



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

Tourism Calls for Application for its Transformation and Resource Efficiency Funds

01 October 2021

The Department of Tourism calls on eligible enterprises to apply for the Tourism Transformation Fund (TTF), and the Green Tourism Incentive Programme (GTIP) from today, 1 October 2021.

Tourism Transformation Fund (TTF)

The TTF is a dedicated capital investment mechanism that was developed to drive transformation in the sector. It assists small and micro black-owned tourism enterprises to expand and grow, creating a new generation of black-owned tourism enterprises. The programme is implemented and administered by the National Empowerment Fund (NEF) and all applications and approvals are managed by the NEF.

The TTF provides a combination of grant funding from the Department and debt financing or equity contributions from the National Empowerment Fund (NEF) to facilitate capital investment in the tourism sector by prospective black investors. The grant funding portion from the Department is used to reduce the approved loan finance and/or equity contribution by the NEF for tourism projects. The grant component is capped at 50% of the total funding approved by the NEF up to a maximum of R5 million per applicant.

Green Tourism Incentive Programme (GTIP)

The GTIP is a resource efficiency grant funding mechanism that assists private sector tourism enterprises to reduce the cost of investing in energy and water efficient operations, thus enabling them to adhere to responsible tourism practices whilst reducing their cost of operations. The programme is implemented and administered by the Industrial Development Corporation (IDC) on behalf of the Department and all applications and approvals are managed by the IDC.

The GTIP broadly offers the following to qualifying tourism enterprises:

- the full cost for a new resource-efficiency audit or the review of an existing resource efficiency audit; and
- grant funding to qualifying small and micro enterprises on a sliding scale from 50% to 90% of the total cost of implementing an approved water and energy resource efficiency intervention, capped at R1 million.

The TTF and GTIP initiatives are aligned to the objectives of the National Tourism Sector Strategy (NTSS) that elevate inclusive growth and transformation as fundamental drivers of the tourism sector.

As the tourism sector progressively works towards recovery, Minister of Tourism Lindiwe Sisulu believes that there will be a greater demand for new and diverse tourism offerings, especially those that promote conserving our scarce natural resources.

“As we rebuild our sector, we need to be ready to offer tourists a variety of product offerings that showcase our country’s unique natural and historical heritage.”

“Through the implementation of the TTF and the GTIP, we envision creating a sector that is inclusive and sustainable, creating a pathway for new entrants to implement innovative businesses that make tourism thrive. I encourage all enterprises, especially youth and women owned businesses, to apply for both initiatives and contribute to transforming our sector and upholding responsible tourism practices,” said Minister Sisulu.

The Department’s funding initiatives have enjoyed success in supporting enterprises within the tourism sector. Nare Leisure Investment (Pty) Ltd is one of a number of establishments that have

benefited from the TTF. The company has thus far received support to the tune of R11.6 million, with an initial 30% grant funding contribution towards the blended funding sourced from the Department of Tourism through a partnership with the National Empowerment Fund (NEF). The funds were used to build a four-star Boutique Hotel in Kimberley in the Northern Cape Province. The 100% black woman-owned business was able to create 56 temporary jobs during construction, and 16 permanent jobs post construction.

Eligible tourism enterprises are urged to submit fully completed application forms in accordance with the requirements of the TTF and GTIP programmes.

Please note that incomplete applications will not be considered.

Tourism Transformation Fund (TTF)

TTF applicants should submit their application forms and supporting documents directly to the NEF, who will assess applications for commercial viability and TTF eligibility. Information, application forms and guidelines are available on the NEF website at <https://www.nefcorp.co.za/products-services/tourism-transformation-fund/> and enquiries can be directed to tourism@nefcorp.co.za

Green Tourism Incentive Programme (GTIP)

GTIP applicants should submit their application forms and supporting documents directly to the IDC, who will assess the applications. Information, application forms and guidelines are available on the IDC website at <https://www.idc.co.za/green-tourism-incentive-programme/> and enquiries can be directed to gtip@idc.co.za

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