



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA



TOURISM RELIEF FUNDING

24 MARCH 2021

GROWING KWAZULU-NATAL TOGETHER



BACKGROUND

- The emergence and spread of coronavirus since February 2020 to date has caused severe and adverse economic impact to the tourism industry in general and to small tourism enterprises in particular. Tourism businesses are heavily dependant on providing services to both international and domestic travellers in order to sustain their businesses. The travel ban imposed by various countries including South Africa to their citizens in an effort to contain the spread of coronavirus implied that such tourism business should cancel travel bookings for their clients, shutdown their business operations for certain duration of time. Cancellation of travel bookings and shutdown of business operations results into loss of revenue and as such, tourism business will be unable to sustain themselves and their employees
- Some of these small businesses are reliant on equity funding and loans from banks and other funding institutions for their start up and continuous operations. They have contractual obligations to repay such funds and loans on monthly basis regardless of whether they have generated revenue during that period or not. The affected tourism business will be unable to honour their loan agreements and eventually land into liquidation and bankruptcy.
- The survival of small tourism business during this trying time can only be achieved through provision of relief funding for the distressed tourism businesses. There is therefore a need for government to intervene in this area in order to save tourism businesses from collapse and job losses.



OBJECTIVES & SCOPE

The objective of the relief fund will be to prevent the small tourism enterprise from complete shutdown and loss of job opportunities as a result of direct impact from coronavirus pandemic.

The tourism enterprises who will be eligible to apply for the relief funding will be those that are providing services and or products to the tourists or travellers in the following tourism subsectors:

- Accommodation: Hotels; Resort properties and Bed and Breakfast (B&B's)
- Hospitality and Related Services: Restaurants (not attached to hotels); Conference (not attached to hotels), Professional catering; Attractions.
- Travel and Related Services: Tour operators; Travel agents; Tourist guides; Car rental companies; and Coach Operators.

The enterprises doing business in the following business focus areas will not be considered for funding:

- Fast food and take away restaurants, nightclubs, bars, gaming and gambling venues,
- Franchised restaurants and those attached to tourism facilities,
- Establishments wholly or partially owned by Government



TERMS & PRIORITY AREAS

The relief funding is a once off grant capped at R50 000 per enterprise – funds will subsidize expenses towards fixed costs, operational costs, supplies and other pressure cost items.

Funding will be prioritised in order to achieve the following transformation and equity targets in line with the terms set out as per the Amended B-BBEE Sector Codes:

- At least 70% of beneficiaries shall be enterprises that are Black owned
- At least 50% of beneficiaries shall be enterprises that are women owned.
- At least 30% of beneficiaries shall be enterprises that are youth owned.
- At least 4% of beneficiaries shall be enterprises that have met a target of at least 2% employment of persons with disabilities



GUIDE TO APPLICATION FOR KZN TRF

GUIDE TO APPLICATIONS FOR KZN TOURISM RELIEF FUNDING

Tourism KwaZulu-Natal in partnership with the Department of Economic Development, Tourism & Environmental Affairs invites application for relief grant funding from tourism small enterprises adversely affected by the impacts of coronavirus pandemic. The funding aims to provide financial relief for distressed tourism small enterprises in order to minimize negative effects of COVID-19 and to assist the small tourism enterprises in maintaining basic level of operational sustainability during and post the pandemic.

Eligible Tourism Enterprises

Tourism enterprises doing business activities in the following sectors and sub-sectors are eligible to apply for the relief grant funding:

- Accommodation: hotels; resort properties: Bed and Breakfasts (B&B's); and lodges.
- Hospitality and Related Services: restaurants (not attached to hotels); conference venues (not attached to hotels), professional catering; attractions.
- Travel and Related Services: tour operators; travel agents; tourist guides; car rental companies; and coach operators.



QUALIFYING CRITERIA

Qualifying Criteria

The interested enterprise must ensure that they meet the following elements of the criterion in order to qualify for relief funding. This criterion does not apply to tourist's guides:

- An enterprise must be a tourism-specific establishment that has been in existence for at least one business financial year, operating within the province of KwaZulu-Natal.
- An enterprise must be officially registered with relevant business registration authority (Companies and Intellectual Property Commission (CIPC))
- An enterprise must also be registered or in the progress of registration with Provincial Department of Economic Development, Tourism & Environmental Affairs (EDTEA).
- An enterprise must be generating a turnover not exceed R2.5 million per business financial year.
- An enterprise must be compliant with all tax regulations and in possession of a valid tax clearance certificate.



QUALIFYING CRITERIA

- An enterprise must be compliant with the requirements of National Minimum Wage.
- An enterprise must be in possession of BEE Certificate at level 1, 2, or 3 of the BBEE Codes.
- An enterprise must be able to demonstrate that it has been directly affected by the impact of COVID-19.



TERMS AND PRIORITIES

Terms and Priorities

Funding will be prioritised in order to achieve the following transformation and equity targets in line with the terms set out as per the Amended B-BBEE Sector Codes:

- At least 70% of beneficiaries shall be enterprises that are Black owned.
- At least 50% of beneficiaries shall be enterprises that are women owned.
- At least 30% of beneficiaries shall be enterprises that are youth owned.
- At least 4% of beneficiaries shall be enterprises that have met a target of at least 2% employment of persons with disabilities

NB: Priority will be given to enterprises that could not benefit from any of the available government funding schemes for Covid-19



APPLICATION PROCESS

The applications received from the eligible tourism enterprises will undergo the following process and activities:

1	Submission of applications	Handling and responding to enquires
		Receipt and verification of applications
2	Screening & evaluation applications	Screening & selection of qualifying applications
		Independent assessment of applications
		Recommendations for approval & approval of funding
3	Awarding & disbursement of funding	Issue written notifications to qualifying applicants/enterprises
		Administer and effect payments to qualifying enterprises



REQUIREMENTS

The submitted online applications for relief funding must be accompanied by the following compulsory supporting documents. These requirements do not apply to tourist's guides:

- Completed online application form
- Business Profile – 2(5)-page max
- Copy of business registration certificate issued by CIPC and proof that the enterprise is registered or in the process of business registration with EDTEA.
- Certified ID copies of directors/members
- Valid copy of Tax Clearance Certificate
- Certificate of B- BBEE or Affidavit
- Relevant industry certification – depending on business focus area
- Six (6) months' bank statements
- Latest Annual Financial Statements (Income, Cash flow Statements and Statement of Financial Position)
- Indicate the intended use of the resources – budget breakdown
- Grading certificate or proof of application to be graded, in case of accommodation establishments.

The copies of supporting documents must be scanned in pdf and uploaded online against the application form



TOURIST GUIDES

- **Tourists Guides**
- In the case of tourist's guides interested in applying for the KZN tourism relief fund, a separate criteria and requirements will be used as setout hereunder.
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- The interested tourist guides must ensure that they meet the following elements of the criterion in order to qualify for relief funding
- :
- Be a registered as tourist's guide with the provincial Department of Economic Development, Tourism and Environmental Affairs (EDTEA).
- Be a tax payer in good standing with valid tax compliance certificate before the grant is disbursed.
- In business for one year or more and have not benefited from the government Relief Fund
- Proof that the relief is required as a result of the impact of COVID-19.
- Motivation how lockdown regulations brought about hardship and distress in the business.
- Not benefitted from the national tourism relief fund for tourist guides.
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- The submitted online applications for tourist's guides must be accompanied by the following compulsory supporting documents:
- Completed online application form
- Copy of registration as tourist's guide.
- Certified ID copy
- Valid copy of Tax Compliance Certificate
 - Written motivation of how Covid-19 regulations brought about hardship and distress.



GRANT AMOUNT ALLOCATION

Grant Amount

- The once off grant amount for tourism enterprises shall be capped at **R50 000** per applicant, while the grant amount for tourists' guides shall be capped at **R4 500** per applicant.
- **General Information**
- All applications should be done online and accessible through the website: www.zulu.org.za .
- For enquiries, contact the Helpdesk: kzntourismrelief@zulu.org.za or 0800. The helpdesk shall be opened effective from the **1st March 2021** for enquiries.
- NB: The online system of applications shall be opened on **15 March 2021** and shall be closed on **15 April 2021**. No late applications shall be accepted beyond this date.
- Applications that do not meet the above criteria and requirements will be disqualified. The Department & TKZN reserves the right not to grant funding.



PROCESS OF ACCESSING AND DISBURSING

The application for the relief funding will be submitted by the affected tourism enterprises to TKZN together with the supporting documents indicated above. Applications will be submitted to dedicated department and officials within TKZN.

Application forms must be submitted with the following pre-qualifying/compulsory documents:

- Complete application form,
- Registration certificate issued by CIPC,
- Certified ID copies of Directors/members
- Six (6) months' bank statements,
- Latest Annual financial statements – Income, Cash flow statements and statement of financial position.
- Business profile – 2(5)-page max;
- Relevant industry certification – depending on business focus area,
- Indicate the intended use of the resources – budget breakdown (to be adhered to in the expenditure)
- Grading certificate or proof of application to be graded.
- Certificate of B- BBEE or Affidavit
- Tax clearance certificate,
- Medical certificate for people with Disability where applicable



PROCESS OF ACCESSING AND DISBURSING Conti...

The submitted applications will be subjected to evaluation process by the independent assessor appointed by TKZN for the purpose of confirmation and verification of information provided.

The outcome of the independent assessment/evaluation will be presented to the Screening Committee established and composed by the representatives of Provincial Department of Economic Development, Tourism and Environmental Affairs as well as Tourism KwaZulu-Natal.

The Screening Committee will make final recommendations taking into consideration the set requirements of the relief fund and the outcomes of the independent business assessor.

The final recommendation by the Screening Committee shall be subjected to approval process by the Accounting Officer of TKZN.

The letter confirming the approval of relief funding will be sent to the applicant to confirm such approval, the amount approved and the date on which funding will be disbursed to the applicant enterprise.

Once the relief funds are disbursed, the recipient enterprise shall have an obligation to provide documented proof and/or records of whether such funds were used for the intended purpose. This documentation shall further be assessed and confirmed by the independent assessor who will then provide close out report together with findings on whether funds were used for the intended purpose.



Proposed KZN Provincial Tourism Relief Fund Oversight Committee Meeting

AIM

The aim of establishing the Oversight Committee is to oversee the effective implementation, provide leadership and support on the overall rollout and processes of the KZN Provincial Tourism Relief Fund and monitor the progress thereof.

OBJECTIVES

- The Oversight Committee shall be expected to advance the following objectives:
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- To Provide a strategic leadership and guidance on the overall implementation of the KZN Provincial Tourism Fund
- To ensure proper implementation of the tourism fund and whilst taking into consideration issues of geographical spread
- To ensure effectiveness; transparency and accountability of the screening committee,
- To ensure consultation with relevant tourism stakeholders within the province and other affected stakeholders.



PROPOSED COMPOSITION OF MEMBERS

- The Oversight Committee shall be constituted by the following stakeholders:
- Department of Economic Development, Tourism and Environmental affairs
- **(Championing Department-)** (Four members
- Tourism KwaZulu Natal (Four members)
- Trade and Investment KZN (One members)



PROPOSED DUTIES AND RESPONSIBILITIES

- **DUTIES AND RESPONSIBILITIES**

The committee will be expected to execute the following responsibilities:

- Provide a strategic leadership and guidance on the overall implementation of the KZN Provincial Tourism Relief Fund
- Consider and approve the Action Plan for implementation.
- Review the outcomes of the applications that have been assessed, recommended for funding and endorse for approval
- Establish and maintain open and clear communication with the tourism sector on the fund status.
- Analyse reports provided and confer appropriate recommendations where necessary.
- Establish a compulsory regular meeting schedule and abide by it
- Ensure that the rollout of the fund is completed within the specified and stipulated timeframe.
- Monitor all activities related to the KZN Provincial Tourism Relief Fund initiated as part of the Action plan.
- Monitor, evaluate and approve the quality of services rendered by the service provider appointed and report to the HOD and MEC the accordingly.

THANK YOU

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