

**PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE**

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**QUESTION PAPER No 23 - 2023**

FIFTH SESSION, SIXTH PARLIAMENT

**WRITTEN REPLY**

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Note: \* Indicates translated version.

**FRIDAY, 20 OCTOBER 2023**

**Ms C A T Murray to ask Ms M Wenger, Minister of Finance and Economic Opportunities:**

**Concerning the Tourism Challenge Fund:**

- (1) (a) How many beneficiaries (i) applied and (ii) have benefited from this fund and (b) what are the details of the projects funded from this fund;
- (2) whether this initiative has reached its intended goals; if not, why not; if so, what are the relevant details?

## **REPLY**

I am informed of the following:

**1.a.i)** In total, 69 applications were received of which 12 proposals met the minimum requirements and were evaluated by the Project Evaluation Committee (PEC). From these 12 proposals, 4 projects were approved by the Project Adjudication Committee (PAC) for funding. Because the full available budget could not be allocated to beneficiaries, applicants with incomplete applications were asked to submit the outstanding documents within a set timeframe. In response to this, 37 additional proposals were evaluated of which 10 met the minimum requirements and were assessed by the PEC. Three additional projects were subsequently approved by the PAC for funding. In total, 7 projects have been approved to date.

**1.a.ii)** A total of 7 projects have been approved to date for funding in the 2023/2024 budget cycle by the PAC.

**1b)** The 7 approved projects are listed and described below:

<b>Trading name</b>	<b>Name of the project</b>	<b>Total project budget (R)</b>	<b>Funding required (R) from DEDAT</b>	<b>Value of own or third party budget contribution (R)</b>
<b>1<sup>st</sup> Round:</b>				
<b>Skipper Foundation (TPA signed)</b>	Explore the pleasures of Mossel Bay waters	R718 900.00	R299 400.00	R419 500.00
<b>RLabs (TPA signed)</b>	Westridge Tourism Precinct	R3 710 000.00	R1 200 000.00	R2 510 000.00
<b>Drakenstein Municipality</b>	Drakenstein Sustainable Tourism Route	R325 000.00	R190 000.00	R135 000.00

Trading name	Name of the project	Total project budget (R)	Funding required (R) from DEDAT	Value of own or third party budget contribution (R)
<b>BirdLife SA (TPA signed)</b>	Develop & market the Garden Route and Klein Karoo as an avi-tourism destination	R852 500.00	R593 600.00	R258 900.00
<b>2<sup>nd</sup> Round:</b>				
<b>Honest Café PTY LTD</b>	The Honest Chocolate Experience	R137 500.00	R68 500.00	R69 000.00
<b>Namaqua Weskus Toerisme</b>	Vanrhynsdorp Ou Tronk project	R1 149 870.00	R149 870.00	R1 000 000.00
<b>Latitude 31 Travel and Music</b>	Garden Route Surfing Adventure	R90 000.00	R40 000.00	R50 000,00
<b>TOTAL</b>		<b>R6 983 770.00</b>	<b>R2 541 370.00</b>	<b>R4 442 400.00</b>

1. **Skipper Foundation:** This project is focused on making kayak and standup paddle boarding tours and rentals permanently available in Mossel Bay in a safe controlled environment. The fund will allow the beneficiary to purchase kayaks, stand-up paddle boards, and life jackets as well as conduct training. The project will be implemented by the Skipper Foundation which creates opportunities for young people from vulnerable communities through water sports on the waters of Mossel Bay.
2. **Reconstructed Living Labs (RLabs):** The objective of the Westridge Tourism Precinct is to foster community-based hosting opportunities and gradually develop a diverse range of tourist experiences, including the first Art Gallery (RLabs House), night markets and street tours that cater to both local and international visitors, thereby establishing the precinct as a sought-after tourist destination. The fund will support experience development, community engagements and branding, marketing, and promotion.
3. **Drakenstein Municipality:** The Drakenstein Sustainable Tourism Route is part of Drakenstein's economic recovery programme and aims to facilitate tourism transformation and inclusive sustainable development in tourism. The route will focus on providing the

eco-conscious tourist with a diverse choice of sustainable tourism experiences to explore in Drakenstein. The route will constitute a combination of established tourism products and new entrants to the market. The new entrants to the market will include 10 beneficiaries whom, have recently completed their tourist guide training. The fund will cover the expenses of the beneficiary for the online route map, development of a vlog, and SMME marketing and administration.

4. **BirdLife South Africa:** The project aim is to develop and market the Garden Route and Klein Karoo as an avi-tourism destination. The project will position the Garden Route as a premier birding tourism destination in South Africa. The fund will support building local capacity through guide training and market awareness, enabling fit-for-purpose niche tourism services through specialist informational campaigns, facilitating business-to-business and business-to-consumer relationships, and destination marketing.
5. **Honest Café PTY Ltd:** The Honest Café has created what they call the only real South African chocolate experience for tourists and locals in Cape Town – run from their chocolate café (Honest Café) in Cape Town's CBD. The proposed Honest Chocolate experience involves guests: 1) making their traditional hot chocolate directly from an African cacao bean, 2) learning about where the African cacao bean comes from, 3) tasting a variety of chocolate creations and 4) making their slab of chocolate with local SA ingredients (like buchu and rooibos). The fund will assist the beneficiary in acquiring a chocolate tempering machine.
6. **Namaqua Weskus Toerisme:** The Old Jail in Vanrhynsdorp is a historic building that was restored in 2015 by a tourism industry member and converted into a museum and adjoining succulents nursery. In December of 2022, a municipal pipeline burst in front of the building for the first time which resulted in the flooding of the building. Subsequently, there were 3 more floodings of the jail resulting in the closure of the museum. The building belongs to the Matzikama Municipality and their insurance will cover the damages to the building itself. The insurers have however indicated that a permanent solution is needed for the pipe burst. Structural engineers have recommended that a small canal be built around the jail with a pump system that kicks in when flooding occurs. The fund will support the building of the canal which will result in the reopening of this popular attraction.
7. **Latitude 31 Travel and Music:** The Garden Route Surfing Adventure project is a collaboration between Latitude 31° Travel and Vibe Surf School. They aim to offer a unique and professional surf camp and training along the Garden Route, mainly between Mossel Bay and Knysna. They are focusing on surf camps with lessons from experienced guides and tours. It is an all-inclusive package

aimed at 20 - 50-year-old mid-luxury travellers and families. The fund will cover SSA Surf Coaching courses, marketing, trailer alterations and the acquisition of a video camera to be used in analysing surfing.

**2)** The intended goal of the G4J Tourism Challenge Fund is to stimulate private sector investment in product and market development to realise the export earnings potential of the tourism industry. The Fund aims to provide financial support to industry growth initiatives and projects that benefit Western Cape-based tourism attractions and businesses. The programmes and projects for which financial support is sought must have the ability to develop tourism attractions and experiences to enable them to grow and create jobs. The applicants have to indicate the number of beneficiaries that their project will benefit as well as their own or third-party financial contribution to the project. The target that the Department has set is to unlock Rand for Rand co-funding and to benefit at least 30 beneficiaries through the interventions supported. To date, DEDAT has approved R2,5m worth of funding with additional financial commitments in place to the value of R4,4m – almost double the intended target. In respect of beneficiaries, commitments are in place to reach and support 170 beneficiaries against a target of 30. Based on these commitments the Department believes that the Fund is achieving the intended goals. At the same time, the Department has experienced challenges with the quality of proposals received. As an added support measure, the Department is therefore investigating grant writing workshops to strengthen the capacity of tourism organisations in respect of preparing applications. The fund will be advertised for a 3<sup>rd</sup> round during the 3<sup>rd</sup> quarter of the financial year for another round of potential applicants.