



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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NATIONAL ASSEMBLY:

QUESTION FOR WRITTEN REPLY:

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Mr M S F de Freitas (DA) to ask the Minister of Tourism:

(a) What mechanisms, processes and procedures are in place in respect of the Tourism Equity Fund, (b)(i) how will successes and failures be monitored and analysed, (ii) how often will this be done and (iii) by whom, (c) what criteria will be used in the prioritisation of applications, (d) what minimal qualifications must applicants to the fund have to qualify and (e) who will administer the fund? NW215E

REPLY:

(a) What mechanisms, processes and procedures are in place in respect of the Tourism Equity Fund.

- The sefa Board approves the investment guidelines of the Tourism Equity Fund based on the agreed Memorandum of Agreement with the Department of Tourism.
- A dedicated portfolio management strategy applies to the ring-fenced funds with regards to funding allocation, accounting, and reporting.
- sefa will report to the Department of Tourism on a quarterly basis on the performance of the fund as well as consolidate the performance and outcomes of the Fund within its annual financial statements and annual report.

(b)(i) How will successes and failures be monitored and analysed.

- The beneficiaries will also receive non-financial support to ensure support
- Approved applicants will be monitored for at least three years after final disbursement.
- Site inspections will be conducted with all the approved applicants at each claim stage before disbursements. A site inspection report will be completed as part of this process.
- Approved applicants are required to participate and a monitoring report will be completed as part of this process.

- Where Development Finance Institutions (DFIs) or other commercial finance institutions form part of funders for projects, the main DFI / commercial funder must submit bi-annual progress report on all beneficiaries projects funded as part of the TEF for the duration of the fund.

(ii) and (iii) Projects will be monitored quarterly by the Department of Tourism and sefa.

(c) What criteria will be used in the prioritisation of applications.

The following are the funding requirements:

- Business Profile
- BBBEE certificate or affidavit
- Company statutory documents
- FICA documents
- Certified ID copies of Directors/Members
- 12 months bank statements
- Latest Annual Financial Statements and Management Accounts not older than three months from date of application (Statement of Financial Performance and Statement of Financial Position) – where applicable
- 5 year Cash Flow Projections (with clear assumptions) – where applicable
- Relevant industry certification – where applicable
- Facility Statements of other funders – where applicable

(d) What minimal qualifications must applicants to the fund have to qualify.

- Be a registered legal entity in South Africa in terms of the Companies Act, 1973 (as amended); Close Corporations Act, 1984 (as amended); and the Cooperatives Act, 2005 (as amended)
- Be 100% owned by South African citizens.
- Be predominantly black-owned (51%).
- Be registered and compliant with the South African Revenue Service.
- Be majority black owner-managed and controlled.
- Operate in the qualifying sectors.

(e) The fund will be administer by the Small Enteprise Financial Agency (sefa)