



## Tourism Development and Associated Industries and Services in Mozambique

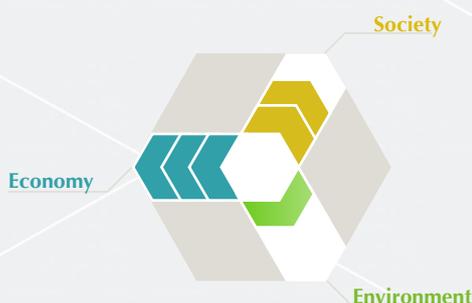
### Context

The districts of Ilha de Mozambique and Mossuril are considered to be of strategic importance for the development of the tourism industry in the Northern region of Mozambique and the creation of economic opportunities. Private sector is still weakly developed and youth unemployment very high. Economic growth has been accelerating and there is an increasing demand for improvement of the business and investment environment.

### Strategy

Ilha de Mozambique, the former capital of Mozambique and UNESCO world heritage site holds a great potential for tourism development and associated industries and services. Mossuril is a neighbouring district characterized by largely subsistent agriculture and informal operations but with potential to supply a tourism led growth. The government views tourism is one of the priority sectors to develop the local economy, and wants to promote human resource development and entrepreneurship in the two districts. Development of economic opportunities requires entrepreneurial people who can identify opportunities and turn them into profitable businesses, a local government that is able to encourage the emergence of entrepreneurial initiatives with effective, efficient and transparent administrative services. The emerging private sector should develop the capability to ensure the provision of good quality services and products.

The project has been assisting the provincial and district authorities since 2010 in setting up a district one-stop shops to improve the local business and investment environment. Based on an enterprise survey and in consultation with the various government department, a solution to unite services needed to start a business was developed and staff was trained to provide quality service. Mozambique has already an established network of provincial one-stop-shops to facilitate licensing and is now further pushing the decentralization of administrative services to the district level. The project has also supported local business associations as well as youth to acquire technical and entrepreneurial skills.



### Results:

- ◆ A one stop show started operations in the districts in August 2012, providing a complete set of services needed for the formalization of an economic activity. Instead of travelling 180 km to the provincial capital and deal with six different government offices, business people can now obtain business licenses, pay taxes and social security duties, register enterprise names and employees directly in one single office in their district. This is a significant improvement especially for local entrepreneurs as it helps reduce their costs and eases procedures to formalize businesses.
- ◆ More than 1,500 students are taking entrepreneurship subject in schools, taught by 41 trained teachers in a practice oriented approach. Specially developed modules help students to increase their technical absorbing capacity. Young people thus develop competences to identify and implement business opportunities in their communities, save, innovate, invest and to grow, or to better integrate themselves as employees.
- ◆ Local business owners improved their services, productivity, quality and profitability; local investment increased with loans or own funding. Customized training programmes were developed based on the specific sector needs, addressing technical and managerial problems.

### At a Glance

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| GOAL:     | Promotion rural entrepreneurship                               |
| THEME:    | Poverty reduction through productive activities                |
| DONORS:   | Portugal   |
| PARTNERS: | Province and district authorities, private sector associations |
| BUDGET:   | US\$ 999,485   |
| STATUS:   | Ongoing  |
| DURATION: | 2010 – 2013  |