UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT DOCUMENT
[ZANZIBAR, UNITED REPUBLIC OF TANZANIA]

Empowered lives.
Resilient nations.

Project Title: Integrated Tourism Recovery and Resilience in Zanzibar
Project Number: 00123397
Implementing Partner:
Start Date: November 2020 **End Date:** December 2023 **PAC Meeting date:** 3 December 2020

Brief Description

Zanzibar has achieved high and stable economic growth over the last five years (2015-2019), at an annual average GDP growth of 6.76 per cent with a peak of 7.7 per cent recorded in 2017. The key drivers of Zanzibar's economy include: services sector, with tourism and hospitality sector emerging as one of the priority sectors with the potential to be a major contributor to socioeconomic development of Zanzibar. Tourism accounts for about 27% of GDP and attracts more than $400 Million in foreign exchange annually. The sector also offers employment to a high proportion of women and poor communities, particularly low skilled laborers with the potential for further expansion and subsequent contribution to Zanzibar's economic development. However, it faces several fundamental challenges ranging from, institutional failures and inefficiencies, policy and regulatory weaknesses, limited capacities, as well as other adverse economic, social, and environmental effects. The immediate and medium-term impact of COVID 19 on tourism has further exacerbated the situation. With closure of most of the hotels, the COVID19 related lockdown of international travel resulted in reduced forex earnings and domestic tax revenue. This in turn affects the government's ability to provide basic social services. The pandemic has also had an adverse impact on jobs security and reduced economic activities in the tourism value chain, resulting in increased poverty and inequalities affecting the vulnerable communities, including women and youth the most. Pursuant to mitigate the prevailing challenges that would impede recovery of sustainable tourism industry in Zanzibar, UNDP has adopted an integrated approach in supporting the Government of Zanzibar to build-back better the Tourism industry in the new post-COVID economic era, with the concept of 'Leaving No One Behind'.Specific interventions will include: creating conducive environment for private investment and recovery of tourism value chain, proposing a financial stimulus package in support of business and SMEs, facilitating SMEs to access affordable financial services and products for recovery and investment in the tourism value chain, enhancing tourism sector service delivery, improving the tourism sector legal, policy and regulatory framework, skills enhancement of SMEs, youth, women and the local communities, strengthening institutional capacities and improving training curricula of tourism and hospitality related training institutions with the view of responding to market demands of the tourism value chain, promoting good governance and inculcating corporate governance practices within the government and private sector respectivley, promoting and tapping into the isles tourism attractions with the view of attracting more international, regional and domestic tourists, as well as promoting green and sustainable tourism in Zanzibar

Contributing Outcome (UNDAF/CPD, RPD or GPD): The economy is increasingly transformed for greater poverty reduction, competitiveness and increased opportunities for decent and productive employment

Indicative Output(s) with gender marker[2]:

1.Improved Environment for Private Investment and Recovery of Tourism Industry (GEN 2)

2.Capacities of Key Tourism Related Institutions to Deliver Quality Services Strengthened(GEN 2)

3. Capacities and Skill Mix of SMEs, Local Suppliers to Participate and Integrate in Tourism Value Chain Enhanced (GEN2)

4.Zanzibar Branded as a Unique Tourist Destination (GEN 1)

5. Green Tourism Promoted in Zanzibar(GEN 1)

Total resources required:	**US$ 2,996,000**	
Total resources allocated:		1,600,000
	UNDP TRAC:	800,000
	UNCDF:	800,000
	Donor:	
	Government:	In Kind
	Private Sector :	
Unfunded:		1,396,000

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Agreed by (signatures)[1]:

Zanzibar Commission for Tourism	UNDP	UNCDF
Dr Abdulla Mohammed Juma Executive Secretary :	Ms Christine Musisi Musisi Resident Representative	Mr Peter Malika Peter Malika Head
Date:	Date: 15-Dec-2020	Date: 15-Dec-2020

[1] Note: Adjust signatures as needed

[2] The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

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I. DEVELOPMENT CHALLENGE (1/4 PAGE – 2 PAGES RECOMMENDED)

Zanzibar is an autonomous part of the United Republic of Tanzania, consisting of two main islands, Unguja and Pemba as well as several smaller islets with a total area of 2,654 sq. km. The population of Zanzibar as recorded in the 2012 Tanzania Population and Housing Census (2012 TPHC), was 1,303,569 with a growth rate of 2.8 percent per annum[2]. Zanzibar has achieved high and stable economic growth over the last five years (2015-2019), at an annual average GDP growth of 6.76 per cent with a peak of 7.7 per cent recorded in 2017[3]. The key drivers of Zanzibar's economy include: services sector, with tourism and hospitality sector emerging as one of the priority sectors with the potential to be a major contributor to socioeconomic development of Zanzibar. Tourism is the flagship sector, which binds other economic sectors in Zanzibar. The sector accounts for about 27% of GDP and attracts more than $400 Million in foreign exchange annually[4] with the potential for further expansion and subsequent contribution to Zanzibar's economic development. The sector also offers employment to a high proportion of women, as well as employs low skill labour, thus generating employment to women and the poor. Zanzibar, is richly endowed with cultural, historic, natural and man-made tourism attractions which are potential to transform Zanzibar into an up-market and competitive destination for tourists in the Indian Ocean archipelagoes.

However, coupled with the impact of COVID 19, the toursim sector faces several fundamental challenges that, if not addressed adequately, could affect its continued contribution to the national economy. The challenges range from, institutional failures and inefficiencies, policy and regulatory, limited capacities, to ease of doing business, all affecting service delivery and impeding sustainable investment in the tourism sector. These include, inter alia: i) weaknesses in the institutions responsible for the sector and related services; ii) multiplicity of taxes, levies and licenses; iii) limited quality professional tourism related services; iv) insufficient marketing of Zanzibar's cultural, historic, and natural heritage as preferred tourist destination; v) poor infrastructure and limited access of utilities like power and water, affecting the quality of services in hotels and other tourist facilities; vi) limited access to investment financing facilities, especially for SMEs, vii) non-compliance and awareness of corporate governance principles within the business sector in Zanzibar; viii) limited efforts to create acceptable ethical practices are sometimes undermined by collusion, rent seeking behaviour, corruption and low corporate integrity; ix) limited engagement and inclusiveness of local communities in tourism value chain, mainly due to absence of requisite skills mix; as well as x) adverse impact of tourism activities on environment.

There are also concerns that local communities across Zanzibar have not benefitted proportionately from the tourism sector. According to ZIPA's report on 'Comprehensive Report on Priority Sector Strategy'[5] the engagement of local communities in tourism value chain is among the lowest in peer destinations. This is a classic case where the wealth has not trickled down to the bottom of pyramid[6]. There is limited community inclusiveness,

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2 OCGS (2018), Zanzibar Statistical Abstract, 2018, pp 14

3 OCGS (2019), Zanzibar Statistical Abstract, 2019, pp 82

4 ZIPA (2019), Comprehensive Report on Priority Sector Strategy, by Avasant and UNIX consultants, pg 19.

5 ZIPA (February 2019), commissioned consultant team from Avasant and UNIX to conduct study which would identify priority sectors that would become the engines of the economy for the next 25 years

6 ZIPA (2019), Comprehensive Report on Priority Sector Strategy, by Avasant and UNIX

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mainly due to lack of policy around preferential local procurement and local employment; absence of requisite skills mix, among the local youth as well as challenge in getting quality supplies from local communities. Despite the employment opportunities for women in the tourism industry, gender disparities, characterized by limited representation of women in high level leadership and managment positions is evident., It is also argued that the growth of tourism industry, coupled with consumption habits of tourists have hidden economic, social, and environmental costs. Notably, in terms of environmental pollution, low wellbeing among communities, poor waste management as well as effects on the social fabric. Thus, justifies the 'Tourism for All' initiatives. The rationale and ethos behind it, is the aspiration that tourism fully contributes to local and inclusive economic growth, delivers jobs for Zanzibaris, increased fiscal revenue and supports environmental sustainability and cultural heritage preservation.

The advent of COVID 19 pandemic has further exacerbated the situation. In Zanzibar the first case was reported on 18th March 2020. In response to the COVID 19 pandemic, the government had imposed several preventive measures, including travel restrictions, closure of schools, social distancing, restrictions on large meetings and gatherings as well as suspension of all international flights. It is worth noting that the COVID-19 pandemic is far more than a health crisis, it is affecting societies and economies at their core. The immediate and medium-term impact of COVID-19 on tourism, to small island developing economies, including Zanzibar, cannot be overstated. The closure of hotels in Zanzibar, coupled with COVID-19 related lockdown of international travel, contributed to reduced forex earnings and domestic tax revenue. This in turn results in government's inability to provide basic social services. The pandemic has also had an adverse impact on jobs security[7] and reduced economic activities in the tourism value chain, resulting in increased poverty and inequalities affecting the vulnerable communities, including women and youth the most. Cognizant of tourism industry as an accelerator of sustainable development, with a potential to contribute towards several SDGs due to its crosscutting and multiplying effect on other sectors the impact of COVID 19 on tourism will definitely impede achievement of the global Sustainable Development Goals (SDGs) in Zanzibar, hence underscoring the significance of corrective measures to address and mitigate the adverse impact of COVID 19 on Zanzibar's economy and tourism value chain in particular.

II. STRATEGY (1/2 PAGE - 3 PAGES RECOMMENDED)

2.1 The Theory of Change (ToC)

The project on 'Integrated Tourism Recovery and Resilience in Zanzibar', aligns with efforts of the Revolutionary Government of Zanzibar, as well as UN's commitment towards achieving Zanzibar's aspirations of becoming a middle-income country. It aims at contributing to transformation of Zanzibar's economy, with a specific focus on putting in place conducive environment for sustainable and inclusive private investment in Zanzibar's tourism industry. Crucial to having conducive investment environment, is contingent upon the presence of supporting legal, policy and regulatory framework, as well as efficient and effective institutions, with adequate capacities and systems, to facilitate private sector investment. The project's Theory of Change (TOC) is built on the anecdotal evidence of weak policy and regulatory framework, and inefficient institutions

consultants, pp 27

7 According to Xinhua, July 30, 2020 at least 5,000 people in the tourism sector in Tanzania's Zanzibar have been left jobless following the outbreak of the COVID-19 pandemic, http://www.xinhuanet.com/english/2020-07/30/c_139252465.htm

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with limited capacities to facilitate and attract private investment in Zanzibar's tourism value chain. It also recognizes limited capacities of local investors and SMEs, including women and youth who are unable to penetrate and compete in the tourism value chain. The advent of COVID 19 pandemic in early 2020 has also had an adverse impact on the tourism industry in Zanzibar.

Thus the project is based on a theory of change which argues that improvement of investment legal, policy and regulatory frameworks, simplified regulations and business processes as well as strengthening capacities of key investment institutions would contribute towards conducive and attractive environment for private investment in Zanzibar. The TOC also argues that if SMEs, local communities, youth and women, will be supported to access resources and have requisite skills mix, employment opportunities will be enhanced and there will be an increase of SMEs and local suppliers integrated in the tourism value chain. Thus would minimize economic exclusion and create available opportunities for decent and productive employment for target groups including women and youth in the tourism value chain. It further asserts that If Zanzibar's diverse tourist attractions are marketed and fully promoted there will be an increase number of tourists attracted to visit Zanzibar, including those from non- traditional domestic and African countries. These measures will support building-back better an inclusive and resilient tourism industry, and by ensuring that 'No One is Left Behind'. The results are expected to ultimately contribute to the transformation of the economy, for greater poverty reduction, competitivenesss and increased opportunities for decent and productive employment for women and youth.

On the basis of this premise, the project aims at adopting a holistic approach to support the Revolutionary government of Zanzibar to create conducive environment for private investment and build-back better the Tourism industry and its value chain in the post-COVID 19 economic era, with the concept of 'Leaving No One Behind'. The intervention strategy includes: improving environment for private investment and recovery of tourism value chain, strengthening institutional capacities in delivery of tourism sector services, facilitating access of affordable financial services and products for recovery and investment of SMEs in the tourism value chain, unleashing business potential of SMEs, and local communities, repackaging the tourism value prepositions, enhancing effectiveness, productivity, employability and integration of SMEs youth, women and the local suppliers in tourism value chain, marketing Zanzibar's diverse tourist attractions with the view of attracting tourists from various segments including non-traditional regional and domestic markets, as well as promoting sustainable green and blue tourism in Zanzibar.

2.2. Implementation Approach

A combination of approaches will be applied in the implementation of the project. This includes mostly deployment of consultants and technical experts in facilitating institutional strengthening, capacity development and training, review and improvement of related policies, regulations and processes as well as improvement of curricula of tourism and hospitality related training institutions to ensure their responsiveness to the evolving needs of target groups in the tourism value chain. Engagement of experts will involve a competitive and transparent process, based on detailed terms of reference and established evaluation criteria.

In addition to technical capacity building, SMEs will benefit from capital and technical support through inclusive finance programmes i.e. catalytic capital, which will enable them to develop viable projects aligned with tourism industry and with potential to quickly stimulate the industry and the local economy. UNCDF's grant making systems and expertise will be applied in identifying eligible projects meeting the conditions to access

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the inclusive finance program, as well in supporting SMEs, including women and youth to access affordable financing to revamp their tourism related business ventures. Selection of beneficiary SMEs will be based on a transparent and inclusive process, considering gender and youth representation. Consultative public-private partnership dialogues on policies, strategic partnerships and programs tourism related issues will also be organized, focusing on recovery of an inclusive and resilient tourism industry in Zanzibar.

2.2.1. Gender Mainstreaming and Women's Empowerment,

The project will mainstream gender concerns in all the interventions and processes, in line with UNDP Gender Equality Strategy (2018-2021), the United Nations 2030 Agenda for Sustainable Development, as well as national development strategies and policies. It will ensure that both men and women participate fully as beneficiaries of the project. Cognizant of the possibility that women may be left out, affirmative actions will be taken to ensure that women are well represented in the various intereventions. This will include, prioritizing women and youth, in the tourism value chain, in terms of: skills enhancement; increase their effectiveness, productivity, employability and integration in tourism value chain; provision of technical assistance as well as facilitating access of grants and affordable financing; representation of women and youth in the engagement of experts, consultants and selection of beneficiaries; as well as promotion of gender-responsive policies and programs.

2.2.2. Human Rights Based Approach

Human rights principles will be applied in the implementation and management of the project, by ensuring equality, non-discrimination, participation, inclusion, transparency and accountability. Representatives of beneficiaries, including SMEs, women and youth will participate in the Steering Committee and other decision- making processes with the view of enhancing stakeholders' participation, inclusion and accountability. Selection of trainees, consultants and experts will be based on a transparent and inclusive process. The project will to a large extent rely on local and national expertise and capacities for the implementation of most of the interventions, placing emphasis on local ownership, empowerment and sustainability.

2.2.3. Environmental Sustainability.

Pursuant to address the adverse impact of tourism on the environment, measures towards promoting a greener tourism industry, will include enforcement of environmental policies enforcement of legislation, policies and regulations on environmental protection and conservation, environment awareness raising initiatives, as well as improvement of waste management and disposal systems and procedures.

III. RESULTS AND PARTNERSHIPS (1.5 - 5 PAGES RECOMMENDED)

3.1. Expected Results

The project is expected to contribute towards UNDAP II Outome on 'The economy is increasingly transformed for greater poverty reduction, competitiveness and increased opportunities for decent and productive employment', underscoring the cardinal principle of 'Leaving No One Behind'. It is also expected to play a catalytic role in the development of tourism sector, among the key priority areas of the Zanzibar Development Vision 2050 (ZDV 2050), which aspires to lift Zanzibar economically and socially to attain Upper-Middle Income Status by 2050. The project will further contribute towards the

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implementation of Zanzibar Tourism Recovery Plan, which aims at (i) reimaging Zanzibar; (ii) providing relief and incentive package to the tourism business affected by COVID 19; as well as (iii) launching new products and transforming service delivery to fit with existing tourism demand. The project also complements ongoing interventions in Zanzibar by the World Bank and other Development Partners, including the 'Tourism Integrated Strategic Action Plan (TISAP), as well as 'Tourism for All' initiatives, aspiring for a tourism industry which fully contributes to local and inclusive economic growth, delivers jobs for Zanzibaris, increased fiscal revenue and supports environmental sustainability and cultural heritage preservation.

The easing of travel restrictions and reopening of tourism and hospitality facilities in Zanzibar of recent[8], underscores the importance of taking immediate & integrated measures in response to the recovery of a stronger and resilient tourism value chain in Zanzibar. Therefore the proposed project interventions are expected to have significant impact on the recovery of a stronger and more sustainable tourism sector as well as in improving the competitiveness and integration of SMEs, including women and youth in the tourism value chain, thus creating employment opportunities and ultimately contribute to poverty reduction in the country. Review of related laws and policies which impede private investment in the tourism sector, institutional strengthening, public private sector partnership and other set of interventions will invariably contribute to the improvement of the investment environment and recovery of the tourism and hospitality industry in Zanzibar.

The project key results are articulated at both outcome and output levels.

3.1. 1. Expected Outcomes

The expected project outcomes are as follows :

(i) Better, inclusive and resilient tourism industry, in Zanzibar.
(ii) Improved investment environment, characterized by efficient and effective key investment institutions and regulatory bodies with adequate capacities, simplified regulations and improved business processes to accelerate service delivery and facilitate private investment in Zanzibar's tourism sector;
(iii) Enhanced capacities of SMEs, local communities, youth and women, with access to resources and appropriate skills mix for inclusion in the tourism value chain.

3.1. 2. Expected Outputs

The expected changes and outputs that can directly be attributed to the project interventions include:

3.1.2.1. Improved Environment for Private Investment and Recovery of Tourism Industry

The adverse impact of COVID 19 and prevailing challenges impeding investment and recovery of the tourism industry, underscores the importance of creating a conducive environment for private investment and recovery of the tourism and hospitality industry.

[8] On June 6, Zanzibar authorities announced reopening of tourism activities after they were shut down on March 20 following the outbreak of COVID-19.

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The focus will be on: review of the legal and regulatory framework with the view of putting in place business friendly and gender sensitive tourism related laws and policies, as well as simplified business processes and effective tourism related services. SMEs, women and youth in the tourism value chain will also be supported to access affordable financial services and products for their recovery and to withstand the negative economic effects of COVID-19.

3.1.2.2. Capacities of Key Tourism Related Institutions to Deliver Quality Services Strengthened

The focus is on institutional reforms, including strengthening systems and capacities of Zanzibar Commission for Tourism (ZCT) and other key tourism related institutions, regulatory bodies as well as select local government authorities (LGAs). A comprehensive assessment of the tourism industry, including gender analysis will be conducted to identify gaps and inform capacity building measures as well as necessary review of project interventions. Curricula of hospitality training institutions will thus be reviewed and improved to ensure the training programs and graduates are responsive to the evolving needs of target groups of the tourism value chain.

3.1.2.3. Capacities and Skill Mix of SMEs, Local Suppliers to Participate and Integrate in Tourism Value Chain Enhanced

Economic recovery is also about protecting jobs and ensuring decent employment opportunities as well as improved functioning of small producers, informal workers and SMEs across all sectors of the economy. Thus, this output will focus on: sensitizing SMEs, local suppliers, women and youth on the requirements, quality and standards of supplies for tourism and hospitality industry; training and enhancing their skills with the view of increasing their effectiveness, productivity, employability and integration in tourism value chain. The use of digital tools and platforms is also emphasized to enhance their business, management and marketing opportunities.

3.1.2. 4. Zanzibar Branded as a Unique Tourist Destination

Given the diverse and untapped potential around the tourism sector in Zanzibar, emphasis will be placed on promoting Zanzibar as a unique tourist destination by tapping into the isles tourism attractions, and assets as well as introducing community tourism and other diverse online and offline tourism tourism promotional materials and packages so as to make the sector more inclusive and attractive to international, regional and local tourists. It will also include development and operationalization of digital tourism platform and innovative marketing tools, which can offer market opportunities as well as connect tourists, service providers and SMEs with their potential customers.

3.1.2. 5. Green Tourism Promoted in Zanzibar

In recognition of the negative impact of tourism on the environment, mostly in terms of depletion of local natural resources, solid waste pollution, contamination of freshwater resources, effects on natural ecosystems and habitat, as well as damage of coral reefs; the project will implement measures towards promoting greener tourism and circular economy.

3.2. Resources Required to Achieve the Expected Results

The total cost of the Project is estimated at **US$ 2,996,000.** Project funding is expected to to be co-funded by the UNDP and UNCDF. Resources will also be jointly mobilised from different development partners, as well as contribution from Government, and the private sector. In the event that resources mobilised do not meet the estimated budget, UNDP, UNCDF, Government counterparts and representatives of the private sector will

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review the project with the view of prioritising activities that could maximise delivery of outcomes. Given the nature of the proposed activities, key inputs include :

3.2.1. Technical expertise. It is a critical resource, mostly because of project's implementation approaches which underscores deployment of consultants and technical experts in facilitating institutional strengthening, capacity development and training, review and improvement of related policies, regulations and processes, improvement of training curricula and marketing strategy. UNWTO's resources and experience will also be mobilized to implement some of the planned activities within their expertise.

3.2.2. Financial resources. These are essential for implementing most of the capacity building interventions as well as provision of grants and seed capital to SMEs. The grants are catalytic in enabling SMEs develop viable projects aligned with tourism value chain and with potential to quickly stimulate the industry and the local economy.

3.2.3. Training opportunities. Project beneficiaries will be supported to pursue selected training opportunites, including online training courses offered by the Zamani Free Coursera Educational Platform which offers courses for both the private and public sectors in the hospitality industry.

3.2.4. Staff time. Time is also crucial in managing and facilitating project implementation, which demands intensive technical staff engagement.

3.3. Partnerships

Partnerships and synergies with several public services entities and the private sector will be strengthened for effective implementation and attainment of the intended results of the project. Other United Nations agencies, notably UNCDF and UNWTO will partner with UNDP in contributing both financial and technical support in the implementation of the project. Partnership with academia and technical experts will also be solicited to deploy their technical expertise and experience gained in undertaking specific capacity building, relevant studies, knowledge sharing and other project interventions as necessary.

The Project will also partner with the private sector, through the Zanzibar National Chamber of Commerce (ZNCC), Zanzibar Association of Tourist Investors (ZATI), Zanzibar Association of Tour Operators (ZATO)as well as other actors in the tourism industry such as; Zamani Heritage Goup, in leveraging their expertise and resources for implementation of related project interventions. Strategic partnerships with LGAs, private sectors and local communities will further be developed through various dialogue and PPP/PPCP mechanisms to be established.

3.4. Risks and Assumptions

The project is based on the assumption that there is strong political commitment and ownership of government and other key stakeholders. The risks that can threaten achievement of project results include:(i) change of government priorities, which can be mitigated through reinforcing high level government's ownership, commitment and buy-in by engaging the political and strategic leadership. It is also important to ensure flexibility

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in aligning the project with the priorities of the new government administration while remaining consistent with the project's objectives; (ii) the risk of delay in approval of the project and putting in place appropriate management arrangements, could be mitigated by establishment of the project steering committee and close engagement with key stakeholders at early stages of project formuation. Timely preparation and presentation of the Annual WorkPlans (AWPs), recruitment schedule, procurement plan and ToRs for Steering Committee's (SC) approval would also expedite project take off; (iii) weak institutional project management and implementation capacities is high risk which can delay interventions and timely achievements of the intended results. This risk will be mitigated by enhancing requisite institutional capacities through training of inhouse staff as well as engaging additional technical expertise to facilitate timely execution of the project; and (iv) financial constraints is a high risk which will definitely affect achievements of the intended results. This risk will be mitigated by strengthening partnership with government and other key stakeholders in mobilizing requisite resources from both traditional and non traditional donors, including the RGoZ and private sector. Risks will be monitored continuously and mitigation strategies regularly introduced as defined in Annex 3.

3.5. Stakeholder Engagement

The key stakeholders of the project include government institutions, private investors, SMEs, including women and youth in the tourism value chain as well as local community. They are all represented in the project steering committee, to ensure their active participation in project oversight and guidance. Stakeholders' engagement will be based on a well-defined strategy with a clear set of objectives, priorities, identification and selection of beneficiaries as well as allocation of responsibilities. The project will ensure that both women and men are actively engaged in the planning, implementation and monitoring of project activities. It is worth noting that the development of this project document went through an extensive consultation and feedback process, covering the key stakeholders including Government entities such as Ministry of Finance and Planning (MoFP), Ministry of Tourism and Heritage (MTH), Zanzibar Commission for Tourism (ZCT), Zanzibar Environment Management Authority (ZEMA) , as well as representatives of private sector and SMEs in the tourism value chain, including Zanzibar National Chamber of Commerce (ZNCC), ZATI and ZATO. Regular consultation will further be prioritised to ensure that stakeholders' requirements, priorities and emerging challenges are addressed accordingly. Access to grants to SMEs will be pursued through a systematic selection process involving Calls for Proposals and their evaluation as per set criteria.

Project beneficiaries include: (i)tourism related government institutions and regulatory bodies who will benefit from enhanced institutional capacities, which will enable them to improve service delivery to private investors, tourist and public at large; (ii) private investors in the tourism industry will benefit from improved investment environment, characterized by conducive legal and regulatory framework as well as simplified business processes; (iii) selected SMEs will benefit from access to grants and seed capital through the Credit Guarantee Scheme; (iv) employees of tourism and hospitality sector at operational, supervisory and managerial levels will be supported to attend relevant training programmes, to enhance their capacities and competence; whereas (v) SMEs, local suppliers, including youth and women will also benefit from selected training and skills enhancement programmes to increase their effectiveness, productivity, employability and integration in the tourism value chain. Thus contributing to minimize economic exclusion and create available opportunities for decent and productive employment of target groups including women and youth in the tourism value chain. Tourist and local community will also benefit from the environmental protection campaigns and interventions.

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South-South and Triangular Cooperation (SSC/TrC)

In line with UNDP's SSC/TrC Strategy, the project will harness full potential of SSC and TrC opportunities, in sourcing lessons, best practices and resources mostly from countries in the South, and those that are more in common to Zanzibar's development context. The opportunities include:

- Technical cooperation through, knowledge and skills-sharing platforms, exchange of experience, capacity development, peer learning and technical know-how including technology transfer. SSC interactions are expected to build skills and transfer knowledge at both the individual and organizational levels.

- Financial cooperation, in terms of resource mobilization as well as in-kind support, from both traditional partners as well as non- traditional partners from the South, including the Middle East countries some of which share historical and cultural ties with Zanzibar.

- Partnerships with international and regional institutions, by tapping into their expertise. These include UNWTO, and other organizations and experts from countries in both the North and South.

Knowledge

Knowledge resources to be produced by the project include: curricula of hospitality and tourism related instituions; a comprehensive assessment of the tourism industry, which analyses the prevailing situation and challenges to inform policy decisions and other measures to mitigate the prevailing challenges including any gender disparities in the tourism industry; revised tourism marketing strategy and promotional materials as well as a national digital tourism platform that will be used to promote, manage and market Zanzibar's tourist attractions. The project will also produce environmental regulations and monitoring guidelines to guide and monitor adherence of environmental protection measures by tourism hotels in their respectve vicinities.

Sustainability and Scaling Up

Given the limited life cycle, of the project and diminishing donor resources, sustainability and scaling up of project results is of utmost importance. Thus, following the UNDP's 2013 Guidance Note on scaling up, the project underscores the importance of: strong leadership/political backing; national ownership; quality of a development impact; reaching out to a larger number of beneficiaries, including women and youth ensuring that 'No one is left behind'; sustainability and adaptability of results; knowledge management; communication, outreach of results and lessons learned; as well as effective monitoring and evaluation system that is able to track valuable results for scaling up.

The project further accords priority towards strengthening capacities of government institutions and other key stakeholders, including SMEs, women and youth in pursuit of sustaining and scaling up project results. The focus will be on development of training curricula and training of local trainers to ensure that a critical mass of 'trainers' from tourism and hospitality training institutions are equipped with the necessary knowledge and skills to sustain the capacities within their respective institutions. The project will also

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take advantage of the existing national structures, systems and processes and involve key stakeholders to reinforce national ownership, and obtain their buy-in of the project.

Pursuant to 'Delivering as One', joint UN efforts will also be mobilized to provide more efficient, cost effective demand-driven support to implement and sustain the project results. In this context, UNDP will collaborate with UNCDF, UNWTO and other UN agencies to support scaling up initiatives by providing the necessary technical, managerial and funding support needed for effective delivery. The project will also leverage government's and private sector's resources and capacities to create a better enabling environment for public private sector partnership (PPP) in the implementation and funding of national priorities, thus contributing to the ownership and sustainability of the project results by key stakeholders in the tourism industry.

IV. PROJECT MANAGEMENT (1/2 PAGES - 2 PAGES RECOMMENDED)

4.1. Cost Efficiency and Effectiveness

Pursuant to ensure cost efficiency and effectiveness of the project, UNDP requirements will be adhered to including: prior micro assessment of potential partners; HACT audits, to assess adherence of principles and process for managing cash transfers; spot checks to assess the soundness of the internal controls, the financial records, procurement management, assets management of the Implementing Partner; regular monitoring of project implementation and mid-term evaluation to determine the project's relevance, efficiency and effectiveness; as well as evaluating the efficiency with which partners have spent funds allocated to them. UNDP's 'gender check list' will also be applied in assessing project's effectiveness and relevance to the intended beneficiaries, including women.

Project implementation approaches are considered to be cost-effective strategies. These include: collaboration with other UN agencies and partners in conducting joint capacity building events, joint monitoring and evaluation operations as well as harnessing SSC and TrC opportunities, including local expertise in sourcing lessons, best practices and resources. Support to project beneficiaries to pursue selected online training opportunities, including the one offered by the Zamani Free Coursera Educational Platform which offers courses for both the private and public sectors in the hospitality industry, is another cost effective and saving measure. Partnerships with other tourism related projects financed by the government and other Development Partners (DPs) will also be pursued. These include activities associated with the implementation of the Zanzibar Tourism Recovery Plan, the 'Tourism Integrated Strategic Action Plan (TISAP), as well as 'Tourism for All' initiatives.

4.2. Project Management

The project will be implemented through the Direct Implementation Modality (DIM) in accordance with UNDP rules and regulations. UNDP will be the Implementing Partner, responsible and accountable for overall management, implementation, financial management and coordination of the project. UNDP will also be responsible for audit arrangements including the task of ensuring that all audit recommendations are followed through. UNDP in collaboration with UNCDF will undertake oversight and quality assurance of project deliverables, as well as periodic monitoring of project delivery.

A Project Management Unit (PMU) will be established at the Zanzibar Commission for Tourism, whereby one of its senior officers will be assigned as a National Project Coordinator. He/she, supported by, Financial and Administrative Assistant as well as other members of the PMU team, will be responsible for coordinating implementation of the project in consultation with the key stakeholders and beneficiaries. Annual work plans

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and budgets will be prepared in an inclusive way, with a bottom up approach, reflecting priority needs of the beneficiaries.

In addition to the PMU's core team, individual consultants and firms will be recruited to provide specialized support to project beneficiaries, particularly with regard to technical support, capacity building and studies required for project implementation. PMU will also coordinate and work closely with UNCDF and UNWTO in relation to the specific activities and products delegated to partner organizations. The PMU will receive strategic and operational support from the UNDP office in Zanzibar, thus taking advantage of the existing capacities and experiences as well as benefiting from the organizational network and partnerships, in order to maximize project impact.

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V. RESULTS FRAMEWORK[9]

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework: The economy is increasingly transformed for greater poverty reduction, competitiveness and increased opportunities for decent and productive employment											
Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets: CPD outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.											
Applicable Output(s) from the UNDP Strategic Plan: CPD output 1: Select ministries and districts have enhanced capacities to develop, implement and monitor gender-responsive, environmentally sustainable and inclusive growth policies/plans											
Project title and Atlas Project Number: Integrated Tourism Recovery and Resilience in Zanzibar											
EXPECTED OUTPUTS	**OUTPUT INDICATORS[10]**	**DATA SOURCE**	**BASELINE**		**TARGETS (by frequency of data collection)**						**DATA COLLECTION METHODS & RISKS**
			Value	**Year**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year …**	**FINAL**	
Output 1 Improved Environment for Private Investment and Recovery of Tourism	***1.1:*** % increase of private investment in tourism industry	Statistical abstracts, Investment records (ZIPA)	TBD	2020							

[9] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

[10] It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

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Industry	***1.2*** # of SMEs access financing for recovery and investment in the tourism value chain	Project implementation and monitoring reports;	0	2020							
Output 2 Capacities of Key Tourism Related Institutions to Deliver Quality Services Strengthened	**2.1**. % improvement of business processes and simplified regulations which facilitate private investment and operations in Zanzibar's tourism sector	Periodic client surveys	TBD	2021	20%	50%	75%				
	2.2. # of certified curricula of hospitality training institutions developed in response to market demands of the tourism value chain.				3						
Output 3 Capacities and Skill Mix of SMEs, Local Suppliers to Participate and Integrate in Tourism Value Chain Enhanced	3.1. % of trained men and women integrated in the tourism value chain	Project implementation reports; Training reports	0	2020	20%	30%	50%				
	3.2. # of jobs created in the tourism value chain; % female; % youth ;	ZCT reports	66,792 [11]	2015							

[11] ZCT Strategic Plan (2015), It is estimated that by 2015 the tourism sector offered more than 20,792 direct employments, and over 46,000 were engaged in indirect activities

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Output 4 Zanzibar Branded as a Unique Tourist Destination	% increase of tourists, including those from withthin the country and African region.	Zanzibar Statistical Abstracts	538,264[12]	2019	*XXX*	*XXX*	*XXX*				
	National digital tourism platform operational		0	2020							
Output 5 Green Tourism Promoted in Zanzibar	% of local community and tourists (male and female)sensitized on environment protection pratices.		0	2020							
	# of environmental management tools and systems in place		0	2020							

[12] Based on Zanzibar Statistical Abstract, 2019

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VI. Monitoring And Evaluation

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project Steering Committee and used to make course corrections.		

Project Report	A progress report will be presented to the Project Steering Committee and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			
Project Review (Project Steering Committee)	The project's governance mechanism (i.e., Steering Committee) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least twice annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

Evaluation Plan[13]

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
e.g., Mid-Term Evaluation						

[13] Optional, if needed

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VII. MULTI-YEAR WORK PLAN [14][15]

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount
Output 1: Improved Environment for Private Investment and Recovery of Tourism Industry *Gender marker: 2*	1.1 Identify and provide technical assistance together with seed capital financing to SMEs and LGAs to develop projects aligned with tourism industry and with potential to quickly stimulate the industry and the local economy.	200,000	200,000	150,000	100,000	UNCDF	UNCDF/UNDP	Contractual services and consultative meetings	650,000
	1.2: Facilitate innovation and unlocking financing for SMEs in the tourism value chain on more preferential terms			55,000	55,000	UNDP	UNDP	Consultative meetings	110,000

[14] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[15] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

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	1.3 : Review and put in place business friendly and gender sensitive tourism related laws and policies.			50,000		UNDP	UNDP	Contractual services and consultative meetings	50,000
	1.4: Establish SME Credit Guarantee Scheme		200,000			UNCDF	UNCDF	Contractual services	200,000
	1.5: Establish investment facility to provide affordable financing for sustainable investment in tourism industry		250,000	250,000		UNCDF	UNCDF	Contractual services	500,000
	1.6: Improve business registration & development services, processes and other tourism related services.			50,000	50,000	UNDP	UNDP	Contractual services and consultative meetings	100,000
	Sub-Total for Output 1	**200,000**	**650,000**	**555,000**	**205,000**				1,610,000
Output 2: Capacities of Key Tourism Related Institutions to Deliver Quality Services Strengthened *Gender marker: 2*	2.1. Undertake comprehensive analysis of the prevailing situation and specific impact of COVID 19, on private investment in the tourism industry. As well as capacity assessment of ZCT and selected tourism related institutions.		30,000	20,000		MTH/ZCT	UNDP	Contractual services	50,000

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	2.2. Strengthen capacities and systems of Zanzibar Commission for Tourism and selected tourism related institutions (based on findings of the capacity assessment)			50,000	50,000	ZCT	UNDP	Contractual services, training facilities and related costs.	100,000
	2.3: Review, improve and implement training curricula of at least 3 hospitality training institutions.	40,000	20,000	20,000	20,000	ZCT/SUZA /VTA	UNDP	Contractual services, training facilities and related costs	100,000
	2.4: Strengthen capacities of Office of the Chief Government Statistician (OCGS), Zanzibar Commission for Tourism, and related institutions in collection, analysis and dissemination of tourism related data and statistics.		30,000	30,000	40,000	OCGS/ZCT	UNDP	Contractual services and consultative meetings	100,000
	2.5: Implementation of Standard Operating Procedures (SOPs) for the management of COVID-19 in tourism business operations.		10,000	10,000	10,000	ZCT	UNDP	Contractual services	30,000

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	2.6: Organize public-private partnerships dialogue on tourism related issues.		10,000	10,000	10,000	ZNCC/ZCT	UNDP	Conference venue and facilities	30,000
	2.7: Promote good governance principles and corporate governance practices within tourism related public and private sector institutions respectively.		25,000	25,000	25,000	ZNCC/MTH	UNDP	Contractual services, venue, training facilities and other training related costs	75,000
	Sub-Total for Output 2	**40000**	**125000**	**165000**	**155000**				485,000
Output 3: Capacities and Skill Mix of SMEs, Local Suppliers to Participate and Integrate in Tourism Value Chain Enhanced *Gender marker: 2*	3.1: Organize sensitization forums/online platforms for SMEs, local suppliers and community on the requirements, quality and standards of supplies for tourism and hospitality industry		10,000	10,000	10,000	SMIDA	UNDP	Contractual services, venue, training facilities and other training related costs	30,000
	3.2: Training and skills enhancement of SMEs, local suppliers, youth and women to increase their effectiveness, productivity, employability and integration in tourism value chain.	40,000	40,000	50,000	60,000	ZCT/SMIDA	UNDP	Contractual services, venue, training facilities and other training related costs	190,000

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	3.3: Support SMEs, etc in the tourism value chain on the use of digital tools and platforms for management, business and marketing opportunities.			25,000	25,000	SMIDA	UNDP	Contractual services, venue, training facilities and other training related costs	50,000
	Sub-Total for Output 3	**40000**	**50000**	**85000**	**95000**				**270,000**
Output 4: Zanzibar Branded as a Unique Tourist Destination *Gender marker: 1*	4.1: Review and implementation of tourism marketing strategy.		20,000	10,000	10,000	ZCT	UNDP	Contractual services	40,000
	4.2: : Production of diverse online and offline tourism promotional materials, including domestic and regional packages			20,000		ZCT	UNDP	Contractual services	20,000
	4.3 Development and operationalization of digital tourism platform and innovative tools	40,000	**20,000**			ZCT	UNDP	Contractual services	60,000
	4.4: Procurement of tourism promotion equipment	20,000	20,000			ZCT	UNDP	Equipment costs	40,000
	Sub-Total for Output 4	**60000**	**60000**	**30000**	**10000**				**160,000**

Output 5: Green Tourism Promoted in Zanzibar *Gender marker: 1*	5.1: Introduce environmental awareness programmes to inculcate conscious behaviour and practices of investors, tourists and local community on environment preservation and conservation		10,000	10,000	10,000	ZEMA	UNDP	Contractual services, venue, facilities and other related costs	30,000
	5.2: Introduce green lablels and organise “Tourism and Biodiversity” workshops, which focus on turning tourism businesses and employees into champions of environmental protection and biodiversity conservation in their enterprises and communities			15,000	15,000	ZEMA	UNDP	Contractual services, venue, facilities and other related costs	30,000
	5.3: Develop and implement Health, Safety and Environmental Regulations			10,000	10,000	ZEMA	UNDP	Contractual services,	20,000
	5.4: Develop and implement environmental monitoring guidelines for the tourism hotels.		10,000	5,000	5,000	ZEMA/ZCT	UNDP	Contractual services,	20,000

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	5.5: Improve waste management and disposal systems and procedures.			25,000		LGAs	UNDP	Contractual services,	25,000
	5.6: Strengthen institutional capacity of ZEMA and LGAs to carry out proper enforcement and environmental monitoring			5,000	5,000	ZEMA/LGAs	UNDP	Contractual services, venue, facilities and other related costs	10,000
	Sub-Total for Output 4	**0**	**20000**	**70,000**	**45000**				**135,000**
Monitoring and Evaluation *(as relevant)*	Project management, monitoring and field visits	10,000	10,000	10,000	10,000	UNDP/UNCDF	UNDP/UNCDF	Travel and monitoring related costs.	40,000
	Advocacy, Communication and Outreach		20,000	20,000	20,000	UNDP	UNDP	Travel, communication and visibilty materials related	60,000
	Project Steering Committee and Coordination Meetings	5,000	5,000	5,000	5,000	ZCT	UNDP/UNCDF	, venue, facilities and other related costs	20,000
	Mid term evaluation			20,000		UNDP/UNCDF	UNDP/UNCDF	Contractual services,	20,000
General Management Support (7 %)	Direct Project Costs	24850	65,800	67,200	38,150			Staffing and office equipment costs	196,000
TOTAL		379,850	1,005,800	1,027,200	583,150				2,996,000

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VIII. Governance and Management Arrangements

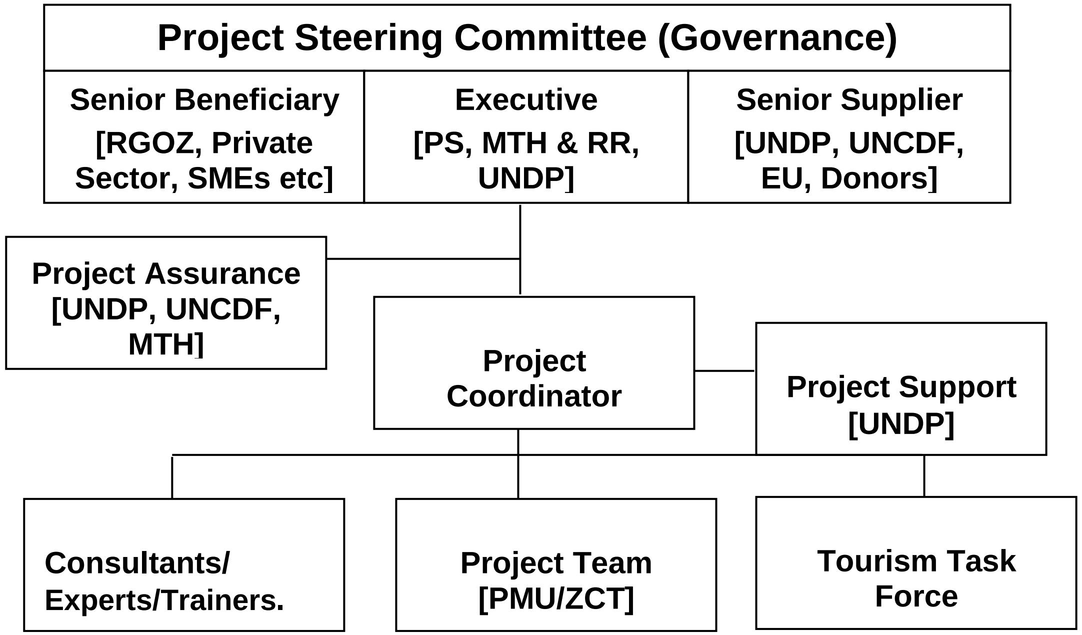
The project will be guided by a Steering Committee (SC) which will meet at least twice a year. It will be responsible for strategic oversight, policy and management guidance, approval of Annual Work Plans (AWP), review and approval of Project Implementation progress and financial reports, authorizes any major deviation from the agreed plan as stipulated in the project document as well as ensuring full compliance with UN rules and regulations. The Steering Committee will be supported by PMU that will serve as the Secretariat and prepares briefing papers and progress reports as well as provides all the necessary information it needs to make informed decisions. The Steering Committee's decisions would be made in accordance with standards that shall ensure best value for money, fairness, integrity, transparency and effective competition. The SC to be co-chaired by the Principal Secretary Ministry responsible for Tourism, Zanzibar and UNDP, Resident Representative will consist of representatives of the following:

i. United Nations Development Programme (UNDP).
ii. United Nations Capital Development Fund (UNCDF)
iii. The Ministry of Tourism and Heritage (MTH)
iv. Zanzibar Commission for Tourism (ZCT)
v. Zanzibar National Chamber of Commerce (ZNCC),
vi. Zanzibar Environment Management Authority (ZEMA)
vii. The State University of Zanzibar, Institute of Tourism.
viii. Zanzibar Vocational Training Authority.
ix. Zanzibar Association of Tourism Investors (ZATI).
x. Zanzibar Association of Tour Operators (ZATO).
xi. Representatives of SMEs (including women and youth).

xii. External Finance, Ministry of Finance and Planning.

xiii. Other stakeholders and development partners may be invited as observers at the discretion of the SC.

Project Organisation Structure



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IX. Legal Context

*[NOTE: Please choose **one** of the following options, as applicable. Delete all other options from the document]*

Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by [name of entity] ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

Option b. Where the country has NOT signed the Standard Basic Assistance Agreement (SBAA)

The project document shall be the instrument envisaged and defined in the Supplemental Provisions to the Project Document, attached hereto and forming an integral part hereof, as "the Project Document".

This project will be implemented by [name of entity] ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. Risk Management

*[NOTE: Please choose **one** of the following options that corresponds to the implementation modality of the Project. Delete all other options.]*

UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)

2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds][16] [UNDP funds received pursuant to the Project Document][17] are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by

[16] To be used where UNDP is the Implementing Partner

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UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

    a. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
        i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
        ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

    b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

    c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

    d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations

[17] To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

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Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

   Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

g. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

   Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

i. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management

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Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

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XI. ANNEXES

1. **Project Quality Assurance Report**

2. **Social and Environmental Screening Template** [English][French][Spanish], including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*

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Annex 3: Risk Analysis

Project Title: Integrated Tourism Recovery and Resilience in Zanzibar	**Award ID:** 00123397	**Date:**October 2020

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Change of Government priorities.	October 2020	Political – Government commitment	Affect the achievement of the objectives of Project if they are not aligned with priorities of new government administration. P = 1 I = 5	Reinforce high level government's ownership, commitment and buy-in by engaging the political and strategic leadership. Ensure flexibility in aligning the project with the priorities of the new government administration	UNDP, MTH SC			
2	Delay in approval of the project and putting in place appropriate management arrangements.	October 2020	Organizational-Institutional Arrangements	Affect timely execution of project activities and achieving the intended results. P = 2 I = 5	Establishment of the project steering committee and close engagement with key stakeholders during project formuation. Timely preparation and presentation of the AWPs, recruitment schedule, procurement plan and ToRs for SC's approval	MTH /ZCT			
3	Weak institutional project	October 2020	Organizational-Institutional/ Execution	Affect timely execution of project activities and timely	Enhance requisite institutional capacities through training of inhouse	MTH /ZCT			

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	management and implementation capacities		Capacity	achievement of the intended results. P = 3 I = 5	staff as well as engaging additional technical expertise				
4	Financial constraints.	October 2020	Financial– Funding (Financial Resources)	Reduce achievement of the intended results. P = 3 I = 5	Strengthen partnership with government and other key stakeholders in mobilizing requisite resources from both traditional and non traditional donors, including the private sector.	UNDP, MTH SC			

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Annex 4: Capacity Assessment: HACT Micro Assessment Results of Implementing Partner (MTH/ZCT)

Annex 5: Terms of Reference of the Project Steering Committee

As described in Section VIII above, a Steering Committee will be the governing body of the project. It will provide strategic leadership and governance oversight and responsible for making key policy and management decisions. More specifically it shall be responsible for the following functions:

1. Provide policy guidance and direction to the project, ensuring it remains within any specified constraints.

2. Approve Annual Work Plans (AWPs), appraise periodic project implementation and financial reports and authorizes any major deviation from the agreed plan as stipulated in the project document.

3. Review periodic monitoring and evaluation reports and advise accordingly.

4. Provide guidance on new project risks and agree on possible counter measures and management actions to address specific risks.

5. Approve the appointment and responsibilities of the NPC and any delegation of its Project Assurance responsibilities.

6. Agree on NPC’s tolerances as required and advice for exception situations when NPC’s tolerances are exceeded.

7. Recommend or endorse any necessary substantive changes without losing sight of strategic objectives.

8. Review and approve the Final Project Review Report, including Lessons-learned

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