



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

FUNDING POLICY MANUAL

DEPARTMENT OF ECONOMIC DEVELOPMENT, AGRICULTURE AND TOURISM

CHIEF DIRECTORATE: TOURISM

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Support programmes for tourism. **Annexure A**

Tourism Help Desk contact list. **Annexure B**

1. **BACKGROUND**

The Business Plan for Tourism in the Western Cape identifies three broad areas of functionality in the tourism industry. These are:

- a) **Tourism Marketing** – the marketing of the Western Cape as a sustainable tourism destination. The enhancement of tourism traffic by means of sustained selling of the destination.
- b) **Tourism Regulation** – regulatory framework and concomitant legislation governing the industry to ensure fair and predictable business practices, acceptable levels of service standards and consumer protection.
- c) **Tourism Development** – the development of support mechanisms to create an enabling environment to promote growth in the tourism industry, broaden the ownership base and distribute tourist traffic within the regulatory framework.

Marketing has been contracted out to an agency whilst the department is concerned with tourism development and regulation.

The tourism industry in the Western Cape is largely controlled by a few operators and the benefits of tourist traffic are not adequately spread to the communities of the Western Cape. The ownership base of the industry is still the hands of a few and thus the efforts of the department are focused on ways to expand this base. Furthermore, whilst tourism is a demand-driven industry, the role of government is to assemble the correct infrastructure so that the industry can grow. To this end, the Department has engaged in a number of initiatives to broaden the ownership base of the industries, to develop the infrastructure required for the growth of the industry and to ensure that the benefits of the industry are spread to communities across the province.

It is with this in mind that the Department offers you, the beneficiary, this funding policy document. This is your guide as to how to make government work for you

2. AIMS

2.1 The aims of this funding programme are the following

2.1.1 Develop the necessary infrastructure to ensure the growth of the industry.

2.1.2 To fund projects and programmes which lead to job creation.

2.1.3 To act as a catalyst to ensure that the benefits of the industry are widely spread.

2.1.4 To ensure that rural and marginalised communities benefit from the tourism product.

2.1.5 To encourage sustainability, creativity, entrepreneurship and self – reliance on the part of beneficiaries.

2.1.6 To create independent entrepreneurs in the economic mainstream.

2.1.7 To develop linkages with secondary industries which affect tourism, such as, culture, environment, sport, public transport and roads.

2.1.8 To provide the necessary training required for growth of the industry.

3. ELIGIBILITY

3.1 The following entities are eligible to apply for funding:

3.1.1 Section 21 companies

3.1.2 Community-based organisations (CBOs)

3.1.3 Non-governmental organisations (NGO's)

3.1.4 Local authorities including the Unicity district councils and local municipalities.

- 3.1.5 Pty. Ltd. Companies, small and/or medium-sized entrepreneurial businesses involved in capacity building for community projects
- 3.1.6 Individuals in the category of bursary funds.

4. **TYPES OF FUNDING**

4.1 **Project Funding from the budget of the Chief Directorate: tourism**

The procedure for applying for project funding forms the basis of this manual.

4.2 **Poverty Relief Funding (Run by the National Government via the provincial department).**

The procedure for applying for National Poverty Relief Funding is indicated in the handbook: ***Support Programmes for Tourism Businesses*** issued by the Department of Environmental Affairs and Tourism and the Department of Trade and Industry is attached as **Annexure A**.

Poverty Relief application forms are available on the Internet at www.thelapa.com.

However it is important for applicants to inform the provincial department projects for which they are applying, as the department is required to prioritise the provincial list for national approval. Applicants are advised to consult the department on the completion of the application forms.

4.3 **Defined statutory obligations**

The Western Cape Tourism Board receives grant funding on an annual basis. The details of the funding are available in the departmental White book.

4.4 **Tourism Help Desk Funding. THD's**

The department is setting up a number of tourism help desks in various areas of the province in partnership with local government. The THD's will filter micro projects, which can be funded by the department. Please enquire at a THD close to you if there are projects which merit support.

A list of THD agents is attached as **Annexure B**.

4.5 Bursaries

The department is currently running a pilot bursary scheme in partnership with the Cape Technikon. The fund is administered by the Cape Technikon on behalf of the Department. Four bursaries in the tourism and hospitality industry are available per annum. These bursaries cover full tuition and related costs. Details are available from the Cape Technikon.

5. QUALIFICATION CRITERIA

Entities who wish to qualify for funding have to meet the following criteria:

- 5.1 They must demonstrate a capacity to manage the funds effectively via the submission of the latest audited financial statements of their organisation.
- 5.2 They must demonstrate a need for viable development funding in their proposal.
- 5.3 They should be a going concern, wishing to expand their base in the industry.
- 5.4 They must be prepared to publicly acknowledge the department's support for the projects.
- 5.5 They need to be prepared to enter into contracted arrangements with the department.
- 5.6 They have to submit an annual report prepared by their board and/ or CEO.
- 5.7 They must have to effectively use all previous funding payments received from the department.
- 5.8 They must be prepared to submit a business plan, a cash flow and any feasibility studies concerning the project and/ or their business to the department.

- 5.9 They must demonstrate a clear bias towards black economic empowerment, rural development and job creation.
- 5.10 Their activities must be clearly within the priority areas as defined by the departments integrated tourism development framework.
- 5.11 They must agree to undertake training (if deemed necessary) before the project is funded to boost capacity.

6. TYPES OF ACTIVITIES TO BE FUNDED (WITHIN THE CONSTRAINTS OF THE BUDGET)

6.1 The following activities may be funded by the Department:

- 6.1.1 Training (e.g. tour guides, customer care, small business development, product development, skills development)
- 6.1.2 Infrastructure directly linked to tourism sites (e.g. buildings, roads, road signage, landscaping)
- 6.1.3 Conferences aimed specifically at development issues in tourism.
- 6.1.4 Development of tourist routes.
- 6.1.5 Exhibitions aimed at exposing SMME's to the market.
- 6.1.6 Craft development in association with the Cape Craft and Design Institute, the CSIR or other agencies recognised by the department.
- 6.1.7 Tourist information centres
- 6.1.8 Literature related to small business development.
- 6.1.9 Signage

6.1.10 Feasibility studies

6.1.11 Development frameworks

6.1.12 Administrative Infrastructure

6.1.13 Mentorship

7. EXCLUSIONS

7.1 Funding is not available to:

7.1.1 Entities who have not properly utilised previous funding of the department

7.1.2 Pay bonuses and salaries.

7.1.3 Cover retrospective costs incurred by an entity.

7.1.4 Fund events, except for events which focus on creating opportunities for historically disadvantaged communities and SMME's.

7.1.5 Cover more than 10% of costs incurred by implementing agents.

7.2 The department further reserves the right to:

7.2.1 Monitor and evaluate all entities which receive funding.

7.2.2 Withdraw its funding or part thereof if there is a breach of contract on the part of the beneficiary.

7.2.3 Send Departmental representatives to all projects receiving financial support.

8. Application Procedure

- 8.1 Applications must be made on the prescribed forms that are obtainable from the Department for this purpose (copies are attached to this document).
- 8.2 Applications for any particular year close on 31 July of that year.
- 8.3 Applications will be assessed and evaluated in August and September of any particular year.
- 8.4 Grants will be announced by October of that year.
- 8.5 A full proposal together with a cash flow statement for the project must accompany the application. Successful applicants will be asked to develop a full business plan based on this proposal
- 8.6 The full names and addresses of all board members and that of the chief executive officer must accompany the application.
- 8.7 Grants-in-aid may only be utilised according to an approved budget submitted to the department.
- 8.8 If it should appear that one or more conditions have not been met, the Department reserves the right to withdraw the funding or alter the amounts awarded.
- 8.9 The Department reserves the right to have assessments carried out by an authorised person where a project is being supported with the financial assistance of the Department.
- 8.10 A Memorandum of Agreement must be entered into between the Department and the beneficiary.

- 8.11 An audited financial statement must be submitted to the Department within three months of the closure of the financial year for which a grant-in-aid has been made.
- 8.12 All financial reports must be audited by an independent, qualified auditor registered with the South African Institute of Chartered Accounts.
- 8.13 Progress reports on the project must be submitted once a quarter.

9. APPLICATION FORM

(PLEASE ATTACH A FULL MOTIVATION/COVERING LETTER)

9.1 NAME OF PROJECT _____

9.2 CATEGORY OF APPLICATION _____

9.3 NAME AND CONTACT DETAILS OF ACCOUNTING OFFICER

(Attach full list of board members and latest audited financial statements)

9.4 CATEGORY (e.g. training or infrastructure)

9.5 BRIEF PROJECT DESCRIPTION
(Please attach full business plan)

9.6 GEOGRAPHICAL LOCATION OF PROJECT

9.7 PHYSICAL ADDRESS

Code. _____

9.8 BUSINESS REGISTRATION NUMBER IF ANY.

9.9 PROJECTED BUDGET

Projected Income	Projected Expenditure
	(Please state ALL sources of funding)

(Attach a full budget separately and indicate, which other entities have been approached for funding.)

9.10 Have you been funded before? If yes for which projects and by what amount?

9.11 Number of jobs to be created by project

9.12 Annual turnover in rands per annum.

9.13 Any other comments.

9.14 DEMOGRAPHIC STATISTICS

	Male	Female	Male	Female
	Black*	Black*	White	White
Owner or Directors				
Management				
Employees				

(All citizens who would not have had the franchise before 1994 can be included in this category).

Please ensure that you have the following:

- Full motivation or covering letter
- Complete proposal
- Complete list of board members
- Fully audited financial statements
- Projected budget and cash flow

10. CONCLUSION:

Tourism development should be government led, private sector driven and community based. It is via our commitment to project funding that we hope to make a difference. This policy attempts to ensure that the benefits of the tourism industry are widely spread, acutely felt and enhance the quality of life of the inhabitants of the Western Cape.

Please feel free to contact the department on (021) 483-4165 for further information.

11 BIBLIOGRAPHY

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2. Funding Policy – Western Cape Department of Sport and Recreation, Cape Town RSA, 1996.
3. Funding Policy – Department of Sport and Recreation, First Edition in 1996, South Africa.
4. Adhoc funding: conditions and criteria. Western Cape Cultural Commission.
5. Start your own business work pack, Department of Environmental Affairs and Tourism, Business Promotion and Tourism Branch.
6. Integrated Strategies to support Small business development: Turbo Changing Service Delivery (DTI 2002)
7. Integrated Tourism Development Framework for the Western Cape, Department of Economic Development and Tourism.

TOURISM HELP DESK AGENTS

Annexure B

Name	Surname	Organisation	Telephone	Fax No	Cellphone	Email
Esmaralda	Abrahams	South Cape Kannaland Region	(044) 272 7324	(044) 272 7324	083 542 4624	synvln@mweb.co.za
Glenda	Appies	West Coast	(022) 715 1000	(022) 715 1000	083 691 0929	gca@worldonline.co.za
Debbie	Bruce	South Cape Business Centre	(044) 873 3431	(044) 873 3433	082 335 5113	scbcb@mweb.co.za
Laurel	Cadle	Paarl RDP Forum	(021) 862 2889	(021) 862 2888	072 388 6020	drakensteinrdp@lando.co.za
Matthew	Cyster	Pniel	(021) 885 1094	(021) 885 2893	083 317 5753	NA
Mlungisi David	Douse	South Cape Kannaland Region	(044) 279 2072	(044) 279 2424	072 388 6020	wicomb@hotmail.com
Lorraine	Frost	Cape Metropolitan Tourism	(021) 487 2797	(021) 487 2977	083 677 5765	lfrost@spm.org.za
Hazel	Hippolyte	Franschoek Information Centre	(021) 876 3603	(021) 876 2768	NA	info@franschoek.org.za
Gerrit	Jonas	Central Karoo	(023) 415 3091	(023) 415 3091	072 214 6559	home@minds.co.za
Stefanus	Jooste	Karoo National Park	(023) 415 1160	(023) 415 2253	082 823 7509	joostes@intertext.co.za
Liesel	Lund	Hangklip / Kleinmond Tourism Bureau	(028) 271 5657	(028) 271 4742	082 660 5333	info@hangklip-kleinmondtourism.co.za
Themba	Mgobozi	N/A	(021) 364 3031	021-364 9660/360 1103	073 168 6269	NA
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Amos	Post	Central Karoo	(023) 415 2252	(023) 415 3091	NA	karoodm@intertext.co.za
Marina	Scheffers	ATD Tourism Services	(021) 919 4004	(021) 919 4004	083 336 0342	marishea@hotmail.com
Maureen	Wicomb	South Cape Kannaland Region	(044) 279 2072	(044) 279 2424		wicomb@hotmail.com
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