



**MINISTER
TOURISM
REPUBLIC OF SOUTH AFRICA**

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NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY:

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1395. Ms E Linde (DA) to ask the Minister of Tourism:

With reference to the 24 Tourism Equity Fund (TEF) applications that have reportedly not yet received final written feedback, what (a) is the status of each of the specified applications, (b) are the reasons for the delay in communicating outcomes, (c) is the average turnaround time for TEF applications from submission to final decision and (d) date has been scheduled for written outcomes be communicated to all affected applicants? NW1557E

REPLY

The Tourism Equity Fund (TEF) is implemented by the Small Enterprise Development and Finance Agency (SEDFA) on behalf of the Department of Tourism under a Fund Management Agreement (FMA) and a Service Level Agreement (SLA). In terms of these agreements, SEDFA is responsible for the full processing, assessment, and adjudication of TEF applications in accordance with its internal credit, due diligence, and governance processes.

- (a) Based on SEDFA's Updated Implementation Plan submitted on 28 February 2026, SEDFA has identified 21 advanced-stage pipeline applications, comprising:

- 4 applications awaiting adjudication by the Executive Credit Investment Committee (ECIC);
- 5 applications at Due Diligence – Level 2; and
- 12 applications at Due Diligence – Level 1.

These applications form part of the pipeline that SEDFA has committed to finalise by the end of the first quarter of the 2026/2027 Financial Year.

(b) These were the key events in 2025 regarding the TEF. It is important to note that, as early as 16 August 2024, Minister De Lille called a meeting with the Minister of Small Business Development, following my concerns about SEDFA's slow progress. SEDFA presented a report on the TEF's performance and a catch plan. Between September 2024 and January 2025, the Department of Tourism and I raised concerns about the slow pace of TEF approvals and disbursements and apologised to the sector for the poor performance. In January 2025, the Minister issued an instruction to cancel the Fund Management Agreement and the Service Level Agreement that the Department entered into with SEFA (SEDFA) for the implementation of the TEF. This was intended to mitigate the risk of the TEF failing to meet its objectives due to the slow pace of implementation. On 29 January 2025, the Director-General issued SEDFA with a Notice of Termination of the FMA/SLA and instructed SEDFA to suspend implementation pending review. On 3 February 2025, following discussions with National Treasury, the DG withdrew the termination notice, as further consideration of legally viable options was required. On 14 February – June 2025 – SEDFA was instructed to prepare a close-out report, but some information was withheld on POPIA grounds, which the Minister and the Department disputed. The matter is referred to the State Attorney for a legal opinion.

On 28 July 2025, the DG informed SEDFA that the TEF will be migrated to the PIC and requested finalisation of the close-out report. On 31 October 2025, SEDFA submits an Implementation Plan to process advanced pipeline applications (24 at the time) and commit remaining funds by 31 March 2026.

On 22 December 2025, the Minister requests from SEDFA the full legal status of the TEF arrangements, outstanding beneficiary and pipeline information, an updated Implementation Plan, governance and risk management assurances, and conditions for the possible reinstatement of SEDFA.

Between 19 and 28 February 2026 – The Department requested, received, and reviewed SEDFA's Updated Implementation Plan, which identifies 21 advanced-stage applications and extends the commitment timeline into the first quarter of 2026/27. In March 2026, the Department and SEDFA agreed on an implementation trajectory towards May 2026, further extending the timeframe for finalisation.

- (c) The Department is not involved in the processing of TEF applications and therefore does not have access to SEDFA's internal turnaround-time metrics. The Honourable Member is requested to direct this part of the question to the Minister of Small Business Development, who is responsible for SEDFA.

- (d) Based on SEDFA's Updated Implementation Plan (28 February 2026), SEDFA has committed to finalising the advanced-stage pipeline by the end of the First Quarter of the 2026/27 financial year. As the Department is not involved in SEDFA's communication with applicants, the Honourable Member is requested to direct questions regarding the exact dates for written communication of outcomes to the Minister of Small Business Development.

END