

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT  
BY DEPUTY G.C.L. BAUDAINS OF ST. CLEMENT  
ANSWER TO BE TABLED ON TUESDAY 15th MAY 2012**

**Question**

With regard to the Tourism Investment Fund, what assurances, if any, can the Minister give that future payments will be restricted to investment in tourism related activities that are likely to see a measurable benefit to the economy, rather than appearing to act as a fund of last resort for diverse projects, some of which have very tenuous connections with tourism?

**Answer**

I will assume that the Deputy refers to the Tourism Development Fund (TDF) in the answer to this question, which replaced the Tourism Investment Fund following a States decision in 2001 (P170/2001).

Over the last few years, we have strengthened the application and assessment procedures and moved away from consideration of applications as and when they arose to a pro-active and structured biannual application process. There are a number of ways in which these procedures ensure that awards are granted to tourism related activities that are likely to result in a measureable benefit to the economy:

- The process is led by an independent panel that is tasked with evaluating which projects will bring the most benefit to the Tourism industry. The Panel comprises of members of the private sector, some with experience within the Tourism sector; and others with broader business experience;
- The Panel scrutinise each application to evaluate the anticipated immediate and future impact on visitor numbers or visitor experience, how sustainable the impact is likely to be and whether the project leverages others sources of funding;
- The Panel scrutinise the application material submitted by the applicant in great detail; regularly request additional information to be provided and in addition, the Panel or a Panel Member often meet with applicants for further evaluation;
- Applications for over £5,000 have to be supported by business plans; and
- When a decision is made to award a grant, contracts are issued and 5% of grants are retained until a report is delivered which illustrates how the project met its stated aims.

The Fund seeks to support projects that without a grant would be unlikely to go ahead or would be significantly less successful without the additional funds. If this is what the Deputy means by a 'fund of last resort', then it should be viewed in this way. If organisations have other methods of funding projects, it is not a good use of taxpayers' money to step in. That is why some very worthwhile initiatives have applied to the Fund in the past and been refused – because they have been able to run an equally successful event without the additional funding they applied for.

In the last round of applications, twenty six applications were received and only five were awarded funding – precisely because of the level of scrutiny applied. In future, we expect this level of scrutiny to continue and if the proposition to allow private sector organisations to apply to the Fund is passed by the States, additional procedures will be put in place - as referenced in the 'Safeguards' section of P26/2012.