



PROJECT REPORT

GREEN GROWTH AND DISRUPTIVE INNOVATION FOR TOURISM

JAN 2021 -JUN 2022



Background

Growth contraction

The adverse socio-economic impacts of COVID-19 hit Tanzania mainly through external channels and this exposed the high vulnerability of the country to external shocks. Real GDP growth declined to about 4 percent in 2020 compared to a pre-crisis projection of nearly 6 percent.

Trading partners' difficulties

A slowdown in the economies of Tanzania's main trading partners adversely affected the country's current accounts, reducing forex earnings and domestic tax revenue.

UNDP's response

UNDP Tanzania reprogrammed its resources to help the country respond to the COVID-19 pandemic. The response in the tourism sector included the following projects:

(i) Integrated Tourism in Zanzibar. Through this project, UNDP was able to contribute to an improved and more inclusive value chain within the tourism industry by increasing the competitiveness and integration of MSMEs, especially informal ones, owned mostly by women and youth.

(ii) Formulation of a comprehensive COVID-19 recovery plan for the tourism sector were by UNDP supported the Ministry of Tourism and Natural Resources

(MNRT) to 'develop a comprehensive COVID-19 response plan for the tourism sector. The support targeted facilitating the formulation process be be inclusive as possible and ensuring that the plan delivers a stronger, more resilient sector which can adapt to and withstand shocks such as those caused by the COVID-19 pandemic. The UNDP Country Office responded positively to this request and provided the required assistance. The plan was published in September 2020.

(iii) Strengthening the capacity of the private sector to respond to health issues to tourists, such as enhancing health care services and solutions to outbreak health issues such as pandemic. Through the Tanzania Association of Tours Operators (TATO), UNDP supported the private sector to also to be resilient and have the support infrastructures (such as an ambulance services and dedicated health centers to serve sick tourist during the pandemic) which can help them respond to shocks.

(iv) Through such interventions and others which are explained in the next chapters, UNDP and TATO enormously contributed to the initiatives supported the destination TZA regaining its competitiveness in the markets

The below table shows the objectives and expected results of the UNDP project implemented by TATO

Objectives of the Project	Interventions
Selected tourism ecosystems actors adopt digital tools and technological innovations for improved operations, marketing, and promotions	- Selected tourism ecosystem actors capacitated to access digital tools and other technological innovations. - Promotion of Destination Tanzania in key markets globally (North America, Europe, Israel). - Capacitating tourism police on safety, security and tourists' management in Zanzibar and Tanzania mainland. - Capacitating Tour guides to open up businesses. (Support to 418 guides to renew licenses) - Strategic advocacy campaign. - Enhanced Health Infrastructure in Key Tourism areas.
Selected Youth and Women MSMEs are better integrated and more competitive in the value chain of the tourism industry on Mainland and Zanzibar	Support to 15 MSMEs with a comprehensive package of assistance, to increase their competitiveness and integration in the tourism value chain





Support to Build Resilience in the Tourism Sector

As mentioned in the introduction, the project supported remarkable and tangible initiatives which are important in ensuring that the sector is becoming resilient going forward. The need for such initiative is still significant, and UNDP invited more partners to continuing building on this foundation.

Some of the initiatives includes the followings.

1. Developing health infrastructures in key tourism spots

Most of the tourism sites (attractions) in the country do not have adequate health infrastructures. In an environment such as that during the Covid- 19 pandemic, health centers with adequate technologies and equipment becomes among key determinants of tourist's confidence towards a certain tourism market before they decide to travel.

Through this project, UNDP in collaboration with the government and TATO was able to construct Coronavirus specimen collection centres at Seronera and Kogatende. Also, the project supported the efforts of renovating a dispensary in Ruaha National Park (Msembe Dispensary) which was designated for handling Covid-19 samples, and also supported the establishment of the PCR Test centre in Ndutu which started operations in December 2021. Through these efforts, tour operators and the government were able to collect samples more accurately in a conducive environment, and the samples were submitted to the designated national laboratories on time.

In addition, the project deployed four (4) state-of-the-art fleet of ambulances to four key national parks (Serengeti and Kilimanjaro national parks, the Tarangire-Manyara ecosystem, and the Ngorongoro Conservation Area) to serve tourists and the community around in case of emergencies during the pandemic.

2. Building the capacity of Institutions and industry players on how to operate in the new normal

The pandemic has disrupted the way many institutions, especially in the tourism sector, works. Many have had to acquire new skills and technologies so as to be able to operate in the new normal, and also to be able to tap into new markets created by the disruption.

Despite the disruption, however, it was imperative to insist on the importance of complying to the laws and regulations governing the sector despite all the challenge the entire ecosystem was going through. As an umbrella organization of tour operators, TATO organized a training on Regulatory Compliance to 132 tour operators (M=90; F=42) from the Northern (Arusha), Eastern (Dar es Salaam), and Western (Mwanza) circuits. The trainings took place at a time when many businesses were attempting to recover from significant losses, while others were closing down as a result of the negative effects of Covid-19 and the government's high taxation.

Through the training, tour operators were able to discuss and identify grey areas within the existing tax system such as the tax point and accounting for third party transactions.

The recommendations which were submitted officially to the MDAs highlighted some of the regulations which might increase the challenges especially when there is a global tourism disruption.

3. Improving tourist safety and security in the tourism sector of Tanzania.

Safety and security are key issues in a country like Tanzania whose tourism sector contributes significantly to the economy. These two are vital in ensuring quality service, sustainability of natural resources, and security of tourists visiting the attraction available in the country.

The success or failure of a tourism destination depends on the ability of the government and key sector players to provide a safe and secure environment for visitors. It is undeniable that tourism industry has to defend itself as well as to have a legitimate expectation that the government will ensure safety and security of all tourists visiting the country. It must be recognized that when environment is safe, the visitor is also safe and that if the law machinery emphasizes on tourists' security, it will not only give tourism a fill-up but also pave way for the industry's future growth.

Tanzania's mainland tourism is based on 'Safari,' where tourists visit national parks to see wild animals and culture by visiting culturally rich sites and meeting various native tribes such as the Maasai and Hadzabe while In Zanzibar, tourism is based on the beautiful beaches and heritage tourism. Given the nature of these attractions, it is imperative for a country to ensure that tourists walk and move all over these places to get the best experience of the island without any fear.

In ensuring safety and security, the President of Zanzibar H.E Dr. Hussein Ali Mwinyi requested UNDP to support special trainings to Police Officers on different aspects of tourism. In responding to the request, UNDP through TATO was able to conduct customized training courses to Police Officers dealing with tourism and diplomatic issues. A total of 190 police officers of tourism and diplomatic units from Zanzibar (178) and the Tanzanian mainland (33) were trained. The trainings were delivered in collaboration with the St. Augustine University Arusha Campus.



Officers from Zanzibar's police tourism and diplomatic unit attend the closing ceremony of a six-day workshop hosted by TATO and UNDP in March 2022.



In addition to tourism related issues, the trainings were customised in such a way the covered other issues such as code of ethics for tourism and diplomatic police, mitigating challenges when dealing with tourists, dress codes to ensure uniformity, etc.

4. Broadening partnerships to cement resilience

Through the broad network of TATO on the ground, the project was able to collaborate with the Frankfurt Zoological Society (FZS) to organize the Mwalimu Nyerere day which is the day to commemorate the founding father of the nation, and a day where FZS presents statistics to key actors in the tourism sector on how many snares were de-snares and efforts done to combat killing of wild animals for meat consumption.

Last year's Mwalimu Nyerere day was graced by the then Permanent Secretary of the Ministry of Natural Resources and Tourism, Dr. Alan Kijazi who commended the efforts by UNDP, TATO, FZS and all stakeholders who are supporting the tourism sector to recover from the impacts of the COVID-19.

TATO was able to maintain collaborations with a number of affiliates during the project's lifetime; among them is FAME hospital which delivered health services to tourists visiting the national parks in the Northern circuit; Msembe Dispensary in Ruaha National Park in providing Covid-19 sample collection services to tourists visiting the Southern circuit.

Moving forward - Diversifying the sector

1. Continuous dialogues with the government and other key actors for an enabling environment.

During the implementation of the project, UNDP and TATO noted government's commitment in ensuring that the sector's recovery plan is implemented so that the sector recovers fully, diversify, becomes more resilient and inclusive and its contribution to the GDP continue to grow. Going forward, UNDP and TATO are also committed in ensuring that the project is aligning to the government's ambitions and aspirations of eradicating poverty and becoming a middle-income country by 2025.

Through this project, UNDP and TATO have listed the below areas which will be the basis for a continuous dialogue with the government towards ensuring an enabling environment in the tourism sector.

(i) Strategies for increasing the number of tourist and their length of stay to achieve the target set by the government of five (5) million tourists and a contribution of USD \$6 billion per year by 2025.

(ii) Improving the supply chain for the sector, and supporting MSMEs (especially in horticulture and Arts & Crafts) to supply quality products especially those consumed by tourists during their stays in hotels, lodges, etc.

(iii) Improve enabling infrastructures so as to save the industry from the heavy costs they incur because of poor infrastructures such as vehicle spare parts which they need for replacement oftenly.

(iv) Diversifying tourism products to encourage repeat visits and new market niches. The current products might be too narrow in widening destination market based i.e. attract all the market segments such as retirement tourism, sports tourism, food tourism, etc.

(v) Making it simple for local investors (especially women and youth entrepreneurs) to establish companies within the tourism value chain by championing transformations in regulations to capture the needs of women and youth entrepreneurs.

(vi) Strengthening anti-poaching measures through long term and sustainable comprehensive approaches which are inclusive.

2. Digitalization of tourism platforms

As mentioned earlier, the sector has been disrupted and no longer operating under business as usual because marketing has taken a new direction with fresh ideas on how tourism activities can be operated. Through this project, many tour operators have become conversant with digital tools and platforms such as zoom, google meet, and other which makes it easier for them to negotiate on time, to reach a wider market, to tap into new markets and to market their packages easily and costs effective. For instance, during the implementation of the project UNDP and TATO were able to organize a virtual travel show which was attended by more than 200 Tanzanian tour operators and its main objective was to provide a space for operators to trade their products online.

Going forward, the sector through umbrella organization will need to digitize more so as to broaden the market, to interact with agents and to see the emerging trends in the World market. The Tour operators, therefore, will need to invest more in the area of digitization.

3. Promoting Tanzania as a destination

The project supported destination marketing, through CornerSun a leading B2B group in North America that promotes travel to Africa with over 2,000 US-based travel agencies interested in selling Africa tourism products, media FAM trip with journalists from Switzerland, and the Asia Pacific Tourism Association (APTA) news network which covers 5,000 members.

Through the newsletter's editions & Webinar sessions, the project was able to be featured in those platforms to promote new and emerging products in the country which are not popular in the USA, Asia, Pacific and some parts of Europe markets. As a way of diversifying the market, therefore, the project provided very specific information and tips for sites such as Selous Game Reserve, Ruaha National Park, Mikumi National Park, Kitulo National Park, etc.

Promoting Tanzania as a destination is a low hanging fruit and the results can be realised within a short period of time. UNDP and TATO will continue engaging with other partners, especially the private sector, so as to continue these efforts which can help the country to reach a wider market within a short period of time.

4. Opening Tanzania to the rest of the world through collaborative efforts.

For the first time in Tanzanian history, Edelweiss, Switzerland's leading leisure airline, launched the first flight from Zurich to Kilimanjaro Airport, carrying 270 tourists, 160 of whom disembarked to the northern circuit while the rest continued on to Zanzibar. Through this project, TATO was able to represent its members in the negotiations between Edelweiss and the government which led to this achievement.

The launch of this flight line (which is known Worldwide for flying to the most beautiful destinations in the world) was necessary and was used by the government to send a clear message to the world that the Tanzania tourism market is now open and safe to travel despite the pandemic and its negative economic impact.

As of to date, Edelweiss Now Offers two (2) weekly connections from Zurich to Tanzania.



With over 200 tourists on board, Edelweiss flight, landing, and inauguration of its first route from Zurich to Kilimanjaro.



Dignitaries attend the official launch of Edelweiss' first flight from Zurich to Kilimanjaro. While over 200 people disembark from the plane to begin their safari tours. The dignitaries are Minister of Works and Transport Prof Makame Mbarawa; Minister of Natural Resources and Tourism Dr Damas Ndumbaro; The Swiss Ambassador Tanzania, Didier Chasot; UNDP Resident Representative, Madam Christine Musisi. Others included RC Kilimanjaro Mr. Stephen Kigaigai; RC Arusha Mr. John Mongela; Dr. Andrew Schulz GM Southern & East Africa Lufthansa Group; Swiss Tanzania's GM, Mr. André Bonjour.

5. Promoting women and youth participation in the tourism value chain.

Moving forward, UNDP and TATO will design interventions which will promote more participation of women and youth in the tourist value chain to build on the previous interventions which targeted the same beneficiaries.

In this project, TATO partnered with the National College of Tourism and the Tanzania Agricultural Development Bank to design a mentorship program as a way of attracting more youth to the tourism industry. The National college has a total of 600 students and to begin with, the collaboration targeted 50 students specifically those studying culinary arts because there is a growing demand for cultural products.



Through this mentorship programme, the select students have been meeting with their mentors who have vast experience in the tourism industry. They are mentored in the areas of food processing and preservation techniques, hospitality, and other aspects necessary for managing a specific business within the value chain.



Students from the National College of Tourism hold their certificates after receiving food processing training and mentorship. All 50 students who participated were awarded.

6. Promoting a local economic develop approach in the tourism sector

Another take way from this journey is the opportunity to strengthen local economic development by link the sectors with the economic development of the communities surrounding the tourism attractions. UNDP is working closely with the UN-WTO, TATO and is in initial discussions with the Ministry of Tourism and Natural Resources to develop an integrated tourism and local economic development strategy. The strategy is in its initial stages whereby a comprehensive baseline survey has been undertaken through a consultative approach by a group of experienced international and local consultants.

The strategy is expected to answer some key questions such as how and to what extent is tourism growth and development benefiting the local communities in Tanzania? How could the tourism benefits trickle down to the poor and most vulnerable groups? Does it create more decent jobs for them or not?

Upon its completion, the strategy will ensure tourism stirs the local economic development (LED) is of utmost importance, and its contribution to the economy remains impressively significant. Furthermore, the strategy will identify ways in which local businesses and communities around the tourist attractions realize benefits from tourism, hence committed to their sustainable conservation.



The UNDP Resident Representative in Arusha is shown on the right during a kickoff meeting for the LED approach

Opportunities and Challenges Learnt During Implementation of the Project

When implementing short-term projects like the current one (18 months), it is difficult to realize impact over such a short period.

1. Tourism is a very unique, dynamic and competitive sector that requires the ability to adapt constantly to customers' changing needs and desires; it is both service and product oriented. Tourism being service carries intangible characteristics, which pose for long-term consequences if not well thought changes imposed, in areas of policies and regulatory frameworks. The industry rewards society both directly and indirectly, so the impact is felt across a broad spectrum. In this regard, there is an opportunity for UNDP and TATO and other partners to build on this project by mobilizing more partners who can invest for a long-term project.
2. The tourism benefits is not well felt in the local economy due to a lack of coordination in all work system settings, sectoral integration, as well as understanding of what it entails; thus, contributing to their low sector multiplier effect. Lack of well-coordinated supply and demand platforms within the local economy, have lead to Most communities lacking the necessary standards needed to meet the hospitality industry needs across the country. Additionally, most people do not have the financial capacity to do so. This is a challenge but also an opportunity training institution, financial institutions, and the government to see how to change things around by developing business models which are inclusive and take into account the needs of the communities.



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