

# THE GREEN TOURISM INCENTIVE PROGRAMME

AN INITIATIVE OF



tourism

Department:  
Tourism  
REPUBLIC OF SOUTH AFRICA

IN PARTNERSHIP WITH



Industrial Development Corporation




## PROMOTING RESOURCE EFFICIENCIES IN THE **TOURISM INDUSTRY**

The Department of Tourism established the Green Tourism Incentive Programme ("GTIP") with a key objective of encouraging and assisting privately-owned tourism enterprises to adopt responsible tourism practices through installing solutions for the sustainable management and usage of electricity and water resources.

The GTIP was launched in 2017 and reviewed in 2020 resulting in additional benefits to the tourism sector for the installation of solutions for the sustainable management and usage of electricity and water. The GTIP provides grant funding of up to R1 million to qualifying small and micro tourism enterprises for the installation of solutions to reduce their energy and water consumption and costs.

The GTIP is an initiative of the Department of Tourism and is managed by the Industrial Development Corporation (IDC) on behalf of the Department.



# SOLUTIONS SUPPORTED



## **Focus is on sustainable energy and water efficiency solutions, including:**

- Renewable energy generating systems (solar and wind where appropriate);
- Energy and water efficient equipment (including solar-based water heaters, heat pumps and Heating, Ventilation and Air Conditioning (HVAC) systems;
- Lighting (solar & LED);
- Online metering, sub-metering devices and the related subscription fees;
- Energy and water efficient appliances (washing machines and dishwashers, where warranted);
- Water efficiency systems (dual flush toilets systems; urinals; shower heads; aerated taps);
- Water sourcing systems (rainwater harvesting and greywater recycling);
- Development and implementation of resource management policies (including linen and towel reuse, and guest and staff awareness programmes); and
- Other efficient solutions (gas stoves, solar cookers, pool pumps, efficiency devices, etc.)

**Boreholes and desalination plants are excluded.**



# PROGRAMME APPROACH

GTIP

- The GTIP covers 100% of the cost for either a new resource efficiency audit or the cost of reviewing an existing audit
- The GTIP will appoint an assessor from its approved panel to conduct resource efficiency audits to determine the best possible solutions to be implemented. The assessor will also review existing audits where applicable.
- The GTIP offers grant funding on a sliding scale from 50% to 90% of the total cost of the approved energy and water efficiency solutions up to a capped amount of R1 million.
- The balance is to be covered by the applicant (either through own resources or from other reputable funding institutions including the IDC)
- The grant will not cover the VAT portion for VAT registered enterprises; this will be covered by the applicants as they may claim it back
- The GTIP will cover the VAT portion for non-VAT registered enterprises; in the event of the enterprise registering for VAT and claiming such costs related to the project, the enterprise will be expected to pay back the VAT portion to the GTIP
- The Grant funding will be paid directly to service providers/installers.

**The application process has two phases:**

**Phase 1:** Energy and water efficiency audit and identification of appropriate solutions.

**Phase 2:** Application for funding to implement solutions.





# PHASE 1

Energy and water  
efficiency audit and  
identification of an  
appropriate solution





# ELIGIBILITY CRITERIA:

## APPLICATION FOR ENERGY AND WATER EFFICIENCY AUDIT

- Be an existing or a new privately-owned tourism-specific establishment (accommodation, facilities and attractions) that provide services to tourists as its direct clients. Suppliers and intermediaries are not eligible;
- New establishments to be at least at advanced stages of development where delay and completion risk is minimal (minimum requirements include a detailed business plan that is fully funded, an implementation plan – completion date of the projects should not be longer than 9 months from the date of applying for funding, approved building plans and relevant clearance certificates may be required, where applicable);
- Be an Exempt Micro Enterprise or a Qualifying Small Enterprises in line with the size categorization of the Tourism Broad-Based Black Economic Empowerment Scorecard (obtainable at [www.tourism.gov.za](http://www.tourism.gov.za)) as follows:

Enterprise size category	Annual turnover
Exempt Micro Enterprises (EMEs)	Total annual revenue below R5 million
Qualifying Small Enterprises (QSEs)	Total annual revenue between R5 million and R45 million

- Must commit to a resource efficiency audit or review of an existing audit by an assessor appointed by the GTIP;
- Must provide 12 months historic energy and/or water consumption data (in the form of utility bills) and occupancy records for the purposes of conducting the resource efficiency audit;
- Must commit to obtaining quotations from at least three potential service providers/installers that meet the requirements of the GTIP for the identified energy and water efficiency solutions identified during the audit process;
- All applicants are required to complete an application form with the required documentation (including business registration documents; valid tax compliance PIN and latest audited or reviewed annual financial statements) in order to be allocated an assessor who will conduct an energy and water efficiency audit.

# PHASE 2

Application for funding  
to implement solution



# QUALIFYING CRITERIA

## APPLICATION FOR FUNDING

**Eligible applicants (having completed Phase 1) are required to demonstrate economic viability to be considered for funding.**

The extent of the grant support will be determined using a weighted scoring matrix against three key aspects, with emphasis on the energy and water savings, and transformation aspects as the main focus of the programme:

Indicator	Scoring methodology
<b>Impact of proposed resource efficiency solution/s (extent of savings)</b>	Enterprises with high projected energy and/or water savings (above 80%) in relation to the baseline consumption achieves the highest score, with scores progressively decreasing as the percentage projected savings decrease.
<b>Transformation and ownership</b>	Enterprises with high levels of compliance against the Tourism B-BBEE Scorecard (Level 1) achieves the highest score, with scores progressively decreasing as levels of compliance decrease.
<b>Size of the enterprise</b>	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).

## REQUIREMENTS

### APPLICATION FOR FUNDING

**To apply for grant funding, all applicants should meet the following criteria:**

- In the case of accommodation and conference venues, an official star grading by the Tourism Grading Council of South Africa (TGCSA) is required. Significant upfront discounts on grading fees are offered by TGCSA through the Tourism Grading Support Programme incentive. Visit [www.tourismgrading.co.za](http://www.tourismgrading.co.za) for more information;
- Where required, new establishments must commit to obtaining an official star grading by TGCSA no longer than 3 months from completion of the development;



- All applicants are required to complete an application form for funding, and submit the most recent supporting documentation (including 2 years latest audited or reviewed annual financial statements; management accounts (not older than 3 months); 3 years budget/forecast in the format contained in the application form; a Tourism B-BBEE certificate or sworn affidavit in line with the Amended Tourism B-BBEE Sector Code; FICA documentation; resource efficiency audit report; copy of a valid lease agreement of no less than 5 years or proof of ownership of the property); quotations and potential service providers/installers details as per the energy and water efficiency audit report and service provider/installer requirements

**Upon receipt of a complete application for funding, the IDC will conduct a final assessment of the application.**

**Additional information and/or documentation may be required where necessary.**

# CONDITIONS OF THE GRANT

**Qualifying applicants will be required to meet the following conditions:**

- Applicants must fully utilise their own contribution before the grant funding can be disbursed for the identified intervention being implemented.
- Commit to a set minimum energy and water saving requirement/s, based on the recommendations of the resource efficiency audit or review conducted by the assessor; and
- Only use service providers/installers who meet the GTIP's requirements; nominated service providers/installers will be screened and confirmation will be provided in writing.

**Additional conditions may be included based on the decision of the approving committee.**



# SERVICE PROVIDERS/ INSTALLERS REQUIREMENTS

Successful applicants are required to nominate service providers/installers that meet the minimum criteria below of which supporting documents must be provided.

Confirmation in writing will be provided by the IDC after a verification process, before the service provider/installer can be appointed:

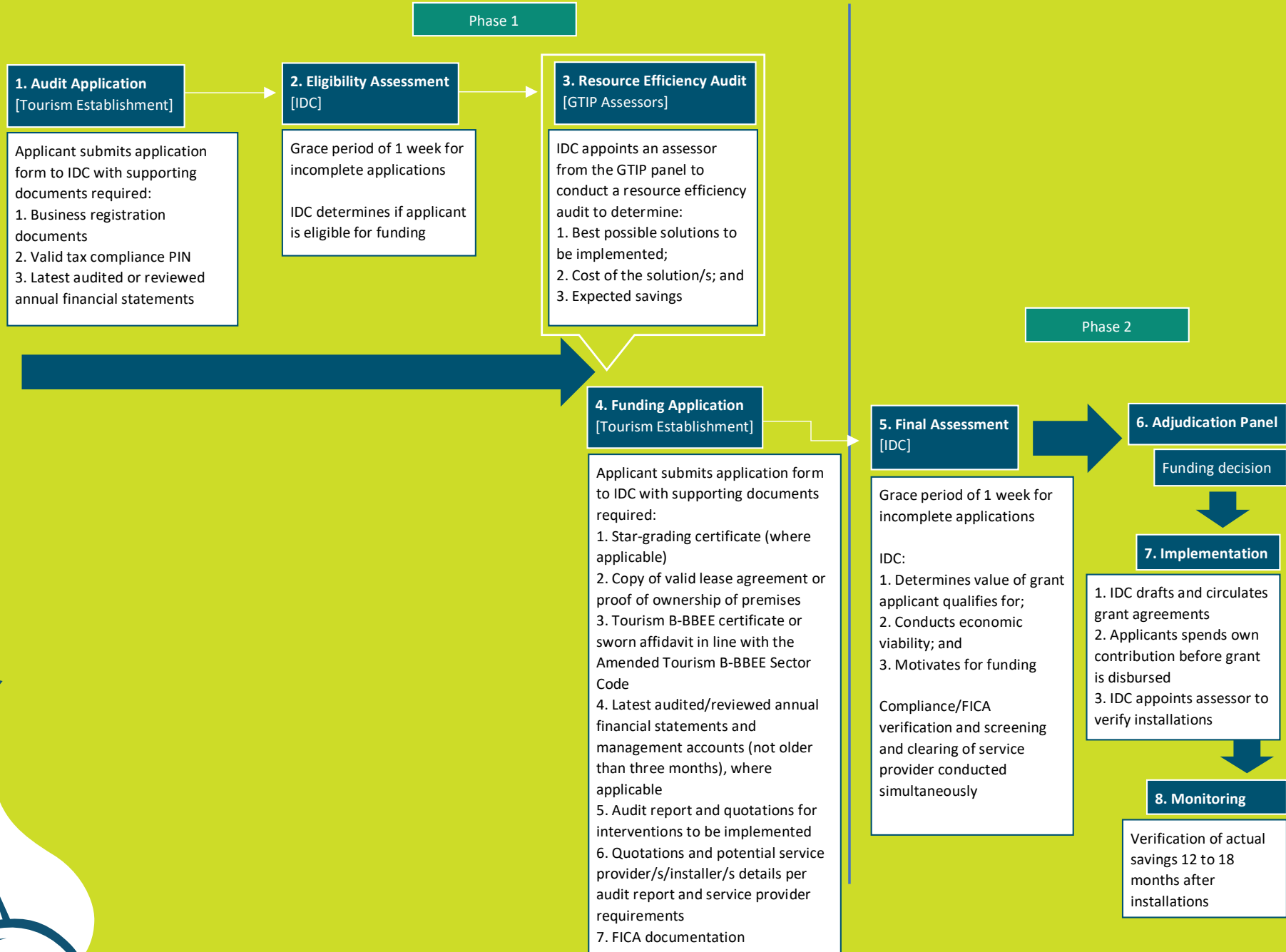
- Be a registered entity
- Be tax compliant
- Have a minimum of Level 4 BBBEE compliance
- Be suitably qualified to perform the work required, with a minimum of 2 years' experience and at least 3 written satisfactory references
- Utilise SABS certified products/equipment/ components
- Offer adequate insurance and guarantees/warranties/certification for work performed
- Be accredited by a relevant statutory body to perform the work required
- Conduct work in accordance with the resource efficiency recommendations by the assessor

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



# APPLICATION PROCESS

GTIP



# APPLYING FOR FUNDING

## PHASE 1: ENERGY AND WATER EFFICIENCY AUDIT AND IDENTIFICATION OF APPROPRIATE SOLUTIONS

An application form is obtainable on the IDC website at [www.idc.co.za](http://www.idc.co.za).

To apply for the Energy and Water Efficiency Audit, applicants are required to follow the instructions below:

- Download, complete section A of the application form and submit in soft copy (original excel format) to [gtip@idc.co.za](mailto:gtip@idc.co.za); and
- **Section A** of the application form, including annexure A (shareholding and employment details), must be completed in full accompanied by the 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](mailto:gtip@idc.co.za)**

## PHASE 2: APPLICATION FOR FUNDING TO IMPLEMENT SOLUTIONS

Eligible applicants (having completed Phase 1) are required to demonstrate economic viability to be considered for funding.

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

- Complete **Section B** of the application form and submit in soft copy (original excel format) to [gtip@idc.co.za](mailto:gtip@idc.co.za); and
- **Section B** of the application form must be completed in full accompanied by the relevant supporting documents as provided in the application form.

**Note: Incomplete applications will not be considered for funding.**

**All applications and enquiries should be sent to: [gtip@idc.co.za](mailto:gtip@idc.co.za)**

### Disclaimer

Tourism establishments and prospective applicants to the Green Tourism Incentive Programme are advised to be wary of people purporting to be representatives or agents of the Programme. Please note that the IDC and the Department of Tourism have not appointed agents or consultants to assist enterprises with the preparation of applications. The use of, and payment of any fees to consultants is at the discretion of the applicants.



**PHYSICAL ADDRESS:**

**Industrial Development Corporation (IDC) Head Office:  
19 Fredman Drive, Sandown  
P O Box 784055, Sandton 2146, South Africa**

**PROGRAMME CONTACT DETAILS:**

**Ms Nikki Malindi  
Tel: 011 269 3073**

**RELATED LINKS:**

**[www.tourism.gov.za](http://www.tourism.gov.za)  
[www.tourismgrading.co.za](http://www.tourismgrading.co.za)  
[www.idc.co.za](http://www.idc.co.za)**

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