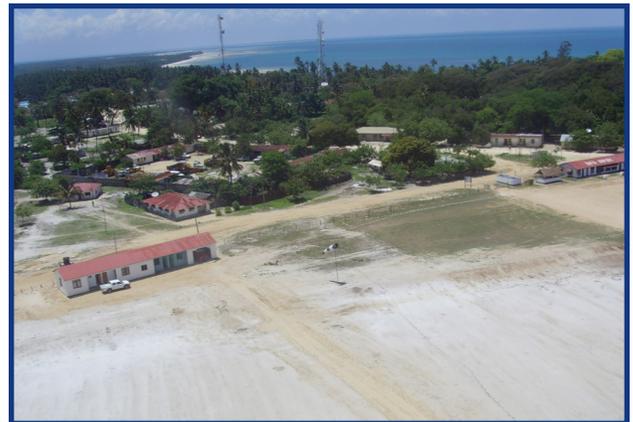


Increasing Economic Opportunities and Minimizing Environmental Impact in Tanzania

Mafia Island, an archipelago of islets in the Indian Ocean off the coast of Tanzania, is internationally recognized for its biodiversity and reef complexes that make it one of the world's most important habitats. The small island is home to the first Marine Park in Tanzania, which covers an area of 822 square kilometers in and around the island with mangroves, sea-grass beds, coastal forests, and over 400 species of fish. The marine life of the Indian Ocean has been a source of food and income for Mafia Island residents, while the clear waters offer tourists some of the best scuba diving and snorkeling in East Africa.

However, traditional sources of income for Mafia Island inhabitants are threatened by changes in fishing laws and an increased emphasis on preservation by the Marine Park. These shifts affect subsistence farmers who depend on fishing and farming. Poor infrastructure and accessibility currently limit the number of tourists who can easily visit Mafia Island, making it difficult for the families living there to develop new forms of income generation to replace fishing and agriculture.

In response to these challenges, the Tanzanian government included infrastructure improvements as part of its \$698 million U.S. Government Millennium Challenge Corporation (MCC) compact. The funds aim to provide income opportunities by upgrading the airport and its terminals and public facilities, installing communication equipment, and providing capacity building for the Tanzania Airport Authority.



The MCC-funded environmental assessment for Mafia Island provides policy recommendations for airport improvements, allowing residents to maximize their income while preserving the environment.

Because Mafia Island is home to unique marine life, including one of the last reef complexes in Tanzania, any increase in tourists or changes in the level of economic development have to be weighed against potential environmental damage. Therefore, steps are being taken to develop a tourist industry while protecting the marine life that can sustain it. MCC has worked with the Millennium Challenge Account Tanzania (MCA-T), the government agency that implements the MCC compact, to assess the environmental impact of all projects. In November of 2008, MCA-T commissioned consultants to carry out a Strategic Environmental Assessment (SEA), a study which ensures minimal environmental damage while still promoting the economic development of the island. The study looked broadly, beyond just the development of the airport renovation project, at how economic growth on the island could be planned and implemented in an environmentally sustainable manner.

The SEA evaluates the potential impacts of the project and gives suggestions on policy options that can be implemented to minimize environmental impact. The SEA highlights the importance of a broad distribution of any generated income among island residents and recommends sensitization campaigns to make local residents aware of the economic prospects resulting from MCC-funded projects.

MCA-T has been careful to strike the right balance between environmental preservation and economic development, recognizing that the diverse marine life and ecosystems of Mafia Island are a Tanzanian natural resource and, at the same time, an important tourist attraction. If local officials follow the recommendations of the SEA, MCA-T and MCC can ensure Mafia Island residents benefit from the airport improvements, maximizing their income growth while still preserving their unspoiled environment.

The airport renovations, which are scheduled to begin in early 2010, will create new job opportunities for local residents. Better airport accessibility will result in improved transportation both for local residents to travel to the Tanzanian mainland and for tourists to visit the island's unique biodiversity. Mafia Island families can hone their entrepreneurial skills by creating a niche tourist market that can generate income and economic growth. Increased accessibility to the island via the airport upgrade can also trigger economic activities and commerce between Mafia Island and the mainland.

The diverse marine life and vegetation of Mafia Island will be preserved thanks to efforts by the Government of Tanzania and the U.S. Government to safeguard the environment. This partnership will provide local residents with economic opportunities throughout their island communities, give tourists the chance to enjoy the biodiversity of the Marine Park, and ensure the protection of the flora and fauna, coral reefs, coastal forests, and other marine life that make Mafia Island such a unique destination.