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**PROGRAMA DE TURISMO
MOÇAMBIQUE**

Northern Mozambique Tourism Program

Final Report



January 2011

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Northern Mozambique Tourism Program

Final Report

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Executive Summary

In January 2006 Nathan Associates Inc. became the prime contractor for the Northern Mozambique Tourism Program (NMTP) under a USAID Task Order (GS-IOF-06I9N, ORDER 656-M-00-0600038-00). Called *Projecto Arco Norte* by Mozambique's Ministry of Tourism and branded *Programa de Turismo Moçambique* by USAID, the program was to end in January 2009 but was extended until September 30, 2010.

PROGRAM PURPOSE AND EXPECTED RESULTS

The purpose of the program was to help the Ministry of Tourism transform Northern Mozambique into a world-class destination by developing the tourism offering in three provinces—Cabo Delgado, Nampula, and Niassa (Arco Norte). The program supported Mozambique's national tourism policy and USAID/Mozambique's 2004-2010 Country Strategic Plan, namely intermediate result 3 (IR) of Strategic Objective 7: strengthened capacity of labor-intensive industries and increased labor-intensive exports. It also improved the business enabling environment (IR2) and provided for increased market access (IR1).

NMTP was expected to increase tourism arrivals and expenditure by improving and marketing the tourism product; to attract public and private investment for resorts and infrastructure; create public-private partnerships for investment and job creation; build capacity of local service providers to respond to expected economic growth; establish conservancies on Pemba Bay and Lake Niassa; ensure participation of local communities in conservation and tourism industry development; and train operators in product development and the provision of general skills.

APPROACH

Nathan Associates' approach was informed by the Government of Mozambique's *Tourism Policy & Implementation Strategy* (Council of Ministers' Resolution No. 14 of April 4, 2003) and the *Strategic Plan for Tourism Development in Mozambique (2004-2013)*, approved by the Council of Ministers in October 2004. We took care to devise management and consultative mechanisms that involved provincial tourism directorates in the development of annual work plans to be approved by USAID and the Ministry of Tourism. To secure national stewardship, direction, and political support, we organized bi-annual project reviews involving the Ministry, provincial governments, tourism associations, destination communities, and nongovernmental organizations and other donors. NMTP made ample use of high quality subcontractors, partners and consultants—local and international—for market research, systems development, architectural conservation, natural resource conservation, legal consultation, destination management, and development of geotourism tools.

ACTIVITIES

During the first phase of NMTP, activities focused on branding, marketing and promotion; historic preservation; development of interpretive systems; building capacity for destination management; attracting investment; and encouraging involvement of local communities.

- ***Branding, Marketing, and Promotion***—13 activities, from assessing 60 potential destinations, developing a marketing strategy and action plan, and drafting tourism development plans to creating eight pilot tour circuits and a web-based GIS, a new national brand, and a tourism photography databank.
- ***Historic Preservation***—13 activities, from offering a preservation strategy for Ilha de Moçambique to the Mozambique Office of UNESCO, sponsoring archaeological reconnaissance works on Ibo Island, and conducting architectural and engineering investigations, emergency and basic stabilization works on four monuments on Ibo Island, to restoring boardwalk balustrades and playgrounds, developing reuse plans for three forts, and hosting a workshop on managing World Heritage sites.
- ***Interpretive Systems***—4 activities: training and certifying 10 community guides, developing strategy for establishing information centers, organizing cleanup campaigns in Pemba and Ibo Island, and designing an integrated solid waste management system and operational plan for Pemba.
- ***Capacity Building for Destination Management Organizations***—4 activities: training in product development and marketing for 179 tourism businesses; training 9 operators to themselves deliver training in kitchen, restaurant, and bar operations; developing workforce training strategies, and sponsoring participation of MITUR's Research Department in conference on measuring tourism's economic contribution at sub national levels.
- ***Attracting Investment***—4 activities: creating a tourism management information system; preparing conceptual land use plans and designing six pilot sites as framework for investment; appraising development opportunities in central and southern Mozambique; and sponsoring investment promotion and site visits for local and international developers.
- ***Community Stewardship of Conservation and Tourism***—12 activities, from assessing Pemba Bay, developing legal framework for a local council to manage the bay, and assessing threats to Lake Niassa, to drafting a management and zoning plan for a marine reserve, recruiting and training community rangers to monitor illegal fishing, assisting with establishment and legal registration of six fishing councils, and facilitating microcredit programs.
- ***Cross-cutting Activities***—4 activities: creating forums for dialogue between hotel and tourism associations, public institutions, and local leaders; holding seminar on best practice legislation and organizing outreach on tourism legislation; developing instruments for data collection and analysis; and conducting pilot surveys of travelers in Cabo Delgado.

During the extension phase from May 2009 to September 2010, NMTP conducted the following activities:

- ***Research, Monitoring, and Management Systems for Lake Niassa Reserve***—arranged for southward expansion of reserve after request by communities on the southern end of the lake, and helped ministries and stakeholders draft legislation on formal declaration of the reserve.
- ***Conservation/Management Plans for Coastal Areas Zoned for Development***—identified ecological composition and sensitivity of resort zones and recommended principles and

actions (e.g., strict adherence to set-back regulations, creation of ecological buffers for sensitive features, hydrological and geohydrological studies of Wimbe Area in Pemba and Chiuanga, geomorphology studies of Chiuanga, and comprehensive baseline faunal and floral assessments).

- **Resort Master Plan Development**—arranged for aerial mapping, imaging, and digital topographical survey of six sites selected for major development (except Ibo Island) and completed Phase 1 of tourism and resort master plan development in June 2010. The plan provides frameworks for Arco Norte (regional), provincial tourism, and destinations (Pemba, Ibo, Lumbo/Sancul, Lichinga, Metangula and Chiuanga).
- **Image Building, Investment Promotion and Generation**—deliverables included press interviews in major newspapers; paid advertorials, including in *Sawubona* (the South African Airways in-flight magazine); a 30-minute documentary on the DSTV SuperSports channel; presentations, meetings, site visits for potential investors, banks, and funding institutions; participation in hotel and tourism investment conferences; publication of *Invest in Arco Norte*; development of business plan and articles of incorporation for Arco Norte tourism development company.
- **Policy Reform & Regulatory Enhancement**—helped draft legislation leading to adoption of integrated resort system and legislation leading to Decree 77/2009 of the Council of Ministers, approving regulations governing declaration of special tourism development zones. In July 2010, the Council approved the Decree proclaiming all six sites in the Arco Norte tourism master plan as development zones.
- **Community Stewardship of Conservation and Tourism Development**—funded site visits by and meetings of the 9-member multisectoral technical committee to address obstacles to project implementation.

PROJECT IMPACT AND RESULTS

NMTP put in place a destination development strategy; promoted northern Mozambique as a destination on websites and in international media; and influenced the passage of legislation and the adoption of practices that improve the environment for tourism. It also upgraded capacity for tourism development and marketing, natural resource conservation, and historic preservation such that biodiversity resources and historical assets are no longer threatened by mismanagement and Quirimbas Archipelago and Ibo Island are under consideration to be World Heritage Sites. NMTP also secured about US\$1,010,000 in grants and donations for NMTP promotional, conservation, and natural resource protection activities.

The results: growing recognition of Arco Norte as a worthy tourism and investment destination; increasing tourist arrivals and expenditures; more jobs in the tourism sector; and rising investor confidence in Arco Norte. Tourist arrivals increased by 113.92 percent between the baseline year of 2005 and 2008. In Cabo Delgado, registered arrivals at hotels and lodges increased 121 percent; in Nampula by 94.6 percent; and in Niassa by 81.4 percent. In Cabo Delgado, the number of people employed in the tourism industry rose 44 percent between 2004 and 2009.

Local and international investors have more positive perceptions of Arco Norte as an investment destination as reflected in the amount and the growth in investments and number of tourism businesses established since NMTP began in 2006. From 2005 to 2009, for example, the number of licensed tourism businesses in Cabo Delgado increased by 35.8 percent overall, with the number of

licensed hotels and lodges rising by 106 percent. On Ibo Island, tourism-related investment increased by 380 percent and the number of hotel rooms increased 200 percent. On Pemba's east coast, the foundation for a \$12 million hotel should be poured in the Chuiba Resort Zone by mid-November 2010 at the same time that work begins on a \$70 million hotel. Construction of \$46 million tourism mall in Wimbe Beach, on Pemba's north coast, had to be aborted in April 2010 because the design did not meet zone requirements. Economic impact modeling indicates that the mall can generate about \$109.30 million in sales, \$46.50 million in gross geographic product (GGP), and 1,700 jobs during construction. When operational it should generate an annual input of \$127.4 million, which should yield \$297 million in annual sales, \$135.30 million in GGP, and 2,110 permanent jobs. Redesign should be complete by March 2011.

In Nampula province, mostly local investors poured about \$42.5 million into 31 projects from 2006 to 2009. In Niassa, about \$4 million has been spent to improve lodge operations and build new lodges, and the number of tourism businesses increased 27 percent between 2005 and the end of 2008.

The creation of masterplans for various sites and plans for infrastructure provision have driven up property values in the proposed resort zones. But this major project impact cannot yet be quantified and must be the subject of a future evaluation.

Another important result of NMTP is that the three provinces now have unified private sector associations and a constituency that articulates and advocates policies and positions and is beginning to provide leadership for tourism development. NMTP interventions also bore fruit in the form of a regional federation of provincial associations and the recent inauguration of the National Hotel & Tourism Association of Mozambique, largely spurred by activities of the Arco Norte associations.

CHALLENGES, LESSONS LEARNED, AND RECOMMENDATIONS

NMTP faced six challenges: (1) costly bureaucratic delays in decision making; (2) lack of communication among and coordination between the national, provincial and district levels, donors, and NGOs; (3) dysfunctional leadership and corporate culture in implementation nodes; (4) lack of capacity in municipal and district administrations of key destination areas; (5) patchy application and enforcement of tourism and related environmental and planning legislation critical to coordinated and sustainable development of the industry; and (6) budget overruns that threatened the smooth implementation and close out of activities.

With these and other challenges in mind, project design, implementation, and review can be more effective and similar projects can be more efficient if the following lessons of NMTP are followed:

- Have a project formulation team in the Ministry of Tourism control the design process and limit the donor subcontractor or consultant to training and guiding the team to ensure that the project meets national and donor goals. This will build local capacity and responsibility such that technical assistance is viewed not as a "donor project" but as a national project supported by the donor.
- Fully assess the capacity of partner institutions, especially in leadership and human resources; ensure that activities fit capacities; and have a strategy for filling gaps.
- Stipulate a clear schedule of national counterpart funding and resources in project approval documents or implementation accords.
- Institutionalize a donor clearinghouse to avoid duplication, build synergies, and share lessons learned.

- Try to have a high-level project implementation team at the provincial level, with representation from other stakeholder agencies, to serve as a clearinghouse for information and to facilitate decisions and actions.
- Conduct a mid-term audit and review so the project manager, government, and donor can fully understand issues, challenges, achievements, and failures and adjust interventions accordingly.

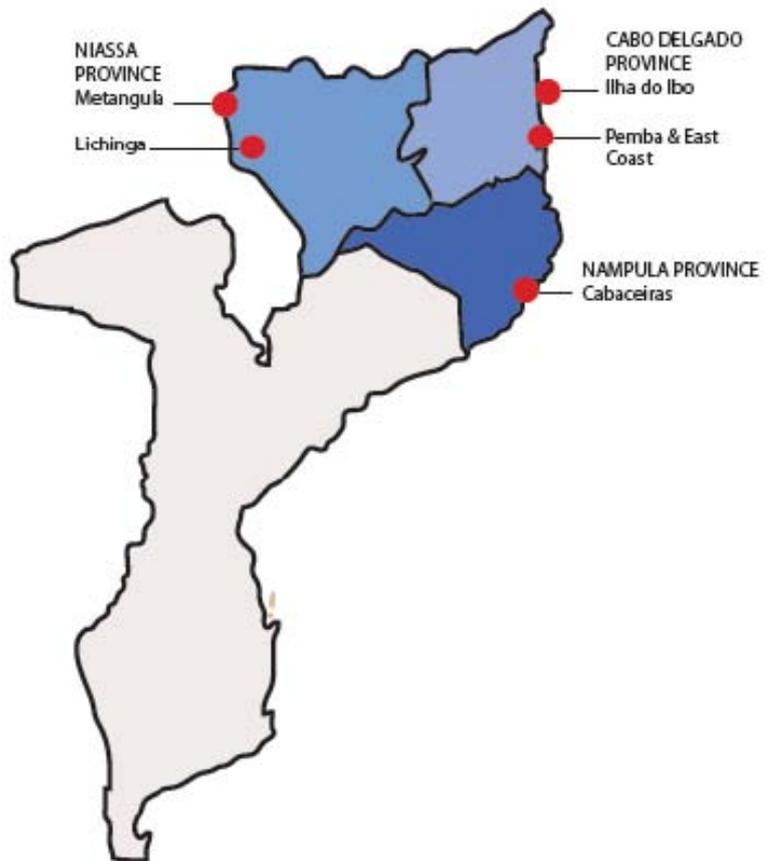
We recommend the following so that tourism in Arco Norte can reach world-class standards:

- Attend less to gathering data and amassing information and more to getting results.
- Immediately synthesize and begin to implement the abundance of noteworthy action plans generated by NMTP and other donors.
- Develop leadership for organizational change. To meet the new demands of the Arco Norte Tourism Development Framework and of Provincial Tourism Development Plans, provincial directorates must adjust their approach to tourism development and their relationship with and the nature and scope of support they receive from INATUR.

CONCLUSION

Having made tourism central to the economic development plans of the three Northern provinces, NMTP leaves the Government of Mozambique equipped with a clear, cohesive, and practical industry strategy and an investment and market-positioning toolkit that will enable it to transform tourism into a major export, hard currency earner, and engine for economic growth and poverty reduction in Northern Mozambique. By continuing to exercise political will and discipline, following the investment promotion and resort development and management strategy fashioned under NMTP, and enforcing land use, zoning, and conservation plans, Mozambique can achieve its goal of transforming tourism in the Arco Norte into an annual US\$2 billion industry by 2020.

Mozambique and the Arco Norte



Northern Mozambique PIAs

1. Introduction

In its National Tourism Policy and Implementation Strategy of April 2003, the Government of Mozambique decided to develop tourism into a major industry that will alleviate poverty, create jobs, boost foreign exchange earnings, sustain protected areas, and reduce pressure on the environment. Within the framework of this policy, Northern Mozambique, specifically the provinces of Cabo Delgado, Nampula, and Niassa, are to be developed as exclusive destinations and marketed on the basis of the region's iconic historic, cultural, and natural heritage to affluent segments of the international travel market. This heritage includes the following:

- Ilha de Mozambique, currently Mozambique's only World Heritage Site.
- The Quirimbas Archipelago, with its string of coral islands (including the historic settlement of Ibo Island), biodiversity, marine life, and part-marine, part-terrestrial Quirimbas National Park noted for its fauna and flora.
- The 150km² Pemba Bay, the world's largest inland bay.
- Miles of untouched and natural beaches.
- Picturesque landscapes and waterscapes.
- Niassa Forest Reserve, the largest conservation area in Mozambique and more than twice the size of Kruger National Park in South Africa.
- Manda Wilderness, one of the world's true wildernesses.
- Niassa Lake, described by World Wildlife Fund as "probably the most ecologically important freshwater body in the world" due to its unique ecosystems.
- Terrestrial and underwater archaeological treasures.
- Ancestral rock art and cave paintings.
- Rich history, culture, and arts of the people of the North.
- Unique cultural mix of African, Arab, Chinese, European, and Indian cultures along the coast of Northern Mozambique.

On January 17, 2006, Nathan Associates Inc. was appointed prime contractor under USAID Task Order GS-IOF-06I9N, ORDER 656-M-00-0600038-00, to manage the implementation of the Northern Mozambique Tourism Program (NMTP). Officially called Projecto Arco Norte by the Ministry of Tourism and branded by USAID as "Programa de Turismo Moçambique," this \$5 million, three-year technical assistance and funding program was to end in January 2009. After the initial phase of implementation and after a "no-cost" extension, USAID approved a \$2.1 million, 18-month extension in May 2009 and NMTP officially ended on September 30, 2010.

The purpose of NMTP was to help the Ministry of Tourism transform Northern Mozambique into a world-class destination, focusing on the three provinces of Cabo Delgado, Nampula, and Niassa (Arco

Norte). The size of the area covered by NMTP is 282,998 km², or 35.4 percent of Mozambique—and the population is an estimated 6.41million, or 30 percent of the national population.

In addition to national policy objectives, NMTP supported the goal of USAID/Mozambique’s 2004-2010 Country Strategic Plan: “broad-based, rapid economic growth sustained through expanded capacities and opportunities.” It sought to achieve the results of Strategic Objective 7, specifically to strengthen the capacity of labor-intensive industries and increase labor-intensive exports (intermediate result 3). Because tourism development is inherently multisectoral and because of its private sector and investment promotion activities, the program also supported IR2 (Improved Enabling Environment) and IR1(Increased Market Access).

By contract, NMTP started on January 17, 2006. The Chief of Party was in place by February 1; the program office was established in Pemba and office staff were recruited by the end of March; implementation began on April 1; and His Excellency the Minister of Tourism officially launched NMTP on May 17, 2006. This final report is fulfills contractual obligations under the Task Order. It

- Presents NMTP’s purpose and targets as set out in the Task Order as well as results expected by the end of the program period (Section 2);
- Describes NMTP’s implementation methodology and structures (Section 3);
- Spells out indicators and processes used to assess and report progress (Section 4);
- Details activities (Section 5);
- Summarizes NMTP impact and results (Section 6);
- Explains constraints and difficulties that had to be overcome (Section 7); and
- Presents lessons learned and recommendations for next steps (Section 8).

2. Program Goal, Objectives, and Expected Results

The ultimate goal of NMTP was to transform Northern Mozambique into a world-class tourism destination with capacity to convert tourism growth into regional development that raises the standard of living and empowers communities to benefit from the rise in economic activity. The program had three objectives:

1. Increase tourism arrivals and expenditure by improving and promoting the Northern Mozambique tourism product.
2. Attract investments, create jobs, and build capacity of local service providers to respond to expected economic growth.
3. Preserve biodiversity and key environmental assets on which Northern Mozambique's economy is based.

Attainment of these objectives was supported by cross-cutting objectives: (1) create Northern Mozambique (Arco Norte) forums; (2) advance policy reform, regulatory enhancement, and advocacy; and (3) establish a tourism management information system. During NMTP's 18-month extension the following objectives were stipulated to reinforce accomplishments:

- Enhance biodiversity conservation and management of environmental assets.
- Attract major investments that will transform Northern Mozambique into a world-class, well planned, and integrated ecotourism resort destination.
- Ensure effective stewardship and participation of local communities in conservation and tourism industry development.

Investment promotion and community stewardship were regarded as integral to conservation and the protection of biodiversity. In other words, conservation cannot be sustained or natural resources preserved unless the tourism industry generates revenue for government and alternative sources of income for the population, and unless local communities "own" the processes of growth. Exhibit 2-1 presents results expected to be achieved by the end of the three-year period ending January 2009 as well as the 18-month extension period ending in September 2010.

Exhibit 2-1. NMTP Expected Results

For 3-year Period Ending January 2009
1. Increase tourism arrivals and expenditure by improving and promoting the Northern Mozambique tourism product
One major tour circuit including geo-mapping, brochures, and route created for the Northern Arc.
Hospitality and travel operators and the provincial tourist boards trained in doing business at fairs and trade shows , such as the International Tourism Exhibition (Berlin), World Travel Market (London), BIT (Milan), Indaba (South Africa).
Up to 100 hotel, restaurant, and tourism business managers and supervisory staff receive on the job and “training of trainers” training.
Basic stabilization of Fort São João Batista on Ibo Island completed and technical assistance provided to UNESCO in developing interpretive systems in Fort São Sebastião in Ilha de Mozambique.
2. Attract investments, create jobs, and build capacity of local service providers to respond to expected economic growth
Tourism statistics and satellite accounting system established with data regularly published with strong involvement from the Arc Forum.
A destination management and strategic plan (including tourism land use plans) developed for the Northern Arc, with Cabo Delgado as the pilot case.
Hotel investments, including a major international brand, attracted to the Arc and rooms with 3-5 star rating increased by 20 percent from current level of 300.
Investments in infrastructure (i.e. roads, airports, telephones, electricity, water, sewerage systems, waste recycling) leveraged from the MCC and other donors, resulting in improved access to health, water, and other facilities for destination communities.
3. Preserve biodiversity and key environmental assets on which Northern Mozambique’s economy is based
Lake Niassa , one of the world’s richest aquatic ecosystems, declared a protected marine park to preserve biodiversity in line with environmental standards.
Pemba Bay Conservancy established by private, public, and civil society organizations with an interest in the bay. Conservancy will develop and enforce regulations and land use plans.
Cross-Cutting
Arc Forum institutionalized as a private-public-community vehicle for tourism development and promotion in Northern Mozambique.
Capacity of Catholic University in Pemba to deliver hospitality and travel industry management and supervisory level training enhanced.
Two professionals, 15 technical personnel and 100 craftsmen and women trained in building conservation skills.
Destination economies diversified, while related development of skill and entrepreneurial capacity reduces vulnerability and alleviates poverty.
For 18-month Extension Ending September 2010
Enhance biodiversity conservation and management of key environmental assets in Northern Mozambique
Scientific studies on Pemba Bay, coastal conservation in priority investment areas (PIAs) and the Lake Niassa Marine Reserve establish data and knowledge base for conservation.
City and town plans revised and land and townscapes in PIAs of destination communities protected and enhanced.
Attract major investments that will transform Northern Mozambique into a world class, well planned, integrated ecotourism resort destination
World class hotel chains and brands and developers attracted to Northern Mozambique.
Integrated resort development masterplans developed for all six PIAs and another two sites in each province.
A limited liability, private sector-driven resort development company established to attract investment, and develop and manage PIAs.
Investment attracted for construction of 1,500 3-5 star rooms in Northern Mozambique (i.e., a 375 percent increase). More investment also to be attracted for construction of 200 vacation homes, a marina, and a golf course.
PIA and the economies of destination communities diversified, while related development of skills and entrepreneurial capacity spawn growth in a national middle class, reduce vulnerability and alleviate poverty.
Ensure effective stewardship and participation of local communities in conservation and tourism industry development.
Priority investment areas and the economies of destination communities diversified, while related development of skills and entrepreneurial capacity will spawn growth in a national middle class, reduce vulnerability and alleviate poverty.

3. Implementation Approach

PRINCIPLES

The principles underlying our approach to implementation were as follows:

- Enhance achievement of national tourism policy goals and strategies as outlined in the Tourism Policy & Implementation Strategy (Council of Ministers' Resolution No. 14 of April 4, 2003) and the Strategic Plan for Tourism Development in Mozambique (2004-2013) as approved by the Council of Ministers on October 12, 2004.
- Consult with destination communities to understand their aspirations and needs and engage with them as stewards and beneficiaries of the tourism development process.
- Ensure effective dialogue and partnership between stakeholders (i.e., private sector, public sector, and destination and donor communities).
- Ensure balance between the economic, environmental, and social objectives of tourism development.
- Build the capacity of the Ministry and local public and private sector institutions to collect and analyze tourism data.
- Ensure that historic preservation and nature conservation activities follow the guidelines and standards of the World Heritage Council and follow best practices.

MANAGEMENT AND CONSULTATIVE MECHANISMS

On the basis of the principles listed above, we established a management and implementation framework involving consultative and project monitoring mechanisms and structures, summarized as follows (based on the activity approval document):

- The Project Manager (Nathan Associates)
 - Develops draft annual work plan and budget estimates (AWP) and circulates for comments to the national project counterpart, the three provincial directors of tourism, the presidents of the three provincial tourism associations, and the regional association.
 - Submits AWP to USAID for approval.
 - Presents approved AWP to the Ministry of Tourism for its approval.
 - Implements agreed AWP activities with provincial directorates and forums.

- Holds review meetings with provincial directors and forums before biannual program reviews.¹ The biannual reviews were convened and chaired by the Minister of Tourism to check progress and to provide guidance to the Project Manager and national, provincial, and local institutions on corrective actions and continuing activities.
- Reports at biannual meetings and between each meeting briefs the Ministry, governors, and other stakeholders on implementation status as opportunities arise (e.g., in tandem with presentation of consultants' reports).

Industry Associations. To ensure the success and sustainability of interventions, we first cultivated constituencies of stakeholders in the North who believed in and were ready to advocate and provide stewardship for the transformation of tourism into a major industry. We encouraged and worked with disparate groups of private sector operators (i.e., airlines, dive companies, entertainment providers, hotels, hunting safaris, restaurants, tour operators, travel agents, vehicle rentals) to form a unified industry association in each province (Cabo Delgado, Nampula, and Niassa). These associations then confederated and established a regional association—the Northern Association of Hotel & Tourism Operators (NORAHTUR).

Provincial Forums. Provincial forums were created with industry associations as pivot points. As venues for dialogue and cooperation between associations, ministries and agencies,² and other stakeholders, the forums were instrumental in forging a private-public partnership and sense of common purpose and cooperation for tourism development.

Biannual Project Review Meetings. In addition to their project monitoring and evaluation role, these meetings ensured national stewardship, direction, and political support for NMTP. They also served as a venue for USAID and the Government of Mozambique to resolve concerns and clarify next steps.

SUBCONTRACTORS, PARTNERS, AND CONSULTANTS

Nathan Associates worked with the subcontractors, partners, and consultants listed in Table 3-1.

Table 3-1. Activity Areas of Subcontractors, Partners, and Consultants

Name	Activity Area
INTERNATIONAL SUBCONTRACTORS	
George Washington University (International Institute of Tourism Studies)	Destination management
U.S. Department of Interior (International Technical Assistance Program provided by US National Parks Service and US Fish & Wildlife Service)	Natural resource conservation.
National Geographic Center for Sustainable Destinations	Geotourism concept, related resource identification, listing and stewardship process with local communities

¹ Involves the Ministry of Tourism; ministries on the Interministerial Tourism Facilitation Group; all three provincial governors; the USAID Mission Director; presidents and secretaries of the regional and provincial tourism associations; provincial directors of tourism; leaders of destination communities; other donors; and NGOs involved in tourism in the Arco Norte.

² Ministries of Agriculture, Culture, Education, Environment, Finance, Health, Interior, Public Works & Housing, Tourism, Transport & Communications, Municipal Councils, district administrations, agencies (e.g., Airport Authority, Customs, Immigration, Police), leaders of destination communities, and NGOs involved in tourism.

Name	Activity Area
Solimar International	Development of geotourism map/guides.
LOCAL SUBCONTRACTORS AND PARTNERS	
Catholic University of Mozambique (Pemba Campus)	Tourism market research, geographic and tourism management information system
Centre for the Study & Development of Human Habitats, Faculty of Architecture, Eduardo Mondlane University	Architectural and building conservation works
Cimpogest Limitada,	Staff and project management support
Sal & Caldeira Limitada	Policy and regulatory enhancement and legal frameworks
INDIVIDUAL CONSULTANTS	
Archaeologist	Archaeological reconnaissance works on Ibo Island and the Quirimbas Archipelago
Archivist & Historian	Archival research relating to Ibo Island and the Quirimbas Archipelago
Conservation Architect	Building conservation and historic preservation works on Ibo Island
Marketing Consultant	Marketing strategy and action plan for Northern Mozambique and marketing workshop for private sector operators

Collaboration with Government and Donor-funded Programs

NMTP collaborated with the following institutions and projects:

- Aga Khan Development Network
- International Finance Corporation's Tourism Anchor Project
- Royal Norwegian Ministry of Foreign Affairs' Sustainable Tourism Cooperation Programme
- Technoserve Mozambique
- United Nations Educational, Scientific & Cultural Organization
- World Bank's \$3.5m Coastal & Marine Biodiversity Project for Cabo Delgado & Nampula Provinces, financed under the Global Environment Facility
- Spanish Agency for International Cooperation
- World Wildlife Fund Mozambique (a subgrantee).

WORKING VISITS AND FAMILIARIZATION TOURS

In connection with monitoring implementation, we hosted numerous working visits and familiarization tours (see Table 3-2). NMTP's national counterpart in the Ministry of Tourism and USAID/Mozambique's Cognizant Technical Officer and Tourism Manager & Environment Officer also visited several times.

Table 3-2. Working Visits and Familiarization Tours

Position/Organization/Name	Date
Project Director, Nathan Associates Incorporated, Mathew Lutkenhouse	April 2006, September 2009
Mission Director, USAID/Mozambique, Jay Knott	May 2006, May 2007
Minister of Tourism, His Excellency Dr. Fernando Sumbana Jr.	May 2006, April 2007, May and July 2010
Governor of Niassa Province, His Excellency Mr. Arnaldo Bimbe	May and July 2006, June 2008
Canadian High Commissioner and Ambassadors of Brazil, Russia, and Sweden	October 2006
Ambassador of France and officials of the French International Development Agency	December 2006
Three U.S. Congressmen (Commissioners) and two staff from the U.S. Presidential Commission on Foreign Assistance (HELP Commission)	May 2007
Governor of Cabo Delgado Province, His Excellency Col. (Rtd) Lazaro Máthe	August 2007
US Embassy Regional Environment Officer, Mr. Anthony Woods	August 2007
Mission Director, USAID/Mozambique, Todd Amani	September 2007, December 2008
Deputy Mission Director, USAID/Mozambique, Kevin Armstrong	November 2007
Seven ministers and two vice ministers on Harmonization of Conservation and Investment Activities in Ilha de Moçambique	December 2007
Team Leader Agribusiness & Private Sector, USAID/Mozambique, John McMahon	May 2008
Governor of Cabo Delgado Province, His Excellency Mr. Eliseu Joaquim Machava	September 2008, June 2009
Program Office Director, USAID/Mozambique, Nancy Fischer-Gormley	October 2008
Two consultants to the Royal Norwegian Ministry of Foreign Affairs, Messrs. Arild Molstad (Consultant on Tourism, Culture & Environment) and Stein Hansen (Senior Economist from Nordic Consulting Group)	
Africa Program Specialist, Office of International Programs, Technical Cooperation Group of the U.S. Department of Agriculture Forestry Service, Lauren Chitty	March 2009
Minister of Education and Culture, His Excellency Dr. Aires Aly	August 2009
UNESCO Country Director and Representative, Dr. Claudia Harvey	September 2009
Deputy Mission Director, USAID/Mozambique, Dr. Teresa McGhie	February 2010
The Honourable Minister of Tourism and Member of Parliament of Kenya, Mr. Najib M. Balala	
The High Commission of the Republic of South Africa, Mr. Dikgang Moopeloa	March 2010
Sr. Vice President for International Development, Nathan Associates, James Wallar	March 2010
Nathan Associates, Project Financial Manager Paola Luther and Finance Manager Gabriel Agbeviadey	June 2010
Project Director, Nathan Associates, José Gonçalves	September 2010

Third Biannual Project Review Meeting

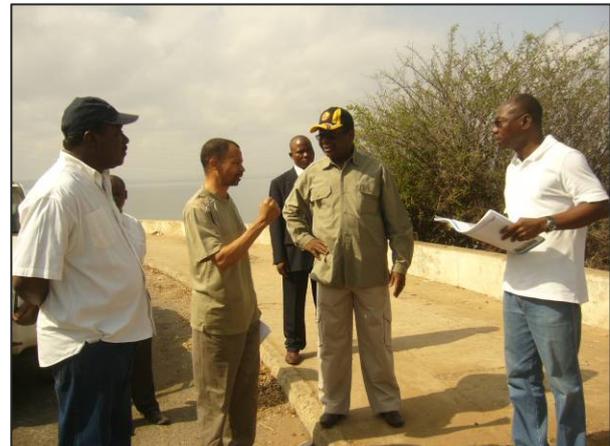
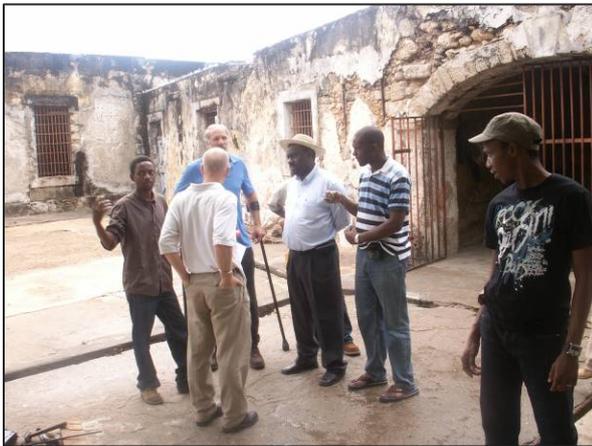


High Table (L-R): Dr. Fernando Sumbana Jr, Minister of Tourism; Dr. Aires Aly, Prime Minister of the Republic of Mozambique; Eng. Rosário Mualeia, Vice Minister of Tourism.



Cross-section of Participants in Project Review Meeting. (Front Row) Ms. Esperança Bias, Minister for Mineral Resources; Todd Amani, USAID Mission Director; and Robert Layng, Tourism Manager and Environment Officer, USAID.

Working Visits and Familiarization Tours



Clockwise from upper left: Ambassadors tour project sites on Ibo Island; HELP Commissioners arrive on Ibo Island; Governor Machava on field visit to resort zone; South African High Commissioner in Chiuanga, Lake Niassa; Nathan Associates Snr. Vice President arrives at Pemba Airport; USAID Mission Director in Fort São João Baptista.

4. Performance Monitoring Plan

Based on World Tourism Organization guidelines, NMTP's monitoring and evaluation plan took a *triple bottom line* approach to gauging progress and impact using the following indicators.

- Economic impact and measurable increases in revenue
- Conservation and biodiversity management and education
- Social sustainability and measurable community benefits.

These indicators are based on United Nations World Tourism Organization (UNWTO) standards for monitoring and evaluating sustainable tourism projects. According to the UNWTO, "in the context of sustainable tourism development, indicators are information sets which are formally selected for a regular use to measure changes in assets and issues that are key for the tourism development and management of a given destination." In general, performance indicators allow destinations to acquire the data necessary to manage tourism in a sustainable manner. For NMTP, the following indicators were drawn up to signal current issues and emerging situations or problems:

- Number of jobs created and growth in tourism sector employment
- Amount of new investment generated
- Number of new rooms
- Increase in occupancy rates
- Number and growth in tourist arrivals to Northern Mozambique
- Average daily spending of these tourists
- Increase in conservation areas (terrestrial and aquatic)
- Number of new supporting businesses started.

General indicators included

- Mozambique's Global Travel & Tourism Competitiveness Index ranking (WEF)
- Levels of foreign and domestic investment in tourism (based on Government of Mozambique and World Bank/IMF data)
- Status of tourism sector policy reforms before and after project interventions
- Private sector perceptions of government transparency and efficiency in the tourism sector (survey data gathered through the ARC)
- Private sector perceptions of legal and regulatory reforms affecting investment and growth (survey data gathered through the ARC).

To ensure data reliability and integrity, we helped build the capacity of the Research Unit of the Department of Planning & Cooperation in the Ministry of Tourism and sponsored a seminar on harmonizing data instruments involving the Central Bank, the National Statistics Institute, Immigration Department, Customs & Preventive Service, and the provincial directorates of tourism. We also worked with the faculty of Tourism and Information Technology of the Pemba Campus of

the Catholic University of Mozambique on the conduct and analysis of data diary surveys. And working through trade associations, we sensitized operators to the value of collecting visitor data using check-in cards and sharing this and other economic data with the National Statistics Institute.

5. Program Activities

NMTP carried out the following activities and cross-cutting activities. They are presented here by objective. Objectives 4-6 were pursued during the extension period.

OBJECTIVE 1—INCREASE ARRIVALS AND EXPENDITURES

Here, NMTP worked to improve and promote the Northern Mozambique product through activities in four areas: (1) branding, marketing and promotion; (2) historic preservation; (3) development of interpretive systems; and (4) capacity building of destination management organizations.

Branding, Marketing, and Promotion

Conducted destination assessment. To understand Arco Norte attractions and develop a market-oriented development strategy, an expert from George Washington University collaborated with the provincial directorates of tourism in assessing the resource base of 60 potential destinations in Cabo Delgado, Nampula, and Niassa (Table 5-1).

Table 5-1. Destinations Assessed for Tourism Resource Base

Province	No. of Destinations	Destination
Cabo Delgado	26	Ancuabe, Guludo, Londo, Quedas do Lúrio, Mareja, Marririni, Mecufi, Meluco, Mocímboa da Praia, Montepuez, Mueda, Murrebue, Palma, Pangane, Pemba, Pemba-Metuge, Quirimbas Archipelago (Ilha do Ibo, Ilha do Matemo, Ilha de Medjumbe, Ilha de Quilálea, Ilha das Quirimbas, Ilha das Rolas), Quirimbas National Park; Quiterraço and Taratibo.
Nampula	16	Angoche, Chocas Mar, Ilhas de Crusse e Jamali, Cuirine Mountains; Ilha de Moçambique, Lumbo, Lunga, Matibane, Meconta (Mt. Nacuaho), Momba, Mussoril, Nacala, Nampula City, Quinga, Ribaue and Sancul.
Niassa	18	Chiuanga; Cóbue; Cuamba; Lichinga; Malanga; Mandimba; Marrupa; Massangulo; Meponda; Mecula; Majune; Sanga; Messumba; Metangula; Mitucue; Niassa National Reserve and Nkwichi.

Organized tourism development strategy workshop. Treating Cabo Delgado province as a pilot site, we organized a workshop in Pemba in August 2006, inviting formal sector tourism operators, provincial government and governmental agencies, airlines, NGOs, the USAID project team, other donor agencies and opinion leaders to discuss the destination assessment. The workshop resulted in a vision statement, consensus on strategic actions to position Cabo Delgado as an emerging destination, and creation of the Cabo Delgado Tourism Forum as a venue for stakeholders to collaborate. Agreed strategic actions covered product development; infrastructure and access; marketing and promotion; small and medium enterprise tourism development; investment and project financing; institutional capacity building; and other issues affecting the sector.

Developed marketing strategy and action plan for Northern Mozambique. Completed in May 2007, the action plan states Arco Norte's competitive edge, identifies niche segments and target markets, presents a positioning strategy for the Arco Norte product, and presents actions and budgets to create knowledge in the market place, secure tour operator interest, and attract visitors from target markets. Key strategic elements are as follows:

- Joint marketing initiatives to forge partnership between the Ministry, FUTUR, private sector operators, and airlines to pool resources (in kind and cash) and mobilize them behind a practical and realistic marketing plan. Since 2007, hotels, local tour operators, car rentals, the national carrier LAM and the Portuguese National Carrier TAP, have co-sponsored familiarization tours for travel writers, who then publish articles on Arco Norte in travel magazines.
- Draft Cabo Delgado Integrated Tourism Development Plan. This plan is a model for plans for Nampula and Niassa. On the basis of an understanding reached with the Provincial Directorate of Tourism and the Spanish International Cooperation Agency, plan development was to be carried out with a consulting firm, Mundo Servicios, hired under Spanish technical assistance. Following agreement on aspects of the plan to be covered by Mundo Servicios and George Washington University, it was decided that each would produce a draft. A Joint Committee chaired by the Provincial Directorate will merge drafts into a final strategic plan.
- Eight pilot tour circuits and a web-based geographic information system. Tour circuits were developed under a World Tourism Organization (UNWTO) Practicum involving students and faculty of the Catholic University of Mozambique (Pemba Campus), the University of Pretoria (Tourism Faculty), and George Washington University (International Institute of Tourism Studies). Based on market research, meetings with subregional and international operators, and field surveys, main destinations visited in Northern Mozambique were mapped (see Figure 5-1) and eight themed routes were developed: adventure, beach-bush, cultural, dive and island, ecotourism (budget-Ecobud), ecotourism (luxury-Ecolux), overlander, and pioneer (discovery).

Produced a Geotourism MapGuide with the National Geographic Center for Sustainable Destinations, Solimar International, and destination communities. This collaboration with the Center—the first such in Africa—signaled a stamp of approval for the Arco Norte approach to tourism and brought Arco Norte to the attention National Geographic members and subscribers, who number over 1 million.

Developed and hosted a Northern Mozambique website. Launched in April 2009, www.northern-mozambique.com allows visitors to go on a virtual tour and get information on the Arco Norte product including areas of natural beauty, arts, crafts, dance, food, historical sites, music, people and cultures, religions, and sacred sites.

Vision Statement

By 2013, Cabo Delgado will have:

a well-trained local workforce to assure a high-quality visitor experience;

rural communities that benefit from the positive impacts of tourism;

cultural and natural resources that are conserved and enhanced in harmony by local communities and tourists;

a knowledgeable public sector that has created an investment and business environment in which the private sector is able to thrive;

an international reputation as a dynamic tourism destination and gateway to Southern Africa and the Indian Ocean.

Figure 5-1. Most Visited Destinations in Arco Norte



Provided technical assistance and sponsorship for event development including the following festivals:

- Cabo Delgado—Pemba Carnival (April), Pemba Open Kite Competition (July/August), and Wimbe Festival (December)
- Nampula—Festival of Ilha de Moçambique (November)
- Niassa—Festival of the Lake (September).

Each festival could become a major event on domestic, subregional, and international tourism calendars.

Created a Mozambique National Brand. The new brand was launched at an impressive ceremony on February 26, 2009, by His Excellency the President Armando Emílio Guebuza. The brand expresses the country's personality in a distinctive logo and tagline and is intended to evoke positive feelings, influence perceptions, and reinforce Mozambique's reputation as a destination for tourism and related investment.

Organized seminar on competitiveness of Mozambique's tourism. Held in Maputo in July 2008, the seminar featured two experts from the World Economic Forum (WEF): Senior Economist Irena Mia and Augustina Ciocia, Team Coordinator of the Global Competitiveness Network. The seminar focused on Mozambique's ranking in the *Global Competitiveness Index* and its strengths and weaknesses in the tourism market and actions required ensuring competitiveness.

Organized tourism conference with the International SAVE³ Tourism Alliance in Maputo in March 2010. The conference let Mozambique attract visitors from a burgeoning market segment and strike up relationships with members of the international scientific and academic community on research activities and programs.

Sponsored photo shoot and created photobank of attractions in Northern Mozambique to spark appreciation for the beauty of Northern Mozambique—its architecture, events, economy, landscapes, nature, townscapes, travel and waterscapes.

³ SAVE stands for Scientific, Academic, Volunteers & Educational.

Historic Preservation

To improve the appeal of Northern Mozambique's historic and cultural attractions, this intervention focused on Ilha de Moçambique (the country's only World Heritage Site), Ibo Island in the Quirimbas Archipelago, and cave painting sites in Nampula Province. Activities and deliverables included the following:

- Developed and proffered historic preservation strategy to the Mozambique Office of UNESCO. This opened the way for the start of historic preservation works on Fort San Sebastião and the creation of conservation plan for the island.
- Facilitated a technical committee meeting on historic preservation of Ibo Island. Chaired by the Minister of Tourism in May 2006, the meeting attracted representatives from the Ministry of Education & Culture, the provincial government, the faculty of Architecture and Department of Archaeology (Eduardo Mondlane University), the District Administrator, community leaders, private sector investors, USAID, the Spanish Agency for International Cooperation, and the World Wildlife Fund. It resulted in a roadmap and strategy for historic preservation works.
- Conducted archaeological reconnaissance survey of Ibo Island. Besides unearthing interesting objects, such as Chinese Ming Dynasty pottery and other artifacts, this activity discovered the ruins of a Swahili settlement that predates the arrival of the Portuguese and over which parts of the current "cement town" are built. The survey also provided information on the historical stratigraphy and settlement morphology of the Island and scientific data necessary for other investigations (see below).
- Arranged for architectural and engineering investigations and emergency and basic stabilization work on four monuments—Fort San Jose (1761), Fort São João Baptista (1795), Fort San António (1819), principal mosque (1883)—to arrest and reverse their deterioration and imminent collapse.
- Restored balustrades along the Ibo Island boardwalk and restored the children's playground in the central plaza of the island.
- Drafted adaptive reuse plans for spaces restored in the three historic forts.
- Developed a manual for restoration and maintenance of old buildings and ruins for owners and investors.
- Developed a conservation plan to guide the historic preservation of the Island.
- Developed a tourism master plan to transform the Island into a residential tourism destination and gateway to the marine areas of the Quirimbas National Park. This and the conservation plan were vital inputs for the urban plan for Ibo Island prepared by the Faculty of Architecture, Eduardo Mondlane University, with funding and technical assistance from the Spanish International Development Agency.
- Created a catalogue of 40 ruins with measured drawings and property profiles to attract private investment and joint ventures with property owners. This should lead to the restoration of ruins and advance a return of the island's architectural glory.
- Assembled and trained a cadre of conservation craftsmen to support conservation and restoration works on the island.
- Arranged for and hosted the first international workshop on managing World Heritage Sites for Portuguese speaking African countries in Pemba and Ibo Island from August to September

2009. The workshop was also sponsored by the Mozambican Ministry of Culture, the African World Heritage Foundation, and the Centre for Heritage Development.

Development of Interpretive Systems

We worked with communities to cultivate and extend their stewardship of attractions and present their destinations so visitors appreciate the attractions and culture. Major activities implemented included the following:

- Two-week exhibit on Quirimbas Heritage in Maputo in March 2007, sponsored by the Brazilian Ambassador, following her earlier visit to Ibo.
- Pilot training and certification of 10 local guides for Ibo Island and Mueda in March and April 2009.
- Strategy for establishing tourist information centers in Pemba and key destinations covered in the Geotourism MapGuide, using existing businesses in these communities and volunteers.
- Periodic cleanup campaigns in Pemba and Ibo Island to address waste management and maintain a healthy and sanitary environment for citizens and tourists.
- Studies and design of enhanced and integrated solid waste management system and operational plan for Pemba, including options for landfills and private participation, completed in March 2008.

Capacity Building for Destination Management Organizations

This intervention developed the ability of operators to deliver good quality service and on workforce training. NMTP provided

- Training in product development and marketing to 179 tourism business operators from September 2006-March 2007. The two-day courses covered how to understand the difference between tourism resources and products, generate and screen ideas, diversify and improve products, conduct competitive analysis, develop business plans, market products and services, and ensure good delivery.
- Training-of-trainer instruction in kitchen, restaurant, and bar operations to nine operators from hotel and tourism associations of Cabo Delgado (4), Nampula (3) and Niassa (2). Part 1 consisted of a one-month course in Maputo; the top students then participated in Part 2, a one-month assignment in Brazil. Three candidates from the Arco Norte went to Brazil and have since been training others through programs organized by associations.
- A meeting to devise strategies for workforce training and long-term human resource development for the Arco Norte. Held in April 2008, *Programa Integrado da Reforma de Educação Profissional (PIREP)* was co-sponsored by Catholic University of Pemba and NORAHTUR (the hotel and tourism association of the North). A major result was to ensure NORAHTUR's participation in PIREP working committees on sector coordination, standards, and curriculum development.

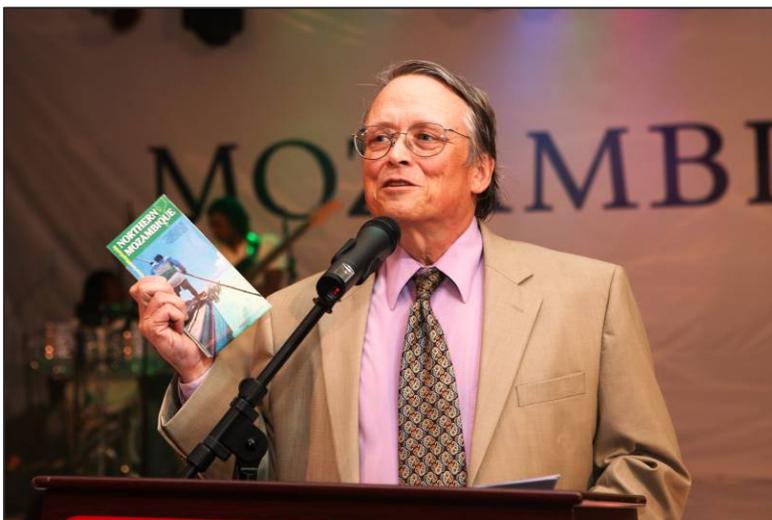
Branding, Marketing, and Promotion



Tanzania's Minister of Tourism (left) chats with Mozambique's Prime Minister and President Armando Guebuza (center) and Mozambique's Minister of Tourism.

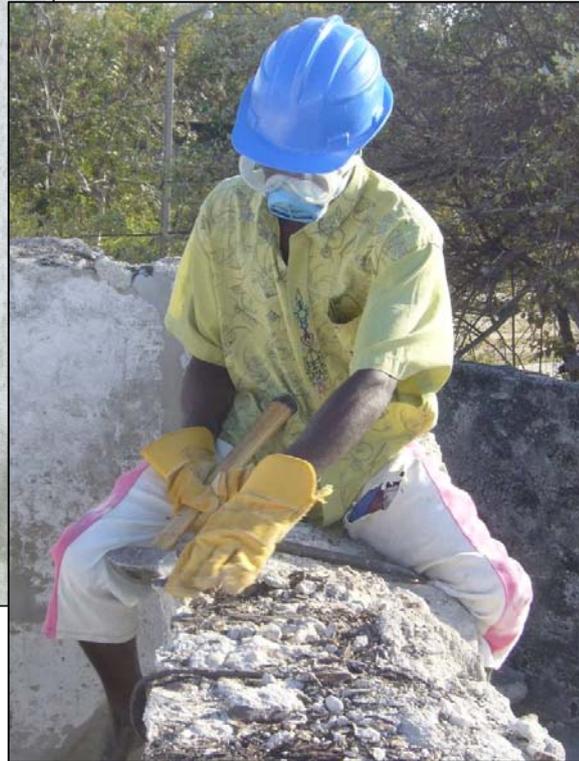
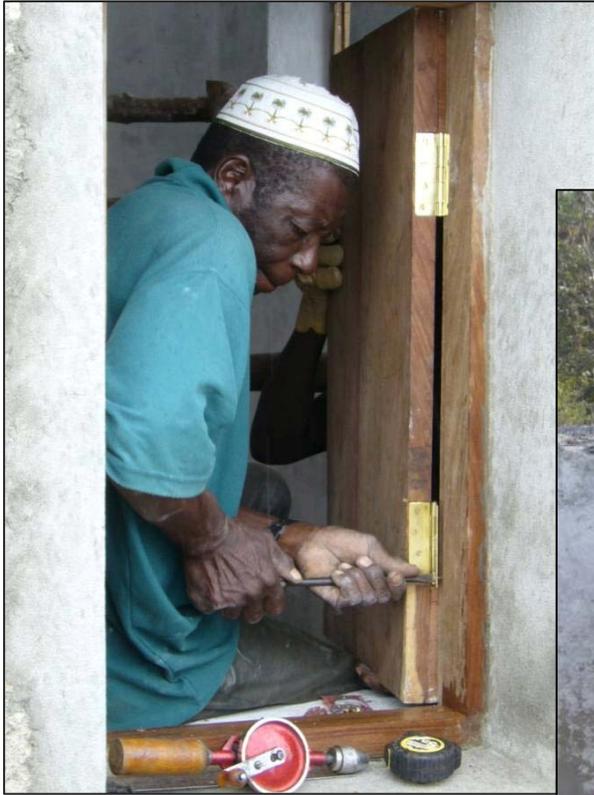


The National Dance Company performs at the ceremony launching the new Mozambique national brand.



Mr. Jonathan Tourtellot, President of National Geographic Centre for Sustainable Destinations holds copy of Geotourism Map Guide to Northern Mozambique.

Historic Preservation—Fort Sao José (Ibo Island), 1761



From top left: Securing rooms in the fort; painstaking removal of inappropriate iron reinforcements from the structure; dismantling fragile members before stabilizing the structure.

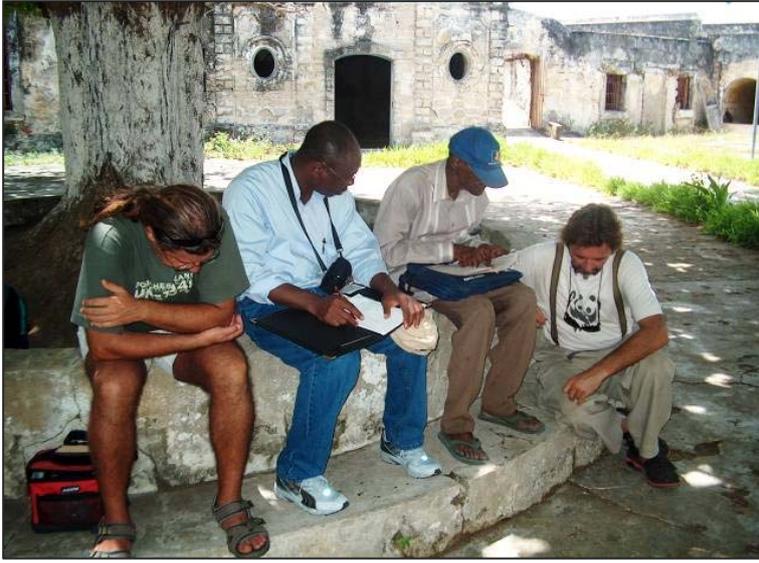
Historic Preservation—Basic Stabilization Works at Fort São João Baptista



Historic Preservation—Adaptive Reuse of Restored Spaces at Fort São João Baptista



Historic Preservation—Courtyard of Fort São João Baptista



Courtyard in 2005.



After stabilization works,
December 2007.



Courtyard adapted into a runway
for a fashion show marking 235
years of Ibo as a municipality,
June 2008.

Historic Preservation—Fort San Antonio (1819)



Top row: Collapsed battery and roof slab before stabilization works. **Middle:** Slab being reconstructed using traditional techniques and materials—mangrove wattle and coconut fiber. **Bottom row:** Wattle and daubing with lime mortar and bonding agent produced from local plant. Restored battery and ceiling.

Historic Preservation—Central Mosque (1883)



Historic Preservation—Page from the Catalogue of Ruins for Restoration



Map of locations of ruins.



Actual building.



Front elevation for proposed restoration.

Historic Preservation—Some Finds from Archaeological Excavations



Chinese glazed porcelain from early 1700s.



Earthenware ceramics with Arab/Islamic glazed ware.



Fragment of over-painted Chinese porcelain plate from late 1700s.

Workforce Training



Strategy session on workforce training (top) and Arco Norte operators being trained in food and beverage services in Bahia, Brazil.

OBJECTIVE 2—ATTRACT INVESTMENT, CREATE JOBS AND BUILD CAPACITY OF LOCAL SERVICE PROVIDERS

To create investor interest and confidence, attract and generate private investment and catalyze the tourism value chain in the Arco Norte, the project developed (1) conceptual land use plans for potential development sites; and (2) investor information packets on facilities required and related investment opportunities.

Conceptual Land Use Plans

NMTP identified three potential tourism investment areas on the basis of the *National Tourism Policy & Implementation Strategy*, findings of our destination assessment, and months of intensive site assessment (begun in September 2007) by a renowned tourism architect and planner. The conceptual land use plan was submitted to and approved by the Council of Ministers for implementation in May 2008 after extensive discussions with stakeholders. A strategy for urban regeneration of Ilha de Moçambique was also developed. Together, the concept plan and the urban regeneration strategy present a framework for development, describe projects, and provide the basis for improvement and orderly expansion of tourism to increase employment and economic benefits derived from the sector.

Investor Information Packet

Conceptual Land Use Planning & Design—A Framework for Tourism Development in Northern Mozambique was professionally designed and printed after approval of the concept plan. Part 1 covers tourism development opportunities and Part 2 tourism development planning and design guidelines. It covers the planned approach, development opportunities in the potential investment areas, implementation framework, land budget, land use and design guidelines, and an action plan to engage communities in tourism development

Rapid Appraisal of Development Opportunities in Other Provinces

NMTP appraised development opportunities in the seven provinces of central and southern Mozambique at the request of the Ministry of Tourism, and as a sequel to the Arco Norte conceptual land use plan. We submitted a development framework and strategy to the Ministry of Tourism. The concept is to develop a world-class beach product along the coast of central and southern Mozambique in the short term, and a bush product inland in the long term. Recommended actions included the following:

- Create an ecological corridor between Marromeu Reserve and the Gorongosa National Park and integrate with the region's mountain and cave sites; develop a management plan for Marromeu Reserve and high-end wildlife lodge for elephant and buffalo viewing; and maximize the beach-bush concept with recreational facilities on Marromeu Beach.

Potential Tourism Investment Areas

CABO DELGADO Pemba Bay and 14 km stretch of coastline to Murrebue in the Mecufi District, and Ilha do Ibo (Quirimbas Archipelago)

NAMPULA The Cabaceiras, 5 km Lumbo- Sancul beachfront, including the old town of Lumbo with substantial stock of abandoned buildings (District of Ilha de Moçambique), and Chocas Mar (District of Mosuriril).

NIASSA Metangula Lakeshore (Metangula District) and Lichinga City (Municipality of Lichinga).

- Maximize the potential of Zambezi River by developing water and land adventure activities, attract investment for a river adventure center; and develop tour circuits and linkages with neighbouring Zambia and Zimbabwe.
- Develop the Binga and Chimanimani mountain ranges for SAVE tourism opportunities, including investment in a trail network, research center linked with international universities and hill stations with good access and opportunities for mounting climbing and adventure sports.
- Develop a long-term wildlife management strategy that creates ecological corridors between Banhin, Limpopo, and Zinave National Parks, including the integration of rivers and attracting investment for game viewing facilities.
- Designate a three-zone “lake district” from Bilene to Inhambane that includes beaches as prime ecological areas:
 - The central zone, near Xai Xai and Chidengule, with sand dunes, corals, turtle nesting grounds, and dotted with uncontrolled developments, is to be a conservation zone with development along the beach restricted and any future development controlled.
 - The western zone, comprising Bilene and its freshwater lakes, and with interesting terrain and landscapes, is to be a priority investment area for integrated master planning for resort development to ensure quality, control development, and arrest urban sprawl.
 - The eastern zone, near Inhambane, with small beach hotels and limited but great potential development to the south, is to be a priority investment area for integrated master planning and major resorts to ensure quality and control development.

Other Provinces Appraised

GAZA Bilene; Chidenguele, Zongoene (dunes, lagoons, lakes), Banhine National Park, Limpopo National Park

INHAMBANE Inhambane, Zavala, Zinave National Park

MANICA Binga mountain, Chicamba dam, Chimanimani mountain range and reserve

MAPUTO Inhaca and Portuguese Islands, Maputo Reserve (lakes, beaches), Marracuene.

SOFALA Gorongosa mountains, Gorongosa National Park, Marromeu Reserve, Savane, Sofala Bay

TETE Cabora Bassa Lake, Songo and the City of Tete (and along the Zambezi River)

ZAMBEZIA Gile Reserve, Zambezi estuary, Zazala beach

OBJECTIVE 3—INVOLVE COMMUNITIES IN DEVELOPMENT

To ensure community stewardship of and participation in conservation and tourism development, NMTP facilitated the process for creation of a conservancy on Pemba Bay and a marine reserve on Lake Niassa.

Pemba Bay Conservancy

To protect and monitor the health of this national asset and natural resource base for multisectoral activities, NMTP

- Arranged for rapid assessment of the bay and its watershed by scientists from the US National Parks Service, the Fish & Wildlife Service, and Eduardo Mondlane University (October 2006). This entailed collating information about the bay's natural resources; assessing anthropogenic threats to the bay; determining what needed to be studied to fill information gaps; and providing recommendations and an action plan for integrating bay conservation and management, with emphasis on having a multiple stakeholder "conservancy."
- Developed legal framework and statutes to establish Conselho Local de Gestão Participativo de Recursos (COGEP) after consultations with stakeholders, and submitted to government for action by May 2007. Under the Article 95, paragraph 1 of Decree 12/2002 of 6 June (the Forestry and Wildlife Regulation) COGEPs shall consist of equal numbers of representatives from (1) local communities, (2) businesses (individuals or companies), (3) associations or NGOs, and (4) the state.
- Had Pemba Bay admitted into the Club of Most Beautiful Bays of the World after an assessment mission by the Club in May 2008. NMTP provided support to the Municipal Council and presented the case for membership to the Club in October 2007.

Lake Niassa Marine Reserve

To protect and ensure sustainable management of the lake's unique ecosystem and species—described by the World Wildlife Fund as "probably the most ecologically important freshwater body in the world"—the following activities were accomplished under a grant to WWF/Mozambique.

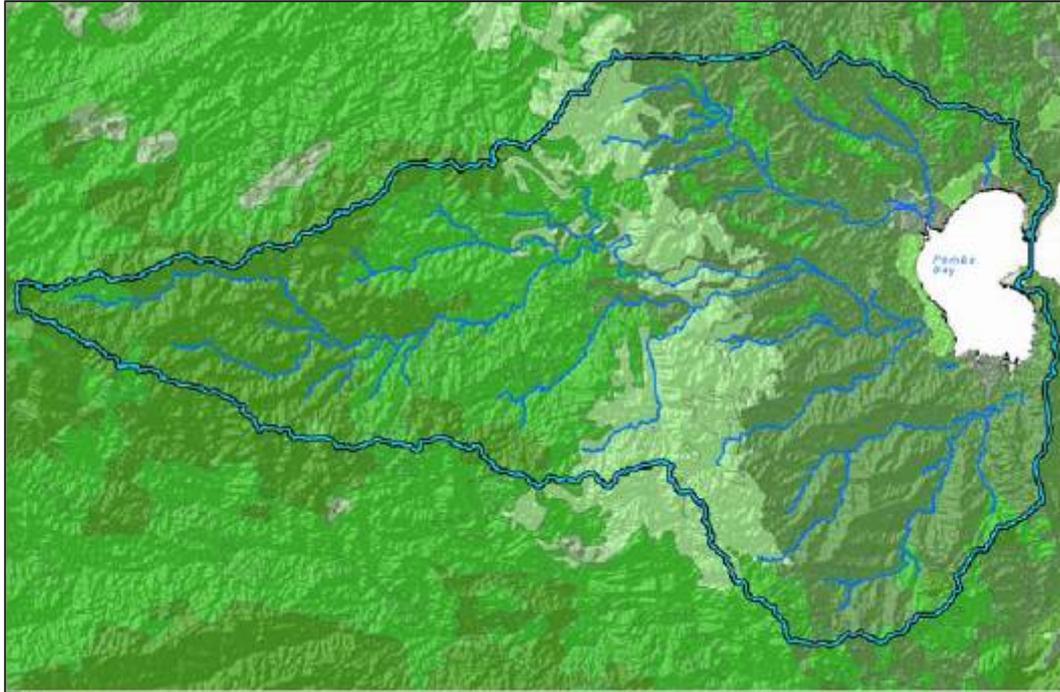
- Conducted rapid assessment of threats to the lake in 2006 with further studies and survey of biological resources and data on aquatic habitats in 2007.
- Drafted management and zoning plan for marine reserve covering 60,000 hectares of aquatic area and 40,000 hectares of buffer zone on the mainland, and produced associated maps.
- Recruited, trained, and employed 37 local community rangers to monitor illegal fishing. Trained at the Gorongosa National Park Rangers Training Center, the rangers are commissioned into service on the basis of the Law of Local Governmental Authorities (Lei dos Órgão Locais do Estado), which attributes certain tasks, including patrolling and supervision of patrolling functions, to district governments. This law is being applied for the first time on the Lake Niassa Project. It provides rangers with legal authority at the community level and a direct line of support and backup from the District Administration.
- Acquired a patrol boat, which is also available to local and provincial government partners for transporting school materials, agricultural seeds, and the Governor on his visits.
- Established and registered six local community fishing councils with the Ministry of Fisheries in Messumba, Chiuanga, Micuio, Sanjala, Tungo, and Seli to monitor fisheries.

- Conducted environmental outreach through community consultation meetings and district and community radio stations. A committee consisting of the District Administration and the District Economic Activities Department (SDAE) disseminated information on conservation, fisheries management, and the proper use of mosquito nets for malaria prevention rather than fishing. Program content was approved by the Ministry of Fisheries.
- Distributed 16,000 mosquito nets in coordination with traditional leaders, Fisheries Department, and the Ministry of Health.
- Created livelihood alternatives for communities around the reserve by facilitating a microcredit program through 16 community associations (fishing, agriculture, animal production, agricultural marketing) under the Local Investment Fund of the District Economic Activities Department. The ultimate goal is to minimize pressure on fisheries resources.
- Submitted the draft management and zoning plan and legislation for the formal declaration of the Lake Niassa Marine Reserve to the government for implementation.

Sustainable Financing of Mozambique's Conservation Areas

NMTP co-sponsored an international workshop on sustainable financing for Mozambique's conservation areas in 2007.

Conservation and Tourism Industry Development—Pemba Bay Watershed and Threats to the Bay



Lake Niassa Marine Reserve



Cichlids of Lake Niassa—Nearly 1,000 endemic species identified



CROSS-CUTTING ACTIVITIES

Cross-cutting activities focused on dialogue and advocacy mechanisms, improvements in policy and regulation, and knowledge management.

Creation of Provincial and Arco Norte Forums

NMTP facilitated the formation of and provided technical assistance to provincial hotel and tourism associations. The associations integrated disparate and splinter organizations representing hotels, restaurants, bars, night clubs, tour operators, vehicle rentals etc., then federated to form the Arco Norte Hotel and Tourism Association (NORAHTUR), which was pivotal in the drive for and the September 2010 inauguration of the National Federation of Hotels & Tourism Association. The provincial associations also established local forums for dialogue between the hotel and tourism associations, public sector institutions, and community leaders. NMTP provided each provincial association office with a computer and printer.

Policy and Regulatory Enhancement

NMTP sponsored a seminar to assist Mozambique in bringing tourism-related legislation in line with best practices. It then funded a public education and outreach program on tourism legislation targeting operators in the provinces.

Tourism Management Information System

To create a reliable database for planning tourism development and for monitoring the impact of tourism on the economy, NMTP sponsored

- *A 3-day seminar on collection and analysis of tourism data*, organized by the Research Department of the National Directorate for Planning & Cooperation of the Ministry of Tourism. Held in 2008 in Lichinga, the seminar attracted national directors and senior personnel from the Central Bank, the National Statistics Institute, Department of Immigration, the Airport Authority, provincial directorates of tourism, and hotel and tourism associations.
- *Pilot traveler surveys in Cabo Delgado*, including diary surveys at the Pemba Airport and collation of data from land entry port in Cabo Delgado; inspection of the computerized system for data collection and analysis at the airport offices of the Provincial Directorate of Immigration by Deputy Director António Maluana; establishing an institutional relationship and subcontract with the Information Technology of the Catholic University in Pemba to use students and faculty to clear the backlog of data awaiting entry at the Provincial Immigration Office.
- *Participation of the Head of Research Department of MITUR* in a conference on measuring tourism's economic contribution at subnational levels held in Malaga, Spain (October 2008).

OBJECTIVE 4—ENHANCE BIODIVERSITY CONSERVATION AND MANAGEMENT OF ENVIRONMENTAL ASSETS

Ecosystem conservation is the surest way to sustain the natural resource and tourism product base of the Arco Norte. Reinforcing this fact was a major objective of the 18-month extension. Our goal was to move Mozambique away from a patchy approach to conservation by enhancing the institutional

framework for coordination and scientific research. Budget constraints required that we not pursue four planned activities and instead concentrate on those described below.⁴

Research, Monitoring, Management Systems for Lake Niassa Reserve

In addition to routine management and monitoring, NMTP

- Oversaw southward expansion of the reserve by 140,000 hectares. The WWF, at the request of communities on the southern end of the lake, consulted with community leaders on a management plan for southward extension of the aquatic reserve. The aquatic portion of the reserve has been expanded by 80,000 hectares and the buffer zone on the mainland by 60,000 hectares. The conservation area of the Lake Niassa Marine Reserve increased from 100,000 hectares to 240,000 hectares.
- Met with ministries and stakeholders with an interest in the lake to resolve issues and develop draft legislation on formal declaration of the reserve for submission to the Council of Ministers.

Conservation and Management Plans for Coastal Areas Zoned For Resort Development

NMTP conducted a major ecological study within the proposed Arco Norte project area, including the shorelines of Chuiba-Murrebue (Cabo Delgado), Lumbo-Sancul (Nampula), and Chiuanga (Niassa). The study identified the ecological composition of these areas and their sensitivity to development. The study recommended the following for immediate action:

- Enforce strict adherence to set-back regulations for coastal development (e.g., do not allow development within 100 meters of the high tide mark).
- Create ecological buffers for sensitive features.
- Carry out hydrological and geohydrological studies of Wimbe in Pemba (Cabo Delgado Province) and Chiuanga (Niassa Province), as well as geomorphology studies of Chiuanga.
- Conduct a comprehensive assessment of flora and fauna before development begins to establish a baseline for measuring the impact of development. Very little is known about the flora and fauna of Northern Mozambique, much less the presence of new species or variations of species.

OBJECTIVE 5—ATTRACT INVESTMENT FOR A WORLD-CLASS DESTINATION

Key interventions included enhancing planning and development controls and building Mozambique's tourism image while promoting and generating investment.

Enhancing Planning and Development Controls

Aerial mapping, imaging, and a digital topographical survey of the six sites selected for tourism development (except Ibo Island) was completed in May 2010. Phase 1 of the master plan for tourism development was completed in June 2010. Drawing on data generated by the aerial mapping and

⁴ (1) Support for scientific research, monitoring, and management of Pemba Bay; (2) developing plans for coral reef protection and management; (3) improving solid waste management and "greening" in destination communities; and (4) studying the feasibility of a tourism tax to support conservation.

survey and rigorous analysis of the built, natural, sociocultural, economic, institutional, and tourism environments, the master plan provides frameworks for the Arco Norte region, for provincial tourism, and for destinations (Pemba, Ibo, Lumbo/Sancul, Lichinga, Metangula and Chiuanga). It includes a land use plan; zoning and planning guidelines and controls; identification and spatial distribution of private sector investment opportunities and typologies; markets; international linkages; transport and access requirements; utility requirements; estimates of investment costs; human resource and capacity building needs; and institutional arrangements for managing the tourism and resort development process.

Image Building, Investment Promotion and Generation

Image building focused on cultivating awareness of the tourism master planning process, the creation of special tourism zones, and the creation of a framework for establishing a company to manage destination development. NMTP arranged for interviews in major newspapers; paid for advertorials in regional publications including *Sawubona*, South African Airways' in-flight magazine; and arranged for promotions on the DSTV Super Sports Channel. The television promotion was also part of our joint marketing initiative with the private sector. A 26-minute documentary of the 2009 Pemba Open Kite Competition was broadcast 19 times; this involved 10 flightings in South Africa, one prime time slot and nine repeats with name straps and opening boards, including the new Mozambique brand and USAID's brand. The broadcasts cost 1,716,003 Rand (US\$238,334). This was leveraged with a contribution of \$5,016.30. DSTV gave NMTP tapes with sound tracks and the right to use tapes for any purpose (e.g., commercials, websites, and documentaries).

Investment promotion and generation activities lay the foundation for an aggressive promotion campaign once certain pre-investment activities were complete:

- Stimulating the interest of a shortlist of investors with prospective opportunities, pending completion of the master plan. This involved presentations, meetings, site visits for potential investors, banks and funding institutions.
- Participating in international hotel and tourism investment conferences and co-sponsoring the Africa Tourism Investor Summit & Awards 2009 in Maputo. As the project drew to a close, we lay the foundations for an Arco Norte Investment Forum for local and South African investors to be held in Pemba in November under the auspices of the Ministry of Tourism and the South African High Commission.
- Visits to proposed resort zones for 11 potential developers from Angola, China, Italy, Mauritius, Mozambique, South Africa, and Spain.
- An investment promotion mission to the Republic of South Africa and led by the National Director of Tourism visited in April 2009. The mission presented opportunities to six resort, hotel and real estate developers, hotel management groups, and project financing institutions in Johannesburg, Sandton, and Cape Town.
- Published 500 copies of *Invest in Arco Norte* in September 2010. An electronic version of the handbook was delivered to the Ministry of Tourism for targeted distribution.

Hotel and Tourism Conferences

Crans Montana Forum on Development of Economic and Financial Relations between African and the Gulf States, 2008 (Kingdom of Bahrain)

Arabian Hotel Investment Conference (Dubai)

Hospitality Investment Conference Africa 2008 & 2009 (Sandton, South Africa)

Hotel Investment World 2010 (Cape Town, South Africa)

- Developed a business plan for an Arco Norte tourism development company, envisaged as a special purpose, public-private partnership to manage investment promotion and destination development.
- Prepared articles of incorporation (*estatutos*) for the proposed tourism development company.

Policy Reform and Regulatory Enhancement

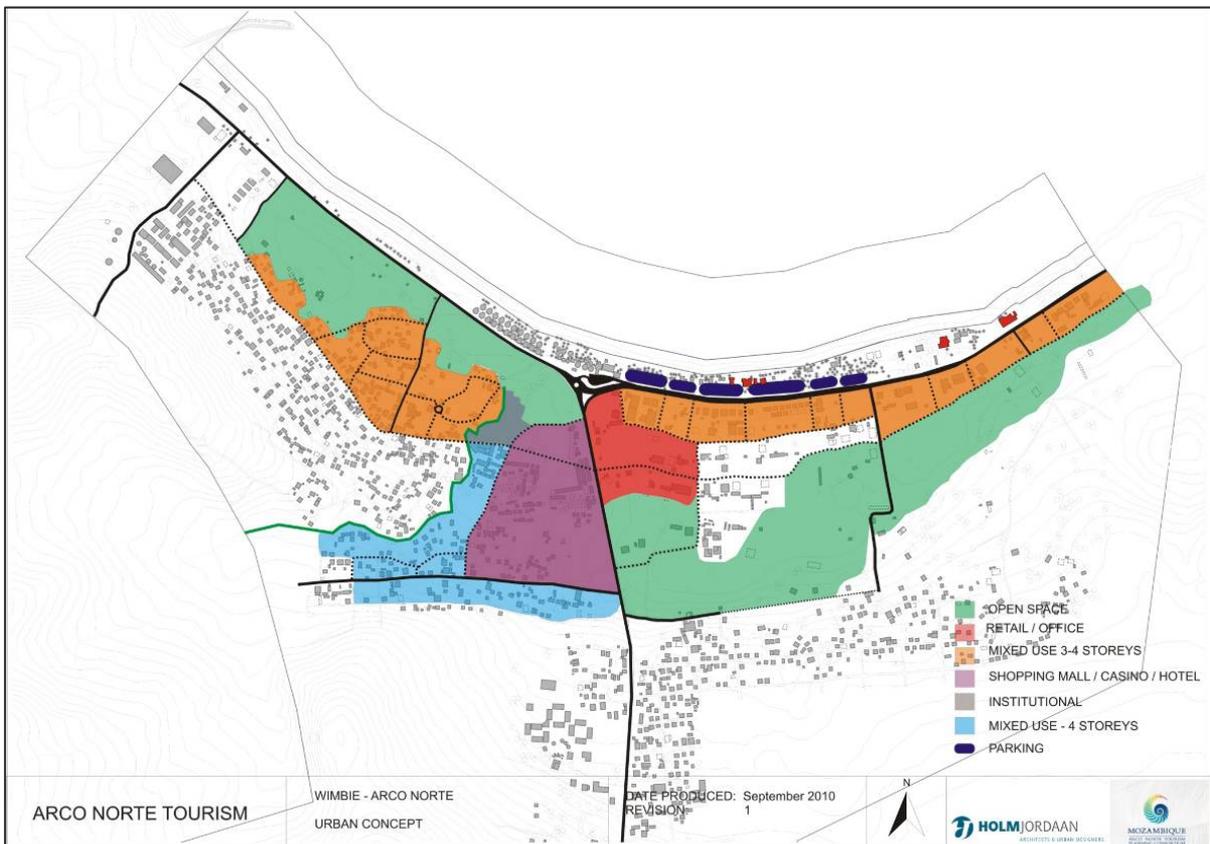
NMTP addressed policy issues to boost the competitiveness of the tourism sector and the business environment in the Arco Norte. We

- Co-sponsored draft legislation leading to the approval and adoption of the Integrated Resort System as a framework for attracting investment and developing the tourism sector.
- Co-sponsored draft legislation leading to the promulgation of the Decree 77/2009 of the Council of Ministers, approving the regulations governing the declaration of Special Tourism Development Zones (*Zonas de Interesse Turístico*); as well as the Decree declaring all six sites in the Arco Norte Tourism master plan to be special zones. This legislation provided the legal framework and mechanism necessary to enforce zoning, land use, and planning guidelines, all required for sustainable destination development in the Arco Norte.
- Provided inputs for enhancing investment incentives for the tourism sector approved by Parliament.

OBJECTIVE 6—COMMUNITY STEWARDSHIP OF CONSERVATION AND TOURISM DEVELOPMENT

After a budget review and cut back in project activities, NMTP entrepreneurial development and workforce training had to be dropped. We then focused solely on stakeholder education by funding the work of a multisectoral technical committee set up after the December 2008 project review to overcome obstacles to effective and speedy project implementation. The committee visited all project destinations in the three provinces, met with local communities, district authorities, provincial directors, governors, and trade associations to raise awareness of the need for local assumption of leadership of the project. The committee comprised national directors from the ministries of agriculture, culture, environment, finance, planning and development, public works and housing, state administration, tourism, and transport and communications.

Aerial Image of Wimbe Beach and Land Use Concept



Meetings and Visits of Multisectoral Team



Top: Working session of the Intersectoral Technical Commission on implementation of Projecto Arco Norte. **Bottom:** Maputo MITUR Team, Chief of Party, and administrators of Ibo and Mecufi Districts.

6. Program Impact and Results

NMTP put in place in destination development strategy; promoted northern Mozambique as a destination; influenced the passage of legislation and the adoption of best practices that improve the enabling environment for tourism; upgraded national capacity for tourism development and marketing, natural resource conservation, and historic preservation; and efficiently secured additional financial resources for NMTP activities. The results: growing recognition of Arco Norte as a worthy tourism and investment destination; increasing tourist arrivals and expenditures; more jobs in the tourism sector; and rising investor confidence in Arco Norte.

DESTINATION DEVELOPMENT

Instead of the previous patchwork approach to the tourism industry, Mozambique now has a planned and coordinated approach to destination development. Through tourism forums and hotel and tourism associations, the actions and interests of various stakeholders can be harmonized. This institutionalization of coordination along with planning interventions at national, regional, and provincial levels facilitated, and will continue to facilitate, development of products, services, resources and institutional mechanisms critical for transforming tourism into a major industry in the north. With the foundation for a world-class destination in place, the goals of the national tourism policy goals are within reach.

DESTINATION PROMOTION

More and more people are aware of Arco Norte as a destination thanks to the NMTP website and NMTP-sponsored promotions on international broadcasts and in international publications. The DSTV Super Sports Channel, which broadcasts throughout Africa and in some parts of Europe and the Middle East, has 10 million subscribers in Africa alone, 5 million in South Africa, the main tourist-generating market for Mozambique and the Arco Norte. About 400,000 watch the prime time shows. Our promos put Arco Norte on the screens of an estimated 10 million viewers. Published advertorials had a reach of about 300,000 readers; the *Geotourism MapGuide* was accessible to National Geographic's subscriber base of at least one million.

LEGISLATIVE ENHANCEMENTS AND BEST PRACTICES

NMTP impact is reflected in the Council of Ministers' approval and adoption of the following policies and legislation, which together create a better environment for private sector-led tourism growth:

- Integrated Resort System, as a framework for tourism development in Mozambique (August 2008)
- Conceptual Land Use Planning & Design–Framework for Tourism Development in Northern Mozambique, as a basis for attracting investments into the Arco Norte (August 2008)

- Decree No. 77 Approval of Regulations for the Declaration of Zones of Special Tourism Interest (December 2009)
- Declaration of 6 Select Sites in the Arco Norte (including Pemba Bay) as Zones of Special Tourism Interest (August 2010).

Other NMTP achievements include the acceptance of the *Geotourism Charter* as a guide for sustainable tourism development, publication of the *Geotourism MapGuide* for the Arco Norte, as a pilot, and the ongoing legislative process to declare Lake Niassa a marine reserve.

NATURAL RESOURCE AND CULTURAL ASSET MANAGEMENT

Through NMTP, biodiversity resources and historical assets are no longer threatened by mismanagement, thus ensuring their sustainability, valorization, and productivity.

Lake Niassa Marine Reserve. The creation of the reserve has curtailed illegal fishing, revived some species, increased fishery yields while maintaining fish diversity, and preserved local communities' main source of protein and livelihood (i.e., fisheries). Without effective management, fisheries would have declined and caused great social distress. There is anecdotal evidence that the creation of the buffer zone covering riparian areas has also improved water quality.

Pemba Bay Conservancy. NMTP identified anthropogenic and other threats to the health of the bay and its watershed and made policymakers, industry, and stakeholders aware of the need to protect the bay and watershed on which Pemba and its tourism industry depend.

Cultural Heritage Conservation. NMTP work on heritage conservation included restoration and adaptive reuse of spaces in monuments such as Fort São João Baptista; the revival of ancient construction technologies; and the urban renewal process that it redounds to. This work created jobs, made people aware of the economic as well as the social value of cultural resources, and led to the tentative listing of the Quirimbas Archipelago and Ibo Island as World Heritage Sites.

Development, Conservation, and Preservation Capacity. To bring national capacity to the standards of the World Heritage Council, NMTP provided training in architectural conservation for one Mozambican architect; trained nine culture sector personnel in the identification, listing, and management of potential World Heritage Sites; and provided training to upgrade the skills of three dozen conservation craftsmen. The Canadian High Commission gave a grant of US\$100,000 to the consultant archaeologist to support a field workshop, scholarships for two Mozambicans to study heritage management in Canada, and a medical outreach team to visit the islands in the Quirimbas Archipelago. NMTP also

- Developed a team of nine local trainers to ensure continuous improvement in food and beverage service delivery.
- Trained 179 operators in product development and destination marketing.
- Recruited 37 people from communities along Lake Niassa Marine Reserve and trained them to be professional park rangers with skills in resource protection.
- Put in place a model curriculum and certification system for community tour guides and interpretation of the Arco Norte heritage to ensure that visitors have a satisfying experience.

FINANCIAL RESOURCES

NMTP leveraged an estimated US\$1,010,000 in grants and donations. The Canadian High Commission provided a \$100,000 grant; DSTV Super Sports Channel provided \$238,334; and Consultant Conservation Architect, Tourism Planner & Architect and Resident Project Architect in Ibo donated 150 days, equivalent to \$72,000. By way of the World Wildlife Foundation, Coca Cola International donated \$600,000 for nature conservation on Lake Niassa.

MORE TOURIST VISITS AND SPENDING

Destination development interventions increased visits to the Arco Norte. Overall, arrivals increased by 113.92 percent between the baseline year 2005 (year preceding NMTP intervention) and 2008. In Cabo Delgado, registered arrivals at hotels and lodges increased 121 percent between 2005 and 2008. In 2009, the number dropped because of the global economic downturn, rising oil prices, and rising airfares to the north but was still 30 percent more than in the baseline year. In Nampula registered arrivals increased by 94.6 percent and in Niassa by 81.4 percent. See Table 6-1.⁵

Table 6-1. Registered Arrivals to the Arco Norte, 2005-2009

Province	2005	2006	2007	2008	2009
Cabo Delgado	23,803	28,564	52,113	52,840	30,951
Nampula	20,345	23,375	27,855	39,604	n/a
Niassa	17,306	17,708	27,270	41,303	n/a
Total	63,459	71,653	109,245	135,755	

SOURCE: Provincial Directorates of Tourism.

MORE JOBS IN TOURISM SECTOR

In Cabo Delgado, for which we have reliable data, the number of people employed in the tourism sector increased from 1,144 in 2004 to 1,649 in 2009, or 44 percent. This comprised 989 males and 660 females.

VIBRANT PRIVATE SECTOR

The three provinces now have unified private sector associations and a constituency that articulates and advocates policies and positions and is beginning to provide leadership for tourism development. NMTP interventions also bore fruit in the form of a regional federation of provincial associations and the recent inauguration of the National Hotel & Tourism Association of Mozambique, largely spurred by activities of the Arco Norte associations.

RISING INVESTOR CONFIDENCE

Local and international investors have more positive perceptions of and confidence in Arco Norte as an investment destination as reflected in the amount and the growth in investments and number of tourism businesses established since NMTP began in 2006. From 2005 to 2009, the number of licensed tourism businesses in Cabo Delgado increased by 35.8 percent overall, with the number of licensed hotels and lodges rising by 106 percent (see Table 6-2).

⁵ These data are based on number of registered guests who spent one night in 3-5 star hotels and lodges.

Table 6-2. Number of Licensed Tourism Businesses, Cabo Delgado, 2005–2009

	2005	2006	2007	2008	2009
Licensed businesses	106	114	124	137	144
Licensed hotels/lodges	41	44	54	60	66
5 Star	2	2	2	2	2
4 Star	1	3	4	4	4
3 Star	5	5	6	8	9
Other	33	34	42	46	51

SOURCE: Cabo Delgado Provincial Directorate of Tourism.

Since 2006, Cabo Delgado’s tourism sector (excluding Ibo Island) has benefited from more than \$15 million in investment in 20 ongoing projects. Pemba expects nearly \$180 million in new private investment by December 2011. This does not include \$40 million in infrastructure financing to be sourced by the proposed Tourism Development Company.

Ibo Island. At the end of 2005, tourist accommodation on Ibo Island consisted of a 10-room guesthouse owned by the parastatal Telecomunicações de Moçambique and seven rustic rooms in a privately owned guesthouse, Casa Janin. At the end of 2005, a \$500,000 restoration of two ruins into a 10-room boutique hotel along the Boardwalk had just started. Between 2006 and September 2010, a total of \$2.4 million had been invested in 34 new hotel rooms, including the luxury Ibo Island Lodge, in historic Cement Town. This amounts to 380 percent increase in investment and a 200 percent increase in rooms during the project period. It excludes \$50,000 invested in the Archipelago Hotel, investments in new pubs in the “Informal Town” or Bairros, about \$200,000 in individual purchases of ruins from owners, as well as NMTP’s direct investment in the preservation of three forts and the principal mosque.

Pemba East Coast. At the time of NMTP termination in September 2010, plans were underway to lay the foundation for a 150-room \$12 million hotel in the Chuiba Resort Zone in mid-November. The hotel is to be managed by a boutique Italian operator, Meta Resorts (www.metaresorts.com). Also in November, design work by Halcrow International began on a \$70 million, 250-300 room hotel in Chuiba. This mixed development of hotel rooms, chalets, a commercial area, and vacation homes, will most likely be franchised under the Intercontinental brand. Plans for another 500 rooms, estimated at \$75 million, in Chuiba and the Muitua resort zones by three other developers are on the drawing board.

Pemba North Coast (Wimbe Beach). Construction of \$46 million tourism mall in Wimbe Beach had to be aborted in April 2010—after financing was secured and construction personnel and equipment were ready for groundbreaking—because the design did not meet zone requirements. The site is expected to be redesigned and a new investor secured by March 2011. Economic impact modeling by the Masterplan Consortium indicates that this one investment can generate about \$109.30 million in additional sales, \$46.50 million in gross geographic product (GGP), and 1,700 jobs during construction. When operational it should generate an annual input of \$127.4 million, which should yield \$297 million in annual sales; \$135.30 million (GGP), and 2,110 permanent jobs.

Nampula Province. Mostly local investors poured about \$42.50 million into 31 projects in Ilha de Moçambique, Memba, Moma, Mosuriril, Nacala, and Nampula City from 2006 to 2009 (Table 6-3). Nampula City, the commercial and administrative capital, absorbed about 53 percent of investment;

Nacala, with its deepwater port and industrial free zone, 20 percent; Moma, a mining town, 8 percent; and Ilha de Moçambique, Memba, Mosurri—leisure destinations—the remaining 19 percent.

Table 6-3. Registered Tourism Projects in Nampula Province, 2005-2009

	2005	2006	2007	2008	2009
No. of projects	4	2	6	3	20
Investment (US\$)	8,201,840	748,154	9,014,740	1,992,857	30,823,996
No of rooms	125	29	148	76	
No of beds	181	85	93	118	
No. of employees	113	69	205	97	

SOURCE: Nampula Provincial Directorate of Tourism.

Niassa Province. About \$4 million was invested in improvements to lodge operations and construction of new hunting lodges. Also, the number of tourism businesses increased 27 percent, from 54 in 2005 to 69 by the end of 2008.

Valorisation of Properties. The creation of masterplans for various sites and plans for infrastructure provision have driven up property values in the proposed resort zones. But at this point in time this major project impact cannot be quantified and must be the subject of a future evaluation.

Table 6-4 below provides a summary of project indicators and impact.

Table 6-4. Project Indicators and Impact

Item	Performance Indicator	Data Source	Method of Collection	Baseline (2005)	End of Project Results
1.	Northern "Arc" Private-public-community stakeholder forum for tourism development and promotion established.	NMTP Management	Primary data (direct collation)	No stakeholder forum Multiple industry associations in each province	1 Federated Northern "Arc" Tourism Association 3 unified and effective provincial tourism associations. 3 provincial tourism forums. Annual stakeholder project review meeting. National Federation of Hotel & Tourism Associations inaugurated.
2.	Capacity to collect and analyze tourism statistics for Northern "Arc" established.	NMTP/Research Department of MITUR	Primary data (direct collation)	Disparate data collection instruments among various national agencies. Unreliable data at provincial level	Unified data instrument among national data agencies developed. Capacity built in Provincial Directorate of Tourism, Immigration Dept, and Catholic University to collect and analyze tourism data. Pilot traveler surveys for Cabo Delgado undertaken. Pilot geographic information system tourism management information system developed for destinations in Cabo Delgado, Nampula and Niassa

Item	Performance Indicator	Data Source	Method of Collection	Baseline (2005)	End of Project Results
					Provinces.
3.	Destination management and strategic plan (including tourism land use plans for priority areas for private sector investments) developed for Northern Arc with Cabo Delgado as the initial pilot case.	NMTP Management	Primary data (direct collation)	No management or strategic plans	<p>Integrated Tourism Development Plan for Cabo Delgado completed (2007).</p> <p>Integrated Resort System, as a framework for tourism development in Mozambique approved by Council of Ministers (August 2008).</p> <p>Conceptual Landuse Planning & Design Framework for Tourism Development in Northern Mozambique completed and approved by Council of Ministers (August 2008)</p> <p>Tourism masterplans for Arco Norte, 3 provinces and 2 destinations in each province completed and presented to government (June 2010).</p> <p>Decree No. 77 Approval of Regulations for Declaration of Zones of Special Tourism Interest (December 2009)</p> <p>6 sites in Arco Norte (including Pemba Bay) declared zones of special tourism interest (August 2010).</p>
4.	Hotel investments, including an international brand, attracted to the Arc and rooms offering 3-5 star rating increased by 20% from current level of 300.	Provincial Directorates of Tourism	Primary data (direct collation)	<p>106 licensed tourism businesses in Cabo Delgado Province.</p> <p>8 three-five star hotels in Cabo Delgado Province.</p> <p>125 hotel rooms in Nampula Province.</p> <p>54 licensed tourism businesses in Niassa Province.</p> <p>323 three-five star rooms in Arco Norte</p>	<p>144 licensed tourism businesses in Cabo Delgado Province.</p> <p>15 three-five star hotels in Cabo Delgado Province.</p> <p>378 hotel rooms in Nampula Province.</p> <p>64 licensed tourism businesses in Niassa Province.</p> <p>475 three-five star rooms in Arco Norte.</p> <p>500 rooms including a proposed \$70m, 300-room to be franchised by Intercontinental Group and a \$12m, 150-room by Meta Resorts under design for the Chuiba Resort Zone.</p>
5.	No of jobs created and growth in tourism sector.	Provincial Directorates of Tourism/NMTP Management	Primary data (direct collation)	1,144	1,649 comprising 989 males and 660 females
6.	Amount of investment generated	Provincial Directorates of Tourism/NMTP Management	Primary data (direct collation)		

Item	Performance Indicator	Data Source	Method of Collection	Baseline (2005)	End of Project Results
7.	International leisure tourist arrivals to the Northern Arc would have increased 15%.	Arco Norte Masterplan Consortium/Hotel Operators	Primary data (direct collation)	63,459 recorded tourism arrivals.	135,755 recorded arrivals in 2008
8.	Capacity of Catholic University in Pemba to deliver hospitality and travel industry management and supervisory level training enhanced.	NMTP Management	Primary data (direct collation)	Nonprofessional degree program in tourism management by Catholic University. No tourism training at the Ministry of Education's Industrial School in Pemba	Nonprofessional degree program with declining delivery capacity due to lack of qualified lecturers. Introduction of basic professional hospitality industry training and construction of teaching laboratories at the Pemba Industrial School under the PIREP Programme.
9	Up to 100 hotel, restaurant, and tourism business managers and supervisory staff received on the job and "Train the Trainer" (TOT) training.	NMTP Management/ Federation of Tourism Associations of Arco Norte/Provincial Directorates of Tourism	Primary data (direct collation)		9 TOTs trained to deliver workforce and continuous improvement training in food and beverage service. 179 tourism business managers trained in product development and destination marketing. 37 professional rangers trained in Gorongosa National Park to protect the Lake Niassa Marine Reserve. 10 Community guides from Ibo Island and Mueda trained and model curriculum and certification system for community tour guides and interpretation of the Arco Norte developed.
10	2 professionals, 15 technical personnel and 100 craftsmen and women trained in building conservation skills.	NMTP Management/ Eduardo Mondlane University, Faculty of Architecture	Primary Data (Direct Collation)	Two dozen craftsmen trained in Ibo Island	1 Mozambican architect trained in specialist conservation. 1 local supervisory technician trained in conservation and monuments inspection. 40 nationals trained in conservation crafts.
11	Lake Niassa declared a protected marine park, preserving biodiversity in one of the world's richest aquatic ecosystems.	MITUR/NMTP Management/World Wildlife Fund Mozambique	Primary data (direct collation)	Lake Niassa not legally protected and lacking management and zoning plan	240,000 hectare reserve comprising 140,000 hectare aquatic area and 100,000 mainland buffer zone created. Draft legislation on formal declaration of reserve cleared with stakeholders for submission to Council of Ministers. Management and zoning plan developed.

Item	Performance Indicator	Data Source	Method of Collection	Baseline (2005)	End of Project Results
12	Endowment created to sustain key program activities and investments after termination.	NMTP Management	Primary data (Direct Collation)	Donor dependent project.	Mozaico do Índigo S.A. established as a limited liability company under a public/private partnership to attract financing and sustain project activities. \$1,010,000 raised in grants, donations and sponsorships during the project implementation.
13	Basic stabilization of plans for the Fort Sao João Batista on Ibo Island completed and technical assistance provided to UNESCO on stabilization of Fort San Sebastião in Ilha de Mozambique.	NMTP Management/Faculty of Architecture, Eduardo Mondlane University.	Primary data (direct collation)	Monuments decaying and lack of management plan	Fort São João Baptista, 2 others and Principal Mosque in Ibo Island stabilized. Management and adaptive reuse plans developed for Forts in Ibo Island. Conservation plan and basic stabilization of Fort São Sebastião in Mozambique Island completed by UNESCO
14	One major tour circuit including geomapping, brochures and road signage would have been created for the Northern Arc.	NMTP Management	Primary data (direct collation)	No tour circuits, existing brochures and internationally accepted tourism road signage	7 routes (i.e. culture, overlander, ecotourism—luxury and budget—adventure, beach & bush, Island, and discovery routes) developed. Geotourism brochure and MapGuide as well as interactive website developed. No road signage
15	Hospitality and travel operators and the provincial tourist boards trained in doing business at international tourism fairs and trade shows	Trade associations, Provincial Directorates, and NMTP Management.	Primary data (direct collation)	No training	179 tourism business operators trained in product development, marketing, and preparation of business plans. 1-day seminar for national & provincial directors and industry on global competitiveness. New national brand developed and launched to aid marketing of Mozambique by public and private sector. 3 day seminar on attracting SAVE Tourism segments organized for public and private sector.

Item	Performance Indicator	Data Source	Method of Collection	Baseline (2005)	End of Project Results
16	Investments in tourism infrastructure (i.e. roads, airports, telephones, electricity, water, sewerage systems, waste recycling) leveraged from MCC and other donors.	Provincial Directorates of Tourism/NMTP Management	Primary data (direct collation)	No MCA and other donor funding of infrastructure	<p>324km of road upgrade scheduled for Cabo Delgado and Nampula Provinces under MCA funding.</p> <p>New water and sanitation system underway for Pemba Municipality under MCA funding</p> <p>New pier for boats under construction in Ibo Island with funding from Spanish Agency for International Cooperation.</p> <p>Investments in roads and rehabilitation of pier on Mozambique Island with funding from the Portuguese Government and the African Development Bank.</p>

7. Challenges

NMTP faced six challenges during implementation:

1. Costly bureaucratic delays in decision making.
2. Lack of communication among and coordination between the national, provincial and district levels, donors, and NGOs.
3. Dysfunctional leadership and corporate culture in implementation nodes.
4. Lack of capacity in municipal and district administrations.
5. Patchy application and enforcement of tourism and related environmental and planning legislation critical to coordinated and sustainable development of the industry.
6. Budget overruns that threatened the smooth implementation and close out of activities.

BUREAUCRATIC DELAYS

The following case exemplifies the problems caused by bureaucracy. In January 2007, under a joint marketing initiative involving the national carrier, LAM, and Pemba Beach Hotel, a deal was secured with Air Italy and Alba Tours of Milan (which runs package tours to Kenya) to supply 70 leisure tourists a week for a 7-day package to Cabo Delgado. If consummated, this deal would have marked entry into the European tour operator market and packaged tour business. The weekly tours would have generated about US\$4,381,120—in airfares for LAM, visa fees for the Immigration Service, airport tax for Aeroportos de Moçambique, corporate tax on hotel earnings, fees for Quirimbas National Park, telephone and Internet revenue to TDM and other service providers, and purchases of local transportation, entertainment and handicrafts. And Pemba Beach Hotel would have earned US\$1,369,200 annually.

The deal breaker involved \$20. The hotel will charge nothing less than \$100 (including 17 percent VAT i.e. \$17) per person sharing for half board. The operator was willing to pay \$80. To facilitate the transaction, a proposal that would enable the public sector to absorb the \$20 difference—amounting to about \$273,840 per year—was sent on January 30 to the Provincial Directorate of the Ministry of Finance, through the Governor.

Under the proposal, which was discussed by a task force set up by the Governor, the Ministry of Finance would roll the hotel's payment of \$17 VAT per person for one year, while LAM absorbed the \$3 difference. LAM immediately agreed but the Ministry of Finance released its formal *disapproval* in June—*four months after the proposal had been submitted*. By the end of February, the operator had decided to send the package to Mauritius!

Mozambique thus lost \$6 million in estimated direct revenue, as well as job and income opportunities; scuttled a golden chance to enter the East and Southern African outbound European tour market;

failed to increase numbers of visitors arriving in the Arco Norte; and received no VAT payment whatsoever.

Consider as well the difficulty of obtaining property information. In June 2007 a formal request was submitted to Geografia Cadastro for a list of DUAT holders and information on property boundaries in the proposed resort zone in Pemba East Coast. Three years later, in spite of persistent requests, visits from the Multisectoral Committee on Arco Norte, and the recent decree on the Declaration of Zones of Special Tourism Interest, no information has been provided. This critical information would have allowed the Master Planning Team to engage with and assist existing property owners in integrating their plans into the overall scheme. The continuing delay is bound to affect the integrated resort development and investment promotion strategy—and raise implementation costs.

COORDINATION AND COMMUNICATION

Tourism development is a multisectoral activity requiring coordination with ministries and agencies and levels of national administration. Information flow, follow up, and coordinated action was sporadic not systematic. Communication between national, provincial, and local authorities was ad hoc and provincial directorates of tourism barely communicated at all with destination communities or social media. Even though these problems were flagged at each project review meeting, no effective action to address these lapses was taken.

LEADERSHIP AND CORPORATE CULTURE

Creating a competitive tourism industry in the Arco Norte requires leadership with an inspiring vision that can move in new directions, and that has the passion and commitment to mobilize resources and apply management skills. The Instituto Nacional do Turismo (INATUR), the program's development and implementation arm, and the provincial directorates, were critical cogs in the Ministry. Yet leadership was mired in a complacent corporate culture focused on routine management at the expense of strategic goals, any movement in new directions, or even simple results.

MUNICIPAL AND DISTRICT ADMINISTRATION

All key destination areas including Pemba—which is being positioned as the tourism gateway—lack administrative capacity and sometimes the leadership that enables local governments to assume vital roles in tourism development. The execution of district and municipal council functions critical to tourism development—such as town planning, building approval, environmental and waste management, engaging with investors and developers—is very weak. This weakness is a significant impediment to improving the business environment of and sanitation in destination communities.

ENFORCEMENT OF LEGISLATION

A growing tendency to not enforce and to ignore environmental and planning regulations—especially land use and zoning guidelines presented in the master plan—is undermining coordinated and sustainable development of tourism,

UNDERSTAFFING AND BUDGET OVERRUNS

Given NMTP's geographic scope and range of activities it was woefully understaffed and underbudgeted. It is expensive to attract and retain high quality personnel for work in Northern Mozambique. Budgetary provisions and conditions of service for long-term local staff were so uncompetitive that it was impossible to hire enough people much less enough qualified people. The

COP was supported by one instead of three graduate local hires. To fill the program assistant and accountant positions we had to hire much less qualified people then train them on the job. The budget for program assistant, for example, meant we had to hire someone with a Grade 12 diploma and no administrative experience but competence in English. This impeded productivity and reporting, and greatly strained the COP well beyond the call of duty.

Given NMTP's geographic spread and distances between activity areas in the Arco Norte and between Maputo and the duty post of Pemba, a great deal of air travel was required. The rise in fuel prices and airfares, not foreseeable at program inception, demolished the travel budget. Staffing that was to be provided by the Ministry of Education and Culture for historic preservation on Ibo Island was not forthcoming, so NMTP had to subcontract for labor with local entities such as the Faculty of Architecture, Eduardo Mondlane University, and an agency. Further, database, mapping, and topographic surveys that were presumed available for master planning turned out to be lacking or very outdated (i.e., Portuguese maps dating to 1960s). NMTP then had to invest substantial amounts for digital aerial imaging and site surveys for master planning and investment promotion. All these unexpected and unforeseeable costs led to major budget overruns that threatened the smooth close out of the program.

8. Lessons Learned and Recommendations

The following lessons on project design, implementation, and review can be applied as best practices to ensure the efficiency of future projects.

DESIGN LESSONS

Have a project formulation team in the Ministry of Tourism control the design process. The team and leadership must be based at the provincial level, with representation from the national level that serves as liaison (i.e. bottom-up not top-down). The donor subcontractor or consultant should be limited to training and guiding the team to ensure that the project meets national and donor goals. This will build local capacity and responsibility for project implementation and success; technical assistance will then be viewed not as a “donor project” but as a national project supported by the donor.

Fully assess the implementation capacity of partner institutions, especially in leadership and human resources. It is not sufficient for the design team to meet a few times with national officials and base decisions on notes from these meetings. The design team must fully understand the strengths and weaknesses of its partners—and then act accordingly (see below).

Ensure that activities fit capacities and have a strategy for filling gaps to minimize implementation delays and attendant costs while capacity is developed.

Stipulate a clear schedule of national counterpart funding and resources in project approval documents or implementation accords to help provincial and national governments incorporate programs and adequately budget for them. This will keep project implementation on time and effective.

Institutionalize a donor clearinghouse where projects under consideration can be discussed with other donors and funding institutions to avoid duplication, build synergies, and share lessons learned.

IMPLEMENTATION LESSON

It would be ideal to have high-level project implementation team at the provincial level, with representation from other stakeholder agencies, to serve as a clearinghouse for information and to facilitate decisions and actions.

REVIEW LESSON

Conduct a mid-term project audit and review so the project manager, government, and donor can fully understand issues and challenges, achievements and failures, so interventions can be adjusted and improvement made.

RECOMMENDATIONS

Pay more attention to implementation and results. NMTP has generated a wealth of data, information, and action plans for transforming tourism into a major industry in the Arco Norte; it is time to take action and stop reinventing the wheel. (Natural resource conservation and historic preservation, however, still require substantial research and data collection.)

Immediately synthesize and implement action plans. To execute the Tourism Policy and Implementation Strategy of April 2003 and the Strategic Plan for Tourism Development in Mozambique (2004-2013) over the next decade, Mozambique should immediately synthesize and begin acting on the plans provided through the documents listed in Table 8-1.

Table 8-1. Menu of Strategic Activities Ready to Implement

Document	Originator/Date
Plan for the Development of Tourism in Niassa Province: 2005–2015	Technoserve Mozambique, 2005
Marketing Strategy & Action Plan for Northern Mozambique	Dr. Mike Fabricius, June 2006
Província de Nampula: Plano de Desenvolvimento do Turismo - Plano de Acções 2008 – 2013,[Turismo Resposável – Instrumento da Luta Contra a Pobreza];	André Dulfus and Alain Laurent (financed by the Embassy of France), May 2007
Cabo Delgado Preliminary Integrated Tourism Development Plan: 2007-2013	International Institute of Tourism Studies, George Washington University, July 2007
Conceptual Land use Planning & Design—A Framework for Tourism Development in Northern Mozambique	John Robinson, May 2008
Mozambique Brand Platform and Brand Book	DDB Interbrand, February 2009
Nampula Province Tourism Assessment & Value Chain Analysis for Ilha de Mozambique	Emilie Viard (financed by SNV Mozambique), October 2009
Arco Norte Regional Tourism Development Framework	Arco Norte Resort Masterplanning Consortium, June 2010
Concept Reports for Cabo Delgado, Nampula & Niassa Provincial Tourism Destinations	Arco Norte Resort Masterplanning Consortium, June 2010

Develop leadership for organizational change. Results-oriented leadership will be essential to realizing and coordinating organizational improvement. For example, the need to change the nature and modus operandi of provincial directorates—their approach to and strategy for tourism development and their relationship with and the nature and scope of support they receive from INATUR—is urgent. Such change will enable directorates meet the new demands of the Arco Norte Tourism Development Framework and of provincial tourism development plans. Without leadership and organizational change it is unlikely that tourism in Arco Norte will reach world-class standards.

9. Conclusions

In spite of daunting challenges, NMTP was very successful. Major performance indicators were met and interventions were trailblazing and transformational, making tourism central to the economic development plans of the three northern provinces. Interventions included advancing historic preservation and natural resource conservation; branding, marketing, and promoting the region's tourism product; creating a GIS-based tourism management information system; master planning; and establishing an approach to investment promotion.

Growth in tourism can best be achieved by planning. Here, NMTP's destination assessment work, master planning activities, and implementation concepts will be key. The basis for a unified and strengthened tourism product has been created. NMTP leaves the Government of Mozambique equipped with a clear, cohesive, and practical industry strategy and an investment and market-positioning toolkit that will enable it to transform tourism into a major export, hard currency earner, and engine for economic growth and poverty reduction in Northern Mozambique.

Public awareness and actions that encourage historic preservation and nature conservation are on the rise. The tourism development process, for example, includes a framework for protecting major tidal flats vital to the coastal ecosystem—as well as wetlands, dune systems, and coral reefs—and for providing ecosystem services. Land use plans for proposed resort zones will provide maximum benefits to local communities and be sustainable. Identified opportunities for business development arising from proposed tourism developments will provide a basis for diversifying the rural economy, creating jobs and raising incomes.

By continuing to exercise political will and discipline, following the investment promotion and resort development and management strategy fashioned under NMTP, and enforcing land use, zoning, and conservation plans, Mozambique can achieve its goal of transforming tourism in the Arco Norte into an annual \$2 billion industry by 2020.