

TANZANIA UN TRADE CLUSTER PROGRAMME

HIGHLIGHTS FROM TANZANIA

Opening tourism sector opportunities
for Tanzanian food products and skills



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The SECO-UN Trade Cluster Project in Tanzania, officially titled “Market Value Chains Relating to Horticultural Products for Responsible Tourism Market Access”, is an innovative project anchored in the Ministry of Industry, Trade and Investment of the United Republic of Tanzania. The project is improving livelihoods by strengthening Responsible Tourism practices of sourcing high-quality products and skilled labour locally and has positive results to share. As part of the *UN Delivering as One*, the project involves five UN agencies - UNCTAD, ITC, UNIDO, ILO and UNOPS - combining their strengths to support Tanzanian counterparts. The project is funded by the Government of Switzerland's State Secretariat for Economic Affairs (SECO). UNOPS is the Trust Fund Manager and provides coordination.



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Chef of Karibu Heritage
Hotel in Arusha, and eager
user of project-supported
Tanzanian products



INTRODUCTION

The SECO-UN Trade Cluster Project in Tanzania, officially titled “Market Value Chains Relating to Horticultural Products for Responsible Tourism Market Access”, is an innovative project anchored in the Ministry of Industry, Trade and Investment of the United Republic of Tanzania. The project is improving livelihoods by strengthening Responsible Tourism practices of sourcing high-quality products and skilled labour locally and has positive results to share. As part of the *UN Delivering as One*, the project involves five UN agencies - UNCTAD, ITC, UNIDO, ILO and UNOPS - combining their strengths to support Tanzanian counterparts. The project is funded by the Government of Switzerland's State Secretariat for Economic Affairs (SECO). UNOPS is the Trust Fund Manager and provides coordination.

Not all countries benefit equally from the WTO trade opening. Therefore, back in 2005 the WTO launched the “Aid for Trade” initiative with the objective to support developing countries, in particular the least developed (LDC), to build the trade capacity and infrastructure they need to better benefit from trade opening. Switzerland as a strong trading nation, understood the “Aid for Trade” initiative as a great opportunity for contributing to better integrate LDCs into the global trade architecture. Together with SECO's strategic LDC implementing partners (mainly UN System) and mobilizing the expertise available in the trade hub Geneva, SECO set up a tailor-made trade development program for LDCs, the UN-Trade Cluster Program. The partner for implementing the UN Trade cluster country projects is the Inter-Agency Cluster on Trade and Productive Capacity (UNCTAD, UNIDO, ITC, ILO - and

UNOPS as the Trust Fund Manager), launched in 2007 by the UN-System to strengthen the “Delivering as One” UN-wide reform process.

This document was prepared by UNOPS with the assistance of UNCTAD, ITC, UNIDO, ILO, SECO and the Tanzanian Ministry for Industry, Trade and Investment. Contractual services were provided by Phoenix Design Aid. Views expressed

do not represent the Governments of Switzerland or the United Republic of Tanzania. For further information please contact project coordinator Mr. Peter Donelan at peterd@unops.org.

“Today, Tanzania is experiencing stable growth and signs of gradual economic transformation, recording an overall 7% rate of growth over the past decade. However, dilemmas remain in terms of translating growth into poverty reduction for the majority. The UN Development Assistance Plan (UNDAP II) 2016-2021 shares the same aims as the Government of Tanzania's Five Year Development Plan (FYDP II 2016-2021), to prioritise inclusive economic growth whilst promoting social well-being and good governance for all citizens. Along the initiatives developed within the UNDAP II, the Joint Programme financed by the SECO (Switzerland) to support the UN Trade Cluster project in Tanzania is one of the most valuable illustrations of how the UN family can leverage agencies' comparative advantages to add value, deliver as one and improve the livelihoods of Tanzanians.

Alvaro Rodriguez,
UN Resident Coordinator



“The Ministry of Industry, Trade and Investment recognises that improved market access is a central driver of growth. The potential market in the hospitality industry, which sees Tanzania annually host over a million tourists from all over the world, is crucial for building productive capacity in our country. Therefore, the Government of The United Republic of Tanzania strongly encourages initiatives such as the one under this SECO UN Trade Cluster project, which seeks to help producers and processors meet buyers' needs for quality and standards. Through working together as one, we can achieve this goal and make hospitality proud and active in sourcing products locally.

Prof. Adolf F. Mkenda, Permanent Secretary (Trade and Investment),
Ministry of Industry, Trade and Investment.



BACKGROUND

In 2015, more than a million tourists came to Tanzania, contributing directly and indirectly nearly 12% of GDP. This represents a doubling of visitor numbers compared with 10 years ago. Tourism is also now the largest export services sector in Tanzania and a crucial foreign exchange earner for the country. (World Travel and Tourism Council (WTTC) Tanzania Economic Impact Report 2016).

The industry supported directly 467,000 jobs in 2015 and through backward linkages this figure rises to 1,337,000 (WTTC and Ministry of Natural Resources and Tourism (MNRT) statistics). The World Bank's recent Diagnostic Trade Integration Study (DTIS) recognises that there are opportunities for Tanzanians to benefit more from accessing the tourism market, and for the tourism sector in Tanzania to be more competitive when com-

pared with neighbouring countries. A business linkage event under this project noted that while only 60% of produce sold to the tourism industry is being sourced locally, in Kenya and South Africa more than 90% of produce is locally sourced. And yet, 22% of all tourism spending in Tanzania is for food and beverages.

This Project has been supporting a Responsible Tourism agenda of sourcing high-quality local produce and skilled labour, and addressing industry-wide bottlenecks in these areas all across the supply chain. This Brochure showcases some of the key results of the project to date.



BENEFITS OF RESPONSIBLE TOURISM

- Minimises negative economic, environmental and social impacts.
- Generates greater economic benefits for local people and enhances the well-being of host communities.
- Improves working conditions and access to the industry.
- Involves local people in decisions that affect their lives and life chances.
- More local linkages equals more opportunities to boost the local economy.



Products from beneficiary enterprise "Masasi Food"

Ministry of Industry, Trade and Investment (MITI)

MITI's vision is the development of a competitive industrial base that supports inclusive and sustainable economic growth. Its work is central to the achievement of the Government current five-year development plan and its Trade Sector Development Programme includes priority areas such as standards, horticulture and tourism. It was with this in mind that the SECO funded UN Trade Cluster support worked with the Ministry and national partners to design the project in 2013. The project's official title is: *Market Value Chains Relating to Horticultural Products for Responsible Tourism Market Access*. It began in 2014 with approximately USD 3.5 million and is anchored in the Ministry's Aid for Trade internal review and approval mechanism as supported by the WTO Enhanced Integrated Framework process.

State Secretariat for Economic Affairs (SECO)

SECO is the Swiss Federal Government's centre of excellence for all core issues relating to economic and labour market policy. Its Economic Cooperation and Development Division's aim is to contribute to greater international competitiveness of SMEs, sustained and increased income and more and better jobs, by creating the necessary regulatory, economic and foreign policy framework. Over recent years it has provided Aid for Trade development support to a number of beneficiary countries. It supported the foundation of the South African Responsible Tourism Organisation in Pretoria, which independently went on to support the foundation of the Tanzanian

equivalent. It has also completed a support project in the tourism sector in Laos, implemented in collaboration with the UN Inter-Agency Cluster on Trade and Productive Capacity. SECO has also been working with the same UN Cluster on this project in Tanzania since its design in 2013.

United Nations Inter-Agency Cluster on Trade and Productive Capacity (UN Trade Cluster)

The UN Trade Cluster is an inter-agency mechanism dedicated to implement trade related technical assistance together with SECO's strategic LDC partners (mainly UN System) and mobilizing the expertise available in the trade hub Geneva. The partner for implementing the UN Trade cluster country projects is the Inter-Agency Cluster on Trade and Productive Capacity (UNCTAD, UNIDO, ITC, ILO - and UNOPS as the Trust Fund Manager). The cluster was launched in 2007 by the UN-System to operationalize the implementation of the "Aid for Trade" initiative and to strengthen the "Delivering as One" UN-wide reform process in countries involved in a new UNDAF process, and United Nations Development Group (UNDG) machinery, in view of the formulation of new United Nations rules and standard mechanisms for development operations. Currently the UN Trade Cluster is financed by SECO, however, the cluster is open for other donors to finance country projects.

In partnership with SECO and the Government of Tanzania, the Cluster brings together five participating agencies involved in the Tanzanian project, namely UNCTAD, ITC, UNIDO, ILO and UNOPS, the latter functioning as the Trust Fund Manager. The work

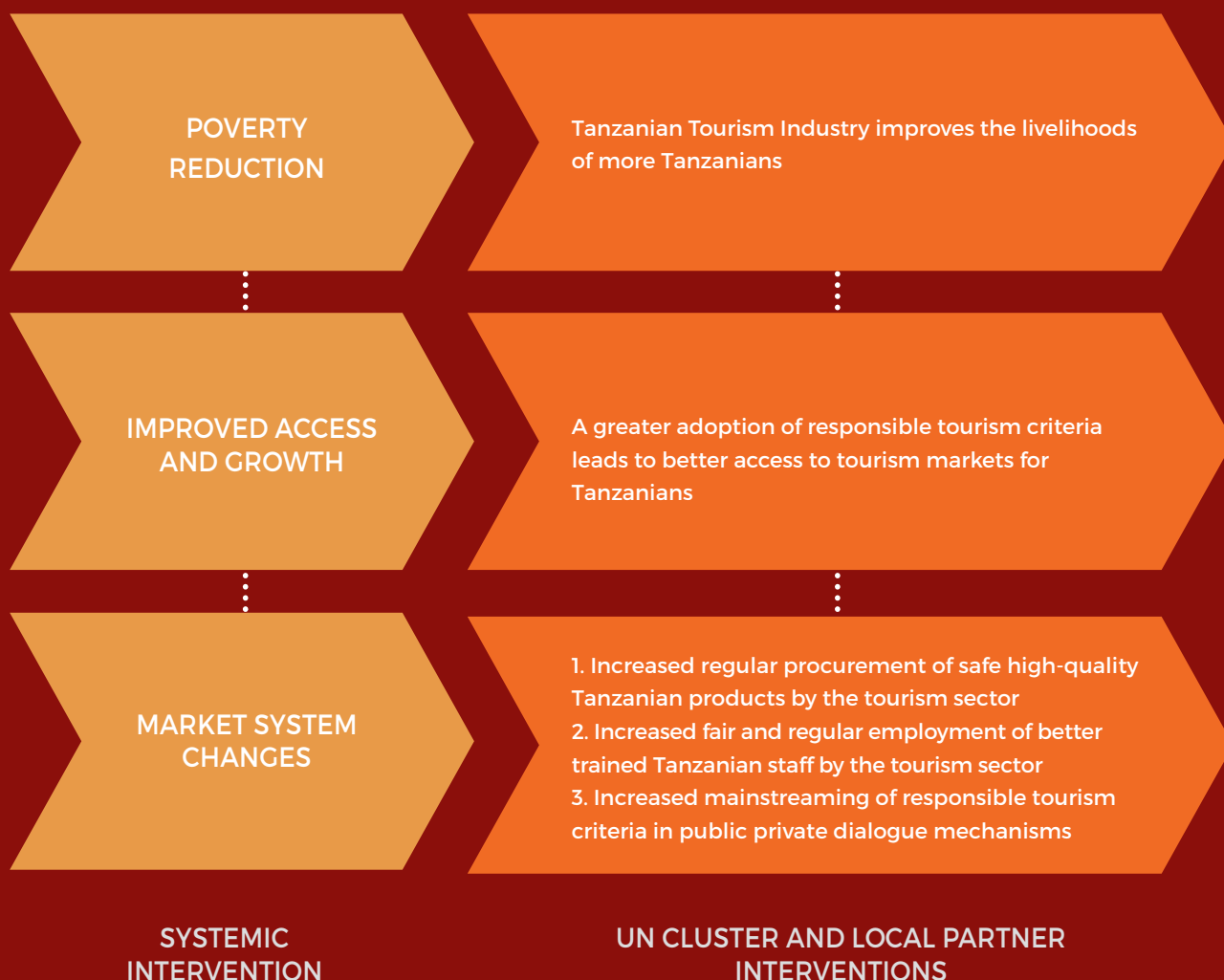
of each UN agency is also part of the wider One UN support delivered to Tanzania by UN agencies, as agreed with the Government in the United Nations Development Assistance Programme (UNDAP), coordinated by the Resident Coordinator and the One UN Office in Tanzania.

PROJECT STRATEGIC FRAMEWORK

Under the umbrella of promoting Responsible Tourism in Tanzania, the Project aims at:

- Enhancing productive capacity of Tanzanian producers and processors and also the supply of high-value-added agro products.
- Facilitating lasting linkages between suppliers and hotels with the scope to include international exports.
- Increasing the quantity and quality of local tourism trainers that can adequately respond to the demands of the industry.
- Enhancing financial security of the national tourism training colleges.
- Strengthening public-private dialogue mechanisms to regularly respond to issues pertaining to Responsible Tourism in Tanzania, particularly enabling Tanzania to benefit more from the indirect export potential of the tourism industry.

Strategic framework: Goal, outcome and outputs



HIGHLIGHTS OF OUTPUTS

OUTPUT 1 - Increased regular procurement of safe high-quality Tanzanian products by the Tourism Sector

In order to achieve this key objective, UN agencies and the Government of Tanzania have been piloting a number of different approaches along the supply chain to address issues and build linkages. UNCTAD and ITC have been working downstream with farmer groups and Government agencies to increase productivity and market access, while UNIDO has been working further upstream with processors and Government agencies on upgrading SMEs competitiveness, complying with standards, developing marketing strategies and accessing different markets. Below are some key results from this Output.

UNIDO

Through successful pilot work with agro-processors, UNIDO has addressed common issues identified as market access problems to the tourism sector, and it has achieved tangible

results such as the upgrading of SMEs to improve their competitiveness, the implementation of HACCP and ISO standards, knowledge sharing and creation of linkages with the tourism sector, improvement of in-country food testing laboratories and many more. These positive results can now be used by the private sector alongside policy level decision makers to bring about systemic change in the market for the benefit of Tanzanians. Ultimately, the government and the private sector are better able to find ways to promote and continue such work, having themselves seen the opportunities and benefits arising from the pilot cases. Ways to adopt and adapt the examples set by UNIDO will be followed through in the project's next phase that will see the Tanzanian Chefs Association, the Hotel Association of Tanzania, the Tanzanian Industrial Research and Development Organisation and a new processors' association continuing the work.

One of the gaps identified by processors in the country was the lack

of high-quality food analytical services available to test the nutritional content of products. As part of the project's support to the Tanzanian Industrial and Research Development Organisation (TIRDO), UNIDO by providing crucial equipment necessary to offer the required services to the private sector. This will also represent a revenue stream for TIRDO to sustain the services. In the past, companies had to send samples to South Africa or even to Europe to have them analysed. TIRDO services available in Tanzania will be competitive and of high quality, and will further nurture a close collaborative approach between the public and private sector in Tanzania.

In the same way, with equipment provided by UNIDO, the Tanzanian Engineering and Manufacturing Design Organization (TEMDO) will upgrade local agro-food processing units by supporting layout improvement activities, ensuring conformity to safety and health standards and providing technology maintenance, particularly for the packaging industry.



UNIDO HIGHLIGHTS FROM OUTPUT 1

- 41 hotels in the country are supplied by small and medium-sized beneficiary enterprises (SMEs)
- 35 leading supermarkets supplied by beneficiary SMEs
- 100 hotels and restaurants in Tanzania and Zanzibar are listed as corporate clients of beneficiary SMEs
- 10 new contracts signed with hotels
- TZS 200 million monthly sales to food retailing supermarkets (USD 95,200)
- TZS 60 million monthly sales to hotels and restaurants (USD 28,600)
- ISO 22000 Food Safety Management Systems are implemented
- Food testing laboratories are enhanced at key Tanzanian organisations
- 120 trained managers and staff of beneficiary SMEs through coached visits and workshops

Training included market development tools such as: promotion and creation of customer loyalty; shelf-zone management at points of sales; unique sales propositions; soft skills, technical equipment and outfit for successful sales; eight steps of a sales conversation in retail and tourism and aftercare process; how to succeed in exhibitions and fairs; buyer requirements intelligence; advanced competitive intelligence; framework for sales departments; merchandise management systems; how to behave in a telephone conversation; and product promotion.



Trade Fair Corner at the jointly organised UNIDO and ITC Business Linkage Event 2015: horticulture processors and farmers presented their products and provided tasting possibilities during the workshop.

”The equipment will allow us to provide services to companies. We can now analyse the mineral and heavy metal content of samples. The private sector will pay for these services and in turn TIRDO can use the revenue to run the equipment sustainably. We are looking forward to marketing our new services.

Dr. Mihayo Musabila Maguta, Principal Research Officer, TIRDO

”The most important impacts of UNIDO’s technical support is that our team is engaging very aggressively to marketing activities, our goods are very visible in the supermarkets and we have gained a lot in sales time and largely extended coverage of client hotels and supermarkets.

Mr Dominic Ukaye, Head Marketing & Sales,
Darsh Industries Ltd

”The Company is now able to make proper marketing and sales strategies. It has generated a positive impact on the ways we conduct our marketing and sales today. Sales revenues are showing a sign of increasing, getting better day by day. We are getting more new customers.

Madam Lulu, Managing Director
Masasi Food Industries Ltd

”Given the knowledge acquired from training, our participation was more professional than it had earlier been. The sales personnel were more assertive and receptive. Comparison of sales from these current fairs participated and the past fairs attended show significant increase by 100% in sales at the fair.

Mrs Fatma Ryami, Owner & Managing Director, NatureRipe Kilimanjaro Ltd

High quality Shimadzu AAS and Auto
Sampler equipment now installed at
TIRDO



Delivery van of beneficiary enterprise “NatureRipe” in
Dar es Salaam, Tanzania



UNCTAD

UNCTAD delivered technical assistance interventions to establish and consolidate business linkages between agricultural producers, large processors and the tourism industry. This included working along the same value chain as UNIDO mentioned above.



The Monitoring Team conducted site visits to coffee farmer partners of HRNS in the Tengeru district near Arusha. In-depth interviews were conducted with direct beneficiaries.



UNCTAD HIGHLIGHTS FROM OUTPUT 1

- Entrepreneurship Training (Empretec and Farming as a Business) activities were conducted in five different areas/regions: Tanga, Usa River, Southern Highlands (Mbeya), Iringa and Njombe to suppliers of Tanga Fresh Ltd. (milk), international coffee partners assisted by the Hanns R. Neumann Stiftung – HRNS (coffee), Njombe Milk Factory – NJF, and ASAS Dairies Ltd. (milk) and Darsh Industries Ltd. (tomatoes). A total of 565 farmers received training, 18 facilitators from participating companies, HRNS, and SAGCOT were trained on-the-job on linkage-building tools and mechanisms, as well as on conducting health checks on beneficiaries.
- Customization of Farming-as-a-Business (FaaB) trainer's and participant's manuals in English and Swahili, with scenarios and practical exercises referring to the three supply chains for coffee, milk and tomatoes.
- Two reports prepared on sustainable tourism policy-related issues ("Business Climate Review- Sustainable Tourism Sector" and "Responsible Tourism and Business Linkages") were shared with the relevant stakeholders in the Government and presented at a multi-stakeholder responsible tourism awareness-raising and capacity-building workshop in December 2015. These core tourism sector documents have provided information for the World Bank Diagnostic Trade Integration Study (DTIS) and the early stages of updating of the Tanzanian Tourism Sector Master Plan.

Impact on beneficiaries

Milk suppliers

126 milk suppliers to Tanga Fresh Ltd. (Tanga) were evaluated as to their business acumen. A performance assessment carried out on this sample showed that farmers, as a result of the training, became more reliable in terms of delivery, and more attentive to quality control protocols. As an example, the gap between dry and rainy seasons, in terms of average volume of milk, has been reduced from 35,000 litres per day to 20,000 litres per day.

Table provides the results of an impact-assessment exercise conducted on the different groups of farmers, showing a remarkable positive impact on the volumes of milk supplied in the short to medium term.

Impact assessment of UNCTAD's business linkages' combined training on different groups of farmers

Group of milk suppliers	Volume of milk supplied (% change over previous year)		
	2013	2014	2015
1. Farmers who received both Empretec & FaaB training	+8%	+35%	+110%
2. Farmers who received Empretec training only	+9.3%	+39%	+50%
3. Farmers who received FaaB training only	+5%	+39%	+49%
4. Farmers observing good practices from neighbours	+4%	+25%	+30%
5. Control group	+6%	+10%	+14%

Coffee growers

UNCTAD's support to farmers affiliated with the Hans R. Neumann Stiftung (HRNS) helped smallholder farmers to improve their overall business acumen, thus contributing to improve their livelihood and move from a subsistence small-farming mind-set to a more entrepreneurial mind-set.

During monitoring exercises conducted by independent consultants, it emerged that all cases of additional income are due to farmers behaving more entrepreneurially and seeking additional ways to generate income. As an example, a substantive number of beneficiaries do not exclusively produce coffee but, after the intervention, started to produce beans

At the Tanga Fresh plant in Tanga. From left to right: Tanga Fresh Empretec Training Focal Point, Mr. Charles Tumaini with the MITI Team of Mr. Nico Ombeni, Mr. Augustino Likweliwe and Dr. Primi Mmasi.



and maize to benefit from improved market linkage opportunities.

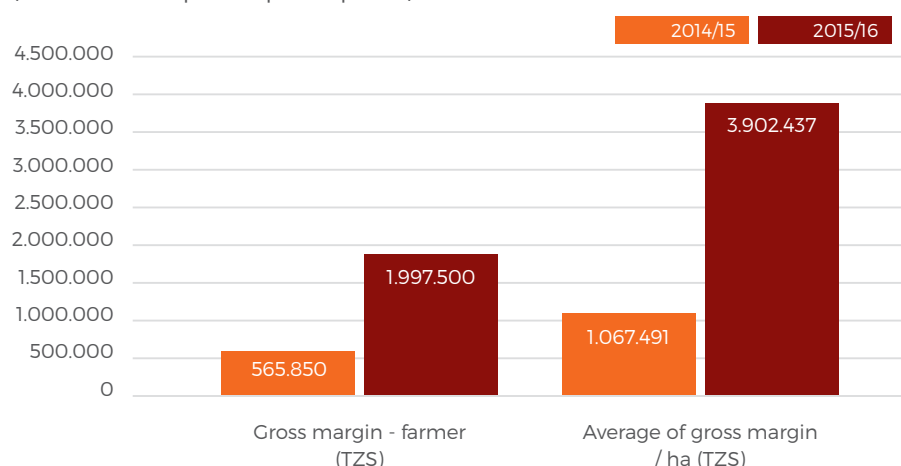
In other cases, coffee farmers identified business opportunities in animal keeping or sale of agricultural seeds, which allowed them and their families to benefit from increased incomes (in the range of +50% to

+70%). This translated into concrete improvements of their livelihood, such as improved roofing of a family house or paying children's school fees without slipping into debt.

Gross-margin data for participants to the Empretec training conducted in 2015 - illustrated in the graphs

below - show an improvement in their business performances by comparing the season 2014/15 (before the Empretec training) and the season 2015/16 (after the Empretec training).

Average gross margin per farmer and per hectare
(data from Empretec participants)



”During the Empretec training I realized I needed to take opportunities, set a clear goal and seek information to become an entrepreneur. After the training, I started my business of selling maize seeds. So far I have sold more than one ton of hybrid maize seeds from different companies in 2 kg bags to my fellow members. Currently the storage of the seeds is my major challenge, since I have to keep them in my house. So I am planning to build a store for stocking the maize seeds. Since my current business is going well, I am also looking into diversifying my products and starting to sell insecticides and herbicides. The Empretec training has motivated me to take this opportunity and start a new business. In addition, I have learned that I need to prepare carefully to be successful and take an informed decision on which kind of seeds are demanded by the majority of farmers in my neighbourhood.

Mr Seth Mbise, one of the beneficiaries, a coffee farmer, member of Seela Singisi Rural Primary Cooperative Society in Arumeru district



Tomato growers

The Managing Director of Darsh Industries Ltd. had the opportunity to observe participants to two of the FaaB workshops organized in Iringa, and witnessed how this training is a useful tool to instill in tomato farmers the required change in mind-set, from farming-for-subsistence to farming-as-a-business, which could eventually address the supply of inconsistent and volatile volumes of tomatoes throughout the year.

Besides providing financial contributions for the organization of the four workshops, Darsh signed a contract farming agreement for the season January-April 2017 with the Iringa Tomato Growers Association, which groups 4,000 smallholder farmers. Moreover, the processing company started to build eight collection centres

in the following locations: Ilawa, Image, Mazombe, Uhambingeto, Mangalali, Ilala Simba, Tanangozi and Mgama, and bought a soil test kit, freely available to farmers through Darsh's extension officers. The company plans to build additional collection centres in the coming months to address challenges in transporting tomatoes from several scattered areas to the plant.

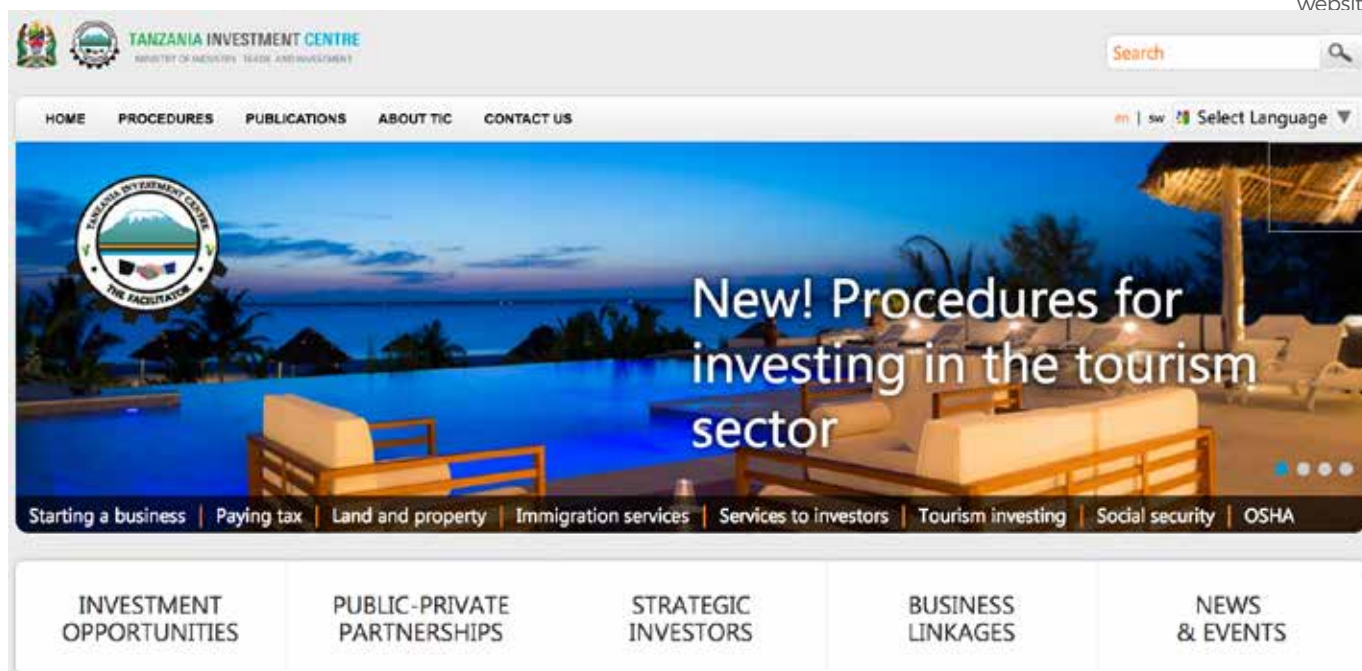
Wider support by UNCTAD to the Tourism Sector

In supporting the wider tourism sector and investment, the project partnered UNCTAD with the Tanzania Investment Centre (TIC). The Output of this activity can be seen on the TIC website at www.tic.co.tz. This site provides activity-by-activity, and step-by-step guidance in investing into the tourism sector. The service is comprehensive and value-adding. The TIC website attracts about 7,000 visits per month of which some 30% make use of the tourism investment-related service. In addition to providing information to investors, the website is expected to help in advocating for simplification of procedures by exposing unnecessary complexity. This service to the tourism

industry will shortly include direct links to corresponding criteria of Responsible Tourism, thus contributing to promoting the agenda for sustainable tourism.

For each procedure documented, the eRegulations system provides information on the steps, results, requirements, legal justifications, costs, institutions/persons in charge and recourses. TIC staff are trained on the importance of transparency of rules and procedures, use of the eRegulations system, maintaining the existing information updated, and documenting new procedures in the system.

Screenshot from the tourism-related investment procedures on TIC's new website



Some 7-8 months after installing their three greenhouses and the start of transplanting, Horti-Tengeru reports very good crop performance and continuous harvesting, as well as training a large number of regular and short-term course students. Income to the Institute has increased through the successful sales of produce to supermarkets in Dar-es-Salaam through TAHA and by a middleman to hotels in Arusha.



ITC HIGHLIGHTS FROM OUTPUT 1

- 65 jobs have been created to date. Many are university graduates who would otherwise be unemployed.
- Income generation: owners of 11 greenhouses have each generated a minimum of TZS 4,250,000 (USD 2,125) over the five months. This is purely from the initial harvest and over the eight months this will improve to an additional USD 4,010.
- 488 additional trainees have participated in the capacity-building project, resulting in more and sustainable knowledge development and in a sustainable way. This has indeed drawn 15 farmers to join the SUGECO market linkage operations and thus supplying high-value products to the restaurants and hotels in Dodoma.
- 11 agricultural institutions have been trained by the project at Horti-Tengeru and these are now using the same techniques towards fulfilling Fresh Fruit and Vegetable (FFV) buyer requirements.
- The Buyer Requirements - developed jointly with TAHA, the Tanzania Horticultural Association - are now being used by TAHA in informing farmers about the local buyer requirements for fresh food and vegetables.

SUGECO is a registered NGO and it supports the coordination of a group of agronomists that have since graduated from the Sokoine University of Agriculture and now run their agro-based operations. SUGECO also provides these graduates as lead farmers for other producers, notably the most marginalized farmers in the community. SUGECO is at present providing agronomical support to all selected beneficiaries of the remaining greenhouse kits and the agro-products are sold via TAHA facilities.

In order to stimulate and demonstrate this new technology but yet to retain the market value, these pilot cases will provide the greenhouses at a cost contribution from the entrepreneurs.

Key Results to date

SUGECO has targeted hotels, lodges and campsites in the Selous Game Reserve as a market target for one group of greenhouse farmers. The market for a second group of farmers will be hotels in Dodoma city, as the government is pushing for more decentralised operations and thus an increase in demand for horticulture FFVs. At present, the major hotels in the game reserve are airlifting FFVs from either Arusha or Dar es Salaam, and they have welcomed this SECO project as an immediate and cheaper way of supplying fresh food to the tourists. The main crops to be grown by farmers are tomatoes, yellow and red peppers, and vegetables.

Horti Tangeru-Arusha: A total of 5.1 tonnes of pepper was harvested so far and these were supplied to Dar es Salaam, where the price per kg is TZS 2,300 as compared to TZS 1,500 in Arusha. In Dar es Salaam the pepper is supplied to a middleman who supplies six hotels, including Holiday Inn, Serena and Southern Sun. TAHA is still taking up to 150 kg from Horti Tangeru every week mainly due to lower prices. On average, weekly orders are around 300-450 kg per crop.

In addition to the production of better quality products, Horti-Tengeru has been training people from other institutions and as well as villagers. Eleven Agricultural Training Institutions have so far been assisted and 488 trainees have benefited from the project since August 2016.

Dodoma: Dodoma received six greenhouses and production started around November 2016, average sales till today being 60 kg of pepper, 150 kg of lettuce and 550 kg of tomatoes per week. The six greenhouses are managed by a group of youth belonging to the SUGECO and located in Dodoma. They are supplying fresh produce to hotels and restaurants e.g. Morena Hotel, Saint Gaspar Hotel, Nashosa Hotel and Alpha Supermarket. They have steadily been receiving more orders to supply more products, with a recent order for 560 kg per week requested by the Agro-for Help Foundation and three local restaurants.

Sorting at Tengeru



Inspecting and Harvesting



The group of six youth are coordinated by SUGECO and all have been trained at Sokoine University of Agriculture, and also in Israel. They are now helping other farmers to copy the production system and to manage the process of supplying the hotels.

Morogoro: In Morogoro, two greenhouses are being used for demonstration purposes and yet are still producing crops and generating an average of TZS 450,000 per week (approximately USD 200) of which is being used by SUGECO. These two greenhouses are being used to disseminate information on the advantages of using protected agriculture.

Rufiji: Four greenhouses have been installed and the local hotels in the Selous Game Reserve already absorbed the first harvest. The products are serving the lodges and campsites in the area.

In all the four regions in Tanzania - Arusha, Dodoma, Morogoro and Rufiji - the production for the market is being achieved with high-quality products in sustainable volumes.

SME Collaboration Suite

To further build linkages between the horticulturalists and the tourism market, ITC supported an innovative Small and Medium Enterprise (SME) portal with the Tanzanian Small Industries Development Organisation (SIDO).

This online collaboration suite consists of Business Profile and Owners Profile Modules, and a Marketing Module. These contain the general information about the SME and the owner of the entity. Also available under this section is information about monthly/seasonal production volumes and sales, supplied markets, and products certifications. Information on 20 additional SMEs is yet to be uploaded into the system. It also contains information about the products, and its attributes have information about the turnover for SMEs. The HS code is used for identification of the products to make it easier for exporting to international markets. Codes have been assigned to all the products.

This information can then be used for sourcing buyers, hotels, restaurants, supermarket etc. In addition, it can be used by SMEs and Banks to build credit rating histories and further improve SME's opportunities for mobilising resources.

To date 54 SMEs were identified and registered on the portal Collaboration Suite System. Twenty additional SMEs (some owned by women or young entrepreneurs) currently operating in the sector have been registered in both the Business Profile/Owners Profile and Marketing Modules. Their products have been assigned HS codes at six-digit level. This portal has the potential to be used by SIDO's thousands of members.

Special attention was given to the Mobile Application of the Collaboration Suite, developed and introduced for the benefit of those SMEs and farmers who do not have access to a computer or the internet. Where there is no 2G or 3G network infrastructure, they will be able to access the system by using the USSD Mobile Application even with the simplest phones.

The Mobile Application will also be a source of revenue for SIDO. The unit cost of each SMS message from the SME is TZS 102, and from this revenue the system will transmit a service fee of TZS 52 to the mobile operator for every transaction, with SIDO retaining TZS 50.

Ministry of Industry, Trade and Investment

As part of Output 1, MITI have updated their semi-manual system for providing information on market prices of fresh fruits and vegetables to the public (through newspapers) and government agencies by establishing an electronic platform which, among other functions, allows also farmers to put in an offer through the system.

30 Markets countrywide are now connected to the system with the officials now using the App designed by Nuru infocomm. The system is streamlined, easy to use, faster and more reliable than the older manual excel sheet-based system. Service operation cost will be covered by user fees levied on the sellers (farmers) and the buyers (e.g. hotels).

Example of a SME Profile Page on SIDO SME Collaboration Suite

SMENo	SME Name	Company Type	Product/ Service	SME Sector	Monthly Production Val	Seasonal Production Val	Monthly Sales Val	Seasonal Sales Val	Weekly Sales Val
000001	AKSA ORGANIC PRODUCTS	SOLE PROPRIETOR	WINE ORGANIC LIQUERS	AGRO AND FOOD PROCESSING	10.00	0.00	1120000.00	0.00	0.00
000002	EFA PRODUCT SOLUTION	SOLE PROPRIETOR	COSMETICS	AGRO AND FOOD PROCESSING	1565.00	4695.00	25200000.00	0.00	5221500.00
000003	MILAKO PURIFIED ICE CUBES LTD	SOLE PROPRIETOR	PURIFIED DICE ICE CUBES	AGRO AND FOOD PROCESSING	7175.00	7622.00	14202500.00	10681000.00	4210000.00
000004	STAR NATURAL PRODUCTS LTD	LIMITED BY SHARES	SOAPS SOAP MAKING MACHINES	ENGINEERING	2.00	0.00	0.00	0.00	0.00
000005	TEMBO ENGINEERING CONSTE.CO.LTD	-SELECT TYPE OF COMPANY-	HEAVY MACHINE CONSTRUCTION TOOLS	ENGINEERING	50.00	10.00	10.00	5.00	10.00
000006	MAIRY USO BATIK FASHION	-SELECT TYPE OF COMPANY-	BATIK PRINTING	KNITWEAR AND GARMENTS	0.00	0.00	24816666.67	283400000.00	0.00
000007	BIMAFRO TRADERS	SOLE PROPRIETOR	FOOD SUPPLIMENTS SPICES	FOOD PROCESSING	0.00	0.00	7266666.67	87200000.00	0.00
000008	NAMBUA ENTERPRISES	SOLE PROPRIETOR	FOOD SUPPLIMENT BUSTERS MORINGA HONEY ROZELLA BAOBAO	FOOD PROCESSING	0.00	0.00	10900000.00	120000000.00	0.00

The system is called One2Two. One2Two is essentially a market access platform that connects farmers to buyers in a transparent manner, enabling them to get up-to-date information on prices in various markets around Tanzania as well as upload offers to buy and sell, and also receive other information.

Output 2: Increased fair and regular employment of better-trained Tanzanian Staff by the Tourism Sector

As part of this Project Output, ILO has supported institutional Capacity Strengthening for the National College of Tourism to deliver quality training, improve management practices and achieve financial sustainability. This support has crucially included the development of a business plan for the college, which includes a financial sustainability and marketing strategy for the College's programmes, products and services.

In this regard, the college's capacity has been strengthened through tailored trainings designed to improve staff performance, upgrade their technical skills and improve management and leadership skills in implementing the proposed business plan. The overall impact will be: improved delivery of programmes and services and the quality of products as well as improved financial standing, increased programmes uptake by clients and employability of the college graduates.



KEY ILO RESULTS TO DATE

1. A comprehensive business plan encompassing all three campuses is developed and endorsed by the College. The business plan is facilitating change that the college has undertaken due to the recommendations of the business plan. It has helped the college to streamline its operations, improve its financial and business management practices. As a result, monthly revenue has already increased by 9%. College sales have recently jumped from 9% to 15 % as a result of the reforms and changes that the college is undertaking. For example, new business outlets have started as recommended in the business plan such as the improvement and opening of the "Additional Application Restaurant and Bar" to the public for business and for training purposes.
2. Institutional Capacity has been strengthened:
 - (a) Leadership training of 20 senior management staff. Good management practices have been aligned with the recommendations of the business plan.
 - (b) A Training Needs Assessment (TNA) was conducted and pointed to the need for developing the Human Resource Development Sustainability Strategy for the College. The TNA identified long and short-term training gaps. The short-term gaps were addressed through a tailored training programme for all teaching staff during a 20-day period. In total 30 academic staff were trained.
 - (c) 69 non-academic staff are trained to align their performance standards to the revised delivery standards of the College as per the recommendations of the Business Plan.
3. The quality of the training product of the College has been upgraded:
 - (a) Point of Sale (POS) training software on Hotels operations have been introduced.
 - (b) The college has improved its standards of training. This year the college is recruiting 100 apprentices, 50 in Arusha and 50 in Dar es salaam.
 - (c) 29 additional hotel-based industry trainers have been trained as part of the apprenticeship programme.
 - (d) A market survey was conducted that led to the development and review of 22 short courses to better meet the requirements of the private sector.

National College of Tourism, Bustani Campus, Dar es Salaam



”The SECO project has really helped the college. We normally receive very little funds from the Government, but after the trainings, the reform agenda that we have adopted as per the recommendations of the business plan we are doing very well and the college has started covering most operational costs through our own sources. The Joint UN approach is really welcome as UN agencies are specialised in different areas, ILO are specialised in skills development and UNIDO in industrialisation, but the impact is better than working separately.

Ms Rosada Msoma, CEO of the National College of Tourism



Bio Gas Solution for NCT Arusha Campus

As part of the overall support to the National College of Tourism, one major constraint has been the high cost and unreliability of the energy supply in the Arusha campus. The College is situated beside a large abattoir owned by the municipality and UNIDO provided technical assistance to scope out the feasibility of partnering NCT with the abattoir to provide bio gas energy to the campus derived from abattoir waste. The high quality technical feasibility study found that there is enough manure based waste from the abattoir to meet the energy usage requirements of the college. Furthermore, there is the potential to derive a much higher amount of energy that NCT could sell as a revenue generating venture if they invest in a larger bio gas system that takes advantage of a wider variety of animal based waste material coming from the abattoir.

The study found that the expected benefit of installing bio gas would, apart from a positive environmental

impact, be to reduce the high costs of energy for cooking and electricity consumption, thus increasing NCT's resources for educational activities. The study recommended a solution that would, depending on the technology used, cost between US\$ 293,000 and US\$ 390,000, with estimated pay-back periods of 9.5 and 13 years respectively (including parts and maintenance costs). The study presents an optimal state-of-the art solution, however it also shows that in the short run it is feasible to provide a manure based system using local based bio gas systems.

The Feasibility Study suggested the bio gas system to be in two solution phases. The first phase is to be an inexpensive, locally procured solution to address the immediate needs. This bio gas facility installation is to be covered under project's Exit Phase. A more state-of-the art solution, to be accomplished once funding becomes available i.e. bio gas facility installation 'Phase II'. In this scheme, if Phase II installation is implemented, the Phase I installation will be used as a back-up system.

Students in training at the National College of Tourism



Output 3: Increased mainstreaming of Responsible Tourism Criteria in public-private dialogue mechanisms

1. ITC supported TAHA with a High-Level Advocacy Forum on Trade Facilitation within the Horticulture Industry that was held in Arusha, Tanzania on 27-28 November 2014. This conference discussed how to mainstream responsible tourism in the activities of both the Government and the private sector operating in the horticulture industry. Before this event, the horticulture sector had been unable since 2010 to mobilize resources to stage an event of this scale, bringing together key stakeholder in the Tanzanian horticulture sector. It therefore provided a welcome opportunity and platform to facilitate meaningful debate among key stakeholders and decision makers from the public and private sectors. TAHA have since explained how the forum was a direct catalyst for a number of significant follow-up exercises that have had a direct impact on the sector.

These follow-up exercises revolve around the following themes and their results:

- Since the forum, TAHA have established a side company that promotes market access to the tourism sector for horticulturalists. The company is named *Fresh to Sokoni* (Fresh to Market) and provides the service of buying, high quality products directly from farmers, which are then distributed through contracts directly to Hotels and Supermarkets. This meets the buyers' needs for quality and regularity of supply. Farmers are paid immediately, which benefits their cash flow situation. TAHA recognise the seed of this company as lying in the findings of the ITC-supported event and subsequent ITC-supported beneficiaries are linking with TAHA through Fresh to Sokoni.
- Improved provision of marketing information: farmers and traders can now choose a market as per price information for 13 key products.

- Improved reach of extension services in partnership between TAHA and the Government: more than 15,000 farmers were reached in 2015.

- Improved impact on relevant Government policies by TAHA, such as on VAT exemption, skills development, fertilizer regulation, etc.

Participants at the Buyer Requirements Validation Workshop, Arusha, Tanzania, June 2016



UNIDO and ITC jointly organised in Dar-es-Salaam on 10 December 2015 a Workshop on Strengthening Tourism Market Linkages for Tanzania Producers and Processors. In total 540 people participated and representing beneficiaries under ITC, UNCTAD and UNIDO-supported activities. The focus of the conference was to strengthen tourism market linkages for Tanzanian producers and processors, to bring together stakeholders in tourism market value chain and agribusiness, with the aim to deliberate about the challenges facing the value chains and the way forward.

Following the Workshop of December 2015, representatives from local hotels and supermarket chains requested that agro-producers be made aware of the mandatory buyer requirements that are blocking producers' market access.

ITC conducted a survey on these issues and interviewed producers and hoteliers in Arusha, Dar es Salaam and Zanzibar. This led to the Buyer Requirements Validation Workshop held on 31 May and 1 June 2016, at which occasion both sides validated the results of the survey. The workshop addressed the challenges and priorities for local producers serving the hospitality and supermarket industries with fresh fruits and vegetables. The

workshop advocated at ministerial level that a Fresh Fruit and Vegetables Buyer Requirements Manual be drawn up; this is presently the subject of internal review.

3. UNCTAD and ILO worked on a comprehensive Tourism Sector Business Climate Review. This was conducted during the first year of the project and the information gathered has formed the foundation of much of the subsequent project work. It has also further influenced and guided other initiatives in the sector, such as the USAID Southern Circuit Tourism sector support, the World Bank tourism sector initiatives including the update of the Diagnostic Trade Integration Study; it has also provided much needed information for the Ministry of Natural Resources and Tourism as it is about to embark on updating its Tourism Master Plan.

The UNCTAD element of this work details a number of recommendations in the areas of Responsible Tourism, leadership and planning, training, marketing, reducing the cost of doing business, stimulating entrepreneurship and green growth and protected areas. The ILO part makes recommendations on work conditions and pay; labour laws awareness among workers and employers; knowledge and skills in tourism; as well as in compliance and enforcement. The Reviews also formed the foundation for catalysing the Ministry's public-private dialogue activities.

Participants at the Buyer Requirements Validation Workshop, Arusha, Tanzania, June 2016



Workshop participants at the Trade Fair Corner sampling local products and establishing contacts between local producers and customers



4. In an effort to bridge the gap between direct catalytic interventions and policy-level work, another highlight from the first year since the 2016 Workshop was the completion of a report by UNCTAD, entitled “Enhancing Linkages between Tourism and Sustainable Agriculture Sectors in the United Republic of Tanzania”.



POLICY RECOMMENDATIONS FROM THE UNCTAD LINKAGE REPORT

The following highlights a number of policy recommendations and proposes strategic themes to inform the Government of Tanzania and the wider development community on how to build on momentum in improving business linkages in the medium to long term. Strategic Themes include:

1. It is critical to continually raise awareness and build capacity to attain a high level of consciousness, understanding and ability in support of the implementation of linkages between Tourism and Agriculture.
2. Start-up Drivers: “Utalii na Kilimo Kwanza”. Selecting regions that can serve as multipliers based on successful local experiences, such as the growth-corridors initiative.
3. Public-private partnerships and destination-level co-operation and action. The private and public sectors and destination stakeholders are key components in the implementation of Pro-Poor Tourism (PPT) practices. Achieving the objectives of this strategy will rely on collective commitment, strategic partnerships, effective institutional arrangements and facilitating processes. The theme also addresses the lack of supportive funding and other mechanisms as a key constraint to improving linkages between tourism and agriculture through PPT practices.
4. Effective promotion of Pro-Poor Tourism and branding. This strategic theme focuses on the need for promotion of PPT products, experiences and destinations in Tanzania through effective and robust marketing plans and branding.

These four strategic themes are examples of strategies able to empower a cooperation platform linking tourism and agriculture and they have already informed the design of the Tanzanian SECO TSDP Project’s Exit Phase, as discussed in Chapter 6.



PUBLIC-PRIVATE DIALOGUE (PPD) EVENTS AND RESPONSIBLE TOURISM TRAINING

The Ministry of Industry, Trade and Investment hosted a Responsible Tourism Workshop alongside the main responsible tourism body in Tanzania, "Responsible Tourism Tanzania" (RTTZ), to expand the knowledge of key sustainable and responsible tourism concepts to public and private sector stakeholders in the tourism sector. The workshop was held on 1 and 2 December 2015 with stakeholders from the tourism sector such as the Ministry of Natural Resources and Tourism, the Ministry of Industry, Trade and Investment, the Tanzania National Parks Authority, Tanzania Hotel Association, Ngorongoro Conservation Authority, Association of Tanzanian Tour Guides, Horticulture Association

Tanzania, Hotels and Lodges, development partners and NGO's, and other relevant organisations including the Swiss Embassy.

The general objective of the Responsible Tourism Workshop was to create a common understanding of responsible tourism and what is needed to develop it further in Tanzania.

Public-Private Dialogue (PPD) events have been held throughout the project in collaboration with the Ministry of Natural Resources and Tourism and their private sector counterpart, the Tourism Confederation of Tanzania (TCT). For example, the second PPD was held on 17 March 2016, in Arusha

and had a high turnout of key public and private sector stakeholders. The meeting was chaired by the new Permanent Secretary (PS) in the Ministry of Natural Resources and Tourism and was also attended by the PS from the Vice President's Office. Participants included most key tourism stakeholders from the public and private sector. The event included sessions and debates on specific issues such as tourism sector employment regulations (updates on work permits, labour laws and worker visa requirements), Environmental Impact Assessment requirements for tourism facilities and activities, town and country planning ordinance and impact on tourism stakeholders, updates on the

Participants at the RTTZ Responsible Tourism Workshop



HAVING PARTICIPATED IN THE WORKSHOP, THE PARTICIPANTS:

- Have gained knowledge about the concepts of sustainability, sustainable tourism and ecotourism
- Have gained understanding on opportunities and challenges of sustainable tourism
- Have been introduced to Responsible Tourism Tanzania (RTTZ)
- Are able to identify the (long-term) benefits of sustainable tourism
- Are able to reflect on how their own organisation or sector addresses sustainability
- Are eager to make a change and incorporate sustainability into their own lives and their work/organisation/sector and encourage others to do the same
- Are encouraged to have a dialogue about responsible tourism between the public and private sector
- Have developed an action plan to drive responsible tourism forward in Tanzania

updating of the tourism policy, tourism strategic development plan, tourism act and its regulations and, finally, a session on low season park entry fees. The Agenda was sent and prioritised in a collaborative manner between TCT and MNRT. All sessions followed up on specific issues that had arisen during the first PPD event and highlighted in the Policy Action Matrix as mentioned above. At the PPD events, agenda items relating to Responsible Tourism were embedded and questionnaires to gauge the general understanding of sustainable and responsible tourism issues were routinely completed by participants. An improved awareness of Responsible Tourism in Tanzania was recorded.

The Ministry has recognised that out of seven key focus-areas highlighted in the private sector report entitled "Double the Growth Rate of Tanzania Tourism" by the Tanzania National Business Council, the Ministry has reached consensus with the tourism private sector stakeholders on five issues. The mechanism itself is also being refined and adapted to make it more sustainable. It is important that the dialogue mechanism is being normalised and its value is recognised by both sides, as is shown by their improved working relationship.

"Thanks to the SECO-funded project, Public-Private Dialogue is now on the right track in Tanzania. We are now working on updating a MoU with the Government to institutionalise the PPD platform so that it continues when the project ends. Other sectors, such as Agriculture, are now seeking to replicate the example."

Richard Rugimbana,
Executive Secretary, Tourism
Confederation of Tanzania (TCT),
April 2017.



UNWTO GLOBAL AWARDS

A highlight of the project raising the profile of Responsible Tourism in Tanzania was when, in January 2015, one of the first Responsible Tourism-certified Enterprises in Tanzania won the Gold Medal for Innovation in Enterprises at the United Nations World Tourism Organisation (UNWTO) Global Awards for Excellence and Innovation in Tourism held in Madrid.

There are many perceived barriers to mainstreaming Responsible Tourism in Tanzania; lack of understanding and awareness of responsible tourism by the industry and the public sector; insufficient incentives for the private sector to meet criteria of responsible tourism; lack of demand from tourists for responsible travel; and lack of training opportunities in responsible tourism.

The Gold Medallist, Isoitok Camp Manyara of The African Footprint Co. Ltd (Tanzania) have proven that it is possible to operate responsibly and profitably in Tanzania despite such barriers.

In recognising Isoitok Camp's innovation in this field, the UNWTO Awards are equally recognising the ground-breaking work done by Tanzania's first - as yet few - Responsible Tourism-certified businesses. This will help raise the profile of such efforts in Tanzania and the region. It also has the potential to inspire others to seek certification and inspire those working at the policy level to see the value and feasibility of Responsible Tourism to protect and promote Tanzania's unique natural tourist assets. The SECO-UN Trade Cluster project's management team, alongside the Swiss Embassy in Tanzania, helped to facilitate the awareness and participation in the competition, which was widely covered by media in Tanzania and beyond.

EVALUATION AND EXIT PHASE

During July and August 2016, SECO conducted an independent End Phase Evaluation of the Project. The findings of the evaluation were that the project activities have been satisfactory in their effectiveness in achieving impact at the level of the Outputs, and also satisfactory in achieving impact at the Outcome level.

The evaluation stated that while achievement of concrete, tangible results by the project will help to advance the Responsible Tourism agenda – particularly if the results of the project will be made better known to decision makers, tourism industry and the public at large – it also requires shifts in mind-sets. Such mind-set changes can come about through more sharing of information, knowledge and experiences, sensitization, training and capacity building, and the creation of business linkages.

Exit Phase

The evaluation recommended consolidating and scaling-up the facilitation of backward linkages, horticulture productivity and upgrading of small and medium-sized enterprises, as well as the mainstreaming of the Responsible Tourism concept with a project exit phase of 24 months.

To implement this recommendation, an End Phase Project was designed with a strong focus on sustainability. It proposes to consolidate the activities of Phase 1 in order to achieve sustainable results in the various specific fields of intervention. The National Steering Committee in Tanzania approved the End Phase Project Document late in 2016. It was then endorsed by the project's Global Management Board before being signed by the Governments of Switzerland and Tanzania and the five participating UN agencies. This project is now live and will run until the end of 2018.





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