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## GENERAL NOTICES • ALGEMENE KENNISGEWINGS

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### DEPARTMENT OF EMPLOYMENT AND LABOUR

#### NOTICE 2722 OF 2024

### Express of Interest Subsidy Scheme for People with Disabilities

The Department of Employment and Labour administers a Subsidy Scheme for People with Disabilities as mandated by the Employment Services Act, Act 4 of 2014. The main purpose of this subsidy scheme is to promote employment for people with disabilities. The Department of Employment and Labour calls on **non-profit organisations** to express their interest to benefit from a **three-year funding cycle** under this Subsidy Scheme, depending on performance and sound financial management.

The following classifications is funded under the Subsidy Scheme for People with Disabilities:

- A subsidy amount for an approved number of people with disabilities manufacturing goods or rendering services in the organisation;
- A subsidy amount for an approved number of administrative staff ensuring proper administration and governance over the the Subsidy Scheme;
- A subsidy for current administrative costs related to the Subsidy Scheme of the organisation.

Further requirements are as follows:

- The Workshop should be in a position to co-fund the income of staff to the minimum amount of R200,00 per month per individual, daily operations and capital expenditure from contracts sourced from companies;
- Governance requirements such as legislative compliance, sound management systems inclusive of business, sustainability and financial planning as well as submission of reports.

Non-profit organisations willing to make a difference in the lives of people with disabilities, must submit the following information:

**Name of organisation, contact person, an e-mail address and their telephone numbers to:**

**Lana.wiggill@labour.gov.za by 27 September 2024.**

A compulsory briefing session(s) will be held in the period 7 -11 October 2024, during which the funding model and application forms will be made available.

**Enquiries can be send to: [liza.weber@labour.gov.za](mailto:liza.weber@labour.gov.za)**

## PROJECT SPECIFICATIONS FOR 2025-2028

### PROJECT: SUBSIDY SCHEME FOR PEOPLE WITH DISABILITIES

#### 1. OBJECTIVE:

The Express of Interest is for:

**The Subsidy Scheme for People with Disabilities for eligible non-profit organisations, with a view to improve the economic changes, especially the rising cost of living, poverty and employment needs for the vulnerable.**

#### 2. BACKGROUND

2.1 The Branch: Public Employment Services of the Department of Employment and Labour is mandated by the Employment Services Act, No 4 of 2014 to perform the following functions:

- Contributing to employment creation;
- Registration of work-seekers and opportunities on the Employment Services system of South Africa (ESSA) (an electronic system);
- Canvassing of opportunities;
- Job-matching and referral to employment opportunities;
- Employment counselling and enhancing employability of work-seekers;
- Administration of employment schemes for youth and other vulnerable groups, such as people with disabilities;
- Advice on immigration of labour to ensure the skills imported will not displace South African workers;
- Regulation of private employment agencies;
- Enhancing productivity of companies and providing turnaround strategies to companies in distress;

2.2 The Employment Equity Act, No 47 of 2014 identifies people with disabilities as a designated group for affirmative action with regard to employment due to this group being historically disadvantaged. The Branch: Public Employment Services thus provides the following employment schemes for people with disabilities:

- The administration of Supported Employment Enterprises for people with disabilities who cannot function in the mainstream economy.
- Subsidy Scheme for People with Disabilities to provide income opportunities to people with disabilities.

2.3 This Express of Interest is thus made available for interested registered non-profit organisations in the disability sector that can benefit from subsidies to provide income earning opportunities to people with disabilities.

- 2.4 Details and criteria for the Subsidy Scheme will be discussed in detail under the project plan and objectives for the subsidy scheme (Par 3 as a whole).
- 2.5 The types of organisations that can apply and benefit from the subsidy scheme must be organisations registered as Non-Profit Organisations as indicated in par 3.1 below.
- 2.6 Additional organisation criteria will be the following:
- The organisation's internal policies and procedures, including its constitution is in line with the principles of the Non-profit Organisation Act, 1997 and the Constitution of the Republic of South Africa.
  - The organisation must be a legal persona and registered with the appropriate authority.
  - The organisation must preferably have an existing and proven experience of at least five years in managing an organisation supporting People with Disabilities.
  - Willing to enter into a three-year Service Level Agreement with the Department of Employment and Labour.
  - The organisation must have the administrative capacity to manage compliance reports and to take full account for the administrative activities and to disclose the records in a transparent manner.
  - The organisation must have efficient financial management and accounting systems and staff to be able to account for the utilisation of the subsidies in line with Service Level Agreement, inter alia by submitting annual financial statements and performance track records.

### **3. PROJECT PLAN AND OBJECTIVES FOR THE SUBSIDY SCHEME.**

#### **3.1 PROJECT DESCRIPTION**

The *Subsidy Scheme for People with Disabilities* is an employment support programme, which benefits both organisations and individuals that provide income opportunities for people with disabilities in organisations that manufacture products and/or render services.

The organisation is expected to contribute to the financial viability and self-sustainability of the organisation through sourcing and securing contracts and selling their products. All organisations that apply for the Subsidy Scheme must be registered as Non-Profit Organisations.

Subsidies will be paid out to the benefitting organisations as per the Annual Funding Model, which is compiled based on the annual allocated budget. Each approved organisation will receive a predetermined amount on a quarterly basis. Organisations applying should be able to be self-sustainable to ensure financial viability. Only organisations with a positive reflection on their financial statements will be considered. The main purpose of the Subsidy Scheme is to ensure people

with disabilities are provided with an opportunity to participate in income-generating projects and retain a source of income.

The Department of Employment and Labour will not fund organisations for the same items for which funds have been sourced from other Government Departments. The Department of Employment and Labour will not fund training *per se* or salaries for people with disabilities who are receiving training, which is not linked to concurrent placement, since this falls outside of the mandate of the Department. Organisations should source funding from other sources for this purpose. It is expected that organisations should be able to train their staff.

Items that will influence consideration will entail the following.

- Registered NPO;
- Proof of financial viability;
- Track record from previous sourced contracts;
- The demographic profile of the beneficiaries of the subsidy (people with disabilities);
- Evidence of successful initiatives to improve the sustainability of the organisation;
- Established stakeholder relationships.

## **3.2 OBJECTIVES AND EXPECTED OUTCOMES**

### **3.2.1 Overall Objectives**

- Provide income support programmes for people with disabilities that is above the age of 16 years.
- Co-funding by the approved organisations of at least R200,00 per beneficiary per month, ensured through contracts with organisations, donors, etc.
- Administrative capacity maintained to ensure sound governance and accountability regarding the Subsidy Scheme.

### **3.2.2 Expected Outcomes from the organisation**

- Ensure sound management of the organisation.
- Market products and service produced or delivered by people with disabilities at the organisation.
- Ensure sound reporting against the required compliance documents of the Department.
- Reflect the demographic profile of South Africa.

## **3.3 PROJECT OBLIGATIONS**

### **3.3.1 Obligations of the Organisation**

- Strategically manage the organisation to ensure its relevance and evolution through innovation in products and business processes.
- Obtain additional sources of income to fund capital goods such as buildings and vehicles.
- Ensure a profit margin for the organisation through sound financial management and sales.
- Market goods and services delivered by the organisation to the public.
- Uphold good customer relations.
- Ensure people with disabilities are empowered through skills development.
- Provide Department of Employment and Labour with the relevant compliance documents, such as proof of stipends paid and operational costs as per the set criteria in the funding model.
- Inform and update the Department of any changes relating to the beneficiaries such as appointment of new incumbents, exit of incumbents, leave, or death.
- Provide reasonable accommodation and premises is accessible for people with disabilities.
- Ensure efficient financial management of subsidies received from Department of Employment Labour.
- Comply with relevant legislation.

### **3.4 APPLICATION**

#### **3.4.1 Methodology**

In submitting the prescribed application, after the compulsory briefing session, the organisation should include the business objectives, governance and financial arrangements.

##### **3.4.1.1 Organisation application**

**The organisation must complete the prescribed application form, providing:**

***(All of the areas below are compulsory - provide evidence)***

- a) Organisation's profile inclusive of name of organisation and short history of establishment.
- b) Demonstrable experience of managing an organisation supporting people with disabilities of at least five years.
- c) The Board of Management, day-to-day management structures and its staff and their qualifications and experience in the field. (Indicate worker representativeness on governing body).

- d) Profile of the current beneficiaries in terms of national demographics of the country, namely gender, race and age.
- e) Projected number of people with disabilities that stand to benefit.
- f) Projected number of administrative staff that will administrate the Subsidy Scheme and acceptable ratio of administrative staff to people with disabilities. (Administrative staff could preferably be people with disabilities).
- g) **Financial proposal**, indicating breakdown of proposed budget *per annum* for stipends of workers with disabilities, administrative staff and items for additional expenditure (excluding capital expenditure).
- h) **Business plan** is viable, with clear goals and outcomes, as well as timelines and resources required. (Organisational readiness to offer the service.)
- i) **Transformation plan** inclusive of
  - i) Demographic profile of the organisation,
  - ii) How administrative reporting to the Department of Employment and Labour will be managed,
  - iii) Marketing strategy and plan to advertise products and or services,
  - iv) Improvement of business processes and innovation,
  - v) Customer responsiveness and satisfaction,
  - vi) Adherence to relevant legislation,
  - vii) Training plan for staff
  - viii) Reasonable accommodation in place for workers with disabilities,
  - ix) Accessibility of organisation to workers with disabilities.
- j) **Monitoring and evaluation plan** indicating how performance will be measured.
- k) **Sustainability plan** for when Departmental funding expires after three years.
- l) Organisational readiness to offer the service - thus financial viability (provide financial statements for past **three years** and proof of co-funding for salaries, administrative expenditure and availability of office equipment).

#### 3.4.1.2 Governance and financial requirements

***(All of the areas below are compulsory - provide evidence or proof, unless otherwise indicated)***

- Certified copy of being registered as Non-profit organisation by Department of Social Development.
- Proof of Annual General Meetings/Board meeting for past two years.

- Sworn affidavit of all income sources, including a list of current income providers, such as Government, private donors and other, together with items subsidised.
- Original, valid Tax Clearance Certificate issued by SARS. The Public Benefit Organisation (PBO) number from the SARS Tax Exempt unit if the organisation is tax exempted.
- Valid, original B-BBEE Status Level Verification Certificate, or certified copy thereof
- Proof of valid banking details with bank stamp.
- Financial assurance declaration.
- Audited financial statement for the preceding financial year.
- Letters of Good Standing from the Unemployment Insurance Fund and the Compensation Fund relevant to permanent employees.

### **3.5 INSTITUTIONAL ARRANGEMENTS**

Funding allocations will be made for a period of **3** years or as determined by the Department of Employment and Labour and depending on the annual allocation as approved by Parliament. Subsidies will be transferred on a quarterly basis. The organisations will be required to submit monthly supporting financial documents and quarterly reports of satisfactory performance. It will be expected of the organisation to contribute to the income of the people with disabilities and the administrative staff, as well as the operational cost, by means of profit made from contracts obtained for services delivered or sales of goods.

The Department of Employment and Labour will have the right to terminate the agreement or reduce the funding, for example when there is non-performance, or non-compliance, when funds are mismanaged or used in a fraudulent manner, the project has ceased, or the beneficiaries' rights are violated as per the prescribed supporting documents.

### **3.6 TIMEFRAMES**

The Department of Employment and Labour would like the organisation to commence with the subsidy scheme upon signature of Service Level Agreements, from 1 April 2025. The scheme should be concluded by end of March 2028, provided that the agreement is not terminated early due to reasons indicated in paragraph 3.5.

### **3.7 FUNDING ALLOCATIONS**

The subsidy allocated is determined by the annual allocation approved for the Subsidy Scheme. This amount will annually be reviewed and distributed amongst the approved organisations.

### 3.8 CRITERIA THAT WILL BE CONSIDERED IN EVALUATING THE APPLICATION:100

3.8.1 Only applications that achieve the minimum average qualifying score of 70/100 will be further considered.

**FIRST STAGE: Functionality (Proof must be provided for all the under-mentioned criteria as per application form.)**

CRITERIA	POINTS
<b>Organisation governance</b>	
1. <b>Organisational profile:</b> The Organisation has a stable background, is based on a clearly defined need for work for people with disabilities and for products and services in the community. Products are diversified.	5
2. <b>Track record</b> of success in managing an Organisation supporting people with disabilities (preferably five years' experience)	5
3. <b>Management of the Organisation:</b> Organogram, Board management, worker's representation, day-to-day management committee, proof of Annual General Meetings held for two years.	5
4. <b>Project budget</b> is viable, co-funding and infrastructure exists for items not funded by DEL, items which cannot be paid as per the DEL's mandate, contracts are in place for 2025/2026, and financial statements are viable.	10
5. <b>Business plan</b> is viable, clear goals and outcomes have been set as well as timelines and resources required.	10
6. <b>Transformation plan:</b> Careful consideration should be given to each of the following:  Management structure and people with disabilities reflect the national demographic profile (4) Administrative systems are in place to adhere to Department of Employment and Labour's reporting requirements (3) Marketing plan (4) Plan for improvement of customer responsiveness and customer satisfaction (3) Adhering to relevant legislation (4) Training of staff - provide proof of training plan (2) Reasonable accommodation (2) Accessibility of people with disabilities (2) Mechanisms in place for quality relationships with people with disabilities (3)	27



<b>7. Sustainability</b>	<b>plan:</b>	<b>26</b>
The following should be included:		
Plan for obtaining viable contracts for three years (4)		
Plan for sustaining the Organisation for three months should the transfer of subsidies be delayed (4)		
Plan for sustainable co-funding over the three years (4)		
Production plan - how will products be evolved/ innovated/ diversification/ enhanced over years (4)		
Risks foreseen for organisation's sustainability and mitigation that will be implemented (4)		
How will input cost and product cost be balanced to maximize profits (3)		
Innovation in governance, leadership and administration (3)		
<b>8. Organisational readiness to render services:</b>		<b>7</b>
Financial viability, organisation space, equipment and raw material.		
<b>9. Monitoring and evaluation:</b>		<b>5</b>
Description of how success will be measured.		
<b>Total</b>		<b>100</b>

**SECOND STAGE: Organisations meeting the 70 average score, and with a positive site verification report, will be considered for subsidised funding, depending on the funding available and taking into consideration the points scored.**

#### **4. OTHER CONDITIONS**

- 4.1 The Department of Employment and Labour upholds the right not to award the funding, or suspend any part of it, as well as to limit the numbers of organisations appointed.
- 4.2 The successful applicants will be required to enter into a three-year Service Level Agreement with the Department.
- 4.3 Please note that any correspondence or enquiries, after the compulsory briefing session, will only be addressed by e-mail.
- 4.4 Completed application documents must reach the Department of Employment and Labour 30 days after the date of the briefing session. Late submissions will be disqualified.

#### **Contact details:**

**Ms L Weber, telephone number 012-309 4807,  
e-mail: liza.weber@labour.gov.za**

**Ms L Madhlophe, telephone number 012-309 4217,  
e-mail: [lulu.madhlophe@labour.gov.za](mailto:lulu.madhlophe@labour.gov.za)**