




Transport Education Training Authority

Heart of Skills Innovation

 <p>Transport Education Training Authority <i>Heart of Skills Innovation</i></p>	<p>TRANSPORT AND EDUCATION TRAINING AUTHORITY</p> <p>QUALITY MANAGEMENT SYSTEM</p> <p>POLICY</p>		
<p>Policy Title:</p>	<p>Discretionary Grant Policy</p>	<p>Policy no.:</p>	<p>SDPOL 11</p>
<p>Department:</p>	<p>Skills Development and Learning Programmes (SD&LP) Unit</p>	<p>Rev no.:</p>	<p>V5</p>
<p>1st Issue Date:</p>		<p>Effective date:</p>	<p>01 April 2020</p>


<p>Approved by: (Name and Surname)</p>	<p>Mrs Maphefo Anno-Frempong</p>	<p>Signature:</p>	
<p>Designation:</p>	<p>Chief Executive Officer</p>	<p>Date:</p>	<p>27 February 2020</p>

TABLE OF CONTENTS:

1. STATEMENT OF POLICY	3
2. LEGAL BASIS.....	3
3. POLICY OBJECTIVES.....	4
4. PURPOSE OF THE POLICY.....	5
5. INDIVIDUALS AND ENTITIES AFFECTED BY THIS POLICY	5
6. POLICY SCOPE	5
7. APPLICATION OF THE POLICY.....	6
8. POLICY PRINCIPLES.....	6
9. FUNDING AND ADMINISTRATION COST	6
10. QUALIFYING APPLICANTS OF DISCRETIONARY GRANTS	8
11. QUALIFYING CRITERIA AND BENEFICIARY FRAMEWORK.....	8
12. TIME FRAMES	9
13. DISCRETIONARY GRANT MANAGEMENT.....	10
14. POLICY IMPLEMENTATION, MONITORING AND EVALUATION.....	10
15. EFFECTIVE DATE.....	11
16. NEXT REVIEW DATE.....	11
17. DEFINITIONS/GLOSSARY OF TERMS AND ACRONYMS	12
18. DEFINITIONS OF LEARNING PROGRAMMES	14

1. STATEMENT OF POLICY

The Skills Development Act No 97 of 1998 as amended 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. The Act makes provision for the establishment of SETAs as institutional Vehicles to implement the Skills Development Act and other related legislation. This policy framework is consistent with the provisions of the Skills Development Levies Act (Act 9 of 1999), which stipulates the processes for the management and disbursement of funds received as skills levy income.

The National Skills Development Strategy (NSDS III) prioritizes the strategic interventions and Government transformation imperatives to address the current skills requirements & equity in the transport sector.

2. LEGAL BASIS

TETA will pay a Discretionary Grant in accordance with the terms and conditions stipulated in this Grants Policy.

2.1 The legal basis of this policy is informed and underpinned by the following:

- (i) Sector Education and Training Authorities (SETAs) Grant Regulations Regarding Monies Received by a SETA and Related Matters (Regulation No. 35940 of December 2012)
- (ii) The Skills Development Act, (No. 97 of 1998) Section 10(1) as amended;
- (iii) The Skills Development Levies Act (No. 9 of 1999).
- (iv) Public Finance Management Act (No 1 of 1999)

2.2 TETA has reviewed and aligned its Discretionary Grant policy to the following principles:

- (i) TETA may determine and allocate Discretionary Grants in support of the implementation of the Transport Sector Skills Plan (SSP) and Annual Performance Plan (APP) and other national priorities.
- (ii) TETA will allocate Discretionary Grants in a manner that prioritises sector skills needs through public education and training institutions and private providers.
- (iii) TETA will, on an annual basis, revise the Discretionary Grant policy guiding how TETA discretionary funds will be allocated to address sector needs, as set out in the SSP and APP.
- (iv) This policy enables access opportunities for legal persons, enterprises, Community Based Organisations, Cooperatives, Non-Profit Making Organisation and Non-Government Organisations.

- (v) This policy embraces the principles of transparency, openness, access and fairness.
- (vi) Regulation 3(6) of the Grant Regulations states that a SETA is required to allocate 80% of its available Discretionary Grants within a financial year to PIVOTAL programmes that address “Hard- To-Fill” Vacancies in its sector. TETA may allocate a maximum of 20% to fund other programmes apart from PIVOTAL programmes. These will be funded from the following pools of funds:
- 49, 5% of the total levies received from DHET;
 - The 2/3 of the 30% received from the national and provincial Department of Transport in line with the DPSA circular no: HRD 1 of 2013;
 - Interest and Penalties from Levies;
 - Unspent Mandatory Grants;
 - Interest from investment accounts.

3. POLICY OBJECTIVES

- (i) The objectives of this policy are to establish a framework within which Discretionary Grants are disbursed. The Discretionary Grant supports skills development and training that will assist workplace transformation and implementation of the NSDS III objectives. The policy is in support of national initiatives such as HRDS, IPAP II, and NDP, the National Growth Path, the National Skills Accord and the National Skills Development Strategy III objectives which are encapsulated in TETA’s Sector Skills Plan, Strategic Plan, and Annual Performance Plan.
- (ii) The policy outlines the terms and conditions for the approval and disbursement of grants to promote:
- Learning Programmes as per the SLA targets with DHET;
 - SMEs, Cooperatives, NLPE, CBOs, NGOs, NPOs;
 - Vulnerable groups (People with disabilities, women, youth) within the transport sector;
 - Women’s organisations;
 - Training and development of union shop stewards within the transport sector
 - Rural Development

- Road Safety

(iii) The policy provides support to levy-paying organizations, Non- Levy-paying enterprises (NLPE), accredited skills development providers, service providers and other service providers in the sector who qualify to access discretionary grants or Project funding.

(iv) The policy aims to support national and sectoral policies and initiatives that fall/operate with the TETA scope.

4. PURPOSE OF THE POLICY

The purpose of the policy is to provide a uniform framework that is consistent with the principles of fairness, transparency and equity which is in line with Section 2 of the Skills Development Act and encourage employers and other stakeholders to contribute towards the achievement of the objectives of the Human Resources Development Strategy (HRDS), National Development Plan (NDP), Industry Policy Action Plan (IPAP) and the New Growth Path (NGP).

5. INDIVIDUALS AND ENTITIES AFFECTED BY THIS POLICY

The following are individuals and entities that are affected by this policy:

- (i) Levy-paying entities in the Transport Sector;
- (ii) Non Levy-paying Entities;
- (iii) Small businesses, cooperatives and non-profit organisations;
- (iv) All other Transport Sector employers, training providers and any other stakeholders that meet the criteria for the payment of a Discretionary Grant.

6. POLICY SCOPE

This grant policy is aligned to the TETA Strategic Plan, Annual Performance Plan and includes the following Grant types:

- (i) Discretionary Grants;
- (ii) Special and Strategic Projects that address sectoral priorities

7. APPLICATION OF THE POLICY

Discretionary Grant funding is the prerogative of the TETA Board mandated by legislation to use their discretion with regards to grants based on the following:

- (i) The Discretionary Grant will be disbursed to the applicant only after the signing of a contract and when all agreed deliverables have been met;
- (ii) Site verification visits and due diligence should be conducted to establish the suitability of both provider and workplace for training particularly the first-time implementers;
- (iii) Where employers make use of service providers to do skills development on their behalf, the accreditation must be in place for the duration of the training, the signed contract should be in place between the two parties to regulate the scope of work and payment arrangements;
- (iv) TETA will not be party to the contract between employers and their appointed accredited training providers. However, TETA reserves the right to enter into any correspondence with the appointed training providers to ensure the proper implementation of discretionary grants contracts.

8. POLICY PRINCIPLES

This policy supports the following principles:

- (i) Transformation of the Sector through skills development initiatives;
- (ii) Collaboration between TVET colleges, universities and employers for integrated learning;
- (iii) Research initiatives in the generation of labour market information that will provide evidence for appropriate skills development programmes;
- (iv) Discretionary Grants based on TETA strategic goals in line with the national transformation agenda;
- (v) Protection of stakeholder and beneficiary information in the custody of TETA (in line with the Protection of Personal Information Act) and expectation of the same commitment from our stakeholders.
- (vi) Availability of funding for projects and grants is subject to the TETA Board's discretion and budget availability.

9. FUNDING AND ADMINISTRATION COST

9.1 Discretionary Grant Funding

The grant awarded through DG advert to approved applicants will be funded in line with the TETA funding framework.

The grant awarded through the flagship process that falls outside the scope of the funding framework will be funded in line with the applicant's proposal and approved objectives and subject to availability of funds by TETA.

9.2 Project Administration Cost

9.2.1 A proportion of the Discretionary Grants can be used for administration or project management purposes in various grant and project categories provided it indicates that it is up to a maximum of 7.5 % of the budget. Where the administration of the project resides with TETA, then the administration cost will be managed by TETA to perform the following, among others:

- Monitoring and Evaluation;
- General Project Support
- Salaries of employees directly linked to the implementation of Discretionary Grants contracts;
- Moderation of learning programmes;
- Stakeholder capacity building and project management functions;
- Advertisements relating to the implementation of learning programmes and projects;
- Career guidance programmes;
- An advocacy of TETA learning programmes.
- TVET capacity building;
- Curriculum design and qualification development;
- Any other costs related directly to the implementation of Discretionary Grants (including availability of other resources such as laptops, mobile phones etc.
- Due diligence and workplace verification where applicable

9.2.2 Items including, but not limited to, those stated below shall not be considered for Discretionary Grant funding:

- Set up or start-up costs for establishing the organisation (e.g. operational unit, project management unit, etc.);

- Any programmes that are funded from other sources where no partnership arrangements exist (Double-dipping);
- Capital expenditure, e.g. building costs;
- Provision of Working Capital;
- Salaries for non-project staff;
- Policy development;
- VAT;
- Interests.

10. QUALIFYING APPLICANTS OF DISCRETIONARY GRANTS

Discretionary Grants may be awarded to:

- (i) Levy-paying companies and these must be up-to-date with their levy contributions to SARS, unless exempted from paying levies (proof of exemption must be submitted);
- (ii) All other non-levy-paying companies, public education and training institutions, TVETs, HEIs and stakeholders will be allocated Discretionary Grants based on predetermined TETA priorities;
- (iii) Skills development providers, small businesses, NGO's, NPO'S, Community Based Organisations and Cooperatives.
- (iv) Labour Unions operating within the transport sector, for the benefit of educating and developing their members on Skills Development-related programmes that form part of their duties as shop stewards;

11. QUALIFYING CRITERIA AND BENEFICIARY FRAMEWORK

Before approving a Discretionary Grant, TETA will determine the following:

- (i) Previous contract performance history will form part of the criteria; if previous contract were conducted in a poor manner, the application will not be considered;
- (ii) The applicant must be up-to-date with levy contributions, unless exempt from paying levies;
- (iii) The provider identified to deliver the training must be accredited for the programme for the duration of the training with the relevant quality assurance body for provision of Programmes aligned to TETA mandate;

- (iv) Any application made in response to a funding window will not be considered unless it falls within the scope of the funding window in all respects;
- (v) All applications must be aligned to the list of "Hard-To-Fill vacancies" as outlined in the TETA Sector Skills Plan;
- (vi) Discretionary Grant funding will be at the sole discretion of TETA;
- (vii) Preference for DG funding will be given to TETA Levy paying companies;
- (viii) TETA large and medium Levy-paying Entities must submit a PIVOTAL plan and report together with the WSP and ATR submission on 30 April each year, to allow access to the DG application window; -. An application must be submitted for the Discretionary Grant and the PIVOTAL plan **must** be aligned to the training to be implemented in the following financial year;
- (ix) Small companies (employers with less than 50 employees) are exempted from submitting PIVOTAL plans unless it is for information purposes;
- (x) It must be noted that the submission of a PIVOTAL Plan and Report must be done online with the Mandatory Grants application and does not constitute an automatic award of Discretionary Grants for PIVOTAL programmes;
- (xi) Priority will be given to TETA Levy-paying companies;
- (xii) TETA will give priority to applications with the highest impact in terms of reach, number of beneficiaries, strategic interventions and extent of stakeholder collaborations;
- (xiii) Preference will be given to applications that prioritize previously disadvantaged groups;
- (xiv) Preference for DG funding will be given to appropriately BBBEE-compliant companies;
- (xv) Applicants must ensure that projects are implemented in the financial year they are awarded; failure to do so will result in the award being rescinded;
- (xvi) Applicants who have been awarded contracts and failed to implement projects in the same financial year will not be prioritised for future projects;
- (xvii) Funding approved for Workplace Integrated Learning and Internship programmes must prioritise TETA funded graduates.

12. TIME FRAMES

- (i) At intervals determined by TETA, Discretionary Grant Funding windows will be opened to afford stakeholders an opportunity to apply;

- (ii) The Discretionary Grant window will be advertised for a period of **21** days on the TETA website, as well as in major regional newspapers. TETA may consider the following forms of informing potential interested applicants:
- Email
 - Social Media
 - Skills Development Fora
 - Road shows
- (iii) TETA will provide feedback to successful applicants only within 90 days of the closing date; this period excludes public holidays, weekends and other days that may be declared by the authority as special non-working days;
- (iv) Prior to the final approval of a contract, due diligence may be conducted by TETA particularly for first-time implementers;
- (v) TETA reserves all its other rights applicable in law.

13. DISCRETIONARY GRANT MANAGEMENT

Discretionary Grants will be managed through contracts, in accordance with the Contract Management Procedure and the Discretionary Grant Procedure.

14. POLICY IMPLEMENTATION, MONITORING AND EVALUATION

This policy is applicable with effect from the time it is approved by the Board and shall be in force until the next review.

PERFORMANCE INDICATOR	DATA SOURCES	GOAL	TIMELINES	PERSON RESPONSIBLE
Number of applications compliant with the Discretionary Grant policy.	Contracts	Demonstrates the effectiveness of the policy.	Annually	Chambers, SD & LP

Number of PIVOTAL Programmes entered	QMR	Achievement of objectives in the Annual Performance Plan.	Annually	SD & LP, Research & Knowledge
A percentage allocated to PIVOTAL Programmes	Allocation Schedule	80% allocated to pivotal programmes.	Quarterly	SD & LP and Finance

15. EFFECTIVE DATE

This policy will be in effect from 01st April 2019.

16. NEXT REVIEW DATE

This policy shall be reviewed on an annual basis or:

- as and when substantial changes to the Government legislative framework warrants amendment;
- when there are structural changes in the Sector;
- when there are changes in TETA strategy;
- when TETA Board deems it necessary to introduce changes.

17. DEFINITIONS/GLOSSARY OF TERMS AND ACRONYMS

Terms / Acronyms	Definitions
ABET	Adult Basic Education And Training
APP	Annual Performance Plan as contemplated in regulation 3(7)
ATR	Annual Training Report which must be submitted by an employer to qualify for mandatory grants.
BBBEE	Broad Based Black Economic Empowerment (Act)
Cooperatives	These are broadly defined as autonomous associations of persons united voluntarily to meet their common economic social, cultural needs and aspirations through jointly owned and democratically controlled enterprises.
Discretionary Grant (DG)	This is the money allocated within the SETA to be spent on Discretionary Grants and projects. Grants paid out in terms of Regulation 6(3) (a) and (b) of the Skills Development Levies Act No 9 of 1999.
DPSA	Department Of Public Service And Administration
HET	Higher Education and Training
IMC	Independent Management Committee
IPAP	Industrial Policy Action Plan
Learnership	A vocational based learning qualification that includes a practical work based component and it's contemplated in chapter 4 of the Skills Development Act. A learnership has to be aligned with a registered NQF qualification.
Levy income	The total amount of money received by a SETA in terms of section 7 (1) and 8 (2)(a) as read with 8 (3) (b) of the <i>Skills Development Levies Act</i> .
Levy-paying company	An employer who is compelled to pay skills development levies in terms of section 3(1) of the <i>Skills Development Levies Act</i> . If the company has staff registered for PAYE/UIF/SDL and the annual payroll exceeds R500 000 per annum, the company must register with SARS and pay a skills levy of 1% of the monthly payroll.
Mandatory Grant (MG)	These are funds designated as mandatory grants contemplated in regulation 4 to fund the education and training programmes as contained in the Workplace Skills Plan (WSP) and Annual Training Report submitted to a SETA.

NAMB	National Artisan Moderation Body
NLPE	Non Levy-paying Enterprise
NGO	These are organisations within civil society that are autonomous from government and do not operate for a profit.
NSDS	National Skills Development Strategy
NQF	National Qualifications Framework
Occupational Qualification	A qualification that includes a knowledge, practical and a work experience component registered on the National Qualifications Framework.
PIVOTAL	<p>Professional, technical and academic learning programmes that result in qualifications or part qualifications on the National Qualifications Framework.</p> <p>PIVOTAL Programmes within TETA are :</p> <ul style="list-style-type: none"> • Learnership Programmes – Employed and Unemployed • Skills Programmes – (a) Employed – Adult Education Training Managerial and Technical Skills Training • Work Integrated Learning - Unemployed • Internships - Unemployed • Bursaries –Employed • Apprenticeships
NON – PIVOTAL PROGRAMMES	<p>Non-PIVOTAL Programmes within TETA include:</p> <ul style="list-style-type: none"> • Career Development/Youth Development • Small and Micro enterprise development, CBOs, Cooperatives and NGO support • Learning material development • Stakeholder engagements and capacity building • People with disabilities • Foundational Learning Competency
Project Costs	Means cost payable for an approved project funded through a Discretionary Grant
Public Education and Training Institution	A public higher education institution as defined in the Higher Education Act, 1997 and a public college as defined in the Further Education and Training Act, 2006.

RPL	Recognition of Prior Learning by assessing competence against the outcomes of a set of unit standards.
Skills Programme	A learning Programme as defined in Section 20 of the Skills Development Act. Occupationally based unit standard training programme, delivered by Accredited education and training providers.
SDA	Skills Development Act
SDL	Skills Development Levy
SIC	Sectoral Industrialisation Classification
SME	Small And Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training

18. DEFINITIONS OF LEARNING PROGRAMMES

18.1 AET Programmes

These programmes provide basic communication and numeracy skills provided to employed and unemployed adults.

18.2 Bridging Programmes

These programmes address the capacity/knowledge gap of youth with poor Grade 12 results and do not meet the criteria of further access to HET or TVET institutions. Bridging courses will only be offered specifically for transport-related programmes.

18.3 Bursaries

A TETA bursary is a grant allocated to learners studying or registered to study for academic learning qualification such as Diplomas, Degrees and other Sector Regulatory Qualifications. The bursary shall be awarded to qualifying learners for Transport-related qualifications. The bursary is awarded for the duration of the study period, subject to bursar's successful completion of successive academic years. The bursary award is at TETA's discretion.

18.4 Foundational learning

This programme refers to the low level or basic training programme aimed at providing youth with primary skills that will them further training (the learner can be a matriculant with poor

results in specific subjects, or someone who dropped out from the school and wants to re-enter the system).

18.5 Learnerships

A learnership is a work-based education and training Programme where learners receive a structured learning theoretical component and workplace (practical work experience) of a specified nature and duration. This learning has minimum quality learning standards and is directly linked to National Quality Framework (NQF). It is an occupationally-based qualification registered with the Department of Higher Education and Training (DHET) and leads to a qualification registered on the National Qualification Framework (NQF). For the purposes of this policy, a learnership duration shall not be less than twelve (12) months. All learnerships must adhere to the SAQA/QCTO rules of combination.

The learnership programme includes apprenticeship and cadetship programmes.

18.6 Skills Programme

A Skills Programme is an occupationally-directed learning programme comprising both theory and practical work experience.

It is an occupation-based learning programme aimed at building skills that have economic value and incorporates at least one-unit standard. It is registered by a SETA and delivered by an accredited training provider. It is unit standard-based and bears credits which lead to a registered qualification. The minimum credits for Skills Programmes funded by TETA are 40 credits and the maximum is 119 credits. The duration shall be three (3) to six (6) months.

18.7 Short Courses and or Vendor Specific Programmes

These are occupationally directed learning programmes, with a maximum duration of six (6) months, aimed at addressing "Hard-To-Fill" Vacancies in workplaces. These are not unit standard-based and may or may not lead to a qualification registered on the NQF.

18.8 Rural Development Project

These are collaborative projects aimed at improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated.

18.9 Work Integrated Learning

WIL is an umbrella term to describe curricular, pedagogic and assessment practices across a range of academic disciplines that integrate formal learning and workplace concerns and culminates in a qualification or part-qualification; this may include practicums, professional

practice, internships, work experience, industry-based learning, cooperative education, service learning, real work learning, placements, experiential learning and clinical placements. The programme is split into three sub-programmes:

Candidacy:

Means the structured work experience component part of an occupational qualification, as determined by the relevant professional body, and may follow the completion of an academic qualification required for access to the assessment for the issuing of a professional designation. This may lead to the designation registered on the National Qualification Framework (NQF), for example: Accountancy, Teaching, Engineering, Doctors, etc.

Internships:

Refers to a workplace-based experiential learning opportunity, targeting unemployed graduates. This is generally offered for a specific period, varying from three to twelve months, as a supervised programme to supplement formal study completed. Internship gives an opportunity to practice the work-skills that learners studied and will practice in future.

An internship can also benefit the employer who has an opportunity to get to know the intern and to establish whether the intern is employable in the business.

Workplace Experience

Refers to a workplace-based experiential learning opportunity for a learner/student to complete their qualification. This is offered for varying period of six (6) to eighteen (18) months.

Cadetship

18.10 Youth projects

Refers to all funded SETA projects that support youth (people within the age group of 14 to 35 years).