



**DISCRETIONARY GRANT**

**FUNDING WINDOW GUIDELINES: ENTREPRENEURSHIP  
PROGRAMME 2024-2025**

## **BANKSETA FUNDING WINDOW GUIDELINES**

### **1. Background**

The Banking Sector Education and Training Authority (BANKSETA) is a statutory body established through the Skills Development Act 97 of 1998 as amended by Act, 26 of 2011 to enable its stakeholders to advance the national and global position of the banking and alternative banking sector. As guided by its mandate, the BANKSETA is as such an agent of transformation and seeks to promote employment equity and Broad-based Black Economic Empowerment through skills development. For further details on the BANKSETA, visit [www.bankseta.org.za](http://www.bankseta.org.za)

### **2. Purpose**

This document has been developed to guide the application process for BANKSETA Discretionary Grant Funding Windows. It considers the SETA Grant Regulations and the BANKSETA Discretionary Grant Policy. This document provides guidelines for the opening of funding windows, inviting applications, evaluation of applications, allocation of funds and payment of funds. This document aims to ensure a consistent, fair, and transparent process.

### **3. Objective**

Small and Micro Enterprises (SMEs), cooperatives and start-up SMEs, have an important role to play in facilitating economic transformation and empowerment. Providing a supportive ecosystem to SMEs, cooperatives and start-ups is among the critical enablers for economic recovery, reconstruction, and growth.

The Small Business sector is deemed the cornerstone of any healthy economy and proactive small business development is required to improve, sustain, and expand it effectively. The Entrepreneurship will provide support to new entrepreneurs as well as develop the SME sector through a targeted approach to enable entrepreneurs to optimize their profits via more effective practical business management principles to manage their businesses effectively over the short, medium, and long term.

BANKSETA is inviting applications from stakeholders for the implementation of programmes that will support entrepreneurs, new businesses, and the SME to reach a level of maturity to employ more resources, access existing markets and thereby create employment and grow the economy of the country.

This will include new startups as well as strengthening existing businesses.

The BANKSETA entrepreneurship support project will seek to support SMMEs in 2 defined categories. Applications should be directed at one of the following categories.

#### **3.1 Category 1. Developing existing SMMEs through business incubation and accelerated support**

In South Africa, SMEs are the backbone of the economy, accounting for most businesses across the private sector, providing the bulk of jobs across all sectors. The support for these

businesses will assist them to overcome the serious challenges in accessing funding to finance their growth, create more employment and generate economic growth.

The intention of this funding opportunity is to provide a holistic approach to business development support that focusses on providing operational and institutional capacity to the SMMEs.

The scope of support is defined as follows:

- Product Development – Market analysis, market needs and trends, business strategy (Price, Product, Promotion and Placement). Commercialization of the product, risk profiling and commercialization of the product.
- SME methodology and process development.
- Risk identification, legislative requirements and compliance.
- Digitization of key internal processes, IT infrastructure support and business support digitization.
- Client relationship management.

### **3.2 Category 2. Support for new businesses and startups in township and rural areas.**

It is estimated that the township economy contributes to 17% of South Africa's total employment. Businesses that exist in the township have a vital role to play in the SMME ecosystem.

This category will support township and rural based SMMEs in the pre startup, start up and existing businesses in townships.

The scope of support is defined as follows.

- The project application must support at least 10 businesses.
- Project impact must be clearly defined.
- All projects must have a coaching and mentoring component.
- Training components should include business development modules such as marketing, compliance, finance, human capital development.

**SMMEs who have previously received support through BANKSETA Entrepreneurship/ERRP funding window are not eligible for support.**

## **4. Invitation Process**

BANKSETA will publish all funding window invitations on the BANKSETA website: [www.bankseta.org.za](http://www.bankseta.org.za).

Each funding window will remain open for at least 6 weeks. No late applications will be accepted.

**The funding window will open 18 November 2024 and close at 17h00 on 10 January 2025**

All documents must be completed in full.

All supporting documentation must be provided.

## 5. Eligibility Criteria

BANKSETA has categorized eligible applicants as per below:

- 5.1. **Public TVET Colleges, Public Universities** with active Incubation/Entrepreneurship hubs that supporting SME in their communities. (No third-party service providers allowed)
- 5.1 **BANKSETA registered employers** who actively contribute to the skills development levy. Only projects related to entrepreneurship/SME development will be considered. Corporate Social Investment (CSI) projects are excluded.
- 5.2 **NGO's/CBO's/NPO's** who are supporting entrepreneurial development in their communities. Only entities that have been actively conducting business for more than 5 years will be eligible.
- 5.3 **National; Provincial and District government agencies** with a mandate for socio-economic /entrepreneurship/SME development.

*Only applications from the above categories will be considered.*

## 6 Evaluation Criteria

The evaluation panel will apply predetermined evaluation criteria to score applications. The criteria will include:

- 6.1 Project background and formal proposal of all deliverables. The proposal must clearly state which category applied for. The proposed impact of the programme to unemployment and economic recovery must be clearly demonstrated. **(30%)**
- 6.2 Implementation methodology which defines the project structure with all milestones clearly articulated. Provide a description of the SMMEs to be supported and which economic sector they constitute. **(30%)**
- 6.3 Capacity of the applicant to implement a project of this nature. The main project lead and project team must demonstrate competence in complex project management. Examples of projects of this nature done on a national scale will be advantageous. Applicants are encouraged to indicate any significant awards of recognition for projects of this nature implemented previously. **(30%)**
- 6.4 Coaching and mentoring plan must be included with a detailed description of activities of support to the SMMEs. **(10%)**

Any application not meeting a threshold of **60%** will not be approved.

## 7 Funding Allocation Criteria

- 7.1 There is no cap on the number of learners applied for.
- 7.2 BANKSETA will support each learner up to a maximum of R60,000

7.3 All applicants must complete the pricing schedule, Annexure A

7.4 Only projects that ensure that small businesses will be started in the programme, or at completion of the programme, will be considered.

7.5 Funding for successful applications will be proportionally allocated to the 9 provinces considering the amount applied for and the unemployment rate in each province.

	Unemployment rate%
Northern Cape	26.9
Northwest	39.0
Free State	37.0
Mpumalanga	34.9
Eastern Cape	41.9
Limpopo	30.3
Gauteng	33.8
KZN	29.5
Western Cape	20.3

Based on Unemployment statistics released by StatSA: Quarterly Labour Force Survey Quarter 1: 2024

7.6 Preference will be given to interventions in rural areas.

7.7 Beneficiary allocations:

Black: 85%

Female: 60%

People with disabilities: 4% (Applicable only to projects supporting learners with disabilities)

## 8. Submission Process

- Applications and other related documents are to be submitted on BANKSETA templates, and as per the prescribed submission process. Failure to do so will result in disqualification of the applications.
- Applications must be received in the specified timeframes; no late submissions will be accepted.
- Applicants agree to provide information as required by BANKSETA for the purposes of reporting to the Department of Higher Education and Training, as well as other statutory stakeholders.
- Applicants are required to submit separate applications per category where applicable.

Applications must be submitted on a secure platform such as Dropbox, WeTransfer or Microsoft OneDrive. Submissions on this platform must be confirmed by the applicant by sending an e-mail to a specified e-mail address. Submission of the application will be acknowledged; however, applicants must note that the completeness and correctness of applications will only be evaluated after the closing date.

- Applicants are not limited on the number of applications per category. However, applicants are

requested to carefully consider business needs and prioritize applications as funding may be limited or declined considering the funding available and the number of applications received.

- Each application will be evaluated individually.
- Applicants must keep a copy of their submission for their internal use and backup purposes.

### **9.Evaluation and Allocation Process**

- In all cases an evaluation panel shall be established to evaluate applications.
- The evaluation panel will consist of at least the relevant Department Manager, the relevant Project Manager and one other person.
- All panel members will be required to sign a declaration of interest.
- The evaluation panel and decision will be recorded for audit purposes.
- All grants are VAT inclusive
- BANKSETA will evaluate all applications and approve funding in a way that will ensure the equitable allocation of funding and may include limiting the number of beneficiaries approved for each application and limiting the amount per beneficiary.
- BANKSETA reserves the right to approve / decline applications, without any preference given to any applicant, and to apply discretion to equitably distribute funding per category, based on the availability of funds and to reallocate funds from undersubscribed categories.
- BANKSETA may approve additional applications or increase the funding for a particular application should additional funding become available at a later stage. This is subject to Board approval.
- Feedback on the status of the application will be provided to unsuccessful applicants.

### **10. Approval, Appeal and Change Request Process**

- The evaluation documentation will be submitted for Probity Review. The probity review report will be submitted for review to the CEO. Once the CEO has reviewed, the report and supporting evidence as required will be submitted to the Finance and Remuneration Committee for recommendation to the BANKSETA Board. Final approval will be done by the BANKSETA Board. The BANKSETA Board may delegate approval functions to the CEO as indicated in the BANKSETA Delegations of Authority Policy

### **11. Contracting, Commitment Schedule and Project system update**

- BANKSETA will sign a Memorandum of Agreement (MoA) with the applicant for each application that is approved.
- The approval notification to the applicant should include a deadline date for the return of signed MoAs to the BANKSETA so that funds are not left uncommitted for long periods of time.
- The project manager will monitor all the received MoAs and any MoA not signed and returned to BANKSETA by the agreed date will be cancelled.
- If the MoA has expired, and no project extension request is received by BANKSETA before the lapse of the MoA or if BANKSETA detects there is no project activity taking place and no reasonable cause has been provided, the MoA will be terminated and the funding forfeited.

## **12. Invoicing/ Funds Disbursement Process**

- Upon approval of the application, the Applicant and BANKSETA will sign a Memorandum of Agreement (MoA) to formalize the application and to agree to the disbursement schedule (in line with the specific application)
- The first invoice to the BANKSETA must be accompanied by official proof of banking details as well as a valid Tax clearance certificate failure to provide the tax certificate shall warrant BANKSETA to remind the applicant on need to be compliant but still process payment.
- The final invoice will be paid subject to all the project requirements being met. This may include a monitoring and evaluation audit conducted by BANKSETA.
- Progress Reports are to be submitted with invoices as required (BANKSETA to send template).
- Invoices will be paid provided all project requirements are met and supporting documentation are provided (such as proof of payment to other parties, proof of disbursement of stipends to unemployed learners, etc.)
- Successful applicants and payments are subject to a monitoring and evaluation process.
- The BANKSETA will only be paying for beneficiaries who successfully complete the programme as required, and only make final payments once all other tranche criteria requirements are met.

## **13. Extensions and/or re-applications**

- Applicants should endeavour by all means to meet deadlines and complete the project within the project plan submitted during application phase. If, however, this is not possible the applicant should apply in writing to have the timelines extended and where needed to sign an addendum to the MoA to extend the end date.
- In the event where, due to unforeseen circumstances an agreement lapses and the applicant is only able to continue with the project at a later stage the applicant may submit a motivation to re-instate the previous approval if the overall project is still open and if there is still funds available in the project.
- This new application and agreement must follow the same process as the initial one and is subject to Board approval or as delegated to the CEO in the Delegations of Authority Policy.

## **14. Disclaimer, Termination and Breach**

- In all instances, BANKSETA reserves the right to approve / decline funding at its discretion.
- The BANKSETA reserves the right to verify, monitor and audit any of the above approved grants during the implementation period by a designated BANKSETA representative. Payments are also subject to these processes as per the quality requirements stipulated by BANKSETA.
- The BANKSETA may withhold grants or recover any grants paid to an applicant if it is found that the grants allocated are not being used for the purpose for which the grant was intended.
- Non-compliance will lead to summary termination of the agreement and the Contracting party will, due to non-compliance have neither right to any grants or disbursements nor any other right out of this agreement.

## 15. Confidentiality of information

In compliance with the requirements of the Protection of Personal Information Act (POPI), BANKSETA wishes to inform all its stakeholders that in applying for funding, invoicing the BANKSETA and providing supporting information for such invoices, the below standards will apply:

BANKSETA undertakes to keep all information obtained or received by it for purposes of funding applications, funding agreements, invoicing and performance information disclosed or provided by the employers in confidence and in a safe and secure manner.

- Information shall be revealed only to the representatives, agents and employees whose knowledge of the information is required for the purpose related to administering the funding applications, funding agreements, invoices and supporting documentation.

The purpose related to administering the funding applications, funding agreements, invoices and supporting documentation includes the following:

- reporting skills development initiatives to the Department of Higher Education and Training.
- reporting enrolments and achievements of programmes to the South African Qualifications Authority.
- reporting on quality assurance functions to the Quality Council of Trades and Occupations.
- evaluating and processing applications for access to funding.
- compiling statistics and other research reports.
- providing personalized communications.
- providing information for internal and external auditing purposes
- complying with the law; and/or
- for a purpose that is ancillary to the above.

Information related to Memoranda of Agreement will be kept for 5 years after the stated end date. After 5 years it will be destroyed.

If BANKSETA is required by legal process to disclose any of the information, it shall provide the applicant with prompt notice of such requirement so that the applicant may seek a protective order or agree to the provision of information. If a protective order or other remedy to ensure that only information covered by such other or other remedy is obtained, the BANKSETA shall use all reasonable efforts to ensure that only the information covered by such order or other remedy is disclosed. Whether or not a protective order or other remedy is obtained, or the applicant agrees to the provision of information, BANKSETA shall take all the reasonable steps to ensure that only the portion of the information which it is legally required to disclose is disclosed.