Zanzibar: A Pathway to Tourism for All

Integrated Strategic Action Plan

July 2019

List of Abbreviations

CoL	Commission of Labour
DMA	Department of Museums and Antiquities (Zanzibar)
DNA	Department of National Archives (Zanzibar)
GDP	gross domestic product
GoZ	government of Zanzibar
IFC	International Finance Corporation
ILO	International Labour Organization
M&E	monitoring and evaluation
MoANRLF	Ministry of Agriculture, Natural Resources, Livestock and Fisheries (Zanzibar)
MoCICT	Ministry of Construction, Industries, Communication and Transport (Zanzibar)
MoEVT	Ministry of Education and Vocational Training (Zanzibar)
MoFP	Ministry of Finance and Planning (Zanzibar)
MoH	Ministry of Health (Zanzibar)
MoICTS	Ministry of Information, Culture, Tourism and Sports (Zanzibar)
MoLWEE	Ministry of Lands, Water, Energy and Environment (Zanzibar)
MoTIM	Ministry of Trade, Industry and Marketing (Zanzibar)
MRALGSD	Ministry of State, Regional Administration, Local Government and Special Departments (Zanzibar)
NACTE	National Council for Technical Education (Tanzania)
NGO	nongovernmental organization
PPP	private-public partnership
STCDA	Stone Town Conservation and Development Authority
SWM	solid waste management
TISAP	tourism integrated strategic action plan
TVET	technical and vocational education and training
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UWAMWIMA	Zanzibar Vegetable Producers' Association
VTA	Vocational Training Authority of Zanzibar
ZAA	Zanzibar Airports Authority

ZATI	Zanzibar Association of Tourism Investors
ZATO	Zanzibar Association of Tour Operators
ZATOGA	Zanzibar Association of Tour Guides
ZBS	Zanzibar Bureau of Standards
ZCT	Zanzibar Commission for Tourism
ZEMA	Zanzibar Environmental Management Authority
ZFDB	Zanzibar Food and Drugs Board
ZIA	Zanzibar Investment Authority
ZIPA	Zanzibar Investment Promotion Agency
ZMA	Zanzibar Maritime Authority
ZMC	Zanzibar Municipal Council
ZNCCIA	Zanzibar National Chamber of Commerce, Industry and Agriculture
ZPC	Zanzibar Ports Corporation
ZRB	Zanzibar Revenue Bureau

All dollar amounts are U.S. dollars unless otherwise indicated

Contents

Executive Summary

This Tourism Integrated Strategic Action Plan (TISAP) is the result of a request in 2018 to the World Bank from the Revolutionary Government of Zanzibar (RGZ) to develop an implementable action plan that provides solutions to realize the official development vision for the sector – *Tourism for All.* The rationale and ethos behind *Tourism for All* is the aspiration that tourism fully contributes to local and inclusive economic growth, delivers jobs for Zanzibaris, fiscal revenue, and, supports environmental sustainability and cultural heritage preservation. To achieve this, it is recognized by RGZ that tourism planning and management must be integrated and mainstreamed in the key RGZ ministries and sectors.

To date, the development of tourism in Zanzibar has been largely ad hoc and opportunistic and has been driven almost entirely by beach resort investors. While this approach is successfully delivering growing tourist numbers and fiscal revenues, other indicators show that tourism is not contributing as much as it should to overall economic development in Zanzibar. Notably, negative environmental impacts for example through unregulated sewerage and waste disposal, high youth unemployment, 80% imported agricultural produce consumed in hotels, below average spending per tourist, and poor living conditions across the islands, especially away from Zanzibar town.

Tourism is a critical and growing part of Zanzibar's economy. However, the trajectory of future growth—as well as its role in generating local employment and investment, fostering local businesses, and ensuring positive environmental and social impacts—is dependent on the coordinated management, planning, use, and better harnessing of current and future natural, cultural, and social capital. This is a collective all-of-government effort that requires a common vision and aspiration supported by consistent coordination, planning, and investments. Numerous studies[1] and literature on tourism development in small island nations have shown that strengthening local economic linkages between the tourism industry and their host communities do not happen without proactive policies, planning, and actions from the government.

In transitioning from an ad hoc private sector–driven tourism development approach toward the vision of an economic transformation through the *Tourism for All*[2] initiative, it is critical for the government to take a more proactive role in identifying and investing in public goods that are essential to crowd in and facilitate sustainable and inclusive private sector investments at all levels of the tourism value chain; transport, accommodation, activities and various goods and services that are inputs to these enterprises.

To move towards redefining the *Zanzibar Experience* from the current short-stay-beach-centric one, to a richer and more holistic longer-stay natural, cultural and historic one requires systemic

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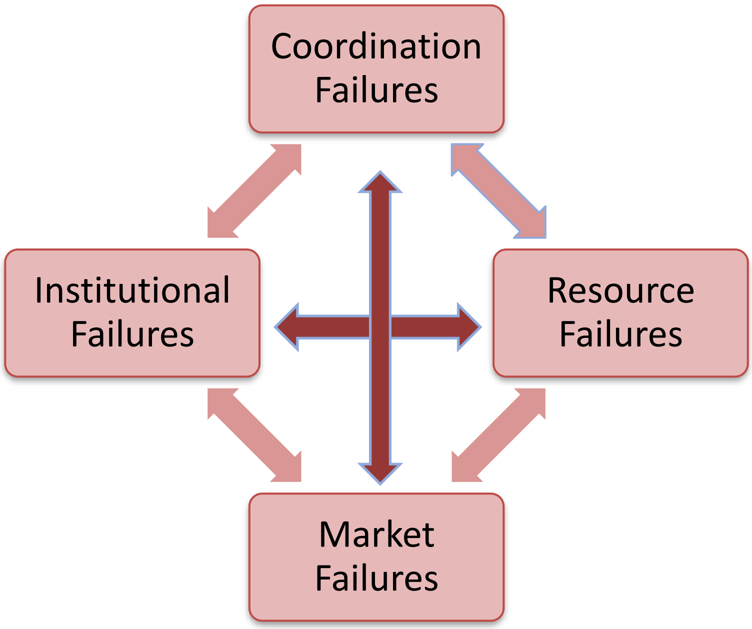
[1] For example, see McBain (2007); Meyer (2006, 2010); Steck, Wood, and Bishop (2010); Telfer and Wall (2000); URT (2003); and Zanzibar Business Council (2009).

[2] "Tourism for All" refers to Zanzibar's vision for tourism where the sector is used for economic transformation and where Zanzibar transitions to a more inclusive economic business model.

changes in thinking and planning for tourism. The role of the public sector requires a "system reboot" focused around improving the following identified systemic failures:

Figure 1: Systemic Failures in Tourism Development in Zanzibar



Coordination Failures

- **Poor coordination and communication between different government ministries, institutions and stakeholders with respect to tourism planning, tourism asset management and tourism destination management.** This is further complicated with tourism-related responsibilities – e.g. Ministry of Agriculture control the "spice tour" experience – spread across multiple agencies and government levels. Similarly, there is poor communication and coordination with other tourism stakeholders (e.g. with respect to infrastructure planning, conservation, education, SMEs and entrepreneurship).

Institutional Failures

- **Weak leadership and decision making across government.** There is a greater emphasis on institution building, rather than delivering core functions.
- **Limited empathy, awareness and participation in tourism for host communities**. The involvement of local communities in public and private investment decisions has resulted in enclave resort development that does not benefit host communities enough.
- **Inadequate investment in cultural heritage conservation and natural habitat preservation.** Initiatives to monitor over-visitation and allow for coastal and environmental habitat conservation are not prioritised.

Resource Failures

- × **A limited emphasis by both the public and private sector on human capital development and an inclusive employment agenda across the tourism and hospitality value chains.** In addition to the shortage of skilled staff at all levels and professions, this has led to a failure to identify and foster talent.
- × **The lack of comprehensive visitor research and data, on-going research into products and markets, and market intelligence.** This includes research into alternative attractions as well as niche and emerging market segments. This limits the effectiveness of product development decisions and marketing strategies.
- × **Access to investment and financing is lacking, especially for SMEs.** For example, high barriers to entry hinder independent small businesses. Women are further isolated in this category.

Market Failures

- × **Limited attention has been given to product diversification and destination development.** This is restricting competitiveness, recreation and tourism choices, the development of niche markets and the ability to add value and length of stay to the visitor experience. The emphasis has been predominantly on site-specific copycat construction, without more community-integrated approaches. This has affected the authenticity and uniqueness of the Zanzibar product. More importantly it has also led to spatial disparity with significant tourism growth in a few areas only.
- × **The lack of effective mechanisms to manage, standardise and enforce best practices.** This has contributed to poor interpretation, poor visitor experiences and poor conservation of environmental and cultural values.

To overcome the above-mentioned significant and persistent institutional failures that impede sustainable tourism, there will need to be action from a "whole-of-government" and "whole-of-industry" approach. This will entail meaningful communication, cooperation and involvement of key partners across local, regional and national governments.

A significant systemic transformation of tourism in Zanzibar is required. This involves changing government views and management of the industry (institutional reform); changing government and industry's understanding of and provision for targeted visitors (visitor experience); and changing the process of implementation (to tangible measurable actions). This Action Plan has been prepared as an instrument of transformation, as a start on the journey towards Zanzibar's Vision 2050.

Figure 2. Zanzibar 30-year Tourism Transformation Vision: “Tourism for All”

Tourism 1.0 – Current situation

Investments have been made through the private sector on hotel and resort infrastructure, with a focus on increasing the number of tourists.

- 500,000 tourists
- 8,500 hotel rooms
- 15,000 jobs
- 28% of GDP
- **$75 per person per day expenditure**
- **6 days average length of stay**

LEVERS OF CHANGE to 2.0

- ✓ Common vision of “Tourism for All”
- ✓ Formation of Tourism APEX body and DELIVERY unit
- ✓ Integrated tourism planning
- ✓ Human resource development
- ✓ Adaptive re-use of cultural heritage
- ✓ Environmental protection
- ✓ Brand strengthening
- ✓ Improved legal and regulatory framework

Tourism 2.0 – 2030

Investment focus shifts to **public investments and reforms** that support local planning and zoning, value chain development, improved local infrastructure, increased yield per tourist, improved environmental sustainability, and decreased youth employment.

- **$125 per person per day expenditure**
- **8 days average length of stay**
- 750,000 tourists
- 12,500 hotel rooms
- 40,000 jobs
- 35% of GDP

LEVERS OF CHANGE to 3.0

- ✓ Re-investment in tourism asset and resource base
- ✓ Carrying capacity limits are set and focus is on investing in value addition
- ✓ Premier Indian Ocean Cruise destination

Tourism 3.0 – 2050

Tourism is self-sustaining, so carrying capacity has been reached and Zanzibar is globally recognized as an island destination of choice.

- 1,000,000 tourists
- 15,000 hotel rooms
- 100,000 jobs
- 50% of GDP
- **$150 per person per day expenditure**
- **10 days average length of stay**

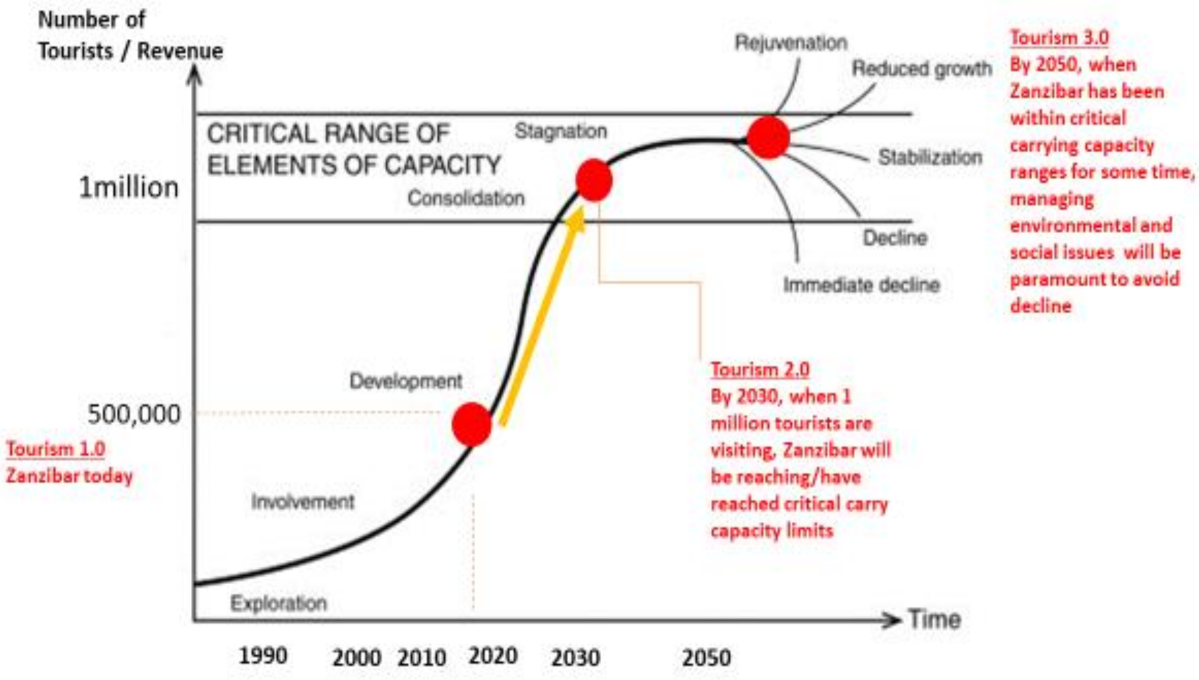
The tourism life-cycle model is often used by tourism planners to assess the stage of development for any given destination (Figure 3). For Zanzibar it is a useful framework for policy makers to gauge Zanzibar’s current and future tourism development, and the model can be used as a management tool to underpin policy decisions.

While this model shows growth in visitor numbers over time, it does not present the whole picture. Increased tourism numbers alone will not deliver the desired product, investment, and market diversification that constitute to the *Tourism for All* vision. Growth in tourist numbers needs to be reflected in growth in the local economy, gross receipts, and tourism-related employment for locals; yield per tourist.

The lack of implementation of a focused and Zanzibar-specific strategy and action plan for tourism growth has limited the opportunity for tourism-derived economic and social returns.

Across a range of tourism-related indicators, such as tourists' length of stay, expenditure per tourist, and gross receipts per tourist, Zanzibar is underperforming compared to other Indian Ocean island economies. Opportunities need to be created for tourists to spend more and stay longer, and for this to happen, the fundamental value proposition and destination positioning of Zanzibar needs to change.

Figure 3. Tourism Life-Cycle Model for Zanzibar



Source: Modified from Butler (1980).

The **exploration stage** is the beginning of destination development, when explorers visit an area and the tourism infrastructure is limited – **Zanzibar 30 years ago.**
The **involvement stage** comes with the increasing visitation that attracts local investment in tourism and public investment in infrastructure – **Zanzibar 15 years ago**.
The **development stage** is characterised by increased foreign direct investment and a range of visitors and market segments, driven by heavy advertising. The population in the destination accepts tourism – **Zanzibar now.**
At the **consolidation stage**, the main income of the local economy comes from tourism, and the visitation levels continue to increase but at a decreasing rate. Extensive advertising and marketing are used to overcome seasonal variations and develop new markets – **Zanzibar Tourism 2.0**.
Stagnation occurs when visitor numbers peak, capacity is reached, and the area is no longer fashionable. New visitors are infrequent, so the destination relies on repeat visitors and business conventions.

This action plan and other reports before it, such as the 2016 Tourism Lab Report, the 2017 Diagnostic Trade Integration Study, the 2015 National Spatial Development Strategy, and, the 2003 Tourism Masterplan, support two common overarching needs that must be addressed in the medium term:

- **More integrated approaches to destination planning and value chain development are necessary.** The approaches need to better address physical infrastructure needs for residents, investors, businesses, and tourists within the context of coherent zones that have been selected as priorities for tourism development.
- **Public institutions within a variety of sectors need to cooperate with each other.** In addition, they need to work more effectively and efficiently with each other and with private investors, communities, and other stakeholders to achieve common goals with respect to the tourism development strategy.

In the short term, a **tourism-related APEX body and Delivery unit needs to be created.** The APEX body would have convening power across different government agencies and be able to drive the above integration and support the delivery unit in the implementation of strategic plans. It is recommended to establish a competently staffed Delivery Unit within the Zanzibar Commission for Tourism (ZCT) with responsibility for the *Tourism for All* initiative. This Delivery Unit needs to be supported by a high-level APEX body consisting of stakeholders along the entire tourism supply chain to help develop the shared vision and inclusive growth.

The overall mandate of the APEX body would be to:

- Coordinate across government and maintain accountability;
- Support the Delivery Unit where necessary to convene government stakeholders or to make decisions necessary to implement *Tourism for All.*

While the Delivery Unit would be responsible for all aspects of driving the implementation of the TISAP.

Objective and Approach

The overall objective for this TISAP was twofold. It was to develop—together with a core team within the Revolutionary Government of Zanzibar (RGZ)—an integrated strategic action plan that can be realistically implemented within the confines of government budgets and human resources, as well as to develop partner support programs. The specific approach was as follows.

1. Previous work on tourism was reviewed. A lead consultant also facilitated thematic working groups set up by RGZ, in key thematic areas: human resources education and skills development; publicity, promotion, marketing, and travel facilitation; product, infrastructure, and facilities; and conservation, governance, and their convergence.
2. Terms of reference for each working group were developed by the lead consultant and circulated to each group.
3. Each working group worked with the consultant's team to define key issues and opportunities related to their theme then develop joint action plans with the private sector, nongovernmental organizations (NGOs), other donors, and relevant government actors.
4. Each working group identified implementable pilot/demonstration projects within each theme.

The working group approach was welcomed by participants because opportunities for cross-sectoral discussion, for example between private sector and government representatives, are rare. However, if the TISAP is to be significantly more successful in moving beyond ideas on paper than previous exercises have been, high-level commitment, engagement, buy-in, and drive will be necessary.

Box 1. Implementation Challenges

This is not the first time that stakeholders in Zanzibar have gathered to examine issues facing tourism and associated sectors or to plan actions to address them. Indeed, the 2015 Tourism Lab Program output was the result of two weeks of deliberations by over 200 participants and was presented at the cabinet level. In addition, the Zanzibar Association for Tourism Investors (ZATI) produced a comprehensive marketing strategy document in 2010, Zanzibar's Ministry of Information, Culture, Tourism and Sports (MoICTS) produced a carrying capacity study for Pemba in 2014, and the Singapore Cooperation Enterprise completed diagnostic work for theme-based marketing and human resources development within ZCT (2017).

Although some progress has been made, major high-level blockages have prevented transformational change, and Zanzibar lacks much of the key data to appropriately respond to demand or plan for it and lacks the infrastructure and human capital capacities necessary for its development and management as a destination. Therefore, the TISAP exercise has endeavored to minimize repetition and focus on the systemic bottlenecks to sector reform. However, it was necessary to update and validate previous problem analyzes and, perhaps most importantly, to dig down into the root causes of inertia and long-term development issues in the archipelago.

Introduction

Zanzibar's tourism sector has grown rapidly in recent years, registering 13 percent year-on-year growth, on average, in international visitor numbers over the past four years. The number of international visitors has grown over the last 30 years, from about 18,000 in 1985 to 520,809 in 2018. The economic opportunity to harness this tourism growth for improved local economic benefits, improved social outcomes, and more sustainable environmental management to achieve Zanzibar's *Tourism for All* vision is the rationale for developing this document.

The flipside of these opportunities are the risks that need managing through an integrated whole-of-government approach. The consumption habits of tourism facilities and tourists themselves have a cost (for example, tourists at beach resorts consume an average of 20 times more water than residents, Cole, 2014). These hidden economic, social, and environmental costs affect freshwater resources, natural ecosystems, the social fabric, and energy resources. These costs require careful management, particularly among Zanzibar's poor and relatively densely populated islands. The natural, cultural, and social capital that are the basis of tourism in Zanzibar are under increasing strain and threats from unplanned and rapid growth.

This tourism integrated strategic action plan (TISAP) is a tool to contribute to the *Tourism for All* objectives by improving planning for the integration of collective public investments and government policy interventions with private sector investments and development partner initiatives, as well as driving these toward measurable (and desired and planned) outcomes. Tourism development, especially in island economies where tourism is the main economic driver, faces common challenges such as poor infrastructure, inadequate waste management, pollution, poor product development and management, poor marketing, poor linkages within the local economy, poor institutional and technical capabilities, and a shortage of appropriate and specialized core and skilled personnel. Many of these challenges are outside the remit of a single line ministry, particularly a tourism ministry, so there is a need for an integrated approach to create integrated solutions. The process for developing this TISAP brought together stakeholders from across government ministries and private sector enterprises to work toward a more integrated and participatory planning approach.

While there are planning documents for and related to tourism development—such as the 1993 Tourism Development Plan for Zanzibar; the 2003 Zanzibar Tourism Masterplan; Zanzibar Vision 2020; MKUZA I, II, and III; and, in 2015, the National Spatial Development Plan—these plans, for the most part, have not been implemented. To date, the role of the government in tourism development has been limited to creating and facilitating access infrastructure such as an international airport, a regular ferry service from Dar es Salaam, a network of paved roads, destination marketing activities, and a policy for the promotion of hotel and resort investment[3]. That is, public investments have acted only as a catalyst for further uncontrolled and ad hoc

[3] This initial policy, based on the 1993 Masterplan, was to develop enclave tourism and to purposefully ringfence tourism resorts from surrounding communities. This policy has contributed, in a major way, to the current isolation of host communities from the tourism economy in resort enclaves.

tourism growth: public investments have not been strategic, nor have they been defined by limits of capacity. At the government level, the metrics of tourism development success in Zanzibar revolve around growing the number of tourists. Unfortunately, any gain from increased tourist arrivals may be offset by losses in terms of revenue leakage and failure to involve local people in meaningful activities that would improve their welfare.

ZCT's recently adopted Tourism Act promotes decentralization of the tourism industry. The *Tourism for All* program, described in the Tourism Act, fully incorporates sustainable principles and practices. The Zanzibar Strategies for Growth and Reduction of Poverty (MKUZA I, II, and III) also confirmed the importance of the tourism sector in the government's economic development strategy. They have also consistently reiterated the core messages of the government's tourism policy, which are:

- Promote a product focusing on the natural and cultural heritage of the country;
- Provide for an equitable distribution of benefits through the promotion of stronger local economic linkages between tourists and goods and service providers;
- Deliver a world-class visitor experience.

However, despite the government's positive intentions, the linkages between the tourism industry and local suppliers are not sufficiently developed to provide for this equitable distribution. Although Zanzibar has enjoyed an extensive growth in the supply of tourism accommodation (about 429 registered hotels and resorts with over 8,500 rooms have been built (ZCT 2017[4]), hotels and restaurants continue to import—largely from mainland Tanzania—approximately 80 percent of their food supply (Anderson 2011; Steck, Wood and Bishop 2010; Zanzibar Business Council 2014; ZATI 2015). To realize the positive impacts of the tourism sector on poverty reduction, strong links to other economic sectors need to be proactively encouraged. Beyond weak supply chain linkages, the range of activities available for tourists beyond the standard sun, sea, and sand experience is limited. Zanzibar is endowed with a globally significant[5] and interesting cultural, historic, and natural heritage that is currently underutilized and poorly packaged thereby restricting potential spending outside of tourist resorts.

[4] 2017, Annual Report Zanzibar Commission for Tourism

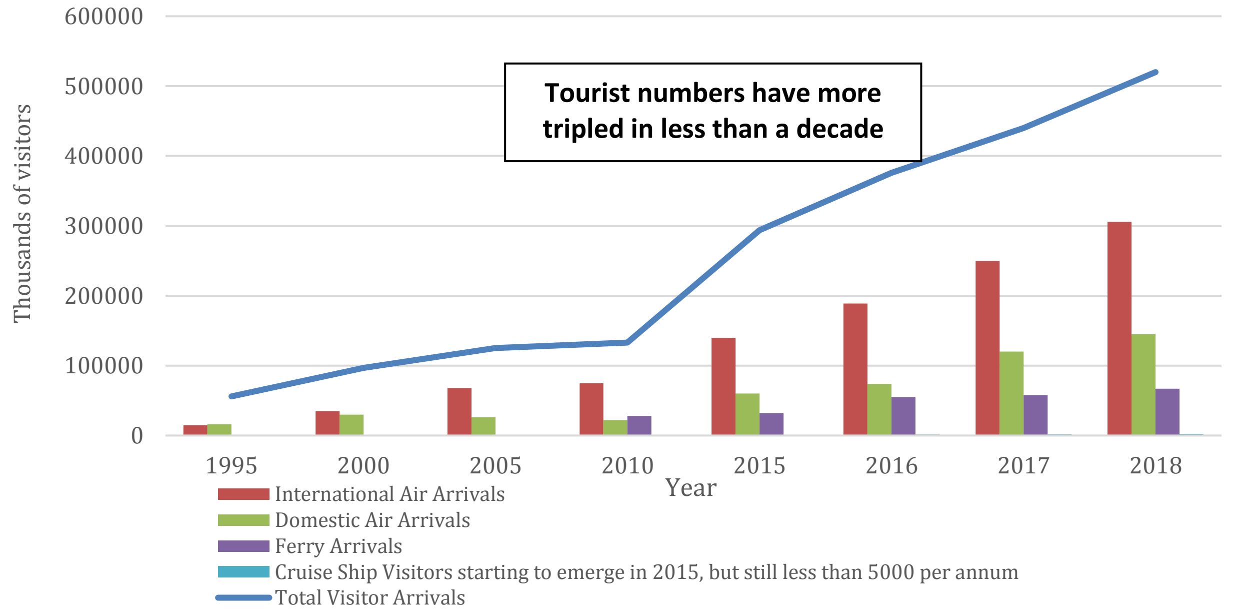
[5] Zanzibar's Stone town was inscribed a UNESCO World Heritage site in 2000 with the following narrative: "The Stone Town is not only an historic living town but also a commercial and socio-cultural centre of the Zanzibar Archipelago. As such, the property is subject to the pressure of development, manifested through traffic problems, changes of land uses and the lack and high expense of accommodation inside the Stone Town. Tourism development since 1990 is an important factor in the development pressure on the town. However, the absence of clear policies on heritage promotion, cultural tourism, and the lack of a strategy on how to accommodate tourism development, and on how to revitalize public spaces could result in random development that could threaten its Outstanding Universal Value."

Current Performance of Tourism in Zanzibar

Demand Analysis

Tourism in Zanzibar is a relatively recent economic activity (the first resort hotel, Blue Bay, was built in 1987). The current 1.0 version of tourism is almost entirely driven by accommodations developed in the last 30 years, and especially since 2000. Tourism demand is currently in a boom period, fueled by two leading market segments: (a) large international package tour operators shifting their business from traditional and established beach destinations in Egypt, Tunisia, Turkey, and Kenya, where political turmoil has affected the industry, and, (b) backpackers/millennials.

Figure 4. Historical Visitor Numbers by Means of Access

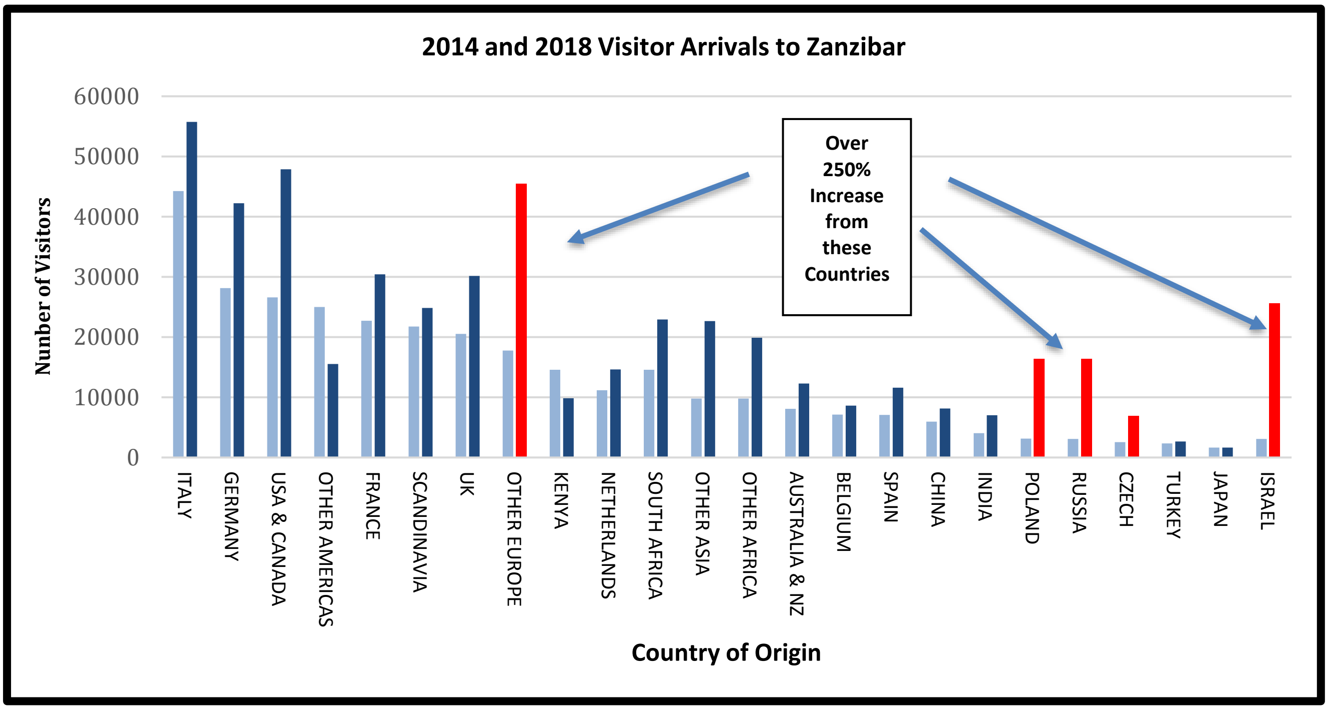


Tourism is now a significant source of income in Zanzibar's economy and its largest source of foreign exchange. In 2018, the sector contributed an estimated 28 percent to the islands' GDP and 82 percent of its foreign exchange earnings. In 2017, tourism accounted for 68 percent of investments approved by the Zanzibar Investment Promotion Authority. The sector also created an estimated 22,000 direct and 50,000 indirect jobs,[6] out of the islands' total population of around 1.4 million people. According to national accounts, accommodation and food services earned around $135 million from 520,809 tourist arrivals in 2018; approximately US$ 260 per tourist per visit. Year-on-year tourist arrivals have increased by around 15 percent for the last three years. This growth has exceeded the Zanzibar Tourism Development Policy of 2003 that targeted 500,000 tourist arrivals annually by 2020.

[6] 2018 World Travel and Tourism Council Annual Performance Dashboard

Current demand is trending towards higher-volume lower-value tourists. Figure 5, 6,7, and 8, illustrate that gross volumes from tourists' expenditure and spend-per-tourist are far below regional destination comparators. This is a function of the kind of demand being generated.

Figure 5. Comparison of Visitor Arrivals by Source Market 2014 and 2018



Zanzibar is considered a long-haul destination (meaning it is a relatively long flight from major source market countries) and is therefore dependent on the competitive air transport prices that charter flights offer. Charter flights are operated, and in most cases owned, by large tour operators who have the high-street retail market access to fill the charters. The high-street retail market is a low-end market, basically selling competing sun, sea, sand packages as a commodity. A weeks' package to Zanzibar in the UK is competing with all beach destinations globally.

Table 3. Airlines flying to Zanzibar in 2018

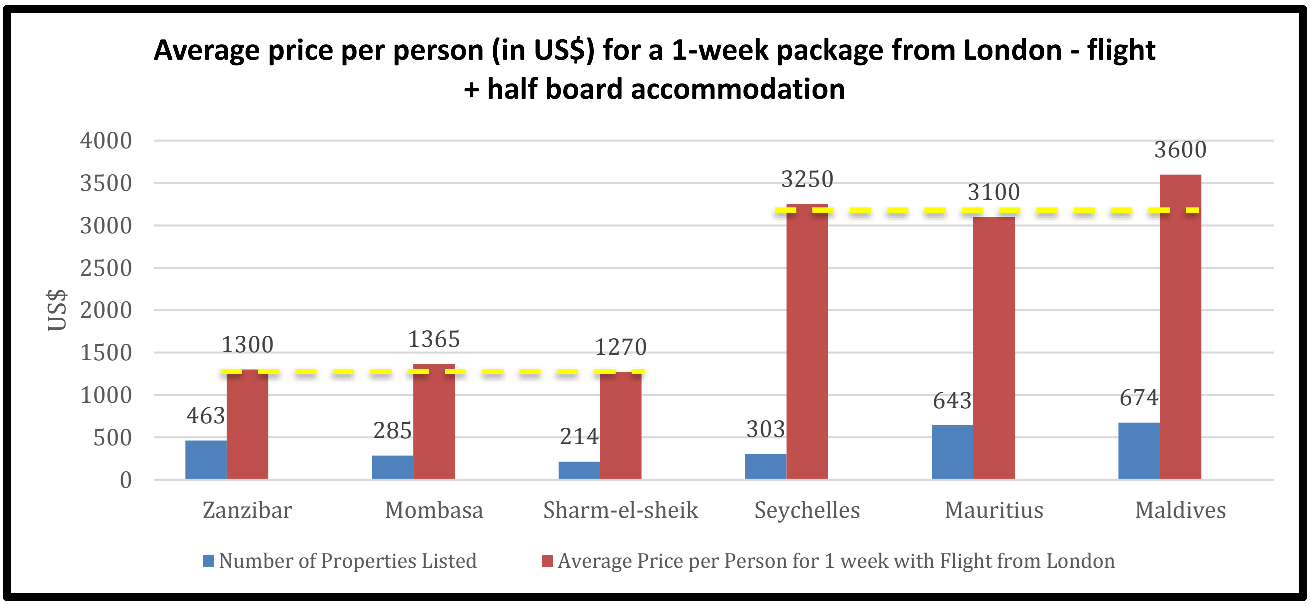
Airlines	Flying from and to
Air Italy	**Seasonal charter:** Milan
Air Tanzania	Dar es Salaam
Arkia	**Seasonal charter:** Tel Aviv
As Salaam Air	Arusha, Dar es Salaam, Pemba Island, Tanga
Blue Panorama	**Seasonal charter:** Milan, Rome
Coastal Aviation	Arusha, Dar es Salaam, Kilwa Masoko, Mafia Island, Manyara, Mwanza, Pemba Island, Serengeti, Tanga
Condor	**Seasonal charter:** Frankfurt, Munich
Ethiopian Airlines	Addis Ababa, Dar es Salaam
Flightlink Limited	Arusha, Dar es Salaam, Pemba Island, Serengeti
Fly540	Mombasa, Nairobi

flydubai	Dubai–International
Israir	**Seasonal charter:** Tel Aviv
Kenya Airways	Nairobi
Malawian Airlines	Lilongwe
Mango	Johannesburg
Neos	**Seasonal charter:** Bologna, Milan, Rome, Verona
Nordwind Airlines	**Seasonal charter:** Moscow
Oman Air	Dar es Salaam Muscat
Precision Air	Arusha, Dar es Salaam, Nairobi, Pemba Island
Qatar Airways	Doha
Regional Air Services	Arusha
Travel Service Airlines	**Seasonal charter:** Katowice, Prague, Warsaw
Tropical Air	Dar es Salaam, Mbeya, Pemba Island
TUI fly Belgium	**Seasonal charter:** Brussels
TUI fly Netherlands	**Seasonal charter:** Amsterdam
Turkish Airlines	Istanbul
ZanAir	Arusha, Dar es Salaam, Pemba Island, Saadani, Selous

Source: Zanzibar Airports Authority

There is a clear correlation between the fastest growing (and overall volume) source markets to Zanzibar in 2018 and charter flight frequencies. It is also striking that charter flights from the UK, Italy, Germany, Eastern Europe and Israel are considered the cheapest" sun sea sand" package tours available.

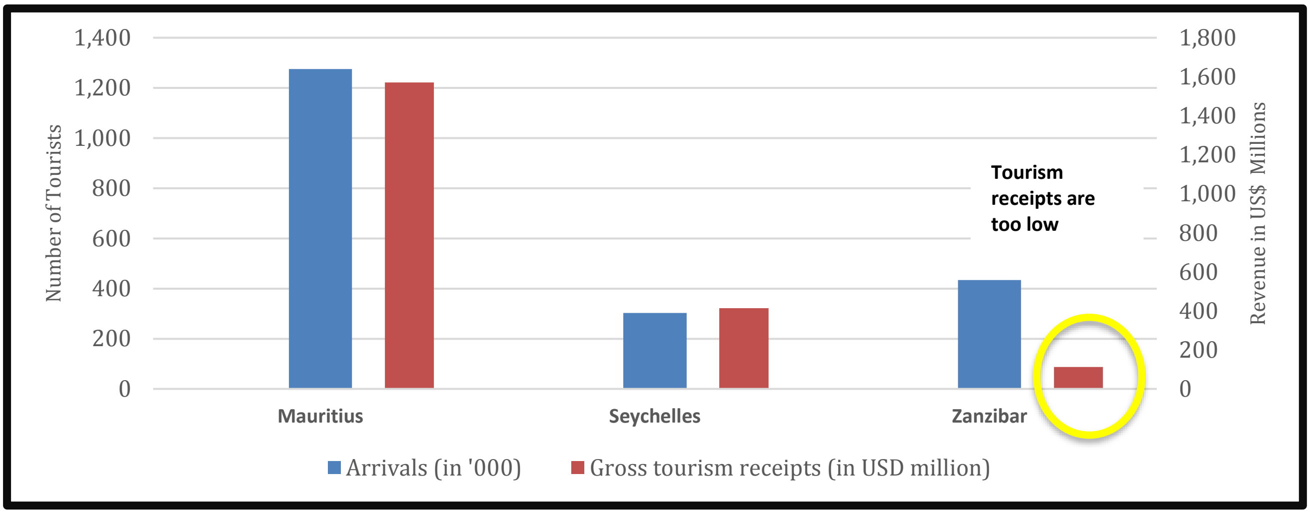
Figure 6. Price Comparison of a 1-week Package with Flight and Accommodation ex-London



Source: Accessed from Expedia July 1st, 2019 for the week of August 2-9, 2019

As shown in Figure 6, package prices for holidays to Zanzibar (from the UK) are on par with what are considered "cheap" or low-end package tour destinations such as Mombasa and Sharm-el-Sheikh.

Figure 7. Tourist Arrivals and Spending (2016)



Source: UNWTO 2017 Tourism Barometer

The fact that less than 1 percent of visitors to Zanzibar consume community-based tourism products and only 13 percent of tourists visit Jozani Forest[7] is indicative of the weak level of product and market development for these offers. If Zanzibar is to move toward the *Tourism for All* vision, these numbers need to improve.

Figure 8. Comparison of Tourists' Activities in Zanzibar

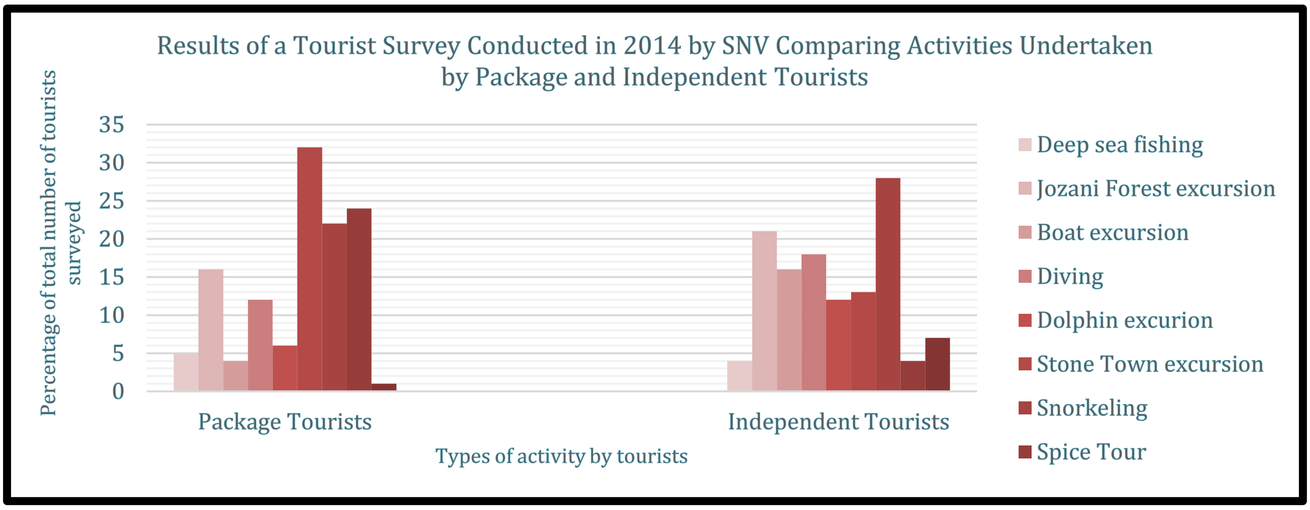


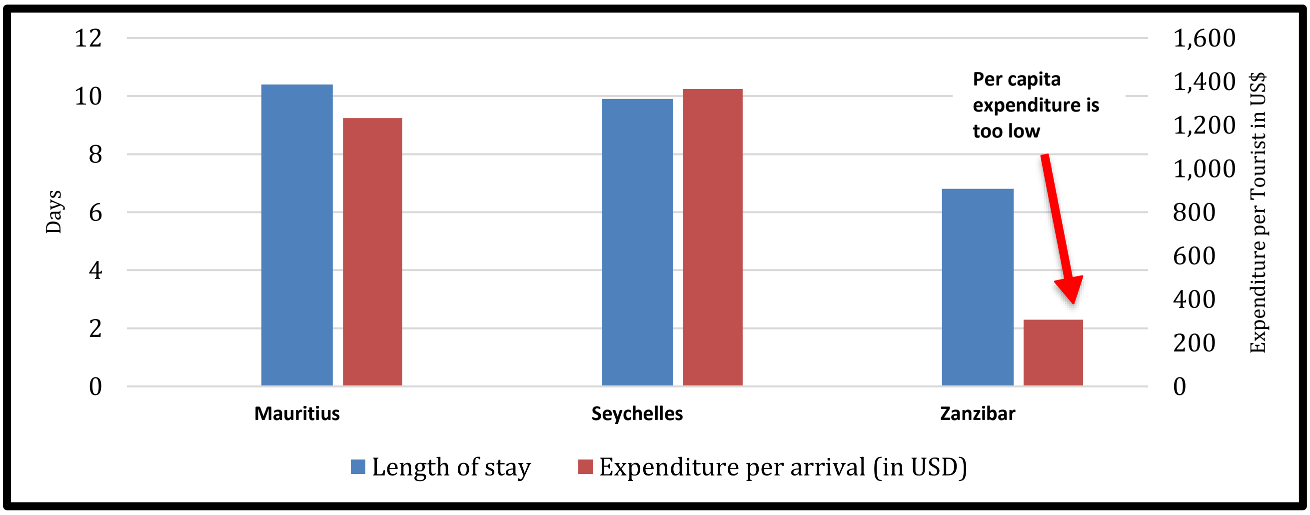
Figure 8 supports the overall assertion that relatively few leisure tourists engage in activities beyond their accommodation stays and beach visits. However, the survey results also showed that independent tourists tend to engage in more activities than package tourists.

This evidence provides critical information for policy-makers and planners to affect the *Tourism for All* agenda. Each of the potential out-of-accommodation excursions are employment opportunities for goods and service providers.

[7] Based on the number of recorded visitors (i.e. tickets sold) as a percentage of total arrivals.

From Figure 9 it is clear that length-of-stay and expenditure-per-tourist are well below what they could be. In part, the reason for the shorter length of stay is that Zanzibar is commonly an add-on to a safari in Kenya or Tanzania, whereas Mauritius and the Seychelles are standalone destinations.

Figure 9. Length of Stay and Per Capita Expenditure (2016)



Source: UNWTO 2017 Tourism Barometer

From a demand perspective Zanzibar is trending towards low-end volume-based tourism that is driven by global value chain operators. The disadvantage of this trend is that these market-making global tour operators can switch destinations within a season. Zanzibar is already the beneficiary of this through companies like TUI, Thomas Cook, Virgin Holidays, and Exim Holding that have shifted business from Mombasa and Egypt to Zanzibar.

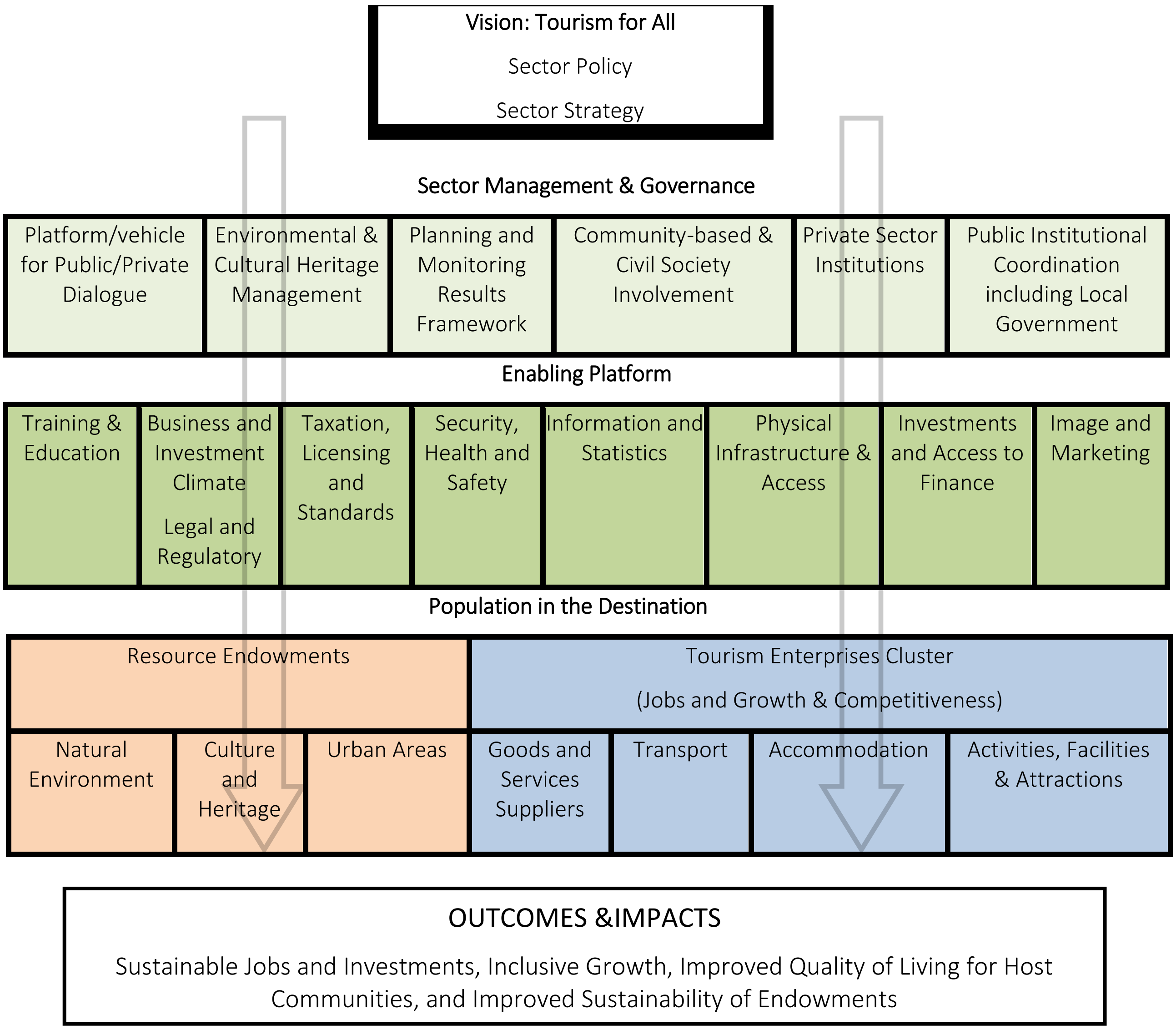
This reliance on volume operators is dependent on a range of supply-side issues that Zanzibar must monitor and retain: safety and security for tourists, environmental quality and beach cleanliness, hassle-free entry and exit for tourists, competitive pricing and value-for-money experiences.

While maintaining these markets, it is equally important for Zanzibar to diversify, grow and strengthen its touristic offer. Zanzibar's long-term resilience and its aspiration of *Tourism for All*, are most dependent on Zanzibar growing tourists' expenditure-per-day. A future growth in expenditures by tourists will occur if Zanzibar invests in improving the overall Zanzibar experience. This means higher quality skills and entrepreneurship, better quality and higher value crafts, excursions, cultural and heritage experiences, and shopping opportunities, improved destination management and planning, and changes in the demographic profiles of visiting tourists (Zanzibar needs to attract higher-spending market segments). This will require investments in Zanzibar's brand equity and perhaps a rebranding of the destination to reflect the higher value experiences.

Supply Analysis

The supply side of tourism concerns the ecosystems and supply chains that collectively contribute to goods and services sold directly and indirectly to tourists. This ecosystem (Figure 10 below) is a framework of the different dimensions of the sector at the destination level required to deliver a sustainable tourism sector. In the case of Zanzibar, this starts with the vision of *Tourism for All.* A new sector policy is currently going through parliamentary approval and this document provides a sector strategic action plan.

Figure 10: The Tourism Ecosystem for Zanzibar



There are clearly gaps and weaknesses throughout this system. At the level of **Sector Management and Governance**, key activities that address identified gaps have been recommended to strengthen public private dialogue, environmental and cultural heritage management, planning for tourism and improved coordination and capacity development across the relevant stakeholder ministries, private sector associations and with civil society.

At the **Enabling Platform** level there are a multiplicity of issues across all eight areas. However, the issue of the business enabling environment is significant, particularly regarding the entry of Zanzibari businesses. The business enabling environment for tourism is more disabling than enabling due to a multiplicity of taxes, levies, and fees and a confusing, often overlapping collection system spread across multiple government entities from the local to the island-wide levels.

The results found in 2013 by the Tanzanian National Business Council through the "Big Results Now – Business Environment Lab" (BRN-BE Lab) were echoed by stakeholders in Zanzibar: the "multiplicity of laws and regulations, licenses, permits and certifications…the involvement of regulatory bodies/institutions with duplicative mandates; hampers enterprises' competitiveness and limits their growth potential."[8] Clearer access to information is critical for businesses, especially in regards to licensing requirements. Priority reform areas such as realigning of regulations and institutions; simplifying taxation and reducing the multiplicity of levies and fees; and improving labor law and skills development.[9]

In addition, the Zanzibar Chamber study included a useful comparison with the tax regimes of other small island economies in terms of the ease of paying taxes.

Ranking for ease of paying taxes for selected small island economies										
Country	Maldives	Singapore	Mauritius	Timor-Leste	Seychelles	Comoros	Dom. Rep	Fiji	Zanzibar	Jamaica
Ranking	1	4	12	20	32	40	70	80	103	115

The comparison with the Maldives is noteworthy:

"In [the] Maldives, a typical medium size company makes 1 payment, pays 9.1 percent of its commercial profit in taxes, and spends less than one hour per year on tax compliance…Whereas in Zanzibar Town, such a medium size company makes 48 payments, pays 40.8 percent of its commercial profit in taxes, and spends 158 hours per year on tax compliance."[10]

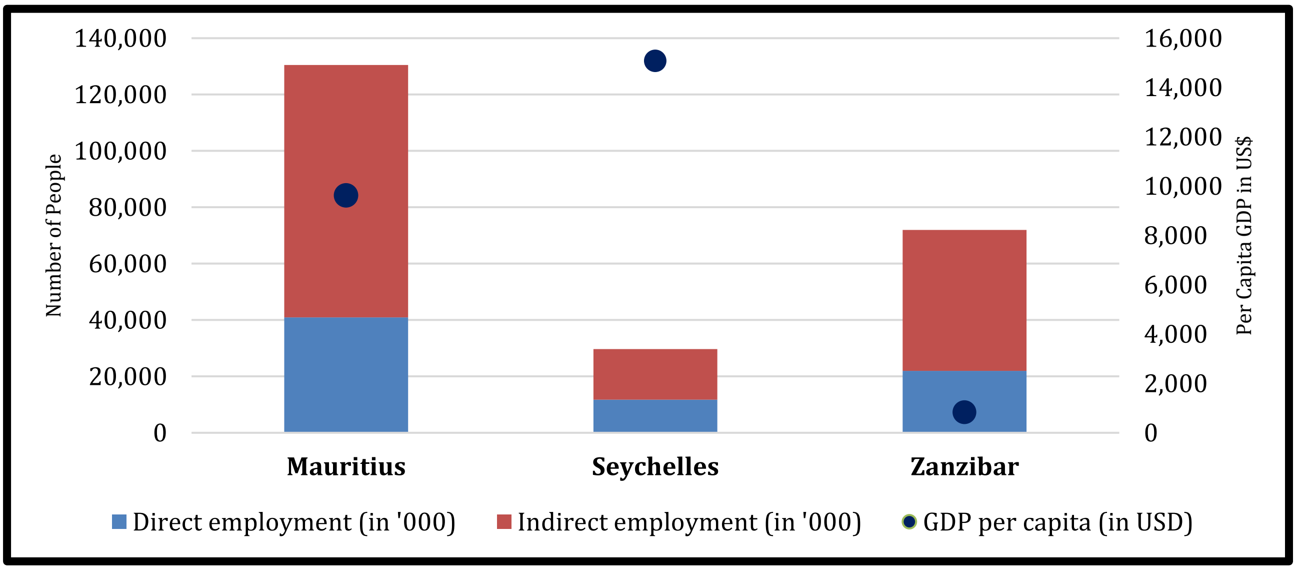
This is huge compliance cost for a small business with the result that informality rates are high in Zanzibar. This has the additional effect of weakening standards and, in the longer term, weakening the brand and the Zanzibar experience. It is critical to address these supply-side issues to enable the growth of the value chain.

There is an urgent need to address employment opportunities in tourism enterprises in Zanzibar. According to the socio-economic survey of 2016 (OCGS, 2017, p. 27), there were officially 15,109 people working in accommodations and food services. Out of the more than

[8] Ibid, p. 18
[9] Program Document for a Proposed Credit, the United Republic of Tanzania for the First Business Environment for Jobs Development Policy Operation, June 2015, p. 13.
[10] "Improving Tax Regime and Business Environment in Zanzibar," Zanzibar National Chamber Of Commerce, Industry and Agriculture, p. 86.

15,000 people employed, 10,069 were male workers and 5,040 were female. About a quarter of the employees, have a permanent contract, and almost 70 percent have temporary contracts. Zanzibaris hold the minority of managerial positions in hotels (46%) and Restaurants (11%). They also hold most unskilled positions in hotels (83%) and restaurants (70%).

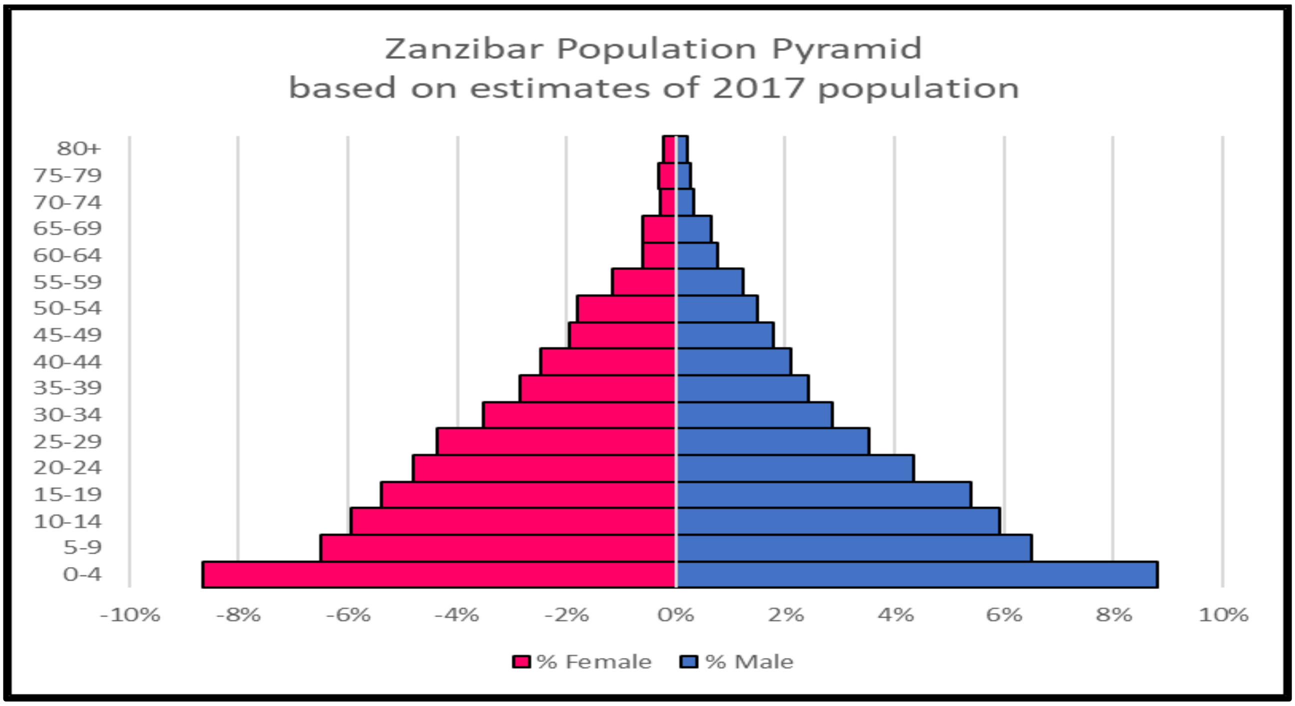
Figure 11. Tourism Employment and GDP Per Capita (2016)



Source: UNWTO 2017 Tourism Barometer

The youth bulge in Zanzibar is significant and could be a prospective demographic dividend if there is a match between skills and jobs.

Figure 12. Population Pyramid for Zanzibar Showing "Youth Bulge"



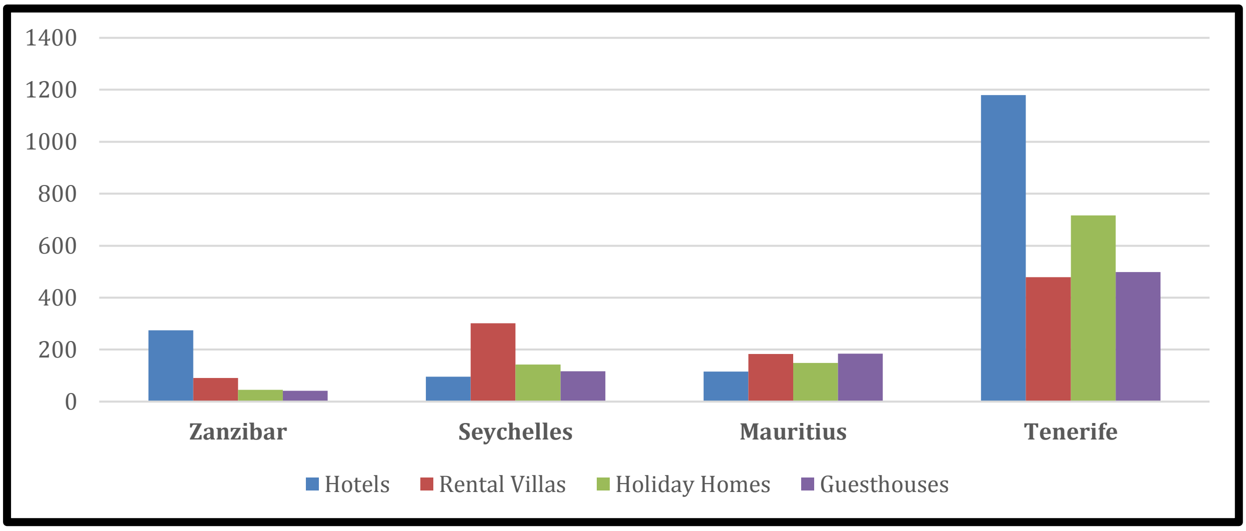
The data indicates that accommodation in Zanzibar is dominated by small- to medium-sized hotels and resorts, which dictates a demand model driven by mainstream, mass-market tour operators that have the capacity to sell the rooms. **It is estimated that 80% of the room inventory in Zanzibar is in the budget/economy range.** Because beach tourism is a large-volume commodified product, these types of hotels and tour operators are not uncommon. Most beach-destination package tours from European source markets are controlled by and dependent on a handful of large, consolidated operators who can make or break destinations.

Table 4. Accommodation Mix of some Island Economies

Accommodations	Zanzibar (Area: 2,450 km^2; population: 1.4 million)	Seychelles (Area: 2,790 km^2; population: 0.1 million)	Mauritius (Area: 1,874 km^2; population: 1.29 million)	Tenerife (Area: 2,008 km^2; population: 0.9 million)
Hotels (20+ rooms)	275	96	116	1180
Hotel rooms	8,540	2,710	13,511	180,900
Rental Villas	91	302	183	479
Holiday homes	45	143	149	716
Guesthouses	142	117	184	498

Source: Booking.com; accessed April 2019

Figure 12. Accommodation Types and Quantity



Source: Booking.com: accessed April 2019

The important implication of this evidence is that Zanzibar's tourism destiny is currently not in its own hands. The path out of this dependency is to develop, where possible, a diversified product and market mix that is both easily accessible and above-benchmark quality for independent travelers who do not purchase package tours.

A large part of this market segment is occupied by “millennial explorers” (formerly known as backpackers), who spend locally but tend to be on a budget. Growing the value of this market through improved products and services is a way to expand into higher yielding independent traveler markets (that is, the so-called “grey/silver market” of older tourists with more spending power).

The coming years of growth in tourist numbers are both an opportunity and a threat for Zanzibar. There is clearly an opportunity to use growing tourist numbers (essentially, captive markets of resort-based tourists) to further diversify and strengthen the non-beach offerings. There is also an opportunity to create new jobs in the hospitality industry, which is reportedly adding a further 2,000 rooms over the next two years, and to add to the value proposition and thereby increase expenditure and length of stay. Also, Zanzibar needs to proactively influence the diversification of its accommodation stock to appeal to new markets of independent travelers.

A threat from the higher tourist numbers comes from the increasing pressure on infrastructure, particularly water, electricity, sewers, and solid waste (supposedly, 650 tons of solid waste are produced daily by hotels and resorts across Zanzibar). Another threat is to the terrestrial environment that is under pressure to make way for new building and infrastructure. As potential threats from climate change increase globally, Zanzibar is especially prone to climate risks such as flooding and heat waves. The combined effects of current climate vulnerability and future climate change could be large enough to prevent Zanzibar from achieving economic growth, development, and poverty reduction goals.

Summary of Key Challenges

The working groups agreed to develop a series of objectives clustered around the following seven thematic challenges:

1. Integrated Planning and Coordination
2. Human Resource Development
3. Product Development
4. Standards and Regulation
5. Data Collection and Analysis
6. Improved Security
7. Marketing and Promotion

The development of tourism has been largely ad hoc, underscoring weaknesses in the institutions responsible for the sector and related services and assets. In the medium to long term, it is critical to address three overarching issues:

- The need for more integrated approaches to destination planning, where needs for physical infrastructure can be assessed within the context of coherent zones selected as priorities for tourism development
- The need for public institutions across several sectors to work more closely, effectively, and efficiently with private investors, communities and other stakeholders to achieve a common tourism strategy
- The need for a tourism-related “delivery unit” that has convening power across different government agencies and that can drive the implementation of this TISAP

Additionally, there are a range of tourism-sector-specific issues that the TISAP directly addresses:

- **Poor standards setting, regulation, monitoring, enforcement, and upgrading for tourism businesses**—particularly for restaurants, accommodations, tour operators, and guides as well as for marine-excursion and diving services—results in products of inconsistent and often poor quality that damage the Zanzibar brand. In addition, these issues place higher-quality, fully compliant businesses at a competitive disadvantage and limits revenues.

- **A lack of a coherent strategy and delivery mechanisms for branding, marketing, promotion, communications, statistics, research and development, and M&E** means that Zanzibar is unable to develop or promote high-quality, sustainable, and inclusive tourism products and services in a cohesive, strategic manner that is based on evidence of market demands. As a result, destination information, such as health and immigration requirements, does not reach source markets efficiently.
- **Comparably weak planning in supply subsectors**—notably agriculture, fisheries, arts and crafts, and light manufacturing—is a blockage to product development and limits quality, added value, and revenues.
- **The centralized administration of cultural and tourism assets** and lack of PPP development have failed to unlock their potential for value and revenue generation, limiting income and reinvestment in their conservation, protection, and management.
- **Poor or absent infrastructure with insufficient capacity to cope with combined resident and visitor demands** damages Zanzibar's tourism product and its environment and raises conflicts with local communities.
- **The absence of a tourism-specific Zanzibar human resources policy** has several implications: recruitment schemes are not fit for purpose, targets and monitoring for inclusiveness are not in place, workplace sociocultural compliance issues are not addressed, concerns over the efficient utilization of the Skills Development Levy remain unanswered, education and training are not adaptive to trends, and there is no coherent scheme in place to promote the tourism industry as a positive area of employment.
- **The lack of strong regulation and accreditation in the vocational training industry** means that product quality is variable, does not correspond to industry requirements, and has weak practical elements, so qualifications are not transferrable or recognized externally.
- **Weak security enforcement** has led to rising crime and nuisance issues in key visitor destinations, damaging the destination's brand and reputation and limiting expenditure (which rises when visitors perceive that they can move freely and safely outside hotels).
- **The business licensing system is complex and confusing**, making the registration difficult and overly long, which limits Zanzibar's attractiveness to investors and competitiveness.
- **Tax, revenue, and fiscal planning authorities do not collect, analyze, and utilize the data required for robust policy and strategy development**, such as frequent Zanzibar-specific expenditure data, tourism satellite accounts, salary modeling, cost-benefit analyses of tax regimes, and revenue streams from visitor expenditure. The result is an inability to evaluate the current taxation strategy in terms of revenue maximization, efficiency, and competitiveness and plan effectively. Tourism data collection is not harmonized among the responsible institutions (Department of Immigration, Zanzibar Revenue Bureau [ZRB], ZCT, and so on), rendering the information of little use to other bodies and Zanzibar as a whole.

Situation Analysis and Recommended Actions

The sections that follow, which are organized by theme, detail the findings and recommendations from those working group discussions. The costs associated are essentially for studies, consultancies, meetings and public private dialogue, legal work, capacity building and training, and the production of final outputs such as legislation, new curricula and improved ICT systems and platforms.

Table 5. Summary of Strategic Actions and Costs

Description of Priority Strategic Actions	Estimated Costs (US$)	Broad Activities
1. Integrated Planning and Coordination • Create Tourism APEX body • Reform ZCT and enact the necessary legislation to create a *Tourism for All* delivery unit • Introduce an interim port and traffic management plan • Accelerate interim airport improvements • Improve Waste Management	1,500,000	Sector dialogue, feasibility and needs assessment studies, training, legal work, coordination, and planning.
2. Human Resource and Skills Development • Develop a tourism-specific human resources strategy for Zanzibar • Tailor curricula to skills market requirements • Harmonize accreditation and registration of TVET	1,000,000	
3. Product Development o Product development and diversification strategy o Develop PPPs for Cultural Heritage assets	1,500,000	
4. Standards and Regulation o Reform and simplify licensing and integrate a rating/classification system for all businesses o Review the tourism tax regime o Develop a code of conduct for visitor behavior	1,250,000	
5. Data Collection and Analysis o Generate a tourism satellite account o Carrying capacity studies	1,000,000	
6. Improved Safety and Security o Implement Security Task Force to deal with crime in tourist areas and illegal operators	500,000	
7. Marketing and Promotion o Develop the *Zanzibar Experience* brand	1,500,000	
Total	**8,250,000**	

Analysis

1. Integrated Planning and Coordination

The need for more systemic integrated planning and coordination is at the heart of the findings, analysis and recommendations throughout this document and cuts across all themes. Together with this, the creation of a Tourism APEX Body and Delivery Unit are deemed critical to transform Zanzibar's tourism sector and drive achievement of *Tourism for All*.

The following sections focus on specific planning and coordination issues related to the highlighted sectors.

- Environment

The natural environment and social cohesion have been facing increasing pressure from tourism sector growth. Implementation of the Tourism Master Plan, and the zoning plans within it, has been poor given the lack of coordination and integration between the Department of Forestry, ZCT, local administrations and the Ministry of Lands. As a result, hotel development is encroaching on the remaining forested and mangrove areas, as well as farmland, and is often too close to or below the high-water mark, leading to erosion.

Many issues can be attributed to weaknesses in the planning system and poor land-leasing decisions and management. These issues have been instrumental in the proliferation of low-quality enterprises that cater to the lower end of the tourism market. There is a dearth of new land available for tourism in Zanzibar, so developments are required on existing sites. However, as noted in the World Bank 2017 Diagnostic Trade Integration Study relatively few redevelopment applications had been approved by ZIPA since 2010.

Zanzibar's environment is heavily polluted by solid and liquid waste which damages coral reefs and blights beaches, forests, and urban areas while threatening the health of residents and visitors.

Coral harvesting for construction material continues to affect reef systems and contribute to coastal erosion, and destructive fishing techniques continue to harm coral reefs. Similarly, sustained cutting of mangrove forests and the increase in salt farms in Pemba continues to deplete the forests. Coordination between sectors is ineffective, enforcement of regulation and legislation is weak, and cooperation between government and the private sector on environmental issues is poor.

Integrated coastal zone management has been recognized as the proper mechanism for involving local communities in conserving natural resources, but poor design of coastal defenses exacerbates coastal erosion. Despite a proliferation of committees (tourism committees, natural resources conservation committees, and so on), there is little coordination and insufficient regard to climate change adaptation measures.

- Social

In terms of social cohesion, a cultural policy has been published and a heritage policy is currently being drafted. However, linkages with local communities remain weak and relationships can be fractious where cultures clash. There are frequent complaints regarding tour operators and hoteliers not enforcing dress and behavior codes for guests, and some stakeholders refer to the large resort complex of Nungwi being "lost" to binge drinking, sex tourism, and drug abuse.

- Cultural Heritage

Management of heritage is centralized and suffers from a number of institutional, legislative, financial, and staffing shortcomings. Maintenance and preservation of key assets, which have inadequate resources and prioritization, have been poor. Some buildings have collapsed and/or been abandoned from lack of maintenance, and only seven historical sites have title deeds.

- Infrastructure

The existing Unguja airport struggles with peak arrivals, when up to three flights are serviced simultaneously, necessitating the use of the business lounge for general departures. Arrival passenger flow is also poor, with long immigration queues and a baggage claim system that requires handlers to arrange luggage manually in the small customs area. The airport lacks world-class safety equipment such as a modern firefighting apparatus, instrument landing system capability, and up-to-date VHF omnidirectional range radio navigation system. With the new terminal, with a projected capacity of 1.6 million annual arrivals still unfinished there is an urgent need to improve facilities in the interim.

Pemba airport has very basic facilities for safety, security, and passenger handling. The runway is currently too short for the operation of the Boeing 737 and Airbus A320 series aircraft that are used by international airlines. A feasibility study is currently underway for upgrading this facility to international standards, but there is no plan in place to extend the study to the surrounding infrastructure that would be required to deal with the projected capacity of one million arrivals annually. There are various issues associated with taxi attendance at airports (training, tariffs, and metering) and conflicts between the Airport Authority and Department of Immigration.

The main Malindi port in Unguja offers constrained berthing, storage, and handling facilities and suffers from serious congestion. There are also no official international sea ferry services. There is a long-term plan to develop a new hub seaport at Maruhubi, Unguja, but contracts have long been stalled in both the Tanzanian government and Zanzibar's Ministry of Finance. It is unlikely that work will be completed within the next four years.

Additionally, the existing port arrangements in Unguja exacerbate Stone Town's congestion problems, which together cause serious delays. The current one-way system reduces traffic flow in the main tourist thoroughfares but forces vehicles into the port-area bottleneck, where they clash with commercial traffic at busy times. Ferry timetabling is constricted by commercial traffic movements, causing congested peak flows. Stone Town Conservation Development Authority, the Seaport Authority, the Ministry of Infrastructure, the Municipal Council, and Bakhresa (the largest shipping company) have previously had meetings on the congestion issue, but no solution has been agreed on.

Electricity coverage in rural areas of Zanzibar has improved significantly in recent years through the GoZ's Rural Electrification Project and upgraded submarine link to the Tanzanian national grid. However, more remote areas, where many hotels are located, continue to suffer service interruptions, and the use of emergency power generators increases operational costs.

Salt-water intrusion and encroachment on water sources degrade water quality, and mains water supply can be unreliable. Many businesses, including larger hotels in Stone Town, rely on tanker delivery, tanks, and, in some cases, boreholes, although abstraction capacity is limited.

- Waste Management

It is acknowledged and stressed by many in the tourist sector that a clean and healthy environment, within and around the hotels/resorts as well as in the surrounding rural areas, is a very important aspect of improving the paradise image and promotion of Zanzibar's tourism sector.

However, in practice, the handling and disposal of the solid waste generated in the resorts/hotels, guesthouses and other tourist facilities, is unstructured, mostly substandard, and not properly regulated or monitored.

Picture 1. Solid waste from a resort I Zanzibar dumped just beyond its walls.

Officially it is the responsibility of the local government authorities/districts to collect, transport, and arrange for proper disposal of hotel waste. Because of a chronic lack of funding and consequent lack of sufficient and adequate equipment (containers, trucks), this is not happening.

As a result, some private companies or (unlicensed) individuals are being paid to collect waste from the hotels. In some hotels, plastic bottles are separated from the waste and informally collected by individuals. No in-house separation of organic/compostable waste is done anywhere, and some smaller hotels/guesthouses dig a hole to dump the waste or they burn it. There is no formal waste disposal procedure, and waste is being dumped in rural areas. This may cause serious environmental and health hazards (for example, diarrhea, dysentery, cholera) when these wastes contaminate water resources or are washed out to sea during the rainy season.

One of the important objectives of an SWM strategy is that all solid waste generated should be collected and properly treated or disposed of. In addition, there should be measures/actions to minimize waste generation and maximize recycling and composting. Another crucial element of a proper solid waste management system is the polluter pay principle, or producers' responsibility, implying that the waste generators should pay waste fees whose collected revenues cover—at a minimum—the operational and maintenance costs of their respective SWM systems (collection, transport, disposal).

In the draft SWM strategy for the Zanzibar archipelago one of the main objectives will be that local government authorities should take full responsibility for an adequate operating SWM system in their district. This is also in line with the ongoing devolution process of delegating more operational responsibilities to local governments.

Most of the hotels/resorts on Unguja island are located in districts with mainly rural characteristics (North A+B, Central, South) and relatively low waste generation per capita. From preliminary data/guesstimates, most of the solid wastes in these districts are generated by the tourist sector. That is, in total, about 400,000 tourist visits per year, with an average stay of at least a few days, generate about 1.5–2.0 kilograms of waste per tourist per day.

Liquid waste is mostly discharged into the sea, a long-term problem with no solution in sight, and stormwater drainage becomes unhygienic in monsoon conditions. In 2015, only around 30 percent of the estimated 650,000 metric tonnes of solid waste generated daily was handled by municipal authorities, the remainder was disposed of indiscriminately, often burned. The Solid Waste Management Project Zanzibar Archipelago is currently examining the issues and formulating solutions.

The World Bank's Zanzibar Urban Services Project for Tanzania has also worked with the municipal council for Stone Town to improve solid waste collection and transportation. The project constructed storm drains outside Stone Town and worked with Pemba town councils on institutional strengthening and small-scale investment projects. This is timely given that what little exit-survey data are available show that one in three tourists complains about poor waste management, and four in five consider not returning because of how much waste they saw.

Some of the issues are relatively simple. For example, although the considerable waste from evening food stalls is cleaned from the Forodhani Gardens area on a daily basis, this does not occur until well after sunrise so early visitors are greeted by a carpet of discarded paper plates, cups, and food waste. Similarly, the Darajani food market would be much more attractive to visitors if it had better standards of hygiene, cleanliness, and waste management.

- Customs and Immigration

The process of welcoming visitors to the islands is poor at all entry points, and customs and immigration customer service is of a low standard. Tourist-facing officers are often unequipped with the appropriate language and visitor-interface skills and are sometimes perceived to be unfriendly and discourteous. In addition, delays at immigration, especially during peak flows, and staff shortages are common.

Furthermore, visa procedures are lengthy and expensive in comparison to competitors. For example, no visa is required to visit Seychelles and Mauritius, and the Maldives visa is provided free of charge. There is ongoing confusion around Zanzibar's yellow fever certification requirements, and they are poorly communicated to foreign governments, particularly the high-risk African countries from which arriving visitors are required to produce documentation. In Pemba, yacht owners must report to the immigration office in Chake Chake to gain clearance for themselves and their crew before returning to the harbor to obtain an anchoring permit.

2. Human Resources, Education, and Skills Development

The lack of an overarching tourism-specific human resources strategy for Zanzibar seriously constrains its ability to plan for and adapt to market requirements. As a result, education and training provision has limited relevance to trends in demand, lacks common standards, has no recruitment strategy or target setting nor data collection, monitoring, or analytical systems. This means, for instance, that the ongoing dearth of women in the sector remains unaddressed, and there is no means to monitor progress in local employment. In addition, systems for matching job vacancies with job seekers are weak or absent. A study on youth (ages 15–35) employment by the Ministry of Labour, Economic Empowerment and Cooperatives is in the validation stage, but no such data exist on employment by gender.

This is a contributing factor, along with the mismatch between training programs and tourism market demands, to the skills gap in the tourism sector. Although importation of highly qualified personnel trained to the highest international standards can help raise local standards and provide exposure to best practices, overreliance on external labor perpetuates a situation in which local benefits—direct, indirect, and multipliers—are limited.

This is particularly important given that the United Nations Children's Fund's ongoing study on cultural impacts of tourism in Zanzibar has found that the majority of Zanzibari adults and children perceive the tourism sector in a negative light and as something they would rather not engage with. Specific issues cited by stakeholders include incompatibility between tourism-sector employment and family life, conflicts with religious beliefs such as dress codes and food and drink service, and disapproval from relatives and peers.

Higher education (the State University of Zanzibar) is accredited by Tanzania Commission for Universities, and the Vocational Training Authority of Zanzibar (VTA) is mandated to regulate vocational training providers. However, unlike its mainland counterpart, the National Council for Technical Education (NACTE), VTA's capabilities extend only to registration, not accreditation. Moreover, not all providers are registered, and they are not held to any kind of harmonized standards in the quality of their training, curricula, or faculty. The lack of accreditation means that qualifications gained in Zanzibar are not valued or recognized outside the islands.

Practical training facilities and opportunities for on-the-job training, such as apprenticeships, are few. In addition, few prospective hospitality industry staff have any experience of being a tourist, so visitor empathy is lacking. The result is graduates who are not equipped for the modern workplace, lacking, for example, skills in e-commerce, social media, and current customer service expectations. As such, international hotels are resigned to the need to retrain local graduates from scratch. Conversely, many tourism enterprises have no training plan or human resources development budget allocation. Particular weaknesses are in the delivery of higher-level management training, tuition in specialized areas such as tour operation, and training in soft skills. Businesses pay a human resource levy of 5 percent of wages to the government, but there is little transparency in how the funds are distributed and utilized.

3. Product Development

Although tourist numbers are growing, there is a need to persuade visitors to spend more and stay longer. Additionally, local linkages must be strengthened to increase yield (revenue per tourist) and, thereby, reduce the islands' reliance on ever-increasing arrivals to maintain revenue flows.

Both service and retail products are often of poor quality, undiversified, limited in their capacity to generate revenue and value, and lacking in their local component. The overall art and crafts offer is similarly uninspiring, consisting largely of undifferentiated, generic paintings; imported, branded textiles; and imported curios and souvenirs. There are some notable exemptions in woodwork, textiles, jewelry, and toiletries production, for example. However, these also generally suffer from the lack of design, branding, marketing and promotion strategies that characterize the handicrafts industry as a whole.

One of Zanzibar's main attractions—its cultural sites and antiquities—has suffered from long-term neglect and poor management. Some, like the House of Wonders and the Palace Museum, have become dangerously unstable and been closed down, while others offer a very limited visitor experience in the quality of interpretative materials and exhibits and number of facilities. As a result, revenues are minimal, reinforcing the vicious cycle of underinvestment and further decline.

Picture 2. Informal businesses are under-valued and compromise the longer-term quality of the Zanzibar Experience.

The accommodation stock is highly variable in quality, and older properties are beginning to look dated. Most of the locally owned tourism facilities and services operate at lower standards, and occupancy rates are low. There have been initial efforts to implement harmonized standards to address the variability in product quality. ZCT's pilot to design and implement an East African Community standard rating system for accommodation, with plans to later apply it to restaurants and tour operators, was halted after the first year. There is currently only one qualified assessor in Zanzibar, but that person is no longer employed by the Commission. No budget has been allocated for short-term recruitment of external assessors or in-house training. Similarly, no provision has been made for monitoring and upgrading support for rated properties. In addition, communication of the scheme to ZATI and other stakeholders was lacking and, therefore, few hoteliers are aware of or understand it.

There are more than 250 (261 estimated in the 2015 Tourism Lab) tour operators in the archipelago, all offering services on an individual, unregulated, and ad hoc basis, providing inconsistent and sometimes inaccurate information to guests. Like other tourism businesses, they are not subject to quality criteria in the start-up and registration process. Those that work with outbound tour operators are subject to their terms of business, which usually include minimum operating standards, but this is not a systematic or formalized process. Although training from one of the three recognized institutions is theoretically compulsory, enforcement is weak and the courses are neither harmonized nor accredited.

While dive shops are regulated to some extent by industry bodies (mainly PADI), there are no formal standards or monitoring applicable to the plethora of boat captains offering excursions—even monitoring of registration status, let alone provisions such as public liability insurance, vessel condition, marine safety equipment, and crew competence certification.

Those crews who are trained are undercut by those who are not. Steps are beginning to be taken to reinforce the need for licensing. On March 27, 2018, the minister of tourism chaired a meeting for tour guides and boat operators, both licensed and unlicensed, in order to communicate the importance of registration, although minimum service standards and qualifications were not part of the agenda.

Food hygiene is another area that requires urgent attention. The recently established Zanzibar Bureau of Standards (ZBS) is mandated to work with the Board of Food and Drugs and other relevant authorities in regulating environmental health standards but is nonfunctional. Online travel platforms are littered with anecdotes of food poisoning and unsanitary establishments. Forodhani Gardens, one of the islands' main culinary attractions, stands out for its poor hygiene standards and dangerous practices in the preparation, storage, and handling of food. The World Bank funded Zanzibar Urban Services Project has introduced running water to the area so that at least basic hand washing is now possible.

The strength of local supply chain linkages to tourism varies among products. The volume of truly local vegetable and meat procurement is limited by Zanzibar's agroecological conditions and comparative disadvantage in many products. Larger hotels work through contracted agents on an international level, and/or wholesalers at the major urban markets, which sell predominantly "imported" goods from mainland Tanzania. However, some vegetables, such as tomatoes, are now supplied locally in greater quantities than they were previously. Several commercial growers use drip irrigation systems to supply produce year-round.

Numerous development agency initiatives to link local producers directly with hotels have had very limited success because of poor project design (often unsustainable and not market-focused), a lack of coordination and marketing capacity, the existence of strong cartels, low productivity, seasonality, and inconsistent quality. The vast majority of unprocessed fruit products, in which Zanzibar has a comparative advantage, are sourced locally, although there is limited processing and storage capacity for out-of-season supply and value addition.

Agritourism product development (for instance spice tours and seaweed farm visits), tourism supply chain strengthening (local content requirements), and improvement of the retail offer, for example, require that the relevant sectors have their own strategic plans and development strategies. Otherwise, convergence with agriculture, fisheries, arts and crafts, light manufacturing, and retail sectors (and subsectors) will remain ad hoc and uncoordinated, and an opportunity to formalize complementary development gains across Zanzibar's economy from tourism-sector growth will be lost. Regardless of tourism linkages, subsectors such as spices and seaweed would benefit greatly from strategy development in their own right, but this is a timely window in which to reboot the other key economic activities in the islands.

The Zanzibar Vegetable Producer's Association, UWAMWIMA, is the main horticultural organization. The association promotes organic production techniques but has been unable to exploit the growing niche demand for "safe" produce, an important consideration with the millennial segment and other health- and environmentally conscious travelers. The group has been supported by five different NGOs but attempts to supply the hospitality industry have failed. The initiative was seen more as a service to member growers than a business venture. There was insufficient capital to honor commitments to purchase members' produce (for onward sale to hotels and restaurants), and buyers' business terms commonly include payment 40 days after delivery. In addition, hotels changed ownership without honoring existing debts. Some producers experienced heavy losses and lost trust in UWAMWIMA as a result.

Unsurprisingly, most fish are supplied from the archipelago, although some frozen products are imported in order to guarantee supply. This is likely to be a growing trend—the inshore fishery has long been depleted, and the pelagic resource is exploited by large-scale international operations, most notably from Taiwan, Spain, France, and the Seychelles, which have been issued fishing licenses.

Zanzibar's most famous agritourism product, the spice tour, is another example of weak local linkages and poor product development. The solution is not straightforward given the nature of the spice subsector itself, which is in long-term decline. Indeed, many spice products are now imported from the mainland, the Comoros, and Asia. The so-called spice farms that guides take visitors to are often small patches of land planted with a selection of spice plants by opportunistic entrepreneurs. The spice products sold to visitors at these locations, by mobile hawkers and in shops throughout the islands, are poorly presented and packaged. Until there is a spice sector strategy, with provision for some kind of growers' association, it will be challenging to make meaningful improvements to the spice tour products that maximize local benefits.

Similarly, seaweed—now Zanzibar's third-highest export—also lacks a sector strategy, and, as a result, no formal steps have been taken to develop tourism to production areas despite the obvious potential. Daily fish auctions are held at landing sites and markets all over the islands but are seldom visited by tourists.

A private sector–led Gourmet Festival has been held for the past two years and may have the potential to become a positive new model for expansion to arts and crafts, for example. Existing cultural and natural tourism enterprises also offer examples of best practices, but most are constrained by a lack of the business skills required for successful planning, capitalization, value addition, and expansion. There are few, if any, incubator-type facilitators, and other business development services are weak or absent outside donor-funded programs, which often have questionable market orientation and sustainability. Access to finance from banks and investors remains a constraint for microenterprises, with the Zanzibar Investment Promotion Agency (ZIPA) requiring locals to invest a minimum of $300,000.

4. Standards and Legal and Regulatory Environment

The business-licensing process is convoluted and confusing, with fees to be paid for permits from as many as 10 separate authorities, and the Zanzibar Licensing Authority currently regulates in name only.

In terms of taxation, taxes applied to accommodation businesses include the value-added tax, room levy, corporate tax, infrastructure tax, training levy, and restaurant levy, where applicable. Some stakeholders claim to make post tax losses while others complain about the perceived unfairness of tax breaks for investors. Some expatriate employees have avoided income taxation by declaring meager salaries, and the GoZ has no salary modeling capabilities with which to assess immigration declarations. There is a strong perception among the sector's stakeholders that there are considerable leakages through transfer pricing and package tourism, which sends minimal funds to Zanzibar. This can sometimes occur to the extent that debts accrue with suppliers, who change regularly, and the debts are left unpaid.

The competent authorities do not have the capacity to generate the data required to evaluate the present taxation regime on a cost-benefit basis. Would a lower tax burden stimulate industry growth and, therefore, drive increased revenues, or would this deprive the GoZ of income? Would, for example, lower room rates improve Zanzibar's competitiveness and drive up occupancy rates? No such analysis has been performed or is planned. Hotels are incentivized to under-declare room occupancy in order to minimize tax liabilities, so these data are highly unreliable. ZATI has long advocated for a reexamination of members' liability for both the value-added tax and the bed levy, which both tax the same thing.

5. Data collection and Analysis

Tourism Satellite Accounts (TSAs) provide an internationally recognized and standardized method of assessing the scale of tourism-related production and its links across different sectors. Tourism's economic contribution to Zanzibar's economy is a critical planning and funding-allocation tool for policy makers. Overall, the derived accounts will analyze in detail all aspects of demand for goods and services that may be associated with tourism within the economy, monitored the operational interface of the supply of such goods and services within the economy of Zanzibar. The general objective of this work is to establish the direct economic contribution of tourism through estimates of tourism demand and tourism supply; assessments of value-added by tourism activities in the economy; assess the level of employment generated by tourism activities; measure the gross fixed capital formation by the sector; and measure the collective consumption of tourism services by the government. This will require gathering of data on tourism consumption, domestic supply and imports and constructing detailed production accounts of the tourism industries, including linkages with other productive economic activities.

In addition, the various GoZ institutions collect different kinds of data in an uncoordinated manner. Immigration arrivals declarations do not allow for visitors' changing plans or staying in multiple properties, and the costs and bureaucracy involved with business visa applications encourage false statements of purpose. No Zanzibar-specific exit survey is performed; the only available data are an adjunct to the annual Tanzanian national survey. There is also no institutional capacity for tourism satellite accounting and, therefore, this important economic planning tool is absent.

The result of these information gaps is a very weak and incomplete picture of visitor market composition, expenditure, preferences, behavior, occupancy, and revenue, making it difficult or impossible to confidently plan and monitor marketing, promotion, destination planning, and taxation strategies (even if, in the cases of marketing, promotion, and planning, institutions existed to do so).

This data underpins all planning and investment in the tourism sector.

6. Improved Safety and Security

There are also growing visitor security concerns, particularly in the East Coast resorts of Kiwengwa, Paje, and Jambiani. A task force of police, ZCT, immigration, and private sector actors had some success with a pilot operation in Nungwi, but flaws in the planning process led to concerns over transparency and clarity in the utilization of funds by the businesses contributing them, and the initiative ended.

Few, if any, sanctions are made on a systematic basis against illegal tour operators, unlicensed vendors, and the touts and hawkers referred to locally as "beach boys" or "mapapasi." Previously, various incarnations of a task force had bases in different parts of Zanzibar, with tourism patrol enforcement officers. When the number of businesses expanded, "Tourism Police" were introduced, but these are often not evident at the main tourist sites. Online review platforms contain accounts of Tourist Police officers showing disinterest in recording and investigating harassment and crime and even of officers taking the side of the perpetrators and attempting to take action against the victims, suggesting a need for stronger supervision, training, and disciplinary procedures. That said, budgetary constraints limit the number of officers available.

7. Marketing and Promotion

The ongoing absence of a delivery and implementation unit in ZCT that was, as the result of previous work, mandated to take on key strategic tourism development functions means that none of the following are present:

- Overall marketing, branding, and promotion strategy for local, national, or international markets

- Coherent Zanzibar branding and messaging that is coordinated with Tanzania as a unique destination in the same country
- Market research function, capable of gathering intelligence on segmented markets to inform product identification, enhancement, development, differentiation, and promotion
- M&E function to benchmark destination performance against Zanzibar’s competitors
- Understanding and use of modern marketing, sales, and promotion channels relevant to key market segments
- Guidance to enterprises on unified and effective branding, such as the regulations by Mauritius on their branding and on national branding to ensure quality and consistency
- Zanzibar-specific expenditure data to inform revenue planning and product development
- Briefing of Tanzania’s commercial attachés, who are not systematically briefed in tourism issues and do not necessarily have sufficient knowledge of the sector
- Mapping and inventory of cultural and natural assets

Action Tables

(i) Table 6. Integrated Planning and Coordination

Strategy 1.1	Action	Responsible	Timescale	Cost
Reform ZCT and enact the necessary legislation to transfer the appropriate authority and responsibilities to a Tourism for All implementation and delivery unit The delivery unit will be responsible for; • Research, statistics (harmonized across relevant government departments), and market intelligence • Marketing, promotion, branding, and communications • Product and asset mapping • M&E Without these key capacities and activities, improvements around market responsiveness and tailored product diversification, as well as fiscal planning, for instance, are impossible.	High-level, interministerial APEX body established to identify necessary policy and legal action changes; working group established and action plan developed	MoFP, MoANRLF, MoCICT, MoICTS, MoLWEE, MoTIM, ZCT	6 months	$100,000
	Legislative changes (for example, by-laws) necessary for establishment of delivery and implementation units	MoFP, MoANRLF, MoCICT, MoICTS, MoLWEE, MoTIM, ZCT	6 months	$150,000
	Technical, human resources, and financial needs assessment and strategic business planning	Consultant to support	6 months	$50,000
	Identification and allocation of budgets	MoFP, MoANRLF, MoCICT, MoICTS, MoLWEE, MoTIM, ZCT	As above	With above
	Establishment of delivery and implementation unit(s) covering the key work areas listed above	MoFP, MoANRLF, MoCICT, MoICTS, MoLWEE, MoTIM, ZCT	3 months	$50,000
	Staff recruitment and training	Consultants	6 months	$200,000
	Establishment of workstreams, including market research; revision and implementation of the 2010 ZATI branding, marketing, and promotion strategy; asset mapping (see also Strategy 4.7); product development (see also Strategy 3.1); statistical	MoFP, MoANRLF, MoCICT, MoICTS, MoLWEE, MoTIM, ZCT	12 months	$250,000

	and analytical services; M&E			
	Annual review and business planning	MoFP, MoCICT, MoICTS, MoLWEE, MoTIM, ZCT	Quarterly with annual reporting	Minimal
Strategy 1.2	Action	Responsible	Timescale	Cost
Introduce an interim port and traffic management plan	Stakeholder consultations and negotiations; establishment of working group/steering committee and allocation of resources	Bakhresa Group (Azam Marine, Kilimanjaro Fast Ferries Ltd.), ZMA, ZPC, ZMC, STCDA, MoFP, MoICTS, Commissioner of Immigration (Tanzania Department of Immigration Services, Ministry of Home Affairs)	6 months	$150,000
	Technical assessment	As above with technical consultant(s)	6 months	$50,000
	Management planning on interim port arrangements and traffic scheme	Bakhresa Group, ZMA, ZPC, ZMC, STCDA, MoFP, MoICTS, Commissioner of Immigration, technical consultant(s)	6 months	$60,000
	Implementation of interim port upgrade and traffic scheme		TBD – determined by scope of intervention	
	Contract completion and tendering process for new hub port	MoFP, ZPC, ZMC, STCDA, Commissioner of Immigration, contractors		
	Construction of new hub port and allied infrastructure			
Strategy 1.3	Action	Responsible	Timescale	Cost
Accelerate interim airport improvements This strategy addresses the poor visitor experience at ZIA—with immigration, baggage handling, transport, passenger flow, retail, and other areas—and ensures that planning	Stakeholder forum; establishment of working group(s); production of action plan and allocation of resources	Commissioner of Immigration Services (Tanzania Department of Immigration Services, Ministry of Home Affairs), ZAA, MoCICT	6 months	$20,000
	Procurement and contracting	MoFP, ZAA, MoCICT, contractors	6 months	$20,000

for Pemba's new facility includes surrounding infrastructure that can support the projected visitor numbers. With the new terminal at ZIA optimistically predicted to be finished by late 2019 and Pemba's new facility only at the feasibility study stage (and discussions in progress with the African Development Bank), there is a need to fast-track interim measures.	Construction/renovation/extension/refurbishment works		24 months	TBD by consultant reports
	Training for visitor-facing staff (for example, immigration officials, bus drivers, baggage handlers, and lost-luggage staff)	ZATI, ZAA, MoCICT, technical consultants as appropriate	12 months	$20,000
Strategy 1.4	Action	Responsible Agencies	Timescale	Cost
Improve solid waste management and minimize waste generation by tourism stakeholders To execute an optimal and cost-effective SWM system (collection, transport, disposal) in these districts, further consultations and cooperation take place with the SWM strategy project team, the tourist sector, the main local and district government stakeholders, and ZEMA/Department of Environment (DoE) as monitoring agencies.	Establish platform for further consultations/ discussions between tourist sector and SWM strategy team/ZEMA, local government authorities; determine (main) scope and issues to be discussed.	ZEMA/DoE, ZATI-ZATO Local/district authorities World Bank/Zanzibar Urban Services Project SWM strategy team	June 2018—present (ongoing)	Meeting costs (by Zanzibar Urban Services Project/SWM project)
	Execute rapid survey for better understanding of waste generation data, including number of total tourist days, waste generation per tourist day, plastic/organic component, and solid waste generation forecasts (10–20 annually)	Hotels/ZATI, SWM project team	June/July 2019	To be determined Desk survey, or by students, (transport costs) Estimated $150,000
	Reviewing/recommendations for relevant SWM legislation (including. licensing conditions) and proper fines/enforcement	ZEMA/DoE SWM project team ZITA/ZATO	July/August 2020	$120,000
	Agreement on a joint/integrated SWM approach between local government	Tourist sector/hotels (ZATI/ZATO) Local/district authorities	August/September 2020	Meeting costs (Zanzibar Urban

	authorities/ZEMA and hotel sector/ZATI-ZATO (for joint/integrated waste collection system)			Services Project/SWM project)
	Estimated investment/ operational cost for joint/integrated SWM collection system (including disposal at Kibele landfill)	SWM project team Local/district authorities ZATI/ZATO	August/September 2019	Investments in: Collection and separation equipment (bins, containers), Transport (trucks) Tender prep: $40,000
	Discussions about cost covering tariffs and possible forms of private sector involvement	SWM project team Local/district authorities ZATI/ZATO	July/August 2020	Meeting costs $20,000
	Cooperation agreements with local governments/ SWM strategy implementation	,, ,,	September 2019	Meeting costs

(ii) Table 7. Human Resource Development

Strategy 2.1	Action	Agencies Responsible	Timescale	Cost
Develop a tourism-specific human resources strategy for Zanzibar This strategy should address the following issues: • Recruitment schemes and agencies • Gender-, age-, and location-specific employment targets • Long-term harmonization of tourism curricula with industry demands and relevance to trends (also see strategies 1.2 and 1.3) • Standards on compliance (also see strategy 1.4) • Future development and use of the Skills Development Levy • Promotion of tourism as a career path for Zanzibaris	Stakeholder forum and establishment of subject-area working groups; allocation of resources	MoEVT, CoL, CoIS, MoICTS, MoFP, ZATI, ZATOGA, ZATO, ZCT, HURAU	3 months	Minimal
	Research on women's participation (or lack of) in the tourism industry commissioned and performed, possibly to include agriculture and fisheries in order to leverage the same economies of scale as the youth participation study	CoL, MoICTS (possibly also MoANRLF), researchers	6 months	T Sh 15 million (for three sectors, per the youth study) - $20,000
	Strategy production process	MoEVT, CoL, MoICTS, MoFP, ZCT, ZATI, ZATOGA, ZATO, HURAU	12 Months	$250,000
	M&E strategy design and research/analysis capacity building	MoEVT, CoL, possibly technical consultants	6 months	$80,000
Strategy 2.2	**Action**	**Responsible**	**Timescale**	**Cost**
Tailor curricula to skills market requirements	General stakeholder forum to build consensus for change and finalize action plan and formation of pilot steering committee for curriculum	MoEVT, CoL, ZATI, ZATO, VTA, school representatives, MoFP	3–6 months	$20,000

	review; allocation of resources			
	Needs assessment for matching employer and training requirements (in tourism and other sectors) with school curricula		6 months	$50,000
	Curriculum content and implementation review		6 months	$50,000
	Replacement of pilot committee with permanent steering group	Selected members of review team	Quarterly meetings	Minimal
	Establish working group to identify specific practical skills gaps to be addressed; resources allocated	ZATI, ILO, MoEVT, TVET institutions, ZATI, ZATO, MoICTS, MoFP, VTA, German Vocational Training Partnership	3 months	Minimal
	Match skills gaps with willing professionals and tourism businesses, working with ZATI-ILO and German Vocational Training Partnership programs to leverage synergies		3 months	$30,000
	Provide industry professionals with training for trainers	ZATI, VTA, TVET institutions, technical consultant(s) as appropriate	6 months	$60,000
	Revise curricula to include enhanced practical component and implement improved training scheme, including guest lecturers and work placements		6 months (simultaneous with training for trainers)	$150,000
	Evaluate training and revise accordingly for each graduating cohort		End of each training period	Minimal
Strategy 2.3	Action	Responsible	Timescale	Cost
Harmonize accreditation and registration of TVET	Meetings and dialogues to establish country wide consensus and harmonization protocols	MoEVT and mainland counterparts, NACTE, VTA, Tanzania Commission for	3 months	$20,000

	Establishment of working group and budget lines	Universities, Hotel Association of Tanzania, ZATI, MoFP		
	Assessment of VTA organizational structure and human resources capacity to produce needs assessment	MoEVT, VTA, NACTE	3 months	$30,000
	Streamlining and harmonization of VTA and NACTE policies and organizational structure		6 months	$100,000
	Training of VTA staff by NACTE according to needs assessment		6 months	$30,000
	Inventory of TVET institutions and creation of contact database for human resources managers	VTA, TVET institutions	3 months (simultaneous with assessment of organizational structure)	$40,000
	VTA develops support packages for TVET institutions, including a workshop that would last one or two weeks, to encourage registration and support upgrading (paid for by fees)		3 months	$40,000
	MoEVT creates by-law to permit accreditation	MoEVT	3 months following streamlining and harmonization of VTA and NACTE policies and organizational structure	$40,000

The World Bank is already supporting policy change in the education sector through a project with the State University of Zanzibar in which higher primary art teachers are being retrained in science to address the gap in this area of the curriculum. The tourism dimensions to this work should be considered.

The 2006 Education Policy has a specific provision for reform of prevocational training, and there is a panel of subject specialists within the Ministry of Education. However, teachers are not skilled in the delivery of the improved curriculum, and vocational training is still viewed as the default second-best destination for school leavers. Delivery is also hampered by a lack of resources that results in poor facilities and class sizes of up to 140 students.

This delivery approach is viewed by stakeholders as a longer-term complementary strategy to the interim measures in table 3 below and should seek to build tourism-relevant content into all subject areas, in addition to building the practical and basic skills foundation of Zanzibar's primary and secondary education graduates. Although a long, complicated policy review should be avoided as much as possible, school curricula are in need of revision if they are going to better equip students for the next stage of their training journey.

This strategy complements those above and below as a short-term, interim measure to improve the relevance and quality of vocational tourism training by focusing on addressing the weak practical element of current syllabi. It feeds into the scheme to upgrade vocational training in the archipelago and harmonizes training nationwide (1.4 below), and it will draw on the needs assessment of employer requirements (1.1 above). The ZATI–International Labour Organization (ILO) apprenticeship program has already identified individuals within the private sector to share their experience with trainees, and companies to host student placements have been identified.

In 2013, the United Nations Educational, Scientific and Cultural Organisation (UNESCO) reviewed Zanzibar's technical and vocational education and training (TVET) policy and noted the following issue:

> "TVET provision in the territory is dependent on a divergent set of subsystems rather than a single unified and uniform TVET system. These branches are differentiated in terms of the level of formality, the articulation between the education provided and the world of work, and the characteristics of the target group. A broad selection of providers deliver nonformal training programs to young people and adults, ranging from public alternative education centers, through private providers, NGOs and small businesses offering informal apprenticeships, to community-based learning. Although similar models exist in many countries, the key issue in Zanzibar lies in the absence of a clear overarching TVET sector approach and the lack of articulation between the various parts of the system under a single institutional framework."

The VTA requires support to not only increase the scope of its registration and monitoring activities but also build its capacity so that it can operate as the archipelago's arm of NACTE, being capable of providing advice and training to TVET institutions and accrediting them.

(iii) Table 8. Product Development

Strategy 3.1	Action	Responsible	Timescale	Cost
Product Development and Diversification Strategies	Multisectoral stakeholder workshop(s) for coordination and examination of cross-cutting issues, hosted by MoICTS and MoFP; allocation of resources	APEX body and Delvery Unit, NGOs such as UWAMWIMA and the Zanzibar Association for Farmer and Fisher Development, private sector representatives, technical consultant(s) as appropriate	12 months	$150,000
	Strategic planning exercises in priority sectors and subsectors		6 months	$150,000
	Establishment of cross-sectoral working group to regularly examine linkages and opportunities for synergy and convergence		Quarterly following initial meetings	Minimal
Strategy 3.1a	**Action**	**Responsible**	**Timescale**	**Cost**
Develop a business-development services market in Zanzibar In order to convert small-scale, localized successes in tourism-related enterprise development into more impactful economic drivers, the gap in basic business skills needs to be	Resources identified and allocated	ZNCCIA, MoFP	3 months	$10,000
	Business development services inventory/market system analysis performed, and sector strategy and intervention guide produced	World Bank, MoFP, MoTIM, MoANRLF, ZNCCIA, technical consultants	6 months	$50,000
	Business development services market development program commissioning and implementation following international best practice (for example, M4P approach) to address systemic issues with pilot projects and form		3 years	$200,000

addressed through sustainable private sector provision of business development services.	explicit strategies for scaling-up and crowding in			
	M&E; reduce support as appropriate and exit		5 years, beginning at inception of program	$20,000
Strategy 3.2	**Action**	**Responsible Agencies**	**Timescale**	**Cost**
Develop PPPs for Cultural Heritage assets Successful community-based management models for natural assets in Pete and Jozani could be applied to cultural heritage sites and other natural resources to release revenues directly back into maintenance, preservation, and improved value addition. The RGZ would retain ownership of assets (and the right to revoke management privileges if agreed-upon management regimes were not implemented) but local	Stakeholder forum and establishment of working/steering group(s)	STCDA, MoFP, MoICTS, MRALGSD, DMA, DNA, MoLWEE, MoANRLF	3 months	$30,000
	Inventory of cultural and natural sites eligible for decentralized management		3 months	$30,000
	Production and dissemination of case studies of existing positive models, including, for example, community-run schemes in Pete and Jozani		6 months	$60,000
	Design of application process and criteria for private sector and community-based organizations to open concessions or take over management and revenue generation responsibilities, respectively		12months	$200,000
	Appropriate policy and legal reform to allow decentralized management and revenue collection, or creation of a		6 months	$60,000

communities and businesses would be given first refusal to develop these attractions, with appropriate capacity building support. PPPs for improvement of facilities and revenue sources at attractions—for example, cafes, bars, restaurants, galleries, shops, and museums—would generate rental and tax income for the GoZ while improving the tourism product.	mechanism to develop memorandums of understanding between GoZ and applicants in order to avoid the need for such reform			
	Call for proposals and business plans for pilot initiatives and selection of strongest bids using clear and transparent criteria		6 months	$20,000
	Implementation and evaluation of pilots		3 months	$250,000
	Open call for proposals and implementation of successful bids with mentoring from working/steering group based on ongoing learning		3 months	Meeting costs
	Ongoing monitoring and support for continuous improvement		Biannual	Meeting costs

(iv) Table 9. Standards and Regulation

Strategy 4.1	Action	Responsible Agencies	Timescale	Cost
Reform and simplify licensing and integrate a rating/classification system for all businesses (accommodation, restaurants, tour operators) with allocated budget lines to the inspectorate, and for monitoring and upgrading	Stakeholder forum and establishment of working group(s); recruitment of technical advisors as appropriate	MoFP, ZIPA, ZRB, ZCT, ZATI, ZBS, MoH, ZFDB, consultants	6 months	$100,000
	Establishment of a one-stop shop for license applications, with capability to provide applicants with a plan (road map)	MoFP, ZIPA, ZRB, ZCT, ZATI, ZBS, MoH, ZFDB, consultants	12–18 months	$300,000
	Appropriate legal and policy revisions for establishment of centralized payment facility	MoFP, ZCT	6 months	$70,000
	Establishment of centralized payment facility	MoFP, ZCT	6 months	$60,000
	Needs assessment and capacity building (as necessary) for ZBS and ZFDB	MoFP, ZIPA, ZRB, ZCT, ZATI, ZBS, MoH, ZFDB, consultants	12 months	$70,000
	Development/review of classification systems for tourism components, such as accommodations, restaurants, tour operators, guides	ZCT, ZIPA, ZBS, ZFDB national and international technical experts	12 months	$120,00
	Budget identification and allocation for upgraded inspectorate and support service, such as business plan for ring-fenced funds from license fees	MoFP	3 months	Minimal
	Recruitment and training of inspectors and mentors for inspection, monitoring and mentoring of tourism businesses	ZBS, ZFDB, ZCT	12 months	$120,000
Strategy 4.2	Action	Responsible	Timescale	Cost

Reform tax legislation	Working group established to lead implementation; resources allocated	MoFP, ZRB with advice from World Bank DRM Study team	12 months	Meeting costs
	Implementation of recommended actions	MoFP, ZRB with advice from World Bank DRM Study team	24 months	Est. $100,000
Strategy 4.3	Action	Responsible	Timescale	Cost
Develop a code of conduct for visitor behavior, with sanctions for tourism companies that do not comply This strategy formalizes the current ad hoc and patchy sectoral approach toward maintaining culturally appropriate behavior among visitors. These actions aim to clarify businesses' responsibilities in encouraging visitors to behave with cultural sensitivity and make provisions for performance monitoring that allows for sanctions against organizations that repeatedly fail to meet these obligations. The code also needs to address workplace cultural policies and issues that may keep Zanzibaris, particularly women, from participating in certain roles.	Stakeholder forum and establishment of working group for costed action planning	MoICTS, MoTIM, ZCT, ZIPA, ZATI, ZATO, ZATOGA, MoFP, Zanzibar Institute of Archives and Records, MRALGSD (district and town councils), consultants	12 months	$80,000
	Development of code of conduct			
	Incorporation of code of conduct into business licensing process, such as requirements to submit cultural and client conduct policy along with implementation plan in alignment with the code	ZATI, ZIPA, ZATO, ZATOGA	3 months	$120,000
	Development of enforcement plan, with means of monitoring and verification (possibly in coordination with Security Task Force – see Strategy 4.8 below), and clear sanctions (for example, fines, revocation of license) and remedial measures for repeated infringement	MoICTS, MoTIM, ZCT, ZIPA, ZATI, ZATO, ZATOGA, MoFP, Zanzibar Institute of Archives and Records, MRALGSD (district and town councils), consultants	6 months	$150,000
	Review of policy and legislation to allow for sanctions for repeated infringement	MoTIM, MoICTS, consultant	6 months	$60,000

	Periodic progress review meetings with working group	MoICTS, MoTIM, ZCT, ZIPA, ZATI, ZATO, ZATOGA, MoFP, Zanzibar Institute of Archives and Records, MRALGSD (district and town councils)	Quarterly	Meeting costs

Ideally, all tourism-licensing functions would be moved under one roof. At the very least, an umbrella one-stop shop is required to guide applicants through the process. In addition, centralized fee collection (and redistribution to the respective competent institutions) would also greatly simplify and expedite the process, making investment easier and more attractive.

This needs to be coordinated with an upgraded, clear, transparent business classification system that has the capacity to assess and monitor business performance and support continuous improvement in elevating and harmonizing product and service quality. This system should cover food hygiene matters as well as commercial issues, which may necessitate capacity building for the ZBS and Zanzibar Food and Drugs Board.

The World Bank Domestic Resource Mobilization Study offers the RGZ the opportunity to review its revenue collection and taxation strategies and institutions. The kinds of issues identified by stakeholders include the need for a data system that tracks from point of entry to point of exit to aid in revenue assessment and forecasting, transfer pricing and the effectiveness of exemptions, and gaps in government capacities to model income, for example from expatriate salaries. Ultimately, the MoFP needs to be in the position to assess the costs and benefits of current and potential taxation strategies and gather, analyze, and interpret tourism revenue data for fiscal forecasting and policy making.

(v) Table 10. Data Collection and Analysis

Strategy 5.1	Action	Responsible	Timescale	Cost
Develop a Tourism Satellite Account for Zanzibar As a first step towards a full TSA, there will be a review of the current tourism statistic system together with mainland Tanzania	Planning meeting/forum for key stakeholders; establishment of steering group/management committee; production of action plan	ZCT, ZATI, ZATO, ZATOGA, MoFP, ZRA Tourism APEX body	3 months	$30,000
	Develop TOR for the assessment of current tourism statistics systems	Delivery unit and APEX body	1 month	Meeting costs
	Launch tender	Delivery unit and APEX body	6 months	$60,000
	Delivery of a system of tourism accounts, training of data analysts and a team within ZCT	Delivery unit and APEX body	12 months	$500,000
Strategy 5.2	**Action**	**Responsible**	**Timescale**	**Cost**
Commission carrying capacity studies for Unguja (exurban) and Stone Town and update the 2014 Pemba study With ever growing arrivals, there is an urgent need to address environmental, social, and cultural carrying capacity issues and reconsider planning implementation based on the results. The 2014 Pemba study will need updating, and the nature of Stone Town and its UNESCO World	Establish working/steering group(s) for project delivery	MoFP, MoICTS, ZMC, MRALGSD, MoLWEE, MoANRLF, MoTIM, ZCT, technical consultants (contractors)	3 months	Meeting costs
	Secure and allocate funds	MoFP, MoICTS, ZMC, MRALGSD, MoLWEE, MoANRLF, MoTIM, ZCT	2 months	Minimal
	Review 2014 Pemba study and produce terms of reference for updating work and producing the Stone Town and Unguja exurban studies	Working/steering group	6 months	$30,000
	Commission studies through tendering process	MoFP, ZCT, consultants	6 months	$20,000
	Undertake studies and validate	Contractors, working/steering group, contracting institutions	12–18 months	$400,000

Heritage conservation status and high population density, distinct from rural Unguja, implies the need for separate treatment in individual studies.	Disseminate results and feed into review of Tourism Master Plan discussed in 4.3 below	MoFP, MoICTS, ZMC, MRALGSD, MoLWEE, MoANRLF, MoTIM, ZCT	3 months	Meeting costs

(vi) Table 11. Safety and Security

Strategy 6.1	Action	Responsible	Timescale	Cost
Reintroduce Security Task Force as a PPP	Planning meeting/forum for key stakeholders; establishment of steering group/management committee; production of action plan	ZCT, police force, CoIS, ZMC, regional and district government officials, ZATI, ZATO, ZATOGA, MoFP	6 months	$60,000
	Identification and mandating of individual with responsibility in each district (Security Council) and the ZMC	MRALSGSD, ZMC	3 months	Meeting costs
	Appropriate legislation enacted to reinstate Security Task Force	ZCT, police force, CoIS, ZMC, regional and district government officials, ZATI, ZATO, ZATOGA, MRALSGSD, MoFP, consultants	6 months	$60,000
	Identification and allocation of funding, with clarity and transparency over the collection and use of private sector contributions	MoFP	3 months	Meeting costs
	Recruitment and training of patrol officers	ZCT, police force, CoIS, ZMC, regional and district government officials, ZATI, ZATO, ZATOGA, MRALSGSD, MoFP	12 months	$60,000
	Establishment of pilots in Paje, Jambiani, and Kiwengwa	ZCT, police force, CoIS, ZMC, regional and district government officials, ZATI, ZATO, ZATOGA, MRALSGSD, MoFP	12 months	$150,000
	Evaluation of pilots and scaling up with amendments according to lessons learned	ZCT, police force, CoIS, ZMC, regional and district government officials, ZATI, ZATO, ZATOGA, MRALSGSD, MoFP	3 months	$50,000
	Steering group/management committee meetings	MoFP	Quarterly	Meeting costs

(vii) Table 12. Marketing, Branding and Promotion

Strategy 7.1	Action	Responsible	Timescale	Cost
Develop the *Zanzibar Experience* brand	Planning meeting/forum for key stakeholders; establishment of steering group/management committee; production of action plan	ZCT, ZATI, ZATO, ZATOGA, MoFP, Tourism APEX body	3 months	$130,000
	Develop TOR for International branding and marketing agency	Delivery unit and APEX body	1 months	Meeting costs
	Launch tender	Delivery unit and APEX body	6 months	$60,000
	Branding strategy delivery, marketing strategy and market positioning	Delivery unit and APEX body	12 months	$1,300,000

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