framework set out for the programmes to be funded as well as all the requirements to be met.
- 7.7.2. Where CATHSSETA invites partners to apply for funding designated for specific learning interventions, CATHSSETA shall set the criteria for evaluation and shall evaluate such applications through the appointed Discretionary Grant Evaluation Committee, if they meet the CATHSSETA strategic objectives and whether the programme applied for is within the scope of CATHSSETA.

7.8. ADJUDICATION OF DISCRETIONARY GRANT APPLICATIONS

- 7.8.1 The Bid Adjudication Committee (BAC), as appointed by the CEO shall adjudicate the recommendations of the DGEC.
- 7.8.2 The BAC shall consider the recommendations of the DGEC and accept or reject them. In case the BAC rejects the recommendations of the DGEC, this must be referred to that Committee and allow the members to review and resubmit. If the BAC is still not satisfied with the recommendation, it may make a different recommendation to the AA.

7.9 APPROVAL OF DISCRETIONARY GRANT

- 7.9.1 All DG proposals or applications shall be approved by the Accounting Authority (AA).
- 7.9.2 The AA through its delegated Committee shall interrogate the BAC reports and each of the recommended proposals presented before it to ensure that all the compliance requirements have been adhered to.
- 7.9.3 The AA may accept, reject and amend the recommendations for the allocation of Discretionary Grant.

7.10 CONTRACTING FOR DISCRETIONARY GRANT

- 7.10.1 Upon approval by the Accounting Authority, the CATHSSETA shall issue an Offer of Contract Letter to the successful applicant which will stipulate the requirements to be fulfilled in the contract.
- 7.10.2 A memorandum of agreement (MoA) which is signed by the CATHSSETA CEO shall be sent to the awarded stakeholder for signing off and shall come into effect on the date at which the stakeholder signs the Memorandum.
- 7.10.3 Organisations that have been awarded funding must submit a detailed project implementation plan
 - 7.10.3.1 Step 1: Assess applications submitted in response to a public advertisement for compliance; fully compliant applicants, will be evaluated in line with step 2.
 - 7.10.3.2 Step 2: Evaluate applications based on an objective evaluation criterion, outlined in Annexure A for PIVOTAL projects, and conduct portfolio assessment to align qualifications to occupational shortages and skills gaps, advert requirements, CATHSSETA sectors and APP targets. Evaluation for Non-PIVOTAL projects will be aligned with the objectives set out in the window plan and the SSP.
 - 7.10.3.3 Step 3: Provisional allocation and Physical or desktop workplace validation (due diligence):

- a) For PIVOTAL projects, applications that meet the stipulated requirements will be ranked according to achieved evaluation application scores.
- b) Applications that are at the top of the list will be awarded a Grant, subject to the availability of budget/funds.
- c) For Non-PIVOTAL projects, applications that meet the stipulated requirement will be provisionally allocated in line with the objective set out in the window plan and SSP, subject to the availability of budget/funds.
- d) Physical or desktop (virtual) workplace validation (due diligence) on provisionally allocated applicants will then be conducted.

7.10.3.4. Step 4: Preparation and submission of recommendation reports to the CATHSSETA Accounting Authority or delegated for approval.

7.11. CATHSSETA will not consider Discretionary Grant applications if:

- 7.11.1 The Grant criteria aligned to the Grant regulations are not met.
- 7.11.2 The submission deadline and evaluation criteria have not been met.
- 7.11.3 CATHSSETA does not have an adequate budget to allocate the required award, which is aligned with the APP targets.

7.12 Before Discretionary Grant is awarded, CATHSSETA will validate the following:

- 7.12.1. A levy-paying applicant is up to date with levy contributions.
- 7.12.2. The application is submitted online via the CATHSSETA online system, or manually completing prescribed application forms (where applicable).
- 7.12.3. The organisation applying is a registered company with organisation registration documents (Not applicable to government entities, confirmation required)

7.13 Reasons for Rejecting Discretionary Grant Applications

CATHSSETA will reject a DG application if:

- 7.13.1. The criteria are not met.
- 7.13.2. The submission deadline has not been met.
- 7.13.3. The application is not aligned with the advertised requirements.
- 7.13.4. Compliance documents are not submitted.

- 7.13.5. Qualifications applied for are not aligned to CATHSETA sectors or occupational shortages and skills gaps.
- 7.13.6. DG budget unavailability.
- 7.13.7. Discretionary Grant is funded at the discretion of CATHSSETA, and there will be no appeals should your application not be successful.

7.14. Disbursement Of Funds and Risk Management

- 7.14.1. The payment model will be performance-based, in tranche format and tied to delivery and achievements. Disbursements will only be made against a valid invoice submitted to CATHSSETA, and deliverables outlined in the signed Service Level Agreement (SLA)/ contract.
- 7.14.2. In accordance with the monitoring and evaluation procedures applied by CATHSSETA and in terms of the SLA which will be concluded with CATHSSETA, invoices submitted to CATHSSETA must be based on work done and must be accompanied by evidence that an activity claimed for has indeed been conducted/delivered.
- 7.14.3. Claims unaccompanied by the relevant evidence will not be processed and/or paid.
- 7.14.4. It is the responsibility of the entity to ensure that all requirements are met and that the supporting documents are provided as per the SLA/contract when submitting a claim.
- 7.14.5. All projects funded in terms of CATHSSETA's DG policy must have a bank account into which all payments and disbursements will be made, except for public/government institutions for which a separate cost centre must be created. CATHSSETA will have access to statements about the account as and when it requests.
- 7.14.6. In certain instances, where supporting documents have been submitted however payment cannot be processed due to certain outstanding information or disputes with the employer, CATHSSETA may pay stipends directly to the unemployed learners participating in the project and withhold the employer administration or training fee.

7.15. Disputes

7.15.1. In an event where a dispute arises between an entity and CATHSSETA 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 a mediator.

7.15.2. In an event where a dispute arises between an entity and the learner, CATHSSETA will act as a mediator. Disputes that arise as a result of the 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).

7.16. Accountabilities

7.16.1. Applicants will be held accountable for the success of 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 high-quality output.

7.16.2. CATHSSETA will undertake regular monitoring and will ask for the submission of evidence by entities for the training funded to:

7.16.2.1. Measure the impact of the training implemented by various entities.

7.16.2.2. To ensure that the financial and human resources allocated are accounted for; and

7.16.2.3. To ensure that the training conducted and funded by CATHSSETA does indeed address the areas addressed in its Sector Skills Plan.

7.16.3. In the event of CATHSSETA funding being used outside the scope set out in the agreement between CATHSSETA and the recipient organisation, or in the event of the terms of that agreement not being adhered to, CATHSSETA reserves the right to terminate the agreement and where necessary to take appropriate measures to recover funds.

8. ROLES AND RESPONSIBILITIES

8.1 Finance Department will be responsible for

8.1.1 Management of the DG (PIVOTAL and Non-PIVOTAL) budget;

8.1.2 Management of commitment register.

8.2 Learning Programmes Department will be responsible for:

8.2.1 Implementation, administration, and management of Discretionary Grant; and

8.2.2 Coordination of monthly reports from departments.

9. NON-COMPLIANCE

Non-compliance with this Policy or any applicable regulatory requirements through any deliberate or negligent act or omission will be considered serious and be dealt with in terms of the contractual agreement between CATHSSETA and the contracted party about the Discretionary Grant.

10. POLICY IMPLEMENTATION AND EFFECTIVE DATE

The document comes into effect on 1 April 2023 as per the SETA Grant regulations of 2012 which state that the policy is reviewed annually.

11. MONITORING, REVIEW AND UPDATING OF THE POLICY

This policy shall be reviewed annually or as and when substantial changes to the Legislative and Regulatory framework warrant amendment.

12. APPROVAL OF THE POLICY

The policy shall be approved by the AA.

ANNEXURE A

DISCRETIONARY GRANT

2023/24

EVALUATION PROCESS AND CRITERIA

1. DISCRETIONARY GRANT ALLOCATION PROCESS

The following process must be followed when allocating Discretionary Grant towards PIVOTAL and Non-PIVOTAL projects. The process is designed to ensure the attainment of targets and improvements to the overall performance of CATHSSETA in administering Discretionary Grant PIVOTAL-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 the application form
- Entity registration documents (Government owned organisations must submit signed written confirmation of organisation type)
- Acknowledgement of CATHSSETA DG policy on the prescribed template
- Declaration of interest on the prescribed template
- Valid accreditation of Training providers, applicable for Learnerships, Skills programmes, Artisans, RPL and AET
- Levies up to date for CATHSSETA levy payer (Employer)
- Signed declaration of the authorised person on the prescribed template

Where these are not provided by the applicant, requests for submission may be issued before the window closing where possible if the applicant has not submitted the application form, or at the discretion of the CATHSSETA Accounting Authority

3. Step 2: Evaluation and Portfolio assessment of application based on pre-set evaluation

Applications that pass compliance will be evaluated and scored against a pre-set evaluation grid as articulated in *Annexure B* 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 the project e.g., targeting designated groups, collaboration with state departments, training site etc.; detail provided in the project plan illustrates that the applicant is knowledgeable on delivery of the funded project; qualifications to be funded are in line with CATHSSETA DG & SP policy including SSP and other strategic areas (e.g., SIPS)
- **Recruitment Plan:** review to assess beneficiaries being targeted; a 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 a number of learners applied for.
- **Financial capacity:** Review evidence submitted to demonstrate that the applicant can manage an allocation of the size applied for, to minimize performance risks post-contracting.
- **Proven prior performance:** Review any evidence submitted to demonstrate that applicant has successfully delivered funded projects or contracts of a similar nature (This will not discriminate against applicants who have not implemented funded projects prior).

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

Portfolio assessment - Strategic alignment and APP targets

Portfolio assessment is a process that entails aligning applications to the following imperatives:

- The occupational shortages and skills gaps outlined in the APP and national imperatives;
- Applications targeted at rural or previously disadvantaged groups;
- Applications/ projects that are channelled within CATHSSETA sub-sectors.

4. Step 3: Provisional allocation and Workplace validation (Due diligence)

Provisional allocation is made in line with the APP targets. Applications are ranked ordered based on the evaluation scores, and allocation is processed based on high scores, per learning programme until the set targets have been reached.

This is a compulsory part of the allocation process in that verification is conducted for shortlisted applicants. This serves to 1) ensure that the operations of the applicant are legit as physically inspected and verified by a Due Diligence official; 2) corroborate the initial assessment made in step 2 (evaluation) specifically in terms of operational capacity to train a number of learners applied for, and 3) verify originals and/or certified copies of compliance documents which were submitted electronically. Physical or desktop (virtual) workplace validation will be conducted for first-time implementers and applicants who have not fulfilled all the obligations in the previous financial years, and virtual workplace validation will be

conducted for applicants who have implemented a Discretionary Grant in the previous financial year.

As an output of the workplace validation, a detailed 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 or remain the same based on outcomes of workplace validation (due diligence).

5. Step 4: Preparation of recommendation report to the CATHSSETA Accounting Authority/ CEO

The recommendations from the workplace validation reports are considered when generating the final report for the CATHSSETA Accounting Authority. The total allocations are analysed against APP targets and further revised. The final report and listing of allocations are generated for presentation to the CATHSSETA Accounting Authority/ CEO.

In some instances, step 4 may be conducted before step 3, particularly in instances where the financial year has unexpected disruptions.

ANNEXURE B

Evaluation Grid

Category 1: Type of applicant	Maximum Score	
1. Entity size	10	
2. B-BBEE Status	20	
3. Has this applicant received funding from CATHSSETA before	20	
Total Points	50	22%

Category 2: Alignment of the project to CATHSSETAs Transformational imperatives	Maximum Score	
4. Project is targeting designated groups (51%)	20	
5. Gender diversity (65%)	10	
6. Youth focus (60%)	10	
7. Disability focus (1%)	10	
8. Location of the project - Rural (45%)	10	
9. Qualifications aligned to the Occupational Shortages and Skills gaps	10	
Total Points	70	26%

Category 3: Learning programme	Score	
10. Accredited training Provider (Learnership, Skills programme, Artisan, AET, RPL)	10	
11. Mentorship and Coaching strategy/plan	10	
12. Employer/Training provider/ Institution with workplace (except bursary unemployed) (CATHSSETA host employers)	20	
13. Public HET Institution (Bursary) – proof of registration/application for qualification	10	
14. Does the entity have prior experience with running a SETA-related project (upload reference letters)	20	
Total Points	70	

Category 4: Implementation capability of the applicant	Score	
15. Has the applicant submitted a compelling project implementation plan	20	
16. Has the applicant submitted a detailed project budget	10	
17. Has the applicant provided an effective learner recruitment plan	10	
18. Financial capacity (financial statement/company bank statement/levies statement)	10	
19. Number of years the organisation has been in business	10	
Total Points	60	52%
Overall Points	250	100%

ANNEXURE C

Transformation and Developmental Imperatives

In selecting beneficiaries, CATHSSETA's transformation and developmental imperatives must be adhered to. This requires that in any 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 51% 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 35 years old	60%
2	Disability	All forms of disabilities	1%
3	Gender	Female	65%
4	Race	Black	51%
5	HIV/AIDS	HIV/AIDS awareness and prevention component to be included in most of the training programme	100%
6	Geography	Rural provinces and Informal settlements	45%
7	Class	Income – Less than R60k per annum (as per SARS)	55%