

A Strategy for Tourism Development in Southern Tanzania

Developed at the request of H.E. President Jakaya Kikwete and Hon. Minister Lazaro Nyalandu to guide coordinated development in the southern tourism corridor

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Executive Summary

The Context

Southern Tanzania has a vast endowment of tourism assets. The principle draw is its national parks and reserves, which primarily offer wildlife safaris, including photographic safaris, walking safaris, night game drives, and boat safaris. Of these, Mikumi National Park, Ruaha National Park, and the Selous Game Reserve are the most popular, accounting for more than 75% of visitors to the region. In addition, the region also boasts beach and marine attractions along the Indian Ocean coastline, mountain ranges such as the Udzungwa Mountains National Park and historical sites such as Kilwa World Heritage Site. Together these attractions provide a diverse palette of activities for potential visitors.

Southern Tanzania is also home to a number of ethnic groups that can contribute to and benefit from tourism. Large portions of southern Tanzania remain relatively underdeveloped, and the majority of the region's population relies on subsistence farming. Communities in the area, particularly those in close proximity to the parks and game reserves share resources such as water with the animal population. These communities also have cultural activities that have the potential to enhance the tourism product. A conservation-friendly tourism industry will contribute to addressing persistent poverty in the region and helps protect natural resources, as park revenue can flow directly back into conservation, and the multiplier effect of tourism spending can grow the overall economy.

Recognizing the role that southern Tanzania's tourism industry can play in the improvement of economic and social conditions, the government of Tanzania requested the support of the US government to develop a tourism plan for the region. Effectively managed, tourism can increase investment, provide employment for locals, contribute to government revenue, create legitimate alternatives to poaching, and fund better management of the region's biodiversity. It is with this motivation that this plan was conceived as a direct request from President Jakaya Kikwete of Tanzania and the Minister for Natural Resources and Tourism, Lazaro Nyalandu, following a conversation with US Ambassador to Tanzania Mark Childress and former United States Agency for International Development (USAID) Administrator Rajiv Shah in 2014.

The Analysis

Despite its endowment of assets, overall, the tourism industry in southern Tanzania is relatively underdeveloped and attracts a low volume of visitors. Tanzania's nature-based tourism attracts more than a million visitors per year and contributes more than 13% of gross domestic product (GDP).¹ Southern Tanzania, however, accounts for less than 10% of all visitors to Tanzania's national parks and less than 1.5% of park revenue.² Occupancy rates in many southern lodges are below 50%. When compared to northern Tanzania and Zanzibar, southern Tanzania's products, including accommodation options and activities, are fewer in number, limited in variety and have poor market penetration.

While the industry faces some natural challenges, it is the man-made challenges that continue to hinder the realization of its full potential. Natural challenges include the vast size and the remoteness of the region, which together restrict access, as well as environmental conditions in that limit tourist activities such as the miombo woodlands and tsetse flies in some attractions. Moreover, and more significantly, the operating environment for business is poor, poaching is rampant, and

¹ World Bank, Tanzania's Tourism Futures DRAFT, 2014

² Ministry of Natural Resource and Tourism, "Tanzania Tourism Statistical Bulletin", 2012

there has been little investment in infrastructure or marketing of tourism in the south. Responses to these challenges have been slow: until now, there has not been no plan for developing tourism in the south since the 2002 Tourism Master Plan for Tanzania.

Southern Tanzania's tourism industry has struggled to maintain consistent leadership thus compromising efforts to define a vision and strategy, mobilize resources and promote growth.

Frequently changing leadership within MNRT and other key government departments has resulted in shifting agendas and gaps in planning. While the 2002 national plan recommended the development of a strategy specifically for southern Tanzania, it has taken thirteen years for this plan to be developed. In the absence of a strategy, each attraction has evolved on its own without regional direction, making it difficult to identify and attract appropriate investors. In addition, the lack of consistent leadership has compromised the government's ability to address both natural and other man-made challenges that the industry is facing. The region will be able to attract more investment if investors understand the overall strategy and can rely on government leadership to implement this strategy.

The operating environment for business is difficult in Tanzania; growing tourism in southern Tanzania will require additional interventions to support a conducive environment. Tanzania ranks 131 of 189 on the World Bank Doing Business assessment (down one point from 2014), due to poor performance on factors including construction permits, taxation, and access to credit.³ While its overall performance is above the Sub-Saharan Africa average, Tanzania still lags behind competitors like South Africa, Botswana, Zambia and Mozambique. Tourism investors operating in both southern and northern Tanzania identify the unpredictability and punitive nature of the business-operating environment as a major obstacle to furthering and/or attracting new investments into the country. Regulatory and fiscal processes are often cited as particularly challenging due to complex and inefficient systems, resulting in significant loss of time and money to complete these processes. Consequently, for investors who are already operating in the region, the poor operating environment continues to make it difficult for to survive, while for those looking to grow tourism in Tanzania, it makes the already underdeveloped southern region even less attractive. Both existing and new investors will require policy and regulatory support to enable them to remain competitive.

Resource-wise, a rapidly declining wildlife populations threatens the long-term viability of the tourism industry in southern Tanzania. The wildlife population and the supporting ecosystem are the very underpinning of southern Tanzania's tourism industry; without them, there is no industry. Poaching, especially of elephants, has reached crisis levels, with Tanzania being the world's top source of illegal ivory. Elephant populations have declined 81% over the last seven years in the Selous-Mikumi ecosystem and 44% over the last five years in Ruaha National Park.⁴ Other ecological challenges include dynamite fishing, water scarcity and deforestation, as well as declining wildlife connectivity. On the human side, the South's relatively poor socioeconomic conditions and dearth of skilled workers continue to challenge operators. Lodges and tour companies struggle to employ locally due to lagging education in southern Tanzania and the resulting lack of human capacity. This human capacity gap also affects the public sector, which often must source park management from elsewhere in the country.

Limited awareness of attractions in Southern Tanzania prevents potential visitors from discovering the products and generating more demand. Historically, Tanzania's official tourism marketing efforts emphasize the north; when the south is marketed, it is not differentiated from the popular northern attractions. Both local and international tour operators working in the established

³ The framework for the World Bank "Doing Business" index changed between 2013 and 2014.

⁴ Interpol, 2014; Environmental Investigation Agency. "Vanishing Point: Criminality, Corruption and the Devastation of Tanzania's Elephants." London, 2014; The Guardian, "Tanzania elephant population declined by 60% in five years, census reveals." 2 June 2015.

Tanzanian travel market lack sufficient awareness or incentives to promote southern Tanzania to visitors. In the absence of a marketing plan for the south, investors tend to market independently to limited international audiences. Consequently, travelers have little awareness of the south and therefore do not request southern destinations when exploring their travel options.

Finally, infrastructure investments have not fully met tourist demands for lower travel costs, more accessibility, and higher comfort. As noted earlier, the vast size of southern Tanzania and its remoteness present a unique challenge; however, this can be overcome with adequate planning and mobilization of resources. Southern attractions are poorly linked to each other and to major cities. Access to southern Tanzania's attractions from major cities requires long drives on congested and/or poor quality roads. While flying from some cities and between some attractions is an option, flights are costly and limited in their frequency. Not all attractions have airstrips, and where airstrips exist, only a few are in good condition. In addition to limiting access to single site, these infrastructural challenges also impede the development of tourism circuits in the region, making it difficult for tourists to visit multiple sites during the same trip.

Immediate action is needed to address these challenges and jumpstart a conservation-friendly tourism industry in southern Tanzania. This action must take into account the following:

- i. *Recognize the south is not the north, and will therefore require a plan that leverages its unique attributes.* While the north, with its well-developed infrastructure and unparalleled density of easily viewed wildlife, can accommodate high volumes of tourists, the south can offer more 'authentic' tailored tourism experiences for both low- and high-end visitors.
- ii. *Focus on market segments that are appropriate to the south:* There are at least six types of tourists already visiting southern Tanzania, and these are nature lovers, adventurers, emerging explorers, beach extenders, business travelers and hunters. All but the hunters' market segment have the potential for growth through targeted marketing campaigns.
- iii. *Pursue distinct investment strategies for each attraction.* Each attraction has characteristics that are ideal for a different mix of customers and products. For example, due to its savannah landscape and proximity to major cities and coastal destinations, Mikumi National Park can accommodate a high density of visitors including adventurers, emerging explorers, beach extenders and business travelers. On the other hand, Ruaha National Park's remoteness is ideal for nature lovers who value the wilderness experience and low density, and are willing to pay for the experience.
- iv. *Prioritize action.* Although the potential is there, not all areas can be developed at once. Investment should focus on establishing and promoting the core, primary attractions in the south before taking on development of secondary attractions.
- v. *Take a "portfolio" view of the assets.* Recognize that each asset will follow a different path toward success, and aim to create a strong sector rather than individual success stories. Slow, but high-margin growth in Ruaha National Park, for example, can be offset by more rapid growth, albeit at lower margins, in Mikumi National Park.

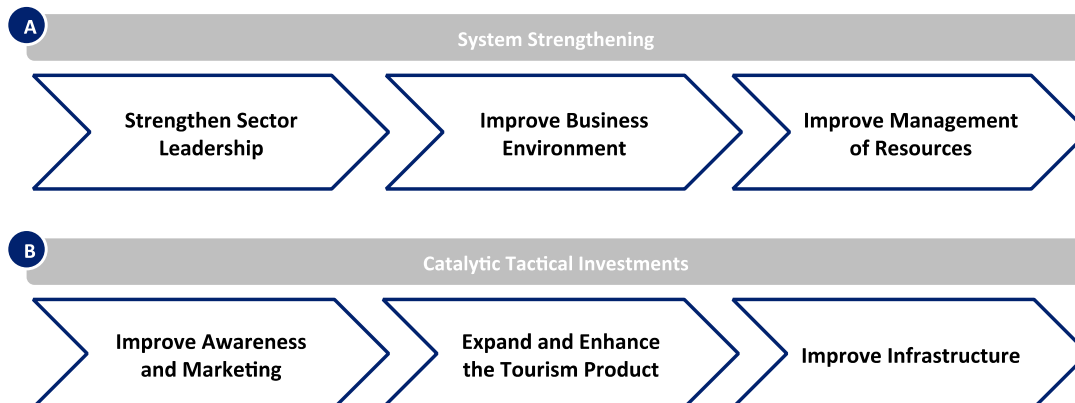
The Plan

Six strategic programs have been designed to overcome the major challenges identified in the sector, and grow the tourism industry in southern Tanzania. The programs achieve two broad objectives:

- (1) strengthening the foundation of the industry through government action in areas of leadership, the business operating environment, and resource management, these are system wide initiatives that are needed for the tourism sector, and

- (2) identifying opportunities for public and private investments to create greater market awareness, grow demand, expand product offerings, and improve infrastructure. These are the tactical investments that are needed to improve and enhance tourism in southern Tanzania.

The recommendations in each program are positioned to build on existing momentum to catalyze immediate growth through targeted and implementable activities. They are also designed to leverage the region’s unique value proposition, while accounting for the distinct characteristics of each attraction. Detailed explanations and recommendations, including a proposed timeline and indicative budget, can be found starting on page 49.



- i. **Strengthen sector leadership by launching a Tourism Task Force with a 5-year mandate to facilitate the implementation of the plan, and separately, improve data collection.**

A special southern Tanzania Tourism Task Force is needed to promote collective ownership of the plan, facilitate implementation and ensure continuity. Previous plans have only had one owner, which can change and cause the plan to fail, through collective public and private ownership it is hoped the plan can succeed. Following the example of similar successful institutions in Malaysia and Namibia, this task force should be small, and include representation from key public and private sector stakeholders. To ensure that this task force has broad support, it is important to achieve quick wins immediately that can generate momentum; this will only be possible if this body has committed members supported by capital investment.

In addition and as part of the task force’s mandate, the collection of quality data is essential to the future evaluation of the industry. Consistent regional and site-specific data is needed to achieve a nuanced understanding of the characteristics of visitors to each Southern attraction. Immediate measures include systematic surveys of lodges and tour operators, as well as mandatory exit surveys at all attractions.

- ii. **Improve the business environment by revising the 1999 National Tourism Policy, aligning with Vision 2025 Big Results Now’s (BRN) initiative to streamline, rationalize, and harmonize fiscal processes, and piloting a streamlined system for MNRT levies and fees in southern Tanzania.**

Revising the National Tourism Policy would provide current and relevant guidance for the industry. Policy should be created with the primary intention of maintaining the overall health of the industry and benefiting the Tanzanian people. Recognizing that there are ongoing efforts to update the 1999 National Tourism Policy, we recommend that the new policy take into account varying levels of tourism development within Tanzania’s regions, provide specific guidelines for environmental and wildlife protection, clarify the roles of

relevant ministries, regulatory agencies, donors and communities, and outline standards for implementation and accountability.

Building on BRN's existing reforms, streamlining the operations, fees, and payment mechanisms of regulatory authorities and executive agencies will reduce the cost of running operations. Furthermore, support should be given to BRN's efforts to rationalize and harmonize the taxes, fees, and levies that affect the sector. This includes measures to improve the coordination of taxes, levies, and fees, revision of key policies such as the VAT Bill, and elimination of payments that have minimal impact on the government budget but are a significant hardship for businesses.

Apart from BRN's economy-wide initiatives, reform is needed to address industry-specific fees and levies that are managed by MNRT. Specifically, the use of different fees and levies should be clarified as well as the Tourism Agent Licensing Authority (TALA) process. The focus should be on developing a new automated online application process and introducing mobile payments to reduce the time and cost of compliance. This new system can be tested through a two-year pilot in southern Tanzania implemented by MNRT before scale-up across the country.

iii. **Improve management of natural resources by demonstrating political will and commitment to stop poaching, involving local communities in the tourism sector, and investing in establishing a tourism training college in Iringa.**

Addressing Tanzania's poaching crisis first requires political will and commitment from leadership. Without political commitment to ending poaching, all other measures to increase management capacity, training, and equipment will remain insufficient.

Involving local communities in management of anti-poaching efforts will help to ensure the long-term survival of resources in southern Tanzania. A community tourism product development program in partnership with the private sector, and centered on the buffer zones around each of the primary tourism attractions in the south, would help stimulate greater engagement by local people in the tourism value chain. Communities can also be shared managers of natural resources through Wildlife Management Areas (WMAs); however, not all WMAs are suitable for tourism, and those that are will require support in management of the assets. The GOT should also adjust policies to hire and train locally and encourage the private sector to do the same, in order to capitalize on local knowledge and integrate local communities further into the conservation effort.

Finally, investing resources in the improvement of, and access to, existing training colleges will begin to address the skills gap. In the short term, replicating the successful Dar es Salaam and Arusha apprenticeship programs in Iringa would begin to provide the training and learning environment to grow the tourism training ecosystem in the South. In the long term, capitalize on the substantial youth base in Iringa to establish a training college that would further facilitate local training and skill building, creating an easily accessible source of labor for tourism facilities and parks. The focus of this facility should be on practical training, including guiding, front and back office skills for hotels and lodges, and food and beverage management.

iv. **Promote better marketing of the region, as it is the quickest and most effective way to promote rapid transformative growth of the tourism sector in southern Tanzania.**

Defining and maintaining a consistent brand identity for southern Tanzania will guide all marketing efforts by ensuring that the information is appealing to market segments, and relevant to the products in southern Tanzania.

Immediately investing in building the image and appeal of southern Tanzania through a quick, 9-month campaign to engage celebrities in helping to tell the story of the south and building awareness in the market about the region. This can be followed by a domestic 'Travel South' campaign targeting the domestic and resident market segments (emerging explorers and adventurers), which can be reached more easily and quickly than international markets. The aim is to generate considerable engagement and participation in the local market and help local businesses test and establish tourism packages. The campaign would focus on media relations with local newspapers and radio and TV news channels to promote stories about the region on a monthly basis.

Investing in building the image and appeal of southern Tanzania internationally through targeted media campaigns and partnerships will raise awareness abroad. The focus will be on building an image around iconic locations that engage potential travelers, promote international awareness and put southern Tanzania on the map. This will require a two-to three-year campaign with the goal of tripling the search ranking score of the parks, establishing a consistent message in the media, and leveraging at least \$10 million in earned media coverage.

Finally, connecting local and international customers to the destination through a travel industry promotional program will have a direct impact on demand. In conjunction with the awareness-building activities described previously, southern Tanzania's tourism sector needs to establish stronger connections to international and domestic travel industry partners. This requires development of sales material, and connecting with travel industry in northern Tanzania, regional coastal destinations, and internationally.

v. **Expand and enhance tourism products prioritizing the primary attractions, with considerations for secondary attractions and circuit linkages.**

In *Mikumi National Park*, promote the park as an easily accessible getaway with high concentrations of wildlife for a memorable safari experience. For a mix of mid- to low-value and high-density tourism, focus marketing efforts on the adventurer, emerging explorer, beach extender and business traveller market segments. To improve the tourist's experience ensure local benefits, expand accommodation options and improve road and air connections and promote community engagement in tourism services and activities.

In *Ruaha National Park*, promote the park as an uncrowded and unspoiled safari experience, and pursue high-value, low-density tourism focusing on the nature lover market segment. To protect the park, start with addressing the poaching problem and conducting assessment of water use and management of the Great Ruaha River, and promote policies that protect the ecosystem and promote community participation in tourism activities. In the long term, develop southern Ruaha through a public-private consortium with the goal of better utilizing and protecting the area.

In *Selous Game Reserve*, promote the park as a wilderness experience that offers visitors an opportunity to customize their safari. Marketing efforts should focus on a mix of low- to medium-density tourism, with the nature lover, beach extender, business traveler, and high-value adventurer as the major market segments. To protect the industry and improve the experience, address poaching immediately and invest in the improvement of roads and airstrips. In the longer-term, conduct assessments and planning with the aim of converting hunting blocks to expand the photographic area.

In *Udzungwa National Park*, promote the park as the ultimate southern adventure, focusing on low- to mid-value and low-density tourism anchored by the adventurer and emerging explorer market segments. To enhance tourist experience, invest in the improvement of roads and trails, and the quality of activities offered in the park.

In *Secondary Attractions and cities such as Kilwa, Mafia and Kitulo*, invest in marketing and the development of products in order to grow demand and/or extend the length of stay.

vi. Improve infrastructure through investments in road networks, increasing air connections and reducing the cost of flights through risk guarantees, and re-establishing rail travel for tourists in the future through public-private partnerships.

Improving road networks should start by prioritizing roads that connect primary and secondary sites to each other and to their source markets. These include roads like the A7, which connects Dar es Salaam to Morogoro and serves as a gateway to other southern cities and Mikumi, Ruaha, Selous, and Udzungwa, as well as dirt roads that connect Ruaha, Selous, and Udzungwa to the major road arteries.

Improving air connections and reducing ticket costs in the short-term through risk guarantees should be encouraged to stimulate demand. This would require an agreement from the major air companies servicing the region to lower their price per seat by basing their break-even cost per flight on six-person rather than three-person occupancy, with the resulting risk shared between the private sector operator and a sponsor (GOT or donors).

International air service into Dar es Salaam, the major gateway for travel to southern Tanzania, is also limited and should be addressed. This should include support for the construction of a new airport already underway, as well as efforts to re-establish the connection with British Airways (or an equivalent European airline) to increase total international air service capacity.

Finally, re-establishing rail connections to Selous and potentially Udzungwa could play a critical role in improving access to these attractions. However, to be successful, the re-establishment of the tourism train would require a higher volume of travelers to the area than is currently available; therefore, this effort should occur after tourism to the region has grown.

Implementing these actions will result in an estimated \$75 million a year in total direct annual economic impact for Tanzania (not including the substantial multiplier effect of spending) and \$8 million a year in new revenues in protected area revenues in Southern Tanzania. The implementation plan is divided into three phases. Both public and private commitment will be required to complete the action items in the plan; however, the leadership of MNRT and the strength of the Tourism Task Force will be crucial to the success of the implementation plan. The total estimated budget for implementing the plan is approximately US \$ 25-50 million, with the final cost depending on the level of aggressiveness in implementing the plan. This budget includes public and donor investments that would stimulate private investment and increased visitation to the region, resulting in enhanced attraction revenues and long-term economic benefits to Southern Tanzania.

Phase I begins to lay the foundation for broader transformation in the nine months before and immediately following the election. Given the fragility of the current tourism industry in southern Tanzania, it is important to send a signal to investors that the government plans to act now; waiting for the election transition to pass may result in another season of losses that further dampen investor interest in the region. The action items include establishing a southern Tanzania Tourism Task Force, consulting with BRN on the roll-out of initiatives to improve the business operating environment, and a quick promotion and awareness building campaign, utilizing celebrity endorsements to garner awareness of the region.

Summary of recommendations for implementation in Phase I

Recommendation	Responsibility
1. Start with establishing a Southern Tanzania Tourism Task Force	
<ul style="list-style-type: none"> • Create a Southern Tanzania Tourism Task Force with a 5-year mandate to facilitate the implementation of the plan 	<ul style="list-style-type: none"> • MNRT • TCT • Donors
2. Consult with BRN on the roll-out of initiatives to improve the business operating environment	
<ul style="list-style-type: none"> • Building on the reforms that Big Results Now is implementing, streamline, rationalize and harmonize the payment of taxes, fees and levies to central government regulatory bodies, agencies and local government. • Streamline the payment of industry-specific fees and levies to MNRT with a pilot in Southern Tanzania 	<ul style="list-style-type: none"> • Office of the Prime Minister/BRN • TRA & Other Agencies • Local Government • Parliament • MNRT & Tourism Task Force
3. Begin to build awareness and implement marketing initiatives	
<ul style="list-style-type: none"> • Confirm the brand identity for Southern Tanzania • Invest in building the image and awareness of Southern Tanzania through a quick celebrity endorsed media campaign 	<ul style="list-style-type: none"> • TTB • Tourism Task Force • TATO • TANAPA • TAWA

Phase II focuses on interventions that will build on initial momentum to consolidate growth in the region in 5 years. Specifically, this phase involves actions that are catalytic, but require more effort and time to come to fruition. These are also actions that are linked to, or may be affected by the transition in government, and are therefore best implemented after elections. This includes government action in addressing the poaching problem and other natural resource challenges as well as revising the 1999 National Tourism Policy. It also includes investments in awareness and marketing initiatives to increase visitation, the expansion and enhancement of tourism products and infrastructure improvements.

Summary of recommendations for implementation in Phase II

Recommendation	Responsibility
1. Continue to build awareness and implement marketing measures	
<ul style="list-style-type: none"> • Invest in building the image and appeal of Southern Tanzania domestically through a 'Travel South' campaign • Invest in building the image and appeal of Southern Tanzania internationally through targeted media campaigns and partnerships • Connect local and international customer segments to the destination through a travel trade program • Site-specific measures: <ul style="list-style-type: none"> – Promote Ruaha as the ultimate Southern Tanzania destination that offers a wild, unspoiled wilderness with a diversity of wildlife and some of the best elephant, lion and leopard concentrations in the region – Promote high value and low density tourism, anchoring on the Nature Lover – Promote Selous as a wilderness experience that offers travelers an opportunity to customize their safari experience – Promote a mix of medium-to-low low volume and low-to-medium density tourism, focusing on Nature Lover, Beach Extender, Business Traveler and the high value Adventurer segments – Promote Mikumi as an easily accessible getaway with high concentrations of wildlife for a memorable safari experience – Promote a mix of mid-to-low value and high density tourism, focusing on attracting Adventurers, Emerging Explorers, Business Travelers and Beach Extenders – Promote Udzungwa the ultimate Southern adventure in the largest and most diverse mountain park in Tanzania – Promote low-to-mid value and low density tourism, anchoring on the Adventurer and Emerging Explorer segments 	<ul style="list-style-type: none"> • TTB • Tourism Task Force • TATO • TANAPA • TAWA
2. Address the poaching problem and other natural resource challenges	
<ul style="list-style-type: none"> • Demonstrate political will and commitment to implement anti-poaching efforts effectively • Address other natural resource challenges such as the drying of The Great Ruaha River • Involve communities in the sustainable management of resources 	<ul style="list-style-type: none"> • MNRT & Tourism Task Force • TANAPA • TAWA • Donors • CSOs
3. Revise the 1999 National Tourism Policy	
<ul style="list-style-type: none"> • Revise the 1999 National Tourism Policy to reflect current dynamics 	<ul style="list-style-type: none"> • MNRT • TCT • CSOs
4. Invest in the expansion and enhancement of tourism products, focusing on immediate measures for building out the primary attractions	
<ul style="list-style-type: none"> • Ruaha National Park: <ul style="list-style-type: none"> – Follow a revenue rather than visitor numbers approach to growth to protect the park and maintain its value proposition – Ensure the sustainability of the park through policy changes and community participation in tourism activities • Selous Game Reserve <ul style="list-style-type: none"> – Invest in the improvement of roads and airstrips in the reserve • Mikumi National Park <ul style="list-style-type: none"> – Invest in the improvement of roads and increase in flights – Invest in expanding accommodation options – Promote community engagement in tourism services and activities • Udzungwa National Park <ul style="list-style-type: none"> – Invest in the improvement of roads connecting the park, and the trail network within the park – Invest in the improvement of the quality of activities 	<ul style="list-style-type: none"> • Tourism Task Force • TANAPA • TAWA • Private Sector • Donors • CSOs • Local Government

Summary of recommendations for implementation in Phase II (continued)

5. Invest in infrastructure improvement	
<ul style="list-style-type: none"> Invest in improving road networks, prioritizing those that play a critical role in tourism development Invest in improving air connections and reducing the cost of flights through risk guarantees Invest in re-establishing rail connections 	<ul style="list-style-type: none"> GOT (including relevant ministries) Local Government Donors Private Sector TAZARA

In Phase III, long-term actions will be implemented to maximize growth and sustain the industry. This phase will rely on the success of the first two phases and will therefore run after these have started to be implemented. Specific action items include development of secondary attractions, expansion of Ruaha and Selous, and the establishment of the training college in Iringa.

Summary of recommendations for implementation in Phase III

Recommendation	Responsibility
1. Invest in the expansion and enhancement of tourism products, building out secondary attractions	
<ul style="list-style-type: none"> Invest in marketing and the development of products that will grow demand and/or extend the length of stay 	<ul style="list-style-type: none"> MNRT & Tourism Task Force TANAPA TTB Private Investors
2. Invest in the expansion and enhancement of tourism products, focusing on long-term actions in the primary attractions	
<ul style="list-style-type: none"> Ruaha National Park <ul style="list-style-type: none"> In the long term, develop Southern Ruaha with the goal of better utilizing and protecting the area Selous Game Reserve <ul style="list-style-type: none"> Conduct assessment and planning with the aim of investing in the expansion of the photographic safari area with a 10-15 year timeframe 	<ul style="list-style-type: none"> MNRT & Tourism Task Force TANAPA TAWA Donors Private Sector CSOs
3. Develop human capital for future natural resource and tourism management	
<ul style="list-style-type: none"> Develop human capital for future natural resource and tourism management with the establishment of a training institution in Iringa 	<ul style="list-style-type: none"> MNRT Donors Local Government

The development of this plan represents hope for a turnaround in the sector by showing that the tourism industry in southern Tanzania can be developed through targeted interventions. Communities are increasingly aware of and participating in tourism, but to continue this trend they will need to see both social and economic benefits of tourism. Though frustrated, investors are still present and committed to growing the region, however they will need commitment and support from the government of Tanzania and others to ensure they stay. Action is needed now.

List of Acronyms

BRN	Big Results Now
CIBER	Competitive Impacts of the Business Environment Reform
DIB	Development Impact Bond
EAC	East African Community
GDP	Gross Domestic Product
GOT	Government of Tanzania
MNRT	Ministry of Natural Resources and Tourism
RevPAR	Revenue Per Available Room
SIB	Social Impact Bond
SME	Small and Medium Enterprise
TANAPA	Tanzania National Parks Authority
TAWA	Tanzania Wildlife Authority
TAZARA	Tanzania Zambia Railroad Authority
USAID	United States Agency for International Development
WCS	Wildlife Conservation Society
WMA	Wildlife Management Area
WWF	World Wildlife Foundation

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Introduction

The **Plan for Tourism Development in Southern Tanzania** is the result of a request from President Jakaya Kikwete of Tanzania and the Minister for Natural Resources and Tourism, Lazaro Nyalandu, following a conversation with US ambassador to Tanzania Mark Childress and former United States Agency for International Development (USAID) Administrator Rajiv Shah in 2014. To deliver this plan, USAID funded the work, and contracted Dalberg Global Development Advisors, a strategic advisory firm focused on international development working in cooperation with Solimar International, to build a tourism strategy, coordinate with the Ministry of Natural Resources and Tourism (MNRT), and seek private-sector investment.

The purpose of this plan is to expand the success of Tanzania’s tourism industry to the south, where there is a growing need for protection of the region’s biodiversity as well as for economic development. Tourism generates both economic growth and revenue for conservation in Tanzania, but it is concentrated in the north. Tanzania’s nature-based tourism attracts more than a million visitors per year, contributes more than 13% of gross domestic product (GDP), and funds the management of Tanzania’s national parks.⁵ Southern Tanzania, however, accounts for less than 10% of all visitors to Tanzania’s national parks and less than 1.5% of park revenue.⁶ Without the oversight and funding that tourism generates, poaching threatens southern Tanzania’s wildlife.⁷ Effectively managed, a tourism industry would lay the foundation for economic development, provide legitimate alternatives to poaching, and fund better management of the region’s biodiversity. A conservation-friendly tourism industry could address the growing ecological threats and persistent poverty facing southern Tanzania.

Although they are underutilized, southern Tanzania’s attractions have the potential to support tourism, if appropriate investments are made. The region is home to the world’s largest game reserve, Tanzania’s largest national park, 10% of the world’s lions and a number of endemic species, as well as rivers, lakes, and a pristine coast. However, given the slow rate of growth of tourism in the region, threats to the ecosystems and the challenges that investors are currently facing, immediate action is needed.

The plan for tourism development in Southern Tanzania is intended to work in conjunction with a National tourism strategy. For the purposes of this plan, Southern Tanzania is defined by the region South of Dar es Salaam’s latitude. The plan focuses primarily on the central, inland areas and it considers Katavi National Park and the coastline as linkages.

⁵ World Bank, Tanzania’s Tourism Futures DRAFT, 2014

⁶ Ministry of Natural Resource and Tourism, “Tanzania Tourism Statistical ⁵ Bulletin”, 2012

⁷ Interpol, 2014

Figure 1: Geographical scope of the plan



This plan provides a road map to generate near-term public and private investments that can catalyze immediate growth in the industry. The Situation Analysis assesses existing tourism demand (markets) and supply (assets) in the region and outlines the major challenges to the development of tourism there. The Strategic Analysis focuses on southern Tanzania’s brand and competitive positioning, delves deeper into demand and supply, assesses the opportunities for growth, and explores the best kinds of growth to pursue. The Strategic Programs section outlines six programs to address the challenges and harness opportunities for growth; each program has specific recommendations for catalyzing growth, with the aim of transforming the industry and producing immediate results. The plan concludes with recommendations on how to prioritize the next steps, roles and responsibilities of key stakeholders, and cost implications.

The plan was developed through a consultative process in coordination with MNRT and the United States Agency for International Development (USAID). In the first of three phases of work, Dalberg conducted market research and initial stakeholder engagement with more than 60 expert interviews. This phase identified the main challenges hindering the development of tourism in the region and concluded with a stakeholder workshop to validate findings. During the second phase of work, Dalberg identified priority areas for investment, drawing upon stakeholder feedback in order to develop the plan’s six strategic programs. Dalberg vetted the draft plan with key stakeholders in April 2015. In a parallel third work stream, Dalberg identified and solicited investment commitments to catalyze the growth of the industry. This report is a culmination of all these efforts and builds on existing initiatives to support the growth of tourism in the region.

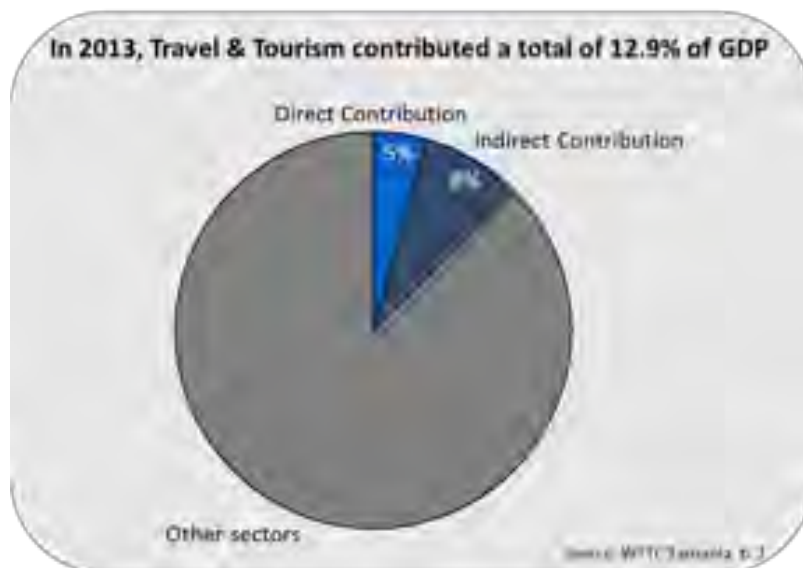
Situation Analysis

Overview of the Tourism Sector in Tanzania

Tanzania’s nature-based tourism attracts more than a million visitors per year, contributes more than 13% of GDP, and funds the management of Tanzania’s national parks. In 2013, tourism’s direct contribution to GDP was 1.2 million USD, and tourism’s overall contribution was 3.5 million USD (overall contribution includes investment spending, government spending and supplier spending, in addition to direct spending). The industry supported 402,500 jobs in 2013, and through linkages was responsible for 1,196,000 jobs or 11.2% of total employment.⁸

Travel and tourism in Tanzania are growing at a moderate pace relative to the rest of the economy, yet faster than in most other countries. In 2013, tourism directly accounted for 4.5% of GDP and indirectly for another 8.4%. The World Travel and Tourism Council projects that the industry will grow by about 6.7% per year over the following 10 years, closely in line with the country’s overall growth. As a result, tourism is projected to account for 12.6% of total GDP by 2024. The Council projects slow growth for tourism investment, along with a slight fall in tourism’s contribution to direct and indirect employment. Nevertheless, Tanzania ranks #11 out of 184 countries on projected tourism growth for 2014–2024.⁹ Tanzania may gain market share from its neighbors whose struggles with terrorism, ebola and other challenges have made headlines in international media, damaging their tourism industries. For example, as a historically peaceful and stable country, Tanzania provides an alternative safari option for travelers deterred from travel to Kenya, where recent terrorist attacks have raised security concerns.

Figure 2: Travel and tourism in Tanzania



Tourism in Tanzania is heavily concentrated in the north, where many visitors go on wildlife safaris. Northern Tanzania is known for a number of unique wildlife attractions, including the Serengeti Plains and Ngorongoro Crater. In 2013, Tanzania’s national parks hosted more than a million people, with the vast majority visiting the Serengeti, Tarangire, and Lake Manyara, three

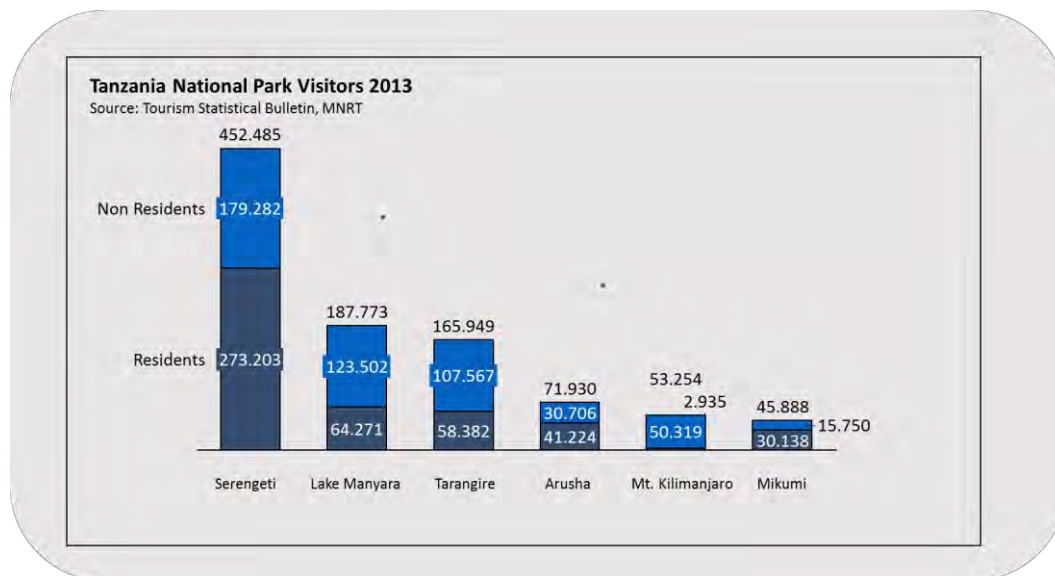
⁸ World Travel and Tourism Council, “Travel and Tourism: Economic Impact 2014, Tanzania.”

⁹ Ibid

parks in the north. Yet Tanzania is home to a vast and diverse range of attractions across the country. Tanzania has a total of 15 national parks, 28 game reserves, 44 game controlled areas, one conservation area, and three marine parks, with more land devoted to conservation than nearly any other country in the world.¹⁰

Relative to the north and Zanzibar, the majority of the protected areas in southern Tanzania are underutilized. Serengeti National Park attracts ten times the number of visitors as Mikumi National Park, a park with a similar ecosystem and the most visited of southern Tanzania’s parks. Collectively, southern Tanzania’s parks attract only 10% of Tanzania’s total park visitors.

Figure 3: Visitors to Tanzania's national parks



Key Players in Tanzania’s Tourism Industry

MNRT is the central institution governing the tourism industry in Tanzania. An appointed minister, and a permanent secretary lead the ministry. Within MNRT, the Divisions of Tourism and Wildlife share responsibility for Tanzania’s protected areas. Under the Division of Tourism, the Tanzania Tourist Board is tasked with the promotion and marketing of tourism in Tanzania.¹¹ Within the Division of Wildlife, the Tanzania National Parks Authority (TANAPA) is responsible for management of the national parks, while a new institution, the Tanzania Wildlife Authority (TAWA), is being created to manage game reserves, wildlife management areas (WMAs), hunting blocks, and other land-based protected areas not covered by TANAPA.¹² Outside of MNRT, a number of different ministries contribute to tourism policy, along with Parliament and regional and local governments.¹³

¹⁰ UNESCO National Commission of the United Republic of Tanzania, “Tourism: a Land of Contrasts and Majesty”

¹¹ Although TTB is responsible for marketing tourism across the country, TTB’s efforts have focused on Northern Tanzania. The logo and tagline for TTB have specifically advertised Tanzania’s Northern attractions alone.

¹² TAWA’s exact role has yet to be shared publicly.

¹³ Tourism’s contribution to GDP makes it a shared sector of interest across government institutions and actors, including the President.

Figure 4: Structure of Tanzania's tourism sector



Donors and civil society organizations have played an active role in protecting Tanzania’s wildlife and conservation areas, including in southern Tanzania. The Wildlife Conservation Society (WCS) has been working in Tanzania for 50 years and currently is running two projects in southern Tanzania: the Southern Highlands Conservation Programme and the Ruaha Landscape Programme, funded with support from USAID. WCS works to conserve habitats and endangered species through research, protected area management, education, and community conservation initiatives. The Frankfurt Zoological Society has been supporting the protection of the Selous since the early 1980s with assistance in aerial surveys, provision of an aircraft for conservation purposes, and provision of technical and logistical support. The World Wildlife Foundation (WWF) works with Tanzania’s wildlife services as well as local communities and the private sector to protect Udzungwa Mountains National Park. WWF’s work includes conservation and management support, ecological monitoring and research, infrastructure development, and ecotourism initiatives.

Tanzania’s tourism private sector organizes itself into industry associations, which have historically been anchored by actors in the north. Twelve associations representing hotel owners, tour operators, travel agents, and other tourism-related industries form the Tanzania Confederation for Tourism. Given that the industry is concentrated in northern Tanzania, there is limited representation of the south in these associations.

Tourism in Southern Tanzania

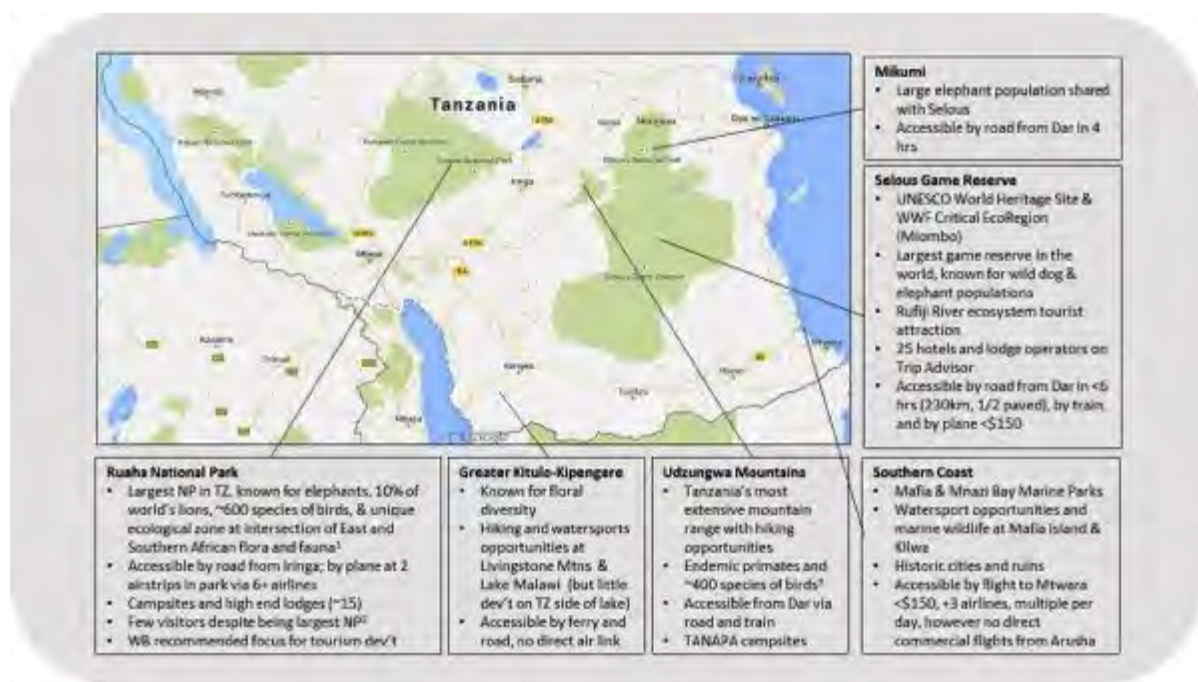
Southern Tanzania has a vast endowment of tourism assets, which include opportunities for wildlife safaris, hiking, cultural tourism, and other activities. Of southern Tanzania’s many attractions, Mikumi National Park, Ruaha National Park, and the Selous Game Reserve are the most popular. These three protected areas account for more than 75% of visitors to the region (excluding islands off the coast), though this number is still just a small fraction of Tanzania’s total visitors.¹⁴ Southern Tanzania has a number of other attractions, including Udzungwa Mountains National Park,

¹⁴ In 2013, ~125,000 tourists visited Southern Tanzania’s national parks and game reserves. 45,888 visited Mikumi, ~30,000 visited the Selous, and 21,766 visited Ruaha. More than a million tourists visited Tanzania that same year, most of who traveled to the North. Tanzania Tourism Statistics Bulletin 2013.

Kilwa World Heritage Site, Kitulo National Park, the Livingstone Mountain Range, Lake Nyasa, and the Indian Ocean coastline.

Southern Tanzania is home to a number of ethnic groups that can contribute to and benefit from the tourism industry. Southern Tanzanian communities have unique traditions, cultures and sites of historical significance, all of which can contribute to growing the tourism industry. For example, Southern Tanzania’s historical sites include ruins from the time of Portuguese and Arab rule, and sites from the Maji Maji rebellion against German occupation in the early 20th century. In addition, the Makonde, an ethnic group in Southern Tanzania, are one of the country’s largest ethnic groups, and are particularly well known for woodcarving.¹⁵ Much of Southern Tanzania’s population is reliant on agriculture and natural resources for their livelihoods. Communities in the region share resources, such as water, with Southern Tanzania’s natural parks and game reserves. Those communities closest to the parks also endure human-wildlife conflict when wildlife consumes or destroys local industry, or injures local people. Local communities’ participation in conservation, through ongoing management of natural resources and the protection of wildlife, is critical to the success of conservation endeavors and to the tourism industry. This plan seeks to involve and benefit local communities wherever possible.

Figure 5: Tourism assets in southern Tanzania



Southern Tanzania’s parks and reserves primarily offer wildlife safaris, including photographic safaris, walking safaris, night game drives, and boat safaris. However, the coastline and mountain ranges in southern Tanzania create a diverse palette of activities for visitors seeking relaxation or physical activity. For most visitors, the distances between attractions, including between those in the northern and southern circuits, necessitate air travel.

¹⁵ Like the Maasai, the Makonde have defended their indigenous culture in the face of globalization, and due to the remoteness of Southern Tanzania, the Makonde have maintained significant independence.

Understanding Supply: Primary and Secondary Attractions

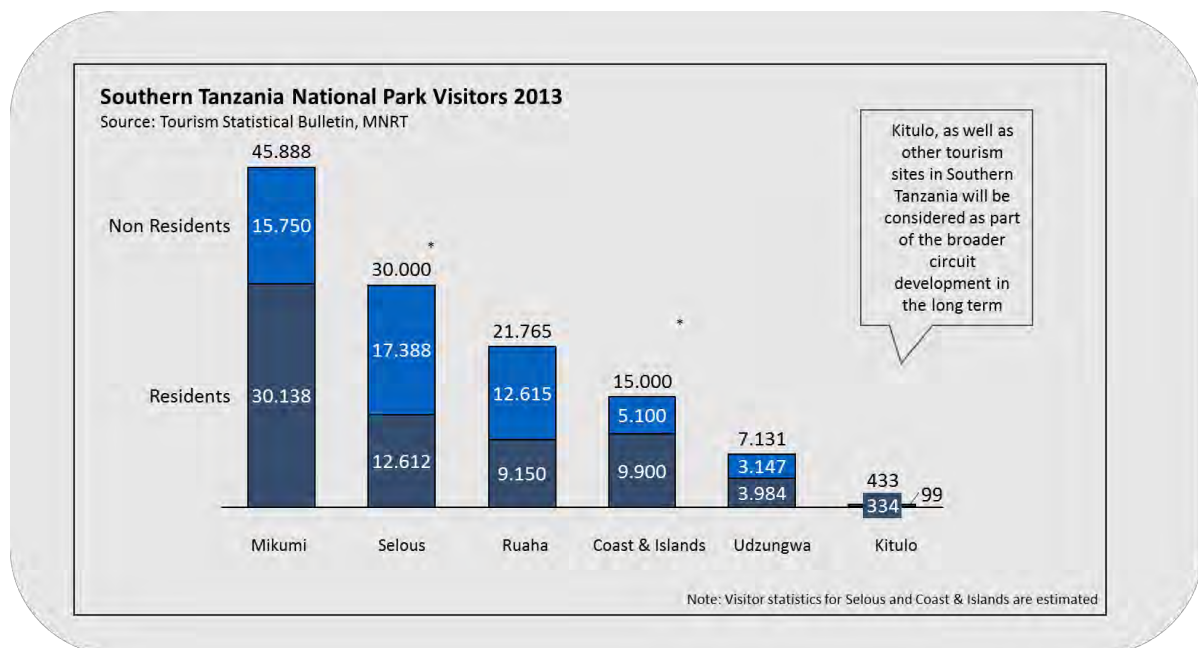
Southern Tanzania has four national parks, two game reserves, and a number of additional tourism destinations. For this assessment, destinations in southern Tanzania were divided into primary attractions, i.e. the main reasons visitors travel to an area and the anchors of a tourism circuit, and secondary attractions, which are added to a trip because they are near a primary attraction, to add variety or as special-interest options.

To differentiate primary from secondary attractions, the following factors were considered:

- uniqueness
- demand
- fit with potential customer segments
- ease of access and links to major transportation hubs
- fit with a logical tourism circuit
- amount of development needed
- catalytic impact of investment

Primary and secondary attractions are discussed in turn below.

Figure 6: Visitor statistics for southern parks



Primary attractions

Mikumi National Park, Ruaha National Park, Selous Game Reserve, and the Udzungwa Mountains National Park emerged as the primary or “anchor” attractions in southern Tanzania. These four are connected to tourism circuits, draw the most visitors, are linked to hubs and accessible, and therefore have a solid basis for their own development and for promoting the development of secondary attractions in the region.

Mikumi National Park

Approximately seven to eight hours' drive from Dar es Salaam, Mikumi National Park is the most visited park in southern Tanzania. With nearly 50,000 visitors in 2013, Mikumi is the only national park in southern Tanzania to see positive annual growth from 2007–2013. Mikumi not only attracts foreign visitors; in 2013, it had the highest absolute number (30,138) and highest percentage (66%) of resident visitors in southern Tanzania.¹⁶

Mikumi is known for its high density of game and savannah landscape, which facilitates game viewing for visitors on photographic safaris. The Mikumi experience centers on the Mkata floodplain, where visitors can witness lions, giraffes, elephants, zebras, impala, eland, kudu, black antelope, baboons, wildebeests, buffaloes, hippos, and 400 bird species.¹⁷ Visitors and marketers often compare this area to the Serengeti. Because of its landscape and proximity to Dar es Salaam, Mikumi offers an ideal option for those interested in a quick safari that requires little effort to see animals.

Mikumi is one of southern Tanzania's most accessible parks, and unlike other southern safari destinations that close at the end of the season, it is open to visitors all year. The park is only about six hours on a paved road from Dar es Salaam or Iringa, with portions of the road (about 280 km) cutting directly through the park. The park is also accessible by short chartered and commercial flights from Dar es Salaam, Arusha, Selous, and Zanzibar (via Dar es Salaam). There are high-end, mid-level, and budget accommodation within the park (two lodges, three luxury tented sites, and three campsites) and primarily budget accommodation outside the park.

TANAPA manages Mikumi's wildlife and tourism. Like other parks in southern Tanzania, Mikumi's fees are lower than those in northern Tanzania (\$15 and \$30 for residents and visitors, respectively, plus vehicle and guide charges). Although TANAPA manages the wildlife in Mikumi, many of the animals migrate into the adjacent Selous Game Reserve, which is outside TANAPA's purview. Along with MNRT, donors, and civil society organizations, TANAPA has been involved in a number of anti-poaching initiatives in the Mikumi–Selous ecosystem, where elephant poaching has been rampant since 2009.

Selous Game Reserve

One of the largest protected areas in the world, the Selous draws visitors for photographic safaris and hunting. It is divided into more than 40 blocks, with approximately 8% serving photographic safaris and the rest catering to hunting. Due to thick forest, only parts of the reserve are ideal for photographic safari and other non-hunting tourist activities, while others are more appropriate for hunting activities.¹⁸

The Selous is accessible from Dar es Salaam, Zanzibar, and other locations in southern Tanzania. Though it is possible to drive to it from Dar es Salaam, the drive takes more than nine hours and most visitors fly in. Short commercial flights are available to the photographic block directly from Dar es Salaam (about \$190 each way). Commercial flights are also available from the Selous to Ruaha and a number of coastal locations including Zanzibar for about \$300–350. Those visiting the hunting blocks tend to use chartered flights, which cost several thousand dollars per flight.

The Selous offers a diversity of activities and accommodations for a range of budgets. Activities include driving, boat, and walking safaris, fly camping, birding, and hunting. Within the 8% of the reserve dedicated to photographic tourism, there are about nine high-end lodges (charging from several hundred to several thousand US dollars per night); mid- and low-budget accommodations exist outside the reserve. The hunting blocks, each covering about 1,000 km², are self-contained.

¹⁶ Tanzania Tourism Statistics Bulletin 2013, Tanzania National Parks website

¹⁷ TANAPA oversees the management of Mikumi, however; the wildlife in Mikumi moves between the park and the adjacent Selous Game Reserve, which has its own management under MNRT.

¹⁸ Converting existing hunting blocks into photographic area cannot be done quickly due to the adaptation of wildlife.

Peak visitation for photographic safaris in the Selous occurs between June and September and again in December, with minimal activity during the rainy season from mid-March through mid-May.¹⁹ Many visitors plan in advance to visit the Selous, but a growing number learn about the reserve while on vacation in Zanzibar or another beach destination, and the potential exists to draw additional visitors who come to Tanzania for business and other pursuits.

National parks data collection does not include the Selous, thus limiting the amount of publicly available data on the game reserve and its visitors. Without this information, it is even more difficult to assess the types of visitors traveling to the Selous; however, anecdotal evidence suggests that most visitors are European; many stay about two days, and most have been on safari before. The minimum daily fee for visiting the Selous is \$75 (\$45–60 higher than for the national parks in southern Tanzania); a \$50 gate fee, \$15 camping fee, \$25 conservation fee, and \$30 vehicle fee can also be required. The Selous does not offer resident entry fees for non-Tanzanians, offering only two rates, those for Tanzanian's and non-Tanzanians/foreigners.

MNRT's Division of Wildlife has overseen the management of the Selous; however, plans are in place to transition to the newly established TAWA. The Selous faces a serious poaching crisis, in particular for the elephant population, which declined 66% between 2009 and 2013.²⁰ There are limited numbers of rangers patrolling the game reserve, and Interviews with key stakeholders suggest that rangers do not receive regular salaries, support, or equipment. With the introduction of TAWA, and increasing efforts by government and donors, overcoming the poaching crisis will remain a priority.

Outside of the reserve on its southern border, Wildlife Management Areas (WMAs) create an elephant corridor to the Niassa Game Reserve in northern Mozambique. Wildlife Management Areas are community-managed areas dedicated to conservation outside the park boundary. Outside the Selous, a string of contiguous WMAs create a protected area for elephants and other wildlife to migrate. The Frankfurt Zoological Society is the largest conservation organization operating in the reserve, with WWF and donors also supporting the WMAs.

Ruaha National Park

Tanzania's largest national park, Ruaha is a spiritual sanctuary that provides visitors a unique connection with wildlife. Ruaha is known for remote wilderness and as a "crossroads of Africa," where wildlife and vegetation from northern and southern Africa intersect. The park offers photographic safaris, walking safaris, birding, fly-camping safaris, and night drives. There are mixed-budget accommodations available, with about eight mid-range and luxury accommodations (a total of approximately 200 beds) and several TANAPA campsites, bandas, and hostels within the park. Additional low- and mid-range accommodation exists outside the park, including within WMAs.

In spite of Ruaha's rich wildlife and landscape, the park has struggled to attract visitors.

Approximately 22,000 visitors came to Ruaha in 2012/2013, 13,000 of whom were nonresidents of Tanzania, primarily from Germany, Italy, the United Kingdom, and the United States.²¹ Visitors stay an average of two to three nights, and tend to visit from June through March, with numbers peaking in July–September and December. Of all the parks in southern Tanzania, Ruaha has had the slowest growth rate since 2007, including a 17% dip in visitors following the global recession (2008–2010). With its low demand and slow growth, the occupancy rate in Ruaha's accommodations is approximately 30–40%.²²

¹⁹ Because the Selous Game Reserve is not a National Park, data on visitors is not included with the TANAPA national park statistics.

²⁰ Environmental Investigation Agency, "Vanishing Point: Criminality, Corruption and the Devastation of Tanzania's Elephants." 2014.

²¹ The nationality of Ruaha's visitors is estimated based on anecdotal information

²² This estimate is based on qualitative interviews, and verified by the park visitor numbers cross-checked with available bed count.

Though Ruaha's park fees are lower than those in northern Tanzania, accessing Ruaha is expensive due to the high cost of transportation.²³ Ruaha is accessible by road from Iringa (130 km), but it is farther from southern Tanzania's major tourism gateway, Dar es Salaam (more than 600 km). Most tourists staying in Ruaha fly directly into the park. There are two airstrips in Ruaha, at Msembe and Jongomero, and round trip flights average about US \$600. The high cost of access has resulted in a primarily high-end market for visitors, particularly those who appreciate and seek out remote wilderness.

TANAPA oversees management of the park and is supported by community management and civil society activity. TANAPA developed a 10-year management plan in 2010, which includes a planned expansion to southern Ruaha. Currently, only approximately 2,000 km² of the park is usable for photographic safaris; the rest is covered with miombo woodlands and tsetse flies, thus limiting tourist activities.²⁴ TANAPA is planning to create a new area for photographic tourism in southern Ruaha, and has started initial development of a trunk road through the center of the region. Outside the park, three WMAs—Pawaga-Idodi, Waga, and Umemarua—have been formed with the help of USAID and other partners to manage buffer zones for wildlife and to generate local benefit from tourism and conservation. In partnership with USAID, WCS, which supports the WMAs and other community and environmental initiatives, has been working in Ruaha and the surrounding area for decades. In addition to WCS, the United Nations Development Programme and the Global Environment Facility also support the Ruaha ecosystem through the Strengthening the Protected Area Network in Southern Tanzania program. Since 2014, this program has initiated a number of actions to combat wildlife trafficking and provide basic infrastructure and equipment for the management of the area.

Ruaha is known for its diversity of wildlife; however, the region faces a poaching crisis that has devastated its elephant population. According to the Tanzania Wildlife Research Institute, the elephant population in the Ruaha-Rungwa ecosystem declined 37% over four years (from 31,625 in 2009 to 20,090 in 2013).²⁵ The crisis took an even sharper turn between 2013 and 2015. Reports count the Ruaha elephant population at 4,200 in 2015, indicating nearly an 80% drop.²⁶ In addition to the poaching crisis, Ruaha faces a number of ecological challenges concerning the Great Ruaha River, which is a source of water for hydropower, agriculture and local communities.

Udzungwa Mountains National Park

An area of great biodiversity, Udzungwa Mountains National Park offers a unique hiking, trekking and birding experience for minimalist and adventurous travelers.²⁷ Known as a hiker's paradise, Udzungwa's 1,990 km² are home to more than 400 species of birds, rich vegetation, mountains, and waterfalls, including Sanje Falls, Udzungwa's most popular attraction. Udzungwa has limited accommodation of its own; however, visitors can access the park from lodging at Mikumi.

With about 7,000 visitors per year, Udzungwa has grown faster since 2007 (136%) than any southern Tanzanian park besides Kitulo.²⁸ Udzungwa is accessible year round; however, the best visitor experience is during the dry season, from June to October, when hiking is least slippery and connecting roads are accessible, as there are no paved roads within the park. Udzungwa is over eight hours by car from Dar es Salaam, over four from Iringa, and one to three hours from Mikumi.

²³ Park fees lower than other parks in Northern Tanzania (\$15 and \$30 for residents and visitors respectively + vehicle + guide charges)

²⁴ Lodge owner and tour operators interviews

²⁵ Tanzania Wildlife Research Institute (TAWIRI), http://www.tawiri.or.tz/index.php?option=com_content&view=article&id=27&Itemid=36

²⁶ ITV released a report indicating the drop in the 2015 elephant population in Ruaha. "Exposed: Tanzania's Elephant Killing Fields", *ITV Report*. April 23, 2015. <http://www.itv.com/news/2015-04-23/exposed-tanzanias-elephant-killing-fields/>

²⁷ Udzungwa has the 2nd richest biodiversity of any protected area in Africa (source?)

²⁸ Though Kitulo has displayed high growth, it has only reached ~500 visitors per year, and thus presents less short-term potential than Udzungwa

TANAPA manages Udzungwa Mountains National Park. Similar to other southern parks, park fees for Udzungwa are lower than those for parks in northern Tanzania (\$15 and \$30 for residents and visitors, respectively, plus vehicle and mandatory guide fee of \$20), making Udzungwa an affordable attraction for those who can reach it. In addition to TANAPA, the WWF is active in Udzungwa to protect the park's biodiversity.

Secondary attractions

Numerous other destinations in the south have the potential for tourism development:

- *Kitulo National Park* is known for its floral diversity. Though fewer than 500 people visited Kitulo in 2013 (99 of whom were nonresidents), those who do visit tend to believe in its potential for development.
- *The Livingstone Mountain Range* offers hiking trails accessible from Mbeya and Songea.
- *The coast of Lake Nyasa*, not currently developed for tourism, could offer water sports, as seen on the Malawian side of the lake.
- *On the eastern coast of Tanzania, Mafia and Mnazi Bay Marine Parks* attract thousands of visitors each year for water sports. *Historical cities such as Kilwa* and their ruins dot the coast and islands, with the potential for development as historical attractions. The coast is accessible driving south from Dar es Salaam or north from Mtwara.
- *The Southern Highlands* region surrounding Iringa and Mbeya are located nearby other primary and secondary attractions. These highlands offer opportunities for activities such as horse-riding, hiking, and retreats/conferencing facilities.
- *Rungwa Game Reserve* next to Ruaha National Park is designated for hunting, and there are a number of other game controlled areas.

Linking the attractions

Southern Tanzania is accessible by road, air, and rail, but the sheer size of the region, coupled with poor infrastructure and infrequent use, drives up the cost and inconvenience of travel.

Few paved roads link southern Tanzania's cities and attractions, and those that do exist often have traffic delays.

- The main road connecting southern Tanzania's tourism circuit is the **A7 from Dar es Salaam to Iringa**. This road connects Dar to Mikumi and is part of the route to the Selous, Udzungwa, and Ruaha. Though it is paved, traffic congestion from Dar to Chalinze increases driving times significantly, inhibiting road travel out of the city.
- The **B104, which runs south from Dodoma**, does not connect Iringa directly to the southern attractions, and travel time between Iringa and Ruaha National Park, a distance of 130 km, is two to three hours because of the poor road conditions.
- The **road between Dar es Salaam and Mtwara** connects the coastal attractions to these gateway cities; however, like the A7, this road has traffic delays around Dar.

A number of **commercial airlines** serve southern Tanzania cities and national parks. Airports in Dar, Iringa, Mafia, Mbeya, Mtwara, and Zanzibar are supplemented by airstrips in Katavi, Kilwa, Mikumi, Ruaha, the Selous, and other small attractions throughout the region. Due to low demand, flights in southern Tanzania tend to cost more than US\$200 for one-way tickets (see Table 1).

Table 1. Flights between Dar es Salaam and primary tourist attractions in southern Tanzania.

Attraction	Distance from Dar es Salaam	Frequency of scheduled flights	Cost of return flight
Mikumi National Park	283 km	2/day (Safari Airlink)	US\$320
Ruaha National Park	625 km	3/day (Coastal Aviation)	US\$730
		1/day (Safari Airlink)	US\$660
		2/day (Auric Air via Iringa)	US\$660
Selous Game Reserve ^a	250 km ^b	7/day (Coastal Aviation)	US\$390
		2/day (Safari Airlink)	US\$300

Note: Udzungwa does not have an airstrip for scheduled tourism flights, but visitors can fly into Mikumi., which is 1-3 hours by road, depending on conditions.

^a Regional Air and Zanlink have scheduled flights to the Selous, but they do not fly daily. Detailed schedule information was unavailable at the time of writing.

^b Distance to northeast border.

The **TAZARA railway**, linking Dar es Salaam to Kapiri Mposhi in Zambia, is an alternative means of accessing Mikumi, Udzungwa, and the Selous from Dar es Salaam or Iringa, though train service has been inconsistent in the past and are not widely used by tourists in Africa due to quality and security concerns.

Dar es Salaam is the main gateway city for southern Tanzania's tourism industry; however, other cities in southern Tanzania could develop as links for tourism circuits. Iringa, which is centrally located, temperate, and home to a significant and growing expatriate population, could become a future gateway and a stopover for driving circuits in southern Tanzania. Mtwara, on the southern coast, has a growing population due to the oil and gas industry. Growing business and wealth in Mtwara could provide new markets for weekend travel from the south coast in the near term. Long term, Mbeya, which has a new airport and is closest to Kitulo, Lake Nyasa and the Livingstone Mountains, could become an important gateway.

Key takeaway

Southern Tanzania's attractions are ideal for nature-based tourism. In general, their tourism potential differs from that in the north in that the south can offer low-density, tailored tourism experiences. However, southern Tanzania's attractions differ in terms of ease and cost of access, potential activities, and the types of customers they can attract.

Overall, however, the tourism industry in southern Tanzania is, at present, facing significant challenges; assets are relatively underdeveloped and attract a low volume of visitors. Southern Tanzania will require significant investment in infrastructure, products, and marketing to establish a thriving tourism industry.

Understanding Demand: Market Segments

Few tourists visit southern Tanzania, in spite of the diverse wealth of attractions in the region. As noted earlier, southern Tanzania accounts for less than 10% of all visitors to Tanzania's national parks and less than 1.5% of park revenue.²⁹ Among those who visit the south, most seek a wildlife safari experience, and many have been on safaris previously. Different types of customers exist within the approximately 120,000 annual visitors to southern Tanzania, seeking different experiences from southern Tanzania and offering different value propositions as customers.

²⁹ The World Bank, "The Elephant in the Room: Unlocking the potential of the tourism industry for Tanzanians," 2015.

Regional and site-specific data is lacking in Southern Tanzania. TANAPA collects visitor statistics at National Parks, such as nationality, month of arrival and mode of transport; however, the data is not disaggregated by region or attraction, nor are activities tracked by customer segment. Furthermore, there is limited data on attractions outside of the national parks, such as coastal destinations, historical sites, and game reserves. Significant gaps in quantitative data exist, and qualitative data is only collected on a lodge-by-lodge basis. Better understanding of customer segments and their channels of information and planning would improve the efficacy of marketing efforts.

Primary types of visitors to southern Tanzania

Southern Tanzania’s visitors can be divided into six categories, based not on their nationality but on their motivation for traveling to Tanzania, budgets, and interests:

- nature lovers
- adventurers
- emerging explorers
- beach extenders
- business travelers
- hunters

Each of these will be discussed in more detail below.

Northern Tanzania, which hosts the majority of the country’s tourists, has established circuits that attract a range of safari-going customers. In contrast, southern Tanzania has tended to offer tailored experiences for different types of visitors with the ability to adapt to specific pursuits. For example, nature lovers who visit southern Tanzania differ from those visiting northern Tanzania in that they are interested in a remote safari experience, know the type of experience they are pursuing, and want it to have specific qualities. Because southern Tanzania offers a tailored experience, understanding these market profiles and the South’s different attractions is critical to making recommendations for tourism development across the region.

Figure 7: Overview of market segments visiting southern Tanzania



The nature lover

Nature lovers, who make up southern Tanzania’s largest current tourism market, are discerning safari-goers who seek an experience that feels more genuine and unique. Unlike the classic mass safari experience in the north, the south offers a remote safari experience for those seeking genuine wilderness, particularly in Ruaha and the Selous. As the northern circuit grows increasingly crowded, the appeal of southern Tanzania’s low-density option is likely to grow.

The nature lover is a high-value customer who is willing to pay for a unique safari experience. Nature lovers typically travel in couples or families; they often come from Europe and America; and for most, their southern circuit safari is not their first safari or their first trip to Tanzania. Nature lovers may visit a number of secondary attractions, but the Selous and Ruaha are typically the draw to the region. Often nature lovers fly between different attractions in order to reach far corners of the south, such as Katavi National Park or Mafia Island. Figure 7 illustrates depicts the typical circuits that a nature lover may follow in southern Tanzania, organized around Ruaha National Park and the Selous Game Reserve.

Figure 8: The nature lover’s southern circuit



As experienced safari-goers, nature lovers tend to be informed travelers who may compare southern Tanzania to a range of other wildlife experiences in sub-Saharan Africa. Most nature lovers decide first to choose a wildlife safari instead of, for example, a beach vacation, and then decide whether to visit Tanzania (north or south), Botswana, Kenya, Namibia, or South Africa. Among these options, southern Tanzania, Botswana, and Namibia offer similar experiences of remote wilderness. Nature lovers make decisions based on research, advice from friends and family, and professional advice from niche travel agents.

The adventurer

Adventurers are no-frills travelers who seek a unique, diverse, and active experience. Southern Tanzania offers remote, relatively untouched destinations and active travel. Most adventurers travel in couples and groups, often seeking activities like diving or climbing. Typically, adventurers are willing to drive longer distances than most tourists; however, the isolation of southern Tanzania’s attractions can limit access for low-budget adventurers with limited time. In southern Tanzania,

adventurers typically drive to Ruaha or the Selous and use mid- to low-budget accommodation. They also visit Udzungwa National Park for hiking, and other remote locations such as Katavi National Park and the Livingstone Mountains. The following illustration depicts typical circuits that the adventurer may follow in southern Tanzania.

Figure 9: The adventurer's southern circuit



The adventurer market is critical to opening up new locations for tourism in southern Tanzania.

Adventurers do not rely on infrastructure and support services as much as other tourists, thus they make ideal visitors for attractions in the early stages of development.

Adventurers tend to be experienced travelers who are both time- and budget-conscious but willing to take risks. They often do some research prior to travel, but learn additional information and plan specific details along the route. Most adventurers decide where to travel based on proximity and convenience; thus, alternatives tend to be regional, including northern Tanzania and other coastal options. Adventurers pick southern Tanzania when low-budget travel is feasible within a given time frame.

The emerging explorer

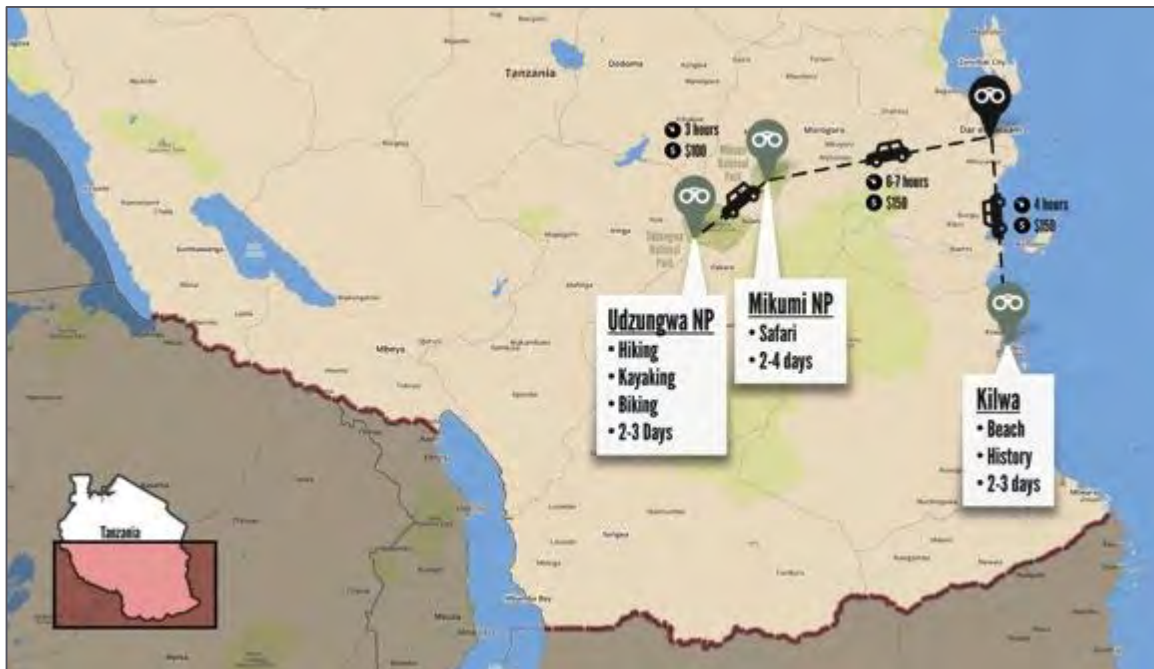
Emerging explorers are residents of Tanzania (citizens or expatriates) newly interested in seeing and learning about the country's attractions. Although most Tanzanians choose to visit family or the beach on their vacations, an increasing number are becoming interested in exploring the country's other natural attractions, and increasing disposable income is making this more possible.

Emerging explorers provide a new, shock-resistant market. Unlike travelers who come to Tanzania specifically for tourism, emerging explorers will not be affected by regional conflict or international fears about Africa (such as fear of terrorism or disease). From Dar es Salaam, emerging explorers may visit locations within driving distance, such as the historical ruins at Kilwa or Mikumi National Park.

Emerging explorers would pick southern Tanzania over the north if the south offered cheaper and more convenient alternatives to the northern circuit. Because they tend to be new to travel, they are unlikely to be as discerning about their experience. However, like adventurers, emerging explorers can be market openers. Typically the emerging explorer pursues a mix of guided and

packaged experiences with self-arranged transportation. The following illustration depicts typical circuits that the emerging explorer may follow in southern Tanzania.

Figure 10: The emerging explorer's southern circuit



The beach extender

Beach extenders come to Tanzania primarily for a beach vacation and are seeking a quick, packaged safari experience that is affordable and easily accessible from the coast. Currently, most beach extenders visit the Selous Game Reserve due to marketing initiatives, most notably connecting Italian resorts in Zanzibar to the Selous through Coastal Aviation, the Italian-owned airline. However, Mikumi National Park is equally convenient and could absorb higher volumes if the beach extender market grows. Beach extenders tend to fly from the coast to a destination and stay for a short visit.

Beach extenders form a high-volume market that is less sensitive to seasonality and product quality than other markets. Typically beach extenders are mid- to high-budget travelers who are willing to spend money to travel in southern Tanzania, not because it feels more genuine than the north but because it is more convenient to the coast. Though the south must compete to some extent with northern Tanzania and Kenya for the beach extender market, both Mikumi National Park and the Selous Game Reserve have the advantage of location.

Beach extenders typically visit southern Tanzania as part of a packaged experience. The primary destination for beach extenders is Zanzibar, however there are opportunities to link Seychelles as well. They may find out about a safari option in advance or while at the coast, but once they travel they do not require independent decision-making and are willing to travel in large groups. Other beach extenders, who tend to be honeymooners at boutique hotels, or water-sport enthusiasts in Zanzibar or Mafia Island, are more likely to seek out lower-density locations that offer tailored experiences. The following illustration depicts some of the circuits that a beach extender may follow in southern Tanzania.

Figure 11: The beach extender's southern circuit



The business traveler

Business travelers take advantage of the opportunity to add an excursion to an otherwise non-leisure trip. Travelers visiting Dar es Salaam on business who seek to see more of Tanzania tend to add a short beach or safari vacation at the end of a trip. As Dar grows to become a business and conference hub, and if the oil and gas business grows in Mtwara and the agricultural corridor grows from Iringa to Mbeya, the opportunity for business travel to the southern circuit will increase from different gateway cities.

The business traveler is neither seasonal nor wedded to seeing the top attractions, thus offering a market for the low season and/or for secondary attractions. Typically business travelers tour as individuals or in small groups on a medium- to high-budget packaged tour. Time tends to be the biggest constraint for business travelers. They often visit Mikumi National Park, the Selous Game Reserve, and/or the coast. For international business travelers, safari opportunities are likely to take priority over beach excursions, even if they cost more. Business travelers often fly, and if not, they are likely to have a tour operator arrange for a car and driver rather than traveling independently.

Business travelers form a captive and growing market for southern Tanzania. Like beach extenders, they are flexible and are likely to pick southern Tanzania’s parks over the north if they are more convenient and affordable. The following illustration depicts some of the circuits that a business traveler may follow in southern Tanzania.

Figure 12: The business traveler's southern circuit



The hunter

The hunting industry, a well-established and stable market in southern Tanzania, operates distinctly from the rest of southern Tanzania's tourism market segments. Hunters are highly committed to a single activity and offer very high value per capita. They typically fly into southern Tanzania, either to the Selous Game Reserve or another game reserve, on chartered flights. They pay higher taxes and fees than visitors on photographic safari, and most stay for one to three weeks, which is longer than the typical 10- to 14-day nature lover trip. The following illustration depicts the circuit that a hunter may follow in southern Tanzania.

Figure 13: The hunter's southern circuit



Hunting makes it possible to utilize and manage large tracts of land that are not viable for other types of tourism or other economic activities. Hunting uses more than 90% of the Selous Game Reserve as well as other game reserves and game controlled areas. When well managed, hunting operators can protect and enhance wildlife populations, as it is in their interest to help preserve and grow wildlife populations.³⁰ Though hunters form a high-value market, they visit at a very low density and therefore have a limited impact on communities. Other than potential employment, revenues from hunting in game reserves primarily returns to the government, and while WMAs and game controlled areas return a “rent” to the communities, this process is slow and not very transparent to the communities.

Hunters typically choose southern Tanzania in pursuit of specific game. They tend to get information from hunting industry magazines, fairs, and operators. Professional hunting companies handle the in-country travel for hunters as well as provision of facilities, professional hunters, trackers, and other support services. Hunters may choose southern Tanzania over the north, Namibia, South Africa, or (to a smaller degree) other countries on the continent.

Niche market segments

In addition to the market segments depicted above, there are a number of niche markets catering to birders, divers, honeymooners and tourists with other specialty interests such as botany. These customers typically come to southern Tanzania in pursuit of a very specific experience, and are often willing to pay well for that experience. While southern Tanzania would be an ideal location for these markets, they are so small that they cannot serve as the foundation for southern Tanzania’s tourism industry, but rather may grow independently or in parallel to tourism options that have wider appeal.

³⁰ While hunting companies have incentives to protect a healthy wildlife population in order to protect their future operations, there are competing incentives to over-hunt or to comply with poaching. Thus hunting companies have not necessarily protected the region from the decline in wildlife, particularly for the elephant population.

Key takeaway

There are at least six types of tourists already visiting southern Tanzania. Each attraction has characteristics that are ideal for a different mix of customers and products. The general focus for tourism in the south is on lower density tourism (with the exception of Mikumi) and experienced more outgoing and adventurous travelers. Therefore, developing tourism in southern Tanzania will require distinct strategies for each market and attraction.

Key Actors

A small number of established investors in the region have been providing tourism products in southern Tanzania for decades. These investors operate lodges, camps as well as airlift and other transportation services throughout the region. Apart from major investors, there are a number of single-entity operators in the south, including many small and medium enterprises (SMEs) located on the outskirts of parks. Over the last five years, several established hotels and tour companies have also expanded operations to southern Tanzania, specifically to the Selous and Ruaha.

Major Challenges

Five major challenges limit the growth of the tourism sector in southern Tanzania. Understanding them and identifying means to address them will be critical to the success of the industry.

1. Lack of a defined vision and consistent leadership

Southern Tanzania's unique value proposition has not been clearly articulated. Stakeholders largely agree on what the south offers; however, this shared understanding has yet to be leveraged. What is missing is a vision and strategy that can be realized through targeted investment, communicated to different market segments, and used to protect the region's assets. In the absence of a strategy, each attraction has evolved without clear direction, making it difficult to identify and attract appropriate investors.

Tanzania's tourism sector also lacks consistent leadership that can mobilize the required resources and manage the implementation of strategies. Frequently changing leadership within MNRT and other key government departments has resulted in shifting agendas and instability within the industry. Since 2010, there have been three Ministers in MNRT, and with elections coming up in 2015, another new minister is expected by 2016. In addition, there is a lack of mechanisms for consultation between the public and private sectors on key policies. Recent examples include abrupt introductions of or changes to taxes and fee, such as the 2014/2015 plans to tax tourism services. Finally, devolution of power and reorganization of the central government has created an environment in which the interpretation of certain regulations remains ambiguous and loopholes can be abused. Recent examples include the interpretation of the Local Government Act on revenue collection, which has caused the duplication of national fees at the local government level.

2. Poor business operating environment

Tanzania's ranking on global indices remains weak, indicating a difficult operating environment for tourism and other sectors. Tanzania ranks 131 of 189 on the World Bank Doing Business assessment (down one point from 2014), due to poor performance on factors including construction permits, taxation, and access to credit.³¹ With the exception of enforcing contracts, there was a decline in rankings across all topics, with the largest decline in protection for minority investors (-11), starting a business (-6), and registering property (-6). While its overall performance is above the Sub-

³¹ The framework for the World Bank "Doing Business" index changed between 2013 and 2014, thus it is not possible to track whether the decline in Tanzania's ranking began prior to 2013

Saharan Africa average, Tanzania still lags behind some of its competitors in the region (see figure 13).

Figure 14: Comparative analysis of 'doing business' rankings between Tanzania and regional competitors



Complex and inefficient regulatory and fiscal processes are a major challenge to the tourism industry. Ministries, regulatory bodies, agencies, and local governments charge a range of taxes, fees, and levies without coordination or transparency. They also use cumbersome registration and payment processes, often operated manually, and in some cases requiring travel to Dar es Salaam. The time and cost associated with paying these fees is challenging for investors in tourism; tour operators pay a minimum of 25 taxes, businesses must dispute taxes on average 16 times per year, and licensing requires an average of 130 days per year for a hotel operator.³² Among industry-specific fees, Tourism Agent Licensing Authority fees are often cited as a challenge. The Authority requires an annual payment of US\$5,000 for international businesses and US\$2,000 for local businesses. Its fees are applied per organization, regardless of size and income, and consequently place an unequal burden on small operations. In addition, its process is inefficient; investors are required to resubmit the same documents annually, and the average wait time to receive the license is six months. In addition to these challenges, the unpredictability of the fees is crippling to businesses that need to plan their budgets in advance. As tourists tend to plan travel up to 18 months in advance, businesses need foresight about taxation. Finally, lack of transparency on the use of revenue from fees and levies contributes to mistrust between investors and government. For example, the Tourism Development Levy requires every registered tourism accommodation facility to collect a levy of US\$1.5/bed per night; however, how the revenue collected and the way it is used is not made clear.

3. Insufficient management of resources

The South's relatively poor socioeconomic conditions and government services impede tourism. Lodges and tour companies struggle to employ locally due to lagging education in southern Tanzania

³² CIBER, Regulatory Constraints to the Competitiveness of the Tourism Sector in Tanzania: Platform for Advocacy, 2010 Vision 2025, Big Results Now; Business Environment Lab, Taxation, Multiplicity of Taxes, Levies and Fees, 2014

and the resulting dearth of human capacity. The distance from training colleges in the north is a further impediment for employers and would-be employees. The human capacity gap affects the public sector as well, which often must source park management from the north or from neighboring countries.³³

Several natural resource challenges pose a threat to the future of the tourism industry in southern Tanzania. Southern Tanzania is known for having the world's largest wild dog population, elephants, lions, and rich biodiversity. This is the very underpinning of southern Tanzania's tourism industry, but it is under grave threat. Poaching, especially of elephants, has reached crisis levels. Tanzania is the world's top source of illegal ivory. Elephant populations declined 81% over the last seven years in the Selous-Mikumi ecosystem and 44% over the last five years in Ruaha National Park.³⁴ Additional ecological challenges include dynamite fishing, water scarcity, forest degradation, deforestation, and declining wildlife connectivity. The environmental challenges in southern Tanzania pose concerns for established tourism business as well as for environmentalists. They also inhibit investment in the region.

4. Limited marketing and awareness

Marketing for southern Tanzania, a combination of government-sponsored campaigns and private efforts, has generated little awareness of the region. Tanzania's official tourism marketing efforts have focused on the north, and when the south is marketed, it is not differentiated from the popular northern attractions. With the exception of individual private-sector initiatives, the limited marketing of southern Tanzania generates little awareness of the region's unique features and selling points. Furthermore, low visitation results in a weaker social media presence for southern Tanzania.

Within the private sector, lodges tend to market independently to international audiences, and tour operators working in the established Tanzanian travel market lack sufficient awareness or incentives to sell visitors on southern Tanzania. A small number of accommodation and tour companies specialize in the south, but tour operators based in the north tend to know little of the parks and have little incentive to sell it, as it is too expensive to send or base vehicles there. When a northern operator does sell tours to southern parks, it tends to be in the form of a referral to a specialist southern operator, and therefore of limited financial interest to the northern operator. International tour operators also have little knowledge of the parks, and their trade connections tend to be with northern tour operators. Similarly, travelers have little awareness of the south and therefore do not request southern destinations when exploring their travel options.

5. Inadequate infrastructure

Lack of adequate infrastructure hinders travel to and within the South's attractions. Apart from Mikumi National Park and Kilwa, none of the South's attractions are accessible by car within five hours. Udzungwa Mountains National Park not only is a long drive from major cities on challenging roads but also lacks an airstrip. Kitulo National Park is several hours drive from the nearest airport on difficult roads. Even attractions near local airports and airstrips tend to be difficult to access because of the high cost and low frequency of flights.

The absence of reliable power and water creates another significant operational cost for investors in the south. Tanzania has had a power crisis for several years. It takes approximately 205 days and 18 procedures to get electricity in Tanzania. Furthermore, access to water is challenging in southern Tanzania, forcing investors to bear the cost of digging private boreholes to supply camps and lodges.

³³ To be confirmed

³⁴ Interpol, 2014;

Key takeaway

These challenges have hindered the development of tourism in southern Tanzania, and overcoming them will require strong leadership and sustained joint efforts by the public and private sectors. But there is hope for a turnaround, for the following reasons:

- Southern Tanzania has impressive attractions.
- Investors are present and committed to facilitating change.
- Stakeholders care deeply about the success of southern Tanzania.
- Communities are increasingly aware of and participating in tourism through WMAs.
- This plan has been developed with the support of the government to

The following sections focus on analysis and development of solutions that will support the growth of tourism in southern Tanzania.

Strategic Analysis

This section takes an in-depth look at the key elements that will determine the strategic programs. Specifically, this section answers five questions:

1. What is the brand identity for Southern Tanzania?
2. How is southern Tanzania positioned vis-à-vis northern Tanzania, and other regional competitors?
3. Can demand grow?
4. What kind of experience does the market expect, and at what value?
5. What kind of tourism are the primary and secondary assets positioned to support?
6. Which assets should the plan prioritize?

Building a Brand Identity for Tourism in Southern Tanzania

Defining Southern Tanzania’s unique brand identity can differentiate the region and help attract visitors. Southern Tanzania does not have a defined brand identity; identifying one will clarify messaging in marketing tools and other communication about the region, and in turn, this will help differentiate the region from northern Tanzania, and other regional competitors.

Stakeholders interviewed for this study envisioned southern Tanzania as offering tourist destinations that are “authentic,” “uncrowded and wild,” where “a traveler can discover the true, serene sense of an African safari”.³⁵ This theme was developed through stakeholder interviews, and confirmed by further consultations in a workshop that was conducted in Dar es Salaam during the development of this report.

Figure 15: Words describing the brand identity for southern Tanzania



³⁵ Interviews with stakeholders in Tanzania

If this vision is adopted, all decisions on the development of tourism in southern Tanzania should be guided by it. This includes the following:

- branding and messaging of marketing materials; the south is not the north and should not be marketed or developed in the same way as the north
- prioritization of investment in attractions, activities, and accommodations
- planning that protects and enhances the sense of place

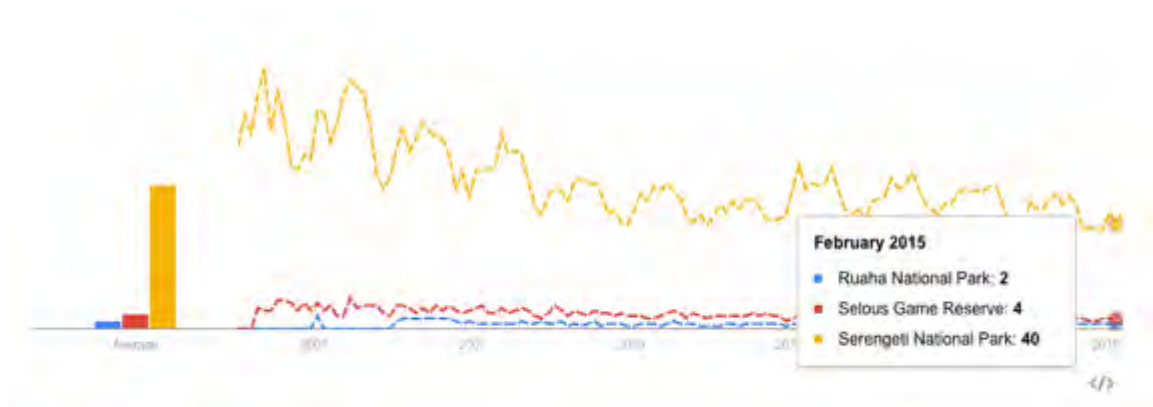
Competitive Positioning

Tourism in southern Tanzania offers a very different experience than tourism in northern Tanzania. Northern parks are savannah landscapes with large open spaces and easily viewable wildlife. Parks in southern Tanzania, with the exception of Mikumi National Park, have mixed habitat with more dense vegetation that makes wildlife harder to find but provides a more diverse mix of wildlife. However, the main distinguishing factor between tourism in the two regions is visitor density. Ngorongoro Conservation Area has an annual visitor density of 78 visitors/km² (if just the crater is considered it is 2,491 visitors/km²), Serengeti has an annual visitor density of 31 visitors/km², while Ruaha in southern Tanzania has a density of one (1) visitor per km². This is the primary reason travelers seek out the south for a wilder, more remote and personal travel experience.

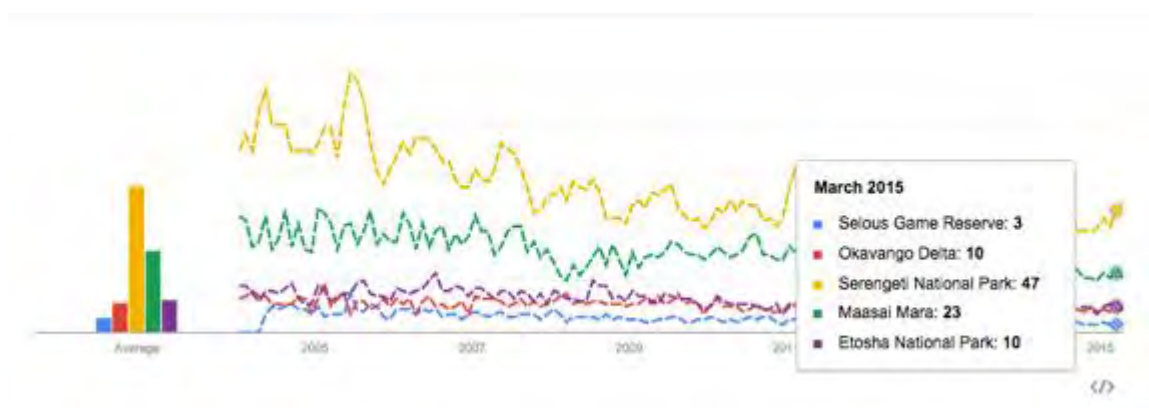
From a product perspective, southern Tanzania can be compared to other regional destinations that offer a similar remote experience. For this study, the iconic attractions that fit best with the vision for southern Tanzania (Ruaha and Selous) were benchmarked against comparable attractions including Chobe National Park and Okavango Delta in Botswana, Etosha National Park and community conservancies in Namibia, and the Maasai Mara and Laikipia/Northern Rangelands in Kenya. Comparing brand identities and prices allows us to assess how competitive southern Tanzania is.

Brand awareness for southern Tanzania is very low compared to similar regional destinations. The graph below shows the relative search term trends between select benchmark tourism attractions in Tanzania (north and south), Botswana, Kenya, and Namibia.³⁶ As figure 15 demonstrates, the iconic attractions in southern Tanzania have 30% of the brand recognition of competing attractions in Botswana (Okavango) and Namibia (Etosha), 14% of the brand recognition of Kenya (Maasai Mara), and 6% compared to northern Tanzania (Serengeti). These comparisons should make it abundantly clear that brand awareness is needed to promote tourism in southern Tanzania.

Figure 16: Comparison of brand recognition between southern Tanzania and competing destinations

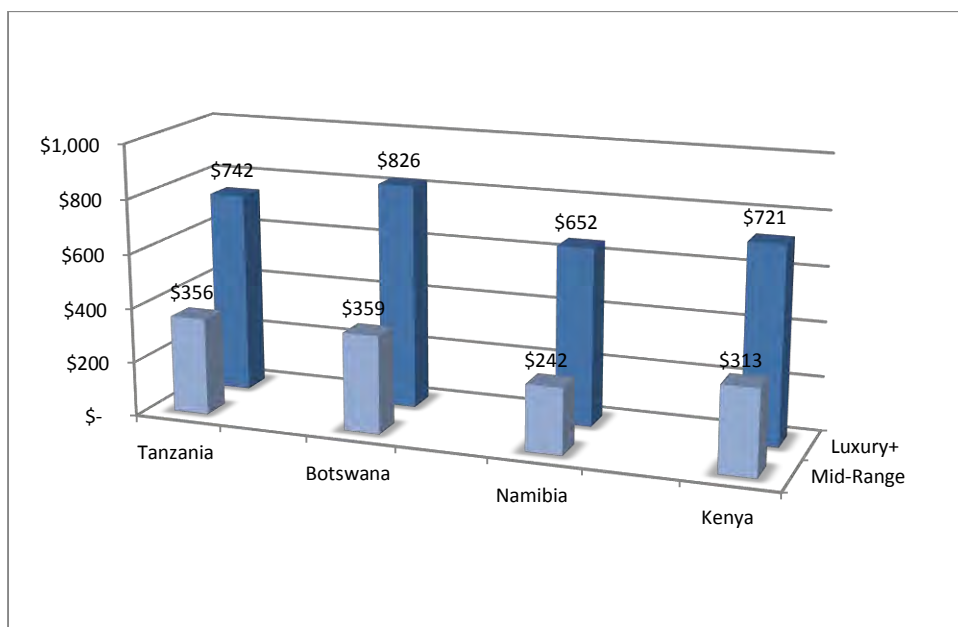


³⁶ Google Search Term Trend Data google.com/trends/– April 2015



Southern Tanzania appears to be at the right price point in comparison to its competition. When comparing the average daily per-person tour prices for luxury-plus and mid-range tours that include southern Tanzania (Ruaha and/or Selous), the average price was US\$742 for the high-end nature lover market and US\$356 for mid-range (international adventurer market) tours.³⁷ The following graph compares prices for these southern Tanzania tours with those of competing destinations. Botswana is 11% higher in the luxury-plus market, but comparable in the mid-range market; Kenya is comparable in the luxury-plus market but 12% cheaper in the mid-range market; and Namibia is cheaper in both markets. Therefore, it is important for Tanzania to continue to offer a good product to remain price competitive; diminishing the product or raising prices would compromise its competitive edge. Customers will be incentivized to choose Southern Tanzania if they are guaranteed to receive value for money spent.

Figure 17: Comparison of tour costs between southern Tanzania and competing destinations



³⁷ Analysis of approximately 100 sample tours offered on safaribookings.com – March 2015

Analysis of Demand

Tourism volume in the south may not grow to match that of the north because of the size and remote nature of the area; however, there is significant opportunity to expand the existing tourism market. This strategy focuses on the six market segments with growth potential that were identified in the situation analysis. Some, such as the nature lovers market, are already established in southern Tanzania (although none of these markets is large in Southern Tanzania), while others, such as the markets for business travelers and emerging explorers, barely exist now but have the potential for significant growth over the next few years.

Growth Opportunities

Of the six target markets, all but hunting have significant opportunity for growth. Although hunting is a significant part of the tourism mix in the south, its potential for growth is limited by the geographic space (blocks) available for the activity as well as the number of people that can hunt annually on a block (usually limited to 20–30 groups per year). While some growth can occur, it is limited and therefore will not be a major focus of the strategy. The strategy will focus on the five remaining markets for developing tourism in the destination.

The nature lover market, which tends to fall in the broader high-end or luxury category, is projected to grow steadily in the coming years. Of luxury travel agents surveyed for a recent report, 89% reported seeing growth in their market over the past two years and projected growth in the future; “76% of luxury travelers continue to ask for unique, off-the-beaten-path experiences, such as African safaris.”³⁸ Similarly, 75% of countries with nature-based tourism have reported growth in visitor numbers to these attractions in recent years.³⁹ For the luxury African safari market, in the first half of 2014, agents saw a 21–40% increase in bookings.⁴⁰ This was tempered by the Ebola outbreak, but by December 2014 safari bookings were back up. Similarly, global trends in the luxury lodging market showed a 7% increase in revenue per available room (RevPAR) for the first quarter of 2015.⁴¹ It is estimated that annual visitation from the nature lover market to southern Tanzania is around 63,000 travelers. Given current trends in the market and the opportunity within the core tourism attractions that fit with this market (Ruaha and Selous), growth of about 30% in occupancy over 3–5 years could be achieved with the right mix of promotion and product development (Annex III).

To reach the nature lover market, programs need to build awareness of the attractions and connections to the travel trade in major source markets. The geographic locations of these markets include France, Germany, Italy, North America, Scandinavia, and the United Kingdom.⁴² These are also the major historical markets for Tanzania’s northern circuit; southern Tanzania can therefore focus on attracting these visitors on a return trip to Tanzania. These visitors access information through tour operators and travel agents (which are also the main ways they book their travel), as well as through friends and family, guidebooks, destination websites, and magazines.⁴³ Return visitors would be most effectively accessed through partnerships with tour operators and travel agents that booked their initial trip to Tanzania or another safari destination.

³⁸ <http://www.travelmarketreport.com/articles/Luxury-Travel-Report-Things-Are-Looking-Good-for-2015>

³⁹ A Global Perspective on Trends in Nature-Based Tourism, PLoS Biology, 2011

⁴⁰ <http://www.luxurytraveladvisor.com/industry/luxury-travel-trends-2015-zicasso-14154>

⁴¹ <http://www.luxurytraveladvisor.com/trends-research/hotels-continue-invest-affordable-luxury-14153>

⁴² Tanzania Tourism Statistics Bulletin 2013 and CBI Safari Tourism Report - 2014

⁴³ Portrait of Affluent Travelers Report 2011

Figure 18: Analysis of the nature lover's tour planning



The adventure travel market is one of the fastest-growing segments of the global travel sector.

The market has been growing at a rate of 17% per year, compared to 4% for average mass-market travel. It is valued globally at US\$86 billion per year.⁴⁴ It is estimated that there are around 24,000 adventurers traveling to the south at the present time, mainly consisting of residents, with some international visitors. The opportunity for growing this segment, especially the international portion of it, is significant; however, it will take two to three years to establish the destination in the international market.

The adventure travel market includes both residents of the region and international visitors.

Members of the resident group, primarily but not exclusively expatriates, are looking for experiences in southern Tanzania. The international visitors are primarily in the mid-budget range and looking for a variety of activities in an “off the beaten track” location. Resident adventure travelers are concentrated in Arusha, Dar es Salam, Kampala, Kigali, and Nairobi, as well as some other regional towns. Therefore, they can be reached through domestic media; locally focused package promotions through popular venues such as bars, restaurants, and hotels, advertising in local magazines and newspapers, and social media. The international adventurer market is found in countries like Australia and South Africa. They can most effectively be targeted through tour operators and travel agents as well as through improved awareness in source markets; the Internet is an efficient tool for reaching this market.

⁴⁴ Adventure Travel Trade Association Market Study

Figure 19: Analysis of the adventurer's tour planning



According to the African Development Bank, Africa has the fastest growing middle class in the world. These are emerging explorers—especially Tanzanian and other East African travelers with the interest and resources to travel within the region.⁴⁵ Although Tanzania’s middle class is still small (around 3% of the population), with the growth in the economy—particularly in sectors such as natural gas, tourism, and agriculture—it is likely to grow further (for comparison, Uganda’s middle class is 8% and Kenya’s 17% of their respective populations).⁴⁶ Members of all of these markets are starting to travel more. With targeted marketing and products, this market can grow in Tanzania as it has done in Kenya, where the domestic tourism market grew from 35.6 million trips in 2008 to 53.7 million in 2012 (a compounded annual growth rate of 10.8%).⁴⁷ Although Tanzania is not at this level yet, efforts to promote tourism to domestic markets would establish a greater local tourism economy while also attracting middle-class tourists from neighbors such as Kenya and Uganda.

This market is located primarily in Dar es Salam but also in regional cities such as Arusha, Kampala, and Nairobi, and to a much smaller degree in regional towns in the south. Emerging explorers can be targeted in the cities where they live through media programs (social media as well as traditional media) and campaigns to build awareness about travel to southern Tanzania. Specialty tours will need to be developed and promoted that cater to this market, focusing on more affordable group travel.⁴⁸

⁴⁵ <http://www.afdb.org/en/news-and-events/article/africas-middle-class-triples-to-more-than-310m-over-past-30-years-due-to-economic-growth-and-rising-job-culture-reports-afdb-7986/>

⁴⁶ The Middle of the Pyramid: Dynamics of the Middle Class in Africa – AFDB 2011

⁴⁷ <http://beforeitsnews.com/travel/2013/04/kenya-travel-and-tourism-market-2017-2452680.html>

⁴⁸ Sustainable Tourism in the Albertine Rift, Uganda case study on domestic tourism.

Figure 20: Analysis of the emerging explorer's tour planning



The beach extender market is fairly small but has the largest potential for growth of all the market segments in southern Tanzania. About 7,200 beach extenders travel to southern Tanzania annually, yet the size of this market, which includes visitors to Zanzibar and the Seychelles, is around 370,000 people.⁴⁹ The current market penetration is therefore only about 2%, with the Seychelles remaining largely untapped. Mauritius also offers an opportunity; a survey of Mauritius visitors showed that 20% of them package their tours with at least one other destination.⁵⁰ Given that Mauritius offers a similar product to Seychelles, it can be assumed that a similar level of interest in multi-destination packages would be found in the Seychelles market. This is supported by Air Seychelles' recent promotion of safari extensions to Tanzania, specifically parks near Dar es Salam. The goal would be to attract 10% of the overall beach market in these destinations to Selous or Mikumi for an add-on safari experience.

The primary interest of the beach extender market in southern Tanzania is a short extension from Zanzibar or the Seychelles to a safari experience, either as part of the visitor's overall travel package or as a last-minute purchase at their beach destination. When packaged as part of an overall tour, the target for marketing southern Tanzania must be travel agents in the primary source markets for Zanzibar and Seychelles. France, Italy, and the United Kingdom together make up approximately 50% of the total Zanzibar market.⁵¹ Germany (at 16%) followed by France and Italy are the top three countries sending visitors to the Seychelles markets.⁵² Visitors who are already in Zanzibar and the Seychelles and looking for a last-minute side trip can be reached through local travel agents and hotels as well as guidebooks and local travel literature, such as Mambo Magazine in Zanzibar.

⁴⁹ Tanzania Tourism Statistics Bulletin 2013 and UNWTO Seychelles Travel Bulletin 2014

⁵⁰ <http://tourism.govmu.org/English/Publication/Pages/Survey-of-Outgoing-Tourists-2000.aspx>

⁵¹ Tanzania Tourism Sector Survey 2012

⁵² <https://wolfganghthome.wordpress.com/2015/01/01/seychelles-narrowly-beat-2014-arrivals-to-set-new-visitor-record/>

Figure 21: Analysis of the beach extender's tour planning



The business travel market is still relatively small in Tanzania; however, the promotion required for it is similar to that for the beach extender market, and the same products can easily be promoted to both markets at the same time. In 2013, approximately 25,000 business travelers entered the country through Dar es Salam airport.⁵³ Current business travel to the south is estimated at 3,600 people annually; however, very few hotels in the city actively promote excursions to the south. Most business travelers are based in Dar es Salam and would most likely decide to travel to a southern Tanzania attraction while in Tanzania rather than before their trip. They can therefore be most effectively targeted at the hotels, restaurants, and bars in Dar es Salam as well as through promotions with local travel agents that package and book trips for business travelers. Airline magazines, in-room and lobby video promotions, and tabletop promotions in restaurants and bars are all ways to cost-effectively reach business travelers.

Figure 22: Analysis of the business traveler's tour planning



⁵³ Tanzania Tourism Statistics Bulletin 2013. This probably understates the size of the market, as some business travelers likely enter as tourists.

Value, Density and Experience

Members of each market segment look for different experiences; their expectations affect the inherent value of each segment and dictate which tourism products are likely to attract it as well as the preferred density of tourism. Understanding these three factors—monetary value, product preference, and density preference—can guide the development of products to match market preferences:

- *Nature lovers* form a high-value market (spending above US\$500 per day), looking for an exceptional site or attraction with low visitor density. Because of its high value, the nature lover market can anchor southern sites that provide a true wilderness experience.
- *Adventurers* are mid- to low-budget travelers (spending US\$50–500/day) looking for distinctive tourism experiences and willing to visit attractions where one sees other visitors frequently but not constantly. Adventurers have diverse, flexible preferences; most, if not all, southern sites have the potential to attract this market.
- *Emerging explorers* are low-budget domestic travelers (spending less than US\$100/day) who do not prioritize low density as long as the tourism experience is affordable.
- *Beach extenders* are mid-budget travelers (US\$100–500/day) looking for a quick extension to diversify their primary travel purpose (the beach). They will accept popular southern Tanzania destinations on the condition that they are easily accessible.
- *Business travelers* are mid- to low-budget travelers (US\$50–500/day) who prioritize accessibility over low visitor density. Like beach extenders, they will accept common and popular southern Tanzania destinations on condition that they are easily accessible.
- *Hunters* are high-budget travelers (over US\$500/day) looking for a very specific experience with very few other people around. Hunting is prohibited in the National Parks, limiting the segment to game reserves and other protected areas. However, the hunting industry is evolving to accommodate spouses and families who prefer photographic safaris, combining time in hunting areas with stops in National Parks and photographic areas of game reserves.

Table 2: Market analysis for southern Tanzania

Customer Segment	Product requirement	Budget	Density preference
Nature Lover	Exceptional	High	Low
Adventurer	Distinctive	Low, Medium	Low, Medium
Emerging Explorer	Common	Low	Low, Medium, High
Beach Extender	Common	Medium, High	Low, Medium, High
Business Traveler	Common	Low, Medium	Low, Medium, High
Hunter	Distinctive	High	Low

Legend	
Budget	
\$\$\$	Spend more than \$500 per person per day.
\$\$	Spend between \$100 and \$500 per person per day.
\$	Spend less than \$100 per person per day.
Product Type	
Exceptional Product	Unique or rare tourism experience that can only be found in a small number of other locations around the world.
Distinctive Product	A tourism experience that is unique within the region.
Common Product	A tourism experience that can be found commonly throughout the region.
Density	
Low Density	Ideal capacity of visitors to the site allow for only a small number of sightings of other visitors each day.
Medium Density	Ideal capacity allows for extended periods of solitude but potentially also frequent sightings of other visitors.
High Density	Acceptable to see other visitors on a constant basis.

Analysis of Assets

Developing a portfolio of products that cater to a range of customers and harness the diverse assets of the south is key to successfully growing tourism demand. However, tourism needs to be established and strengthened around primary attractions before circuits expand to secondary sites within the region. Focusing on primary attractions, destinations that independently can attract the most visitors, is the way tourism in north Tanzania developed; growth there began around specific iconic attractions (Kilimanjaro, Ngorongoro Crater, and Serengeti) and then spread to secondary destinations, such as Arusha and Tarangire national parks. The following analysis is based upon desk research, expert interviews, and site visits conducted in 2015.

Each attraction in southern Tanzania has unique features; consequently, the attractions differ in terms of the products they can offer, the optimal value they can derive from tourism, and the density of visitors they can sustain. Understanding attraction-specific dynamics is essential to identifying ideal market segments and developing products that cater to them. The following section examines the products, optimal value, and sustainable capacity of the South’s primary attractions.

Primary Attractions

For each of the attractions, analysis was conducted to estimate the potential economic impact for the Tanzanian economy and revenues for specific attractions as well as projected visitation and other factors if the strategies proposed in this document are implemented. The annexes attached to this document provide a detailed explanation of the analysis, based on the data available. For each attraction the analysis looked at current visitation, occupancy levels and market trends to determine potential for growth. Assumptions were drawn as to increases in occupancy and visitation to the attractions based on these trends, the implementation of the proposed strategies and examples from where similar programs were implemented in other destinations. Economic impact was then assessed based on the average in-country spend per tour calculated by reviewing approximately 100 sample tours offered in the luxury plus and mid-range budgets. Attraction revenues were estimated on current or projected future gate entry fees.

Mikumi National Park

This park offers a mid- to low-budget destination that is similar to northern Tanzania and easily accessible from Dar es Salaam. It attracts and manages a higher volume of visitors than other locations in southern Tanzania, due to its savannah landscape and accessibility. Maximum density could be based on that of Serengeti National Park, which would equate to a capacity of approximately 100,000 visitors per year (double current visitation).

Mikumi has the opportunity to become an anchor for mid- and low-budget travel in the region because of its proximity to Dar es Salaam and the beach markets of Zanzibar and Seychelles. This includes the beach extender and business traveler market segments, as Mikumi is the closest budget safari option from Dar es Salaam and other coastal destinations, as well as the domestic and resident adventurers and emerging explorers, whose numbers are already significant in the park and could grow further. By attracting 8% of the beach extender market and 5% of the business traveler market, Mikumi could generate an increase in park revenue of US\$2.1 million/year, with direct spending in Tanzania of more than US\$15 million/year, (Annex IV).

Ruaha National Park

This park offers an exceptional wilderness experience that is ideal for nature lovers who value low density and remote wilderness and are willing to pay for it. Low density is estimated as one vehicle per 15 km² of usable tourism area, which in northern Ruaha is estimated at approximately 2,000 km², therefore approximately 130 tourism vehicles or 650 people in the park on any given day (Annex III).

Ruaha presents a significant opportunity for rapid growth of the nature lover market through better marketing and sales, as well as long-term growth with the development of the southern section of the park. Marketing for this park should focus on positioning it as a high-value destination. It could increase direct spending in Tanzania by US\$26 million/year and increase park revenue by US\$1.5 million/year with a 30% growth in occupancy and opening of the southern section (Annex IV).

Selous Game Reserve

The Selous offers exceptional tourism, especially in the form of land and water safaris. It currently attracts low to moderate volumes of visitors, including nature lovers, high-end beach extenders, and business travelers. It presents significant opportunity for rapid growth of the nature lover market through better marketing and sales; however, similar density limitations are advisable as in Ruaha (one vehicle per 15 km²) to maintain the quality of the experience.

There is significant long-term opportunity for growth with expansion of photographic tourism into other areas of the reserve. This could generate US\$23.5 million in direct spending in Tanzania and close to US\$3 million/year in revenue for the game reserve with a circuit that connects Selous and Ruaha, as well as an additional 2% of the beach market extension (Annex IV).

Udzungwa National Park

This park offers a mid- to low-budget destination with products that are different from those at other southern destinations. It can sustain moderate but not heavy visitor density, in part because of its dense habitat; however, visitation is unlikely to ever exceed a low density (about 650 people/day). Current visitation averages 20 people per day (Annex III).

Udzungwa appeals to the adventurer and emerging explorer markets. It presents significant opportunity for immediate growth through marketing to adventurers and emerging explorers, as well as Mikumi visitors looking for an additional experience beyond a safari park. Doubling visitation could increase revenue to the park by US\$175,000 and generate approximately US\$1 million in direct spending in Tanzania by doubling visitation (Annex IV).

Secondary Attractions

Kilwa and Songosongo islands

These islands offer historical attractions for mid- to low-budget travelers looking for an additional coastal experience. They are visited through independent excursions from Dar es Salaam or Mtwara, with the World Heritage Site in Kilwa as the primary draw, rather than as an extension of southern Tanzania. This is due to poor road connectivity between Kilwa and other southern destinations, the ease of access from Dar es Salaam, and the opportunity presented by the World Heritage status, which gives Kilwa an edge over other small beach destinations along the coast. However, as a single specialty attraction without linkages to circuits, visitation is likely to remain limited.

Visitation could double (an increase of 1,500 people per year) through better promotion of the site to the adventurer, emerging explorer, and business traveler markets. However, the relative impact would be minor; this increase would provide around US\$20,000 in revenue for the site and US\$300,000 in economic impact to the region (Annex IV).

Mafia Island

Mafia Island offers a mid- to high-budget attraction, focused on quiet beaches and marine activities such as scuba diving and fishing. It provides a quieter alternative to Zanzibar, and would therefore be a logical extension to a nature lover's safari to Ruaha or Selous because of its low-density tourism. It can also be an independent destination for discerning travelers looking for a quiet beach and maritime experience.

The island hosts a fragile ecosystem and therefore must maintain a low density of tourism. Land use planning with a focus on measured growth, enhancing existing facilities (rather than building new ones), and promotion could help to grow existing occupancy, particularly by focusing on low-density visitation by nature lovers and niche markets for scuba diving and sport fishing. Increasing occupancy of existing facilities by 30% could increase direct spending in Tanzania by US\$3.2 million/year (Annex IV).

Kitulo National Park

This is a remote grassland park known for its flowers. It attracts a low volume of tourism due to its remote location, specialized appeal (flowers), and poor infrastructure and accommodations. Currently, it appeals to emerging explorers from Mbeya and Iringa as well as dedicated adventurers and nature lovers from elsewhere in the region.

Park visitation could grow to 2,500 people per year in the next five years, with revenue of US\$90,000/year and an economic impact of around US\$300,000/year to the region (Annex IV). However, the investment needed to achieve these numbers would likely be considerable (major road improvements, accommodation facilities, and activity development) in comparison to the potential returns.⁵⁴

Key Cities in Southern Tanzania

The cities in southern Tanzania serve as source markets and gateways for tourism in the region.

Dar es Salaam is the main source of tourists traveling to southern Tanzania from both within and outside the country. Outside of Dar, Iringa, Mbeya, Morogoro, and Mtwara are growing cities that could have a future role as source markets and stopover towns for tourists. However, with the exception of Dar es Salaam to a small degree, there are no major attractions that would draw leisure tourists to these towns. Nevertheless, Southern Tanzania's cities provide a source of labor for the

⁵⁴ Using comparative analysis with other parks and their source markets, it is estimated the maximum potential Emerging Explorer and Adventurer market for Kitulo within the next 5-years is an increase of 2000 visitors

region. As Southern Tanzania's educational outcomes trail the rest of the country, the local workforce availability tends to be low-skill and future development of the region will require additional training or management and skilled labor from outside the region.⁵⁵

Because the aim of this strategy is to catalyze tourism development for conservation in southern Tanzania," there is an inherent focus on protected areas. The protected areas are also the core draw for visitors, and therefore the logical place to start to strengthen tourism. These core attractions are not currently sustainable as self-sufficient tourism products; their occupancy is low, their market penetration is limited, and many of their facilities need enhancement. Therefore, the focus should be on enhancing these attractions and the circuits that connect them before exploring secondary attractions in the region, such as gateway cities. This is not to say that these cities have no tourism value, only that resources should be focused on the highest priorities for development.

Dar es Salaam

Dar Es Salam is the major gateway for visitors to southern Tanzania and the center of operations for many tourism businesses that service this area. As the major entry and exit point for the south, it is a frequent stopover for one to two days for international tourists and business travelers. The city is also home to the majority of the domestic and regional markets for southern Tanzania. It is therefore a source market, a stopover gateway, and a destination in itself.

The major tourism need in Dar Es Salam is for growth in the city's hotel sector, as occupancy rates are high and inventory limited. A number of large hotel development projects are under way or planned in the city, and there does not seem to be a significant need to support this growth, as it is happening already.

The city also has a need for more activities for residents and visitors in and around the area. There are opportunities along some nearby coastal and island areas for resort-style development (for example, Kigamboni) as well as potential to expand cultural and shopping experiences for visitors in the city. However, given the major needs for tourism development in the rest of the south and the fact that Dar es Salam as a destination is of secondary appeal to the core attractions in the south, the city is not a priority for this strategy.

Morogoro

Of the cities reviewed in this analysis, Morogoro may be the one to focus urban tourism on, because of its potential for conference tourism, its location, and the fact that there is little current focus on investment in the city—unlike Dar es Salam, where there is already a lot of interest from investors.

Three hotels in this city offer conference facilities, ranging from 45 to 350-person room capacity. There is moderate potential for expansion of its conference and retreat business because of its proximity to Dar es Salam and its appealing scenic location. It could also become a source market for business travelers or emerging explorers visiting Mikumi National Park while on conference retreats.

Morogoro needs enhancement and promotion of existing facilities, followed by investment in a larger new conference facility (with about 100 rooms) once the market starts to grow. Morogoro could see growth of US\$500,000–750,000/year within two to three years at current facilities (Annex IV). A full feasibility study is needed to determine the potential growth with new facilities.

⁵⁵ Less than 60% of students in Southern Tanzania passed the national primary school exam in 2011. Three of Southern Tanzania's regions (Rukwa, Tabora & Lindi) have below 15% secondary school attendance. Source: National Examinations Council of Tanzania.

Iringa

Iringa offers a gateway to Ruaha National Park and other activities in the southwest, particularly for travelers coming from southern Africa. It provides a stopover for adventurers and emerging explorers, with 21 budget to mid-range accommodations, which are sufficient to cater to the tourists in transit. It also plays a key role in logistics and supplies for attractions in the region.

Iringa's growth potential is limited by poor infrastructure connecting to attractions, as well as the number of visitors to the town. Iringa is a three-hour drive from Ruaha National Park on dirt roads, and although it is accessible, there is little reason for people to stay there to access the park, other than as a stop-over on the way for the driving market. Iringa is also not a viable gateway to Mikumi and Udzungwa National Parks for markets coming from Dar es Salaam.

Furthermore, it is worth considering that Iringa's investment in some of its core sectors, such as agriculture, has yet to produce sufficient returns, even with additional support from initiatives such as Southern Agriculture Growth Corridor of Tanzania (SAGCOT). If progress in a core area has been slow, the success of a secondary industry that is currently not well linked to the town is less likely. Thus, Iringa is not recommended as a focus for tourism development at this time.

Mbeya

Mbeya provides an access point for Kitulo National Park and Livingstone Mountains as well as a regional hub for agricultural production. Its tourism potential is limited by its distance from premium attractions. It is more than seven hours by road from the northern part of Ruaha and even farther from other major attractions. Mbeya could grow to support travel to southern Ruaha; however, there is limited opportunity for it to become a gateway or transit town as the market is likely to be a fly-in market. It may offer conference services in the future; however, the local market is small and access from Dar is expensive, so the potential remains low. For these reasons, the town is not recommended as a focus for tourism development at this time.

Mtwara

Mtwara is growing with the natural gas industry; however, development of the industry is 5–10 years down the line and is likely to attract a limited number of expatriates and mid- and high-level jobs to the area. It is expected that if any impact will be felt on tourism demand, it will be through spill-over effects from other sectors; therefore, Mtwara's tourism potential will remain low for the next 10–15 years.

Mtwara is also geographically isolated from major attractions; access to Selous Game Reserve (the nearest park) would take at least seven to eight hours. With its limited connectivity and under-development of tourism assets, it is recommended that Mtwara not be a major focus at this time.

Implications for the Plan

By comparing the expectations of different market segments with the attractions within southern Tanzania, it is possible to identify where market preferences and product offerings align for optimal growth. This provides a basis for the plan's recommendations on growing demand and developing tourism products in southern Tanzania.

Figure 23: Combined analysis of demand and supply in southern Tanzania

Attraction	Product offered	Budget offered	Density of tourism	Nature Lover	Adventurer	Emerging Explorer	Beach Extender	Business Traveler	Hunter
Mikumi	Common	Low, Medium, High	High		✓	✓	✓	✓	
Ruaha	Exceptional	High	Low	✓					
Selous	Distinctive	Medium, High	Low	✓			✓	✓	✓
Udzungwa	Distinctive	Low, Medium	Low (potential for Medium)		✓	✓			
Kilwa	Distinctive	Low	Low		✓	✓		✓	
Kitulo	Distinctive	Low	Low		✓	✓			
Mafia Island	Exceptional	Low, Medium, High	Low	✓	✓	✓			

In summary, our analysis confirms the following:

- Southern Tanzania needs a brand identity that can differentiate it from other destinations and guide decisions on its development
- Price-wise, the average tour package is within a competitive range; this must be maintained by protecting the assets and improving the quality of products to ensure that visitors receive value for money
- Of all six market segments, five have the potential for growth through targeted marketing campaigns
- Ruaha National Park is suitable for high-value/low-density tourism, with nature lovers as the anchoring market segment, possible along with high-value adventurers.
- Mikumi National Park is suitable for medium- and low-value/high-density tourism, and can attract customers from at least four market segments: adventurers, emerging explorers, beach extenders, and business travelers.
- Selous Game Reserve is suitable for a medium- and high-value/medium-density product, attracting nature lovers, beach extenders, business travelers, and high-value adventurers.
- Udzungwa Mountains National Park will remain a low-value/medium-density product, with adventurers and emerging explorers as its anchor customers.
- Coastal destinations like Kilwa and Mafia, as well as other smaller and more remote parks in southern Tanzania, will remain as secondary destinations that can be linked to existing circuits.
- Surrounding cities will continue to be transport hubs and offer logistics support for the attractions. Only Morogoro and Dar es Salaam have the immediate potential to build complementary industries that can generate tourism demand.
- More research is needed to understand and set benchmarks for the development of tourism in the region.
- Communities need support to become more closely integrated within the tourism value chain.

Although all areas have potential, not all areas can be developed at once. Development of tourism in the south will take time and should be approached in phases. Peru did not develop the Vilcanota Valley before it developed Machu Picchu, or Egypt the Dahshur pyramids before the iconic pyramids at Giza. Investment should focus on establishing and developing the core attractions in the south before taking on development of secondary attractions. Therefore, the strategic programs focus on “primary attractions” that already have a tourism base in order to catalyze initial growth that can become the base for a bigger industry that extends to secondary attractions. This strategy will therefore focus on specific recommendations for developing Mikumi, Ruaha, Selous, and Udzungwa as the core tourism destinations for southern Tanzania. It will also provide recommendations for initial development of the secondary attractions that can be enhanced in parallel to the primary attractions or once the latter are more established.

We estimate that tourism in southern Tanzania has a ‘multiplier’ effect on other sectors, such as agriculture, construction and transport, of at least 1.6 – in other words, for every \$1 spent on tourism, an additional \$1.60 is spent in other sectors – and potentially much higher. Similarly, every dollar spent on tourism generates nearly an additional dollar in local income. Recent research on the value chain and multiplier effects of tourism in Tanzania is limited and detailed

econometric analysis would be helpful in determining a more exact multiplier ratio. The most relevant study on the multiplier effect of tourism in Tanzania, conducted by Steve Curry in 1986, estimated the output multiplier of tourism in the country at 1.59 (i.e. for every dollar spent on tourism, an additional \$1.59 is generated in the economy) and an earnings multiplier of 0.85 (for every dollar spent on tourism, an additional \$0.86 goes towards local earnings). Based on anecdotal evidence collected through interviews with lodge owners and tour operators, it is likely that these two ratios have improved considerably in Tanzania over the past thirty years, given that local service providers are significantly more capable and sophisticated than they were at the time of the study – suggesting that tourism operators are more likely to rely on local inputs while local providers are better able to capture the benefits of tourism. Tanzania’s earnings multiplier is similar to that of the Seychelles (0.88) and its tourism output multiplier is relatively similar to Kenya’s (1.81).⁵⁶ A more recent (2012) global study by the World Travel and Tourism Council on the impact of tourism on local economies estimated the global average multiplier to be around 3.2, which suggests that Tanzania’s tourism multiplier might be considerably higher than 1.6 by now but, given the lack of recent evidence, and the human resource and infrastructural constraints noted earlier in this report, we believe a very conservative estimate of 1.6 is appropriate.⁵⁷ Notably, the global average multiplier ratio for tourism is 18.5% higher than the average multiplier of major economic sectors around the world.

Moreover, tourism creates jobs. Tourism is a labor-intensive industry that provides formal, stable jobs for relatively low-skilled workers and groups that are often excluded from formal labor markets, such as women and youth in rural areas. According to the World Travel and Tourism Council’s 2014 Economic Impact report, tourism currently employs more than 400,000 Tanzanians directly, and support another 700,000 jobs in other sectors indirectly, accounting for more than 10% of total employment. Developing the tourism industry in southern Tanzania is likely to have a substantial positive effect in terms of local job creation. A 2007 World Bank study in neighboring Zambia found that “tourism creates nearly 200 full-time formal jobs for each \$250,000 of investment, compared with only around 100 stable jobs in the resources sector.”⁵⁸ In another study, the IFC found that, on average, higher-quality hotels and lodges create 1.5 to 3 direct, full-time jobs per hotel room.⁵⁹

Further research is needed to verify the specific multiplier and job creation effects of tourism in Tanzania’s south, where outcomes could differ from the north and from other countries, and to understand exactly where and how the increase in spending, income and employment is generated.

The implementation of the tourism plan must intentionally integrate high level programming with local communities. Wildlife Management Areas (WMA’s) and other community tourism initiatives have been established in the south, however many have struggled to become sustainable. In general they are poorly connected to the larger tourism value chains in the area, and thus have limited access to markets. It is very difficult for a single community enterprise to effectively reach their target markets without sufficient linkages to the broader economy. There is need for a collective approach to community-based tourism, which can support their promotion and access to markets. This approach could provide all community products in the region and the country with improved economies of scale for market access efforts. There is also a need to enhance the overall products and services offered by communities to attract the markets that are traveling to the region.

⁵⁶ Curry, Steve (1986). *The Economic Impact of International Tourism in the United Republic of Tanzania: An Input-Output Analysis*

⁵⁷ World Travel and Tourism Council – *The Competitive Economic Impact of Travel and Tourism 2013*

⁵⁸ World Bank, *Zambia: Economic and Poverty Impact of Nature-based Tourism, 2007*

⁵⁹ IFC, *IFC Hotel Projects Create Significant Economic Opportunity, 2011*

Strategic Programs

Introduction

Six strategic programs have been designed to address the major challenges identified in the sector and grow the tourism industry in southern Tanzania. The proposed programs can be grouped into two categories. The first involves strengthening the foundation of the industry through government action in areas of leadership, the business operating environment, and resource management. This is a critical step that is needed to sustain current investments before substantial and sustainable new investments can be attracted to the region. The second category builds on this foundation and identifies tactical opportunities for public and private investments to create greater market awareness, grow demand, expand product offerings, and improve infrastructure.

The strategic programs are positioned to build on existing momentum to catalyze immediate growth that is needed to protect the industry. The purpose of each program is to provide tangible and implementable activities within five years. Our findings suggest that action is needed urgently to grow tourism in southern Tanzania. Building on existing momentum will allow the programs to have an immediate effect on the industry's growth trajectory. Rather than relying on big ideas that require significant time to be implemented and are therefore likely to produce slow and incremental growth, the programs recommended here involve targeted interventions that if implemented effectively can result in transformative growth.

The strategic programs are designed to leverage the region's unique value proposition, while accounting for the distinct characteristics of each attraction. Tourism stakeholders agree that southern Tanzania offers untapped wilderness, ideal for a diverse set of tourism activities. The strategic programs identify actions to promote this vision and activities that might threaten it in the future. They also take into account the diversity of the attractions, and provide recommendations for protecting the uniqueness of each.

Finally, the strategy takes a "portfolio" view of the assets, recognizing that each will follow a different path toward profitability, and aiming to create a strong sector rather than individual success stories. Each attraction has a different product mix, capacity for tourism, and management dynamic. Therefore, each will attract different revenue streams and grow at a different pace. It would be a mistake to apply the same revenue expectations, in terms of both quantity and timing; some assets will become profitable, some will simply break even, and others will never be profitable. Understanding and embracing this reality is critical to the sustainability of the natural resources and the viability of the industry.

Strengthening Sector Leadership

Recommendation: Create a Southern Tanzania Tourism Task Force with a five-year mandate to facilitate the implementation of the plan.

Southern Tanzania needs a Tourism Task Force that will ensure the effective implementation of this tourism plan. Successful development of southern Tanzanian tourism requires consistent sector leadership, which includes the adoption of a regional strategy for tourism development and the implementation of that strategy. The responsibility to implement plans typically sits with government alone; however, as has been observed in the past, this is compromised by constantly changing leadership. To address this, we recommend a task force that will take ownership of the plan and lead the implementation of the plan.

To effectively facilitate joint decision-making and action, it is recommended that southern Tanzania's Tourism Task Force be small, and include representation from key public- and private-sector stakeholders. While public-sector efforts are necessary, they are not sufficient to develop tourism in southern Tanzania. Furthermore, shared ownership of the tourism development mandate is more likely to succeed as external factors evolve in both the public and private sector, or as internal priorities or personnel change at any one institution—as is likely to happen with the election cycle.⁶⁰ Therefore, we recommend the establishment of a body of 11 people, with the following composition:

- *Public sector:* permanent secretary of MNRT (1), Division of Tourism (1), TANAPA (1), TAWA (1), TTB (1)
- *Private sector:* TCT (1), representatives of the main investors in the region (3)
- *Other:* representative of donors funding tourism in southern Tanzania (1), conservation partner (1).

Ideally, the task force would be chaired by the permanent secretary. MNRT, under the permanent secretary, should also oversee the process of building the task force; however, other members could be selected by the relevant private sector, donor, and civil-society stakeholders.

The tourism task force should have a limited mandate, focused only on the South and extended only for five years. Focusing the task force on the South ensures that the needs and priorities of the region are not overshadowed by the larger, more powerful constituencies involved in Northern Tanzania's tourism sector. Limiting the mandate to five years is intended to focus the task force on immediate action. The aim is not to create another layer of bureaucracy, but rather to facilitate change that is needed now.

Similar institutions exist elsewhere; while the legal and political definitions of these bodies differ, they all demonstrate that public-private partnership modes for leadership can be effective in developing tourism sectors. For example, Malaysia and Namibia offer two examples of tourism boards that show the importance of private sector representation in the success of the board and in generation of tourism investments.⁶¹ With a focus on southern Tanzania, this body should take ownership of the plan and play a central coordinating role through the following actions:

- Champion the plan through advocacy in relevant national governmental institutions (including ministries and Parliament), local and regional governments, local communities, and the broader population.
- Plan and monitor the implementation of all required actions, including policy changes and investment-related actions.
- Communicate with all relevant stakeholders to ensure that there is adequate consultation and a common understanding of key decisions.
- Identify and promote investments that fit the vision outlined in the plan.

⁶⁰ From 2010 to 2015 there were three Ministers in MNRT, and with upcoming elections in October 2015, there is likely to be a new Minister in 2016. The fast-evolving nature of the position requires strong institutions in order to ensure the implementation of long term plans.

⁶¹ The Malaysia Tourism Promotion Board (MTPB) is an entity with 13 members under the leadership of the Ministry of Tourism. MTPB includes representatives from the public, private and social sectors, and the organization focuses on the promotion and planning for tourism in Malaysia. One of the critical roles MTPB identifies for itself is that of coordinating between the public, private and social sectors. In Namibia, the Namibia Tourism Board is comprised of key private sector representatives (appointed by the main industry associations, along with the Minister of Environment and Tourism, and the Namibia Tourism Board CEO. Though Tanzania's Tourist Board has a private sector representative, this representative is appointed by MNRT as opposed to being chosen by the private sector associations.

- At the end of five years, evaluate progress and identify priority actions to further develop tourism in southern Tanzania.

To ensure that this Tourism Task Force has broad support, it is important to achieve quick wins at the start that can generate momentum; this will only be possible if this body has committed members supported by capital investment. The first year will be critical for establishing the presence and effectiveness of the task force. This will require immediate action on the most catalytic and urgent activities that are easy to implement so as to gain some initial wins. To achieve this, the task force must require commitment from its members; members should therefore be selected based on their commitment rather than political positioning. Moreover, funding is needed to support their activities. Recognizing that it may be difficult to obtain funds from the government, we recommend that donor agencies that are supporting the tourism sector take the initiative to fund this body. A funding model that is tied to the performance of the coordination body can be pursued to incentivize action.

Recommendation: Collect nuanced data on visitors to Southern Tanzania

Regional and site-specific data is needed to achieve a nuanced understanding of the characteristics of visitors to each Southern attraction. The task force for tourism development should prioritize data in order to inform future planning and marketing. Although the public managing institutions like TANAPA, TAWA and MNRT are key to data collection, the private sector can be included as well.

Existing data collection should be expanded to acquire nuanced data within and outside national parks. Managing institutions like TANAPA and MNRT should collect data that can be disaggregated by region, attraction, activity and customer segment. MNRT should ensure that parallel data collection occurs at attractions outside of national parks, such as coastal destinations, historical sites, and game reserves. Tanzania should implement more regular exit surveys to understand and build upon visitor experiences. These surveys could inform marketing efforts and investment opportunities. Exit surveys at airports do not face the limitation of non-park attractions.

TANAPA and MNRT should consider surveying lodges and tour operators in addition to tourists themselves. Often lodges collect the most detailed qualitative data on tourists. The GOT could draw upon these private sector players to collect better data, who would in turn be willing to participate if the collective results are made available. A public-private initiative of this kind would improve the quality and consistency of qualitative data. Working with the private sector to collect data would help to overcome the gaps in existing data collection that excludes non-park attractions.

Improving the Business Environment

Recommendation: Revise the 1999 National Tourism Policy to reflect current dynamics.

Revising the National Tourism Policy would provide current and relevant guidance for the industry. The Tourism Policy was developed in 1991 to outline objectives and strategies necessary to support the development of tourism in Tanzania. It was also intended as a signal of liberalization to the private sector. This policy was revised in 1999 to guide the changing role of the GOT, from being directly involved in commercial activity to regulation, promotion, and service provision. Sixteen years later, the country has undergone significant political, economic, and social change. Within the tourism sector, there has been significant growth in northern Tanzania and Zanzibar, and the underdeveloped southern circuit is beginning to show some signs of growth. A new policy is therefore needed, especially as southern Tanzania tourism grows, to continue to guide the government role, as well as the interactions with private sector and other key stakeholders in the industry.

Recognizing that there are on-going efforts to update the policy, this plan will focus on highlighting aspects of the 1999 National Tourism Policy that should be reviewed. Policy that regulates tourism should be created with the primary intention of maintaining the overall health of the industry and benefitting the Tanzanian people. With this in mind, consider:

- i. Taking into account the varying levels of tourism development in Tanzania: the developed north and the underdeveloped south, and different approaches that are needed for each.
- ii. Providing specific guidance on environmental and wildlife protection.
- iii. Clarifying the role of relevant ministries in promoting tourism such as the Ministry of Livestock Development and Fisheries, Ministry of Home Affairs, Ministry of Industry and Trade, Ministry of Labor and Employment, Ministry of Transport.
- iv. Clarifying the role of key regulatory institutions, particularly after the recent devolution process. This should include both national and local regulatory authorities/agencies, and aim to emphasize their regulatory functions instead of revenue collection.
- v. Clarifying the role of donors in supporting tourism.
- vi. Clarifying the role of communities as a whole (not just women).
- vii. Providing standards for implementation, accountability and measurement of impact.

Recommendation: Building on existing reforms, streamline, rationalize, and harmonize the payment of taxes, fees, and levies to central government regulatory bodies, agencies, and local government.

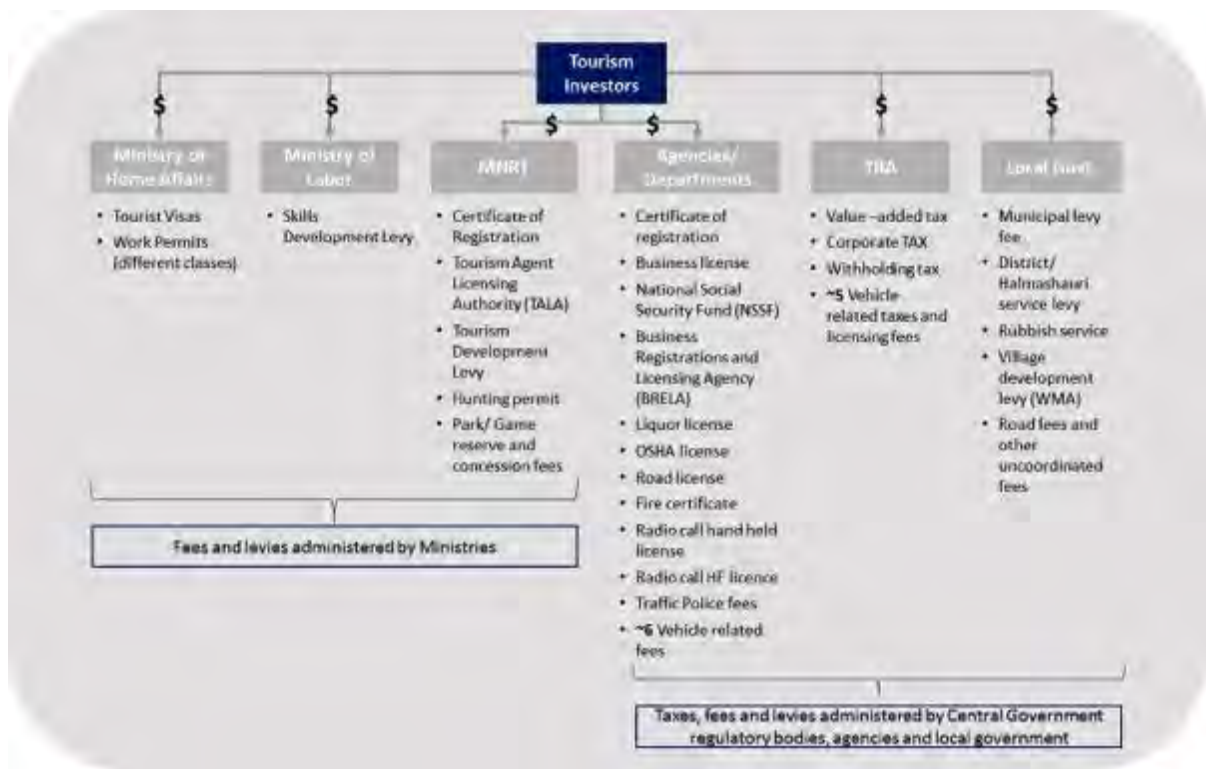
There is an immediate need for fiscal reforms to simplify these payments. This is one of the areas that Big Results Now (BRN) is focusing on. BRN is an initiative aimed at delivering the step-change required to fast-track Tanzania's transition from a low-income to a middle-income country. We therefore recommend that efforts start with BRN's work, as it is already established and moving toward implementing necessary reforms.

The BRN initiative has identified 10 priorities for tax policy reform across the Tanzanian economy; two of its recommendations are particularly effective for achieving near-term growth and relevant for tourism. The tourism sector is one of the priority sectors for improving the business-operating environment.

- The first recommendation focuses on streamlining the operations, fees, and payment mechanisms of regulatory authorities and executive agencies. According to the research conducted by BRN in collaboration with Competitive Impacts of the Business Environment Reform (CIBER), streamlining payments will ensure effective communication, reduce time and cost of compliance, reduce cost of doing business, and promote accountability and transparency. The recommended solution is a one-stop center for the payment of all agency, local government, and regulatory taxes, fees, and levies. For the tourism industry, these account for about 75% of such payments, leaving out ministry-specific fees and levies. These reforms are expected to be implemented starting in 2015, with an initial pilot in Dar es Salaam.
- The second recommendation relates to the rationalization and harmonization of the taxes, fees, and levies themselves. Again, according to BRN/CIBER's research, these reforms will improve the taxation regime, reduce multiplicity of taxes and associated costs, and improve

overall compliance.⁶² Specific measures will include coordinating taxes, levies, and fees; revising key policies such as the VAT Bill; and eliminating payments that have minimal impact on the government budget but are a significant hardship for businesses. BRN’s recommendations include the reduction or elimination of the service levy and the fire levy, which impact the tourism sector significantly.⁶³ However, they do not include others such as the required 10 new safari vehicles for international tour operators and five for domestic operators. These requirements create additional, unnecessary hurdles for small operators and inhibit rather than enable the industry. As BRN’s work continues, the task force can continue soliciting feedback from stakeholders to identify, analyze, and where necessary advocate for the elimination of other payments and requirements that impose unnecessary costs on investors.

Figure 24: Summary of taxes, fees and levies in the tourism sector



Recommendation: Streamline the payment of industry-specific fees and levies to MNRT starting with a pilot program in southern Tanzania.

Apart from the economy-wide challenges highlighted by BRN, reform of industry-specific fees and levies has the potential to improve the business environment. Specifically, we recommend clarifying the use of different fees and levies, and rationalizing and streamlining the Tourism Agent Licensing Authority. Building trust between government and investors is crucial to the success of the industry, and it should start with transparent communication by MNRT on the purpose and use of

⁶² Raheem, Zaki and Alex Mkindi. CIBER, *Regulatory Constraints to the Competitiveness of the Tourism Sector in Tanzania: Platform for Advocacy*. December 2010.

⁶³ Anonymous stakeholder interview, February 2015.

fees and levies in growing the industry. On the Tourism Agent Licensing Authority fee, we recommend the following:

- Develop a new application process that is administered online to eliminate travel for businesses.
- Ensure that the process is automated, and retain basic information so as to reduce the time that businesses need to complete the application.
- Increase staff capacity and skills to manage and process applications, with the aim of reducing the average processing time from six months to one month.
- Introduce mobile payment options to make payments easier for operators outside Dar es Salaam.
- Once this process is complete, consider adding other MNRT-specific fees and levies to the system as well.

Recognizing that this is a big change to the MNRT process, we recommend a two-year pilot in southern Tanzania implemented by MNRT before scale-up across the country. This initiative represents the ideal intervention to improve the operating environment in southern Tanzania, because it can be implemented quickly and be transformative for operators. Southern Tanzania is the ideal geographic focus because the industry is smaller there, which creates a sample size that is easier to manage. Furthermore, the industry in southern Tanzania is not yet saturated, and the opportunity for growth is significant; MNRT can therefore demonstrate the positive impact on business of streamlining processes. Finally, a pilot would also introduce transparency to the licensing process, giving investors confidence in the sector and setting the region up for long-term growth.

Improving Management of Natural Resources

Recommendation: Commit to implementing anti-poaching efforts effectively.

Addressing Tanzania's poaching crisis requires political will and commitment from leadership. It is widely believed that "state corruption runs through Tanzania's illegal ivory trade from savannah to sea."⁶⁴ Only through political will and commitment can the GOT address corruption and other hindrances to efforts against poaching. Without political commitment to ending poaching, all other measures to increase management capacity, training, and equipment will remain insufficient. GOT needs to demonstrate that there is sufficient political will to tackle poaching, and partner with communities, donors, and investors to protect wildlife and other natural resources that support the ecosystem.

Recommendation: Eradicate dynamite fishing and demonstrate commitment to addressing other ecological threats.⁶⁵

Stronger regulation of the fishing industry could end the dynamite fishing practice that threatens the future of the tourism industry on the coast of Tanzania, in both the North and South. Dynamite fishing destroys coral reefs, causing lasting damage to marine ecosystems. While the Government of

⁶⁴ "Big Game Poachers: Claims of links between politicians and poachers merit further investigation", *The Economist*. November 8, 2014. [Http://www.economist.com/news/middle-east-and-africa/21631202-claims-links-between-politicians-and-poachers-merit-further-investigation-big](http://www.economist.com/news/middle-east-and-africa/21631202-claims-links-between-politicians-and-poachers-merit-further-investigation-big)

⁶⁵ Address the challenges surrounding the Great Ruaha River is discussed in the site-specific recommendations for the Park.

Tanzania (GOT) opposes dynamite fishing, there has not been strong action to ensure its eradication, and today Tanzania is the only African country where dynamite fishing occurs.⁶⁶

Both regulation and education are needed to prevent deforestation. Southeastern Tanzania is home to the largest remaining Miombo forests and coastal forests, yet there has been a surge in logging over the last decade. Consequently the region has had the fastest rates of deforestation in the country, driven by illegal harvesting and trade in timber. To combat this challenge, a two-pronged approach is needed to both regulate the industry and to educate local communities about the need for sustainable forestry practices.

Recommendation: Involve communities in the sustainable management of resources.

Involving local communities in the management of anti-poaching efforts will help to ensure the long-term survival of resources in southern Tanzania. Unless conservation offers a clear benefit to local communities, outweighing the incentives for poaching, there will always be limited commitment to overcoming poaching. Local residents are a source of guides, lodge staff, security, and management of protected areas, and local employment is an important way that tourism can benefit communities. The Ownership of- and direct benefits from- tangible tourism assets are critical to ensuring participation from local communities; this can include the land for tourism activities (WMAs), lodging facilities, attractions, and services.

A community tourism program for product development and market access, centered on the buffer zones around each of the primary tourism attractions in the South, would help stimulate greater engagement by local people in the tourism value chain. Community enterprises in the region need support in establishing and enhancing tourism products that match market demands and thus generate access to source markets. Modeled on a successful ‘Pearls of Uganda,’ community enterprise initiative, this program would support existing and potential community enterprises through a 5-step development plan and market access partnership. The program combines one-on-one enterprise support with communal learning and experience sharing, as well as a parallel, partnership-driven, market access program that links community products to their distribution channels (tour operators, lodges and hotels). The five steps are detailed below.⁶⁷

1. *Develop concept for existing and potential community enterprises.* The first step of the program identifies community enterprises through a private sector survey of local opportunities and needs, as well as an assessment of optimal geographic locations for community tourism enterprises. Based on this analysis, as well as stakeholder consultation on the areas viable for tourism, outreach to communities is conducted to gauge interest and, if

Pearls of Uganda – Community Tourism Program

- Supported product development and market access in Western Uganda
- A partnership program with over 40 communities and 60 private sector supporters
- 4-year initial funding by USAID, now operating on its own through the Uganda Community Tourism Association
- Increased community enterprise revenues by an average of 60%
- Increased household incomes by 27%

www.pearlsofuganda.org

⁶⁶ TNBC Tourism Task Force Presentation, 24 April 2014.

⁶⁷A major component to successful community enterprise development is having engaged and driven community owners. If this program is seen as simply a handout, it will not be successful. Therefore, steps 1-3 are based on a competitive process. Enterprises that complete these steps would be eligible for small grants and technical assistance that could help them develop or improve their products. They must

interested, to help develop concepts (description as well as initial feasibility analysis) of existing and potential products and services.

2. *Create business plan.* Step two requires that the community have a completed concept of the tourism product (step one) and then works with each enterprise to create a business plan for that product. This is a collaborative process, whereby the community is responsible for the development of the plan, along with considerable support from tourism development mentors. In Uganda, USAID's STAR project in collaboration with staff from the Uganda Community Tourism Association (UCOTA) and Peace Corps mentored local initiatives. By the end of the program, UCOTA had the skills to implement each of the 5-steps of the program independently, and to continue supporting communities into the future.
3. *Develop operations manual.* The business plans must be complete for the enterprise to progress to step three. This step focuses on the operations of the enterprise, including financial management, human resources, governance structure, etc. Through this process the community creates an operational manual that will guide the management and operations of the business once it is running. Just as with step two, this is a collaborative process between enterprise owners and mentors. This step must be completed in order for enterprises to be eligible for small grants.
4. *Conduct training.* The fourth step is participation in specialized training, both experiential and classroom based. Participating enterprises start with a strong customer service and client management module. Depending on the product being offered, additional training may include guide training (with further specialization depending on the type of guiding required), accommodation services, or other activities such as safe boat operation, horse trekking, cycling, etc.
5. *Creation of promotional materials.* The final step in the program aims to increase market access and connects participating enterprises with a partnership program that runs in parallel to the 5-step product development program. This step works with each enterprise to understand their target markets and how to access them, as well as to create the basic materials needed to promote their products. At this stage the enterprise is linked to the partnership program that helps them access tourism markets (described below).

The partnership program, ('Pearls of Uganda,' as it was called in Uganda) engages the private sector to play a key role in the product development and promotion of community enterprises.

This starts by engaging tourism businesses in the initial concept phase, through a survey or actual review of concepts, and then keeps them updated throughout the five steps, as products are developed. This close engagement helps to ensure that products are established based on market needs. In parallel, a branded marketing program is established for community tourism enterprises in the region, including a website, sell sheets and promotion to raise awareness and interest for these products in the market. Tourism businesses (tour operators, lodges, hotels, etc.) are engaged to support the program. In doing so they commit to promote and sell the community products in exchange for being included in promotional efforts and being able to use the brand established for the program to show that they are supporting local communities. Extensions to this support can also include travel philanthropy programs between specific businesses and community enterprises. The program helps to establish market linkages between community enterprises and tourism businesses, create a forum through which products can be improved, as well as a tool to stimulate interest in community tourism at the market level.

complete each step before proceeding to the next and before being eligible for a small grant. This ensures the most motivated community enterprises and entrepreneurs are the ones supported.

Communities can also be shared managers of natural resources through WMAs. The WMA approach emerged in the 1990s in order to decentralize wildlife management and provide a framework for communities to benefit from Tanzania's wildlife. WMAs have played an important role in protecting wildlife outside of designated conservation areas and preserving Tanzania's rich biodiversity. In turn, villages can benefit from the implementation of WMAs through investment in tourism that employs and sources locally. Though WMAs offer promise to local communities, they are not a silver bullet for community benefit or natural resource management. A 2013 USAID report assessing WMAs in Tanzania concluded that they had been successful in several regards, including increasing protection of ecologically important areas. However, the report highlighted a number of significant governance and economic challenges, indicating that communities' support for WMAs is waning.⁶⁸

Not all WMAs are suitable for tourism; however, a number of WMAs in Southern Tanzania have potential for photographic tourism if developed and managed appropriately. The high potential WMAs in the South are primarily located around the main road access points to Ruaha and Selous as well as the buffer zone around Mikumi. Smaller-scale businesses within the WMAs should be explored and developed through the community tourism program described previously. However, for WMAs to become independently sustainable, larger-scale investments and revenue sources are needed. For tourism this means mid- and higher-scale accommodation facilities as well as the accompanying services and activities. Experience in the region suggests that the most effective mix of products tends to be community-owned assets (often developed with the help of donor partners) that are co-developed and concessioned to professional private operators. Models for this type of operation include lodges in Uganda and Rwanda as well as community ranches in Kenya's Northern Rangelands.⁶⁹ These models should be considered for the WMAs and buffer zone areas located near access points to the parks.

One of the most critical aspects of successful WMA management is the overall landscape management. Resource management capacity is often very limited, and expecting communities to have the skills to manage or oversee these operations from the beginning is unrealistic. Successful community engagement and capacity building takes time and strong partners, such as WCS and WWF, that have a long-term commitment to these areas. An approach that could be modeled in these WMAs, in addition to or as part of the lodge concessions, is that used by the African Parks Foundation, where management of the entire landscape is effectively concessioned to an outside entity, which also co-invests in the area.⁷⁰ A management company is established between the manager (African Parks Foundation as an example) and the community. The managing partner then establishes the business and management operations for the landscape (the whole region rather than specific services within it), with returns to the community and the manager. Over a 10- to 20-year period, oversight of operations gradually transfers to the community, which has been a part of the development process with the management organization. In this way, the outside organization has time to recoup its investment and has initial control of operations to ensure success, but works with the community to build the skills for them to oversee the operation, even if the facilities themselves are still managed by professional concessionaires in the future. The community gets a return throughout the process, but this share gradually increases along with oversight of the operations. This would be a new model for WMA management, and additional assessment of its feasibility in the region is required. A strong governance structure and clear management and

⁶⁸ USAID, Tanzania WMA Evaluation: Final Evaluation Report. 2013.

⁶⁹ Clouds Mountain Lodge in Uganda Sabyinyo Silverback Lodge in Rwanda are models for lodges that hired and trained almost all (over 90%) of their staff locally, yet maintain a high standard of service for their clients.

⁷⁰ <https://www.african-parks.org/>

operations plan is critical to the success of this model, as conflict between communities and concessionaire can arise in the absence of a clear governance system.

Recommendation: Re-invest park and game reserve revenue in conservation

To enhance the sustainability of tourism in the region, park and reserve revenue should be reinvested in conservation efforts. Based on the recommendations in this strategy and their projected impacts (see Figure 26 at the end of this section), considerable additional revenue can be generated by the nature-based attractions in the region. It is recommended that a pilot policy be established for a fixed 10-15 year period, to reinvest all revenue generated by each protected area, beyond operating expenses, into that protected area. After this point the standard policy of gathering revenues from all protected areas and redistributing as needed can be reinstated. This will not affect the protected areas in the short term, as none are self-sustaining, however, once they exceed break even, the revenue will help the protected areas enhance their conservation base in the near term, which will help to further grow tourism to the region.

Recommendation: Develop human capital for future natural resource and tourism management.

The GOT should adjust policies to hire and train locally and encourage the private sector to do the same, in order to capitalize on local knowledge and integrate local communities further into the conservation effort. TANAPA and TAWA should promote efforts to hire local staff within their own operations as well as encourage their private-sector partners and concessionaires to do the same. For the private sector, this could be established initially as an incentive program, where lodges can participate in a promotional campaign or get some other kind of preferential treatment if they reach certain local employment milestones. Ultimately, however, requirements should be integrated into concession agreements that lodges hire at least 50–60% of staff from communities within a specified distance of the park. Programs could also be established in partnership with lodges to provide training to locally recruited staff.

Investment in human capital is needed to prepare the local community for tourism and to provide strong management of natural resources. Although there is a general need for system wide educational reform, this recommendation will focus on tourism specific actions that can be taken. Tanzania has a National College of Tourism in Arusha with campuses in Dar es Salaam city center and Dar es Salaam's suburb of Temeke. We recommend investing additional resources immediately in the improvement of these training colleges and the reach of their services to the South. To begin, this could be done through the replication of the Dar es Salaam and Arusha apprenticeship programs in Iringa. In the long term, making plans for adding a campus in Iringa. Capitalizing on the substantial youth base in Iringa, a training college would facilitate local training and skill building, creating an easily accessible source of labor for tourism facilities and parks. The focus of this facility should be on practical training, including guiding, front and back office skills for hotels and lodges, and food and beverage management. Engaging the local government and private sector in developing this college will be crucial for buy-in as well as support; it will also ensure that there is local investment in growing the industry. An initial step to achieving this goal would be to conduct a workforce gap analysis with local employers and training institutions. This will help to assess specific skill gaps, highlighting priority areas for investment in human capital development. It would also help to assess the feasibility and mix of programs needed for the Iringa training facility, as well as ensure the utility of the program for local employers.

Improving Awareness and Marketing

Recommendation: Define a brand identity for southern Tanzania.

Marketing is the quickest and most effective way to promote rapid transformative growth of the tourism sector in southern Tanzania. This should be grounded in a clear brand identity and be consistent with the active market segments and available products in southern Tanzania.⁷¹ Funding for such activities could come from support organizations, such as the World Bank, or the Tourism Development Levy (TDL) as well as matching or in-kind support from the private sector. Social media is a growing component of tourism marketing, however; in the early stages of Southern Tanzania's tourism development, marketing through formal channels is critical to establishing the brand identity. Lodges and tour operators should encourage use of social media to spread awareness of the attractions in parallel.

Recommendation: Catalyze short-term action and cross sector collaboration through an engaging awareness campaign linking conservation and tourism.

The new Southern Tanzanian Tourism Task Force should design and implement a 6-9 month campaign that raises awareness about conservation and the South of Tanzania as a travel destination. Quick action is needed to help all stakeholders in the sector work together on a short but dynamic program for tourism and conservation in the south of Tanzania. This catalytic program is designed to build momentum and reinvigorate enthusiasm in the sector that can then lead to other larger collaborative initiatives. The program should engage celebrities behind a conservation cause that will excite people around the world to support conservation in southern Tanzania and learn about the region as a travel destination.

Recommendation: Invest in building the image and appeal of southern Tanzania domestically through a *Travel South* campaign.

Although international markets offer higher returns, the domestic and resident market segments (emerging explorers and adventurers) can be reached more easily and quickly and are less susceptible to political and other local issues. It is therefore important to promote southern Tanzania to these market segments. To this end, a two-year *Travel South* campaign should be implemented. The program should focus on media relations, media campaigns, and package tours to destinations in the south. To get this program started, the first step is to identify and convene low- and mid-budget tourism businesses (including tour operators, accommodation facilities, and activity



Example Campaign:

- ✧ A 6-9 month campaign to raise awareness about elephant conservation and southern Tanzania as the home of the elephant
- ✧ Use social media to encourage people to share their 'toothy' grin with the tag "Save my Smile"
- ✧ Engage celebrities to spread the message including a trip to Ruaha and Selous
- ✧ Catalyze media behind the message
- ✧ Viral media push to engage people around the world to 'share their smile'
- ✧ Drive people back to a website with information on elephant conservation and southern Tanzania as well as donate to the cause

⁷¹ The brand identity for southern Tanzania is a destination that is authentic, uncrowded, and wild, where a traveler can discover a serene sense of "Africa."

providers) that can serve as champions of the program and be part of its planning and implementation.

The media relations component of the campaign would focus on local newspapers and radio and TV news channels to promote stories about the region on a monthly basis. The program should include the following steps:

- Develop a content calendar and story ideas that could be pitched to the media.
- Select radio or TV partners to jointly run a *Travel South* campaign (joint partnership, not paid for advertising)
- Conduct periodic six- to eight-week campaigns throughout the two-year period, in which a radio or TV program invites its audience to answer questions about sites and attractions in the south, with those answering correctly entered into a draw to win an all-expenses-paid trip around the south.
- Alongside the free trips for winners, paid packages should be offered for those interested in joining the trip. These should be cost effective and possibly including discounted entry for longer stays, such as ‘spend 3 days in Mikumi and get two days free in Udzungwa.’ Other options could also be promoted for southern circuit packages, which discount trips if visitors do week-long multi-park trips.
- Document the trip and highlighting further travel opportunities in the south with media partners. Videos, pictures, and stories could be broadcast and shared on social media and other platforms.
- Arrange limited follow-up advertising as well as promotional brochures in local social spaces that would generate a buzz about travel to southern Tanzania.

Such programs can generate considerable engagement and participation in the local market and help local businesses test and establish tourism packages and programs.

Recommendation: Invest in building the image and appeal of southern Tanzania internationally through targeted media campaigns and partnerships.

Building an image around iconic locations that engage potential travelers can promote international awareness and put southern Tanzania on the map. Part of the popularity of the Serengeti lies in the fact that it has been the focus of many articles and documentaries, which built awareness of the park and generated interest in visiting it. In the south, Ruaha and Selous are the most iconic sites, but for targeted publications and markets such as the adventure market, sites such as Udzungwa could be the iconic location.

Putting southern Tanzania on the map will require a two- to three-year campaign with the goal of tripling the search ranking score of the parks, establishing a consistent message in the media, and leveraging at least US\$10 million in earned media coverage. This campaign should be built on three efforts:

- *At least one high-profile documentary on the region.* Initial content exists and could be packaged into a story to be pitched to media outlets like National Geographic or the Discovery Channel. This can start with the preliminary concept that Essential Destinations has filmed for Ruaha (following a family of lions in the park), but more stories will need to be developed.
- *Monthly travel-related articles or news programs on the region for the international market.* Story concepts will need to be developed that target specific media outlets such as Condé Nast and National Geographic. A coordinated program is also needed to work with and

support these media partners to report on southern Tanzania. Depending on the story and the partner's preferences, this can include sponsored media trips, pre-written stories for dissemination through the Associated Press, and targeted advertising to match stories.

- *Brand partnerships that leverage brand networks to co-promote the region.* Partnerships can be established with brands that match the type of experience offered in the region and the products that travelers use. Possibilities include a partnership with GoPro that highlights mountain biking or hiking, or an apparel company such as ExOfficio, or an optics company such as Canon for cameras and binoculars. Such brand partnerships use the network and marketing power of major brands to highlight the region through their advertising, in exchange for a compelling destination to shoot their campaign or catalogs and support with logistics and planning.

Recommendation: Connect local and international customers to the destination through a travel industry program.

In conjunction with awareness-building activities, southern Tanzania's tourism sector needs to establish stronger connections to international and domestic travel industry partners. This includes better linkages with tour operators based in the north, who on average have little understanding of the southern Tanzania tourism product. It also includes international operators, especially in Europe and North America, who also know little of southern Tanzania. Stronger business-to-business links will enable southern Tanzania to be featured more prominently in tour operators' offers and thus enhance tourism sales.

The first step is to develop sales materials and make them readily available. Both local and international tour operators need access to high-quality content on the region to be able to sell it. It is therefore recommended that an online platform be established through which tour operators can quickly and easily learn about the destination and access materials that will help them sell it. These materials can include tutorials on southern Tanzania, webinars on techniques to promote and sell the region, and tools to do so—such as high-quality pictures, short videos, and articles and text descriptions on the region in general and on each specific site. Tour operators that have subscribed to the platform could be offered partnerships in marketing campaigns that would help them promote the destination to their clients.

The second step is to connect with the travel industry in northern Tanzania. Most tour operators based in northern Tanzania have little knowledge of tourism in the south. Efforts are needed to educate northern operators on the southern product and to better connect northern and southern operators. This can include familiarization trips for interested northern operators to the south. For high-end operators, familiarization trips to Ruaha, Selous, and Mafia Island are recommended; for adventure operators, Mikumi, Udzungwa, and Selous are ideal. Networking events can also be held in Arusha with southern tourism businesses presenting their offers and establishing business relationships with northern operators. Northern tour operators also need to be provided with the sales and promotional materials that have been described previously.

The third step is to connect with the international travel industry. A similar approach as described above can be implemented with targeted international operators, especially those working in the nature lover and adventurer markets. The program should select target operators in North America and Europe, reach out to them by email and phone to gauge their interest, and narrow the target list to those with the greatest interest and the right market profiles. Familiarization trips and sales materials should then be offered to these operators as well as "trade concierge" services to help match international operators with southern service providers. The goal will be to establish stronger linkages between southern tourism businesses and international operators.

The fourth step is to reach out to travel agents in Zanzibar, Dar Es Salam, and the Seychelles to help them promote and sell extension trips from these destinations to southern Tanzania. This can focus on the beach extender, business traveler, and adventurer markets. The program should work with southern Tanzania tourism providers to create short package tours and offer them to local travel agents in these markets.

Expanding and Enhancing Tourism Products

Primary Attractions

Mikumi National Park

Recommendation: Promote Mikumi as an easily accessible getaway with high concentrations of wildlife for a memorable safari experience.

Mikumi's abundant wildlife and classic savannah landscape offer a quick and satisfying safari experience in close proximity to Dar Es Salam and the coast. Like the Selous Game Reserve, Mikumi is only a short flight from coastal destinations, and it is within driving distance of Dar es Salaam, Iringa, and Morogoro. The savannah habitat of the park is fairly similar to parks in the north, so is not a unique attraction. Instead, Mikumi's value proposition lies in the ease and speed with which a visitor can access it. Mikumi's high concentration of wildlife and low forest cover also help ensure that visitors will see wildlife quickly and in abundance.

Recommendation: Promote a mix of mid- to low-value and high-density tourism.

Mikumi is well suited for a mix of customers including adventurers, emerging explorers, business travelers, and beach extenders. For adventurers and emerging explorers, Mikumi is both accessible and affordable. Mikumi and Selous are the closest parks to the business traveler and beach extender markets, with Selous offering a higher-end product and Mikumi catering to budget and mid-level visitors. While the A7 highway facilitates access for visitors arriving by car, it cuts through the park and thus diminishes the sense of remoteness that draws nature lovers to other parts of southern Tanzania.

Mikumi's growth plan should focus on increasing visitation, as the park's value proposition is not threatened by higher-density tourism and it benefits from proximity to key tourism gateways. As outlined above, Mikumi is ideally positioned to attract a range of market segments. These segments could be targeted through a number of different campaigns. The adventure and emerging explorer markets would be targeted through the domestic Travel South campaign described in the marketing strategy. This campaign would leverage local media resources to increase awareness of the park as well as package and sell trips to the region. Supporting local tour operators to package and promote budget and mid-level trips to this park will help to build awareness of the travel opportunities in the south in general as well as boost visitation to the park. A separate specialized program targeting beach extenders and business travelers could also be implemented for Mikumi National Park (see marketing strategy). This would establish and grow connections with travel agents and hotels to encourage them to add Mikumi to beach packages. It would also offer Mikumi as an optional extra to visitors already at the beach or in town on business who are looking for a brief safari experience.

Recommendation: Invest in improved road and air connections.

Improved access to Mikumi will facilitate growth for the park. Although Mikumi is only 280 km from Dar es Salaam, the drive can take seven to eight hours because of traffic congestion and poor road conditions. Road improvement is an important long-term investment. Increasing flights would be an effective investment in the near term. Currently one air company offers two scheduled daily flights to the park in small planes with 11 or fewer seats, as well as charter flights on request. To

fulfill the park's growth potential and in conjunction with the promotional activities described previously, an increase in air service to the park from Dar Es Salam and Zanzibar is recommended. Establishing air connections with Seychelles could link that market to Mikumi as well. Support should be provided to interested air companies to help them promote travel to Mikumi. Where appropriate, a guarantee program, as described below in the strategy for improving infrastructure, could also help offset flight carriers' risks during the start-up phase. In addition, to transport an average of 150–200 people per day to the park by air, 40- to 50-seat planes will be required. This would require lengthening and tarmacking the present airstrip in the park.

Recommendation: Invest in expanding accommodation options.

Mikumi National Park and the surrounding area will need investment in accommodation in order to support a higher visitor load. Although the existing accommodation facilities are sufficient for the current market volume, to support the growth plan, investment in additional accommodations is needed. It is projected that 200–300 new beds will be needed in the area to accommodate the growth in visitation. The main investment focus should be on mid-budget facilities, with some additional (or expanded) budget facilities in the buffer zones around the park. As the goal for the park is increased volume, the revenue model for park sustainability can be centered on gate entrance fees rather than accommodation concessions, and therefore external accommodations in or close to the buffer zone should be encouraged. This would also stimulate greater benefits for communities bordering the park.

To kick-start investments in accommodation, it is important to prioritize the development of the Mikumi Wildlife Lodge. This structure burned down, and the concession to rehabilitate and reopen it has already been granted. Since there is already an interest in investing in the lodge, all efforts should be made to encourage and support this to start as soon as possible. This investment would add additional bed capacity to Mikumi as promotional and airlift efforts are implemented, and can act as a catalyst to attract other investment into the region.

Recommendation: Promote community engagement in tourism services and activities.

Of all the parks in southern Tanzania, Mikumi has the greatest potential for community participation because of its accessibility by road, linkages with towns such as Morogoro, anticipated tourism volumes, and availability of development areas for accommodation and other services outside of the park. Mikumi's growth plan should therefore consider opportunities for shared benefits with local communities, including the following:

- Lodge development outside the park should be established based on a community concession model, similar to those established in community conservancies in other locations throughout East and Southern Africa. This is most successful where ownership is local, but the community concedes management and operation to a professional management company. Assuming that Mikumi Wildlife Lodge will have 80–100 beds, at least an additional 100-bed capacity is still needed, and it can be established under this model. Donor support is often needed to help establish and manage this development process.
- Mikumi could also be part of a TANAPA model in which concessionaires are incentivized and later required (as a condition of concession renewal) to hire a percentage of their employees locally. Although some operations do this already, others hire staff from Dar es Salam and Arusha, reducing opportunities for local employment (and increasing the lodges' labor costs). Programs to support local training in partnership with lodges could be established with the support of interested donors or TANAPA. The same practice should be employed by TANAPA when hiring guides, rangers, and other staff, to help increase local benefits from the park

- Lastly, lodges and tour operators can seek out and promote cultural tourism opportunities for visitors, celebrating local culture and providing additional income to communities. Opportunities for cultural tourism exist both inside and outside the park, especially in and around Mikumi town.

Ruaha National Park

Recommendation: Promote Ruaha as the ultimate southern Tanzania destination that offers unspoiled wilderness with a diversity of wildlife and some of the best elephant, lion, and leopard concentrations in the region.

Ruaha offers an uncrowded, remote safari experience and has the potential to attract the most discerning safari-goer who is looking for a quiet, unique, and off-the-beaten-track place to visit. The goal of the Ruaha strategy is therefore to optimize this value proposition in a way that ensures the greatest conservation benefits and sustainability of the park.

Recommendation: Promote high-value and low-density tourism, focusing on the nature lover market.

The tourism product offered by the destination is best suited for a high-value, low-density market, which could ensure the future financial sustainability of the park. This market seeks a truly premium uncrowded experience. To successfully cater to and take advantage of this market, the park needs to protect its uncrowded appeal. This needs to be combined with an adjustment of its rate structure to meet its operational budget needs. Presently the park is generating approximately 70% of its annual operating budget and only about 45% of the budget that is recommended in the General Management Plan for its successful operation.⁷²

The optimal market for the park is therefore the low-density, high-value nature lover market segment, which can protect the uncrowded nature of the park and still generate enough revenue. Although growth of this market segment is necessary, it needs to be well managed. The average occupancy for existing accommodations in the park is around 30%.⁷³ The first phase of the Ruaha strategy is therefore to grow the nature lover market segment (through the recommendations outlined in the marketing strategy) to ensure existing lodges reach more sustainable occupancy. As visitation in the park is the primary source of revenue (through gate and concession fees), a 20% increase in occupancy when camps are open would generate around 116% of the park's present operating budget.

Recommendation: Define growth goals in terms of revenue rather than visitor numbers.

The second phase of the growth strategy will take a revenue (rather than visitor numbers) approach to revenue growth, to ensure the experience offered in the park matches optimal market preferences. Ruaha's General Management Plan calls for a budget increase of 50% to ensure a sufficient number of park rangers as well as infrastructure and facility maintenance. After the first goal, increasing occupancy of existing facilities, has been achieved, the strategy should therefore focus on a gradual increase in park fees over a number of years, with at least a 12-month advance notice to tourism stakeholders before each fee increase. A gradual increase from US\$30/day to US\$45/day is unlikely to deter the nature lover market and is in line with daily fees in other locations in the country and the East African Community. This increase would help ensure an adequate budget for the park—without increasing the volume of visitors beyond the park's capacity or threatening the remote wilderness nature of the park, which is its primary draw. It is important to emphasize

⁷² Ruaha General Management Plan, 2020

⁷³ Interviews with operators running lodges and camps in the park (2015) and park visitation data (2014).

that this step should not be implemented until existing occupancies are at more sustainable levels (50–60%).

Recommendation: Address the poaching problem and the drying of the Great Ruaha River

Ruaha faces an urgent poaching crisis that has devastated the elephant population. Immediate intervention is needed to triage the ailing ecosystem upon which Ruaha’s tourism industry rests. Already lodges are reporting that visitors express concern and disappointment about the absence of elephants, and the lodges expect that the poaching crisis could drive down demand for safaris in the future. A growth strategy for Ruaha must prioritize the protection of wildlife for the long-term viability of the ecosystem and the industry. Multi-faceted investment in anti-poaching is needed: anti-poaching initiatives must integrate technological tools with trained and equipped ground teams (see resource management strategy). However, this will only be effective if there is also the political will to end poaching.

Ruaha’s ecological crisis includes the drying of the Great Ruaha River. Overuse of the Ruaha River for rice irrigation and hydropower have led to an alarming reduction of the river’s flow rate. Millions of people depend on the Ruaha River for drinking water and agriculture and the park’s wildlife also depend on the river for survival. An assessment of water use is needed to determine the optimal means for supporting all sectors reliant upon the river. This report does not offer specific recommendations regarding action on the river until such an assessment is complete. However, in the interim and following the assessment, local communities must be involved in water management efforts. Communities can learn techniques for water efficiency, invest in alternative forms of livelihood, and monitor water use. Furthermore, they must be a part of the decision-making process regarding their water source.

Recommendation: Ensure the sustainability of the park through policy changes and community participation in tourism activities.

To further ensure the protection of the park’s remote, uncrowded experience and engage communities in the park, four additional policy changes are recommended. Some of these policies may be viewed by select stakeholders as exclusionary; however, the goal is to optimize the revenue potential for the park and ensure that the experience that attracts visitors is protected and enhanced. This requires making hard choices and having the right policies to support these choices.

- *Limit the number of tourism vehicles in the park at any one time, similar to the approach taken in the Ngorongoro Conservation Area.* TANAPA and tourism operators in the park should agree on a maximum vehicle carrying capacity, such as one vehicle per 15 km² of usable tourism area. Assuming the usable area of the park at the present time is around 2,000 km², this would set the limit at approximately 130 vehicles. This would include vehicles based at the lodging facilities in the park as well as those entering the park on a per-day basis. Permits should be bookable in advance to allow operators and individuals to properly plan their trip.
- *Set game-drive standards for the park that allow no more than two vehicles at any one game sighting.* Others who wish to use the same location to view game must take guests along another trail while waiting for the first vehicles to finish their viewing experience. Any one vehicle, if others are waiting, should not spend more than 25 minutes at a viewing site, to allow others to view the wildlife at that spot. This policy will help to maintain the uncrowded nature of the park experience.
- *After occupancy has reached 50–60%, introduce a sliding fee structure, based on an average fee of US\$45/day but encouraging people to spend two to three days in the park rather than one or two days.* Fees could be US\$60 for the first day, US\$45 for the second day, and US\$30

for the third or additional days. Part of ensuring that the park remains uncrowded is dispersal of people and vehicles throughout its usable tourism areas. There is a tendency for visitors to concentrate on the prime drive areas along the river, and efforts are needed to draw people into other areas to see other wildlife and habitats. If people only have one day in the park, the natural tendency is to visit the prime game drive area. Visitors who stay longer (as a sliding fee structure would encourage them to do) can explore other areas of the park and other activities; in turn, this will help to disperse people throughout the area. Visitors who stay longer also look for a diversity of activities, and are more likely to look for walking safaris, night drives, or community experiences to take full advantage of their time in the area. The focus should therefore be on promoting longer visits.

- *Local employment is a key factor in engaging communities near the park.* This could be achieved in two ways. First, as the revenues for the park increase to match the General Management Plan recommendations, more rangers will be needed. These should be hired from local communities and trained. Local rangers will become the face of the park within the communities and will have greater knowledge of the region than rangers from other parts of the country. Second, existing operators and potential new ones (for example, in southern Ruaha) should be encouraged to hire at least 50-60% of their staff from communities connected to the park. These two policies will help to increase the perceived and actual value of the park for local communities.

The park is not the only attraction in the area. The WMA that borders the park near its eastern entrance also has tourism potential and does not face the same operational limitations as within the park. The Wildlife Conservation Society is working with this and other WMAs in the region, with tourism as a component of their work. For this WMA, mid-budget (adventure market) lodging and camping along with game drive trails could be developed.

In the most successful community tourism operations in northern Tanzania, Kenya, Rwanda, and Uganda, assets tend to be locally owned with tourism operations run by professional management companies. At the present time, the region and especially community projects are a hard sell for investors; however, if awareness of the region increases and park occupancy numbers grow, interest may also grow in mid-budget products that operate alongside the park.

Recommendation: Develop southern Ruaha with the goal of better utilizing and protecting the area in the long term.

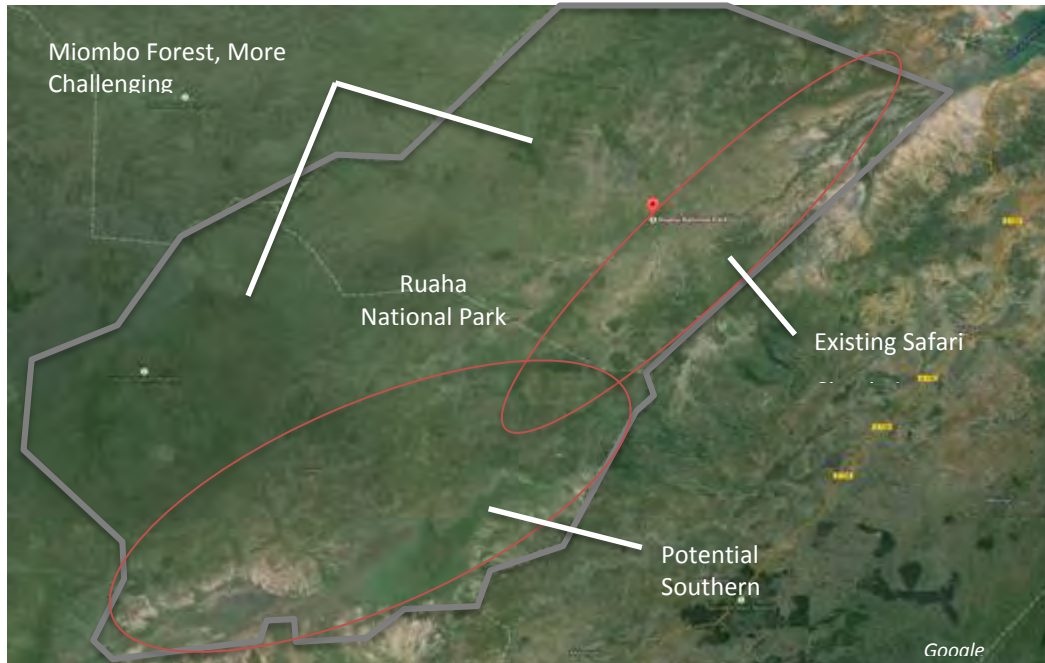
Part of the park's General Management Plan focuses on expansion of tourism to the southern section of the park, where there is currently little or no tourism. The southern section of the park has some inherent constraints, and the first is access. There are very limited roads and tracks; TANAPA has started to build a trunk road through southern Ruaha and will build a new gate at the southern entrance to the park, with the goal of establishing tourism once this is complete. However, access by road will remain costly and time-consuming; therefore, it is expected that most visitors will fly in.

Due to its remote nature, southern Ruaha could face difficulty achieving critical mass in tourism traffic. If it is left to a conventional and gradual concession and development process, the likelihood is that one or two lodges will be developed over time, while others take a wait-and-see approach. The volume of travelers will therefore not be sufficient to support regular flights and sustainable operations. Consequently, the cost to visitors will be very high; this will in turn constrain demand and deter further investment.

To be successful as a tourism destination, this section of the park needs to be developed in one concentrated effort, with a 5- to 10-year time frame. This can be done by establishing a consortium to simultaneously invest in developing a hub for tourism and fund more active protection of this part

of the park. This approach follows similar methods used by governments and groups such as the World Bank in establishing economic hubs, but can be applied on a smaller scale to the park. With the aim of generating sufficient low-density, high-value tourism to support operations in the area, this consortium would include four to five accommodation facilities, infrastructure, and air transportation.

Figure 25: Aerial view of Ruaha National Park



Establishing such a tourism development hub in southern Ruaha would require the following steps:

- *Development of a tourism plan by TANAPA and a development partner such as the World Bank or USAID, in partnership with key tourism and conservation stakeholders.* The plan should identify optimal tourism sites, the necessary tourism infrastructure and product development, steps to establish the consortium, an implementation plan, and the required financial commitments and sources.
- *An open call for investors to join the consortium.* This should include investors in tourism accommodations and activities as well as air transportation. Responses should be evaluated based on defined selection criteria for investment partners. Private-sector investments will need to be coupled with TANAPA and donor commitments to support infrastructure, marketing, and other needs.
- *Establishment of the consortium.* Consortium partners should agree on final implementation plans and timing.
- *Infrastructure development.* Roads, an airstrip, game trails, facilities, and semi-permanent camps and other soft infrastructure will need to be installed with consortium guidance.
- *Targeted marketing campaign.* Focusing on the travel industry and the nature lover market, this should start at least 12 months prior to opening. This would include familiarization trips and sales tools for the travel industry, as well as development of a strong brand and communications strategy for Southern Ruaha. It could also include a documentary or reality

TV show component, engaging a major network in a show on the start-to-finish development of the park, which would build awareness of the area.

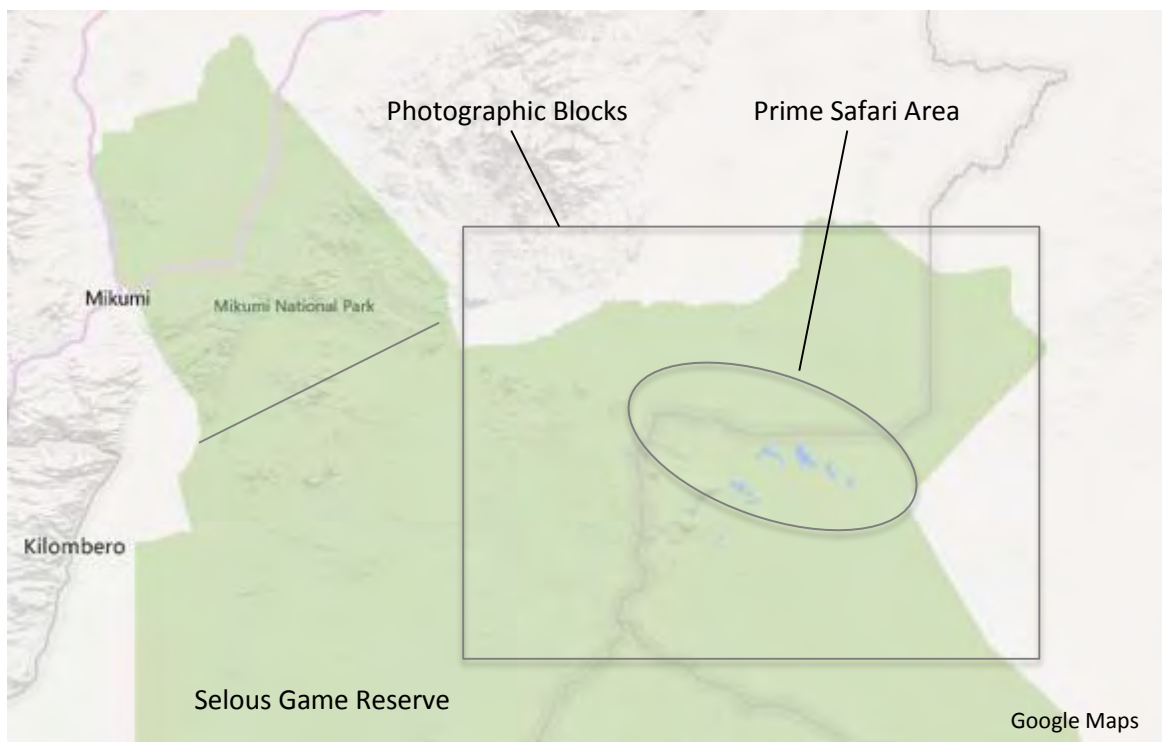
- *Official opening.* Southern Ruaha tourism could be introduced with a high-profile media event that would also contribute to awareness.

Selous Game Reserve

Recommendation: Promote the Selous as a wilderness experience that offers travelers an opportunity to customize their safari.

As Africa's largest protected area, the Selous Game Reserve offers a remote wilderness experience that aligns with the overall brand identity of southern Tanzania. Safari-goers who pick the Selous over the northern circuit tend to appreciate the sense of isolation, the effort required to observe wildlife, and the opportunity to customize their travel experience with walking, boat, and driving safaris.

Figure 26: Aerial view of Selous Game Reserve



Recommendation: Promote a mix of low- to medium-density tourism, focusing on the nature lover, beach extender, business traveler, and high-value adventurer market segments.

Because of its size and product type (land and boat safaris), Selous Game Reserve can attract a mid- to high-value market and can accommodate low to medium volumes of travelers. Although the Selous is the largest game reserve in Africa, only 8% of its area is designated for photographic safaris, and within the photographic block, an even smaller area is the prime zone for seeing wildlife (see map below). In order to maintain its value as a place to explore remote wilderness, the Selous must maintain a low to medium density of visitors.

The Selous' proximity to Dar es Salaam and other coastal destinations positions it as more accessible than Ruaha National Park, and therefore makes it more appealing to a range of customer segments. As with the Ruaha strategy, the first step to enhancing tourism is to increase visitor numbers. This should include aggressive marketing to nature lovers, beach extenders, business travelers, and adventurers. Given the number of accommodation facilities (19) that already exist in and around the reserve's prime photographic safari area, increasing the number of accommodations is not recommended.

Recommendation: Address the poaching crisis.

The Selous' most urgent challenge is the poaching that has ravaged the area's elephant population. An immediate intervention is necessary to maintain the ecosystem on which the Selous' tourism industry rests. If poaching is not controlled, investment in tourism will not occur and visitation will likely drop. Investment in anti-poaching efforts that integrate technological solutions with larger numbers of trained and equipped ground teams will be necessary to protect the Selous' wildlife. However, this will only be effective if there is also the political will to end poaching.

Recommendation: Invest in the improvement of roads and airstrips.

Improving the airstrips in the reserve would enable more cost-effective air travel to the region.

The airstrips in the Selous are not paved, and some are in poor condition, increasing the maintenance costs to air companies and making them difficult to access in the rainy season. Pavement or improved grading of airstrips is unlikely to extend the Selous tourist season into the rainy season; however, it would reduce the cost of operating there. Paved airstrips would allow use of larger planes. In addition, to enhance the visitor experience, facilities are needed at all major airstrips in the Selous including toilet facilities, shaded waiting areas, and information booths.

Access to the Selous could be improved; however, investment in roads is a secondary priority after promotion and planning. The poor condition of the road connecting the Selous to the B2 highway from Dar es Salaam is an impediment to the driving market and to supplying the accommodation facilities in the reserve. The road connecting the A7 highway to the Selous is in similar poor condition. Improving these roads would make the Selous accessible for visitors travelling from Dar es Salaam, Iringa, and Morogoro, and reduce the cost of supplying the facilities in the reserve. However, given the cost of such improvements and the fact that the reserve currently attracts mainly fly-in visitors, road improvement should not be a top priority in the short term, but can be looked at alongside local government priorities in the medium term.

Recommendation: Conduct assessment and planning with the aim of expanding the photographic safari area over 10 to 15 years.

Although the reserve is large, the prime safari zones are limited and the number of tourism facilities that exist in these zones is at or near carrying capacity. New tourism zones are therefore needed, but professional planning and assessment must occur to ensure the optimal selection and use of new areas for tourism. This will also help increase the volume of visitors over the long term while maintaining the remote experience.

The first step is the preparation of a detailed tourism assessment and development plan. Taking ecological considerations into account, this document would help to identify which areas have the potential for photographic expansion and which are best for hunting, and would provide a road map for the new TAWA to develop its tourism product.

Once the assessment and plan are completed, investment would be required in the development of any new photographic tourism areas through the conversion of hunting blocks. The aim should be to diversify the product while maintaining low visitor density. As the tourism product offered is of high value, new photographic tourism areas should center on private game viewing blocks provided

under concession to individual operators. Once developed and operational, these would provide options to travelers to visit a mid-budget or high-end facility in the existing photographic zone or opt for a more exclusive experience in new private viewing blocks.

Closer analysis is needed of the feasibility of converting hunting blocks to photographic blocks. It is likely that former hunting blocks would require 10–15 years to achieve optimal wildlife viewing: 3–4 years for existing hunting permits to expire and 5–10 years for wildlife to get used to nonextractive tourism vehicles and visitors. This lengthy time frame makes conversion of hunting blocks a long-term and somewhat risky investment for private-sector actors, but the government and donors could help facilitate this transition by providing support during the transition and development phase, as well as security to protect the wildlife populations during this time. This initiative could take a similar approach to that proposed for the development of southern Ruaha National Park.

The assessment should also look at the wildlife densities and long-term sustainability of the hunting blocks. Hunting is a major component of the tourism mix in the Selous, generates a significant portion of revenue, and is a way to protect large parts of the ecosystem as photographic tourism would never be able to do in this area. The hunting market is established and fairly stable and therefore does not need support to grow its visitor numbers. However, a reorganization of blocks may be required to ensure that each block is large enough to be sustainable and has a mix of prime and non-prime areas for hunting.

The assessment could also look at the possibility of extending hunting block leases beyond five years to at least 10 or 15 years. Operators need the incentive to invest in and protect their concessions, and this means a long-term commitment to a specific block. Short-term (e.g., five-year) leases do not incentivize operators to invest in their blocks, as they cannot recoup their investments in the lease period. With short-term leases there is also the incentive to overrun wildlife, as the operator may not have that block after five years. Longer-term leases will help increase both investment in hunting blocks and protection of those blocks, as well as reduce the administrative burden on the Wildlife Authority to assign concession blocks every five years.

Udzungwa Mountains National Park

Recommendation: Promote Udzungwa as the ultimate southern adventure in the largest and most diverse mountain park in Tanzania.

Udzungwa Mountains National Park, part of the Eastern Arc mountain range, has the highest biodiversity of any national park in Tanzania, and the second highest in Africa. For visitors, this park offers multiple hiking options, ranging from a one-hour trail to four-night treks. The park also offers treks to view mangabey monkeys. Operators outside the park also offer mountain biking and kayaking.

Recommendation: Promote low- to mid-value and low-density tourism anchored by the adventurer and emerging explorer market segments.

This park is appealing to adventurous travelers looking for diverse experiences, with the main draw being hiking. The main targets for the park are the adventurer and emerging explorer markets, although some specialty markets (such as birders) may also be attracted by the park's 400 species, including 12 endemic to the Eastern Arc. For the beach extender and business traveler markets, Udzungwa could also be offered as an optional extension from a trip to Mikumi; however, this will likely be a small portion of the market.

As Udzungwa is a specialized tourist destination, it is unlikely that it will attract large numbers of visitors; however, opportunities exist to grow visitation and length of stay in or around the park.

Udzungwa, which presently attracts around 7,000 visitors per year, is a unique biodiversity hot spot, but competes for the hiking market with Kilimanjaro, Mount Meru, and Ngorongoro Conservation Area as well as other sites in the East African Community (EAC), such as Mount Kenya and the Ruwenzori Mountains. Visitors to Udzungwa will therefore likely be residents from Dar es Salam or other areas in southern Tanzania, and potentially international visitors on long-term travel throughout the region. The market will therefore tend to be limited in number and consist of budget to mid-market travelers. Thus it is unlikely that tourism will ever fully sustain the park financially; however, from a conservation perspective, the park is a vital resource for biodiversity, water, and other ecological services.

Udzungwa is not well known and will therefore require significant marketing to attract visitors.

Udzungwa should be part of the Travel South campaign discussed in the strategy for improving marketing, with an emphasis on Dar es Salam, Iringa, and Morogoro and the adventurer and emerging explorer markets. Due to the number of endemic species found in the park, international marketing should target adventurers and specialty markets.

Recommendation: Invest in the improvement of roads connecting the park and the trail network within the park.

Access to the park can be improved through the paving of the 20 km of dirt road from Kilombero to the park headquarters on the eastern side of the park, and improvements on the road entering the park from the west through Msosa. Although Udzungwa is more accessible than a park such as Ruaha, it still takes considerable time to reach it. Most visitors travel by road, and the trip from Dar es Salam to the park (350 km) takes eight to nine hours in a car. From Morogoro and Iringa, the trip is shorter (three to four hours). The road is tarmac for most of the way to the park headquarters; however, the last 20 km is a dirt road. Paving this road, and improving the road connecting the western gate, will improve access to the park. There may also be opportunities to connect to the park via train, which may prove to be faster than access by road and would tie into visits to Selous as well as Udzungwa (as discussed under the strategy for improving infrastructure).

Within the park, there is a need to enhance the hiking trail network. Improvements include proper grading and switchbacks, safer railings and steps on steep sections, informational signage, and maps. Sites for rock climbing could also be identified and routes marked to guide climbers in the park.

Recommendation: Invest in improving the quality of activities.

Within the communities that border the park, there are a few facilities that offer basic accommodation as well as guided hiking, biking, and kayaking; however, the quality of these activities has had mixed reviews.⁷⁴ A program to work with these businesses and new investors to enhance the quality of the activities would help to ensure visitor safety and create a product that attracts additional visitors.

⁷⁴ Tripadvisor review for Udzungwa area – March 2015

Figure 27: Table of Potential Impacts of Recommendations for Primary Attractions

Attraction	Estimated Available Beds and Annual Occupancy	Projection Assumption	Additional growth potential within 5-years	Impact Assumptions	Projected annual increase in attraction revenue	Projected annual economic impact
Mikumi National Park	~90 beds inside, 80 TANAPA, ~90 outside. 80-100% occupancy	8% Beach Extender, plus business traveler and domestic	~46,000/year	Ave. daily spend \$200/day, Beach Extender, \$100/day domestic. average # nights 2, gate entrance \$35/day	\$2,100,000	\$15,000,000
Ruaha National Park	~200 beds inside, 46 TANAPA, ~70 outside, ~30-40% occupancy	Double Nature Lover fly in market	~9,200/year (Southern Ruaha additional ~6,000/year)	Ave. daily spend \$742/day, average # night 2.5, gate entrance increase to \$45/day	\$1,200,000 (Southern Ruaha additional \$650,000)	\$17,000,000 (Southern Ruaha additional \$10,000,000)
Selous Game Reserve	~400 beds inside, ~250 outside. ~50% occupancy	Nature Lover fly in market, plus 2% beach extender	~16,500/year	Ave. daily spend \$742/day (Nature Lover), \$356/day Beach Extender. average # nights 2.5, gate entrance \$75/day	\$3,000,000	\$23,500,000
Udzungwa National Park	39 beds, average occupancy unknown	Double vitiation – adventure and domestic	~7,000	Ave. daily spend \$100/day, average # nights 1.5, gate entrance \$35/day	\$175,000	\$1,000,000

Secondary Attractions and Cities

Recommendation: Invest in marketing and the development of products that will increase visitor numbers and/or extend their length of stay.

To promote increased visitation to Kilwa and Songo islands, these sites could be included in the domestic marketing campaign. This effort could focus on working with accommodation facilities and guides in Kilwa to package two- to three-day trips to the region, which would then be promoted through the Travel South campaign to domestic and regional markets. At this time, further development of accommodations is not a major priority.

A visit to Mafia Island would be a natural extension of a mainland safari and could appeal to the nature lover and adventurer markets. Facilities on the island have low average occupancy rates (around 30%), so the focus should be on promoting the island as an extension along with the core safari experiences in southern Tanzania through the international marketing campaign. Once occupancy has grown to a more sustainable level, investment in new facilities may be a possibility. However, due to the fragile nature of the island's ecosystem, a specific tourism and conservation development plan should be developed to identify its carrying capacity and the most appropriate locations for development.

Due to its remote nature, development of tourism in Kitulo National Park is a long-term ambition, and the park is not likely to be a major tourism draw in the near or medium term. Travelers can visit the park as an extension of a visit to the core parks in the region, with a focus on the adventure and specialty markets as well as local emerging explorers. One of the major needs for the site is accommodation; however, this is unlikely to attract investors given the low level of visitation and remote nature of the park. Therefore, the most appropriate investment would be by TANAPA or a donor in bandas and cottages that TANAPA would manage. This would help to attract more visitors, as there will be a place to stay, but would not require the same returns as a private investment.

Morogoro can attract a small conference and retreat market segment that can be linked to Mikumi for day or weekend visits. To build the conference business in Morogoro, it is important to enhance the quality of the three hotels that offer mid- and low-budget conference and accommodation facilities. This includes improvements to the infrastructure for hosting conferences and the level of services. In addition, support should be provided to the facility managers to help them promote their facilities to organizations in Dar es Salam, which is the main source market for conferences in this area. This would include help with packaging, which includes being able to offer transport, activities, and conference services in addition to providing the facilities. These packages could also include day trips to Mikumi National Park.

Marketing efforts can include development of informational materials and employment of a sales representative in Dar es Salam who can target organizations that conduct regular events and may be looking for a different location outside Dar es Salam. The conference and corporate retreat business is based on personal relationships, so the sales representative's job is to establish one-on-one relationships with those who are organizing conferences and retreats.

Once a more significant conference market has been established, potential investors could be sought to expand the supply in the town. As there are a number of facilities with around 50 rooms, a larger, 100-room mid-range facility could cater to larger conferences and weekend retreats. Such an investment would require a feasibility study.

Improving Infrastructure

Recommendation: Invest in improving road networks, prioritizing those that play a critical role in tourism development.

Connecting the primary and secondary sites to their source markets is critical to the success of tourism in the south. Travel by road is the major form of transportation for the emerging explorer and adventurer markets as well as some elements of the business traveler market. However, enhancements to the transportation network need to be considered in terms of their cost, their potential return, the overall needs of each region beyond tourism, and the size of the area. The primary roads are (1) A7, which connects Dar es Salaam to Morogoro and serves as a gateway to other southern cities and Mikumi, Ruaha, Selous, and Udzungwa, and (2) dirt roads that connect Ruaha, Selous, and Udzungwa to the major road arteries.

The primary focus for road improvement should be the A7 road from Dar es Salam to Morogoro. Although this road is in good condition, the fact that it is the major trade route from Dar es Salam to the northern, center, western, and southwestern parts of the country makes it very busy. The Dar es Salam–Morogoro route is only about 200 km but can take six or more hours to drive if there is heavy traffic. Once past Morogoro, the road is less busy, as the central and northern traffic has split off at this point. Although widening the road to four lanes would be ideal, it is probably not practical or cost efficient at this time. Rather, the addition of 1 km long passing lanes every 5 km, would allow vehicles to pass safely and cut the transportation time considerably without the need for expanding the whole road system.

Secondary priorities for road improvement should focus on the following:

- The road connecting Selous to the A7 east of Morogoro (about 100km)
- The road connecting Selous to the B2 at Ikwiriri or Kibiti (about 100 km)
- The dirt road from Kilombero to Udzungwa National Park headquarters (20 km)

Each of these road improvement projects would require local government to designate it as a priority road for their region. Therefore, close coordination with local government is necessary.

Rank	Road Priority	Distance to be Developed
1	A7 from Dar es Salam to Morogoro <ul style="list-style-type: none"> • Passing lanes (one every 5km) 	Tarmac ~200km <ul style="list-style-type: none"> • Tarmac ~50km
2	East of Morogoro on the A7 to Selous	Improved murram ~100km
3	B2 at Ikwiriri or Kibiti to Selous	Improved murram ~100km
4	Kilombero to Udzungwa National Park headquarters	Improved murram or tarmac ~20km

Recommendation: Invest in improving air connections and reducing ticket costs through risk guarantees.

Scheduled air connections are the major form of access to southern Tanzania for nature lovers, beach extenders, and business travelers. Therefore, growth will require an increase in air connections. The anticipated air service requirements for Mikumi, Ruaha, and Selous, based on the strategic analysis and recommendations for growth, are outlined in

Table 3. Udzungwa does not have an airstrip for scheduled tourism flights, but visitors can fly into Mikumi, which is approximately 1-3 hours drive from Udzungwa. This increase in air service would require more regular flights but would also require larger planes, especially for the link to Mikumi.

Table 3. Current average daily seat capacity on scheduled flights to Mikumi, Ruaha, and Selous and anticipated daily need.

Attraction	Current capacity	Anticipated need
Mikumi	~20 seats	150–200 seats
Ruaha	~40 seats	70–80 seats (all air strips)
Selous	~90 seats	130–140 seats (all air strips)

Note: Some flights combine attractions—for example, about half of the flights to Ruaha stop in Selous on their way to their final destination. This is factored into the anticipated capacity needs for Selous.

To further incentivize travel to the region and reduce the cost of flights for potential travelers, a short-term (12–24 month) risk-guarantee program can be established. Due to a combination of low demand and high cost of travel, current airline occupancy rates are low. While there is a need to increase visitations and flights, cost must be addressed in the short term to stimulate demand. Flight costing seems to be geared to break even when only three seats (on an 11-seat plane) are paid for, and this makes tickets costly. The goal of the risk-guarantee program would be to reduce flight costs and therefore increase visitation to the region in the initial growth phase. This would require an agreement from the major air companies servicing the region to lower their price per seat by basing their break-even cost per flight on six-person rather than three-person occupancy. Such a change would essentially halve the cost of the flights. The resulting risk to the companies would then be bought down by a sponsor (GOT or donors) who would establish a guarantee program to share half of the risk if all six seats were not filled. For example, if only four seats were filled on a flight, the company would take on the cost of one of the seats and the guarantee program would pay for the other seat to reach the break-even occupancy. If six or more seats were sold, no payment from the guarantee program would be required. This program would need to be implemented in conjunction with the marketing strategy described previously to ensure there was an increased demand for the flights. Once growth has been achieved, the guarantee program would no longer be required, as the airlines could determine their base price on higher average seat occupancies.

International air service into Dar es Salam, the major gateway for travel to southern Tanzania, is also limited and should be addressed. A new airport is presently under construction, which will improve the quality and safety of services for international airlines. In conjunction, efforts should be made to re-establish the connection with British Airways (or an equivalent European airline) to increase total international air service capacity. Air service to secondary attractions, such as Iringa, Kilwa, Mafia Island, and Mbeya could also be improved over time as the overall tourism market in the region grows.

Recommendation: Invest in re-establishing rail connections.

Re-establishing rail connections to Selous and potentially Udzungwa could play a critical role in improving access to these attractions. In the past, tourist-class rail cars were offered on the TAZARA train, which services southwestern Tanzania and Zambia. This train stopped at three locations in the Selous, and there was also a stop near Udzungwa National Park. Non-air access to these two attractions is challenging, and the train offers an appealing and relatively quick way to reach them. Past investments in the tourist-class rail cars seem to have failed due to challenges working with TAZARA and having to connect to their existing trains as well as a limited market.

To be successful, the re-establishment of the tourism train would require a higher volume of travelers to the area than is currently available; therefore, this effort should occur after tourism to

the region has grown. The train should also be run independently of other trains, with its own engine and cars. It could offer transport to the attractions as well as overnight stays in Selous. This would both increase revenue potential for the train and reduce the need for additional lodging in the park. An initial feasibility study would be needed to further assess the financial viability of such an endeavor.

Action Plan

In this section, we (1) outline the sequence for implementing recommendations, (2) assign responsibility, and (3) provide a timeline that includes immediate actions. With a general election scheduled four months from the completion of this plan, the proposed timeline takes into account the expected transition, and its influence on the implementation process.

Prioritization of Action Items and Responsibility

Phase I: Addressing the Urgent Need to Catalyze Growth

The first phase, set for the nine months preceding and immediately following the election, begins to lay the foundation for broader transformation. Given the fragility of the current tourism industry in southern Tanzania, waiting for the election transition to pass may result in another season of losses that further dampen investor interest in the region. Action is needed now. To enable immediate action, this phase relies on institutions or individuals that will not be affected by the elections, such as the private sector, donors and permanent staff at MNRT and can begin implementation immediately. The action items include:

- 1. Establish the Southern Tanzania Tourism Task Force:** Quick decisions will need to be made about Southern Tanzania to facilitate the implementation of the plan. It is therefore crucial that the task force is set-up to champion the plan now, as well as after the transition. The task force will also provide continuity that is needed for the success of the plan. While in the future there may be some changes in MNRT leadership, the task force will rely mostly on technical personnel who are likely to remain in their posts.
- 2. Further the understanding and analysis of the tourism sector in southern Tanzania:** To help guide investment in Southern Tanzania, both public and private, additional data is needed. In depth analysis of the tourism value chain in the region would provide insight into the bottlenecks within the investment process, and would provide a benchmark against which to measure the impact of future work within the sector, including how to maximize the benefits of tourism for local economies. In addition, further analysis is needed on the Ruaha and Selous landscapes to help government and the private sector plan for tourism growth in these regions. This research should include analysis of the optimal zones within these landscapes for photographic tourism, hunting, etc. and the factors affecting the viability of these zones (size, geographic location, access, habitat type, etc.). This analysis will help to optimize tourism planning for these landscapes, ensuring their long-term ecological and economic sustainability.
- 3. Consult with BRN on the roll-out of initiatives to improve the business operating environment:** Prioritizing the challenges within the operating environment will send a signal to investors that the government is serious about Southern Tanzania and the sector overall. Since BRN is already working on these initiatives, consultations with BRN should therefore be conducted as soon as possible to align on the specific measures, and begin to address gaps that BRN is not filling. This action item will rely heavily on MNRT's leadership and the strength of the task force.
- 4. Begin awareness building and marketing initiatives:** Keeping current investors is critical to the industry; therefore addressing the business operating environment (action 2) and aggressively implementing measures to grow demand will help businesses attain positive growth. While full marketing initiatives take time to implement, there are quick steps that can be taken. First, confirming the brand identity for Southern Tanzania will help the region

message its value proposition in a consistent manner. Second, an immediate high profile celebrity endorsed campaign to raise awareness among potential travelers and tour operators and also tie in messaging around the poaching issue will generate excitement in the market, and build momentum for bigger campaigns and actions in the future. It can also provide a quick win that will help the task force establish its legitimacy amongst stakeholders and the public.

Table 4: Summary of recommendations for implementation in Phase I

Recommendation	Responsibility
1. Start with establishing a Southern Tanzania Tourism Task Force	
<ul style="list-style-type: none"> • Create a Southern Tanzania Tourism Task Force with a 5-year mandate to facilitate the implementation of the plan 	<ul style="list-style-type: none"> • MNRT • TCT • Donors
2. Consult with BRN on the roll-out of initiatives to improve the business operating environment	
<ul style="list-style-type: none"> • Building on the reforms that Big Results Now is implementing, streamline, rationalize and harmonize the payment of taxes, fees and levies to central government regulatory bodies, agencies and local government. • Streamline the payment of industry-specific fees and levies to MNRT with a pilot in Southern Tanzania 	<ul style="list-style-type: none"> • Office of the Prime Minister/BRN • TRA & Other Agencies • Local Government • Parliament • MNRT & Tourism Task Force
3. Begin to build awareness and implement marketing initiatives	
<ul style="list-style-type: none"> • Confirm the brand identity for Southern Tanzania • Invest in building the image and awareness of Southern Tanzania through a quick celebrity endorsed media campaign 	<ul style="list-style-type: none"> • TTB • Tourism Task Force • TATO • TANAPA • TAWA

Phase II: Consolidating Growth

This second phase focuses on interventions that will build on initial momentum to consolidate growth in the region. Specifically, this phase involves actions that are catalytic, but require more effort and time to come to fruition. These are also actions that are linked to, or may be affected by the transition, and are therefore best implemented after elections. The action items include:

- 1. Continue building awareness and implementing marketing initiatives:** Leveraging the efforts to build awareness that have been done in the first 9 months, continue to implement marketing plans. As noted earlier, growing demand is crucial to the revival of the region and must therefore be prioritized during this phase.
- 2. Address the poaching problem and other natural resource challenges:** Building on current MNRT efforts, the incoming government has a unique opportunity to re-define the poaching campaign and implement it with a long-term view. This government will also be in a position to take on any additional assessments that are required to develop solutions for other resource challenges e.g. The Great Ruaha River. To the incoming government, this provides an opportunity to signal their political commitment to the region and the sector
- 3. Revise the 1999 National Tourism Policy:** The incoming government will have the opportunity and the time to oversee the development and confirmation of a new tourism policy that reflects current dynamics. To the incoming government, this goes beyond just signalling its commitment to the sector; it presents an opportunity to build a legacy.
- 4. Invest in the expansion and enhancement of tourism products, focusing on immediate measures for building out the primary attractions:** As the marketing efforts take root and begin to show results, authorities that manage the parks can implement additional

measures to consolidate growth. These actions will involve both public and private sector investments – all of which will be incentivized by positive growth trends.

5. **Invest in infrastructure improvement:** Infrastructure development will continue to support growth, and begin to open-up secondary destinations in Southern Tanzania. However, infrastructure investment requires the commitment of a broad range of stakeholders as well as significant financial resources, taking time to implement.

Table 5: Summary of recommendations for implementation in Phase II

Recommendation	Responsibility
1. Continue to build awareness and implement marketing measures	
<ul style="list-style-type: none"> • Invest in building the image and appeal of Southern Tanzania domestically through a 'Travel South' campaign • Invest in building the image and appeal of Southern Tanzania internationally through targeted media campaigns and partnerships • Connect local and international customer segments to the destination through a travel trade program • Site-specific measures: <ul style="list-style-type: none"> – Promote Ruaha as the ultimate Southern Tanzania destination that offers a wild, unspoiled wilderness with a diversity of wildlife and some of the best elephant, lion and leopard concentrations in the region – Promote high value and low density tourism, anchoring on the Nature Lover – Promote Selous as a wilderness experience that offers travelers an opportunity to customize their safari experience – Promote a mix of medium-to-low low volume and low-to-medium density tourism, focusing on Nature Lover, Beach Extender, Business Traveler and the high value Adventurer segments – Promote Mikumi as an easily accessible getaway with high concentrations of wildlife for a memorable safari experience – Promote a mix of mid-to-low value and high density tourism, focusing on attracting Adventurers, Emerging Explorers, Business Travelers and Beach Extenders – Promote Udzungwa the ultimate Southern adventure in the largest and most diverse mountain park in Tanzania – Promote low-to-mid value and low density tourism, anchoring on the Adventurer and Emerging Explorer segments 	<ul style="list-style-type: none"> • TTB • Tourism Task Force • TATO • TANAPA • TAWA
2. Address the poaching problem and other natural resource challenges	
<ul style="list-style-type: none"> • Demonstrate political will and commitment to implement anti-poaching efforts effectively • Address other natural resource challenges such as the drying of The Great Ruaha River • Involve communities in the sustainable management of resources 	<ul style="list-style-type: none"> • MNRT & Tourism Task Force • TANAPA • TAWA • Donors • CSOs
3. Revise the 1999 National Tourism Policy	
<ul style="list-style-type: none"> • Revise the 1999 National Tourism Policy to reflect current dynamics 	<ul style="list-style-type: none"> • MNRT • TCT • CSOs
4. Invest in the expansion and enhancement of tourism products, focusing on immediate measures for building out the primary attractions	
<ul style="list-style-type: none"> • Ruaha National Park: <ul style="list-style-type: none"> – Follow a revenue rather than visitor numbers approach to growth to protect the park and maintain its value proposition – Ensure the sustainability of the park through policy changes and community participation in tourism activities • Selous Game Reserve <ul style="list-style-type: none"> – Invest in the improvement of roads and airstrips in the reserve • Mikumi National Park <ul style="list-style-type: none"> – Invest in the improvement of roads and increase in flights – Invest in expanding accommodation options – Promote community engagement in tourism services and activities • Udzungwa National Park <ul style="list-style-type: none"> – Invest in the improvement of roads connecting the park, and the trail network within the park – Invest in the improvement of the quality of activities 	<ul style="list-style-type: none"> • Tourism Task Force • TANAPA • TAWA • Private Sector • Donors • CSOs • Local Government
5. Invest in infrastructure improvement	
<ul style="list-style-type: none"> • Invest in improving road networks, prioritizing those that play a critical role in tourism development • Invest in improving air connections and reducing the cost of flights through risk guarantees • Invest in re-establishing rail connections 	<ul style="list-style-type: none"> • GOT (including relevant ministries) • Local Government • Donors • Private Sector • TAZARA

Phase III: Maximizing Growth

The last phase focuses on long-term actions to sustain the industry. These are measures that will rely on growth to incentivize investor action. The action items include:

1. **Invest in the expansion and enhancement of tourism products, building out secondary attractions:** Once the primary attractions are established, it is easier to grow the secondary attractions, and link them to the circuits. The task force can provide guidance on how to prioritize these attractions.
2. **Invest in the expansion and enhancement of tourism products, focusing on long-term actions in the primary attractions:** Focus on the long-term investments that require broad partnerships and significant investments. These include the proposed expansion in Southern Ruaha, as well as the conversion of hunting blocks in Selous. For these projects to succeed, it is important that these attractions perform well, otherwise, it will be difficult to convince investors to expand when growth is poor.
3. **Develop human capital for future natural resource and tourism management:** Efforts to establish a training college in Iringa will only be bolstered by the presence of a thriving industry in Southern Tanzania.

Table 6: Summary of recommendations for implementation in Phase III

Recommendation	Responsibility
1. Invest in the expansion and enhancement of tourism products, building out secondary attractions	
<ul style="list-style-type: none"> • Invest in marketing and the development of products that will grow demand and/or extend the length of stay 	<ul style="list-style-type: none"> • MNRT & Tourism Task Force • TANAPA • TTB • Private Investors
2. Invest in the expansion and enhancement of tourism products, focusing on long-term actions in the primary attractions	
<ul style="list-style-type: none"> • Ruaha National Park <ul style="list-style-type: none"> – In the long term, develop Southern Ruaha with the goal of better utilizing and protecting the area • Selous Game Reserve <ul style="list-style-type: none"> – Conduct assessment and planning with the aim of investing in the expansion of the photographic safari area with a 10-15 year timeframe 	<ul style="list-style-type: none"> • MNRT & Tourism Task Force • TANAPA • TAWA • Donors • Private Sector • CSOs
3. Develop human capital for future natural resource and tourism management	
<ul style="list-style-type: none"> • Develop human capital for future natural resource and tourism management with the establishment of a training institution in Iringa 	<ul style="list-style-type: none"> • MNRT • Donors • Local Government

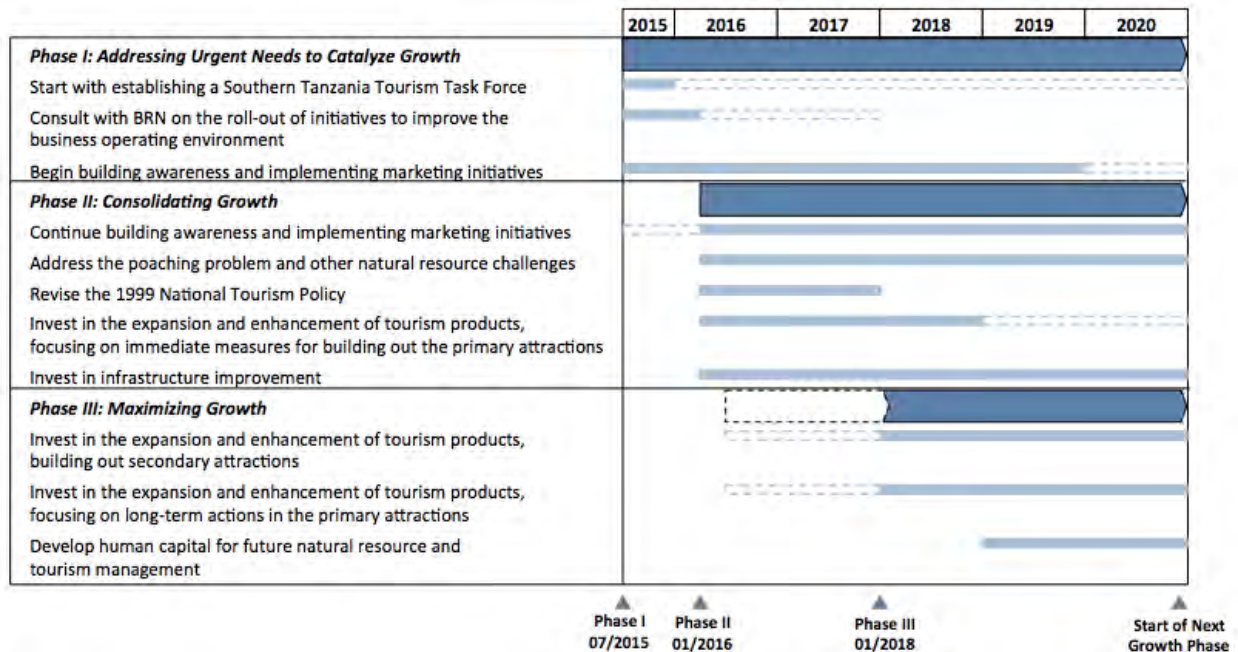
Timeline

The timeline is also guided by the three phases of the plan. While each phase has a defined period, some action items will need longer implementation time and would therefore run through two or all three phases. On the other hand, some action items will require some preparations before the start of the relevant phase.

- Phase I is the first 9 months before and during the post-election transition. The plan estimates that this phase would commence in July 2015 through March 2015.

- Phase II is the where most action items recommended in the plan will take place. This is estimated as a 5-year period, running from March 2015 to March 2020.
- The last phase focuses on long-term growth and will run after the initial five years from 2020 and beyond.

Figure 28: Implementations timeline



Costs and Financing

Financial resources are required to facilitate the implementation of the plan. Financial support also provides an additional inducement for partners to come to Southern Tanzania. In this section, we provide an estimated cost for each strategic program, and outline some ideas for raising the capital required to support investments.

Budget

The budget is provided to give an estimated range rather than an exact cost of each item. It is estimated that approximate US \$25-50 million will be required to complete all action items in the plan. This includes public and donor investments that would stimulate private investment and increased visitation to the region, resulting in enhanced attraction revenues and long-term economic benefits to Southern Tanzania. The bulk of the cost is in Phase II & III, with phase I acting as a momentum builder for larger initiatives.

Table 7: Estimated budget

Recommendation	0-9 months	5 years	5+ years
<i>Phase I: Addressing Urgent Needs to Catalyze Growth</i>	225 -250 000	100 -250 000	0
Start with establishing a Southern Tanzania Tourism Task Force	25-50 000	100-250 000	0
Consult with BRN on the roll-out of initiatives to improve the business operating environment	0	0	0
Begin building awareness and implementing marketing initiatives	200 000	0	0
<i>Phase II: Consolidating Growth</i>	0	27 750 000+	5 000 000+
Continue building awareness and implementing marketing initiatives	0	2 500 000+	0
Address the poaching problem and other natural resource challenges	0	1-5 000 000+	0
Revise the 1999 National Tourism Policy	0	100-250 000	0
Invest in the expansion and enhancement of tourism products, focusing on immediate measures for building out the primary attractions	0	5-10 000 000+	0
Invest in infrastructure improvement	0	5-10 000 000+	5 000 000+
<i>Phase III: Maximizing Growth</i>	0	14 500 000+	2 000 000+
Invest in the expansion and enhancement of tourism products, building out secondary attractions	0	1-2 000 000+	0
Invest in the expansion and enhancement of tourism products, focusing on long-term actions in the primary attractions	0	5-10 000 000+	2 000 000+
Develop human capital for future natural resource and tourism management	0	2 500 000+	0
Total			~49 750 000

Financing Options

In addition to GOT and donor support, as well as individual private sector investments, additional means will be required to support the implementation of the plan.

Agreements for in-kind contributions

In-kind contributions can play a major role in the implementation of this plan; however for such collaborations to be successful, there has to be clear benefits for the ‘giver’ and the ‘receiver.’ The examples we include here are relevant to financing marketing and awareness initiatives as these easily lend themselves to such simple deals. Financing ideas include:

- i. Fee waivers for professional photographers and videographers: this would reduce the cost of creating content, while on the other hand, Tanzania and the region can be credited or promoted and given the right to use the content for their own purposes.
- ii. Private-sector contribution in the form of reduced-cost or free accommodations for marketing purposes: this will require agreements with private sector, and can be used to facilitate FAM trips and other marketing related initiatives, while allowing participating investors to market their facilities.
- iii. Agreements with local media to air campaigns at a reduced rate: If campaigns are creatively designed to include both informational and entertaining content (e.g. reality show style program in the ‘Travel South’ campaign), accompanied by key advertisements, media houses can benefit from increased viewership as well as additional revenue.

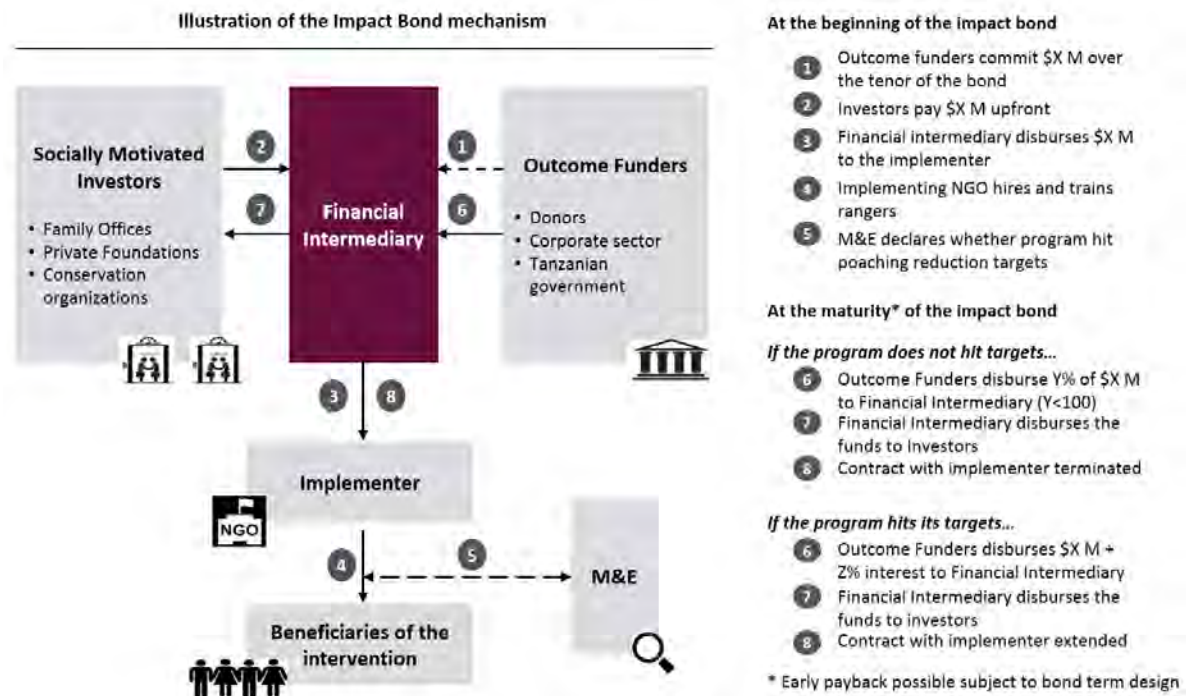
A Social or Development Impact Bond to for Conservation

One of the major challenges of controlling poaching is the lack of sufficient resources to hire and train rangers; one potential solution to this lack of funding is to design a social impact bond for conservation. A Social Impact Bond (SIB) or Development Impact Bond (DIB) is a pay for performance contract where investors put money up front towards a social intervention and

outcome funders repay investors if the intervention implementers achieve a targeted social outcome. In this case, a social impact bond could channel the funding towards conservation in Southern Tanzania. For the SIB to work, the following structure is proposed:

- i. There are numerous conservation organizations, such as the Africa Wildlife Foundation, with impact investment funding available, that could act as the “investor,” putting money into ranger skills development and training upfront. If the term of the social impact bond were three years, the trainer would have three years to improve the capacity of rangers to protect elephants from poaching. The metric they would be measured against would be “number of elephants protected from poaching.”
- ii. If the implementing trainer were able to achieve the targeted reduction in poaching through their capacity building services, then the outcome funder – in this case it could be the Tanzanian government or a combination of the government and an international conservation donor – would repay those investors who put the money in up front. The value for these outcome funders is that they only have to pay if the social target is achieved.
- iii. For a SIB to be viable, it must create some future value either through efficiency savings or an increase in revenue. We have heard from many tour operators that without the elephants, their tourism businesses have no future. The value created through this mechanism could therefore be focused on a per elephant basis, by calculating the relative value of an elephant to the park or reserve.

Figure 29: Structure of a social impact bond for conservation



Working Capital Facility for Tour Operators

Another financing structure to provide more flexibility to tour operators would be to structure a working capital facility with a national bank for southern Tanzania tourism. This facility would include support from a development finance institution such as a guarantee from USAID’s

Development Credit Authority or a subordinate loan from the Netherlands Development Finance Company (FMO) to the financial institution. This credit enhancement would enable a Tanzanian bank to extend lines of credit to Southern Tanzania tour and lodge operators.

The line of credit, if priced affordably, would help operators, particularly local small and medium operators or those looking to invest in Southern Tanzania to better manage their cash flows through the cyclicity of the tourism seasons. Just like farmers, with one large annual harvest, tourism operators earn the majority of their revenue during the “high” season from June to September. The rest of the year, depending on the location and weather, visitor numbers can be quite low and maintaining cash on hand to cover operating costs can be a challenge. With access to a specific “tourism line of credit” these businesses can draw on a loan during the low season, and repay the bank once cash is more plentiful in the high season. In this way, tour and lodge operators would have an extra layer of protection from any liquidity challenges.

Monitoring and Evaluation

The implementation of the plan will require monitoring and periodic evaluations to assess progress against goals, and make necessary adjustments. While MNRT can work with the Tourism task force to draw out an initial monitoring and evaluation plan and monitor implementation, it is highly recommended that an evaluation be conducted by an independent evaluator with the required expertise and capacity. Given that the majority of activities will be implemented in the first 5 years, this evaluation should be conducted at the end of the 5 year period to inform planning efforts for the region beyond this period.

Annex

Annex I. In-country tour cost analysis

To determine average in-country tour cost, nearly 100 tours, most from Tanzania, Botswana, Namibia and Kenya, were analyzed using the safaribooking.com tour consolidator. The prices for these tours include in-country costs for full board, activities, domestic travel and accommodation. They exclude flights and do not account for additional personal spending of visitors.

The analysis examines tours listed in safaribooking.com's 'mid-range' and 'luxury-plus' categories. These markets were selected as benchmarks because they serve two of the major markets for the region: Nature Lovers and Adventurers. Data was gathered on prices and tours available as of April 2015. Tours were selected only if they included at least one of the following attractions in each destination:

Table A. Park criteria for inclusion in analysis

Tanzania	<ul style="list-style-type: none"> • Ruaha National Park • Selous Game Reserve
Botswana	<ul style="list-style-type: none"> • Chobe National Park • Okavango Delta
Namibia	<ul style="list-style-type: none"> • Etosha National Park • Community Conservancies
Kenya	<ul style="list-style-type: none"> • Maasai Mara • Laikipia/Northern Rangelands

Note: These parks were selected for their comparability to the core attractions in Southern Tanzania.

This analysis determined the following average tour cost per day per person, presented in Table B.

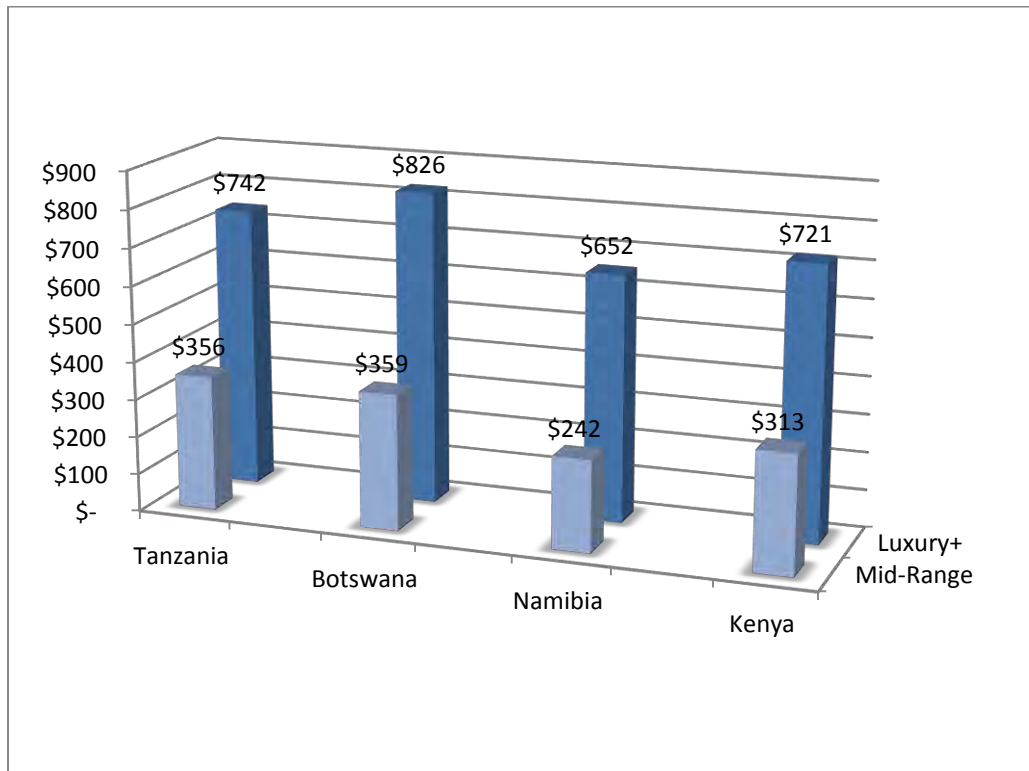
Table B. Average tour: Absolute cost and cost relative to Tanzania

<i>Luxury Plus</i>	<i>Average US\$</i>	<i>Comparison to Tanzania</i>
Tanzania	US\$742	N/A
Botswana	US\$826	+11%
Namibia	US\$652	-12%
Kenya	US\$721	-3%

Table B. Average tour: Absolute cost and cost relative to Tanzania

<i>Mid-Range</i>	<i>Average US\$</i>	<i>Comparison to Tanzania</i>
Tanzania	US\$356	N/A
Botswana	US\$359	+1%
Namibia	US\$242	-32%
Kenya	US\$313	-12%

Figure A. Average tour costs by country



Annex II. Visitor Density Analysis

The following provides an analysis of the visitor numbers and visitor density for select parks in Tanzania as a comparison between northern and southern protected areas.

Table C. Park Density

Attraction	Visitation Per Year (2013) ⁷⁵	Size of Attraction ⁷⁶	Visitor Density Per Year
Ngorongoro Conservation Areas	647,773	9,292 km ²	78 visitors/km ²
Ngorongoro Crater (within Ngorongoro Conservation Areas)	647,773	260 km ²	2,491 visitors/km ²
Serengeti National Park	452,485	14,750 km ²	31 visitors/km ²
Ruaha National Park	21,766	20,226 km ²	1 visitor/km ²
Mikumi National Park	45,888	3,230 km ²	14 visitors/km ²
Udzungwa National Park	7,131	1,990 km ²	3.5 visitors/km ²
Selous Game Reserve	-	*3,584 km ²	-

*Selous Game reserve is 44,800 km² with an estimated 8% dedicated to photographic tourism (3,584 km²)

⁷⁵ MNRT - Tanzania Tourism Statistics Bulletin 2013

⁷⁶ TANAPA Website – April 2015

Annex III. Estimated Carrying Capacity

To determine the tourism carrying capacity of the primary attraction in Southern Tanzania, where low-density preferences are important to the customer segments visiting (Selous and Ruaha), a visual density acceptance indicator determined an estimate of the density recommended for each park. This indicator compared the frequency of encountering other visitors and the qualitative preferences of clients across attractions. This analysis is conducted for the Selous and Ruaha, but excludes Mikumi and Udzungwa where tourism density is not currently of concern to visitors.

Note: These estimates are *not based on ecological factors*. It is recommended that an additional ecological analysis be undertaken to assess environmental carrying capacity.

Ruaha National Park

It is proposed that Ruaha implement a limit of approximately 1 vehicle per 15km² of usable tourism space. This limit is based on a goal of visitors seeing a maximum of three other vehicles per game drive. An average game drive may cover approximately 60km and will last approximately 3-hours.⁷⁷ Assuming 1km of driving equates to approximately 1 km² of game viewing, and three cars can be encountered plus the car that visitors are in (total of 4 vehicles), this would equate to approximately 15km² per vehicle within the usable tourism zone of the park. There is an estimated 2,000km² of usable tourism space in Ruaha (areas that have accessible trails and good or reasonable game viewing). This equates to 130 vehicles in the park at any one time (2,000/15 = ~130). From a visual density perspective, it does not make a lot of difference whether there is one visitor or six visitors in each vehicle, rather the number of vehicles.

Assuming the average vehicle occupancy is 5 people, the maximum density for the park is ~650 people at any one time. The present bed capacity in the area (park and areas within 20km of the park) is estimated at approximately 316 beds including TANAPA bandas, hostel and campsites as well as two budget/mid-range lodges in close proximity to the park entrance. Approximately 200 beds serve the high-value clientele that Ruaha targets, therefore a limited number of additional high-end facilities may be required once occupancies increase. However, these will not be viable investments until occupancies reach a more sustainable level.⁷⁸

Note: For this analysis, walking safaris are not considered in the equation as they require minimal space and are conducted in areas away from the main driving trails.

Selous Game Reserve

As the market profile for Selous is very similar to that of Ruaha, it is recommended that the reserve pursue a similar density profile of 1 vehicle per 15km². However, because the Selous has boat safaris in addition to driving and walking safaris, the overall density could be slightly higher. In addition, the area for photographic safari in the Selous is different from that in Ruaha, thus the maximum number of visitors for the Selous at this density is unique. This number is not estimated due to limited data on the area ideal for photographic safari in the Selous.

⁷⁷ Interviews with guides, camps and safari drive assessment.

⁷⁸ Analysis of park lodges and nearby facilities online

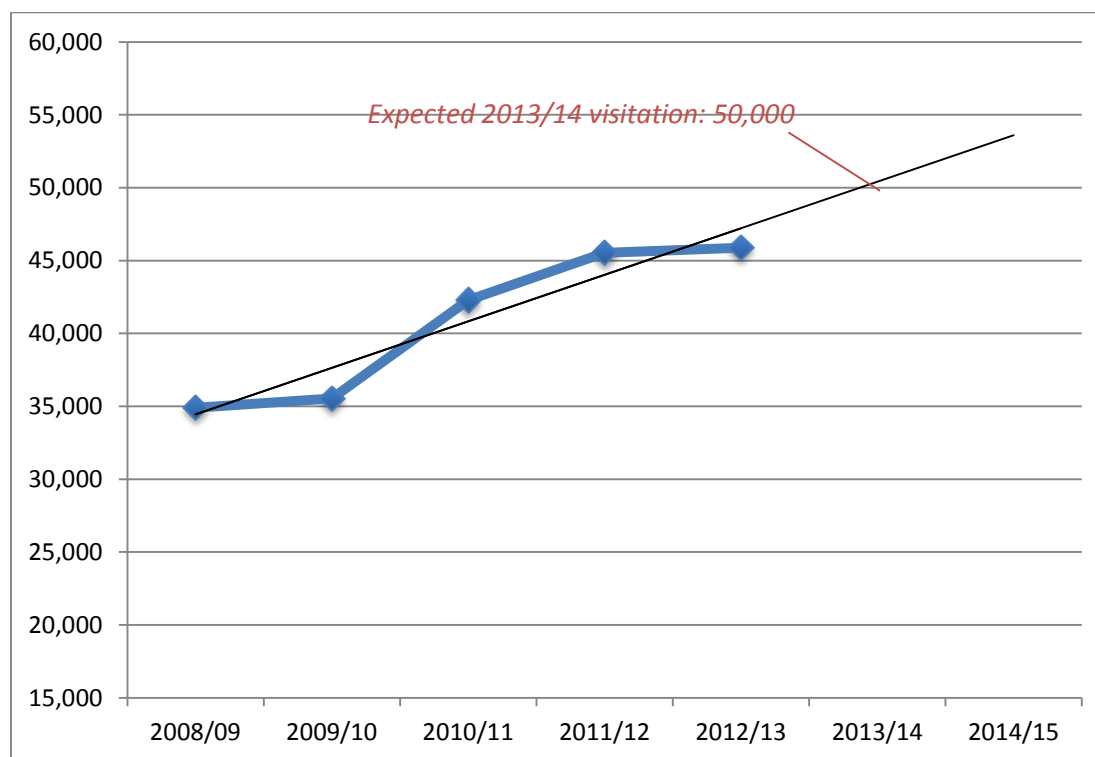
Annex IV. Projected Visitor Growth and Financial Impact

The following figures analyze visitor numbers and economic impact for select parks in Tanzania based on growth related to strategies suggested in the plan. Assumptions are listed for each attraction. This analysis assumes park Entrance fees are US\$30 for non-residents, US\$15 for residents and US\$3 for domestic visitors per 24-hour period.

Mikumi National Park

Visitation to Mikumi in 2012/13 was 45,888, with 30,138 resident and 15,750 non-resident visitors. Based on a linear growth trend from the last five-years of visitation, the expected visitation would be ~50,000 in 2013/14. Based on interviews with guides and lodges, the average length of stay per visitor is estimated at 2 nights and 2 days (48 hours) in the park. With this market we also assume that the average spend per day is less than other parks, estimated at US\$200/day for non-residents and US\$100 for residents.

Figure B. Mikumi National Park Visitation Growth



Mikumi has the potential to grow visitation from both resident and non-resident segments. The proposed marketing plan includes marketing to the Beach Extender and Business Traveler markets as well as domestic (Emerging Explorer) and resident (Adventurer) markets. Mikumi could attract ~8% (30,000) of the current Beach Extender market and ~5% (1,275) of the Business Traveler

market, given examples of extension packaging from Mauritius.⁷⁹ Promotion to the domestic and resident market could boost visitation in these segments by 50% (15,000) over 3-5 years.⁸⁰

The economic impact of visitor growth is estimated at US\$15,500,000 per year within five years. The above growth rates lead to ~31,275 new non-resident visitors per year within 3-5 years, which would generate US\$12,500,000 in economic impact for Tanzania (31,275 x 2 x US\$200). The additional resident travelers would generate US\$3,000,000 in economic impact for the region (15,000 x 2 x US\$100). The increase in visitation would also generate approximately US\$2,100,000 per year in park revenue (31,275 x 2 x US\$30 plus 15,000 x 2 x US\$7 (assuming five thousand residents and 10 thousand domestic visitors)).

New investment will be needed to accommodate the growth in visitation. Presently there are approximately 40 private lodge rooms (~90 beds) in the park and TANAPA accommodation provides 8 beds in a rest house, 12 beds in a guesthouse and 60 beds in a hostel, plus 7 campsites. Outside but in close proximity (less than 30 minute drive) to the park entrance there are ~37 rooms (~90 beds). This provides a total bed capacity in the region of 260 beds (including the 60 beds at the hostel, which is very basic accommodation). If all current visitors stay in or near the park and stay for 2 days, occupancy would be almost 100%. This is probably not the case as some people will camp or stay further afield, such as Morogoro, however it indicates that current occupancy in the park has likely reached a sustainable level for the existing accommodation facilities. Assuming a 60-70% average occupancy requirement for new lodging facilities, an additional 200-300 mid-budget beds will be needed to accommodate the growth in visitation (31,275 x 2 nights / 65% / 365) as well as 100-150 budget beds (15,000 x 2 / 65% / 365). A total of 300-450 additional beds required to be developed in and around the park.

Ruaha National Park

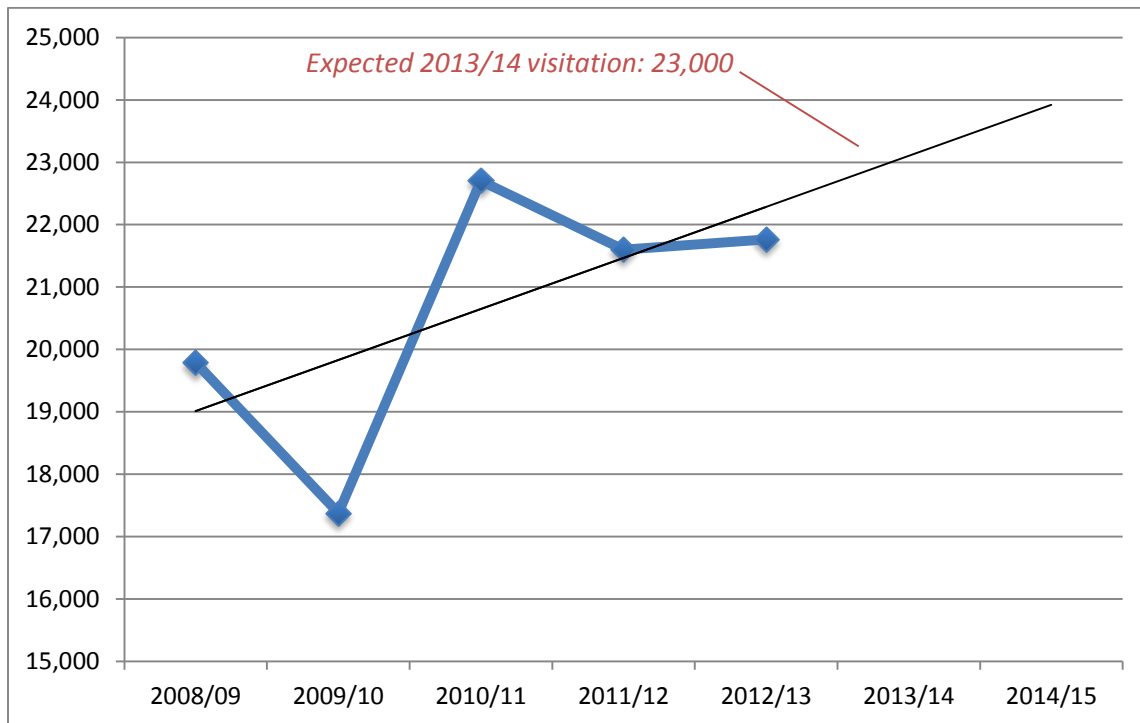
Ruaha had 21,766 visitors in 2012/13, which included 12,616 non-resident visitors and 9,150 residents. Anticipated 2013/14 visitation is 23,000, given linear growth for visitation based on growth rate over the last 5-years (graph below).⁸¹

Figure C. Ruaha National Park Visitation Growth

⁷⁹ <http://tourism.govmu.org/English/Publication/Pages/Survey-of-Outgoing-Tourists-2000.aspx>

⁸⁰ Growth listed is estimated potential growth

⁸¹ MNRT - Tanzania Tourism Statistics Bulletin 2013



The estimated accommodation occupancies for Ruaha are ~30-40%. According to the National Park staff, 40% of Ruaha arrivals are fly-in, the rest drive. Based on expected 2013/14 numbers, this represents 9,200 visitors flying into Ruaha. It is assumed that the fly-in visitors comprise the high-end ‘Nature Lover’ segment visiting the park. The average length of stay in the park is 2-3 nights (2.5 average).⁸² The 8 private lodging facilities in the park account for just under 100 rooms and ~200 beds total. If we assume that the fly in market are the people staying in these facilities, this would equate to an estimated occupancy within the park of ~30% (assuming average room occupancy of 2 people). This occupancy rate was corroborated by many of the lodges when interviewed. TANAPA occupancy data is not available for its facilities; however, if we assume that the non-resident visitors to the park stay in the private mid-range and luxury lodges within the park and that the resident visitors stay in the TANAPA facilities in the park and lodges outside of the park (understanding that the reality is that it will be somewhat of a mix), the average occupancy for facilities in and around the park is 30-40%.

⁸² Interviews with lodge owners/managers and park staff.

Ruaha has the potential to increase occupancy in the Northern part of the park by an additional 30%, targeting the Nature Lover market. This increase could be achieved through a marketing campaign similar to the one highlighted in the Namibia Case study. A 30% increase in occupancy would constitute ~9,200 additional visitors and ~27,600 daily park fees (an average of 2.5 nights per visitors is 3 days in the park as TANAPA does not allow fractional days). Based on tour analysis for the Nature Lover, the average daily in-country spend for this market is US\$742/day. This equates to an estimated value to the Tanzanian economy of approximately **US\$17,000,000** per year (9,200 x 2.5 x 742). At the current park entry fee rates (US\$30) this would equate to US\$800,000 in new revenue for the park. If, as recommended, entry fees increase gradually in the future to US\$45/day, this would generate **US\$1,200,000** in additional revenue for the park. If southern Ruaha establishes a critical mass for tourism in the region in a relatively short amount of time (within 5-years), ~40 rooms (around 80 beds)⁸³ at occupancies of 50% within 5-years from the start of the project (including construction phase), this would generate around **US\$10,000,000** in economic impact for Tanzania and around **US\$650,000** for park revenue.

Namibia Case Study, 2010 – 2014

In 2010, with support from the Millennium Challenge Corporation, the Namibia Tourism Board launched a trade and marketing program to target the North America market. This campaign was similar to the one proposed to promote Southern Tanzania to the travel trade and to raise awareness.

Over the course of the program, arrivals to Namibia from the North American market increased by 35%, leveraged over \$500,000 in private sector co-op support for activities and promotion. Over 20 online promotional tools and programs were developed to help sell the destination, with 141 new companies are now selling Namibia, 291 destination specialists have partnered with NTB, and 158 unique itineraries have been added to the packages of existing operators selling Namibia. The program also expanded the Namibia Tourism online community from 109 people at its onset to 38,055 people by the end of the project.

Currently Ruaha's budget is 4 billion TZS (~2.2 million USD), and the park generates 2.8 billion TZS in revenue from tourism (70% of operating budget). Based on the General Management Plan for the park, the optimal budget would be 6 billion TZS, which would increase the number of rangers, improve road maintenance, equipment, etc. If visitation and park revenue increase as projected (and if the entrance fee increases to an average of US\$45/day), this would grow park revenue from northern Ruaha to almost 5 billion TZS per year (assuming US\$1 = 1,800 TZS), exceeding present budget needs for the park but still falling short of the General Management Plan recommendations. However, the addition of southern Ruaha would increase park revenue by an additional 1.18 billion TZS, achieving the optimal recommended operating budget for the park within 5-years.

⁸³ Data from air companies in Zambia identified 60 beds as the minimum bed capacity to establish a scheduled service into a park.

Selous Game Reserve

Visitor data to the Selous is not available. The following analysis has been conducted based on limited available data and estimation.

Visitation to the Selous is estimated at ~30-50,000 visitors per year. The Selous has ~400 bed capacity within the photographic block and an additional ~250 beds outside the Reserve. Based on interviews with lodges within the reserve, the average occupancy is said to be around 50%. Given the data available, it is estimated that visitation is approximately 30,000 per year (400 beds x 50% occupancy x 365 days / 2.5 day stay = 29,200 visitors staying in the reserve). If we assume the same occupancy rates outside of the reserve, this would add another 18,000 visitors, for a total visitation to the reserve of 30-50,000 people per year.

The Selous has the potential to capture the same market for Nature Lovers as Ruaha (the proposed marketing campaign will promote packaging the two attractions together). Project growth for Ruaha is 9,200 people over five years (see Ruaha calculations). In addition to growth in visitation linked to Ruaha, the Selous can attract additional visitors from the Beach Extender market (based on implementation of the marketing campaign). An increase in Beach Extenders of 2% of the total beach market in Zanzibar and Seychelles would equate to an additional 7,460 people (140,000 Zanzibar market⁸⁴ + 233,000 Seychelles⁸⁵ market x 2%). The total increase in international visitation would be 16,660 people, over five years increasing occupancy by 15-20%. Assuming visitors spend 2-3 nights (2.5 average) in the Reserve and that the 9,200 Nature Lovers spend an average of US\$742/day and the Beach Extenders spend an average of US\$372/day (based on previous tour cost analysis), visitor growth would equate to a total economic impact of **US\$24,000,000**. (9,200 x 2.5 x US\$742 = US\$17,00,000 plus 7,460 x 2.5 x US\$372 = US\$7,000,000). The annual revenue increase for the Reserve would be ~**US\$3,700,000** (16,660 x 3 days x US\$75).

Udzungwa National Park

Visitation to Udzungwa in 2012/13 was 7,131, with 3,147 non-residents and 3,984 residents visiting the park. The average length of stay is estimated at 1.5 days based on interviews with guides. Accommodation around Udzungwa is estimated at 39 beds, with 14 at the TANAPA hotel on the eastern side of the park and 25 at Udzungwa Forest Tented Camp on the western side of the park.

Through the marketing and promotion campaign for domestic travelers and residents in the region, visitation to Ruaha could grow by an additional ~7,000 visitors. This would increase park revenue by **US\$175,000** per year (3,000 non-resident x US\$30 x 1.5 days plus 4,000 residents x US\$7 (one third residents and two thirds domestic) x 1.5 days). The economic impact for the region is estimated at around **US\$1,000,000** (7,000 x US\$100 average daily spend x 1.5 days). It is likely that more accommodation would be required at the budget level in the future, however many visitors to the area choose to camp, either near the park or as part of multi-day hikes within the park. More analysis is needed to determine the breakdown of camp versus lodging accommodation in and around the park before investment should occur in new facilities.

⁸⁴ Tanzania Tourism Statistics Bulletin 2013

⁸⁵ UNWTO Tourism Statistics Report 2014

Kilwa and Songo Islands

Visitation to Kilwa and Songo Islands in 2011 was 1,500 people.⁸⁶ Including Kilwa in the marketing and promotion campaign to residents (Adventurer) and domestic (Emerging Explorer) markets could double visitation, which would have an economic impact on the region of **US\$300,000** (1,500 x 2 days x US\$100 daily spend) and increase revenues for the site by **US\$22,500** (1,500 x US\$15 entrance fee).

Mafia Island

The airport at Mafia Island received 13,240 arrivals in 2007.⁸⁷ More recent data is not available to the team at this time. There are 8 lodges, with 78 rooms on the island. Occupancy for 1997-2007 was reported at 30%, with interviews by the team with operators there, confirming similar numbers at the present time. To make these facilities more viable, an increase in occupancy is needed.

As an extension to Ruaha and Selous safaris, Mafia has the potential to grow and benefit from the promotion and enhanced sales of Ruaha and Selous. Assuming 70% (6,640) of the new Nature Lover market growth for Ruaha/Selous package their experience with a Mafia Island beach extension, that this experience is a mid-budget price point, and that the average length of stay is 2.5 days, the estimated economic impact for the island and region would be **US\$6,000,000** per year.

Kitulo National Park

Visitation to the park was 433 people in 2012/13, with 99 non-residents and 334 resident visitors. Based on interviews it is assumed that most of these visitors are living in Tanzania or the region, with small potential for growth in the international market in the next 5 years.

Kitulo could attract ~2,000 more annual visitors from the region. Using Mikumi National Park as a benchmark for sourcing resident visitors from local towns (Mikumi attracts 30,000 residents, which is equal to 0.6% of the populations of Dar es Salam, Morogoro and Iringa, together comprised of 4,794,000), Kitulo, could increase visitation of ~2000 people from Iringa and Mbeya (393,000 inhabitants). Non-resident visitors may also grow slightly but not significantly due to the remote nature of the park. Including non-residents, total visitation could increase by 2,000-2,500 people per year within 5-years. Assuming an average length of stay of 2 days, this would equate to a regional economic impact of **US\$450,000** within five years (2 days x 2,250 x US\$100/day) and revenue to the park of **US\$43,000** per year (2 x 250 non-residents x US\$30 plus 2 x 2,000 residents x US\$7).

Morogoro Town

There are three hotels in Morogoro with conference facilities:

- Morogoro Hotel – 69 rooms – ~100 person conference room capacity, plus breakout rooms
- Arc Hotel – 27 rooms – 45 person conference room capacity
- Nashera Hotel – 50 rooms – conference/event facilities for up to 350 people

A campaign to promote conferences and retreats as described in the strategy could result in ~50 conferences or retreats a year within 3-5 years. This growth assumes a sales agent in Dar es Salam

⁸⁶ DBSA – Cultural World Heritage Site Scan – Working paper No.19 2011

⁸⁷ Strategic Environmental Assessment of Mafia Island – Policy Brief 2007 (IRG)

can book one event in one of the facilities in Morogoro on average every week (5 days or work per successful booking). Based on analysis of the average price of full-board rooms and facilities in the region, it is estimated that the average price per person per day for a conference would be around US\$120. Assuming the average conference of 50 people lasts 2-days, this would equate to a regional economic impact of **US\$600,000** per year.

Annex V. Regional Air Lift Data

Ruaha National Park

- 3 daily flights per day on Coast Aviation (average 11 seat capacity)
- 1 daily flight per day on Air Link (average 11 seat capacity)
- Total of ~40 seats per day
- Scheduled flights stop for ~2-months in rainy season

Selous Game Reserve

- 7 daily flights per day on Coast Aviation (average 11 seat capacity)
- 2 daily flights per day on Air Link (average 11 seat capacity)
- Total of ~90 seats per day
- Approximately one third of the flights to Selous continue on to Ruaha
- Scheduled flights stop for ~2-months in rainy season

Mikumi National Park

- 2 daily flights per day on Air Link (average 11 seat capacity)
- Total of ~20 seats per day

Annex VI. Workshops

Workshop I

On March 19, 2015, USAID hosted a workshop at the Southern Sun Hotel in Dar es Salaam. Approximately 30 tourism stakeholders attended, representing the public, private and social sectors. Dalberg Global Development Advisors presented interim findings and facilitated discussion among participants. The workshop focused on confirming the challenges to tourism development, identifying the vision for tourism in Southern Tanzania as a whole, and articulating the unique value propositions of the region's individual, primary attractions.

Workshop participants included:

Jenny Kremer, Selous Safari Co.
Zulfikar Ismail, Wellworth
Hans Determeyer, BEST-Dialogue
Lathifa Sykes, Hotel Owners Association of Tanzania
Prema Lalji, Rickshaw Travels Ltd.
Mr. Kajuni, WWF
Professor Sossovele, WWF
Laurence Paul, Tanzania Air Operators Association
Ivan Mwakatundu, BEAT
Peter Donelan, UNOPS
Gertrude Lyatuu, UNDP
Veruschka Schmidt, World Bank
Lena Thiede, German Embassy
Herman Keraryo, Director of Wildlife, MNRT
Idi Mfunda, Interim Director of Planning, MNRT
Josphat MNRT
Martin, MNRT
Chris Timbuka, TANAPA
Mariam Mkuta, Tanzania Forestry Services
Francis Malugu, Tanzania Tourist Board
Vedastus Mwita, Tanzania Tourist Board
Mikala Lauridsen, USAID
Mary Hobbs, USAID
Robert Layng, USAID
Sherry Sewall, US Embassy
Joe Dougherty, Dalberg
Simon Jones, Dalberg
Rhobhi Matinyi, Dalberg
Megan Shutzer, Dalberg
Devang Vussonji, Dalberg

Workshop II

On April 30th 2015, USAID hosted a Roundtable discussion at the Double Tree Hotel in Dar es Salaam. The Roundtable was attended by ~25 tourism stakeholders from the public, private and social sectors. During this workshop, Dalberg Global Development Advisors presented the draft plan for Southern Tanzania tourism, and solicited feedback on the recommendations outlined in the plan.

Participants included:

Nicola Colangelo, Coastal Aviation, Essential Destinations
Charles Dobie, Selous Safari Company, Hotel Owners Association of Tanzania
Pooja Lalji, Rickshaw Travels Ltd.
Halima Mamuya – Global travel and Tourism Partnership Tanzania
Abdulakir Mohammed, Tanzanair, Chairman of TCT
Scholastica Ponera, Pongo Safaris
Richard Rugimbana, Secretary Tanzania Confederation for Tourism
Lathifa Sykes, CEO, Hotel Owners Association of Tanzania
Tully Kulanga, MNRT
Deogratias Mdamu, MNRT Assistant director of Tourism
Ibrahim Musa, TANAPA
Sekela, Ministry of Industry and Trade
Peter Donelan, UNOPS
AJ Glauber, World Bank
Gertrude Lyatu, UNDP
Benjamin Klaus, GiZ
Jon Anderson, USAID, COP PROTECT
Robert Layng, USAID
Mary Hobbs, USAID
Mikala Lauridsen, USAID
Caroline Bressan, D.Capital
Joe Dougherty, Dalberg
Simon Jones, Dalberg
Rhobhi Matinyi, Dalberg
Megan Shutzer, Dalberg