

THE GREEN TOURISM INCENTIVE PROGRAMME

AN INITIATIVE BY




tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

IN PARTNERSHIP WITH



Industrial Development Corporation



PROMOTING ENERGY EFFICIENCY IN THE TOURISM INDUSTRY

The National Department of Tourism has established a R142.5 million Green Tourism Incentive Programme (GTIP) over a three-year period (FY 2017/18 to FY 2019/20), with a key objective of encouraging privately-owned tourism enterprises to move towards cleaner and renewable energy sources.

The programme is managed by the Industrial Development Corporation (IDC).

GTIP provides grant funding of up to R1 million to qualifying small and micro tourism enterprises to reduce their energy costs.



ENERGY 
SOLUTIONS
SUPPORTED

Focus is on renewable energy generation and efficiency solutions, including:

- Renewable energy generating systems (solar and wind where appropriate);
- Water-heating equipment (solar-based water heaters and heat pumps);
- Lighting (solar and LED); and
- Other (gas stoves, solar cookers, energy-efficiency devices, etc.).

In addition, the National Cleaner Production Centre of South Africa (NCPC-SA) will conduct energy-efficiency audits to determine the best possible solutions to be implemented. NCPC-SA will also review existing energy audits.



PROGRAMME



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- The programme covers 90% of the cost for a new energy-efficiency audit as well as the full cost for reviewing an existing audit.
 - The programme offers grant funding on a sliding scale from 30% to 90% - capped at R1 million.



APPROACH



- The balance is to be covered by the applicant (either through own resources or from other reputable funding institutions including the IDC and sefa, a wholly-owned subsidiary of the IDC).
- Grant funding will be paid directly to service providers.



ELIGIBILITY CRITERIA



TO BE ELIGIBLE FOR GRANT FUNDING, ALL APPLICANTS SHOULD MEET THE FOLLOWING CRITERIA:

- Be an existing or a new privately-owned tourism-specific establishment (accommodation, facilities and attractions) that provides services to tourists as its direct clients. Suppliers and intermediaries are not eligible;
- In the case of accommodation and conference venues, an official star grading by the Tourism Grading Council of South Africa is required;
- Be an Exempt Micro Enterprise or a Qualifying Small Enterprises in line with the size categorisation of the Tourism Broad-Based Black Economic Empowerment Scorecard (obtainable at www.tourism.gov.za) as follows:

ENTERPRISE SIZE CATEGORY

Exempt Micro Enterprises
(EMEs)

Qualifying Small Enterprises
(QSEs)

ANNUAL TURNOVER

Total annual revenue below
R5 million

Total annual revenue between
R5 million and R45 million

- Must commit to an energy-efficiency audit or review of an existing audit by NCPC-SA; and
- Must be able to fund the balance of the total funding required, which should be injected first unless such funding has been secured from a reputable financial institution.

All applicants who pass the eligibility assessment will be required to submit FICA documentation (including a valid tax clearance certificate, proof of identity and physical address for shareholders or members and company representatives).

QUALIFYING CRITERIA

The extent of the grant is determined using a weighted scoring matrix against three key aspects, with emphasis on the energy-saving and transformation aspects as the main focus of the programme.



INDICATOR

Impact on energy saving

Transformation
and ownership

Financial strength and size
of the enterprise

SCORING METHODOLOGY

Enterprises with high-projected energy savings (above 80%) in relation to the baseline consumption achieve the highest score, with scores progressively decreasing as the percentage projected energy savings decrease.

Enterprises with high levels of compliance against the Tourism B-BBEE Scorecard (Level 1) achieve the highest score, with scores progressively decreasing as levels of compliance decrease.

Enterprises with lower annual turnover (below R5 million) achieve a higher score, with a lower score given for higher turnover (between R5 million and R45 million).

All applicants who pass the eligibility assessment will therefore be required to submit supporting documentation such as audited/certified annual financial statements and management accounts (not older than three months) and a B-BBEE certificate or sworn affidavit (if exempted micro enterprises), where applicable.

Additional information and/or documentation will be required where necessary.

CONDITIONS OF THE GRANT

QUALIFYING APPLICANTS WILL BE REQUIRED TO MEET THESE CONDITIONS:

- Provide proof that funding of the balance has been secured, within six months from date of approval of grant funding;
- Commit to a set minimum energy-saving requirement, based on the recommendations of the energy-efficiency audit or review conducted by the NCPC-SA;
- Fully utilise the balance of the funding from other sources before the approved grant funding can be disbursed – unless if such funding has been secured from a reputable financial institution. Invoices need to be submitted to the IDC as proof of utilisation of funds; and
- Only use service providers who meet the programme's requirements in terms of promoting localisation, job creation and enterprise development.

SERVICE PROVIDERS /INSTALLERS

In addition to encouraging tourism enterprises to move towards cleaner and renewable energy sources, the programme also seeks to promote localisation, enterprise development and transformation.

Successful applicants are therefore required to utilise service providers that meet the following minimum criteria:

- Be a registered entity.
- Be tax compliant.
- Be a small enterprise, defined as follows:
 - Be an independently owned and operated company with an annual turnover not exceeding R50 million.
- Have a minimum of Level 4 B-BBEE compliance.
- Be located in the province of the applicant. Where not possible, be in a neighbouring province.
- Be suitably qualified to perform the work required, with a minimum of two years of experience and at least three satisfactory references.
- Utilise locally manufactured products/components to the greatest extent possible, with an exception of such products/components that cannot be manufactured locally.
- Utilise SABS-certified products/components.
- Offer adequate insurance and guarantees or warranties or certification for work performed.
- Be accredited by a relevant statutory body to perform the work required.
- Conduct work in accordance with the NCPC-SA resource-efficiency recommendations.

Additional requirements may be enforced based on the complexity of work to be performed.



TOURISM ESTABLISHMENT

Supporting Documentation Required
Pre eligibility assessment:

1. Business registration documents
2. Valid tax clearance certificate
3. Star-grading certificate (where applicable)

Post eligibility assessment:

1. Three years' audited/certified annual financial statements and management accounts (not older than three months), where applicable
2. B-BBEE certificate
3. FICA documentation

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FUNDING OF BALANCE

Client to fund balance either from :

1. Own funds
2. Reputable financial institution (including IDC and sefa). Subject to the institutions' terms and processes

APPLICATION PROCESS

1 SUBMITS APPLICATION TO IDC

ELIGIBILITY ASSESSMENT (IDC)

2 ELIGIBILITY OUTCOME COMMUNICATED TO APPLICANT AND ADDITIONAL INFORMATION REQUESTED, WHERE APPLICABLE

6 OUTCOME COMMUNICATED TO APPLICANT



5 IDC MAKES FUNDING RECOMMENDATION

FUNDING DECISION (ADJUDICATION PANEL)

3 SUBMIT REQUEST FOR ENERGY-EFFICIENCY AUDIT OR REVIEW TO NCPC-SA

ENERGY-EFFICIENCY AUDIT (NCPC)

To be included in report:

1. Proposed solutions
2. Cost of the solution/s
3. Expected energy savings



4 SUBMIT AUDIT REPORT TO IDC

QUALIFYING ASSESSMENT (IDC)

Extent of the grant based on three weighted aspects:

1. Impact on energy saving
2. Transformation and ownership
3. Financial strength and size of enterprise

Grant will be proportional and capped at a maximum of R1m per application.



APPLYING FOR FUNDING

An application form is obtainable on the IDC website at www.idc.co.za

To apply for funding, applicants are required to follow the instructions below:

- Download, complete and submit the application form in soft copy (original Excel format) to gtip@idc.co.za; and
- The application form, including annexure A (shareholding and employment details), must be completed in full, accompanied by relevant supporting documents as provided in the application form.

Note: Incomplete applications will not be considered for funding.

All applications for funding and enquiries should be sent to: gtip@idc.co.za

Programme Manager contact details:

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Tel: +27 11 269 3086

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Related links:

www.tourism.gov.za

www.ncpc.co.za

www.sefa.org.za

www.tourismgrading.co.za

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