

UNLOCKING INVESTMENT OPPORTUNITIES IN TANAPA-MANAGED AREAS.



Tanzania, a land of breathtaking landscapes, and abundant wildlife Destinations such as the Serengeti, Ngorongoro Crater, and Mount Kilimanjaro are recognized among the world's natural wonders.

The tourism sector has rebounded impressively from the COVID-19 pandemic, with tourist arrivals reaching a record 1,808,205 in 2023, up from 1,454,920 in 2022 and just 616,491 in 2020. This growth mirrored a rise in tourism revenues, which hit an all-time high of USD 3.3 billion in 2023, recovering from USD 1 billion in 2020. These achievements underscore the industry's resilience, supported by the Tanzanian government's aggressive promotional efforts, including the globally acclaimed Royal Tour documentary hosted by President Samia Suluhu Hassan in 2022,

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Tourism has been a cornerstone of Tanzania's economy, contributing 7% of the GDP through forex earnings in 2023. Projections by the Tanzania National Business Council (TNBC) indicate a 19.5% contribution by 2025/26. Fueled by political stability, stern conservation efforts, and a steady GDP growth rate of 4.7%, tourism provides a robust foundation for investment.

This article explores the immense investment opportunities in areas managed by the Tanzania National Parks Authority (TANAPA). The sector holds vast potential for sustainable and profitable development, from eco-lodges and safari ventures to marine tourism and unique projects like animal ranches within national parks. Moreover, as Europe, the Americas, and Africa dominate Tanzania's source markets, targeted strategies to enhance infrastructure and expand accommodation capacity can further elevate the country's global tourism appeal and provide vast investment opportunities.

TANAPA INVESTMENT OPPORTUNITIES.

Tanzania National Parks Authority (TANAPA) offers diverse investment opportunities, catering to various sectors within its protected areas. These include accommodation facilities such as hotels, lodges, tented camps, and camping sites, as well as unique experiences like balloon safaris, canopy walkways, cable car safaris, and horse riding. Additionally, there are opportunities for support services, including rescue operations, restaurants, coffee shops, curio shops, and water sports. These investments are open to both local and foreign individuals and companies alike. Partnerships between foreign and Tanzanian entities are highly encouraged. Investors can choose from standard to high-end investments, ensuring opportunities that cater to diverse scales and interests.

MANDATORY PROCEDURES FOR INVESTMENT IN TANAPA.

An interested party must first submit a letter of interest to TANAPA specifying a location within a National park, the business operation, and the development plan to be made at the location. Five days after submitting the letter TANAPA will issue a cover letter, a copy of the guidelines of National Park policies, an approved copy of a General Management Plan (GMP), and a copy of the Tourism Investment Manual (TIM).

The interested party shall then prepare a Development Prospectus (DP) upon approval by TANAPA and after careful consideration of the compliance requirements provided in the National Policies for National Parks, the GMP, the TIM, and other relevant Tanzanian policies and Laws.

Within 15 days of the receipt of the DP, relevant authorities including a TANAPA technical team will review the DP and provide recommendations to be submitted to the Conservation Commissioner for approval. In case of a rejection, the interested party will be notified with reasons and shall be allowed to resubmit the proposed amendments within four weeks of the issuance of the letter of rejection. A permission letter will be issued to the interested party upon approval.

Also, the interested party will provide a hydrological survey report carried out by a qualified firm, or specialist. to address the reliability of the water supply for the project. If relevant authorities are satisfied a letter of offer will be issued. The Interested Party shall accept the offer in writing pay a non-refundable tourism investment site allocation fee and prepare a project proposal and a business plan to be submitted within 2 months from the date of receiving the letter of offer.

Within 12-14 weeks after successfully submitting the project proposal and business plan the interested party shall submit an Environmental Impact Assessment (EIA) as per the Environmental Management Act 2004. This shall be done in consultation with the National Environmental Management Council (NEMC) and TANAPA.

Upon adherence to all previous procedures, TANAPA will issue a Proposal Notification Letter, and before the commencement of any activities, a Standard License Agreement shall be issued to the interested party. The issued license cannot be transferred or conveyed without the consent of TANAPA.

Finally, the project may commence. TANAPA has the right and duty to assign a full-time professional construction supervisor to the construction site to make sure that the project adheres to the standard terms in the License Agreement.

THE SPECIAL TOURISM CONCESSIONS.

This refers to permission provided to a private operator to construct and operate tourism facilities within a national park based on a time-bound contract. Investors may either upgrade the present facilities, services, and activities or build new ones. In most cases, the concessionaries will be granted exclusive rights commercial rights to a defined area within a national park in return for payment of special Tourism concession fees.

THE STRUCTURE OF SPECIAL CONCESSION INVESTMENT.

The special concession investment takes the form of a private tourism special concession, a Public-private partnership, or a seasonal license. The application procedure tends to be the same, however; the terms and conditions for each differ.

Note; that concession investment deals may be awarded through several processes including auctions, tender, expression of interest, and a direct award.

THE SPECIAL TOURISM CONCESSION A GENERAL OVERVIEW

The Special Tourism Concession contracts are carefully designed to provide both parties with a balanced framework of rights and responsibilities, detailing operational guidelines and establishing processes for managing unforeseen circumstances. To qualify for a concession, investors must establish a single-purpose legal entity to ensure their focus remains on the concession's objectives. Concessionaires are also expected to demonstrate financial reliability and maintain their prequalification standards throughout the contract period.

Legal and financial safeguards are embedded within the contracts, including provisions for indemnifying TANAPA against liabilities from third parties, regulating related-party transactions, and ensuring penalties for non-compliance. Additionally, the agreements span 15-20 years, with renewal rights contingent on the concessionaire's adherence to strict operational, environmental, and community development standards.

Environmental sustainability is central to the Special Tourism Concession framework. Concessionaires must comply with national policies, park regulations, and site-specific Environmental Impact Assessments (EIAs) They are required to implement Environmental Management Plans and follow guidelines for resource use, infrastructure, and conservation. Community empowerment is another cornerstone, with concessionaires mandated to promote local employment, training, and economic opportunities. Moreover, they must support education, health, and environmental conservation initiatives while maintaining ethical labor practices and equitable hiring policies.

Investors seeking to participate in Special Tourism Concession must meet several mandatory requirements, such as obtaining a Taxpayer Identification Number, Environmental Impact Assessment Certificates, business licenses from BRELA, and a Certificate of Incentive from the Tanzania Investment Centre (TIC). Compliance with national laws and international conventions is essential, ensuring that all projects align with Tanzania's strategic goals for sustainable tourism and development. These measures aim to attract responsible investment, enhance the country's tourism potential, and safeguard its natural heritage for future generations.

CONCLUSIVELY.

Tanzania's TANAPA-managed areas offer remarkable investment opportunities in tourism, from eco-friendly lodges to wildlife safaris. These ventures promise significant economic benefits for both local and foreign investors. However, the process demands careful planning, compliance, and management.

Your Trusted Partner in TANAPA-Managed Tourism Investments

SVTL Advisory proudly stands as a trusted guide for clients aspiring to invest in Tanzania's thriving tourism sector, particularly within areas managed by the Tanzania National Parks Authority (TANAPA). With extensive expertise and a proven track record, we have successfully facilitated significant acquisitions of land rights exceeding 100 hectares in renowned destinations such as Mkomazi and Serengeti National Parks. Our comprehensive services extend from investment advisory to corporate compliance, financial advisory and management, legal compliance, human resources, and insurance solutions—ensuring seamless risk mitigation and sustainable investments. By leveraging our deep knowledge and experience, we empower both local and foreign investors to navigate the complexities of TANAPA-managed areas with confidence. Trust SVTL Advisory as your partner in providing unparalleled guidance, enabling you to unlock the immense potential of tourism investments while ensuring full compliance with the law.



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