employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

UIF
WORKING FOR YOU

UNEMPLOYMENT INSURANCE FUND

LABOUR ACTIVATION PROGRAMME JOB CREATION GUIDELINES

LAP_JC_2026-2027_1

Guidelines for the appointment of Employers, Private Sector Companies, State Owned Entities, Non-Profit Organisations, and Training Institutions to provide job creation programmes through partnership agreements as part of the Labour Activation Programme

Date issued: 06 September 2026

Closing date and time: 27 September 2026 (23:59)

Proposals must be submitted electronically through the link provided.

Table of Contents

1. PART I: GENERAL INFORMATION AND STRATEGIC INTENT

1.1. Introduction and objectives

1.2. Purpose of the guidelines

The primary purpose of these guidelines is to transition beneficiaries from passive reliance on the Fund to active economic participation by appointing compliant Employers, Private Sector Companies, State Owned Entities, Non-Profit Organisations, and Training Institutions to deliver high-impact job creation initiatives. The fundamental objective is the direct absorption of beneficiaries into formal employment; consequently, training interventions will only be sanctioned where a clear skills gap exists, and partners must provide a rigorous motivation for any proposed training detailing why the existing pool of already-trained, unemployed individuals cannot be recruited. Participation is strictly contingent upon full adherence to the laws of the country and the specific legislation cited within these guidelines; no negotiation of any kind will be entertained for non-compliance, ensuring that only fully compliant entities facilitate this "employment-first" transition to economic independence.

1.3. Background

1.3.1. Mandate

In accordance with the Unemployment Insurance Act (Act 63 of 2001), the Minister of Employment and Labour is empowered to conceive, fund, and implement strategic programmes aimed at catalysing job creation. Crucial to this process is the Unemployment Insurance Board, which is mandated under Section 48(1)(a)(iii) and (iv) of the Act to advise the Minister on policies for minimising unemployment and the creation of schemes to alleviate the effects of unemployment. The legislative backbone for these interventions is found in Section 5(d) of the Act, which was specifically amended to allow the Fund to utilise the funds to finance "labour market re-entry" initiatives, such as skills development, apprenticeship schemes, and other job creation programmes; this provides the direct legal authority for the Labour Activation Programme (LAP) as the vehicle to reintegrate beneficiaries into gainful employment. This mandate is executed against the backdrop of a national unemployment disaster; according to the latest Stats SA data, the official unemployment rate has reached 32.7%, with the youth category (ages 15–34) suffering an even more acute crisis at 45.6%. To address this crisis responsibly, this process prioritises direct appointment of beneficiaries into formal jobs to move them from passive reliance on social grants to active economic participation. Consequently, training is not a default option; it will only be sanctioned where a clear skills gap is proven and partners provide a convincing motivation explaining why the existing pool of already trained, unemployed individuals cannot be recruited for direct employment. Participation is strictly contingent upon full adherence to the laws of the country and the specific legislation cited herein; no negotiation of any kind will be entertained for non-compliance, ensuring that only fully compliant employers sign partnership agreements with the Fund in this "employment-first" mission.

1.3.2. Alignment with the District Development Model (DDM)

To ensure equitable distribution, projects must demonstrate a geographic spread across the nine provinces. The Fund seeks to align projects with the District Development Model. The proposal must therefore specify the district and local municipalities to be covered in an event of approval. Furthermore, proposals must show research done on niche sectors and skills needed in targeted provinces.

Specify the targeted towns, townships and villages to ensure that labour activation reaches the most underserved communities.

1.3.3. Strategic intervention on vulnerable groups

To facilitate coordinated service delivery and youth-centric economic inclusion, all initiatives must demonstrate strict alignment with the National Youth Policy 2020–2030. In direct alignment with national priorities, all projects are required to specifically target and benefit UIF contributors, the youth, women, and people with disabilities. This integration ensures that job creation efforts are not only nationally relevant but also deeply responsive to the specific socio-economic profiles of districts and local municipalities and the urgent needs of the most vulnerable labour market participants.

1.3.4. Qualifying criteria

- Entity eligibility

  Applicants must be Employers, Private Sector Companies, State Owned Entities, Non-Profit Organisations, and Training Institutions. In the interest of accountability and direct partnership, proposals must be submitted in the applicant's own name and capacity. All correspondence and project implementation processes will also be undertaken strictly with the company that applies and contracts with the Department.

- Mandatory compliance

  - UIF compliance

    Duly registered with the UIF, consistently declaring employees, and making contributions in accordance with the Unemployment Insurance Act.

  - SARS

    Fully compliant with the requirements of the South African Revenue Service (SARS). Proof of compliance (tax clearance certificate) must be provided from SARS.

  - COIDA

    Valid Letter of Good Standing from the Compensation Commissioner.

- **B-BBEE requirements**

  Alignment with numeric targets in the Employment Equity plan (race, gender, and disability) is mandatory. A B-BBEE Certificate or Sworn Affidavit must be provided.

2. PART II: TECHNICAL PROPOSAL FRAMEWORK

2.1. Project Design and Methodology

2.1.1. Intervention types

- Eligible interventions include:
    - Work Integrated Learning (WIL),
    - Internship programmes,
    - Work readiness and job preparedness initiatives,
    - Learnership programmes (with clear motivation of the skills gap),
    - Apprenticeships programme
    - Enterprise Development for MSMEs, Cooperatives, Informal Sector, Township and Rural Enterprises
    - Skills Development programmes with clear motivation of the skills gap), and
    - Targeted programmes for persons with disabilities.

2.1.2. Training interventions

It must be noted that the Fund supports training interventions as a matter of principle. However, the primary priority remains the absorption of beneficiaries into sustainable jobs. Consequently, projects that place beneficiaries directly into employment will receive preference. Where specific training is required, the employer assumes full responsibility for arranging and managing such training, consistent with their standard internal employee development processes. Training fees incurred may be claimed as part of the project budget in line with a signed funding agreement.

2.1.3. Employment commitment

Interventions must culminate into immediate employment upon completion of the training intervention opportunities, leading to the absorption of beneficiaries immediately after the completion of training.

2.1.4. Geographic Implementation

The methodology must specify the Province, District, Local Municipality, and specific township or village where the training and subsequent employment will occur. Subject to availability in other areas, the partner will be allowed to place them where employment opportunities are available.

2.2. Targeted sectors for job creation

The mandate of the LAP is to catalyse job creation across all sectotrs of the economy where credible and sustainable employment opportunities exist and hold the potential of being expanded. In order to maximize the impact of employment initiatives and ensure alignment with national economic goals, it is suggested that the applicants should focus their attention on high-growth sectors. These are sectors that may hold growth potential, labour intensive, mass employment absorption, sustainable.

Selection of proposed sectors must be evidence-based. The focus will be on the strength of the applicant's business case and its ability to demonstrate a clear link between skills, business growth, and employment creation.

2.3. Beneficiary management

2.3.1. Recruitment Strategy

The Department of Employment and Labour (DEL) maintains a comprehensive database of unemployed work seekers through the Employment Services of South Africa (ESSA) system. To ensure transparency and legislative compliance, it is a mandatory requirement that all recruitment for LAP projects be sourced exclusively from this database and the database of beneficiaries who were already trained through LAP. It is only when suitable candidates cannot be found from the ESSA or the LAP trained lists that the employer may use other databases. Partners who have their own databases are encouraged to enrol their beneficiaries into DEL ESSA.

By submitting a funding application, all prospective employers formally accept this requirement as a condition of the UIF funding. The recruitment process involves close collaboration with the UIF to identify and verify eligible beneficiaries. High priority is given to candidates residing within the specific districts and local municipalities identified in the project proposal, ensuring that the socio-economic impact is felt directly within the targeted communities.

2.4. Personal Protective Equipment (PPE) and Tools of Trade (ToT)

The Department is a custodian of labour legislation, including the Occupational Health and Safety Act (OHSA). Due to limited available resources, it is not always possible for the UIF to provide tools of trade and PPE. However, in terms of Occupational Health and Safety Act (OHSA), the employer remains legally liable to ensure that beneficiaries has correct PPE and Tools of trade.

The UIF will endeavour to provide the necessary PPE and tools of trade where these are an absolute occupational necessity. Where provided, the threshold will be determined and approved by the UIF.

The applicant must explicitly indicate in their proposal how they will cater for PPE and tools of trade in instances where the UIF is unable to provide them.

3. PART III: FINANCIAL AND GOVERNANCE FRAMEWORK

3.1. Budgeting and value for money

3.1.1. Cost per learner

The total cost per learner must be broken down to reflect the training cost, stipend, personal protective equipment and tools of trade for which funding is sought from the UIF. Where available and offered, the cost must also reflect the own contribution offered by the potential partner. Partners are encouraged to prioritise their own contribution increase the stipend to a salary that meets the applicable minimum sector wage for the sector in which the jobs will be created.

3.1.2. Company financial position

Disclosure of annual turnover for the past three financial years (FY 2023/24, FY 2024/25, and FY 2025/26). Employers experiencing financial distress as evidenced by their annual financial statements will not be considered. They must rather consider other LAP interventions, i.e. Temporary Employer Employee Relief Scheme (TERS) or business turnaround and recovery (BT&R) programme.

3.1.3. Matched funding ratios

The Labour Activation Programmes encourages potential partners to make their own contribution towards the costs of the project. Matched-funding or co-funding is not a compulsory requirement for the programme, it may be considered as an added advantage and sign of commitment from the potential partners.

Where potential partners offer any level of co-funding it must be stipulated whether it will be directed towards the stipends, PPE, tools of trade, enterprise development, or post-training employment absorption. In all instances, priority must be given to augmenting the cost of stipends for the beneficiaries.

Where partners provide own contribution co-funding, the UIF will require evidence in this regard. For entities who are co-funding, the amount should be in an interest bearing account.

3.2. Risk Management and Implementation

The UIF is committed to prudent resource stewardship and the elimination of wasteful expenditure. To ensure value for money, the LAP will only invest in interventions that are realistic, sustainable, and demonstrably effective. Hence the application must take the realities of the employer into account. The number of targeted beneficiaries must match the capacity of the employer. The UIF prioritises projects that maximize socio-economic impact while safeguarding limited public resources against potential wastage.

3.2.1. Disclosure of prior performance

The LAP has a history of supporting various job-creation and training initiatives. Consequently, it is a mandatory requirement for applicants to provide a full disclosure of any previous projects funded by the LAP or other state organs. Where an applicant under and existing or previous funding agreement with LAP, the applicant must demonstrate successful implementation of the project and success rate in post-training employment. Performance in the current or previous project will be considered during the adjudication process.

3.2.1.1. Evidence of success

Repeat applicants must demonstrate the tangible successes of past interventions, specifically providing verified absorption rates (the percentage of beneficiaries successfully transitioned into permanent employment or self-employment). This must be submitted with the application.

3.2.1.2. Verification and disclosure

The UIF reserves the right to request evidence and to test it against the UIF contributor database for accuracy. Any claimed success must be accompanied by verifiable evidence. Non-disclosure of previous funding or performance history will result in an automatic disqualification of the current application.

3.2.1.3. Right to recourse and cancellation

Integrity in the application process is paramount. Should a project be awarded based on false claims or misrepresented data, the UIF reserves the absolute right to cancel the contract immediately upon discovery. In such instances, the UIF will demand a full refund of all disbursed funds from the partner and may pursue further legal or administrative action.

3.2.1.4. Accessibility and readiness

To mitigate implementation risks and ensure the feasibility of the project, applicants must provide:

- Credible proof that all workplaces and training facilities (where training is proposed) are physically located and accessible within the targeted local municipalities or townships.
- Evidence that the infrastructure of the employer is fit for purpose and compliant with relevant health and safety standards to support the proposed number of beneficiaries. The employer cannot apportion the responsibility or blame to the UIF at any stage of the project.
- Applicants are encouraged to propose projects in areas where they have access to training facilities that are conducive to learning and workplaces that are compliant to all applicable labour laws.
- Applicants are required to ensure that training facilities and workplaces are accessible to beneficiaries at an affordable cost to the beneficiaries.

4. APPLICATIONS

4.1. Applicants with existing LAP Commitments

4.1.1 The applicant must disclose all current and previous LAP-funded projects and applications and their status.

4.2. Direct Employer Evidence of Employment Opportunities

The employment opportunity must originate from the employer that intends to employ the beneficiaries and may not be based solely on an undertaking by the applicant/service provider that it will source employment after the training or intervention. Partners may start with up to 50% of the targeted beneficiary numbers. The Apprenticeship will be considered differently. Failure to absorb will result in refund of 50% of the project management fees and blacklisting from any and all UIF projects.

4.3. Employer Organogram and Employment Structure

Where an applicant proposes employment placements with identified employers, the applicant must submit an organogram or equivalent organisational structure of each participating employer demonstrating where the proposed beneficiaries will be accommodated within the employer's organisational structure.

4.4. Employment Evidence Must Originate from the Actual Employer

Where an applicant proposes employment outcomes, the evidence must demonstrate a direct relationship between the beneficiaries and the actual employer(s) that will provide the employment opportunity.

The following shall not, on their own, constitute sufficient evidence of employment demand:

generic commitment letters from service providers;

undertakings by service providers to source jobs after training;

statements that employment opportunities will be identified during implementation;

unverified lists of potential employers; or

historical relationships with employers without evidence of current employment demand.

The employer must be identifiable and capable of independently confirming the proposed employment opportunities.

4.5. Enterprise Development and Market Access

Where enterprise development, entrepreneurship or cooperatives are proposed, applicants must demonstrate a clear and credible route to market.

Applicants must provide evidence that the proposed businesses or cooperatives will have identified customers, purchasers, buyers or off-takers for the goods or services they intend to produce or provide.

This evidence must include:

signed off-take agreements;

purchase agreements;

supply agreements;

confirmed orders;

contracts with identified buyers;

verifiable letters of intent from identified purchasers; or

other documentary evidence demonstrating genuine and identifiable market demand.

4.6. Enterprise Development and Cooperatives – Viability Beyond Registration

Registration of beneficiaries with CIPC, registration of a cooperative or any other form of business registration shall not, on its own, constitute an enterprise development outcome.

Applicants must demonstrate how the proposed businesses or cooperatives will become operational, generate revenue and access sustainable markets.

4.7. Infrastructure Is Not an Allowable Entrepreneurship Intervention

LAP entrepreneurship/enterprise development funding does not provide for the establishment or purchase of infrastructure as a substitute for an operational business model.

Applicants must therefore not structure entrepreneurship proposals around requests for major infrastructure, buildings, land, permanent facilities or other capital infrastructure that is not provided for under the applicable LAP funding framework. A case of any minimum infrastructure requirements must be motivated by the applicant and demonstrate the need and contribution of such to sustainability.

4.8. Funding Ceiling linked to Partner contribution

To promote co funding and prevent excessive concentration of LAP funding in applicants that make no financial contribution, a maximum LAP funding ceiling shall apply. Funding threshold and ceilings will be determined by the UIF.

4.9. Other LAP Programmes

Partners who apply for other LAP Job preservation will not be considered.

5. PART IV: MONITORING, EVALUATION AND REPORTING

5.1. Performance-based contracting

5.1.1. Absorption guarantee

A legally binding commitment to 75% absorption of beneficiaries into sustainable jobs (Permanent or fixed-term of at least 24 months).

5.1.2. Refund provision

Should the beneficiaries **not** be absorbed, the UIF reserves the absolute right to demand a refund of all or part of the funding on terms deemed fit within the law. The UIF may recover the losses through company assets or assets of directors in case of non-delivery of the promised jobs.

5.2. Monitoring, auditing and oversight

To maintain the highest standards of accountability and ensuring project integrity, the UIF will implement rigorous verification protocols. Regular sites and beneficiaries verification will be conducted to confirm that project implementation remains strictly aligned with the specified geographic locations (Districts, Local

Municipalities, or Townships) and that beneficiaries are being successfully activated as per the approved plan.

5.2.1. Monitoring and site visits

Due Diligence process will be conducted at the primary address of the applicant and may include the site of Employers and at the site of those who provided commitment letters to the state owned entities, training institutions and the applicant. The oversight will be conducted through both announced and unannounced visits. These missions are designed to verify real-time project progress, infrastructure adequacy, and beneficiary participation. These visits may be conducted by a variety of internal and external stakeholders, including but not limited to:

- Representatives from the Department of Employment and Labour (DEL).
- Members of the Unemployment Insurance Fund Board.
- Members of Parliament (MPs) conducting constituency or committee work.
- Appointed auditors and/or forensic investigators where applicable.

5.2.2. Access and cooperation

It will be a mandatory condition of the funding agreement that project partners grant these stakeholders immediate access to all training and workplace facilities. Access must be provided upon the presentation of official identification or confirmation that the individuals are on a formal oversight or monitoring mission.

Any obstruction of these verification activities or failure to provide requested documentation during a visit will be viewed as a serious breach of contract, potentially leading to the suspension of funding or project termination.

6. PART V: SUBMISSION AND EVALUATION PROCESS

6.1. Application required documents

- Proposal, Pricing Schedule aligned to the UIF rates,
- Compliance documents (SARS, COIDA, CSD), and the

- Last 3 Years Annual Financial Statements.

Note: (Failure to submit the above documents will render your application being disqualified).

6.2. Closing date

All Applications will be made on line. Hand delivered applications will not be accepted. Applications will close on **27 September 2026 (23:59)**.

6.3. Non Compulsory briefing will be held virtually on 14 September 2026 at 10am to 11:30pm.

6.4. Submission

Electronic submission on:
https://crs.labour.gov.za/sap/bc/ui5_ui5/sap/zcommreg_new/index.html

6.5. Enquiries

Enquiries must be sent to: Ngazise.Ndlovu@labour.gov.za or nqubeko.gumede@labour.gov.za

6.6. Evaluation criteria

Preference will be given to proposals that place beneficiaries into the workplace as employees with immediate effect and demonstrate clear alignment with the District Development Model in sectors critical to economic growth to sustain long term employment. Training interventions will only be supported in so far as they lead to post-training employment absorption.

The adjudication process will consider:

- Commitment and evidence of employment
- Accredited training, where required
- Organisational and Operational capacity of the partners
- Alignment to local, district, provincial, and national economic imperatives
- Own contribution as an added advantage
- Previous performance, where applicable