

Annex I to the Contribution Agreement
Contract no. 700003549

Description of the Action

Stawi Bluu
Sustainable Blue Businesses in Tanzania



**Co-funded by
the European Union**

Implemented by:

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Table of Contents

List of Abbreviations	4
Project Details	8
1 Executive Summary	9
2 Context	10
2.1 Background	11
2.2 Problem Analysis	19
2.3 Relevance of the Action	24
2.4 Complementarity, Synergy with other relevant Actions	28
3 Intervention Logic	33
3.1 Objectives and Outputs	33
3.2 Main Partners, Target Group, Direct Beneficiaries	39
3.3 Methods of Implementation	41
3.4 Instruments and estimated resource allocation	67
4 Project Governance	73
5 Sustainability, Complementarity and Cross-Cutting Issues	74
5.1 Sustainability of the Action	74
5.2 Mainstreaming	76
6 Risk Assessment	78
7 Monitoring, Evaluation and Reporting	81
8 Visibility and Communication	82
9 Timing	83
Appendix 1: Indicative Work Plan	85
Appendix 2: Logframe Matrix	94

List of Abbreviations

AKF	Aga Khan Foundation
AV	Commission Manager
B2B	Business to Business
BAF	Blue Action Fund
BDS	Business Development Services
BE	Blue Economy
BMN	Business Mentoring Network
BMU	Beach Management Unit
BMUV	German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection
BMZ	German Federal Ministry for Economic Cooperation and Development
CBD	Convention on Biological Diversity
CBET	Competency Based Education and Training
CD	Capacity Development
CFMA	Collaborative Fisheries Management Area
CHICOP	Chumbe Island Coral Park
CoE	Centre of Excellence
COSTECH	Tanzania Commission for Science and Technology
CSO	Civil Society Organization
DMO	Destination Management Organisations
DV	Officer responsible for implementation of the project
EAC	East African Community
EBN	European Business and Innovation Centre Network EBN
ESG	Environmental, social, and governance
ESO	Enterprise Support Organization
EU	European Union
FAO	Food and Agriculture Organization
FETA	Fisheries Education and Training Agency

FI	Financial Institution
FYDP III	Tanzania's National Five-Year Development Plan III
GBF	Global Biodiversity Framework
GBV	Gender-based violence
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEE	Gender Economic Empowerment
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GmBS	Gender Makes Business Sense
GoT	Government of the United Republic of Tanzania
GSTC	Global Sustainable Tourism Council
HAT	Hotel Association of Tanzania
HAZ	Hotel Association of Zanzibar
HSE	Health, Safety, and Environment
IFC	International Finance Corporation
IKI	International Climate Initiative of the German Government
ISBE	Inclusive and Sustainable Blue Economy
IUCN	International Union for Conservation of Nature
IUU	Illegal, unreported and unregulated fishing
LEAP	Locally Empowered Areas of Protection
LGA	Local Government Authorities
MFI	Microfinance Institution
MIMP	Mafia Island Marine Park
MNRT	Ministry of Natural Resources and Tourism
MoLF	Ministry of Livestock and Fisheries
MPA	Marine Protected Area
MPRU	Marine Parks and Reserves Unit
MSC	Multi-Stakeholder Committee

MSME	Micro, Small and Medium Enterprises
NBS	National Bureau of Statistics
NBSAP	National Biodiversity Strategies and Action Plans
NC	Nairobi Convention
NCAA	Ngorongoro Conservation Area Authority
NEMC	National Environmental Council
NMT	National Museum of Tanzania
PAC	Project Advisory Committee
PSC	Programme Steering Committee
RTTZ	Responsible Tourism Tanzania
RUMAKI	Rufiji-Mafia-Kilwa
SBAN	Serengeti Business Angels Network
SBAN	Serengeti Business Angels Network
SDG	Sustainable Development Goal
SIDA	The Swedish International Development Cooperation Agency
SIDO	Sustainable Integrated Landscape Development Organization
SMIDA	Zanzibar Micro, Small and Medium Industrial Development Agency
SUZA	The State University of Zanzibar
TA	Technical Assistance
TBS	Tanzania Bureau of Standards
TAA	Tanzania Angel Investors Accelerator
TACTO	Tanzania Association of Cultural Tour Operators
TADB	Tanzania Agricultural Development Bank
TAFICO	Tanzania Fisheries Corporation
TAFIRI	Tanzanian Fisheries Research Institute
TANAPA	Tanzania National Parks Authority
TATO	Tanzania Association of Tourism Operators
TAWA	Tanzania Wildlife Management Authority

TBCA	Transboundary Conservation Area
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TCT	Tourism Confederation of Tanzania
TEI	Team Europe Initiative
TFS	Tanzania Forest Services
TNC	Tanzania Nature Conservancy
TOT	Training of Trainers
TQF	Tanzania Qualifications Framework
TTB	Tanzania Tourist Board
TRA	Tanzania Revenue Authority
TVET	Technical Vocational Education and Training
UoD	University of Dar es Salaam
USAID	United States Agency for International Development
VETA	Vocational Education and Training Authority
VPO	Vice President's Office
VTC	Vocational Training Centre
WCS	Wildlife Conservation Society
WE4D	Employment Promotion for Women for the Green Transformation in Africa
WIO	Western Indian Ocean
WIOGI	Western Indian Ocean Governance Initiative
WP	Work Package
WWF	Worldwide Fund for Nature
ZAFIRI	Zanzibar Fisheries and Marine Resources Research Institute
ZTC	Zanzibar Tourism Commission
ZATI	Zanzibar Association of Tourism Investors
ZATO	Zanzibar Association of Tour Operators

Project Details

Project title	Stawi Bluu - Sustainable Blue Businesses in Tanzania
Contract no.	OPSYS number: 700003549
Team Europe Initiative	Blue economy for job creation and climate change adaptation, Tanzania
Specific Objective	Sustainable and job-intensive businesses in blue economy, including productive uses of the marine and coastal ecosystems
Outputs	2.1 Value addition and sustainable/innovative practices in fisheries/mariculture, marine and coastal value-chains, including a contribution to food security and improved nutrition, have increased. 2.2 Availability of quality and accessible financial products and capital investments in key sustainable economic sectors has been increased, including for women entrepreneurs. 2.3 Tourism is more sustainable, inclusive and diversified
Total budget	16,500,000 EUR
European Commission financial contribution	15,000,000 EUR
BMZ financial contribution	1,500,000 EUR
Start of implementation period	1 November 2025 - Indicative, see special conditions for the effective date. The implementation of the activities under this action may only start after the commissioning by BMZ
End of implementation period	31 October 2029 - Indicative, see special conditions for the effective date.
Project duration	48 months
Country	Tanzania

1 Executive Summary

The Multi-Donor Action “Stawi Bluu - Sustainable Blue Businesses in Tanzania” is jointly co-financed by the European Union (EU) and the Federal Ministry of Economic Cooperation and Development (BMZ) and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The duration of this Action is scheduled from 01.11.2025 to 31.10.2029 (48 months) with a total budget of 16.500.000 EUR (EU contribution 15.000.000 EUR and BMZ contribution 1.500.000 EUR) as part of the BMZ project “Western Indian Ocean Governance Initiative (WIOGI)” (PN 2019.2242.6). BMZ’s total funding for the BMZ project “Western Indian Ocean Governance Initiative (WIOGI)” is 20.400.000 EUR.

The Action is part of and contributes to the Team Europe Initiative “Blue economy for job creation and climate change adaptation” in Tanzania. The Action aims to enhance the protection of coastal and marine biodiversity as well as the climate resilience of coastal communities in Tanzania.

The **Overall Objective** of the Action is to contribute to a climate resilient Blue Economy along the Tanzania Mainland coast and Zanzibar.

The **Specific Objective** (outcome) of the Action is to promote sustainable and job-intensive businesses in blue economy, including productive uses of the marine and coastal ecosystems.

2 Context

Country Context

Tanzania represents one of the region's emerging economies, with significant growth driven by the agriculture, the industry and the service sector (especially tourism) supported by public investments and reforms to improve the business environment. The country's economy has grown steadily, reaching a real GDP growth of 5.1% in 2023¹, and for 2024 projections varied between a growth rate of 5.4% projected by the International Monetary Fund (IMF) and 5.7% by the African Development Bank (AfDB).² This economic success underpins Tanzania's ambitious goal of becoming a middle-income country by 2025. This growth trajectory positions Tanzania among the fastest-growing economies in Sub-Saharan Africa.

Despite its economic achievements, Tanzania faces substantial socio-economic challenges. Poverty remains widespread, and significant inequalities persist, particularly in rural areas³. The population of about 62 million⁴ is predominantly youthful, with high unemployment and underemployment rates hindering inclusive growth and socioeconomic stability. Women make up 51%, young people, below 35 years of age, constitute 78%, and 65.1% live in rural areas. With an average annual growth rate of 3.2 percent during the 2012 – 2022 period, the population is growing rapidly, which further increases the pressure on and demand for resources. These challenges underscore the need for sustainable and socially inclusive development strategies.

Coastal Regions

The coastal regions, spanning over 1,424 kilometres along the Indian Ocean, form a significant part of Tanzania's development prospects. These regions are characterized by rich biodiversity and provision of ecosystem services and vibrant communities with substantial economic contributions to the nation (accounting for about 25% of Gross Domestic Product, GDP), largely from tourism and marine trade sectors. Coastal regions provide millions of people with income sources and food, mostly from fishing and agriculture / aquaculture at both subsistence and commercial level.

Population pressure is particularly high in these regions. The high population growth rate and density (of 154 persons per km²) puts marine and coastal ecosystems under increasing pressure. With a population heavily dependent on coastal livelihoods, the region faces unique challenges exacerbated by climate change and environmental degradation, including sea-level rise, erosion, and increased frequency of extreme weather events.

¹ Bank of Tanzania – Quarterly Economic Bulletin for Q1 2024/25; Reported Growth (2023): 5.1%, Link: <https://www.mof.go.tz/uploads/documents/en-1735463015-BER%20Q1%202024-25%20%282%29.pdf>, 5 May 2025.

² African Development Bank – Tanzania Economic Outlook; Link: <https://www.afdb.org/en/countries-east-africa-united-republic-tanzania/tanzania-economic-outlook>, 5 May 2025.

³ Nearly 26 million people live in extreme poverty, below the threshold of \$1.9 per day. Cowling, N. (2024). *Number of people living in extreme poverty in Tanzania from 2016 to 2025*. Statista.com. [https://www-statista.com/statistics/1230404/number-of-people-living-in-extreme-poverty-in-tanzania/#:~:text=As%20of%202022%2C%20nearly%2026,\(COVID%2D19\)%20pandemic](https://www-statista.com/statistics/1230404/number-of-people-living-in-extreme-poverty-in-tanzania/#:~:text=As%20of%202022%2C%20nearly%2026,(COVID%2D19)%20pandemic), 5 May 2025.

⁴ URT (2022). *The 2022 Population and Housing Census: Age and Sex Distribution Report*. Ministry of Finance and Planning, Tanzania National Bureau of Statistics and President's Office - Finance and Planning, Office of the Chief Government Statistician, Zanzibar. [https://www.nbs.go.tz/nbs/takwimu/Census2022/Age and Sex Distribution Report Tanzania volume2a.pdf](https://www.nbs.go.tz/nbs/takwimu/Census2022/Age%20and%20Sex%20Distribution%20Report%20Tanzania%20volume2a.pdf), 5 May 2025.

Resolving these issues is complicated by limited access to finance, inadequate infrastructure, and income disparities, further compounding the vulnerability of coastal communities, especially to climate-related shocks. Additionally, the diverse population structure comprising indigenous groups, migrant populations, and urban settlements create complex dynamics requiring tailored interventions for sustainable development and resilience-building efforts.

2.1 Background

Blue Economy

The Blue Economy (BE) encompasses all sectors related to oceans, seas and coasts whether based in the marine environment or on land.⁵ The sector is viewed by many stakeholders, especially the government, as a promising avenue (sector) holding significant potential for job creation⁶, particularly in coastal regions and for youth, to protect natural resources, and to enhance resilience in these vulnerable coastal and marine ecosystems. While aligning skills with industry needs remains a challenge, other critical factors also influence employment growth in this sector, including limited local participation, investment and infrastructure gaps, access to finance, regulatory and policy constraints and limited access to technology.

The term "Sustainable Blue Economy" thus mirrors a normative and integrative approach or framework that aims to foster sustainable economic growth while addressing critical issues of food and nutrition security, income generation, ecosystem and biodiversity conservation as well as cultural preservation.

The Government of Tanzania (GoT) recognises the great potential of the Blue Economy. This gives rise to great hopes and promises to promote socially just, environmentally friendly or even nature-positive economic growth in blue economy value chains. The fact that the reality is often characterised by conflicts of use shows the need for a careful balance between economic, environmental and social goals to ensure sustainable and equitable development. Biodiversity is crucial for the development of a sustainable BE in Tanzania's coastal region. The decline of ecosystems due to climate change, over-exploitation, pollution, and environmental degradation results in significant biodiversity loss. This, in turn, destabilizes ecosystems, leading to economic losses and contributing to greenhouse gas emissions. Blue Economy activities, if not managed sustainably, can exacerbate these issues through water pollution, habitat disruption, and resource depletion. Healthy ecosystems provide essential services like seafood provision, flood and erosion protection, and carbon sequestration, which are vital for economic activities such as fisheries and tourism. Investing in natural assets like mangroves and coral reefs benefits both the economy and the environment, supporting the overall sustainability of the Blue Economy. Coastal and marine ecosystems offer substantial economic value, emphasizing the importance of their conservation for long-term prosperity.

⁵ The European Commission defines Blue Economy "All economic activities related to oceans, seas and coasts. It covers a wide range of interlinked established and emerging sectors. This includes all economic sectors that have a direct or indirect link to the oceans. Main sectors are tourism, mineral sector, oil and gas, maritime transport, port activities and shipping, fishery, aquaculture, renewable energy, blue carbon and marine ecosystems. Across sectors, there are differences in terms of value added and jobs created as well as degree of participation. [sd 20200313 africa blue economy strategy en.pdf \(au-ibar.org\)](#),

⁶ African Development Bank Group. African Development Bank Group and Government of Tanzania launch \$54 million initiative to drive job creation for youth in Zanzibar's blue economy. Published June 6, 2023. <https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-group-government-tanzania-launch-54-million-initiative-drive-job-creation-youth-zanzibars-blue-economy-61949>

Tanzania's Blue Economy covers 16 million coastal residents and a rich biodiverse ecosystem. The BE sector encompasses various marine and coastal value chains, including maritime transport and logistics, processing and value addition in mariculture and fisheries, tourism and marine conservation. The BE emerges as a vital approach to address climate adaptation challenges, while also serving as a catalyst for job creation, sustaining livelihoods, ensuring food security, and driving economic growth. However, despite its contribution of around 10% and 35% of Mainland Tanzania's and Zanzibar's GDPs respectively⁷, with tourism sub-sectors contributing the most, the sector faces many challenges to realise its full potential and to grow. Sectors such as fisheries, aquaculture, tourism, and marine logistics are not fully harnessed in an inclusive, integrated, participatory, and sustainable manner and the several challenges hinder its full potential realization and development.

Fisheries

With the very long coastline and the offshore islands, Tanzania's marine ecosystems support a diverse array of marine life, making **fisheries** a critical sector for food security and livelihoods. The sector has been growing at an average rate of 1.5% per annum and its contribution to the GDP is approximately 1.7% per annum. The per capita fish consumption in Tanzania is 8.5 kg per person per year. About 200,000 people (0.35%) are full-time small-scale fishers and approximately 4.5 million (6.89%) Tanzanians are indirectly employed in the fisheries sector.⁸ Despite the sub-sector's leading role in BE, it only accounts for a paltry 3.55% to BE's contribution to total GDP. The sector faces significant challenges due to loss and waste, with an estimated 40% of fish caught never reaching the consumer due to spoilage and poor handling practices. This inefficiency translates to considerable economic and environmental losses. Contributing factors include inadequate infrastructure, limited access to refrigeration, and insufficient processing facilities. Other factors, besides high post-harvest fish losses, contributing to its underperformance are degraded water quality and limited market access and value addition opportunities. The latter leads to a significant portion of the catch being exported as raw or minimally processed products. These factors, especially the losses and waste, not only affects the economic viability of fisheries but also exacerbates food insecurity and diminishes the livelihoods of coastal communities that rely heavily on fishing for their income. According to the Food and Agriculture Organization (FAO)'s global assessment notes, the fraction of fishery stocks within biologically sustainable levels decreased to 62.3% in 2021, continuing a declining trend over the past few decades. While this data reflects global trends, multiple studies and reports have also highlighted the risk of overexploitation of Tanzania's marine fisheries, particularly in nearshore areas. For instance, research indicates that small-scale marine fisheries in Tanzania have been overexploited for decades due to poor management practices. The World Bank has noted that increased fishing activity, driven by a rapidly growing population, has led to overfishing, significantly reducing fish stocks and putting Tanzania's coastal

⁷ Maskaeva, A., Failler, P., Lallemand, P., & Cowaloosur, H., & Mang'ena, J. (2023). *Socio-Economic and Ecological Assessment of the Blue Economy in Tanzania 2022: Application of UNECA'S Blue Economy Valuation Toolkit*. United Nations Economic Commission for Africa. https://www.researchgate.net/publication/370925117_Socio-Economic_and_Ecological_Assessment_of_the_Blue_Economy_in_Tanzania_2022_Application_of_UNECA'S_Blue_Economy_Valuation_Toolkit

⁸ The Fisheries Sector Master Plan (2021/22–2036/37), FAO and United Republic of Tanzania, Ministry of Livestock and Fisheries.

and marine resources at risk. These findings underscore the urgent need for sustainable fisheries management to restore and preserve Tanzania's marine ecosystems.⁹ The sector struggles with unsustainable fishing practices, including overfishing and illegal, unreported, and unregulated (IUU) fishing. These unsustainable practices not only result in substantial economic losses but also contribute to environmental degradation, endangers the fish stocks, viability and availability of marine resources. Inadequate fisheries management and a lack of enforcement capacities further exacerbate this issue.

Mariculture and Aquaculture

Similarly, both **mariculture** and **aquaculture** (inland freshwater) in Tanzania suffer from limited production and productivity. This is largely due to lack of sufficient and reliable hatcheries, affordable and high-quality fish seed (fingerlings), and fish feed – further constrained by technology, equipment, and water quality issues. Other major challenges include high production costs, inadequate market information, water scarcity, and inadequate capacity of fish farmers or farmer groups.

Despite being a relatively well-positioned sector, freshwater **aquaculture** is underperforming economically. High production cost and poor adoption of good fish husbandry practices continue to hinder the sector. The inadequate capacity of fish farmers is particularly evident in the lack of technical, business and entrepreneurial skills. According to FAO, Tanzania produced 352,000 metric tons of fish in 2018, with aquaculture contributing only a small fraction (1%) of the total. Infrastructure constraints – including hatcheries, ponds and processing facilities – remain major bottlenecks for scaling both mariculture and inland aquaculture¹⁰.

However, Tanzania's aquaculture and mariculture sectors hold significant potential for job creation and economic growth. With an estimated fish supply-demand gap of over 480,000 tons, the country's growing population and increasing per capita consumption are driving demand for fish. Expanding domestic aquaculture production could reduce fish imports — which increased from 163 tons in 2014 to 1,636 tons in 2017 while offering sustainable livelihoods, especially for youth and women in rural areas. Scenario analyses conducted by WorldFish¹⁰ indicate that under all modelled trajectories including the business-as-usual (BAU) case the sector is expected to grow significantly, driven by macroeconomic trends, rising demand, and population growth. These projections underscore aquaculture's potential to become a major contributor to national food security and rural employment.

Similarly, mariculture, particularly seaweed farming, has demonstrated substantial socio-economic benefits, especially for coastal communities. Seaweed farming has become a significant source of income for villagers along the coasts of Zanzibar and mainland Tanzania, with a notable participation of women, who constitute about 90% of the workforce in this sector. Beyond seaweed, there is growing interest in the cultivation of other marine species such as finfish (e.g., milkfish, silver pompano) and shellfish (e.g., prawns, mud crabs), which, although

⁹ World Bank. Sustainable Fisheries in Tanzania. Published May 9, 2019. <https://www.worldbank.org/en/news/video/2019/05/09/sustainable-fisheries-in-tanzania>; McClanahan, T. R., et al. "Overfishing and the decline of coastal fisheries in Tanzania." *Marine Policy*, vol. 100, 2019, pp. 48–57. <https://doi.org/10.1016/j.marpol.2018.10.031>

¹⁰ [A review of fish supply-demand in Tanzania](#) (WorldFish)

currently underdeveloped, present opportunities for diversification and expansion of mariculture activities¹¹.

The sector also offers opportunities for market expansion. Tanzanian consumers have shown a willingness to pay a premium of up to 6,000 TSh/kg for locally farmed fish over imported frozen alternatives, particularly when the origin is clearly indicated (Dutch Embassy Tanzania, 2021¹²). This opens the door to effective branding, value addition, and product diversification for local producers. Improving cold chain logistics would then also enable the improvement and further development of national and regional market connections.

Nonetheless, the sector continues to face challenges common to other blue economy (BE) sectors. Limited access to finance is a critical barrier for small-scale producers and entrepreneurs. In addition, Tanzania's fragmented and poorly enforced regulatory framework for aquaculture hampers sustainable resource management and weakens investor confidence. The absence of clear guidelines and operational standards makes it difficult to scale production responsibly and attract long-term investments.

Tourism

Tourism also plays a significant role in Tanzania's BE, accounting for 7.95% of BE's contribution to total GDP.¹³ The country's pristine beaches, coral reefs, island destinations, and marine parks attracting tourists from around the world. Over the past ten years, Tanzania has steadily increased the number of international arrivals by marketing and developing the offer in three main destinations only (Serengeti/Ngorongoro, Kilimanjaro and Zanzibar), which led to creating of new jobs and important revenues for the Government. However, these destinations are close to saturation. Post-pandemic global trends also showed a shift in travellers' choices towards a more sustainable tourism and destinations, wellness and nature, authentic cultural experiences, and considering positive local impact. While being a significant driver for the economy, the tourism sector faces further challenges such as habitat degradation, pollution, and unsustainable extraction of resources. The business environment is one of the major priority issues as it is the main constraint to the growth of the sector. The number of taxes and regulations that constrain enterprises from focusing on their primary business functions has also played a part in this. Furthermore, the sub-sector is plagued by a mismatch between skills needed and those produced by vocational training institutions. The outdated curricula do not cover practical skills required in the present-day industry and combined with the lack of practical experience opportunities to students during their studies and faculty that have no background in tourism other than theory. In addition, Tanzania's tourism industry is disproportionately reliant on wildlife safari tourism products while other tourism products are relatively underdeveloped, thus limiting the scope for diversified tourism products. This is one reason why the *National Tourism Policy* focuses on increasing the number of tourism products, enhancing accessibility of tourist attractions as well as services and improving service and product quality.

¹¹ Philip, B. L., & Bwathondi, P. (2024). The past, present and future developments in mariculture in the coastal waters of mainland Tanzania

¹² Fish marketing to highlight Tanzanian production for the Tanzanian market | Tanzania | Agroberichten Buitenland

¹³ Masquefa et al. (2023). *Supra*.

Business Environment

A cross-cutting issue for the development of the BE is also the complexity of the business environment and framework conditions, particularly around taxes, permits and levies that need improvement. Besides outdated policies and numerous taxes, there are ambiguous and convoluted regulatory requirements. Practically, the regulation of the BE sector and enforcement of relevant laws is weak. In some cases, such as in aquaculture, guidelines and standards are either absent or unclear.¹⁴ Both, the *Business Blueprint* and the last *World Bank Ease of Doing Business Report 2020* state that this situation is worsened by the number of regulatory agencies that are involved in the revenue collection process. Tanzania was ranked 141 out of 190 economies in the Doing Business Report 2020, before it discontinued in 2021. So far, Tanzania has not been included in the succeeding B-READY report. However, the Tanzanian government has been proactive in assessing and improving its business environment. In September 2024, the government released an Impact Assessment Report evaluating the progress of the Blueprint for Regulatory Reforms, which was initiated to enhance the ease of doing business by eliminating regulatory bottlenecks and streamlining processes. The report highlights achievements and ongoing challenges, emphasizing the government's commitment to creating a conducive environment for investors.¹⁵ Taxation on the Tanzanian Mainland is the responsibility of the Tanzania Revenue Authority (TRA), however, there are also multiple additional agencies responsible for the collection of levies such as the National Environmental Council (NEMC), Occupational Health and Safety Authority (OSHA) and Tanzania Bureau of Standards (TBS). In addition, local government authorities have been mandated through by-laws to collect fees to carry out their services and are, therefore, also incentivised to perpetuate their existence. At a minimum, 18 offices (excluding local government offices if in multiple locations) must be engaged with to comply with regulations. While some steps are being taken to streamline this process, it can be complex for businesses (particularly SMEs which many coastal tourism investors are) to be able to keep track of these levies on an annual basis, and any changes or additions to them. This creates an uncertain operating environment, which takes employees away from operational matters.

Access to finance

Regarding creating an enabling business environment, **access to finance and capital investments** remains a primary obstacle, significantly hindering the growth and sustainability of businesses. Many enterprises struggle to innovate, expand, and compete effectively in the market without adequate financial support and investment opportunities. According to the EU-funded study "Deployment of blending facilities in the area of the Blue Economy in Tanzania"¹⁶ majority of BE businesses are concentrated in bread-and-butter sub-sectors, especially trading, value addition, manufacturing, retail, and agri-processing. They seek to grow by increasing market share, reaching new customers and markets, and making incremental innovations and efficiency improvements, but their rate of growth is typically moderate and tempered by the dynamics of mature, competitive industries. Even though they are often the backbone of Tanzania's local coastal economies and are important sources of jobs for low- and moderate-skilled workers. Their growth, on one hand, is hampered by financial illiteracy (amongst Micro Small

¹⁴ A Strategy for Sustainable Coastal Tourism in Tanzania. Landell Mills International Ltd p. 47, 7 May 2025.

¹⁵ doingbusiness.co.tz, 5 May 2025.

¹⁶ Deployment of blending facilities in the area of the Blue Economy in Tanzania, Landell Mills International Ltd p. 16, 6 July 2025.

and Medium Sized Enterprises, MSME), while on the other hand, they lack access to affordable and quality financial products. Financial institutions are not eager to provide these MSMEs with financing because they lack credit history, collateral and sometimes even basic financial literacy and business skills. Additionally, the small size of most of these businesses may not be attractive to commercial banks. The lack of tailored and sector-specific business development and incubation services inhibits the growth and success of BE startups and MSMEs. Many entrepreneurs lack access to essential services such as business planning, marketing, and mentorship, which are crucial for starting and scaling a business.

The Tanzanian banking sector, characterised by both conventional and Islamic banks, exhibits varying degrees of engagement in the Blue Economy. Traditional banks have typically offered a range of financial products including loans, overdraft facilities, and letters of credit. However, their involvement in the BE is often hampered by risk-aversion, high transaction costs in serving rural areas and a conservative approach to new market segments. To de-risk investments, the European Investment Bank (EIB) has established significant credit lines in 2023 for Tanzania's CRDB and NMB banks, aimed at supporting particularly SMEs and women-led businesses in the blue economy. Microfinance institutions (MFIs) in Tanzania have been crucial in bridging the financing gap for MSMEs that are unable to meet the stringent collateral and documentation requirements of traditional banks. Even though, financial products of MFIs have more flexible collateral requirements, loan sizes are often smaller with shorter terms and higher interest rates, which is not meeting the financing needs of many MSMEs and their specific demands within blue value chains. MFIs such as *FINCA*, *Access Bank*, and *Vision Fund* have pioneered models that cater specifically to the needs of women and youth in rural and underserved areas. Their services include village banking and micro-loans, which are vital for small-scale entrepreneurs in agriculture and fisheries. *FINCA*, for example, is exploring how to integrate digital finance solutions to extend their reach within the coastal communities, emphasising the need for products that are explicitly designed for the BE. These good approaches and products are limited and by no means cover the investment and financing requirements in the BE.

While the banking and microfinance sectors are making strides in supporting MSMEs within the BE, several challenges persist, making it complicated for MSMEs to get finance. This includes Risk Perception and Collateral Requirements, as financial institutions perceive the BE, especially segments like fishing and aquaculture, as high-risk due to the inherent environmental and economic volatilities. The movable nature of assets and the informal status of many enterprises complicate the collateralisation process. Further challenges are capacity-building needs for both financial service providers and MSMEs to understand and mitigate the risks associated with the BE sectors. Lastly, regarding product innovation, there is a pressing need for innovative financial products tailored to the specific cycles and risks of the BE. Products that incorporate elements of insurance, risk-sharing, and aligned repayment schedules with business cash flows could significantly enhance access to finance.

While promising, demonstration projects face challenges in securing initial funding and scaling up to attract significant investment from financial institutions. Without tangible examples of successful business models and investment opportunities, financial institutions remain sceptical about the profitability and sustainability of BE ventures. Collaboration and networking among stakeholders are also limited, inhibiting the sharing of best practices, resources, and expertise necessary to catalyse investment in the BE. There are no solid partnerships between financial institutions, government agencies, research institutions, and Blue Economy stakeholders.

Integrated approach

The various marine and coastal value chains offer untapped opportunities for economic development, diversification and even innovation. However, the challenges around infrastructure, access to financial services, low technology, or regulatory gaps hinder the full development or expansion of the BE sectors. In Tanzania's Blue Economy, **conflicts of interest** arise between user groups such as coastal fishing communities, marine conservationists, and tourism developers. Fishermen depend on the ocean for their livelihoods, often engaging in practices that can be at odds with conservation efforts aimed at protecting marine biodiversity and habitats. For example, the use of destructive fishing techniques can damage coral reefs, which are crucial for both ecosystem health and tourism appeal. Meanwhile, tourism development can restrict fishing areas and access to traditional fishing grounds, pushing local communities to more marginal and less sustainable practices. These trade-offs highlight the need for integrated approaches and solutions that balance the economic benefits of fishing and tourism with the imperative to conserve marine ecosystems, ensuring long-term sustainability and equitable resource use. Besides, in the face of mounting pressure on coastal resources, Tanzania recognizes the need for integrated and sustainable management approaches to safeguard marine ecosystems and promote inclusive growth, including environmental stewardship by coastal communities. By strengthening governance frameworks, enhancing stakeholder engagement, and investing in capacity building and technology transfer, Tanzania aims to unlock the full potential of its BE while ensuring the long-term health and resilience of its marine and coastal environments.

Sector coordination

While there is notable political will and ongoing efforts to enhance the Blue Economy in Tanzania, several key sectors face challenges related to inter-sectoral coordination. The Tanzanian Government's vision for an integrated and enabling framework encounters obstacles due to a fragmented and sometimes uncoordinated BE sector. Many BE sub-sectors and initiatives operate independently, often driven by various donor agendas. For instance, sectors like aquaculture sometimes receive donor support in ways that may inadvertently disrupt local markets, such as through the distribution of free resources like fish feed. Coordination among development programs, NGOs, and government projects can be limited, leading to varying levels of support across different communities. As a result, some communities benefit from substantial assistance, while others may remain underserved. A more cohesive and balanced approach could help in achieving a more inclusive and sustainable development of the Blue Economy.

Gender

While BE is already making positive contributions to the indices for education, human development, ease of doing business and coastal welfare, Gender Economic Empowerment (GEE) and gender equality remain a challenge.¹⁷ Gender inequalities, particularly, are pervasive. Women play significant roles in fisheries and aquaculture, especially in post-harvest activities, processing and trading of marine products, waste management, coastal tourism, and conservation efforts. Their access to, and ownership and control over key productive resources, basic to their livelihood, is relatively low. Additionally, women face high losses in fish handling and

¹⁷ Ibid.

processing due to inadequate infrastructure, lack of access to proper preservation techniques, and insufficient training in efficient processing methods.

Through a gender lens in the labour market, women are present less than men in the BE even though playing such a significant role. According to UNCTAD, the BE can help advancing gender equality.¹⁸ For example, women make up most of the workforce in coastal and maritime tourism and fisheries, the main blue economy sectors. Yet they are in the lowest-paid, lowest-status and least-protected jobs. In Tanzania, the participation of women in the tourism sector is above 50% but most work in low-skilled, casual and temporary jobs. As for the fisheries and aquaculture sector, women's contribution is overlooked or undervalued. They play a key role in ensuring a reliable supply of food from the ocean, which 3 billion people depend on for their daily source of protein. Meaning there is a clear disparity of work and pay by gender, with women having a significant presence in processing but not in fisheries management, or ocean decision-making bodies.¹⁹

Another study about Marine Spatial Planning (MSP) in Tanga region in Tanzania by Swedish Agency for Marine and Water Management (SwAM) finds that women did not commonly engage in inshore or offshore fishing activities – overall only around 2% of households indicated that they had a female household member going fishing from the shore, while men worked as fishers and women were involved in transport, cleaning, and processing of fish. Meaning women are involved in all fishing processing and trading activities that required less manpower. They commonly were food vendors and owned shops – most of the fish trading work in the area was done by female household members (73.5%). Further, female household members were also more responsible for maricultural work, which was predominantly seaweed farming in the area.²⁰ As such, gender norms prevent women from developing and contributing their full potential in the Blue Economy in Tanzania, risking jeopardizing long-term sustainability objectives since women are key players in coastal and marine communities and provide households' subsistence, particularly in women-headed households.²¹ Efforts have shown that more systematically and effectively integrating women in coastal economies along with addressing disparities has decreased gender gaps. A significant part of this is financial inclusion for women. Recent initiatives, such as Tanzania's National Financial Inclusion Framework (2023-2028), have placed a special focus on empowering women through dedicated interventions. The framework emphasizes creating tailored financial products and services. The goals of this framework align well with the anticipated activities of Output 2.2 and 2.3 of this Action.

WIOGI

The proposed action will build upon the experience and approaches of the regional project "Western Indian Ocean Governance Initiative (WIOGI)", funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), implemented by GIZ. WIOGI is focusing on the Western Indian Ocean with the aim of the initiative to improve cooperation between various actors in this region (at local, national, and regional level) to strengthen marine protection, ocean governance and sustainable economic development in the region. As an EU co-

¹⁸ [The blue economy is an ocean of opportunity to advance gender equality | UNCTAD](#),

¹⁹ Ibid.

²⁰ MSP Tanga [Report](#), Environment for Development (EfD) for the Swedish Agency for Marine and Water Management (SwAM).

²¹ World Bank; <https://documents1.worldbank.org/curated/en/099850010272272779/pdf/P1789110fe77140290a78e08167d14de111.pdf>,

financing of the regional WIOGI project, results will also contribute to the overall project's objectives. Besides, the WIOGI project can build on and scale the integrated approaches of the former EU-funded Blue Economy Programme "Go Blue" from Kenya, which has been integrated in WIOGI. The embedding in WIOGI, a project with a strong governance perspective, allows the proposed Action to manage the trade-offs. It is about making livelihoods and economic practices sustainable within the framework of (ocean) governance to protect natural resources and biodiversity. As such, the aim is not to expand the BE sectors but rather making existing practices more sustainable and strengthening effectiveness and efficiency.

2.2 Problem Analysis

Main Problem

Tanzania's BE is beset by a myriad of challenges which constrain its contribution to the country's economy. The most significant relate to biodiversity and ecosystem health; fisheries, mariculture, marine and coastal value-chains; sustainable tourism and community engagement. Challenges, here, have many specific causes. But their roots are embedded in governance issues regarding government performance, sector coordination and access to finance.

Another main problem is limited sustainable and job-intensive businesses, with many enterprises within the Blue Economy not being sustainable, relying on practices that degrade marine and coastal ecosystems, and income and nutrition bases. Additionally, these businesses often fail to generate sufficient employment opportunities, particularly for coastal communities.

Causes

Many stakeholders, including policymakers, investors, and entrepreneurs, lack awareness and understanding of the BE. They may not fully understand the potential of sustainable businesses in the BE. This lack of awareness leads to a focus on short-term gains rather than long-term sustainability, resulting in environmentally harmful practices and limited job creation. For example, mobilising financial institutions to invest in BE remains challenging, due to the general lack of awareness and understanding of this sector's opportunities and potential returns, and thus financial institutions are hesitant to invest.

Existing regulations and policies may not adequately incentivize or support the development of sustainable businesses in the BE. Complex regulatory environments and inconsistent enforcement can also deter investment. Thus, businesses face barriers to entry and operation, discouraging innovation and sustainable practices. This hampers job creation and economic growth in the sector.

The Government of Tanzania (GoT) has put a concerted effort into the governance and management of the BE resources in a bid to protect the use of marine resources while highlighting the sector as a high value investment opportunity. However, there remains the challenge of limited collaboration among stakeholders. The public sector lacks capacities at institutional level to effectively engage in BE initiatives. There is a heavy reliance on donor contribution which mitigates these challenges and limits their ability to leverage resources. Regulatory gaps or outdated policy frameworks pose obstacles to the sustainable development of the sector, as well as overlapping mandates, and inconsistent enforcement creating uncertainties for investors.

Access to finance, technical assistance, and infrastructure is often limited for businesses operating in the BE, particularly for small-scale and community-based initiatives. Without adequate funding and support, businesses struggle to adopt sustainable practices, invest in necessary infrastructure, and scale their operations, limiting job creation potential. Further, to initiate the development of small and medium enterprises and to improve competitiveness as suppliers, producers or service providers in blue value chains, support and capacity development is needed.

There is a lack of technical and entrepreneurial skills among BE stakeholders, including fishers, farmers, and tourism operators. Additionally, training and capacity-building initiatives may be insufficient or inaccessible. Without the necessary skills and knowledge, businesses struggle to adopt sustainable practices, innovate, and compete in the market. This limits their ability to create jobs and contribute to economic development. Skills development (especially technical and vocational skills) and capacity building across the BE sector is key for both, job seekers but also small and medium enterprises. This requires skills development for young women and men according to the needs of the private sector in the selected blue value chains. The *TVET Indicators Report 2021*²² notes that one reason for the skills gap is the “rapid change of technology versus slow updating and modernisation of training equipment and training programmes hindering the provision of the market-relevant skills.” This requires targeted interventions, demand driven and labour market oriented, and in collaboration with private sector.

Conclusions and Recommendations

Governance and sector coordination: Contrary to the fragmented efforts, where different government agencies, non-governmental organizations (NGOs), research institutions and private sector often work in silos, the project will involve other stakeholders across BE sectors and coordinate closely with the government partners. This includes supporting the establishment of adequate mechanisms for information sharing, data collection, and knowledge management, while building the capacities of partners, for example to allow for evidence-based decision-making in the aquaculture sector.

The development of the *National Blue Economy Policy 2024*²³ in Tanzania was informed by the idea of working on a holistic and integrated framework rather than a sector-by-sector approach, to provide room for collaboration and coordination. The project will strengthen the capacities of relevant institutions such as Vocational Education and Training Authority (VETA) and Fisheries Education and Training Agency (FETA) and others, to support a governance enabling environment. Besides building institutional capacities, the project will improve coordination through identifying the needs for coordination in each BE sub-sector based on sectoral stakeholder mappings and enter close dialogue with other projects and partners, establish exchange formats and coordination platforms at technical level to ensure exchange, synergies and cooperation (complementing each other and avoiding duplication). Among other things, so called roundtables will be set up for instance in the aquaculture sector to bring the relevant stakeholders together for dialogue and coordination, including NGOs, Government, private sector, civil society and academia and research. Similar platforms can benefit the tourism sector as well, at local level with multi-stakeholder’s destination management organisations

²² <https://mahe.kstvet.ac.ke/sites/default/files/2022-01/TVET%20INDICATORS%20REPORT.pdf>, 6 May 2025.

²³ <https://www.vpo.go.tz/publications/environment-documents>, 6 May 2025.

(DMOs) and at national level, with coordination mechanisms and structured public-private dialogue.

Policy and Regulatory Reforms: Where possible, the Action will support improving the regulatory enabling environment and implementation of policies and regulations that incentivize and support sustainable practices in the BE, for example in the aquaculture and tourism sector, sustainable financing, for example by supporting financial institutions to adopt the UNEP sustainable finance principles, and independent and voluntary certification schemes, for example supporting Responsible Tourism Tanzania (RTTZ) formally recognized and even accredited by Global Sustainable Tourism Council (GSTC). Enforcement mechanisms should be strengthened to ensure compliance with environmental standards and promote responsible business practices. Recognizing that a comprehensive policy reform may not be feasible within the project's timeframe, the Action will focus on raising awareness of regulatory barriers and fostering dialogue among key stakeholders, including private sector actors, associations, investors and policymakers. This will help identify and support the development of practical solutions to overcome these barriers. In the aquaculture sector, for example, this could be facilitated through the planned exchange and coordination platform, a proposed aquaculture round table, aimed at enhancing sector coordination and regulatory harmonization. Where requested by government partners, and where feasible, the Action may also support processes to adapt relevant policies and regulatory frameworks over the course of implementation. Such efforts will contribute to gradually improving the enabling environment for investment, innovation, and inclusive growth across the sector.

Access to Finance and Resources: The Action will support establishment of dedicated financing mechanisms and support programs for sustainable BE businesses and investment promotion, including matching grants, low interest loans, technical assistance and investment matchmaking with other private capital providers like impact funds and angel investors. The investment matchmaking will focus on preparatory and networking aspects, beyond simple matchmaking, and will include activities fostering investment readiness and strategic partnerships in the BE. It needs investments in infrastructure development to improve access to markets, processing facilities, and sustainable resource management technologies.

As the small size of most of these businesses struggle to meet the lending criteria of commercial banks, there is need of alternative affordable capital which could be in the form of blended finance instruments. **Incorporating MSMEs into the formal banking sector**, including leveraging **digital finance**, will ensure they improve their business practices through enhancing their working capital management and decision-making and increasing their competitiveness and potentially putting them on a growth pathway. Improving bankability will include different activities that address the core barriers MSMEs in the Blue Economy face—particularly in aquaculture and tourism, like informality, lack of **financial literacy**, limited access to technology, and poor credit history. Financial inclusion through digital finance, for example promoting mobile money integration or introducing digital tools to support deployment of easy-to-use financial management apps (tracking sales and expenses). Complementing activities and promoting digital records to create credit histories, improving transaction record keeping, promoting digital Know Your Customer (KYC) processes by partnering with banks and mobile network operators, and supporting business registration (formalization). Further capacity building and financial literacy through peer learning and tailored modular training programs for aquaculture and tourism enterprises and entrepreneurs (on budgeting, savings, mobile money, and banking) will complement the work package. Further, financial literacy training will include promoting

the adoption of peer-to-peer lending, the use of digital wallets for saving and mobile payment platforms to ease and streamline transactions among businesses.

Business Development, Acceleration and Incubation: The lack of tailored and sector-specific business development and incubation services inhibits the growth and success of BE startups and MSMEs. Many entrepreneurs lack access to essential services such as business planning, marketing, and mentorship, which are crucial for navigating the complexities of starting and scaling a business. This will be addressed by the Action by developing tailored BE MSME business support, incubation and acceleration services needed to initiate development of MSMEs, Startups and promoting entrepreneurship in general, strengthening financial and digital literacy, developing tailored financial products and services, expanding microfinance and small grants for MSMEs and implementing investment incentives at all levels of the businesses to foster innovation and investments in the BE. During the development and rolling out of this blue incubation programme, the project will work closely with existing incubators, innovation hubs and accelerators in Tanzania to co-create and their capacity will be developed on how to roll it out and integrate it in their service portfolio. The project will run a full cycle in conjunction with the Tanzanians hubs, providing technical backstopping throughout.

Building capacity and sensitization of financial institutions and investor networks. To assess the viability and risks of BE investments is crucial. By providing training and resources, we can equip financial institutions with the necessary tools to evaluate and manage the risks associated with BE, thereby encouraging their participation. Since the proposed Action focuses on two BE sectors, aquaculture and tourism with all the associated value chains, these capacity building and sensitization activities will be geared to the special requirements, needs and demands of these two focus sectors. The foreseen activities include *Risk Perception and Collateral Requirements Evaluation*, as financial institutions perceive the BE, especially segments like the two sectors aquaculture and tourism, as high-risk due to the inherent environmental and economic volatilities. The movable nature of assets in aquaculture for example and the informal status of many enterprises in the two sectors complicate the collateralization process. The Action will combine *capacity-building* for both financial providers and MSMEs to understand and mitigate the risks associated with the two BE sectors and related value chains. Because financial institutions need better tools to assess and manage these risks, while MSMEs need support in becoming 'bankable'. Bankability levels of MSMEs, and investment-readiness, will be improved by, revision and creation of a business plans, consolidation of financial statements, formalization, sustainable practices, coaching and support for negotiations, adoption of environmental and digital practices.

Since enterprises in the focus sectors are very different in their size, maturity and growth potential, this will require a tailored approach that will be influenced by a value chain analysis and market scan for the sectors in the inception phase will determine the exact approach. For example, micro businesses, e.g. in coastal communities will likely need access to finance from MFIs, the support will be in more basic financial trainings and linkage to local MFIs; while larger SMEs, e.g. in aquaculture, processing or service providers and suppliers to the tourism industry, will rather need financing from commercial banks and financial institutions and their support needs will likely be more focused on "bankability". Start-ups and innovative entrepreneurs, and growing selected SMEs, might also be relevant for impact investors (e.g. Sahara Ventures) and would need targeted TA support to fulfil their requirements.

As part of this intervention, the proposed Action will also promote networking and knowledge exchange within the sectors (for example by establishing an aquaculture roundtable) sharing

the on successful funding models for enterprises in the two sectors. There is a case for interventions that lower the risk and fund innovations in these BE sectors e.g. catalysing new approaches to investing in and supporting innovative value chains. Funding could be provided to impact, and venture capital providers to support developing and piloting BE funding products embodying greater patience and flexibility. Building connections and capacity of the local *Impact and Angel investor networks* could provide the boost needed for democratizing funding for BE enterprises, focusing on businesses in aquaculture and tourism. The financial landscape for MSMEs in Tanzania's BE is evolving. Increased collaboration between banks, banking foundations, MFIs, and development partners can catalyse the design and deployment of financial products that meet the unique needs of enterprises in this specific sectors. With targeted support and innovative finance solutions, the targeted MSMEs can overcome barriers to access finance, enabling them to thrive and contribute more significantly to Tanzania's BE.

Skills Development (TVET) and Capacity Building: Developing tailored skills training programmes and capacity-building initiatives to equip BE stakeholders with the necessary technical, entrepreneurial, and environmental management skills requires an integrated approach. Essential is to foster partnerships between educational institutions, government agencies, NGOs, and the private sector, especially in the *blue* tourism sector, to deliver targeted training and mentorship programs. Further, it includes revising, updating, and rolling out demand driven and labour market oriented vocational training programmes in the key BE value chains of the aquaculture and tourism sector, in collaboration with the private sector for example to ensure employment promotion and job matching. Additionally, combining competency-based trainings with practical hands-on training through internships and industrial attachments, as well as mentoring and support to start an own business for trainees, could be the pathway to address the skills gap and to promote entrepreneurship. This needs to be complemented with capacity building for vocational training institutions, for example through Training of Trainers on demand-driven and competency-based training approaches, as well as partnerships with other training institutions in the region.

Promotion of Sustainable Business Models requires awareness raising about the benefits of sustainable business practices and the potential for job creation in the BE through targeted communication and outreach campaigns. This is to showcase successful case studies and best practices to inspire and guide aspiring entrepreneurs and investors in adopting sustainable approaches. It includes promoting sustainable business practices for the long-term viability of BE businesses. Without robust environmental and social sustainability measures, the exploitation of marine resources and coastal ecosystems may lead to irreversible damage and depletion. Implementing regulations, standards, and certification schemes to promote sustainable fishing, tourism, and other marine activities is crucial for safeguarding Tanzania's marine environment and ensuring the resilience of Blue Economy sectors.

For *Fisheries and Mariculture*, the lack of modern technology and outdated equipment undermines efficiency and quality in fishing operations. Besides market infrastructure, it needs value addition facilities and training to not impede the sector's ability to compete effectively and capture higher value markets. To unlock the potential of Tanzania's mariculture and aquaculture sector, the key bottlenecks need to be addressed.

Gender economic empowerment: Efforts have shown that more systematically and effectively integrating women in coastal economies along with addressing disparities has decreased gender gaps. These efforts can also deliver an increase in women's income, improvements in local livelihood activities, and bring positive impacts to marine life conservation. Thus, addressing

gender gaps is key for women's development, and that of their families, communities, and the economy, as well as the progress and sustainability of the Blue Economy.

Increased engagement of women within the related sectors will not only ensure collective responsibility in the conservation and sustainable use of water resources but also increase opportunities for decent work and reduction of poverty at household levels. Thus, appropriate measures in the design of this Action will be put in place, to ensure that the BE is a viable sector that can catalytically advance equitable gender economic empowerment and improvement of livelihoods and working conditions for women in the BE.

By addressing these underlying causes and implementing targeted interventions, the Action can promote the development of sustainable and job-intensive businesses in the Blue Economy, thereby fostering economic growth, environmental conservation, and social inclusion.

2.3 Relevance of the Action

The proposed Action will support the sustainable development of the Blue Economy (BE) fostering economic growth, job creation and productive use of marine and coastal ecosystems while maintaining their health and biodiversity. Through an integrated and inclusive approach, the project will facilitate access to economic opportunities, additional sources of income and alternative livelihoods, and promote the sustainable use of marine and coastal resources, while preserving the environment and biodiversity. The aim is to unlock the full potential of the Blue Economy with its rich biodiversity and marine and coastal ecosystems that it depends upon.

The Action will support value chain development in selected key BE sectors, prioritising two BE sectors, namely aquaculture (focus of Output 2.1) and tourism (focus of Output 2.3) with the associated value chains. In the case of the aquaculture sector, this includes the value chains of pre-selected species as well as the value chains of post-production (post-harvest and post-catch), including handling, processing and value addition. For the tourism sector, too, the aim is to address all value chains along the sector, including, for example, suppliers to the tourism industry and for the hospitality sector, catering or tours and guides. A particular focus in both sectors is on the promotion of sustainable practices, business models and business approaches, as well as green business opportunities. In addition, there are cross-sector value chains in the two blue sectors, such as transport and logistics, cold chains and storage (e.g. relevant for market access for fish farmers), and addressing relevant aspects for enterprise development and entrepreneurship promotion like promoting sustainable investment and providing generic skills through business development and incubation services, e.g. business and entrepreneurial skills (mainly through Output 2.2).

The capacity-building activities will be complemented with sector-specific and even value chain-specific (e.g. species) skills development programs, especially in the case of aquaculture to lower the cost of production, reduce post-harvest loss, foster value addition and product diversification, enhance business capacities and improve competitiveness, support knowledge enhancement and knowledge exchange, and provide multi-stakeholder platforms for mutual learning, knowledge sharing and coordination.

Especially for the tourism sector, the proposed Action will provide Competency Based Education and Training (CBET) based vocational training programmes to equip youth and women with relevant technical and vocational skills demanded by the tourism industry in the related value chains. The project will apply the GIZ integrated approach to employment promotion and offer demand-driven and industry-led vocational training in cooperation with the private sector.

Transferable skills to enhance employability will be integrated into the TVET training context, including modules on life skills, work readiness, entrepreneurial and business skills, and health, safety, and environment (HSE).

Regarding sustainable practices, business approaches and models, the proposed Action will support MSMEs in the focus sectors, by upskilling and upscaling them through business development and incubation services (cross-cutting output 2.1-2.3). The more sector-specific interventions and activities of output 2.1 and output 2.3 are complemented by output 2.2 as a central and connecting element. The planned activities are intended to strengthen the entire business service and MSME support ecosystem in the BE but also prioritise enterprises and entrepreneurs in the two selected BE sectors along their value chains. Thus, a key element and central to the Action will be fostering entrepreneurship, enterprise development as well as greening existing businesses and economic operators through combining technical assistance, better access to finance, investment promotion, business development and incubation services and acceleration initiatives.

The Action directly supports and will contribute to multiple Sustainable Development Goals (SDGs), notably SDG 8 (Decent work and economic growth), SDG 14 (Life below Water), SDG 13 (Climate Action), SDG 15 (Life on Land)²⁴, and SDG 17 (Partnerships for the Goals). It also indirectly advances SDGs 1 (No Poverty), 2 (Zero Hunger), 5 (Gender Equality) and 12 (Sustainable Production and Consumption, especially through targets in Output 2.1 Value addition and sustainable practices, and 2.3 Sustainable tourism). Principal and significant further markers for the Action include aid to the environment, gender equality, disaster risk reduction, nutrition, biological diversity, and climate change adaptation and mitigation.

Further, the Action supports the political course set to initiate a global trend reversal against the destruction of coastal and marine ecosystems and the extinction of species (protection of biodiversity). It contributes to supporting international biodiversity funding and deliberately emphasises marine conservation, which is linked to job creation and employment promotion, food security and sustainable economic development. Hence, the Action's comprehensive approach is aligned with the 2030 Agenda's overall goals of policy coherence, and it aims to mainstream the principle of 'Leave No One Behind' throughout. The Action further supports target 2 (restoration of degraded areas) and target 3 (30% of areas are effectively conserved by 2030) of the Kunming-Montreal Global Biodiversity Framework of the CBD.

Besides supporting the **Agenda 2030 for Sustainable Development** and its sustainable development goals (SDGs) and the **Global Biodiversity Framework** with its targets, the action supports the **BMZ strategy paper "Development Policy 2030 New Challenges - New Responses" (2018)** and the current **BMZ Africa Strategy (January 2023)**. The Action supports the BMZ Africa Strategy's areas of cooperation regarding implementation of the following:

- Just transition: social and environmental transformation of the (blue) economy
- Overcoming poverty and hunger through inclusive blue value chain development, value addition and promoting sustainable businesses in the BE
- Feminist development policy & gender equality, including supporting women's economic empowerment in blue value chains and gender equality in local ocean governance structures and processes.

²⁴ <https://www.globalgoals.org/goals/15-life-on-land/>

- Human rights & good governance by enabling authorities to become more effective and transparent in implementing ocean governance.

Further, the Action will implement Germany's biodiversity commitments, such as Germany's €1.5 bn annual commitment starting in 2025 on biodiversity conservation and toward the Global Biodiversity Framework. Using integrated management approaches and contributing to a social-ecological transformation are further ambitions, while strengthening regional marine governance mechanisms and strategies, as well as mobilising private sector engagement for reducing risks to marine and coastal biodiversity conservation through partnership approaches.

The action supports the following EU strategies and priority areas:

- Promoting biodiversity conservation and sustainability is part of the EU global commitment to address climate change and environment protection and to achieve the Green Deals. The proposed action is in line with the **Global Europe** instrument targets on increasing sustainable investments in infrastructure, and with the **Global Gateway**²⁵ priorities on climate, energy, education and research, though a better mobilisation of private investment. Further, it is aligned with the **EU Ocean governance**²⁶ approach promoting (also) the Blue Economy.
- The action supports the principles of the **Global Strategy for the European Union's Foreign and Security Policy (Global Strategy)**, particularly by promoting the "conservation and sustainable use of marine resources and biological diversity and the growth of the blue economy" by enhancing ocean governance and awareness (p.41) in Tanzania. Further, the proposed action will support the Government of Tanzania to "foster an enabling environment for new economic endeavours, employment and the inclusion of marginalised groups" (p. 26) for sustainable economic development (growth), food security and job creation. Regarding fisheries, mariculture and other marine and coastal value chains, the action will also help to businesses in the BE to become more sustainable and hence, enhancing "environmental resilience" (p.27) as well as developing "sustainable responses to food production" (p.27).
- The partnership agreement that emerged from the 6th Summit between the African Union (AU) and the EU and the according "**Towards a comprehensive Strategy with Africa**" has outlined mutual interests and responsibilities, including "improving the business environment (...); the creation of decent jobs and value addition (...); ensuring food security and rural development; combatting climate change; (...) protecting biodiversity and natural resources". (p.1); and underlined the goal to "take joint action to protect and reduce pressure on forests, water and marine ecosystems"" (p.4).²⁷
- The action is also aligned with the **EU-African Union Joint Vision for 2030** from the 6th AU-EU Summit. A common priority formulated and to be promoted by this partnership includes "actions to preserve the climate, environment and biodiversity, sustainable and inclusive economic growth" (p.1).²⁸

The Action will support the main objective of the Government of Tanzania's Third National Five-Year Development Plan (FYDP III), which is to contribute to the achievement of goals of

²⁵ https://www.eeas.europa.eu/eeas/global-gateway_en

²⁶ Setting the course for a sustainable blue planet - Joint Communication on the EU's International Ocean Governance agenda (SWD (2022) 174 final) – JOIN (2022) 28 final.

²⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020JC0004>

²⁸ https://www.consilium.europa.eu/media/54412/final_declaration-en.pdf

the Tanzania Development Vision 2025. Particularly, the Vision 2025 has the main target to transform Tanzania into a middle-income country and the national attributes required for this include high-quality livelihoods, a well-educated and skilled society and a competitive economy capable of producing sustainable growth, among others. Vision 2025 foresees the transformation of the economy to a more diversified industrial economy and one of the five priority interventions is to foster a natural resource-based industry, including “effectively utilising and add value to its rich natural resource endowments (...marine products)”. The three main pillars of FYDP III are Good Governance, Economic Growth and Social Development. In this regard, competitiveness, inclusivity, and skills development are key pillars to boost economic progress (p. 74). Creating a competitive economy requires an enabling environment, including investment promotion, enterprise support and development for job creation, employment promotion and skills development. To spur the country’s economic growth (“competitiveness, industrialisation and human development”, p. 74), FYDP III prioritises several areas under the economic pillar, including overall infrastructure in terms of transport, communication, and energy, and 10 specific priority sectors, (1) agriculture with livestock and fisheries, (2) manufacturing, (3) mining, (4) construction, (5) Environmental and Natural Resources Management, (6) Science, Technology and Innovation, (7) Tourism Sector, (8) Creative Industry, (9) Financial Services, and (10) Blue Economy. The role of the Blue Economy in implementing the Vision 2025 and achieving its objectives has been acknowledged by GoT. And so, in addition to the explicitly mentioned BE, there are other strategic sectors in the priorities list of the FYDP III that are assigned to the BE sector in Tanzania²⁹, including tourism (with eco-tourism, p. 88), natural resource management and fisheries, the latter sector even with a clear target for value chain development, and the cross-cutting sector of financial services.

The *National Blue Economy Policy* and its implementation strategy, which has been recently adopted by the Government of Tanzania, provides a more integrated and holistic framework to facilitate harmonisation and coordination. All relevant key sector policies are considered, for example the *Fisheries Policy* (2015), *Sustainability Plan for Tourism Sector in Tanzania 2020/21-2024/25* or the *National Environment Policy* (2021). Thus, the proposed action is aligned to the holistic and multi-dimensional understanding of an inclusive and sustainable BE and will contribute to the implementation of this strategy with integrated solutions and approaches, to unlock the “full economic possibilities of the oceans, seas, lakes, rivers and other water resources through investments that involve effective participation of all relevant people while protecting the resources for present and future generation and ecosystem resilience”³⁰. It outlines development strategies and flagship projects for four sectors: fishing and aquaculture, marine transport, logistics and related services, tourism, and extractives (e.g. marine biotechnology and bioprospecting, oil and gas). In addition, urbanisation, environment and natural resources have been included as enablers of the above sectors.

Tanzania is also a member of the International Maritime Organization (IMO), and the Food and Agriculture Organization (FAO), and has subscribed to the Pan-African Fisheries and Aquaculture Policy Framework and Reform Strategy (PFRS), as well as of the UN Tourism, who

²⁹ “The ‘Blue Economy’ encourages sustainable use of the water or ‘blue’ resources. It refers to the economic activities conducted on shores, rivers, banks, lakes, fresh waters, water courses, groundwater, oceans, seas, seabed, etc. Productive activities that rely on water-based resources include **fishing**, offshore prospecting and extraction of oil and gas, **tourism**, **fish farming**, **aquaculture**, shipping and maritime transport, seabed extractive industries, marine biotechnology, bio prospecting, and offshore renewable energy. (...)” (p. 106, FYDP III).

³⁰ Nairobi Statement of Intent on Advancing the Global Sustainable Blue Economy 2018.

recently supported the development of an Integrated Tourism and Local Economic Development Strategy for Tanzania. Further, the country is a party to the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Convention on Biological Diversity (CBD), the African Convention on the Conservation of Nature and Natural Resources, and the Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Eastern Region of Africa (Nairobi Convention, NC).

The Action will also contribute to the goals of the National Environmental Master Plan for Strategic Interventions (2022-2032), particularly goal 8.3.1, “ensure sustainable management and conservation of coastal and marine ecosystem” and all its “Expected results” – “Degraded mangroves and coral reefs restored, community participation in conservation of coastal and marine environment enhanced, conservation of mangrove and coral reefs adequately financed, destructive fishing activities minimized, illegal mangrove harvesting minimized, access to blue economy opportunities harnessed, marine spatial plans developed and implemented and ocean governance enhanced.”; as well as to the strategic goals of Tanzania’s latest National Biodiversity Strategy and Action Plan (NBSAP), for example by addressing the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society.

1. Reducing the direct pressures on biodiversity and promoting sustainable use.
2. Enhancing the benefits to all from biodiversity and ecosystem services.

2.4 Complementarity, Synergy with other relevant Actions

Donor	Relevant actions	Expected synergies at impact level
European Investment Bank (EIB) and the European Union	<i>Business financing cooperation between the EIB, CRDB, NMB and KCB to unlock EUR 540 million of new investment by Tanzanian business.</i>	- Focus of the EIB backed credit line is on female led companies and blue economy firms. - The project will provide a pipeline of bankable and investment-ready enterprises in the BE sector. - Financial matching of BE enterprises with the enhanced access to finance through supporting blue economy enterprises
EU	<i>Capacity4dev tracker of Team Europe Initiatives and Joint Programming</i>	- Connecting with other international cooperation professionals through the online knowledge-sharing platform - Engage through the platform to collaborate and engage with peers, for cross learning and sharing lessons learnt or innovative approaches, knowledge sharing.
EU	<i>TEI: Tanzania - Green and Smart Cities SASA</i>	- Coordination of activities in Tanga region and especially in Pemba. - Identify synergies, considering the TEI’s aim to enhance the quality of

		life through: Investments in green infrastructure, local economic growth and circular economy, e-governance for local authorities
EU	<i>African Business Incubator Communities (BIC Africa)</i>	- Build connection and synergies between actors of the regional ecosystem - Build the capacity of local Business Incubators and their client companies - Establishing and reinforcing a quality label for African business support organisations that would be integrated into the BE Incubation and Acceleration program
EU / Belgium <i>TEI: Blue economy for job creation and climate change adaption</i>	<i>Tuiwezeshe Pwani Yetu Programme - Promoting Resilient Coastal Communities and Local Economies in Tanzania (LoCAL)</i>	- Awareness and capacities to respond to climate change adaptation are increased at national, local and community levels - Coordination of support for the qualification of financing for climate resilience projects that are integrated into the LGAs plans and budgets (esp. sustainable fisheries, aquaculture & coastal conservation)
EU <i>TEI: Blue economy for job creation and climate change adaption</i>	<i>Bahari Yetu Project</i>	- Promotion a sustainable circular economy - Developing local strategies to address plastic pollution - Improving the handling and disposal of plastics - (Unguja -> exchange of knowledge and experience; Mafia Island -> involvement of the private sector)
EU TEI: Blue economy for job creation and climate change adaption / BMUV IKI	<i>Pwani Yetu (Transboundary conservation and sustainable management of coastal and marine biodiversity in Kwale, Kenya and Tanga, Tanzania)</i>	- Coordination on activities to enhance the protection of coastal and marine biodiversity as well as the climate resilience of coastal communities in Tanzania. - Benefit from MSP related work in the planning of the development of sustainable tourism destination locations - Knowledge exchange on mechanisms for effective, participatory, and sustainable management of marine and coastal resources.

		- Alignment with work on the newly designated Marine Biosphere Reserve RUMAKI, by ensuring synergies and enhancing established partnerships - Collaboration through additional EU TEI BE TZ funding on MSME Support and Enterprise Development as well as Skills Development in Blue Economy value chains.
EU TEI: Blue economy for job creation and climate change adaptation	Grants emerging from "Call for proposals" for consortia of NGOs in Fisheries and Sustainable Tourism sectors	- Collaboration in concurrent geographical locations
Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)	Blue Benguela Current - Integrated Conservation and Sustainable Use of the Benguela Current Large Marine Ecosystem (BCLME) for a Sustainable Blue Economy	- Establish exchange under common denominator Southern African Development Community (SADC) - Knowledge sharing, and exchange of lessons learnt and good practices for a Sustainable Blue Economy
BMZ	Make-IT in Africa	- Peer exchange with the GenBlue Initiative: Empowering Innovation Support Organizations for Blue Innovation and Inclusivity in Southern Africa - Sharing experiences with the blue tech start-up sector for employment promotion and specifically on addressing gender-related aspects - Leverage networks of innovation hubs and other innovation promoters to provide high-quality services for start-ups and small businesses.
BMZ, Norad	Employment Promotion for Women for the Green Transformation in Africa, WE4D	- Coordination of activities in Zanzibar - Coordination and alignment of activities regarding aquaculture and skills development in blue value chains, to complement interventions and to create synergies. - Knowledge exchange, especially regarding TVET and curricula development. - Building on experiences and expertise specifically with gender related considerations

Germany, Sweden and France, Norway, Ireland and Green Climate Fund (GCF)	<i>Blue Action Fund</i>	- Alignment with BAF funded work on marine protected areas, i.e. WWF's work on the newly designated Marine Biosphere Reserve RUMAKI, by ensuring synergies and enhancing established partnerships - Coordination with BAF project by Fauna & Flora International together with Mwambao working on socio-ecological resilience in the Pemba Channel - Coordination with BAF project by Wildlife Conservation Society (WCS) on strengthening the network of climate resilient ecosystems across the Pemba Channel coral reef climate refuge
BMUV IKI	<i>Locally Empowered Areas of Protection in WIO (LEAP-IUCN)</i> 1) Support to BMUs and LMMAs 2) CB for communities	- Coordination of activities in the channel of Pemba - Knowledge exchange
BMUV IKI	<i>Strengthening the blue economy of the Western Indian Ocean (TNC)</i> ▪ Sustainable fishing practices Mangrove protection and rehabilitation	- Regular exchange on good practices - Collaboration at local level for mangrove protection and rehabilitation
BMUV IKI	<i>Empowering female fish workers for participatory coastal management in Tanzania (Sea Sense)</i> Empowerment of female fish workers through mentoring	- Possible direct partnership with Sea Sense in the outreach to and empowerment of local communities in the RUMAKI region
SIDA	<i>SWIOFC Nairobi Convention Partnership for Resilient Marine and Coastal Ecosystems and Livelihoods</i> 1) Protection, conservation, and restoration of coastal biodiversity, living resources and ecosystem services 2) Food and nutrition security, poverty reduction and livelihoods resilience 3) Sustainable fisheries development and blue growth	- Regular exchange between EU member states and feedback to DPG BE meetings - Coordination of the implementation of the small fisheries guidelines - Coordination of communities supported and exchange of good practices

	4) Community participation in the management of coastal resources and ecosystems	
USAID	<i>Heshimu Bahari</i> 1) Strengthen enabling conditions for an MPA network 2) Empower Communities to engage in co-management 3) Incentivize private sector investment in MPAs and fisheries 4) Increase scientific engagement with policymakers and managers	- Joint support of MPA network and government capacity strengthening activities - Coordination of communities supported and exchange of good practices - Participation in multi-stakeholder platform
WCS	<i>Protection of coral reefs, improvement of small-scale fishery management, community livelihoods, and MPA management across a Trans-Boundary Conservation Area (TBCA)</i>	- Close coordination of efforts and collaboration on TBCA with involvement of local communities and BMUs
World Bank	<i>Improve fisheries management and the economic benefits of the fisheries and mariculture sectors in all coastal regions of Tanzania (TASFAM)</i>	- Strengthen management of coastal and marine resources for sustainable utilization - Improving institutional capacity and infrastructure for realizing the inclusive and competitive blue economy
African Development Bank (AfDB)	<i>Skills Development for Youth Employability in Blue Economy (SE-BEP)</i>	- Explore collaboration in the area of youth employment in Zanzibar's Blue Economy, for example coordination of efforts in TVET and assess possibility of leveraging on their planned enhancement of TVET training infrastructure - Coordinate and harmonize activities in the blue skills development area for the tourism sector in Zanzibar - Explore possibilities to partner with 1-2 of their five vocational training centres to be constructed across Unguja and Pemba islands. - Explore possibility to be hosted at and to support the establishment of a technology and business incubator for BE on Unguja island at State University of Zanzibar (SUZA).

3 Intervention Logic

3.1 Objectives and Outputs

The **Overall Objective** of the Action is **to contribute to a climate-resilient Blue Economy on the Tanzanian coastal cities and Zanzibar.**

The **Specific Objective 2 (SO2)** of the Action is **to promote sustainable and job-intensive businesses in blue economy, including productive uses of the marine and coastal ecosystems.**

The project (Action) is contributing to the following **3 Outputs** of SO2 of the EU Action:

2.1 Value addition and sustainable/innovative practices in fisheries/mariculture, marine and coastal value chains, including a contribution to food security and improved nutrition, have increased.

2.2. Availability of quality and accessible financial products and capital investments in key sustainable economic sectors has been increased, including for women entrepreneurs.

2.3. Tourism is more sustainable, inclusive and diversified.

The **3 Outputs** under Specific Objective 2 aim to align efforts towards fostering a climate resilient Blue Economy in Tanzania, promoting sustainable businesses, and creating jobs — building a BE that is both environmentally sound and beneficial for all. Setting up business incubators, encouraging investments in Blue Economy businesses and making financial products accessible can drive sustainable economic development and growth in the sector. This relies on the premise that an enabling framework and support mechanisms for enterprise development and entrepreneurship is upheld to support businesses in the BE and foster investments in the private sector. Once successful, it is also expected to attract further investments from both private sector entities and donors into the BE, thus creating a virtuous cycle of growth and sustainability. Promoting sustainable aquaculture practices, value addition, innovation and technology application fosters inclusivity and sustainability by generating income opportunities and creating or improving livelihoods in the value chains, while ensuring sustained growth through efficient and sustainable, meaning eco-friendly practices. Lastly, facilitating the coastal tourism sector's transition to a greener, more resilient model by supporting community-led stewardship of coastal and marine ecosystems, enhancing the launch of innovative products, destinations, and attractions along the coast, highlighting natural and cultural heritage sites, with a focus on embracing the essence of the Swahili coast concept, is another critical component of the overarching objective.

A healthy ocean and healthy marine and coastal ecosystems are the cornerstones of a flourishing blue economy, and can better endure the impacts of climate change, thereby safeguarding Tanzania's populace, food security, livelihoods, jobs and future economic development. Hence, the Action's 3 outputs directly contribute to achieving SO2.

Output 2.1 focuses on enhancing marine and coastal value chains in Tanzania, particularly in aquaculture (including mariculture), through a participatory and integrated value chain approach. This approach engages stakeholders at all levels to address key challenges such as the lack of affordable fish feed, market access, finance, and technical skills, while promoting innovation, product diversification, infrastructure improvement, and environmentally sustainable practices. By providing capacity development, busi-

ness development services, and practical training (e.g. demonstration farms), and networking, the project supports small-scale fish farmers, processors, and traders, aiming to boost competitiveness, sustainability, inclusivity, and ecological resilience. The strategy also emphasizes building the capacity of training institutions and tailoring vocational skills programs to improve the entire value chain from production to market, making these sectors more resilient and attractive to investors. The approach will have a strong private sector-led focus, targeting economic operators, particularly small and medium-sized enterprises (SMEs) as well as women- and youth-led businesses. In Tanzania, aquaculture is largely driven by private individuals and businesses, including small-scale farmers, hatchery operators, feed suppliers, processors, and traders. These actors invest their resources, take on financial risk, and drive fish production and trade. Improving value chains requires direct engagement with these stakeholders, listening to their challenges, understanding their needs, and supporting their capacity to grow. To thrive, private actors need a strong enabling environment. This includes access to finance for investment (see Output 2.2), tailored business services (e.g., marketing, management, innovation), access to knowledge and training, and a clear, fair, and reliable regulatory framework that facilitates processing, trade, and market access. By addressing these areas, the Action will empower private enterprises to become key drivers of sustainable growth and job creation in the sector.

Output 2.2 aims to increase the availability and quality of financial services for MSMEs and investments in the BE. By establishing strong partnerships with financial institutions, financial service providers, providing capacity building and collaboratively developing business cases for investing in the BE, the project aims to contribute to the development of tailored financial products and services that address the blue economy sectors' unique challenges and opportunities. To achieve this, selected financial institutions will receive technical assistance with a particular focus on sustainable blue and biodiversity finance principles, for example how to adapt their risk scoring to BE sectors or how to incorporate ESG criteria in their investment evaluation, especially in the aquaculture and tourism sectors. Partnerships and experiences of the EU-funded Go Blue Project in Kenya provides a good reference point on potential collaborations with financial institutions and service providers, for example Stanbic Bank Foundation, Equity Bank, KCB and NCBA Banks.

To increase investments in the sector, the Action will explore and assess the potential to develop innovative finance mechanisms, such as blended finance, blue bonds, payments for ecosystem services or blue carbon. Blended finance can play a catalytic role by using concessional funding through the Action to de-risk and attract private investment into the focus sectors. Carbon Markets are an emerging area of focus across the globe that could hold great potential for Tanzania. In Coastal Tanzania, several carbon credit projects³¹ already focus on mangrove conservation, reforestation, and sustainable land management. The project will assess the current legal framework, existing policies as well as current public and private stakeholders, such as the National Carbon Monitoring Centre (NCCMC) and similar initiatives to identify and address gaps in enabling conditions for innovative financing in the BE.

To leverage additional capital for collaboration, the Action will engage a range of financing partners, including impact investors, venture capital providers, and angel networks like the Serengeti Business Angels Network (SBAN). Impact investors will be supported to align their portfolios with measurable environmental and social outcomes, while angel investors will be

³¹ <https://www.ncmc.sua.ac.tz/news/tanzania-developing-africas-largest-carbon-offset-project>

supported through capacity-building measures such as the Business Angel Investors Accelerator (TAA), enabling them to provide both mentorship and early-stage capital. These investments will be further incentivized through matching grants provided through project partners like Sote Hub. Strategic partnerships with SBAN will strengthen this approach by facilitating angel investments, each supported by project-backed matching grants.

In parallel, the project will also work with Tanzanian commercial banks to design and roll out tailored lines of credit and financial products for Blue Economy enterprises, particularly MSMEs. This will be achieved through technical assistance, capacity building, and the facilitation of partnerships with partial guarantee facilities, leveraging collaboration with European Development Finance Institutions (DFIs). Support to financial institutions will include the development and delivery of masterclasses on Global Gateway/EFSD+ and other EU-backed guarantee instruments. These sessions will build the capacity of both commercial banks and project developers to better understand, access, and utilize these de-risking tools for sustainable Blue Economy investments.

To further catalyse investment, the project will organize investment matchmaking forums, where early-stage and growth-stage Blue Economy enterprises can pitch to curated groups of impact investors, DFIs, commercial banks, and strategic partners. These forums may feature live demos and deal rooms, for instance, showcasing digital innovations for eco-tourism experiences in Zanzibar.

Digital finance tools will also be promoted as key enablers of investment-readiness. By supporting MSMEs to formalize financial practices and adopt digital tools, the project will help them build transaction histories, improve financial management, and generate the data needed to attract impact and commercial investors seeking scalable, data-driven business models.

Lastly, under this Output, the project will design and implement a **Blue Incubation and Acceleration Programme** in collaboration with partner Entrepreneurship and Innovation Support Organisations (ESOs). This programme will provide comprehensive **Business Development Services (BDS)** to startups and MSMEs, with the aim of strengthening their business capacities, improving competitiveness, building resilience, and developing an investor-ready pipeline of Blue Economy enterprises.

The services offered through the programme will include enterprise development training, market analysis, financial and business management support, marketing, and facilitated linkages to financial service providers, industry mentors, and academic institutions for knowledge exchange. Participating MSMEs will benefit from access to seed capital, matching grants, and opportunities to engage with angel investors and impact funders. For more scalable enterprises, the programme will also facilitate access to low-interest loans, equity and debt financing, and other blended finance instruments to support their growth. These de-risking financing will come from brokering partnerships like those with Stanbic Bank who offer low-interest loans to BE enterprises, or through the implementing partnership with Sote Hub. Through the latter partnership, the Action will develop a matching grant mechanism. This will include extending matching grants, to other partner hubs like Ennovate Ventures, Smart Labs, SBAN etc. This will be backed up with capacity building to roll out the programme.

The Action will support these incubators and accelerators through the European Business and Innovation Centre Network (EBN)³² to acquire the EU|BIC Quality Trademark, which is the only international, officially recognised standard of innovation-based incubation and acceleration globally. The EU|BIC trademark certifies that an organization is committed to providing resources and services to entrepreneurs with innovative ideas. This certification will link the hubs to a global network of partners and peers embracing excellence.

Output 2.3 aims to establish a more sustainable, diversified, and inclusive coastal tourism sector, supported by businesses adopting responsible and sustainable practices that are environment or biodiversity-friendly, resource-saving, promote cultural heritage preservation, and community engagement. To achieve this, adequate resources and expertise will be provided to ensure businesses can successfully implement these practices, leading to long-term economic benefits and enhanced social inclusion within local communities. This output emphasizes the broader goals of sustainability, diversity, and inclusivity, ensuring that the tourism sector not only adopts greener practices but also benefits local communities and integrates cultural and social dimensions.

By empowering local communities to take a leading role in the stewardship of coastal and marine ecosystems, there is a greater likelihood of sustainable resource management and conservation efforts, leading to a more inclusive and diversified tourism sector. Tourism can diversify beyond traditional beach-centric activities by introducing new products, destinations and attractions that highlight the unique natural and cultural heritage of coastal areas. Particularly for the destinations proposed in this Action; **Kilwa** is known for its historical ruins and Swahili architecture, which offer rich cultural heritage and attracts historical enthusiasts. **Mafia Island** stands out for its marine biodiversity, pristine beaches, and whale-shark tourism, making it an ideal ecotourism destination. **Bagamoyo/Saadani** combines historical significance with natural beauty, presenting opportunities for cultural tourism, wildlife safaris, and coastal experiences. **Pemba Island**, with its lush clove plantations, untouched coral reefs, and strong cultural traditions, offers a blend of agro-tourism, diving experiences, and community-based cultural tourism that appeals to environmentally and culturally conscious travellers. Once developed, these destinations can attract a wider range of visitors and encourage longer stays, benefiting the local economy and spreading the economic benefits of tourism more broadly.

Destination Development

As an intervention area for this Action, **destination development** will involve support-level infrastructure development, tourism product diversification, marketing strategies, environmental sustainability, and community involvement. Through strategic planning, stakeholder collaboration, and supporting sustainable practices, these destinations can achieve significant socio-economic growth while maintaining their unique charm and ecological integrity.

In coordination with Output 2.2, the project aims to mobilize additional financing by engaging like-minded investors, including impact funds and non-profit finance institutions. A strong emphasis will be placed on establishing collaborative frameworks for sustainable tourism and resource management. This includes fostering Destination Management Organisations (DMOs)

³² EBN (European Business and Innovation Centre Network) is a not-for-profit that serves a pan-European, global community of people that use innovative business as a driver for regional (economic) development. EBN's initiatives include EU|BIC certification, development and distribution of quality business support programmes, facilitation and initiation of project collaborations, global networking and advocacy for excellent business support actors like the EU|BICs.

or similar structures to manage specific natural and cultural attractions, supported through technical assistance and public-private collaboration.

Destination development efforts will be closely linked to Output 2.2's investment promotion activities to ensure that opportunities for infrastructure and service development in tourism are integrated into broader sustainable finance and investment mobilization strategies. The project will align with other Team Europe Initiative (TEI) contracts focused on public infrastructure support to enhance synergies and foster collaboration.

Additionally, the project will work with key stakeholders such as the Tanzania Investment Centre (TIC), the Tanzania Chamber of Commerce, and the Zanzibar Investment Promotion Authority (ZIPA) to identify and package tourism investment opportunities. These will be prepared for matchmaking with private investors interested in the Blue Economy and sustainable tourism sectors of interest will be supporting the.

Skills Development and Matching (TVET)

Another focus of output 2.3 is **skills development and matching**, particularly through providing Technical Vocational Education and Training (TVET) in Tourism and place people in jobs. The target group consists of local people who form the labour force for the tourism sector, especially focusing on youth and women. TVET in Tourism is essential for fostering a skilled and adaptable workforce that can support the industry's growth and sustainability. The training will offer practical, demand-driven and industry-led training that equips learners with the competencies required in real-world settings and required from the industry. By emphasizing hands-on experience, customer service excellence, and sustainable tourism practices, labour-market-oriented and demand-driven TVET in the tourism sector ensures that the workforce is capable proficient and prepared to meet the diverse needs of both tourists and industry, thereby enhancing the overall competitiveness and resilience of the industry.

Entrepreneurship promotion and enterprise development

The component will be complemented by supporting idea-stage entrepreneurs by establishing innovation labs and offering Business Development Services to MSMEs in the Tourism industry. Transferable skills will be provided through work readiness skills, life skills, HSE and entrepreneurial skills training, integrated in the training context, with the goal to improve competitiveness. The training approach follows GIZ's integrated approach to employment promotion, which includes matching services and measures like integration of transferable skills training to improve the employability of the beneficiaries; a cross-cutting aspect for all sectors.

Additionally, the tourism sector has a variety of actors, thus underscoring the need to define the role of key stakeholders, particularly in promoting Coastal Destination Development. Though these stakeholders are active, they have indicated a need for technical support, which will be catered to by this intervention. Technical support will be offered but will not be limited to; the main Government/policy actor is the Ministry of Natural Resources and Tourism (MNRT), through its semiautonomous institutions namely Tanzania National Parks Authority (TANAPA), Tanzania Tourism Board (TTB), Tanzania Forest Services Agency (TFS), National Museum of Tanzania (NMT), and Tanzania Wildlife Management Authority (TAWA), responsible for managing specific aspects of the tourism value chain. To further encourage the participation of the private sector, we shall broker collaboration with the Tourism Confederation of Tanzania (TCT) which represents a variety of actors along the tourism value chain, including the Tanzania Association of Tourism Operators (TATO), Hotel Association of Tanzania (HAT) and Tanzania Association of Cultural Tour Operators (TACTO). Zanzibar being the being the

hub for tourism, we shall further the collaboration with Zanzibar Tourism Commission (ZCT), Zanzibar Association of Tourism Investors (ZATI), Zanzibar Association of Tour Operators (ZATO) and Hotel Association of Zanzibar (HAZ).

Greening the coastal tourism sector serves as a critical connector between the two work packages (skills development and destination development). The project will support this integration by embedding sustainability principles into training curricula for TVET institutions and enterprise development manuals used in incubators and accelerators. For example, hospitality and tourism courses will now include modules on energy-saving techniques (e.g., using solar water heaters in guesthouses), waste sorting and composting, and sourcing local and organic food for lodges. For tour guides, practical training will cover responsible wildlife interaction, reef-safe snorkelling and diving practices, and how to educate tourists on local conservation efforts (e.g., sea turtle nesting or mangrove restoration). They will also be trained on creating low-impact experiences such as walking tours that minimize vehicular use and incorporate local heritage storytelling, which adds cultural value while reducing emissions. For small tourism operators, such as boat tour providers or beach vendors, greening might involve transitioning to low-emission engines, using recyclable materials for packaging, or even offering refillable water stations to reduce single-use plastic.

Support will also be extended to implement green certification schemes and eco-labels, enhancing business visibility and appeal to environmentally conscious tourists. This will be done in collaboration with Responsible Tourism Tanzania (RTTZ), which will be empowered to offer voluntary certification aligned with Global Sustainable Tourism Council (GSTC) standards. RTTZ will work closely with micro and small businesses to meet basic green criteria—such as energy-efficient lighting, waste management plans, or local hiring practices—ensuring inclusivity even for the smallest operators.

Access to finance will be an integral enabler of these transformations. MSMEs in the tourism sector, will be supported through blended finance mechanisms, such as matching grants and tailored loan products that reduce the risk and upfront cost of adopting green practices. The matching grants will be facilitated through partnerships under Output 2.2 like that with Sote-Hub, who will receive funding from the project to set up a matching grant mechanism to be extended to MSMEs upon meeting a set criterion. The enterprises will also be availed low interest loans from partner banks like Stanbic Bank. For instance, an eco-lodge may receive a low interest loan to install solar panels from Stanbic Bank as a de-risking tool to adopting greening practices. In connection with activities under Output 2.2, further partnerships with local financial institutions like NMB Bank or TADB will be brokered to design and roll out financial products specifically tailored for small tourism enterprises. These may include grace periods for eco-investments or revenue-based financing options. The project will also facilitate capacity building for these institutions to understand the needs of green MSMEs, including the integration of ESG screening into loan appraisal processes. Women and youth entrepreneurs will receive direct support, for example, through the network of blue hub, to prepare loan applications, develop bankable business plans, and present their pitches to banks or angel investor networks.

Interconnection of Outputs 2.1-2.3

The cross-cutting of the proposed Action will be on the socio-economic development and growth of the Blue Economy in Tanzania, enabling conservation, sustainable use of coastal and ocean resources, enhancing business capacities and strengthening resilience, creating

jobs, securing food and improving livelihoods. While Output 2.1 and Output 2.3 focus on selected key BE sectors (Aquaculture and Tourism), Output 2.2 is the connecting link in the context of MSME support, enterprise development and access to finance, while also aiming at strengthening and building sector-wide capacity of the entire business support environment and enterprise development landscape for enterprises in the BE in Tanzania, and fostering sustainable investment promotion, with a focus on the two selected sectors. As such, the Action will not only target quantitative employment effects and count the number of improved livelihoods and support businesses at the outcome level but also have a qualitative and transformative impact.

The Action will therefore not only directly contribute to SDGs 8 (Decent work and economic growth), SDG 14 (Life below Water), SDG 13 (Climate Action), SDG 15 (Life on Land; particularly through marine conservation), and SDG 17 (Partnerships for the Goals), but by improving livelihoods, addressing the skills gap, providing economic opportunities and creating jobs, and contributing to food security also indirectly to SDGs 1 (No Poverty), 2 (Zero Hunger), 5 (Gender Equality) and SDG 10 (Reduced Inequalities). By focusing on selected blue value chains that contribute to an inclusive sustainable Blue Economy (ISBE) also supports sustainable consumption and production (SDG 12) as well as countries' efforts to increase climate protection (SDG 13). Finally, through partnerships with the private sector, the action will also contribute to strengthening the means of implementation and revitalizing the global partnership for sustainable development (SDG 17).

3.2 Main Partners, Target Group, Direct Beneficiaries

Main partners include at the national level the central government in mainland, represented by the Ministry of Finance and Planning which is responsible for the Blue Economy strategy, and the Vice President's Office (VPO), which coordinates the implementation of environmental laws and policies. The latter will be the political line ministry for the project. At technical level and for coordination purposes (and aligning project activities to the National agenda and operational planning) other relevant entities are the Ministry of Natural Resources and Tourism (MNRT) related to activities under O2.3, the Ministry of Livestock and Fisheries (MoLF), especially the Aquaculture Division, as main partner for activities related to aquaculture and capacity building on sector coordination. Regarding enterprise development and skills development, the key public partner for output 2.1 will be the Fisheries Education and Training Agency (FETA), and regarding TVET under output 2.3 for the tourism sector will be the Vocational Education and Training Authority (VETA). Further relevant public partner is the Tanzania Fisheries Research Institute (TAFIRI).

In Zanzibar, key partners are the President Office Finance and Planning and the Ministry of Blue Economy, Tourism, Water and Energy. Besides, the Action will work in collaboration and consultation with further local authorities and other subordinate agencies, for example Marine Parks and Reserves Unit (MPRU), and the district authorities in the target regions, at various levels to coordinate activities where necessary and appropriate.

Main partners will also be financial institutions, including commercial banks, impact funds and angel investors networks, and business associations in the two BE sectors targeted to engage the private sector.

Partners include local and international NGOs, community-based organizations such as Beach Management Units (BMUs) and Farmers Cooperatives (Groups), consultancies, public

institutions, and most importantly the private sector. The latter includes associations such as Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), Tanzania Investment Centre, Tanzania Private Sector Foundation (TPSF), Tanzania Fish Processors and Exporters Association (TFPEA), Tanzania Women Chamber of Commerce (TWCC), Tanzania Tourism Board (TTB), Tanzania Sea-weed Network, and Tanzania Industrial Fishing & Processors Association (TIFPA).

Implementing partners are NGOs including Farm Africa, SoteHub, Cap Youth Empowerment Institute (Yei), SBAN and EBN, and foundations including Stanbic Bank Foundation, Equity Bank Foundation or Aga Khan Foundation (AKF). The proposed implementing partners have many years of experience in the regions and sectors and have been involved in important achievements in the Blue Economy, such as the development of “blue” finance services and products, development of CBET curricula for blue economy value chains (in line with the GoT TVET strategy to move towards a competency-based training model) or developing tailored incubation and business development services for blue enterprises.

Close alignment with the Pwani Yetu, LoCAL and Bahari Yetu projects is planned to ensure complementarity and scaling of the individual TEI projects (Output 2.2 & 2.3). Coordination will be ensured with other Development Partners active in the sector such as World Bank, AfDB, UN agencies and EU Member States, to avoid overlapping, create synergies and leverage support to sustainable economic development in the Blue Economy.

The **target group** of this Action will be MSMEs and the coastal communities in the target regions, as actors depending on economic opportunities and livelihoods that coastal and marine ecosystems provide with their resources. For Output 2.1, the target groups include artisanal fishers, fish farmers, women involved in seaweed farming, and youth interested in aquaculture and fisheries value chains. The direct beneficiaries are around 2.000 coastal community members and (fish-) farmers, of whom 50% are expected to be women and youth, to be supported to reduce post-harvest loss and/or cost of production. While at least 2.000 people will be trained to adopt new sustainable practices in aquaculture or mariculture, the project specifically targets women and youth in output 2.3 by providing technical and vocational training, support for developing income-generating activities, and business skills development (both cross-cutting in outputs 2.1-2.3), for example by empowering women in seaweed farming. The target group will be reached through institutions such as the Fisheries Education and Training Authority (FETA), Tanzania Fisheries Research Institute (TAFIRI), incubation hubs and BDS providers and local vocational training centres, which also benefit from upgraded infrastructure and capacity building. For Output 2.2, the target groups are MSMEs within the selected two key Blue Economy sectors, particularly women-led enterprises, women and youth entrepreneurs. The direct beneficiaries include approximately 2.000 MSMEs that will receive support to access finance and/or business development services, and 1.000 people will be trained on sustainable business practices. The output includes a specific focus on women and young entrepreneurs by providing tailored financial products, technical assistance, and capacity-building programs, aiming to improve their access to finance and overall business capacities. The Action will also support financial institutions like Amana Bank, TADB, and other micro-finance institutions as well as impact investors, angel investors, as well as business support services to better serve the Blue Economy sector. For Output 2.3, the target groups consist of local communities in coastal areas, including Bagamoyo, Saadani, Mafia Island, Kilwa, and Pemba, as well as small and medium tourism enterprises, suppliers and service providers as

well as sector business associations and relevant collaborative set ups (DMOs, etc.). The direct beneficiaries will include 2.000 people, who will participate in tourism skills development (TVET) and matching programs (O2.3) and/or enterprise support initiatives (O2.2 and O2.3).

3.3 Methods of Implementation

Output 2.1: Value Chain Development

Value addition and sustainable/innovative practices in fisheries/mariculture, marine and coastal value chains, including a contribution to food security and improved nutrition, have increased.

Output 2.1 aims to strengthen Tanzania's blue economy through the development of sustainable and inclusive value chains, with a strategic focus on aquaculture — including both freshwater and marine-based systems. Aquaculture presents a strong business case for inclusive economic growth and job creation, particularly for youth and women, and offers scalable opportunities along value chains (see chapter 1.2).

Based on initial scoping, value chains such as Tilapia, seaweed (macroalgae), sea cucumber, and crab fattening have been identified as promising areas of focus. These were pre-selected based on key factors including the presence of established production systems, potential for scale, income and employment generation, trade prospects, and their relevance to both freshwater (Tilapia) and marine ecosystems (seaweed, sea cucumber, crabs).

Within this broader aquaculture focus, the project acknowledges that some of these chains — especially marine-based ones — already receive production-level support through other partners. Rather than duplicating ongoing efforts, the Action will engage selectively and strategically, with a view to addressing shared bottlenecks such as post-harvest handling, access to finance, and market development. This approach ensures the Action contributes to systemic improvements across the blue economy while maintaining flexibility. Final selection and specific entry points will be validated through the value chain analyses carried out during the Inception Phase, using the ValueLinks 2.0 methodology.

While production-level support remains important, the Action takes an integrated value chain development approach to ensure sustainable transformation beyond isolated technical fixes. A purely technical focus may improve production output, but without addressing market access, enabling policy frameworks, and financial barriers, these improvements risk limited impact. To overcome this, the project will apply the ValueLinks 2.0 methodology, which integrates economic, environmental, and social dimensions and is designed to create resilient, market-responsive value chains.

Further, aquaculture value chains identified through the Inception Phase analysis will be supported comprehensively, with a strong private sector-led focus. The Action will directly engage economic operators — especially micro, small and medium-sized enterprises (MSMEs), as well as women- and youth-led business. — that are already driving production, trade, and innovation across the sector. Tailored support will strengthen their ability to scale and diversify operations, contribute to local employment, and respond to market opportunities. Interventions will include:

- Strengthening input systems (e.g., hatcheries, feed quality),
- Facilitating access to appropriate technologies,

- Promoting sustainable farming and harvesting practices,
- Improving post-harvest handling and cold chain infrastructure,
- Supporting access to markets, processing, and product diversification,
- Enhancing business development and entrepreneurship skills.

Cross-cutting interventions will target critical bottlenecks such as standards, certification, and the enabling environment — including policy frameworks, standard operating procedures (SOPs), and public-private dialogue platforms. In this context, policy is not limited to legislation but includes the full set of practices and standards that govern the sector's competitiveness and sustainability.

A full value chain analysis during the Inception Phase, using the ValueLinks 2.0 tool, will confirm the most promising value chains and refine the design of interventions. This will include mapping of actors, identifying market dynamics, assessing economic and environmental performance, and analysing social inclusion and gender equity.

The activities in output 2.1 will be closely integrated with those in outputs 2.2 and 2.3 to maximize synergies and collaboration. The project will coordinate among implementation partners and stakeholders to ensure effective interaction between the components. The upskilling and upscaling efforts under output 2.1 aim to create pipeline projects and business cases that can be matched with financial services provided in output 2.2, leading to investment-ready businesses). Additionally, incubation and business development services will target beneficiaries from output 2.1, especially in transferable skills such as management, business skills, and financial literacy to enhance competitiveness and build business capacity.

Work Package 1: Policy, sector coordination and value chain needs

Enabling policies are key for sustainable development of Tanzania's aquaculture sector, particularly for the pre-selected value chains such as tilapia, seaweed, sea cucumber, and crab fattening. This work package aims to strengthen the institutional capacity of public and government actors in both Zanzibar and the mainland to shape and implement policies that promote sustainability, economic growth, and social inclusion. Importantly, the Action recognizes that policy goes beyond legislation. It may encompass a broad set of enabling factors such as:

- Regulatory frameworks,
- Product quality and safety standards,
- Standard operating procedures (SOPs) that guide business practices,
- Certification schemes for sustainability and quality assurance,
- Mechanisms for inclusive public-private dialogue.

Without improvement in the governance elements, technical innovations and business investments cannot be scaled or sustained.

To ensure focus and impact, the work will be closely aligned with the Action's value chain priorities, guided by ValueLinks assessment. These analyses will not only shape production-level support but will also generate evidence and policy recommendations tailored to the needs of each value chain. Where needed, this will be supplemented with targeted studies to address policy or regulatory gaps that hinder sector growth.

The expected outputs may include:

- Concrete policy and regulatory recommendations (e.g., on licensing, quality standards, data governance),
- Improved coordination mechanisms, such as coastal aquaculture roundtables platform, to promote stakeholder exchange and consensus-building),
- Strengthened data systems to support evidence-based decision making, including the use of Geographical Information Systems (GIS) for spatial planning,
- Capacity building of key research and regulatory institutions, including examples like Zanzibar Fisheries and Marine Resources Research Institute (ZAFIRI), The State University of Zanzibar (SUZA) with its technology and business incubator in Unguja to be set up under the AfDB SEBEP, Tanzania Fisheries Research Institute (TAFIRI) and University of Dar es Salaam (UoD) and the associated School of Aquatic Sciences and Technology Campus, to serve as hubs of technical expertise and policy influence, and
- Development of a national coordination and learning network to bridge local practices and national policy frameworks.

This focused and demand-driven approach ensures that policy support results in tangible products in support of WP 2 (e.g., curriculum development and vocational training) and WP3 (e.g., training inputs, necessary skills, knowledge, and exposure to new innovations, etc.). Additionally, the project will address financial literacy needs to prepare for potential integration with Output 2.2, which focuses on access to finance and business support.

Work Package 2: Curriculum Development and Vocational Training

This work package will assess, evaluate, and update existing curricula and training courses in aquaculture, with a primary focus on the pre-selected value chains. Together with the findings from the market and value chain analysis, as well as the training / skills needs assessment (WP1), this forms the basis for developing modularized Competency Based Education and Training (CBET) short courses.

While recognizing the centralized nature of TVET systems, the Action will take a dual approach: working with national institutions to review and upgrade public training curricula (as a public good), while also directly supporting the implementation of short courses focused on practical, in-demand skills for selected value chains. One activity is to enhance the existing vocational curricula in aquaculture (e.g., update *tilapia and seaweed, enrich with mariculture, and add crab fattening and sea-cucumber*) at the Fisheries Education and Training Authority (FETA) and adapt the courses to the CBET model. This includes alignment with the national training standards and making courses more demand driven, practical, and labour-market oriented. The vocational training will be delivered across various locations including the Aquaculture Division (MoLF), FETA, UoD, SUZA, and private sector venues.

To improve matching between skills supply and private sector demand, partnerships with industry actors will be strengthened, including through internships, apprenticeships, and practical placements. To ensure sustainability, careful attention will be given to the appropriate use and maintenance of materials and equipment provided to training institutions.

To ensure industry relevance while strengthening national institutions, partnerships with organizations such as the Zanzibar Micro, Small and Medium Industrial Development Agency (SMIDA) and the Sustainable Integrated Landscape Development Organization (SIDO), which provide industrial training, access to machinery, and testing facilities, will be sought where thematically appropriate. Private sector collaborations, including those with actors like Cube Zanzibar, currently developing a BE-devoted demonstration plot in Bungi, Unguja Island, will

also be explored. Mapping these facilities will help maximize access to essential resources and infrastructure in pre-selected value chains.

Capacity building for partner institutions will include Training of Trainers (ToT) on CBET methodology, technical skills, and business approaches, specifically tailored to selected value chains and value chain nodes. This will involve creating a pool of master trainers from government extension services, NGOs, research institutions, and the private sectors (e.g., advanced farmers). In addition, training venues will be equipped with necessary materials, consumables, and practical training units. Infrastructure upgrades, such as enhancing aquaponic demonstration sites, will focus on improving trainings standards while considering long-term maintenance costs. Linkages between vocational training and entrepreneurship development (Output 2.2) will be reinforced, ensuring trainees are better prepared for business start-up, scaling, or employment opportunities.

Work Package 3: Upgrading aquaculture production and aquatic post-production, Capacity Building and Innovation

Based on the skills needs assessment in WP1, Work Package 3 will implement the targeted trainings and capacity development approaches developed under WP 2 for aquaculture producers (e.g., *tilapia*, *seaweed*, *mud crab*) and actors in post-production (*processing*, *value addition*, *storage*, *aggregation*, etc.). These trainings will be delivered in various formats, including short-courses of 1-2 months, demand-driven modules ranging from 1-3 days, or full TVET training modules of several months.

To ensure effectiveness, the intensity and depth of interventions will be tailored to each value chain, based on the outcome of the value chain analyses (ValueLinks assessment) carried out during the Inception Phase. While all pre-selected value chains may be supported, greater focus may be placed on those offering the highest potential for scale, impact, and sustainability.

A core element of this work package is the identification and integration of innovations that address key bottlenecks, such as reducing production costs, improving fish handling and processing, minimizing post-harvest losses, and increasing productivity. Special emphasis will be placed on sustainable, scalable solutions, such as developing seaweed-based products for the local beauty industry. Further innovation opportunities will be identified through WP 1 and WP 2, ensuring responsiveness to real sector needs.

To ensure these innovations are applied effectively, participants will be training in both the technical and business aspects of aquaculture and post-harvest processes, building their ability to apply new technologies and business models in real-world settings.

In addition to training, selected innovations in pre-selected value chains will be supported through enterprise development and incubation services. Participants will receive guidance on transforming innovative ideas into business models, and early-stage enterprises will be nurtured into scalable businesses. Linkages to business incubation and financing opportunities will be made available under Output 2.2, ensuring that these innovations are not just learned but actively applied and grown into sustainable businesses. Good practices and business cases will be documented to inform curricula and training content at institutions as FETA, UoD, SUZA, and through farmer and coastal community trainings.

With regards to technology transfer, the Action will take a demand-led approach, building networks and business cases before investing in specific technologies. The project will work with

existing government structures and introduce promising initiatives to potential investors through mechanisms under Output 2.2.

Business cases will be developed for aquaculture and post-harvest agents, who will serve as intermediaries in the value chain – connecting stakeholder, fostering value addition, and promoting sustainable practices. These agents, with a focus on youth and women, will play a pivotal role in aggregation, processing, and market facilitation. Demonstration farms will be established for hands-on training, and key value chain actors (e.g., sea-cucumber hatchery in Pemba and inland aquaculture facilities) will be supported to commercialize operations.

Depending on specific needs, services from other work packages (e.g., WP 1.3 and WP 2 from Output 2.2) will be aligned to provide integrated support.

Environmental sustainability will be a core focus throughout, guided by the participatory Value Links approach. Sustainable practices will be collaboratively identified with stakeholders to ensure they are practical, locally relevant, and environmentally sound. These practices will promote resource efficiency and help mitigate climate risks along the value chain – from production to post-harvest processing.

Special emphasize will be placed on empowering women in the seaweed sector by enhancing market access, improving farming practices, and strengthening business and financial skills. This will enable women to build viable enterprises and connect to financial services through Output 2.2.

Finally, the project will collaborate with relevant authorities, such as the Bureau of Standards, to address regulatory hurdles affecting the market approval of innovative, environmentally sustainable products – ensuring businesses can meet standards and reach consumers.

Work Package 4: Infrastructure deficiencies

Based on the value chain assessments and in consultation with the relevant government stakeholders (FETA, TAFIRI, ZAFIRI, SUZA, SMIDA, etc.), this work package will primarily address infrastructural bottlenecks at training locations, while also considering fish markets, and landing sites along the coast that support post-harvest activities. The latter can include smaller-scale enhancements related to processing and storage of aquatic products. The needs beyond that will serve as potential entry points for new business opportunities to be considered in Output 2.2 (WP 2: MSME Incubation, Acceleration, and Enterprise Development).

Training institutions will be equipped with essential materials and practical units, such as aquaponics demonstration setups that promote sustainable and innovative aquaculture practices. The School of Aquatic Sciences and Fisheries Technologies (UoD), for instance, will receive enhancements to conduct the master training practically and thus effectively. Although this WP primarily focuses on enhancing training facilities related to aquaculture, it recognizes the importance of institutions that deal with post-harvest handling, processing, and storage. The assessment of infrastructure needs at these institutions will address their capacity to improve post-harvest processes, food safety, and worker safety on a needs basis. Identifying cost-effective solutions such as affordable cold storage (e.g. small-scale options with low operation costs, such as ice production or renewable energy-powered freezers), will be included where applicable and can also be included as potential business areas under Output 2.2 (WP 2). By integrating the Value Links approach, this work package will ensure that infrastructural developments are practical and aligned with market-driven needs and sustainability goals.

Work packages 1, 2 will be implemented by GIZ and an international consultancy. For work packages 3 and 4, GIZ has planned for both, an international consultancy and a possible grant agreement with the NGO Farm Africa (FA) at a later stage to complement activities. The engagement of FA will focus on upscaling and upskilling through training and capacity development for aquaculture producers and aquatic product processors, as well as looking at the “aquaculture as a business aspect”, including establishing aquaculture agents as a business model. The latter will leverage on a successful business model rolled out with FA during an assignment under the EU Go Blue Project in Kenya.

Besides, the NGO Mwambao will function as a key strategic partner on Pemba Island to contribute to WP 3. The project will explore the possibility to roll out the blue incubation program on Pemba Island in collaboration with Mwambao, meaning “hosted” at Mwambao, with a focus on the seaweed and fish value addition value chains. Collaboration with Mwambao would also grant the project access to coastal communities to support their integration to the tourism industry, for example as suppliers for the wider tourism value chains. Mwambao has successfully piloted and scaled up new approaches of community-led marine management in the past, using local by-laws and integrated marine management plans to strengthen these areas, and they are an assigned implementing partner under the Pwani Yetu program.

The project will actively coordinate the exchange and activities of different partners and across work packages to ensure synergy, avoid duplication of efforts, and enhance overall effectiveness (see also chapter 4 on ‘Project Governance’).

Output 2.2: Access to Finance and Business Support

Availability of quality and accessible financial products and capital investments in key sustainable economic sectors has been increased, including for women entrepreneurs.

The proposed initiative aims to establish tailored finance facilities to support coastal businesses, focusing on empowering women and youth entrepreneurs.

Work Package 1: Access to Finance Promotion

1. Improving Financial Services

Enhancing the capacity of financial institutions is crucial for improving access to finance within Tanzania's Blue Economy. Based on an assessment of the specific financial needs of various segments of MSMEs and an analysis of existing financial products and services, the project will identify existing gaps during the inception phase and develop strategies to overcome them. These could include for example capacity building of selected public and private financial institutions (e.g. Amana Bank, Tanzania Agricultural Development Bank (TADB), PBZ Bank, FINCA Microfinance Bank, CRDB Bank & NMB Bank) to increase their exposure and understanding of the BE. Moreover, the project will also provide assistance in the development of scorecards to better assess the risks and opportunities for business models in BE value chains or technical assistance to incorporate Environmental, Social and Governance criteria into lending and reporting procedures of financial institutions. In addition, the project will support the development and adaptation of financial products to the needs of MSMEs in a BE. The capacity-building will be anchored on the UN's Sustainable Blue Economy Finance Principles³³ and the International Finance Corporation (IFC) Guidelines for Blue Finance.³⁴

³³ [The Principles – United Nations Environment – Finance Initiative \(unepfi.org\)](#), 8 May 2025.

³⁴ [Guidelines for Blue Finance \(ifc.org\)](#), 8 May 2025.

Building on GIZ Go Blue Project's experience and partnerships, such as with Stanbic Bank Foundation, the project will facilitate the participating enterprises' access to finance by leveraging Stanbic Bank's experience as a capital provider. This will include alternative affordable capital in the form of blended finance instruments, for example, low interest and micro-loans to the selected MSMEs participating in the programme. The threshold of the loan, tenure and number of MSMEs benefiting from the loan will be agreed upon by a committee that will comprise the key stakeholders. Besides adapting this good practice, the Action will explore additional partnership opportunities in the commercial banking sector.

Aside from technical assistance to traditional financial institutions, the project will provide capacity building to Investment Fund Networks, including Impact funds and Angel funds. One example is the Serengeti Business Angels Network (SBAN), which runs the **Tanzania Angel Investors Accelerator (TAA) Programme**. The programme aims to "Elevate Tanzania as a prime destination for global funding, by equipping aspiring Angel Investors with essential skills and knowledge, to make informed investment decisions." The TAA Programme can be customised for the BE sector and attract Angel investors looking to invest in the sector. Together with the TAA Programme, the project will train aspiring angel investors in the blue economy, supporting them in establishing a dedicated network in Tanzania. Participants will understand the blue economy business value chain through mentorship and hands-on guidance. Interactive workshops, online courses, and masterclasses will provide immersive learning experiences, guiding participants through the intricacies of angel investing and how to identify, structure deals, conduct due diligence and deploy investments in the blue economy sector. During the program, SBAN will also support new angel investors in completing their first investment deal with a blue economy. Besides, the Action will utilise such investor networks for financial matching of its beneficiaries. For example, there will be match funding via SBAN for scalable enterprises and business cases in the BE from the pipeline of MSMEs supported by the project.

1.1. Innovative Financing Mechanisms

Innovative financing mechanisms aim at identifying and piloting innovative financing mechanisms suitable for the BE in Tanzania. As a first step, the project will conduct a needs assessment to understand the potential for financing mechanisms such as blue carbon and blue bonds. Moreover, the project will facilitate the set-up of blended finance mechanisms together with DFIs, such as EIB or KfW or other sources of development finance.

In parallel, the project will do a mapping of the current regulatory and institutional framework to identify potential barriers for the implementation of selected financing mechanisms. Based on the results, the project will initiate sector dialogue between relevant stakeholders and facilitate partnerships to explore setting up feasible financing mechanisms on a local and regional level. In parallel, the project will scope potential bankable projects (e.g. in tourism) and if feasible, initiate pilots to demonstrate the viability of innovative financing mechanisms in Tanzania's BE.

1.2 Financial Literacy, Business Training and Matchmaking

This intervention is designed to support MSMEs in the Blue Economy by improving their financial literacy and business skills, enabling better access to finance, increased competitiveness, and enhanced business capacity. For many MSMEs, limited financial knowledge and inadequate business support are major barriers to accessing capital. The project will address these gaps by targeting specific financial literacy needs and business challenges. Training will focus

on areas such as cash flow management, budgeting, financial planning, and investment strategies tailored to the context of small businesses.

In the next phase, training materials will be customized and adapted to fit the local context and specific needs of the MSMEs. The project will then roll out trainings and provide follow-up coaching, with a strong emphasis on formalization and improving the bankability of participating enterprises. This will contribute to building a pipeline of bankable MSMEs that the project will support in accessing finance.

Participating businesses will be matched with financial institutions and seed funding opportunities, such as through the Tanzania Angel Investors Accelerator (TAA) Programme and the Stanbic Bank Foundation partnership. This activity will be integrated across various partnerships, including those with Stanbic, SBAN, and Sote Hub.

Work Package 2 Financial Innovation and Investment Promotion

This Work Package focuses on fostering a strong investment environment by combining capacity building through incubation and acceleration, ecosystem strengthening through networking and peer exchange, and access to diverse and innovative finance mechanisms through partnerships with local MFIs, private capital and leveraging on credit lines established by EU in collaboration with local banks.

To enhance investment readiness, the Action, through the Blue Hub and its satellites (see WP 3.2) established, will link enterprises to Business Development Service (BDS) providers to access tailored support in financial planning, business modelling, pitch development, and enterprise valuation. This technical assistance will be delivered through the incubation and acceleration programs. The Action will also link MSMEs to funding opportunities including matching grants (see above, e.g. through the implementing partner SoteHub), seed funding, and competitive challenge funds, designed to de-risk early-stage investments and stimulate scalable solutions.

In parallel, the project will work to mobilize private capital by actively engaging local financial institutions such as CRDB, NMB, and TADB, along with impact investors and angel networks like the Serengeti Business Angels Network. These financial actors will be supported through technical assistance on ESG-compliant investment frameworks, sustainable pipeline development, and the design of tailored financial products suitable for high-impact ventures. The Action will particularly offer capacity building on the benefits of adopting innovative blended finance instruments, including blue bonds, results-based finance, and guarantees backed by EU financing mechanisms, to attract both local and international capital.

Furthermore, the project will promote ecosystem-wide investment facilitation by establishing dialogue platforms and investor roundtables in the focus sectors, working in close collaboration with the public sector, DFIs, and private sector associations. For example, through the investor roundtables, a coastal community-based enterprise in Pemba can be interfaced with project partners like Stanbic Bank to access a low-interest loan. Low interest loans are envisioned as one of the new financial products to be established under the project.

Work Package 3: MSME Incubation, Acceleration and Enterprise Development through Business Support Services

3.1 Development of an Incubation and Acceleration programme for Blue Economy MSMEs

This intervention is a targeted effort to catalyse the growth of MSMEs in the Blue Economy, with a specific focus on the tourism and aquaculture sectors. The programme will deliver structured, high-impact support to early-stage, growth-stage, and scalable enterprises.

The programme will follow a **two-track model**:

- **Track One: Incubation** – This track targets early-stage MSMEs (operating for less than two years). It will help participants refine their business models, build foundational skills, and validate market fit. Support will include hands-on mentorship, business development training, access to sector expertise, guidance on formalisation and regulatory compliance, and support to develop a digital financial history. Incubatees will be linked to angel and impact investors and may also access matching grants, contingent on their ability to absorb funding.
- **Track Two: Acceleration** – This track is tailored for high-growth MSMEs with demonstrated scalability. It provides advanced venture-building support, investment readiness training, tailored advisory services, and connections to finance—including venture capital, matching grants, and blended finance via partner financial institutions.

The selection and identification process for both tracks will be evaluated against a set of criteria that will include; **Business potential**: The viability and scalability of the business idea, **Market potential**: The size and growth potential of the target market, **Team expertise**: The experience and skills of the team members, **Innovation**: The uniqueness and novelty of the product or service and their **environmental and social impact**.

Across both tracks, MSMEs will benefit from technical guidance in digital marketing, customer experience, and green standards (e.g., sustainable tourism certification from RTTZ), enabling them to meet the expectations of responsible consumers. Partnerships with research institutions and ecosystem actors will also ensure that MSMEs can tap into the latest innovations and marine science to improve their competitiveness.

As Tanzania's ESO ecosystem evolves, promoting collaboration between the ecosystem and Research, Science and Technology institutions is crucial. To leverage the expertise and resources of these institutions, startups can access valuable knowledge, technology, and support, further enhancing their solutions. This can help to bridge the gap between research and commercialization (private sector). Startups can benefit from the latest research advancements and develop products and services based on cutting-edge technologies. This mutually beneficial collaboration can accelerate the pace of innovation and drive economic growth.

In parallel, the programs act as a bridge to the broader entrepreneurship and innovation ecosystem. Activities such as investor roundtables, demo days, and pitch competition are strategically integrated into the program to enable cross-learning, foster partnerships, and embed startups more deeply into the fabric of the Blue Economy. Together, these components ensure that enterprises are both **investment-ready** and **network-enabled**—positioned for sustainable growth, innovation, and impact.

3.2 Establishing a Blue Economy Hub

To further enhance the outcomes of the Incubation and Acceleration Program, we will support establishing a Blue Economy Hub in Dar es Salaam and a satellite hub in Zanzibar, including support to the initial set up with basic equipping. The identification and selection process are

in consultation with the Tanzanian government. To ensure sustainability, the project is looking at existing facilities to create full ownership in the long-term.

The BE Hub with its satellites (branches) will serve as demonstration centres (for different value chains in the tourism and aquaculture sectors), a catalyst for innovation, enabling innovators and entrepreneurs in aquaculture and sustainable tourism to test their ideas efficiently and quickly with the help of experts. The Hub(s) will be designed as a catalytic space for nurturing and scaling, by offering a space where challenges MSMEs face, such as limited access to finance, technical know-how, market visibility, and regulatory navigation are recognized, and the hubs will offer a comprehensive suite of support services tailored to their specific growth stages and needs. This includes **business development support**, such as coaching on business planning, financial management, and compliance with blue economy sustainability standards.

The Hub in greater Dar es Salaam will be **one of the centres** that provide the **customized acceleration and incubation programme**, helping early-stage and growth-stage MSMEs refine their business models, prototype innovative solutions, and connect with investors. A key feature of the hubs will be **facilitating networking**, offering MSMEs structured opportunities to engage with other enterprises, investors, experts and financial partners. By creating a community of practice/a network of hubs, this will enable peer learning and the sharing of best practices, particularly around, investor relation, sustainable resource use, and digital innovation in the blue economy. The network of hubs will include local partner ESOs and other BDS providers, who will be supported by the project to roll out the incubation and acceleration programme. Some of the local hubs include those who have been vetted to potentially be part of the network of hubs including Ennovate Ventures, SmartLabs, Ndoto Hub, Sahara Ventures, Sahara Sparks, SBAN and any other hubs that show capacity to roll out the incubation program while maintaining the quality of training.

MSMEs will also benefit from **ongoing access to technical and sectoral experts** through mentorship clinics, thematic masterclasses, and advisory boards, ensuring they receive up-to-date guidance on industry trends and regulatory frameworks.

Furthermore, hubs will serve as a **gateway to investment opportunities**, supporting MSMEs in becoming investor-ready by improving their pitch materials and participating in matchmaking events. By providing this enabling environment, the hub will not only support the commercial viability of blue MSMEs but also ensure their contributions to social inclusion, environmental sustainability, and local economic development are amplified.

In the case of the aquaculture sector, there have been initial discussions during the scoping mission. The MoLF has proposed two potential sites for the aquaculture sector, the University of Dar es Salaam with its Aquatic School of Science and Technology as a potential demo site and a hub for Aquaculture and aquaponics, providing practical training units, an MSME lab with computer/smart lab and incubation space, BDS provider offering training modules, and sector-specific technical training courses. This would serve as a demonstration centre in terms of practical training and entrepreneurship promotion for the blue hubs related to aquaculture and mariculture. The second site is the FETA campus in Bagamoyo, to serve as a regional hub around Bagamoyo for all aquaculture related training and enterprise development including post-production value chains like fish handling, processing and value addition.

The project and its implementing partners will contribute each to the establishing of the network of blue hubs, for example by setting up practical units, provide services and equipping the Hub.

For example, Farm Africa would offer technical training courses on “aquaculture as a business”, “aquaculture agents” or “urban fish farming” in the (aquaculture sector-specific) hub(s), while the international consultancy will provide capacity building, for example through training of the trainers, to create ownership. This will ensure that the hub(s) is for example equipped with computers as part of our partnerships on financial literacy and blue finance.

To ensure sustainability, revenue streams will be diversified through membership fees, corporate sponsorships, and consulting services. Additional revenue-generating activities, such as technical trainings and event hosting, will further strengthen sustainability. Community engagement will be enhanced by involving alumni, hosting events, and showcasing success stories. Strong governance, professional management, and regular feedback from users will guide its strategic direction, ensuring it remains a pioneering Blue Hub for the East Africa Innovation Ecosystem.

3.3 ESO Certification

Based on the EU|BIC³⁵ certification model methodology, the European Business and Innovation Centre Network EBN will introduce and support Blue Economy incubators to implement quality standards ensuring that incubators get on track to meet the highest verified standards of business support services which will ensure innovative entrepreneurs thrive and create deal flow. Building on the BIC Africa model, EBN with advice from ESOs and other stakeholders in Tanzania will evaluate the best approach, methodology and feasibility of setting up a Blue Economy standardisation scheme, adapted to the local context, to ensure long-term sustainability. The aim is to launch bilateral consultations with local stakeholders to analyse the viability of establishing a quality label for Blue Economy business incubators and introducing a certification system.

This will include providing training that will equip incubators and hubs to reach quality standards that could ultimately be recognised within a certification scheme. EBN will deliver diverse on-site and virtual training and capacity-building support measures, building on the BIC Africa best practices and EBN's long-lasting experience in supporting innovation and entrepreneurship ecosystems in the region and globally. The objective is to provide skills development to incubation staff, enhance the quality of business support services targeted towards Blue Economy enterprises and help the incubators to create strategic partnerships with key stakeholders in the Blue Economy ecosystem, such as investors. The training will also be inspired by relevant elements of capacity-building programmes delivered to EBN Members, Business Innovation Centres – EU|BICs.

Tanzanian hubs will also be matched with EU|BICs for virtual mentoring support. EU|BICs will be identified along with those active in the blue economy or those that can better support Tanzanian hubs on specific needs (i.e. sustainable business models, shift toward digitalisation). The mentoring Programme will aim to identify and address challenges and opportunities Blue Economy incubators face.

Because the EU|BIC certification is the most recognized for hubs and incubators, the project will encourage and facilitate linkages with other global certifications, such as **B Corporation (B Corp)**, to enhance credibility, impact, and international visibility. By introducing certification

³⁵ EU|BICs are quality-certified organisations that use business and innovation as a force for regional (economic, sustainable, and social) development.

pathways like **B Corp**, recognized for its commitment to social and environmental sustainability, the project will help ESOs align with global best practices in responsible business operations. This will foster a stronger focus on sustainability and ethical entrepreneurship among the startups and SMEs they support. These efforts will broaden the scope of opportunities for Tanzanian hubs, making them more attractive to impact investors and partners who prioritize sustainable development goals (SDGs) and ethical business standards.

To continuously monitor the satisfaction of Tanzanian ESOs adopting the BIC certification, regular audits, self-assessments, and annual reviews to ensure compliance with certification standards, alongside tracking KPIs related to service quality and startup success will be tracked. Continuous training evaluations, peer learning sessions, and online satisfaction dashboards will enable real-time feedback. This structured approach will foster ongoing improvements and high levels of satisfaction.

Output 2.3: Sustainable Tourism - Tourism is more sustainable, inclusive and diversified

The objective of this output is to lay a strong foundation for fostering sustainable tourism and blue economy initiatives in the geographical scope of this Action, through strategic planning and proactive stakeholder collaboration. Building on the studies that have already been carried out, the inception phase will include comprehensive stakeholder analysis, detailed project scoping, development of a holistic project plan, and identification of potential risks along with mitigation strategies. This WP aims to empower local communities to steward coastal and marine ecosystems, diversify tourism products, and enhance economic opportunities through destination development in **Kilwa, Mafia Island, Bagamoyo/Saadani**, as well as **Pemba**. Furthermore, the inception phase will prioritize laying the groundwork for skills development through Technical and Vocational Education and Training (TVET) in tourism, by identifying partner VTCs, upgrading the curricula and conducting skills needs assessments and market scans.

Work Package 1: Skills Development and Matching in (TVET) Sustainable Tourism

Tanzania's National Five-Year Development Plan II (NFYDP II) 2016/17-2020/21 focuses on "nurturing industrialisation for economic transformation and human capital development". The objective, among others, stipulated in the NFYDP II is to: Promote the availability of requisite industrial skills (production and trade management, operations, quality assurance, etc.) and skills for other production and service delivery. As such, this work package is anchored on supporting the realisation of this objective.

The strategy for the intervention will follow the **GIZ integrated approach for employment promotion**, consisting of three areas of intervention: **(i) skills development** (labour supply side), **(ii) enterprise development and entrepreneurship promotion** (labour demand side), and **(iii) matching** (linking supply and demand).

(a) Skills Development: The proposed activities under this work package aim to address the constraints of the tourism sector by providing youth and women with skills training, job placement services, and enterprise development support. This will enable the target beneficiaries to secure jobs or start a business. As part of infrastructure support, this intervention will support, selected governmental Vocational Training Centres (VTCs) in Dar-es-Salaam, Bagamoyo, Kilwa, Saadani, Mafia and Unguja to be established as **Centres of Excellence**

(CoEs)³⁶ for Sustainable Tourism (Blue Skills TVET Centres). These Blue Skills TVET CoEs with integrated MSME labs and entrepreneurship promotion modules are complementing the project's strategy to establish a network of blue hubs. Hence, these centres will have **MSME labs offering business development and incubation services to young entrepreneurs**, digital TVET, entrepreneurship pathway training modules, and a computer lab. This includes equipping the centres with practical training units, focused on the tourism industry (e.g. hotel room and kitchen units for practical training). Besides, there will be linkage to the other project implementing partners rolling out and offering the developed blue incubation programme or access to finance (for example SoteHub). These interventions will be mainly done in partnership with the implementing partner Cap Yei.

During the inception phase, we will undertake a Skills Need Assessment for the tourism sector and related value chains to enable the development of a needs-informed, industry-demand CBET curriculum and occupational standards. Besides, it will identify, and help engaging the private sector and identify the job demand in the sector. Upon completion of the assessment, the current TVET tourism curriculum will be updated and enriched with sustainable tourism practices modules. The occupational standards and curricula will be based on international benchmarks and adapted by experts from the industry. The globally applied Competency Based Education Training (CBET) approach applies a modular mode of delivery allowing flexible entrance and exits, with specific entrance requirements at each level. Each module corresponds to a certain level of competence determined by the Vocational Education Training Authority (VETA) per the Tanzania Qualifications Framework (TQF). Besides technical skills, the demand-driven classroom training integrates other transferable skills, such as entrepreneurship, work readiness, life skills and health, proficiency in English and other foreign languages, safety and environment modules, incorporated into the course.

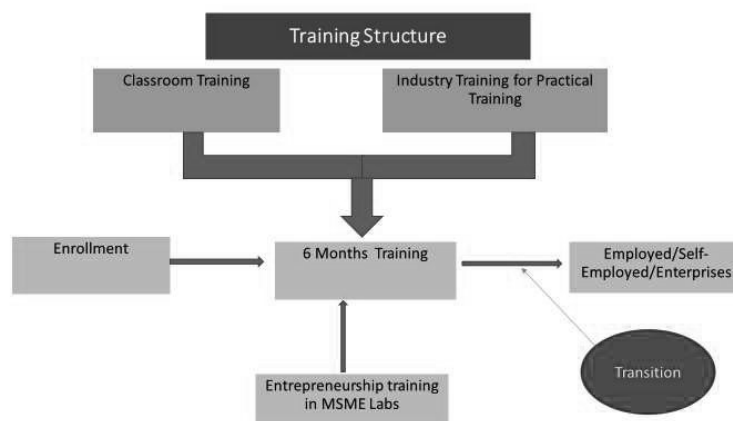
The curriculum and thus the TVET programmes will place an explicit focus on slow- and eco-tourism by enriching the curricula accordingly. The implementation of the curricula and roll-out of TVET will be supported by capacity building of the partner TVET centres in order to implement these new modules, integrated in the training context. This also includes the promotion or mainstreaming of green tourism practices at the various nodes of the tourism and hospitality value chains as part of the entrepreneurship pathway (entrepreneurial skills).

The first 10 weeks of training will be dedicated to classroom training in fundamental concepts in the sector. On weeks 11 and 12, trainees will be taken through the work readiness training module in preparation for industrial attachments. From the 13th week to the 20th week, it shall be strictly experiential training focusing on practical, on-the-job training, and field exposure through guest lectures from private sector and field (industry) visits. The last month of training will be a one-month internship for the beneficiaries that shall choose the job pathway while for entrepreneurs, they shall participate in a one-month introductory B2B training. As part of the activities of the inception phase, up to five selected public vocational training centres will be identified and supported to become a Centre of Excellence for blue tourism and offer modularized CBET courses of six months. The training is followed by a post-training mentorship in

³⁶ Centre of Excellence (CoE) herein is a training institute that is set-up for purposes of demonstrating and building capacity for other skill providers for effective application of a market-based, demand-based and competency-based skills training approach and support in selected blue value chains. It shall also give technical expertise in private sector linkages (building high profiled business mentors network), curriculum development inputs and assessments.

cooperation with the private sector for up to another six months. To ensure the quality of training and allow teachers to stay up to date, Training of Trainers (ToT) will be offered continuously in close exchange with the tourism industries.

(b) Enterprise Development: The integrated approach for employment promotion includes enterprise development. The Action will aim at training and supporting targeted youth (learners at the institutions) to establish and grow small businesses. The target is beneficiaries from the VTCs who have shown an interest in undertaking the Entrepreneurship Pathway and have shown the aptitude, willingness and interest to establish and grow micro businesses. The aim will be to support 20% of the trainees to establish individual or group-led micro businesses. The training shall focus on, Idea generation, financial literacy, savings, group formation and registration and entrepreneurship training. The support includes providing small grants as seed capital to start a business, e.g. from the implementing partner Cap YEI. The entrepreneurship training and enterprise development support has a strong emphasize on green business opportunities in the tourism industry, such as nature-based tourism, adopting sustainable resource management practices and promoting sustainable business models.



(c) Matching: Matching services support the transition from training to jobs. They are designed to support the employability and career prospects of job seekers and to help employers recruit motivated and qualified staff. To maximise the effects of employment, inputs from the private sector engagement and cooperation with the private sector are key and crucial elements of the integrated approach. Engagement of private sector will take place at three different stages: prior, during and after training. The private sector prior contributions include providing input for curriculum development and customisation to ensure demand-driven and labour market-oriented training, guest lectures, business mentoring, field visits and industrial attachments for practical training, to support the transition from training into jobs.

Besides, strategic partnerships will be established, such as with Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) or with the Hotel Association of Tanzania (HAT) to manifest and strengthen cooperation with the private sector. Their role is to advise and to support links to private sector companies. Both formats, sectorial meetings and Business Mentoring Networks (BMNs), can be used to organise the field visits, guest lectures, supply of practical training material and identify resource persons that support the transition from students into employment. They are also essential to identify internships and placement opportunities for the students after the classroom trainings.

Work Package 2: Coastal Destination Development and Management

Elevating the tourism experience of Tanzania's coastal regions, calls for diversifying the portfolio of products and experiences that the region can offer. This work package presents a comprehensive framework for Sustainable Coastal Destination Development for **Mafia, Kilwa, Bagamoyo/Saadani and Pemba**, focusing on each region's unique characteristics. We shall do this by addressing some infrastructure gaps that have posed limitations to the development of these regions and addressing hindrances to community participation in tourism activities. The basis of this WP is influenced by some recommendations made by the study, "Strategy for Sustainable Coastal Tourism in Tanzania" and building on the destination plans to be developed under the study, "Carrying Capacity and Tourism Destinations Planning".

Given various tourist attractions that can potentially become products, it is important to identify priorities for inclusion in the tourism marketing and promotion strategies. For example, Pemba's pristine coral reefs will be positioned for low-impact diving tourism, while Kilwa's historical Swahili architecture will anchor cultural heritage circuits. In collaboration with local tourism businesses local government authorities (LGAs), and local stakeholders the project will undertake joint profiling, coordinated marketing, and efficient resource use. For instance, in Mafia, the project, through this output's implementing partner, will support construction of a jetty and improved signage using local materials to improve accessibility. The intervention will have a strong focus on developing collaborative models with LGAs, including Destination Management Organizations (DMOs) and partnerships/coordination for resource use, including capacity building sessions on governance, stakeholder coordination, and financial sustainability models. This will include training women and youth as homestay hosts and nature guides along with access to micro-grants, to enable small-scale tourism enterprises, in coordination with partnerships under Output 2.2. To strengthening stakeholders' approaches in the frame of Marine Spatial Planning (MSP), workshops on marine zoning and eco-tourism corridors will be held with local fishers, tour operators, and district officers to align tourism with marine conservation priorities.

In addition, innovative business models will be promoted, particularly those that integrate conservation and community livelihoods, support circular economy principles, and leverage blended finance or impact investment to enable sustainable and inclusive tourism ventures. This will be achieved through targeted technical assistance, co-design workshops with local communities, and structured innovation challenges that surface and refine scalable solutions. This will also include events like innovation hackathons or tourism innovation challenge, inviting local entrepreneurs to pitch sustainable tourism ideas. Winners will receive seed funding, mentorship, and technical support through the hubs.

These models will aim to reduce pressure on fragile ecosystems while unlocking long-term economic opportunities for coastal communities. For example, the project will support, blending conservation with local economic development like, a community co-owned a mangrove boardwalk. Tourists pay to enter, and proceeds are split between community conservation efforts and local livelihoods. To tap into indigenous knowledge, the Action will train local tour guides to offer experiences designed and delivered by local people, monetizing traditional knowledge and practices.

2.1 Implementation of Destination Development Plans

Modest infrastructure developments in the 4 destinations (**Mafia, Kilwa, Bagamoyo/ Saadani and Pemba**) will be facilitated to support opening these regions and promote the development

of new tourism products and experiences, whilst ensuring sustainability and community benefit. In Kilwa and for Mafia Island, the Action will work closely with the Pwani Yetu project. As part of complementary activities, coastal communities are supported and trained, particularly about marine conservation and the associated business opportunities (income-generating streams). This includes supporting them to be engaged in tourism products that support environmental sustainability and in certain marine conservation areas (such as marine parks), conduct training for local communities and operators on marine conservation and eco-tourism, and supporting their integration in the responsible Tourism Certification System.

In Mafia Island and Kilwa there will be close collaboration with the Pwani Yetu project with a specific focus on women, promoting gender equity and empowering women as key drivers in the tourism industry, especially in the seaweed value chain, a growth market with economic opportunities in the cosmetics and care sector, particularly for the tourism industry. The planned activities will build on livelihood activities already supported by Pwani Yetu and promote the product development, marketing and certification support (e.g. cosmetics and care products made from seaweed) of locally produced products to ensure market access. Additionally, small-scale infrastructure interventions at landing sites are planned to complement the activities of Pwani Yetu (as part of WP 4 under Output 2.1). Building on the procurement of fish processing equipment, affordable cold storage (e.g. options with low operating costs, such as ice production or freezers powered by renewable energy) will be included where possible and can also be included as potential business areas.

There will also be close cooperation with Pwani Yetu in Pemba, especially in destination development, in supporting the coastal communities to become involved in the tourism's value chains. Here, coastal communities are supported in developing nature-based solutions and marine conservation activities as tourism products, increasing their income and opening new sources of income (income generating activities such as mangrove boardwalks, floating restaurant, or marine conservation tours, among others). This includes capacity building measures of Shehia Fisheries Committees in Pemba.

Supporting diversification and development of new tourism products includes but is not limited to;

- **Cycling Trails:** Collaborate with local authorities, communities, and environmental experts to identify and map out scenic and safe cycling routes. Focusing on routes that showcase natural landscapes, historical sites, and cultural landmarks, enhancing the tourist experience while preserving environmental integrity. Training local communities in bike maintenance and guiding services presents the opportunity for new job creation and ensures the sustainability of cycling tourism.
- **Coral and Mangrove Restoration Tours:** To enhance marine ecosystems and provide educational experiences, we will partner with environmental organizations, working in these regions already, e.g. SANA international and local communities to restore degraded coral reefs and mangrove forests. Developing guided tours led by trained local guides to educate visitors on the importance of coral reefs and mangroves while creating immersive experiences such as snorkelling and diving tours in restored coral areas, cruising and kayaking through mangrove forests, allowing tourists to witness restoration efforts first-hand.
- **Boat Safaris & Jetties:** Developing boat safari routes and improving necessary jetty infrastructure to enhance water-based tourism will entail mapping out boat safari routes

that showcase the region's diverse marine and coastal wildlife, including dolphins, whales, and bird species. Upgrading jetties at strategic locations to provide safe and convenient access for boat safari tours is paramount in enhancing the product experience. The intervention shall capacity build the tour operators to ensure routes are designed to minimize environmental disturbance and maximize wildlife viewing opportunities. Additionally, training on safety standards and providing comprehensive training for boat operators, ensuring safe and enjoyable experiences for tourists.

- **Cultural Events & Activities:** Organize and promote cultural festivals, traditional performances, and other community-based cultural activities. Support the development and promotion of cultural tourism in collaboration with TTB and the Tanzania Association of Cultural Tourism Operators (TACTO) given the significant potential of their impacts on the livelihood of local communities. Developing cultural programs tailored for the local communities to promote cultural exchange and preserve traditional heritage presents an opportunity to be explored.

2.1 Stimulate financial access and investment opportunities

Leveraging on the access to finance component in Output 2.2, including providing affordable finance combined with technical assistance to tourism MSMEs to make sustainable investments. Grants or low-interest loans provided by partner MFIs will be availed to support local organizations and businesses with innovative sustainability programs and the adoption of sustainable technologies. For businesses that meet the credit criteria, they will be matched with FIs such as NMB Bank, KCB Bank and CRDB to access financing such as the EIB backed facility, Tanzania Gender and Blue Economy Facility. To ensure continuous collaboration among all parties involved, we will serve as the central facilitator and liaison for the destination stakeholders' platform. Regular meetings will be organized to maintain engagement and coordination between local communities, government authorities, and private sector partners. This will create a collaborative environment where insights are shared, challenges are addressed, and efforts are aligned towards common goals.

The intervention will also focus on building the institutional capacity of the key agencies involved (or intended to be involved) in the development and promotion of cultural and heritage tourism as well as some of the existing cultural tourism enterprises. This will also include institutions managing major tourism attractions, we will provide technical assistance to TAWA, TANAPA, and MPRU. Coordination with Local Government Authorities (LGAs) will be facilitated to ensure cohesive development strategies.

A comprehensive branding strategy will be developed for each destination to enhance its unique appeal. Collaborating with the private sector and the Tanzania Tourist Board (TTB), we will strengthen the capacity of local tour agencies to market these destinations and tourism products to reach a broad audience. The branding efforts will highlight the unique cultural and natural attributes of each region, positioning them as must-visit destinations.

Our strategy for greening existing tourism industries, with special focus on Zanzibar/Unguja, involves a collaborative effort with Responsible Tourism Tanzania (RTTZ). RTTZ will be empowered to provide voluntary certifications based on Global Sustainable Tourism Council (GSTC) standards. These certifications will encourage existing and new tourism businesses to adopt and maintain high sustainability standards, fostering a culture of environmental responsibility. The certification will also serve as an incentive to attract even more sustainability-conscious tourists.

Work Package 3: Promotion of Sustainability Standards and sector greening

To promote sustainability standards the project will support the adoption of sustainability standards at both the destination and MSME levels through awareness campaigns and workshops, institutional and capacity building of RTTZ, fostering broader acceptance and implementation of sustainable practices. Strategic partnerships with industry associations such as the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) and the Hotel Association of Tanzania will be developed to strengthen private-sector cooperation. RTTZ will offer training on best practices in sustainability and the adoption of greener technologies for MSMEs. These trainings will equip businesses with the knowledge and skills needed to operate sustainably and competitively. The project will support RTTZ to be acknowledged under the GSTC umbrella and is planning to adapt GSTC sustainable tourism trainings.³⁷ The project will explore the possibility of conducting GSTC audits for tourism enterprises through engaging international auditors.

A grant agreement with the Chumbe Island Coral Park (CHICOP) is planned in addition. CHICOP is a Zanzibar registered not-for-profit limited company that established and manages the Chumbe Island marine protected area. With its 30 years of successful work, CHICOP will support the further development and improvement of the private sector's commitment to promoting an inclusive and sustainable blue economy. As an 'Our Blue Future' (OBF) network partner, CHICOP will produce a documented example of how it has contributed to the protection and sustainable use of coastal and marine biodiversity in line with the Regional Ocean Governance Strategy (ROGS) of the Nairobi Convention.

Partnerships for the conservation and sustainable use of marine and coastal biodiversity will be established and expanded to address the most critical challenges related to the operational sustainability of tourism businesses, particularly the challenge of plastic waste management in the Zanzibar archipelago.

Key activities

³⁷ The project will coordinate with the related UK aid funded activities in Zanzibar on certification and pilots with companies in the tourism sector.

Outputs	Work Package	Indicative list of key activities	Indicative instruments
Output 2.1: Value addition and sustainable/innovative practices in fisheries/mariculture, marine and coastal value-chains, including a contribution to food security and improved nutrition, have increased	WP 1: Policy, sector coordination and value chain needs	- Value chain analysis and market study for aquaculture to identify market opportunities, growth potential, bottlenecks and key constraints. - Strategic Environmental Assessment on the environmental impact of aquaculture value chain development, including recommendations for sustainable practices - Review and update aquaculture data collection, including GIS data for integration in spatial planning - Training Needs Assessment for aquaculture to identify the required and market-relevant skills - Mapping of key actors in fish post-production and aquaculture value chains - Gender economic assessment as the basis for developing transformative gender economic empowerment strategies in selected aquaculture value chains - Master training for 300 government (fisheries extension officers and institutional staff like FETA, TAF-IRI or Department of Aquaculture MoLF), NGOs, Training institutions (teachers and centre manager), lead farmers. - Institutional capacity building of government institutions through trainings, exchange visits and participation in symposia, including relevant government offices in systemic data collection, storage and interpretation such as TAFIRI, NBS, MoLF, ZAFIRI, etc. - Translating research findings into actionable recommendations for aqua culturists and to inform policy papers - Establishing and forming cooperatives to contribute to the formalization of businesses - Training and capacitating fish farming cooperatives and coastal communities in monitoring compliance to environmentally friendly, sustainable aquaculture activities - Develop/improve data collection and storage system to support publishing data and support refining of Tanzanian aquaculture data	International experts (43,2person months) National experts (142 person months) External experts, consultants (78 person months) Grant agreements 250.000 EUR Farm Africa Procurement of material and equipment incl. Construction 40.000 EUR
	WP 2: Curriculum Development and Vocational Training	- Review of existing curricula and courses offered in aquaculture - Based on the review, market and value chain analysis and skills needs assessment, development of modularized Competency Based Education and Training (CBET) short courses - Enhance and upgrade the existing vocational curricula in aquaculture at FETA and adapt the courses to the CBET model - Roll out of CBET short courses in vocational training centres and other training venues such as School of Aquatic Sciences and Fisheries Technologies (UoD), FETA campuses in Mtwara and Bagamoyo or SUZA facilities in Zanzibar - Develop a CBET curriculum technician level 6 in aquaculture	

Outputs	Work Package	Indicative list of key activities	Indicative instruments
		- Strengthen partnerships with industry actors to improve matching between training and labour market needs, including through internships, apprenticeships, and practical placements; this will complement curriculum upgrades, capacity building, and rollout of CBET courses across institutions - Capacity building of training institutions, including Training of Trainers (ToT) on technical and business skills as well as CBET methodology - Equipping training venues with training materials, consumables and practical training or demo units, including upgrading or improving existing facilities / infrastructure, including UoD and FETA campuses as well as SUZA in Zanzibar.	
	WP 3: Upgrading aquaculture production and aquatic post-production, Capacity Building and Innovation	- Training of aquatic producers and processors, mainly fish farmers, in different modules, including improved methods, sustainable practices, business skills, managing cost of production, value addition, improved technologies, feed production, etc. - Linkages of farmers and fish-processors to markets, including building horizontal and vertical networks and linkage to further business mentoring and BDS under Output 2.2. - Development of gender economic empowerment strategies for post-harvest production sector and aquaculture, followed by roll out with one focus on female seaweed farmers - Development of business cases for so-called aquaculture agents and fisheries private extension agents - Setting up at least 2 demonstration farms for practical training at the training and/or research institutions e.g., SOAF, TAFIRI, ZAFIRI, UoD, SUZA - Review all research done by TAFIRI, UoD, ZAFIRI and SUZA on innovation and technology transfer in fisheries and aquaculture - Identify and select innovative solutions to address value chain bottlenecks (e.g., in areas of feed production, processing, and marketing) and support selected innovations through enterprise development, incubation, and access to finance (linkage to Output 2.2) - Organise hackathons and idea competitions	
	WP 4: Infra-structural deficiencies	- Capacity needs assessment of the training locations and exchange with the relevant government stakeholders to identify infrastructural bottlenecks - Upgrading and improving existing facilities in strategic locations, for example, equipping training institutions - Setting up practical training units in selected training facilities - Upgrade training facilities at the School of Aquatic Sciences and Fisheries Technologies (UoD) for the master training	

Outputs	Work Package	Indicative list of key activities	Indicative instruments
		- Identify further infrastructural bottlenecks in aquaculture value chains and address where feasible, for example setting up or upgrading hatcheries and nurseries - Support improving of fish markets and fish landing sites, for example through small-scale infrastructural upgrades such as improving cold store small freezers, processing and fish handling units - Support FETA to become a regional centre of excellence by rehabilitating infrastructure for practical training - Support UoD and SUZA and other short course training venues with equipment and rehabilitation of facilities to ensure the quality standard of trainings	
Output 2.2: Availability of quality and accessible financial products and capital investments in key sustainable economic sectors has been increased, including for women entrepreneurs	WP 1: Access to Finance promotion.	- Segmentation and financial needs assessment of MSME in the Blue Economy sectors - Assessment of available financial products, services and current gaps in the provision of financial services in the Blue Economy sectors - Capacity building of selected financial institutions to increase the understanding about the Blue Economy sectors, focusing on sector-specific challenges and opportunities - Develop scorecards for financial institutions to better assess the risks and business opportunities for selected business models in the blue economy value chains - Technical assistance to financial service providers to incorporate environmental, social, and governance (ESG) criteria, with a particular focus on sustainable blue and biodiversity finance principles into the lending and reporting practices of financial institutions - Technical assistance to financial service providers to develop or adapt financial products for MSMEs in a Blue Economy - Rolling out the Angel Investor Accelerator Program for Blue Economy - Feasibility study on financing mechanisms in the Blue Economy in Tanzania (e.g. blue carbon, blue bonds, blended finance, payments for ecosystem services) - Mapping of current regulatory framework to identify barriers to implementation of innovative financing mechanisms - Sector dialogue and facilitation of partnerships to explore feasible financing mechanisms on a local and regional level - Scope potential bankable projects (e.g. in tourism) and if feasible, initiate a pilot - Conduct a comprehensive needs assessment of selected MSMEs to identify specific financial literacy gaps, required business skills and challenges, with a particular focus on women-led MSMEs - Customizing training materials based on the needs and context and deploy the training and subsequent coaching (with a strong focus on formalisation and bankability)	International experts (43,2 person months) National experts (142 person months) External experts, consultants (24 person months) Grant agreements 700.000 EUR SoteHub, Stanbic Foundation 300.000 EUR, 400.000 EUR BIC Procurement of material and equipment incl. Construction 113.000 EUR

Outputs	Work Package	Indicative list of key activities	Indicative instruments
		Prepare a pipeline of bankable MSMEs and accompany them to access financing • Conduct investment readiness diagnostics for MSMEs and startups in the Blue Economy sectors • Deliver incubation and acceleration programs via the Blue Hub and satellite centres, including training in business modelling, financial planning, and enterprise valuation. • Organize pitch coaching sessions and demo days to prepare enterprises for investor engagement. • Provide technical assistance for investor documentation such as pitch decks, financial statements, and growth plans. • Disburse matching grants, seed capital, and challenge fund awards to high-potential MSMEs and startups to stimulate early-stage investment. • Link enterprises to local Microfinance Institutions (MFIs), Development Finance Institutions (DFIs), and angel investors, leveraging the EU's credit lines with banks like CRDB, NMB, and TADB. • Develop and deliver ESG investment masterclasses for banks and investors to improve understanding of sustainable investment practices. • Co-create tailored loan products with commercial banks to suit the needs of small Blue Economy enterprises (e.g., seasonal cash flow needs for artisanal fisheries). • Support development and piloting of blended finance instruments, including blue bonds, credit guarantees, and impact-linked loans. • Establish peer learning cohorts among MSMEs for experience sharing and mentorship. • Host regular investor roundtables and forums with DFIs, private investors, and public institutions to facilitate matchmaking and build trust. • Convene public-private dialogues to improve policy coherence and reduce regulatory barriers to investment in the Blue Economy. • Develop a pipeline of investable Blue Economy enterprises, with short investment teasers and data rooms for potential funders. • Support community-based tourism ventures (e.g., eco-lodges in Mafia Island or Zanzibar) with co-financing for infrastructure upgrades to improve their attractiveness to impact investors. • Document and disseminate investment case studies highlighting successful blended finance models and community-benefiting projects.	
	WP 3: MSME Incubation, Acceleration and	• Co-creation workshop with ESOs in Tanzania and Zanzibar to align the goals of the program	

Outputs	Work Package	Indicative list of key activities	Indicative instruments
	Enterprise Development through Business Support Services	• Design curriculum covering essential business skills, sector-specific knowledge, and BE regulatory compliance. • Identify and establish partnerships with key organizations. • Establish a Network of Blue Hubs comprising the trained Hubs as Lead ESOs for continuous learning and exchange. The network will also include relevant stakeholders including venture capital, accelerators, and private corporations supporting Blue Economy in Tanzania and Zanzibar. • Training and rolling out of the accelerator programme with the partner Hubs (tentative selection) - SmartLab (Dar) - Ennovate (Bagamoyo) - Costech (Zanzibar) - Ndoto Hub - Sahara Sparks • Business Development Service training and venture builder for MSMEs through the ESOs under the guardianship of SoteHub. • Organize MSME pitching clinics to prepare them for matching grant applications. • Facilitate linkages with angel and impact investors via curated meetups. • MSME investment and financing workshops for engaging start-ups with investors and funding roundtables with financial institutions. • Support setting up a BlueHub, including basic equipment • Scout and select a suitable location for a Blue Hub, considering factors like accessibility, size, and infrastructure. • Organize hackathons, design sprints, and educational programs to engage and inspire youth participation in the Blue Hub, fostering a culture of innovation and entrepreneurship. • Forge partnerships with universities, NGOs, and industry players in the blue economy sector to leverage resources, expertise, and networks • Support implementing systems for tracking the impact of the BlueHub, including metrics such as the number of blue economy start-ups launched from the space, jobs created, innovations developed, and revenue generated, to measure its effectiveness and success.	

Outputs	Work Package	Indicative list of key activities	Indicative instruments
		- Develop strategies for ensuring the sustainability and commercial viability of the blue hub, exploring revenue-generating opportunities and long-term funding mechanisms to support its ongoing operations and growth. - Capacity building of ESOs in Blue Economy in Tanzania on BIC Africa certification program. - Develop and customise a “blue quality standardisation scheme” for hubs anchored on the BIC Africa one, to establish a robust quality label for African blue incubators. - Build connections between European and Tanzanian innovation hubs to develop intercontinental collaboration	
Output 2.3 Tourism is more sustainable, inclusive and diversified	WP 1: Skills Development and Matching in (TVET) Sustainable Tourism	- Labour Market Survey and Workforce Gap Analysis/Training Needs Analysis. - Partner VTC identification and assessment as CoEs - Market -relevant Tourism Curriculum Development, Customization and Digitization - Technical, Vocational and work readiness Skills delivery - Assessment and Certification - Job Matching and Placement - Government & Private Sector engagement forums- for Private - Sector and Institutional Collaboration, including Government engagement forums, Sustainable Tourism Network development, Business mentor networks - Capacity strengthening of TVET institutions & Sustainable Tourism Network - Development of a Toolkit for TVET Institutions towards Sustainable Tourism Training Soft skills and work readiness boot camps	International experts (19,2 person months) National experts (182 person months) Grant agreements 1.500.000 EUR Cap Yei, 1.500.000 EUR AKF, 300.000 EUR CHICOP
	WP 2: Coastal Destination Development and Management	- Mapping exercise to identify key tourism stakeholders in each cluster to support liaison with government representatives, investors, business operators, community leaders, and sustainability advocates. - Develop a knowledge exchange platform to enable communication between selected representatives - Support research and consolidation of existing knowledge on natural and cultural assets in the targeted destinations - Market research to identify the branding and identity opportunities for each destination. - Investment in existing and emerging assets for each destination including amenities, sites, and attractions that have value to each region and can be translated into opportunities for tourism investment. - Strengthen community partnerships from local businesses within each geography by supporting linkages between community groups and social enterprises with existing and emerging tourism businesses.	Procurement of material and equipment incl. Construction 40.000 EUR

Outputs	Work Package	Indicative list of key activities	Indicative instruments
		- Infrastructure upgrading including route identification and mapping. - Community training Programme development including bike and boat maintenance and guiding services - Develop cultural programs in collaboration with the Tanzania Association of Cultural Tourism Operators. - Develop comprehensive branding strategies for each destination to highlight their unique attributes. - Partner with Responsible Tourism Tanzania (RTTZ) to provide voluntary certifications based on GSTC standards. - Establishing / expanding partnerships for the conservation and sustainable use of marine and coastal biodiversity	
	WP 3: Promotion of Sustainability Standards and sector greening	- Organize national and regional awareness campaigns on the importance and benefits of sustainability standards in the tourism and Blue Economy sectors. - Conduct training workshops for MSMEs on environmental sustainability, energy efficiency, water conservation, and waste management practices. - Develop sector-specific sustainability toolkits and manuals for MSMEs (e.g., sustainable seafood sourcing for restaurants, green certification for eco-lodges). - Support the adoption of sustainability standards and guidelines at the destination level through collaboration with local authorities. - Provide institutional support to Responsible Tourism Tanzania (RTTZ) for staff training, strategic planning, and expanding its reach across new regions. - Support RTTZ's recognition under the Global Sustainable Tourism Council (GSTC) and help localize and adapt GSTC's sustainable tourism training for Tanzanian MSMEs. - Facilitate train-the-trainer programs to build RTTZ's capacity to deliver sustainability training independently at scale. - Pilot GSTC audits for tourism enterprises by engaging accredited international auditors and assessing feasibility for wider rollout. - Develop partnership agreements with industry associations like TCCIA and the Hotel Association of Tanzania to jointly promote green practices and standards.	

Outputs	Work Package	Indicative list of key activities	Indicative instruments
		• Launch sector-wide sustainability challenges or awards to incentivize adoption of green practices among private sector players. • Co-organize sustainability summits or side-events at tourism expos, highlighting innovations and success stories in sustainable tourism and the Blue Economy. • Promote the adoption of green technologies such as solar energy systems, composting toilets, and eco-friendly construction in tourism MSMEs. • Facilitate partnerships between MSMEs and technology providers for access to climate-smart solutions and equipment	

3.4 Instruments and estimated resource allocation

This chapter presents the link between Annex I and Annex III and reflects the instruments and other resources at the planning stage. Instruments and resources will be adapted according to the needs of the partners.

A substantial share of the implementation, especially Output 2.1, will be outsourced to international consulting companies. As a pillar-assessed organisation, GIZ will use its own procurement rules. The consultant companies will be selected following a tender process. Other (non-for-profit) institutions can apply for grants after a call for proposal or they will be selected by direct award. GIZ will also conclude grants with several implementing partners.

For all outputs, GIZ long-term and short-term experts will be deployed for direct task implementation, including the provision of technical, strategic, organisational and process advice, as well as human capacity development. These technical assistance activities aim to strengthen the capacity of partners in key areas related to this action. GIZ staff in Tanzania are already working closely with various project partners, which will ensure that activities under this Action are in line with existing priorities and available capacities and are coordinated with other ongoing activities.

3.4.1 Experts (Budget Line 1)

The Action will be implemented by a team of up to 16 GIZ staff (13,2 full time equivalents), of which up to 4 seconded (some will work part time on the project, making up the equivalent of just 2,2 full time international positions) and up to 12 national staff. To maximize synergies between outputs the majority of staff works jointly on more than two outputs. The configuration of the team may change over time according to the needs of the Action. GIZ will report on changes of the team through its progress reports. The staffing in the project will be complemented by procurement of equipment and project vehicles.

GIZ personnel assigned to the Action

Function, project office, salary band	Full time equivalent (FTE)	Person months / Hours (allocated to the action)	Tasks & responsibilities
International experts (BL 1.1.1)			
Function: Project Leader, Location: Nairobi, Salary level: Band 6	20 %	48 months	Responsible for the overall project and financial management of the Action, strategic orientation, communication and relationship management with commissioning and political partners, international network building and management. This includes reporting to BMZ, financial oversight, ensures compliance with GIZ procedures and responsible for closure activities after the end of the implementation period. (The percentage will be verified using timesheets)

Function, project office, salary band	Full time equivalent (FTE)	Person months / Hours (allocated to the action)	Tasks & responsibilities
Function: Operational Lead - Officer responsible for implementation Location: Dar es Salaam, Salary level: Band 5	80%	48 months	Ensures overall project coordination within the country and with implementation and technical orientation of the Action. This includes coordination with the EU and all relevant partners to ensure integrated implementation throughout all three outputs; responsible for team and financial management, plans and oversees all activities in the respective Outputs. Ensures synergies within the country with GIZ projects and other relevant international development partners, especially the EU. Ensures compliance with GIZ procedures, oversees personnel, administrative and financial procedures. (The percentage will be verified using timesheets)
Function: Component Lead Output 2.1 and 2.3 Location: Dar es Salaam, Salary level: Band 5	100%	48 months	Responsible for strategic orientation and the implementation of all activities serving Output 2.1 and 2.3 in close cooperation with Operational Lead and Overall Lead ensuring close linkages between all three Outputs; steering the implementation of all activities including contracts at international and national level, responsible for team management under both Outputs.
Function: Senior Finance Manager Location: Dar es Salaam, Salary level: Band 5	20%	48 months	Ensures overall financial management, procedures and compliance with GIZ and EU budgetary and financial requirements for the Action. Ensures financial management, procedures and compliance with GIZ and EU budgetary and financial requirements, including of verification and monitoring of contracts with consultants and local implementation partners and delegating tasks to the finance manager and F&As. (The percentage will be verified using timesheets)
National experts (BL 1.1.2)			
Function: Component Lead Output 2.2	100 %	42 months	Responsible for strategic orientation and the implementation of all activities serving

Function, project office, salary band	Full time equivalent (FTE)	Person months / Hours (allocated to the action)	Tasks & responsibilities
Location: Dar es Salaam, Salary level: Band 4 (Regional Expert)			Output 2.2 with its three work packages in close cooperation with Operational Lead, ensuring close linkages between all three Outputs; steering the implementation of all activities including contracts at international and national level, responsible for team management under Output 2.2.
Function: Technical Advisor Value Chain Development and aquaculture experts (one with focus on post-harvest production) Location: Dar es Salaam, Salary level: Band 4	200%	42 months	Provides technical assistance on value chain development. Responsible for the implementation of all activities and partner management related to Output 2.1. Engages with all relevant actors to facilitate the implementation of value chain component.
Function: Technical Advisor Access to Finance & Business Incubation Services Location: Dar es Salaam / Zanzibar Salary level: Band 4	200%	42 months	Provides technical assistance at the local level to implement all activities related to Output 2.2 in close coordination with the component leader. Coordinates at the local level the implementation of the business development and incubation services and coordinates implementation partners. Provides technical support and coordinates trainings on financial literacy and financial inclusion of ISBE value chain beneficiaries and target groups. Supports partners to develop financial needs assessments and coordinates capacity building measures for financial institutions, ESOs and innovation hubs.
Function: Technical Advisor Sustainable Tourism Location: Mafia Salary level: Band 4	100%	42 months	Responsible for the implementation of activities related to Skills Development and Matching (TVET) component, including partner coordination and monitoring focusing on the regions Mafia and Kilwa. Support through organizational development and technical capacity development.
Function: Technical Advisor Knowledge Management & Gender Equality	50%	42 months	Supports Officer responsible for implementation on all elements of operations, coordination and design of internal strategies for communications and outreach for the improvement of gender equality. Responsible management of the communication system

Function, project office, salary band	Full time equivalent (FTE)	Person months / Hours (allocated to the action)	Tasks & responsibilities
Location: Dar es Salaam Salary level: Band 4			and methodology with implementing partners and facilitation of knowledge building and knowledge sharing. Prepares information materials and briefings for the commissioning parties. Liaises closely with M&E advisor and other relevant team members on cross cutting topics such as gender. (The percentage will be verified using timesheets)
Function: Technical Advisor M&E Location: Dar es Salaam Salary level: Band 4	50%	42 months	Responsible for accompanying the baseline studies for the Action and data collection. Supports the establishment and implementation of the results-based monitoring system. Responsible for monitoring of activities and results, case management, implementation progress of the project at provincial and national level. Responsible for onboarding of partners and team members to relevant monitoring activities. (The percentage will be verified using timesheets)
Financial Management Service Location: Dar es Salaam	200 %	43 months	Finance Manager 100% Salary level: Band 4 Responsible for administrative and financial processes in the framework of the Action including financial and budget monitoring and reporting, preparation of audits, overseeing project administration. Assessment of possible recipients for financial contracts and development of contracts with the relevant units at GIZ. Supervision of contracts together with the team leaders at national level. Will be responsible for closure activities after the end of the implementation period and financed partly. Finance and Admin 100% Salary level: Band 3 Responsible for administrative management, including office management, book-keeping, financial management.

Function, project office, salary band	Full time equivalent (FTE)	Person months / Hours (allocated to the action)	Tasks & responsibilities
			Responsible for supporting processes in finance and administration, accounting and office management. Supports organisation of events and trainings. Supports missions and audits as well as other tasks delegated by the financial manager.
Support staff (drivers)	200%	43 months	
Internal technical/admin. services directly attributable to the Action (BL 1.2.1 – 1.2.4)			
Support services from GIZ country office international and national personnel, (Dar es Salaam)	n/a	6 427 hours	Bookkeeping, HR, procurement and travel management as well as other administrative project support from GIZ country office, functioning as project office. These services are logged in with time sheets and billed to project in accordance with the causality principle based on German price law (SCO No. 2).
Support services from GIZ Head Quarters, Germany	n/a	6 705 hours	Technical and methodological services, advisory services as well as other administrative project support by operational or sectoral departments and internal service providers from GIZ HQ, Germany, functioning as project office. These services are logged in with time sheets and billed to project in accordance with the causality principle based on German price law (SCO No. 1).

External expertise and consultants (Budget Line 1.3)

External expertise (international/regional/local consultants and consultancy firms) will provide technical, methodological and conceptual support for outputs 2.1, 2.2 and 2.3. International consultancy packages are foreseen for Output 2.1 regarding aquaculture value chain development with a focus on curriculum and skills development, sector coordination, fish farmer training, and sector-wide capacity building, as well as innovation and technology application. For Output 2.2 an international consultancy is an option for a work package related to enterprise development. Additional external expertise will be provided for (indicative, non-exhaustive list): dialogue facilitation, dispute resolution and mediation; conflict assessment and analysis; conflict sensitivity; governance, community-security, local administration, participatory approaches to local development, human security; data and information management; scenario-planning; operational planning, monitoring & evaluation, audits for financing agreements.

Travel expenses (Budget Line 2)

Travel is planned for 16 GIZ staff assigned to the action listed in 3.3.1 including flight tickets, transportation costs, accommodation and subsistence allowance pursuant to the German regulations on wage tax as published by the German Federal Ministry of Finance. Travel includes trips within Tanzania travel from GIZ headquarters in Germany and return trip after the end of the project, missions to Kenya and Europe to attend project-related activities.

3.4.2 Procurement of materials/equipment and construction (Budget Line 3)

International and local procurement of activity-related goods and equipment (incl. vehicles and fuel) as well as office, IT equipment and consumables. There are also transport costs, insurances and field installation, technical training material and equipping partner training institutes for conducting competency based vocational training courses and to upgrade into Centres of Excellence (CoE) including MSME and computer labs, equipment for practical training units for demonstration and practical training purposes in aquaculture short courses, demonstration units for practical training and promoting innovations such as urban fish farming and aquaponics as well as for pilot awareness-raising initiatives, office equipment and other goods required for the effective implementation of the project.

Procurement via HQ and local GIZ project of construction material, procurement of goods for constructions. Construction contracts via HQ and local GIZ project for works such as, renovation, civil engineering, coordination of construction works.

3.4.3 Financing (Budget Line 4)

Grant agreements totalling EUR 5,100,000 are planned, of which up to EUR 250,000 will be allocated under Output 2.1 to a grant recipient for Farm Africa, under Output 2.2 up to EUR 700,000 to the grant recipient SoteHub, up to EUR 300,000 to the recipient Stanbic Foundation and up to EUR 400,000 to the grant recipient BIC, under Output 2.3 up to EUR 1,500,000 to the grant recipient Cap Yei, up to EUR 1,500,000 to the grant recipient AKF and up to EUR 300,000 to the grant recipient CHICOP.

The remaining EUR 150,000 are earmarked for local subsidies to suitable partner organisations.

3.4.4 Other costs (Budget Line 6)

Project Offices

The Action will have project offices in Dar Es Salaam, Zanzibar City, Kilindoni (Mafia Island) and Nairobi. WIOGI's existing office in Nairobi is mentioned here because it serves the regional coordination/overall management of the programme. However, no costs arise for this offer in Kenya under this joint action. The existing GIZ country offices in Dar Es Salaam and Nairobi and head offices in Germany will function as project offices, support the Action with directly implemented administrative, contractual, procurement and finance-related activities. All project offices have the primary responsibility and purpose of actively following up, monitoring, checking quality, and ultimately delivering activities in a timely manner.

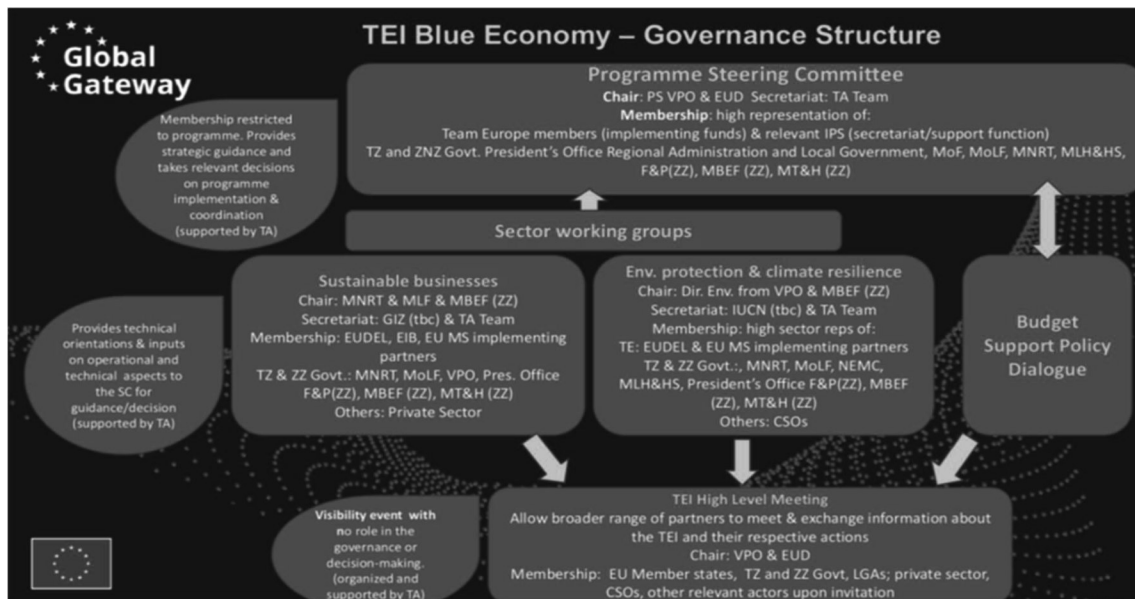
The Action will need to purchase office equipment and to cover set-up and operating costs (e.g. water, electricity, insurances, maintenance, telephone, security, and ICT related costs, travel costs, fuel, etc.).

Decentralised project offices in Zanzibar and Mafia Island serve the purpose of locating project staff within or near partner structures such as the Ministry of Blue Economy and Fisheries

Zanzibar, the Blue Incubation Hub in Unguja and in Kilindoni for ensuring close partner monitoring and coordination, and to provide direct and regular support to responsible government entities (partners). This follows a multi-level approach of GIZ to work at national, regional, and local levels combined.

4 Project Governance

The governance structure of the project foresees two levels: At Programme level under the EU TEI Blue Economy Programme and at Project level (SO2 implemented by GIZ).



Programme level

The Programme Steering Committee (PSC) will be the overarching governance body that will provide the strategic guidance to the overall implementation of the Financing Agreement of the Blue economy for job creation and climate change adaptation programme. The structure of the PSC is as defined and agreed between the EU and the Government of Tanzania. Participation in the SC by GIZ will be part of the secretariat that will be led by dedicated Technical Assistance contractor. GIZ participates in the PSC as an observer. The Steering Committee is supported by two technical working groups: one on environmental protection and climate resilience and one on sustainable business. As the implementing partner for this measure, GIZ as the lead implementing partner of this Action will participate as a member of the SWG sustainable businesses working group.

Project level

To improve coordination and synergies between implementation partners and provide technical and operational guidance and input to the PSC so that it can advise on relevant issues related to the proper, effective, and coherent implementation of the Blue Economy Program, the establishment of two sector working groups (SWG) was agreed upon. GIZ, as the implementing partner for this action, will take on the secretariat function of the working group on

sustainable businesses and support the technical assistance (TA) for the program in organizing this SWG.

The SWG on sustainable businesses includes representatives from both the Tanzanian government and the Revolutionary Council of Zanzibar. The members from the Tanzanian government come from the Office of the Vice President (Department of Policy and Planning – Blue Economy), the Ministry of Livestock and Fisheries (Fisheries and Aquaculture Department), the Ministry of Natural Resources and Tourism (Tourism Department), the Ministry of Finance (Coordination Unit for Cooperation between the EU and Tanzania), the EU Delegation in Tanzania, and the technical assistance team, which also acts as the secretariat.

The Zanzibar Revolutionary Government is represented by the Ministry of Finance and Planning (Zanzibar Investment Promotion Authority), the Ministry of Blue Economy and Fisheries (Fisheries and Aquaculture Development Department and Blue Economy Development and Coordination Department) and the Ministry of Tourism and National Heritage (Table 1). In addition, the working group includes implementing partners for complementary measures – currently represented by GIZ – with broader participation expected as the Blue Economy Program develops.

The SWG's areas of work include improving the exchange of information on respective work plans and activities, as well as technical approaches for better implementation, sharing experiences, and coordinating these activities within the EU-BE program. Particular focus is placed on policy areas and topics covered by the BE program, including:

- o Processes and approaches to promote sustainable and labour-intensive enterprises in the blue economy
- o Business environment: analysis of the general and sector-specific business environment
- o Promotion of sustainable investment in the blue economy
- o Coherent monitoring and evaluation in relation to sustainable enterprises in the blue economy.
- o Strengthening the contribution of small businesses/investments to environmental protection and climate-resilient sustainable management of coastal ecosystems
- o Cross-cutting issues

As GIZ is also implementing another action under the SO1 Environmental protection and climate resilience and is therefore also represented in the second SWG, the flow of information and synergies between the two SWGs can be ensured.

5 Sustainability, Complementarity and Cross-Cutting Issues

5.1 Sustainability of the Action

The Action fosters sustainability by a multi-level and integrated implementation approach and addresses the economic, social and environmental dimensions of sustainability across the three integrated outputs. The sustainability comes together in a sustainability strategy that is continuously updated and adjusted throughout the overall project's lifecycle.

The project's sustainability strategy is building on its aim to strengthen the cooperation between relevant actors at regional and local levels for the conservation of marine and coastal

biodiversity and an inclusive and sustainable Blue Economy. The strategy aims to anchor its results in local and national institutional legal frameworks and mandates, such as the regional policy for TVET integration.

The main goal of the project is promoting sustainable businesses and creating sustainable jobs and thus, contribute to an inclusive and sustainable Blue Economy (ISBE) that is both environmentally sound and beneficial for all. Therefore, environmental sustainability is also built into the project logic and is clearly reflected in the ambition to achieve lasting impacts through an inclusive and comprehensive approach. The integrated implementation approach takes into account that all 3 outputs of Specific Objective 2 work together across the entire EU Action including the other Specific Objectives, complement and are linked to each other, put together to synchronize and achieve the overarching goal of fostering a climate resilient Blue Economy in Tanzania.

Fostering collaboration and partnerships is a key pillar of ensuring long-term sustainability since it helps GIZ to simultaneously strengthen capacity of partner organisations. The project actively engages government, private sector, civil society, and international partners. This multi-stakeholder approach fosters a shared vision and collective responsibility for the Blue Economy's sustainable development. By bringing diverse perspectives and expertise together, the project creates a more robust, resilient and hence enabling framework for the Blue Economy's long-term success. Furthermore, fostering knowledge management, developing lessons learnt and good practices as well as establishing knowledge-sharing and coordination platforms like an "Coastal Aquaculture Roundtable" ensures continuous learning and dissemination of best practices. This empowers stakeholders to maintain momentum and build upon the Action's achievements after the project concludes.

Another key pillar for sustainability is institutional capacity building, also for ensuring the Action's legacy. This involves empowering local communities, partners and government agencies. By equipping them with the necessary skills and knowledge through capacity building initiatives in fields like policy implementation, marine and coastal resource management, sustainable practices, or competency-based training approaches, and access to finance, the Action fosters a sense of local ownership, empowered communities and strengthened institutions alike, to continue these efforts even after the project concludes.

Under **Output 2.1**, the project will strengthen both systemic and institutional capacities for the further development of regulatory frameworks for sustainable and integrated fisheries and mariculture value chain development. The integrated approach entails different studies to be conducted in inception phase, including a value chain and (local and international) market assessment, gender economic empowerment study, strategic environmental assessment, and skills needs assessment as well as concise mapping of relevant actors to identify and select institutions and partners for cooperation. Through such measures, the landscape and fisheries and mariculture ecosystem are thoroughly analysed to avoid duplication, build on existing knowledge, and utilize maximum synergy potential. Besides, the project will work on improving sector coordination through establishing knowledge exchange platforms and coordination fora, such as roundtables and working groups. By supporting institutionalized planning approaches (operational plans) and long-term cooperation agreements between state actors (inter-ministerial coordination bodies) and with other governmental and public stakeholders (e.g. through FETA, UoD, TAFIRI, ZAFIRI, SUZA, National College of Tourism) sector harmonization, exchange, collaboration and thus coordination will be strengthened.

Financial sustainability is built into the project logic when considering **Output 2.2**, in which it is envisaged that the availability of quality and accessible financial products and capital investments in key blue economic sectors is increased. This follows a demand driven approach, and the project supports financial products that are customised to the needs of MSMEs in the BE (e.g. matching volumes for investment needs). One focus is on female entrepreneurs, but with sustainability in mind, the project aims to support particularly environmentally and biodiversity-friendly businesses. Work package 1 focuses on access to finance, designed to support MSMEs in the BE to improve their financial literacy. On the supply side, the project will support the capacity building of financial institutions including Impact and Angel Investor Networks. The project thus works simultaneously on the supply and demand side to strengthen the ecosystem, and the financial sustainability and service delivery capacity of financial institutions, and in the long term in the area of access to financial services. Work package 2 focuses on designing a Blue Incubation and Acceleration Programme for MSMEs in the BE to improve the innovation and entrepreneurship support ecosystem. Once again, the focus is on capacity building, firstly for innovation hubs to roll out the new blue incubation programme and secondly for enterprise support organisations in general to sustainably improve the ecosystem and the services offered for businesses in the BE.

In **Output 2.3** sustainability is considered by not only developing or upgrading curricula, but also by accrediting them at national level through collaboration with VETA so that they can be applied across the sector. At the same time, the capacities of selected partner training institutes are being built, for example through ToTs with the aim of enabling them to adapt the competence-based training approach. By establishing and promoting partnerships with the private sector, the aim is to bring them on board in the long term to promote employment. At the same time, destination development is intended to create the demand for skilled labour force to create matching opportunities and thus long-term sustainable employment.

Informed by the UN Sustainable Blue Economy Finance Principles, the Action aims at long-term systemic impacts and strives to integrate blue economy, marine and biodiversity conservation, and community governance and livelihoods. The Action's integrated approaches will support not only "outcome results" but also "process results", including multi-stakeholder collaboration, sector coordination, capacity development, community empowerment, and gender and social inclusion at individual, institutional, and organisational (including cooperation and enabling environment) levels.

5.2 Mainstreaming

In this project, operating in the areas of the environment, resilience, climate change mitigation and adaptation, conflict and context sensitivity and gender equality play a role. The safeguards and gender system of GIZ allows unintended negative impacts to be identified at an early stage and to be addressed in the design and implementation of projects through targeted mitigation measures. In the area of climate change adaptation, this approach extends to external risks based on climatic parameters (climate change), while around gender equality it also involves identifying potential support measures early on.

Through a standardised assessment of potential risks and unintended negative impacts during the preparation of this Action, no such issues were identified. An in-depth assessment is performed if the screening indicates that significant potential risks exist, or if the standardized assessment cannot be satisfactorily completed due to inadequate data. The mandatory gender analysis is used to examine risks and opportunities for the promotion of gender equality.

Based on the results of the in-depth assessment(s), the Action has been assigned to the safeguard category medium. As a result, the following response, prevention and mitigation efforts are considered in the planning and progress monitoring of the Action:

- **Gender equality:** To ensure women are not excluded in decision making roles due to a lack of control over productive resources, female representatives of the local population in the project areas are involved in decision-making in the context of value chain development in fisheries, mariculture and other marine and coastal value chains. Discrimination against women and female-led businesses (incl. MSMEs) is prevented and basic labour rights resulting from the ILO core labour standards are observed. To ensure equal opportunities in the tourism sector, training programs are designed to be inclusive of women. This involves promoting childcare options or flexible schedules to accommodate family needs. Additionally, targeted support for women entrepreneurs, such as access to finance and mentorship programs, helps women to overcome barriers and establish successful tourism businesses. Finally, promoting equal opportunities during job placement is crucial to ensure women have equal access to employment in blue economy value chains and in the tourism sector.
- **Environment and climate change:** All activities are implemented with emphasis on enhancing coordination between various stakeholders including public sector, communities, private sector to address environmental risks and challenges in blue economy development. Promoting sustainability standards among blue economy and tourism businesses can encourage practices like waste reduction, water and energy conservation, and biodiversity protection. These efforts not only safeguard the environment but also contribute to climate change resilience.
- **Human rights and inclusion of marginalized groups:** To ensure indigenous or marginalized population groups are not further marginalized, representatives of the local population in the project areas are involved in decision-making on sustainable conservation and management of coastal and marine resources at various levels. Compromises and consensual agreements are sought. The aim is to create a win-win situation in order to secure long-term income for the local population (including fishermen) and at the same time to protect biodiversity in the long term. As far as possible, training programmes will be made accessible to everyone, regardless of background or ability. This involves offering training in multiple languages. Cultural tourism experiences are developed with respect for local traditions and ensure benefits are shared with the communities involved. Furthermore, establishing a collaborative platform that includes representatives from marginalized groups allows their voices to be heard in decision-making processes related to tourism development.
- **Resilience and conflict sensitivity:** All measures are carried out in a conflict-sensitive manner and the *Do-No-Harm* approach is integrated in both planning and implementation. In addition, the project follows the stringent *Leave No One Behind* approach in order to design participatory interactions in such a way that the voices of the most vulnerable are heard, and their opinions carry the necessary weight.

6 Risk Assessment

Risks	Likelihood*	Ability to mitigate*	Mitigating measures
Political risks			
Change of management, personnel at technical level after elections in the key partner ministries	4	2	Stakeholder engagement to promote transparency and accountability, close coordination with the government on needed adjustments.
Conflicting interests and plans in the Coastal areas (dams, pipelines, Marine protected Areas, etc)	3-4	3	The project will bring together various stakeholders to balance economic, social and environmental needs of communities in the coastal region, including targeting MSMEs in the Blue Economy. Especially in the context of strategy development for Blue Economy activities, the project will raise awareness of the importance of sustainable practices, sustainable management of marine and coastal resources, and building resilience for climate adaption.
Limited capacities of Local Governments and Agencies and other institutions in charge of planning, budgeting and managing BE projects.	3	1-2	Provision of capacity development activities to local government and agencies combined with direct field staff placed at District level
Low levels of commitment by government at national and district levels, and weak inter-ministerial cooperation	2	2	Effective coordination mechanisms at regional and district level will be set-up to ensure the alignment of activities. Participate actively in existing donor and multi-stakeholder coordination at national level.

Risks	Likelihood*	Ability to mitigate	Mitigating measures
Risks related to project implementation			
Competition for coastal space from activities like mining, tourism development, or infrastructure projects could limit space available for inclusive and sustainable BE activities.	2	1	Regular exchange with relevant governmental stakeholders like TNC involved in spatial planning. Fostering dialogue and collaboration between stakeholders from different sectors.
Inflation/exchange rates fluctuations	2	1-2	GIZ closely monitors the impact of inflation/exchange rates changes and transparently discusses implications and possible adjustments with the Action's donors
Volatile and unreliable framework conditions and regulations hamper the willingness of private sector to invest or engage.	3	2	Working on policy recommendations, framework conditions and coordination in the BE ecosystem to improve framework conditions.
Sustainability risks			
Overlap of donor interventions leads to detrimental competition among implementers and ineffective outcomes, and risk of actors operating in an uncoordinated manner creating silos	3	2	Strengthening communication and coordination among donors and development partners, in part through the BE donor working group, to ensure alignment of interventions with the overall blue economy strategy adopting a harmonized approach to monitoring and evaluation to track progress and identify areas for improvement.
Risk of actors entering the project region with large amounts of funds handing out free goods and equipment, destroying basic economic principles	3	2-3	Close collaboration with key actors in the project region to align approaches and values of handing out of equipment and payments that undermine establishment of sustainable business operations.

Risks	Likelihood*	Ability to mitigate	Mitigating measures
Inequality in access to resources and benefits	2	3	Implementing capacity building programs to empower local communities and ensure equitable participation. Conducting social impact assessments to identify and address potential inequalities.
Environmental and social impact (unintended negative effects)			
Gender inequalities undermine women's access to the opportunities created by the Action			The Action will be implemented in a gender sensitive way, recognising the different needs of young women and in the diverse communities with do not harm approaches. Where possible, activities will be implemented in a gender-responsive way, including specific action to address gender-specific challenges and inequalities.
Economic growth, even in small businesses contributing to an ISBE has a detrimental impact on the environment			Advise enterprises on the use of resource-friendly, biodiversity-friendly and/or sustainable practices and business models.
Risk of forced displacement or migration because of environmental degradation caused by climate change	2-3	1-2	Promoting sustainable practices and sustainable management of coastal and marine resources will increase resilience of both the businesses and the landscape and population against negative climate change impacts.
Manifestation of gender imbalance, paternalism and sexual exploitation	2	1-2	Sensitization and capacity development against discrimination of women and compliance with basic labour rights are conducted. Risks of gender discrimination are analysed in the project context through a gender and safeguards analysis by GIZ, from which appropriate measures are identified and agreed with the partners.
Corruption risks			
Payments of bribes, kick-back payments	3	1-2	GIZ pursues a strict zero-tolerance policy in regards of corruption. All staff and partner organisations are sensitized to GIZ compliance rules and regulations. Project

Risks	Likelihood*	Ability to mitigate	Mitigating measures
			team ensures compliance through close monitoring, sensitization and checks and balances.
Overall risk assessment	2-3	2	

*) Ranking: 1=low, 2=medium, 3=high, 4=very high. Assumptions are listed in the logframe (Appendix 2 to the DoA).

7 Monitoring, Evaluation and Reporting

Monitoring

Monitoring within the context of this Action is a continuous process and will be threefold covering i) results and the corresponding indicators achieved, ii) the activities implemented and indicated in the annual workplan, and iii) financial monitoring.

A results-based monitoring system will be established to generate data on the progress of the Action on a regular basis. Data will be used for steering the Action as well as for annual progress reporting. Basis for the monitoring system is the Action's logframe with its underlying indicators for specific objectives and outputs. The logframe will be used as management tool, allowing for adjustments and revisions at the output, activity and indicator level to effectively achieve the expected specific objective.

During the inception phase, baseline studies will be carried out to feed differentiated data into the logical framework. Estimated target values in the logframe may be adjusted in line with the findings of the baseline studies. During project implementation, a variety of tools and methods will be applied to regularly assess both quantitative and qualitative progress indicators. This includes among others gender-, youth-, and other marginalized groups-disaggregated data collection, documentation of participation of the target group in capacity building measures, evaluation of trainings, tracer studies, comparative and retrospective surveys as well as focus group discussions and stakeholder consultations. Indicators measuring skills development and training, capacity building of MSMEs or employment outcomes will require surveys among beneficiaries in order to collect baseline and final data. Qualitative aspects of enhanced business capacities of enterprises and employment effects shall be considered for these indicators. Surveys may be conducted either directly by GIZ, or through their partner institutions or service providers. Where possible, it is intended to harmonise data collection with national partners systems.

Evaluation

GIZ implements a system of Central Project Evaluations (CPE; annually, a representative random sample of 40% is drawn for evaluation from all projects commissioned by BMZ with a value exceeding EUR 3 million and ending in a given year.). If the Action is part of a project selected for a CPE, the EU will be informed by the project and may decide whether this CPE could serve as a substitute for an eventual evaluation planned and commissioned by the EU. As per CPE standard, the EU-funded project components are part of the evaluation object. Subsequently, the EU will be consulted throughout the evaluation process, the CPE terms of references are shared, it may bring in its knowledge interests and perspectives as well as comment on the draft reports (Art. 9.1 GC).

In line with Article 9.2 of the General Conditions, the EU as donor may carry out monitoring and evaluation missions, such as Result Oriented Monitoring (ROM). An external final evaluation is planned to be conducted during the last months of implementation to assess the Action's medium- and long-term impacts.

Wherever possible, evaluations by the EU and/or GIZ shall be combined, and missions shall be planned and completed in a collaborative manner. In this context, all parties shall ensure

that notice of the intended evaluations and monitoring exercises is communicated to the other parties as soon as this is available.

In the spirit of synergistic cooperation and sound financial management, including cost efficiency, it should be avoided that the project is evaluated by more than one evaluation of a similar nature at short intervals (approx. 12 months).

Reporting

Each report shall provide an account of all relevant aspects of the implementation of the Action for the reporting period, activities envisaged, difficulties encountered, changes introduced, as well as the degree of achievement of results as measured by corresponding indicators, using as reference the Logical Framework. The report shall be presented to allow monitoring of the objectives, the means envisaged and employed, and of the budget details of the Action. The final report, narrative and financial, will cover the entire period of the Action implementation.

The following reports will be submitted by the Organisation to the EU:

- Inception report (narrative, incl. logframe) describing the progress of implementation of activities planned for the inception period.
- Annual reports (narrative, incl. logframe and financial report), recapitulating on the progress made in the achievement of the results (outputs and outcomes); listing activities carried out during the reporting period, difficulties encountered, and measures taken to overcome problems and eventual changes introduced; providing information on the implementation of visibility and communication activities; and outlining the work plan for the coming 12 months.
- The final report shall cover the entire period of the Action, providing information on achievements of the Action, including an outlook on measures undertaken to ensure sustainability of results and further dissemination/up-scaling.

8 Visibility and Communication

Visibility measures for this Action will adhere to Article 7 of Annex II and the “Communicating and raising EU visibility: Guidance for external action” (hereafter the Guidelines). At the same time, GIZ is subject to visibility obligations towards the German government. In line with section 1 of the Guidelines and Article 10.6 of the Financial Framework Partnership Agreement (FFPA) signed by the European Commission and GIZ on 20 May 2019, the Guidelines are without prejudice to the specific FFPA arrangements, and accordingly the parties will make reasonable efforts to reconcile the visibility requirements of all donors to the Action.

In line with its obligations to the German government, GIZ will produce and publish both a factsheet on the German project named in Article 1 of the Agreement and mandatory information on the GIZ website.

GIZ will acknowledge the EU’s financial contribution by using the funding statement “Co-funded by the European Union” and by displaying the EU emblem. The German Cooperation logo and EU emblem shall be accompanied by the logo “Implemented by GIZ”. The positioning of emblems will be determined in agreement with all the donors.

On equipment, vehicles or supplies used in or delivered under the Action, this will generally be done in the following way:



Co-funded by
the European Union



Implemented by



A common visual identity and accompanying branding guidelines will be developed in close consultation with all partners of the Team Europe Initiative on the Blue Economy in Tanzania. These will ensure programme-wide coherence, with clear provisions on the positioning and use of logos to guarantee consistency and alignment across all communication materials.

Where necessary, GIZ will adjust the standard disclaimers in the Guidelines to acknowledge the financial support of all donors to the Action and to clarify that products do not necessarily reflect their views but are the sole responsibility of GIZ.

The visibility obligations apply equally to the entire GIZ project team and its third parties, including grant recipients and other implementing partners. GIZ and its third parties will endeavour to implement visibility measures beyond those outlined in this document if requested by the EU or third parties designated by the EU.

9 Timing

The Action has a duration of 48 months (scheduled from 01.11.2025 to 31.10.2029), including an inception phase of six months starting after the commissioning by BMZ.

During the inception phase, GIZ activities will include:

- Conduct participatory multi-stakeholder validation workshops after conducting the chain and market assessments, and different studies (Skills needs, GEE, SEA) to present the findings.
- Mapping of relevant institutional partners and stakeholders, and continue assessing mandates and priorities, capacities, needs to specify scope of collaboration.
- Establish the project steering structure.
- Establish cooperation structures at the operational level.
- Review the indicative workplan for year one in a participatory manner.
- Set up the results-based monitoring system.
- Set up the project structure at national level and in the individual target districts and islands (including recruitment of staff and upgrade of existing GIZ offices).
- Identify and final selection of recipients (implementing partners) for different financing instruments such as grants, financing agreements and local subsidy contracts.
- Further development of approaches and concepts for the blue incubation and acceleration program, the venture builder und incubation hubs.
- Identify and map incubator and accelerator programs and define partnerships.

In addition to the inception-related work, selected activities, e.g. capacity development, may also be rolled out during this period, as relevant.

The first months of implementation are equally used to set-up the Programme structures for the expansion of the project region, establish the ToR for the governance structure and carry out the first PAC meeting.

During the first year of implementation, detailed assessments of the mandate, capacities, needs, absorption capacity for each institutional partner will be carried out, as well as baseline studies for the monitoring system and readjustment of indicators, where necessary, and to establish cooperation structures at the operational level.

An updated and detailed workplan is sent in appendix to each annual progress report.