

Transformation fund to assist Black tourism businesses

The Department of Tourism is calling on all Black-owned tourism enterprises to apply for the Tourism Transformation Fund (TTF).



Source: ©Alistair Cotton via [123RF](#)

The department, together with the National Empower Fund (NEF), aims to provide a financial boost to these enterprises through the fund.

“The TTF aims to drive transformation in the tourism sector in a more direct and impactful manner that will not only assist Black-owned tourism enterprises to expand and grow, but also to catalyse the rise of a new generation of black-owned tourism enterprises to propel the tourism sector to greater heights.

“The TTF provides a combination of grant funding, debt financing and equity contributions to facilitate capital investment in the tourism sector by Black entrepreneurs. The grant funding portion is used to reduce the approved loan finance and/or equity contribution by the NEF, where commercial viability of the tourism project has been established,” the department said.

The fund will also provide post-investment support to enterprises through the NEF and the department.

New and existing **Black-owned enterprises are eligible for funding if they satisfy the following requirements:**

- The enterprise must provide services to tourists as its direct clients.
- The project must have proven commercial viability and sustainability, as per the NEF funding criteria and due diligence.
- The enterprise must be majority (51%) Black-owned.
- The enterprise must be Black management controlled.
- Shareholders must be operationally involved in the business.
- The enterprise must be registered as a legal entity in South Africa in terms of South African law.
- The enterprise must either be a Black-owned Exempted Micro Enterprise (EME) or black-owned Qualifying Small Enterprise (QSE), in terms of the Amended Tourism Broad-Based Black Economic Empowerment (B-BBEE) Sector Code.

“The department’s grant contribution for approved applications is limited to 50% of the total loan finance and/or equity contribution approved by the NEF and is capped at a maximum of R5m per beneficiary.

“Co-financing tourism transactions between the NEF and/or other accredited Development Finance Institutions are allowed under the fund. Any such arrangement needs to be agreed to by the NEF,” the department said.

Applications can be accessed at www.nefcorp.co.za and can be submitted at NEF offices at West Block, 187 Rivonia Road, Morningside, 2057 or email to tourism@nefcorp.co.za.

For more, visit: <https://www.bizcommunity.com>