



### **BACKGROUND:**

***Udzungwa Mountain College Trust (UMCT)*** was incorporated on 2<sup>nd</sup> September 2009 under the Trustees Incorporation Act 318. The main objective of the Trust is to develop and manage facilities and infrastructure for provision of education and vocational training for children and youths in the Tanzanian society, among others. To start with, the Trust has established and is currently running a vocational training centre with a maximum capacity of 150 students. Currently however, the centre has an enrollment of 80 students.

The main line of skills, whose training is offered by the centre so far, is in tourism industry and related business as per *article 4.5* of UMCT's "*Trust Deed*". Since its inception in the year 2009, the centre has released a total of 200 trained youths, all of whom have been employed mostly in tourism industry and related businesses. This line of training is chosen as a response to the labour market demand, particularly in Kilimanjaro region where tourism is the booming economic activity. The centre therefore offers training in Hospitality (*Hotels*) Management and Tourism Management – i.e. Tour and Mountain Climbing guiding and Ticketing and International Air Travels procedures. The centre's services are demand driven. It is envisaged therefore that, later on, the centre will offer training in other skills according to the labour market demand.

UMCT is founded by five young men, most of them with a training experience background, particularly in tourism and related services. As clearly stated in the UMCT's Trust Deed, the driving force behind the founding of the Trust is the need to enhance efforts in poverty alleviation initiatives in the society by making youths employable in both the formal and informal sectors of the country's economy. This is expected to be achieved by offering training in the relevant skills in the emergent and fast growing economic sectors, which are capable of absorbing a large number of youths, tourism being one of them.

The Trust plans to operate a tour company – at later stage – to subsidize the running costs of the training centre, so as to keep the training fees charged to students as low as possible, hence affordable to low income earning social strata of the society. This is

in conformity with *articles 4.1 and 4.2* of the Trust Deed of UMCT, which aims at supporting the under-privileged and marginalized youths in the society.

To achieve these objectives, UMCT is planning a major investment in the development of its Training Centre so that it can offer training sustainably and in an optimal way. This Project Plan is part of the initiatives in achieving the planned investment. It is a detailed guideline of the envisaged activities and sources and application of investment funds and the objects to be attained therein.

## **1.0 GENERAL INFORMATION ON THE PROJECT AREA:**

### **1.1 Location and Access:-**

The proposed project by UMCT is currently operated along Rindi Lane in the municipality of Moshi which is the major commercial centre and administrative seat of Kilimanjaro region. The planned expansion of UMCT vocational training centre will be implemented in Siha district. Kilimanjaro region is composed of seven administrative districts of: Same, Mwanga, Rombo, Moshi-Rural, Moshi-Urban, Hai and Siha (*Siha was founded after the splitting of Hai district in 2005*). With the exception of Moshi municipality and the smaller townships of Sanya-Juu, Hai, Himo, Mkuu and Tarakea (*in Rombo*), Mwanga and Same, the rest of the region is largely rural.

The exact location of the region is in the North Eastern part of Tanzania Mainland. It lies, South of the Equator between latitudes  $2^{\circ} 25'$  and  $4^{\circ} 15'$ , and longitudes  $36^{\circ} 25'3''$  and  $38^{\circ} 18'00''$  East of Greenwich. It has a common border with the Republic of Kenya in the North, Tanga region to the Southeast, Arusha region to the West and Manyara region to the South. The region covers a land area of 13,209 sq. kms. or 1.4% of the entire land area of Tanzania Mainland. Area-wise, this is the smallest region on the mainland Tanzania.

### **2.2 Climatic Conditions:-**

Kilimanjaro as a region has the combined features of coastal lowlands to alpine configuration resulting in a variety of climatic conditions, soils and vegetation. Mount Kilimanjaro to the North of the region, the lowlands stretching from the foot of the mountain to the South and West, and the range of "fold" mountains of Pare, combined together, form unique physical features that influence varied climates within such a small land area.

There are two marked rainy seasons, the major one extending from March to May and a minor one between October and December. The overall mean annual rainfall is 900mm. The highest rainfall in the lowland plains reaches 1200mm, while the lowest record is at 500mm. In the highlands on the slopes of the mountains, the highest is over 3000mm. and the lowest drops to 800mm. In the last 20 years however, predictability of rains has failed many residents and experts alike. Rainfall in the region is no longer consistent as it used to be. Rains are erratic and are becoming more and more unreliable particularly in the lowlands, a situation which is mainly attributed to global climate change, and which militate smooth agricultural production.

Corresponding to the rainy seasons, there are two dry seasons. The major one is in December to March and a minor one in July to September. The mean annual temperature is 25°C, with maximum temperature reaching 35°C in February – March and minimum temperatures dropping to 12°C in July. As one goes up the slopes of the mountains, the climate is influenced by altitude, resulting in heavier rains and cooler temperatures depending on altitude and position. The soils in Kilimanjaro region are dominated by alluvial, made up of agglomerates, tuffs and occasional lava flows washed down the slopes of Mt. Kilimanjaro (*which is a volcanic eruption*). In the lowlands, alternative layers of basalts and volcanic ashes lie on a Precambrian base.

### **2.3 Economic Activities:-**

Kilimanjaro region, with a population of 1,543,462 (*1,381,149 census 2002 and 1.6% annual growth rate*) has a population density of 117 people per sq. km. compared to the national average of 38 people per km<sup>2</sup>. The highlands of Kilimanjaro and Pare mountains however, where most farming takes place have a population density of over 350 people per km<sup>2</sup>.

Agriculture is the dominant economic activity, employing more than 80% of the population in the region. This is practiced on a smallholder scale, on plots of 0.5 to 5 hectares per family, owned under freehold lease system. The main crops that are grown are: maize, beans, coffee, sunflower, sorghum, cassava, paddy, bananas and other fruits especially citrus types and mangoes. Sugarcane is grown in large farms particularly the T.P.C. To a large extent the practiced agriculture and the regional economy as a whole is basically subsistence.

People also keep small numbers of livestock i.e. a few traditional (*humped zebu*) cows, goats, sheep, pigs and freely feeding poultry. In the upper areas, the region is leading the nation in the number of pedigree dairy cows. In urban areas a good number of people rear broilers and layers poultry. In 2006, agriculture (*which includes crop farming, livestock, forestry, hunting and fishing*) contributed 69.2% to the region's GDP. Of the total agricultural output, crop farming accounted for 77.2% and livestock 16.3%, leaving 6.3% to forestry and hunting sub-sectors, while fishing accounted for only 0.2%. There has been some improvement since 2006 to date, although exact figures could not be obtained from authorities at the time of writing, but the changes are insignificant in terms of improving the standard of living to the majority population.

### **3.0 BRIEF OVERVIEW OF TOURISM SECTOR IN TANZANIA:**

Tourism is a fast growing industry in Tanzania. At an annual growth rate of 15% on average in the last ten years, tourism accounts for 17.2% of Gross Domestic Product (GDP) as of today, and more than 25% of total export earnings. The government's projections of foreign tourists into the country, stood at 1 million visitors by the year 2010, from 719,031 visitors in 2007.

The growth of the sector has created increased demand for hospitality/hotel and tour operators' services in the country, creating business opportunity in the provision of the two services. One of the reasons for this growth is the global growth of the industry.

Tourism is the fastest growing and one of the world's largest industries today, with global revenues accounting to over 10% of world Gross National Product (GNP).

Some of the reasons for the growth at the national level, include improved services in the industry after privatization of service provision in the sector, and other linked sectors such as transport, (*particularly air transport*) resulting in improved efficiency in handling passengers. This development has attracted more airlines using the country's airports and has increased the number of flights using the airports as their destinations, hence increasing the inflow of direct visitors into the country, unlike in the past where most of them used to come through the neighbouring countries. To some extent, improved standards and services in the local hotels and lodges after privatization has also contributed to the industry's growth in the country.

In the year 2002 tourism industry in Tanzania supported over 157,200 jobs directly and foreign earnings grew from US \$ 259.4 million in 1995 to US \$ 731 million in 2003. In 2006, US \$ 862.9 million were collected compared to US \$ 823.5 in 2005, an increase of 4.7%. The number of tourists visiting Tanzania has kept growing over the years. In the year 2001, 525,000 tourists visited the country. The number grew to 575,235 and 603,990 in 2002 and 2003 respectively. In 2006 and 2007 the number of foreign visitors grew to 644,124 and 719,031. The difference in increased visitors between 2006 and 2007 is 11.6%. (*These numbers are for the national parks alone*). The government projections for the year 2010 showed that the country expected to receive 1 million visitors who would spend a total of US.\$ 1.7 billion in the country. About 250,000 direct employments and close to 2.5 million indirect employments have been made by the sector so far.

Tanzania's overall potential combined with her vast area provide tremendous opportunities to develop the best tourist/entertainment activities ranging from game viewing safaris, mountain climbing, sight seeing and photographic safaris. The potential guarantees the possibility of further growth of the sector's business

**Table 1: Distribution and Numbers of Visitors (both local and foreign) to the Major National Parks in Tanzania Mainland, 1997 to 2000, 2006 & 2007**

National Park	Total visits						% change 2006/07
	1997	1998	1999	2000	2006	2007	
<b>Kilimanjaro</b>	16,378	17,333	22,560	33,515	38,446	39,926	<b>3.8</b>
<b>Serengeti</b>	116,993	123,652	202,858	309,517	267,183	284,495	<b>6.4</b>
<b>Manyara</b>	60,735	62,690	73,820	85,775	133,519	145,042	<b>8.6</b>
<b>Ngorongoro</b>	185,468	192,917	200,800	208,249	p. 218,349	527,380	<b>p.141.5</b>
<b>Arusha</b>	26,821	29,366	45,880	48,425	53,145	52,881	<b>-0.49</b>
<b>Mikumi</b>	7,031	3,630	12,784	10,609	28,702	28,673	<b>-0.1</b>
<b>Ruaha</b>	5,683	6,268	10,938	11,523	22,364	19,279	<b>-13.8</b>
<b>Tarangire</b>	57,097	64,315	56,724	67,720	103,114	117,643	<b>14.1</b>
<b>Gombe</b>	910	1150	961	2201	819	910	<b>11.1</b>
<b>Total</b>	<b>477,116</b>	<b>501,321</b>	<b>627,325</b>	<b>777,533</b>	<b>865,641</b>	<b>1,216,229</b>	<b>40.5</b>

**Source:** *Economic Survey – Planning Commission June 2000 2001, 2007 & 2008*

The National Parks occupy 4.5% of the country's total area including historic sites. Its superb vast and impressive game reserves cover nearly one third of its total area of 942,784 Sq. kms. There are the world's most dramatic and most densely populated natural parks and game sanctuaries. These are divided in zones known as "circuits". We therefore have three major circuits – the "Northern Circuit", extending in the regions of Kilimanjaro, Arusha and Manyara. The "Southern Circuit" extending from Morogoro to Iringa, Ruvuma and Mtwara regions includes the well known Selous and Mikumi National Parks and the emerging new "Eastern Circuit" which includes Pare and Usambara mountains, Saadani National Park, the coastal area and the islands of Zanzibar and Pemba.

### **3.1 The Northern Circuit:-**

The circuit which extends from Kilimanjaro region to Arusha and Manyara regions is within the area where the proposed project is being developed. This circuit is endowed with the most glamorous tourist attractions which include:-

- Kilimanjaro Mountain and National Park
- Arusha, Tarangire, Manyara and Serengeti *National Parks*.
- Ngorongoro Crater (*610 mts. deep and 20 km. in diameter*).
- A historic and archaeological site in Olduvai Gorge.

Moshi and Arusha municipalities are some of the fast growing tourist centers in the country. They are the largest urban centers within the Northern tourist circuit. Moshi is nearest to the famous Mt. Kilimanjaro with the highest peak in Africa (*5920 mts. above sea level*). Surprisingly the permanently snowcapped mountain can be conquered by almost any amateur climber. This uniqueness together with the natural beauty around it has made it a world tourist attraction in itself.

With the expansion of the concept of tourism to include, eco-tourism, agro-tourism, cultural tourism and other versions, the inhabited areas around the the mountain, the local people and their villages are expected to be transformed rapidly into a booming tourist zone as well. UMCT centre sees the possibility of using to the maximum, the opportunity availing itself in making them a tourist attraction, using the rich cultural background of the inhabitants, the *Wachagga* people and their legendary *Chieftainships*.

**Tables 1, 2** and **3** above and below respectively show the number of visitors entering the country, which keeps increasing and the increasing accommodation facilities trying to catch up with growing demand. Although the figures relate to the early years of 2000s up to 2007, they are however indicative of the trend of tourist industry and business in the country, which is on the rise. The number of visitors has been rising yearly since 1995.

**Table 2: Number of Tourist Visitors Entering the Country and the Amount of Cash Collected from 2001 to 2007**

<b>Year</b>	<b>Number of Tourists</b>	<b>% Change</b>	<b>Number of Bednights</b>	<b>Income in US.\$ Million</b>	<b>% Change</b>
2001	525,122	4.7	5,549,000	725.0	-1.9
2002	575,000	9.5	8,430,000	730.0	0.7

2003	576,000	0.2	9,600,000	731.0	0.1
2004	582,000	1.0	9,625,000	746.0	2.1
2005	612,754	5.3	10,587,000	823.1	10.3
2006	644,124	5.1	11,792,000	950.0	15.4
2007	719,031	11.6	12,748,000	1,037.3	9.2

**Source:** *Economic Survey 2007 – National Planning Commission*

**Table 3: Accommodation/Tourist Facilities in the Country, 2001 to 2007**

Item/Year	2001	2002	2003	2004	2005	2006	2007
Number of Hotels	329	465	469	474	495	503	515
Number of Rooms	10,325	25,300	30,600	30,840	31,365	31,689	31,870
Number of Beds	18,284	45,500	55,500	55,932	56,562	56,781	56,995
No. of Employees*	156,500	160,200	160,500	198,050	199,000	199,300	250,000

**Source:** *Bureau of Statistics (National Planning Commission)*

*\* Number of employees in the Tourism Sector – not in hotels alone*

From the explanation above it is quite clear that, tourism is a promising sector that can keep on providing employment opportunities to many youths in the foreseeable future. UMCT is therefore poised to tap the opportunity availing itself from the situation explained above, to prepare youths for meaningful employment as an effective means of fighting poverty.

#### **4.0 RATIONALE OF THE PROPOSED PROJECT:**

As explained elsewhere, the economy of Kilimanjaro region is agricultural based. With an average population density of over 117 per sq. km. (*demonstrating acute scarcity of land in the region*), agriculture is obviously not a promising economic activity to the growing number of youths as will be demonstrated in the paragraphs below. UMCT believes that, diversification of economic activities in the region – *particularly for the youths* – is necessary in the effort to effectively fight poverty among the society. This will be achieved by opening up other opportunities to the youths by providing them with the necessary skills to pursue employment in other economic sectors with a promising future, tourism being one of them at the moment.

The youths' population growth is in proportionate to the general population growth in the country. This is demonstrated by the growing demand of primary and secondary schools' facilities and those of vocational and tertiary education in the country.

#### **4.1 Pre-Primary, Primary and Secondary Education Development:-**

The shortly ended decade of 2001-2010, has seen a number of measures taken by the government in response to a number of real and impending challenges to the development of education in the country. Studies carried out towards the end of 1990s decade revealed that, 45% of all school age children (*5 – 14yrs.*) in the country, would not access the minimum level of education in the 2001-2010 decade, if the existing primary education facilities in the country would remain the same.

Responding to this challenge, the government launched "*Primary Education Development Programme*" Phase-I (PEDP – 2001-2006) and "*Secondary Education Development Programme*" (SEDP – 2005-2009) both of which were geared to increase enrollment capacity and quality of education offered in the

government primary and secondary schools respectively. However, the private sector was also invited and encouraged by the government to participate in the positive response to the challenges.

These measures resulted in increased enrollments in the schools and the number of teachers in the schools also kept rising to meet the demand.

**Table 4: Total Number of Primary & Secondary Schools' Students and Teachers**

Year →	2005			2006			2007		
Primary Std. I-VII	Govt.	Private	Total	Govt.	Private	Total	Govt.	Private	Total
Boys	3,822,621	33,091	3,855,712	4,010,486	41,190	4,051,676	4,173,825	41,346	4,215,171
Girls	3,654,029	31,467	3,685,496	3,869,202	39,006	3,908,208	4,061,607	40,147	4,101,754
<b>Total</b>	<b>7,476,650</b>	<b>64,558</b>	<b>7,541,208</b>	<b>7,879,688</b>	<b>80,196</b>	<b>7,959,884</b>	<b>8,235,432</b>	<b>81,493</b>	<b>8,316,925</b>
<b>Teachers</b>	<b>132,302</b>	<b>2,711</b>	<b>135,013</b>	<b>148,607</b>	<b>3,275</b>	<b>151,882</b>	<b>153,027</b>	<b>3,637</b>	<b>156,664</b>

**Table 4 Continued:**

Year →	2005			2006			2007		
Secondary F. I-IV	Govt.	Private	Total	Govt.	Private	Total	Govt.	Private	Total
Boys	190,503	89,251	279,754	265,804	92,324	358,128	446,716	96,480	543,196
Girls	164,685	79,886	244,571	224,688	92,856	317,544	382,378	94,936	477,314
<b>Total</b>	<b>355,188</b>	<b>169,137</b>	<b>524,325</b>	<b>490,492</b>	<b>185,180</b>	<b>675,672</b>	<b>829,094</b>	<b>191,416</b>	<b>1,020,510</b>
<b>Teachers</b>	<b>13,448</b>	<b>10,457</b>	<b>23,905</b>	<b>15,911</b>	<b>7,341</b>	<b>23,252</b>	<b>22,076</b>	<b>7,782</b>	<b>29,858</b>

**Source:** Planning Commission – 2006 & 2007 National Economic Report

Although the figures in *table 4* above relate to the situation up to 2007, the upward trend depicted in the figures is still relevant up to now. The trend portrays a picture of education growth rate and also the growing contribution of the private sector in the development of primary and secondary education sub-sector in the country.

Up to now, only less than 40% of those who complete primary education can join secondary schools and less than 20% of those who complete secondary education get the opportunity to join colleges and higher learning institutions in the country and overseas. This leaves more than 350,000 and 250,000 primary school and secondary school leavers who are supposedly left behind to join in agricultural production every year. Primary agriculture that is practiced in our villages is, by and large a subsistence economic venture and therefore a highly *inadequate* employment to youths. These young people do not have any professional training or any skills that can make them employable in any sector of the economy.

#### **4.2 Vocational Training:-**

The only institutions which can absorb both the primary and secondary school leavers who could not access intermediate and tertiary education are the vocational training centres (VTCs). These can offer them training in various skills that will make them employable in both the formal and informal sectors of the country's economy. The available VTC facilities however, fall short of the existing demand by far.

In the year 2009 for example, the number of VTCs was 889 compared to 938 in 2008, meaning that 49 VTCs were either closed down for various reasons or were disqualified by the government and therefore deleted from register. Out of the 889 VTCs, only 21 were owned by the government while the remaining 868 VTCs were privately owned (*Planning Commission – 2009 National Economic Report*).

The number of enrollment in the centres also dropped in 2009 to 114,295 from 124,644 students in 2008 – a decrease equivalent to 8.3%. Of that number, 69,177 students (*38,393 male and 30,784 female*) completed long term courses, while 55,467 students (*27,622 male and 27845 female*) completed short term courses. In 2009 the number of female students registered for long term courses was 30,863 compared to the number for short courses which was 22,428 girl students (*Planning Commission – 2009 National Economic Report*).

#### **4.3 The Situation in Kilimanjaro Region:-**

Like the situation at the national level, in Kilimanjaro region, primary and secondary schools outnumber the existing VTCs by far. While there 915 and 295 primary and secondary schools respectively, there are only 71 VTCs in the seven districts of the region. Of the 71 VTCs only 4 are offering training in tourism and related skills. The rest are based on industrial production, electronics and building and civil construction.

**Table 5: Primary, Secondary Schools & VTCs in Kilimanjaro Region in 2008**

District	Primary Schools			Secondary Schools			Vocational Training Centre		
	Govt.	Private	Total	Govt.	Private	Total	Govt.	Private	Total
Rombo	153	2	155	40	6	46	0	2	2
Hai	103	7	110	27	13	40	0	13	13
Mwanga	108	0	108	22	13	35	0	12	12
Same	178	6	184	32	11	43	0	11	11
Moshi – Urban	35	12	47	14	13	27	1	15	16
Moshi – Rural	251	6	257	60	30	90	0	17	17
Siha	52	2	54	10	3	13	0	0	0
<b>Total</b>	<b>880</b>	<b>35</b>	<b>915</b>	<b>206</b>	<b>89</b>	<b>295</b>	<b>1</b>	<b>70</b>	<b>71</b>

**Source:** RCC meeting – Kilimanjaro region on 9<sup>th</sup> May 2008

The figures on *table 5* above depict more or less the same picture that is portrayed by national figures in *topics 4.1* and *4.2* above. Both the government and the private sector have not put enough emphasis on the development VTCs, commensurate to the actual needs on the ground at both – the national and regional (*Kilimanjaro*) levels. The resultant effect is that, while the government aimed at having a total of 48,980 primary school leavers joining secondary schools out of the examined 56,624 pupils in 2008 (*which is 85%*), only 20% of the examined 16,255 (*or 3,251*) secondary school students in that year, joined higher learning institutions. This leaves 13,004 secondary school leavers to find other training placements or join their poor parents in the farming activity. The maximum capacity of the 71 VTCs to absorb new intake annually is only less than 3,500 students per intake.



UMCT finds this situation to be a challenge that all stakeholders need to address, if poverty is to be effectively fought and won. The proposed VTC development by UMCT is therefore part of the Trust's efforts in making a tangible contribution in response to that challenge.

## **5.0 MISSION AND VISION OF UMCT:**

### **5.1 Vision:-**

UMCT envisages being the leader in the provision of quality training in tourism, hospitality and business administration skills in Kilimanjaro region, believing that this will be an effective catalyst for the development of the youths in the region.

### **5.2 Mission:-**

Aware of the fact that education and training for skills is expansive, yet an indispensable necessity in society, UMCT is committed in the provision of quality vocational training to youths from low and middle income families/households at affordable costs.

## **6.0 PROJECT OBJECTIVES:**

### **6.1 Development Objective:-**

Contributing towards provision of quality vocational training in tourism business skills, aimed at developing tourist businesses that focus on inculcating people's love for nature – particularly the youth, proper environmental management and conservationist attitude, for sustainable natural tourist attractions in the country to benefit the nation's future generations for as long as desirably possible.

### **6.2 Immediate Objectives:-**

- (i) To develop the UMCT vocational training centre to a fully fledged institution by developing the centre's infrastructure, equipping it with sufficient books and acquisition of motor vehicles for training excursions.
- (ii) Establishment of "*Environmental Education Centre*" as part of the UMCT's VTC, with the major aim of propagating environmental protection education to the people/public as important stakeholders in the proper management of the environment.
- (iii) Conduction of environmental protection campaigns, including tree planting, environmental cleanliness, appropriate disposal of solid wastes and education on the hazards of inappropriate disposal of plastics, heavy metals and worn out electronic gadgets and equipment.
- (iv) Conducting advocacy for the enactment of laws that will properly govern proper disposal of hazardous wastes mentioned in *No (iii)* above.
- (v) To keep/maintain high standards of quality training in the relevant skills offered by the centre throughout its service life-span.

## **7.0 THE PROJECT:**

### **7.1 The Project Concept:-**

Currently UMCT is operating its centre in rented premises along Rindi Lane in the municipality of Moshi. Being a commercial building situated in one of the busiest parts of the town, the premises is not very convenient for training purposes. UMCT is therefore planning to shift part of the centre's activities to Siha district where it is envisaged that a piece of land of about one hectare in size shall be acquired.

The centre is currently faced with acute shortage of scholastic materials such as books and other instructional aids which shall be acquired in the implementation of this project. It is also planned that four motor vehicles – preferably *Land-cruisers* – which are durable and robust four wheel drive vans suitable for overland travels to the country's tourist attractions, shall be acquired. These will be used for training trips to the tourist attractions i.e. national parks, game reserves, historic and archaeological sites.

More importantly however, the vehicles will be used to conduct tour operation services by UMCT' centre as part of training in tour guiding but also to earn money to subsidize the centre's running costs, so as to keep training fees as low as possible and therefore affordable to students from low income earning families.

The proposed centre will run a project in the name of *Environmental Education Centre* which will strategically deal with public education on environmental issues. This will be a continuous programme aimed at awareness creation to the public to raise the sense of ownership of the environment hence take responsibility to ensure its protection and proper management.

### **7.2 Project Implementation Plan:-**

It is envisaged that the project will take two (2) years to completion from the date of securing the planned funds for the project. In the first year, land acquisition will be done and purchases of all equipment and three of the four motor vehicles. In the second year, the centre's building will be constructed, furnished and one vehicle will be acquired to complete the project hardware component. Recruitment of the necessary staff to run the centre in an optimum way will then follow – this is the software component of the project, to be installed after completion of capital investment of the project.

### **7.3 The Project Costs:-**

These are detailed in *appendix I* and *II* to this project proposal. The total cost of the project will be T.Shs. 353,125,000 out of which T.Shs. 53,000,000 (*or 15%*) will be equity while the remaining T.Shs. 300,125,000 (*or 85%*) is being solicited from external financiers in the form of grants. Financial projections showing the operational phase of the project in the first three (3) years after commencement of the project are resented in *appendices III* to *VIII*.

## **8.0 PROJECT'S OPERATIONAL ENVIRONMENT ANALYSIS:**

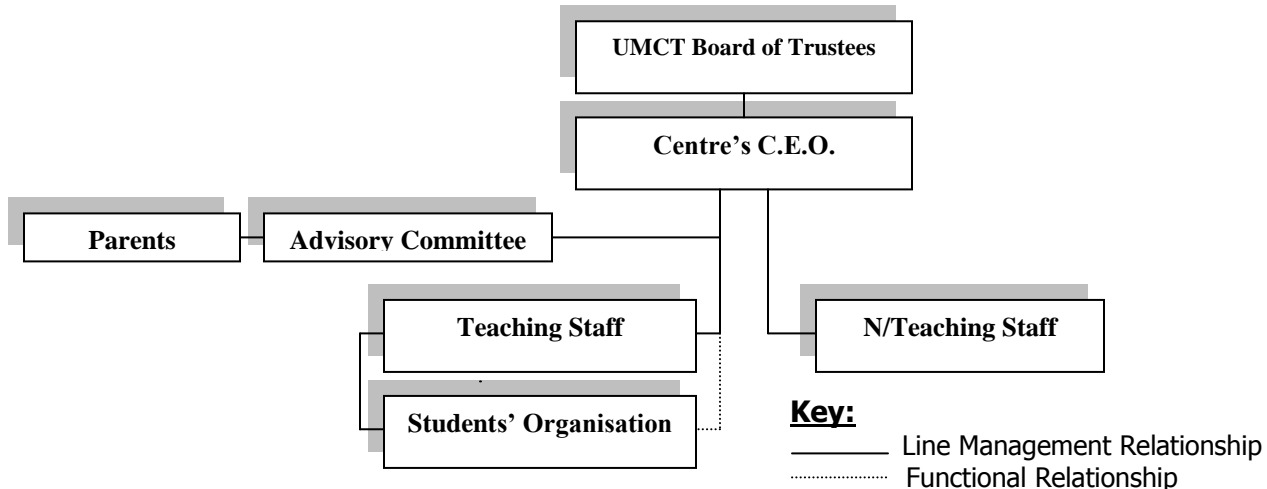
### **8.1 Internal Environment:-**

#### **8.1.1 Management:**

UMCT as a Trusteeship is a body corporate. It is therefore managed under the Board of Trustees. The Centre's C.E.O. who is also a member of the Board is entrusted with the daily operations of the centre. The Centre (*which is one of the Trust's businesses*) is in the process of being registered under VETA (*Vocational Education Training Authority*) which is the relevant authority governing such centres in the country. UMCT is therefore the owner and manager of this centre. The centre's C.E.O, who is appointed by the Board, is directly responsible for the day to day management of the centre, including recruitment of appropriate staff.

The centre's C.E.O is a qualified tutor in tourism and hospitality management. The C.E.O. is supported by a team of 8 qualified and experienced teachers. Two of them are Graduates, while the remaining six are Diploma holders. There is one non-teaching administrative staff. Recruitment of extra staff to man the planned school expansion will be based on the same principle used in recruiting the existing staff – qualifications, experience and competence.

**Figure 1: The Centre's Organisational Structure**



### 8.1.2 Technical Aspects:

**Construction Works:-** All the building materials for construction of the centre's infrastructure shall be locally procured. These shall include concrete, steel reinforcements, roofing materials, frames, doors and windows and all plumbing and electrical fittings and installations. Labour will also be recruited locally for all the works in masonry, carpentry, plumbing and electrical fittings. The artisans will be closely supervised by a qualified team of professionals in architecture, civil and electrical engineering. Furniture for the whole building will also be procured locally.

**Training Services:-** The centre offers instructions for skills hence all the instructional materials and books that are used in the centre have to be in the respective relevant fields. In Moshi, Arusha and Dar-es-Salaam most of the needed scholastic materials can be procured. The ones which are not readily available shall be ordered abroad. Moshi is a well connected town to all major

commercial urban centres in the country, by road, air and even railway. Procurement of supplies for the centre from any part of the country is therefore not constrained in any way.

**Information Technology:-** The use of computers has already turned out to be a necessity in many places of work in this country, and even in schools and higher learning institutions. To prepare the students for their future lives – either at work or during further studies, the centre is planning to offer basic knowledge on computer uses to all students. In this project it is planned that there will be computer classes for all the students depending on their education levels. The centre shall also introduce computerized record keeping system for enhanced efficiency in information management.

## **8.2 External Environment:-**

### **8.2.1 The Market & Centre's Catchment Area:**

As explained in topic 5.3 above Kilimanjaro region which is expected to be the centre's catchment area has seven (7) administrative districts with a total of 915 primary schools and 295 secondary schools. There are only 71 VTCs which absorb not more than 3,500 school leavers every year, out of the total schools' output of 16,255 students who cannot secure further education. This is enough market for the centre, although students from outside the region can also join it.

### **8.2.2 Economic Aspects:**

Education and training for skills is the hub of the whole range of development activities and processes. As the basis of human resource development education and training plays a central role in the economic development any society. It has backward and forward linkages to all other sectors. Socio-economic to cultural and political development of the society is highly dependant on the quality of education and training offered. UMCT's centre is geared to provide quality training to fulfill its own vision and expectations of the society. Other economic benefits expected from implementation of this project include:

- Provision of employment opportunities to about 12 permanent staff when fully fledged.
- Income generation or partial employment of more than twice the number of permanent staff. These are the suppliers and other service providers to the school.
- Providing the labour market with an annual output of about 40 qualified people in the relevant fields of tourism and related businesses.

### **8.2.3 Political Climate:**

The country's political situation is quite favourable to the participation of the private sector in education development as already pointed out in the Education and Training Policy of 1995. There is a stable government with economic policies

that encourage and promote the private sector in the running of the economy. The private sector is represented at district to national levels by such institutions as the TCCIA (*Tanzania Chamber of Commerce, Industry and Agriculture*) and CTI (*Confederation of Tanzania Industries*) and others. This gives the private sector a platform for dialogue with the government at all levels and facilitates the sharing of experiences from both sides to enable the government to come up with policies that are favourable to the growth of the private sector.

#### **9.0 FINANCIAL AND ECONOMIC VIABILITY:**

Financial projections for the first three years are presented in *appendices I to VIII*. The projections indicate that the centre will be operating with surplus during the three years. The centre should realize net cash balances of T.Shs. 52.7 million in the first year, and end with T.Shs. 175.4 million in the third year. This will enable the centre to meet its other financial obligations. Looking at the performance of other private VTCs with serious managements, these projections are quite achievable. UMCT is soliciting financial support worth of T.Shs. 300.12 million to be added up to equity of T.Shs. 53 million to finance completion of the school infrastructure development.

## Appendix I

### UDZUNGWA MOUNTAIN COLLEGE TRUST College Development Project

#### INVESTMENT STRUCTURE Combined Investment will be as follows:- (The figures are in T.Shs. "000")

ITEM	Local	External	TOTALS
	Contribution	Support	
Land	20,000	-	20,000
Building	20,000	-	20,000
Motor Vehicle	-	160,000	160,000
Furniture & Fittings	2,500	22,000	24,500
Camping Equipment	-	38,625	38,625
Office Equipment	9,000	59,500	68,500
Books	-	20,000	20,000
Pre-Operational Expenses	1,500	-	1,500
<b>TOTAL</b>	<b>53,000</b>	<b>300,125</b>	<b>353,125</b>
<b>Ratio</b>	<b>15%</b>	<b>85%</b>	<b>100%</b>

**Note:** Pre-Operational Expenses include:

1.	Professional Fees	<u>1,000</u>
2.	Travelling Expenses	<u>500</u>
	<b>Total</b>	<b><u>1,500</u></b>

## Appendix II

### UDZUNGWA MOUNTAIN COLLEGE TRUST College Development Project

#### INVESTMENT AND RE-INVESTMENT SCHEDULE (The figures are in T.Shs. "000")

ITEM	Year 1	Year 2	Year 3
Land	20,000	-	-
Building	-	20,000	-
Motor Vehicle	120,000	40,000	-
Furniture & Fittings	24,500	-	-
Camping Equipment	38,625	-	-
Office Equipment	68,500	-	-
Books	20,000	-	-
Pre-Operational Expenses	1,500	-	-
<b>Total</b>	<b><u>293,125</u></b>	<b><u>60,000</u></b>	<b>-</b>

### Appendix III

## UDZUNGWA MOUNTAIN COLLEGE TRUST

College Development Project

### FIXED ASSETS & DEPRECIATION SCHEDULE

(The figures are in T.Shs. "000")

#### ECONOMIC DEPRECIATION:

ITEM/YEAR	Rate	Year 1	Year 2	Year 3
Land		20,000	20,000	20,000
Depreciation	NIL	0	0	0
NBV 31/12		20,000	20,000	20,000
Motor Vehicles		120,000	130,000	97,500
Depreciation	25%	30,000	32,500	24,375
NBV 31/12		90,000	97,500	73,125
Furniture & Fittings		24,500	21,437	18,757
Depreciation	12.5%	3,063	2,680	2,345
NBV 31/12		21,437	18,757	16,412
Camping Equipment		38,625	33,797	29,572
Depreciation	12.5%	4,828	4,225	3,696
NBV 31/12		33,797	29,572	25,876
Office Equipment		68,500	59,938	52,446
Depreciation	12.5%	8,562	7,492	6,556
NBV 31/12		59,938	52,446	45,890
Building		-	20,000	19,600
Depreciation	2%	-	400	392
NBV 31/12		-	19,600	19,208



Books		20,000	17,500	15,312
Depreciation	12.5%	2,500	2,188	1,914
NBV 31/12		17,500	15,312	13,398
Pre-Operational Expenses		1,500	1,200	960
Depreciation	20%	300	240	192
NBV 31/12		1,200	960	768
<b>Charge for the Year</b>		<b>49,253</b>	<b>49,725</b>	<b>39,470</b>
<b>Accumulated Depreciation</b>		<b>49,253</b>	<b>98,978</b>	<b>138,448</b>

#### Appendix IV

### UDZUNGWA MOUNTAIN COLLEGE TRUST

#### College Development Project

#### PROJECTED OPERATING EXPENSES SCHEDULE

(The figures are in T.Shs. "000")

#### VARIABLE COSTS:

ITEM/YEAR	Year 1	Year 2	Year 3
<b>Operating Capacity</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>
<b>ADMINISTRATION EXPENSES:</b>			
Printing & Stationery	550	600	660
Electricity & Water	960	1,080	1,200
Telephone, Fax, Postage & E-mails	480	540	600
Advertisements	150	150	150
Newspapers & Periodicals	540	540	540
Transport & Travelling	3,600	3,600	4,200
Miscellaneous Expenses	<u>120</u>	<u>120</u>	<u>120</u>
<b>Sub-Total</b>	<b>6,400</b>	<b>6,630</b>	<b>7,470</b>
<b>PERSONNEL EXPENSES:</b>			
Salaries & Wages	4,200	4,200	4,200
NSSF Contributions	420	420	420
Skills & Development Levy	252	252	252
Directors Remunerations	7,200	7,200	7,800
Teaching Allowances	1,800	2,400	3,000
Medicals & Staff Welfare	<u>600</u>	<u>720</u>	<u>840</u>
<b>Sub-Total</b>	<b>14,472</b>	<b>15,192</b>	<b>16,512</b>
<b>ESTABLISHMENT EXPENSES:</b>			

Teaching Materials	2,400	3,000	3,600
Rent	4,000	4,000	4,000
Fuel & Lubricants	9,000	10,500	12,000
Spares & Maintenance	360	480	540
Cleaning & Sanitation	420	480	480
Insurance & Road Licences	1,200	1,200	1,200
Miscellaneous Expenses	<u>180</u>	<u>180</u>	<u>180</u>
<b>Sub-Total</b>	<b>17,560</b>	<b>19,840</b>	<b>22,000</b>
<b>TOTAL OPERATING COSTS</b>	<b><u>38,432</u></b>	<b><u>41,662</u></b>	<b><u>45,982</u></b>

## Appendix V

### UDZUNGWA MOUNTAIN COLLEGE TRUST College Development Project

#### PROJECTED INCOME STATEMENTS (The figures are in T.Shs. "000")

ITEM	Year 1	Year 2	Year 3
<b>Operating Capacity</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>
<b>Revenue:</b>			
School Fees	<u>95,160</u>	<u>102,480</u>	<u>109,800</u>
<b>Less OPERATING EXPENSES:</b>			
Administration Expenses	6,400	6,630	7,470
Personnel Expenses	14,472	15,192	16,512
Establishment Expenses	17,560	19,840	22,000
Bank Charges	240	300	360
Accountancy Fees	300	300	300
Depreciation o Fixed Assets	<u>49,253</u>	<u>29,725</u>	<u>39,470</u>
<b>Total Expenses</b>	<b><u>88,225</u></b>	<b><u>91,987</u></b>	<b><u>86,112</u></b>
<b>Net Surplus for the Year</b>	<b>6,935</b>	<b>10,493</b>	<b>23,688</b>
Surplus B/F	<u>0</u>	<u>6,935</u>	<u>17,428</u>
<b>Accumulated Surplus</b>	<b><u>6,935</u></b>	<b><u>17,428</u></b>	<b><u>41,116</u></b>

## Appendix VI

### UDZUNGWA MOUNTAIN COLLEGE TRUST College Development Project

#### PROJECTED CASHFLOW STATEMENTS (The figures are in T.Shs. "000")

ITEM	Year 1	Year 2	Year 3
<b>Operating Capacity</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>
CASH INFLOWS:			
External Support /( <i>Grants</i> )	260,125	40,000	-
Equity	33,000	20,000	-
School Fees	90,402	97,356	104,310
Debtors Receipts	-	4,758	5,124
<b>TOTAL INFLOWS</b>	<b><u>383,527</u></b>	<b><u>162,114</u></b>	<b><u>109,434</u></b>
CASH OUTFLOWS:			
Investment	293,125	60,000	-
Operating Expenses	37,666	40,956	45,286
Sundry Creditors	-	1,306	1,306
<b>TATOL OUTFLOWS</b>	<b><u>330,791</u></b>	<b><u>102,262</u></b>	<b><u>46,592</u></b>
<b>NET IN/(OUT)FLOWS</b>	<b><u>52,736</u></b>	<b><u>59,852</u></b>	<b><u>62,842</u></b>
Opening Balance	0	52,736	112,588
<b>Closing Balance</b>	<b><u>52,736</u></b>	<b><u>112,588</u></b>	<b><u>175,430</u></b>

## Appendix VII

### UDZUNGWA MOUNTAIN COLLEGE TRUST College Development Project

#### PROJECTED BALANCE SHEETS (The figures are in T.Shs. "000")

ITEM	Year 1	Year 2	Year 3
<b>CAPITAL EMPLOYED:</b>			
<b>Fixed Assets at Cost</b>	<b><u>293,125</u></b>	<b><u>353,125</u></b>	<b><u>353,125</u></b>
Less: Accumulated Depreciation	49,253	98,978	138,448
<b>Net Fixed Assets</b>	<b><u>243,872</u></b>	<b><u>254,147</u></b>	<b><u>214,677</u></b>
<b>Current Assets:</b>			
Debtors	4,758	5,124	5,490
Cash in Hand/Bank	52,736	112,588	175,430
<b>Total Current Assets</b>	<b><u>57,494</u></b>	<b><u>117,712</u></b>	<b><u>180,920</u></b>
<b>TOTAL ASSETS</b>	<b><u>301,366</u></b>	<b><u>371,859</u></b>	<b><u>395,597</u></b>
<b>Current Liabilities:</b>			
Creditors and Accruals	1,306	1,306	1,356
<b>Total Current Liabilities</b>	<b><u>1,306</u></b>	<b><u>1,306</u></b>	<b><u>1,356</u></b>
Net Current Assets	56,188	116,406	179,564
<b>NET ASSETS</b>	<b><u>300,060</u></b>	<b><u>370,553</u></b>	<b><u>394,241</u></b>
<b>TO BE FINANCED BY:</b>			
Equity	33,000	53,000	53,000

Accumulated Surplus	<u>6,935</u>	<u>17,428</u>	<u>41,116</u>
	39,935	70,428	94,116
Grants	<u>260,125</u>	<u>300,125</u>	<u>300,125</u>
<b>TOTAL</b>	<b><u>300,060</u></b>	<b><u>370,553</u></b>	<b><u>394,241</u></b>

## Appendix VIII

### UDZUNGWA MOUNTAIN COLLEGE TRUST

#### College Development Project

#### ANNUAL SCHOOL FEES COLLECTION SCHEDULE

(The figures are in T.Shs. "000")

Sno.	COURSE	No. of Students	Duration	Fees	TOTAL
<b>1.</b>	<b>CERTIFICATE IN HOTEL MANAGEMENT</b>				
	Hotel Reception & Front Office Operations	10	9 months	500 x 2	10,000
	Food Production ( <i>Cookery &amp; Bakery</i> )	15	9 months	500 x 2	15,000
	Hotel House-keeping	5	9 months	500 x 2	5,000
	Basic Hotel Management	5	1 year	700 x 1	3,500
	Food & Beverage Service and Sales	15	9 months	500 x 2	15,000
	Special Short Courses	5	2 months	500 x 6	15,000
	Hotel Reservations	5	6 months	500 x 2	5,000
	<b>Total</b>	<b>60</b>			<b>68,500</b>
<b>2.</b>	<b>DIPLOMA IN HOTEL MANAGEMENT</b>				
	Hotel Reception & Front Office Management	10	2 years	900	9,000
	Food Production Management	15	2 years	900	13,500
	Hotel House-keeping Management	5	2 years	900	4,500
	Hotel Management	5	2 years	1,000	5,000
	Special Craft Course	5	1 year	900	4,500
	Food & Beverage Service and Sales	15	2 years	900	13,500
	Hotel Reservations	5	2 years	900	4,500
	<b>Total</b>	<b>60</b>			<b>54,500</b>
<b>3.</b>	<b>TOURISM MANAGEMENT DEPT.</b>				
	Certificate in Tour Guiding	2	1 year	700	1,400
	Diploma in Professional Tour Guiding	2	2 years	900	1,800
	Certificate in Mountain Climbing Guiding	6	1 year	700	4,200
	<b>Total</b>	<b>10</b>			<b>7,400</b>
<b>4.</b>	<b>TOURISM BUSINESS</b>				
	Certificate in Tourism Marketing	4	1 year	700	2,800
	Diploma in Tourism Marketing	4	2 years	900	3,600
	Certificate in Marketing & Foreign Languages	2	1 year	900	1,800
	<b>Total</b>	<b>10</b>			<b>8,200</b>
<b>5.</b>	<b>TICKETING AND AIR TRAVEL DEPT.</b>				
	Certificate in Air Ticketing & Reservations	6	1 year	700	4,200
	Diploma in Internat. Travel Proced. & Tourism	4	2 years	900	3,600
	<b>Total</b>	<b>10</b>			<b>7,800</b>

**SUMMARY:**

1.	Certificate in Hotel Management	60			68,500
2.	Diploma in Hotel Management	60			54,500
3.	Tourism Management Department	10			7,400
4.	Tourism Business	10			8,200
5.	Ticketing and Air Travel Dept	10			7,800
	<b>TOTAL</b>	<b>150</b>			<b>146,400</b>