



**MINISTRY OF TOURISM
REPUBLIC OF SOUTH AFRICA**

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MEDIA STATEMENT

02 November 2023

REQUEST FOR PROPOSALS FOR THE TOURISM EQUITY FUND OPENS

The Department of Tourism together with the Small Enterprise Finance Agency (**sefa**), an agency within the Department of Small Business Development (DSBD) is pleased to announce the opening of the application process for the Tourism Equity Fund (TEF) starting from Monday 6 November 2023.

Following the Cabinet's approval in September 2023 for the revised TEF to be implemented, we are delighted to announce that the Request for Proposals for funding from the TEF is now open to businesses.

The R1.2 billion TEF aims to increase growth, and transformation and stimulate more inclusive participation in the tourism sector in line with the targets of the Tourism B-BBEE Sector Codes. The TEF is intended to address the funding challenges faced by Qualifying Small Enterprises and Emerging Micro Enterprises in the tourism sector.

The TEF will be implemented by:

- Assessing and scoring applications against jobs to be sustained and/or jobs to be created, location and geographic spread, and targeted groups (youth, women, and people with disabilities).
- Department of Tourism and **sefa** in partnership with banking and/or financial institutions in the Republic of South Africa, which includes, amongst others, banks and developmental finance institutions that will offer affordable and tailor-made financial solutions, in an attempt to close funding gaps in the market, through the provision of a blended finance solution.
- Disbursing a total of 80% of the TEF funds to existing Small Medium and Micro Enterprises in the market to enable these businesses to grow. The remaining allocation of 20% of the funds will be disbursed to new businesses.

sefa will implement, execute, and manage the Fund through a Fund Management Agreement signed with the Department of Tourism. The Department will support and monitor the implementation of the TEF on a monthly basis.

The TEF places significant emphasis on providing support to tourism enterprises that meet the qualifying criteria, including a minimum of 30% Black ownership either before or after the financial support. The TEF is exclusively dedicated to investing in various sub-sectors within the tourism industry as prescribed in the Tourism B-BBEE Sector Codes.

The Department of Tourism is committed to enhancing transformation in the tourism sector, and the TEF aims to contribute towards achieving transformation goals in this important sector of our economy.

“The funding structure comprises grant funding, and debt financing, to meet the distinct needs of tourism enterprises that are either seeking equity acquisition, investment in new developments, or expansion of their existing businesses,” Minister de Lille said.

The TEF is backed by formidable public-private partnerships, which support the participation of private, commercial, and non-commercial banks, and various developmental funding institutions.

“The collaboration between public and private entities serves as a notable example of successful cooperation in advancing a more inclusive and prosperous tourism sector,” Minister de Lille added.

Minister de Lille concluded: “As stated before, the Department of Tourism remains committed to advancing the transformation agenda through creating equitable opportunities to realise an inclusive and revived tourism economy.”

With consideration of Regulation Gazette No 11067, Volume 697, No 49018 published on 25 July 2023, withdrawing Regulation Gazette No 11241, Volume 668 of 19 February 2021, No 44172, all applicants (including previous applicants) are encouraged to submit new applications that will align with the new qualifying criteria of TEF.

For more information on the Tourism Equity Fund and the application process, please visit the Department of Tourism's website:

https://www.tourism.gov.za/CurrentProjects/Tourism_Equity_Fund/Pages/Tourism_Equity_Fund.aspx

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