



Ministry of Environment, Forestry and Tourism

TERMS OF REFERENCE

SOCIO-ECONOMIC IMPACT ASSESSMENT OF COVID-19 ON TOURISM SECTOR IN NAMIBIA & DEVELOPMENT OF A STRATEGY TO REBUILD THE TOURISM SECTOR IN THE CONTEXT OF THE COVID-19 PANDEMIC (FOR HIRING THE NATIONAL CONSULTANT AND ENUMERATOR)

29 September 2020

1. Background / CONTEXT

Tourism is a priority sector for economic development in Namibia's Fifth National Development Plan (NDP 5) and has been one of the most successful and fast-growing sectors of the Namibian economy over recent years. Tourism statistical reports have shown sustained year on year increases in tourist arrivals to Namibia since independence with a record 1.557 million visitors having arrived in 2018. It is also a key provider of employment with the National Labour Force Survey of 2016 estimating that 47,840 Namibians were employed in the accommodation and food service sector.

The first Covid-19 positive case was reported in Namibia on 14th March 2020. This resulted in a range of measures to contain the spread of the virus, on the 17th of March 2020 a State of Emergency was declared, followed by an immediate two regions' lockdowns, travel restrictions and bans, closure of national borders, restrictions on gatherings and movements, and total ban on sale of alcohol. Additional measures included instituting 14-day quarantine measures for people from high risk countries, working from home policy, and closure of selected ports of entry with the exception of essential goods and services. When the country registered its 16 cases, a total countrywide/ national lockdown was declared in April 2020.

The Namibian economy does not operate in isolation to the global and regional trading trends; therefore, it was not immune to the effects of COVID-19. Namibia being a relatively young developing economic activity country, the fallout from COVID-19 could be amplified on the country. Upon the declaration of the state of emergency and lockdown measures, all the non-essential services were halted. This included instructing all non-essential organizations, state owned enterprises including NGO/CBO's, private sector and government ministries to lockdown, limit or operate in isolation for all business operations for an initial period of 21 days. Such measures have had both positive and negative impacts on the vibrant economic sectors of the country.

Firstly, the closure of borders and the complete absence of visitors from abroad since March 2020 has had a major impact on the direct and indirect beneficiaries of the tourism sector such as

accommodation facilities (i.e. hotels and lodges), travel agents, airlines, vehicle rental companies, tour operators, hunting operators as well as restaurants and entertainment facilities (including cultural dances/performances and arts & crafts) targeting tourists.

Secondly, nature-based tourism (NBT) has been negatively affected through restrictions on movements and gatherings and through fewer visitors to National Protected Areas (NPA) and community managed conservation areas, famously known as Communal Conservancies and Community Forests. This has had adverse effects on total value chains associated with these conservation management practices (i.e. multiple land uses) and has highly underscored the importance of tourism for livelihoods and well-being of majority of the local and indigenous communities in Namibia's rural areas. Although many of the Namibian people live in rural areas, recent trends indicate that there have been increases in the rural-urban migration to chase better living conditions and improved standards of life. It further highlighted the interdependencies between human, animal and environmental health, biodiversity loss, widening inequality and climate change.

Thirdly, the unprecedented socio-economic impacts of the pandemic on the tourism sector has undoubtedly created a sort of crisis for Namibia considering the cumulative benefits (wildlife, people and economy) of the country's conservation efforts. Thus, there is a need to understand, measure and quantify the nature of the impacts. Following on the understanding of the impacts, there is an opportunity to rebuild the tourism sector by rethinking the country's approach to tourism to ensure that Namibia becomes a more sustainable destination, and for tourism to enrich the lives of all people through a sector which is financially self-sustaining in the longer term. This calls for a development of a time bound and well-defined strategy to rebuild the tourism sector.

The strategy will build on the country's international tourism revival initiative, with its' the implementation protocols approved in August 2020. This initiative commenced from 1st September 2020. With Covid-19 likely to continue into the foreseeable future, there is a stronger need to build on this initiative, upscale and broaden its measures over the medium term (i.e. 3-5 years).

Current COVID-19 statistics. Namibia has recorded a cumulative total of 10,526 COVID-19 confirmed cases, and 111 deaths (CFR 1.08%); up to 8,112 cases have recovered, and to date there are 2,301 active cases. There are 436 Health care workers (4.16%) infected with COVID-19 in the country¹.

2. PURPOSE OF THE ASSESSMENT

Adequate socio-economic impact assessments (SEIAs) are at the core of sound investments, strategies and programmes that fully respond to the actual needs of people and context. This socio-economic impact assessment overall purpose will guide the development of a medium-term strategy that will assist Namibia to develop, finance and implement its tourism sector revival efforts so that the sector is resilient and able to recover from Covid-19 impacts. The purpose of the medium-term strategy is to provide Covid-19 specific analysis and recommendations to the Government of Namibia to feed into the national and sectoral budget process as well as the preparation of the Medium Term Expenditure Framework (MTEF) to recover from the impacts of the pandemic on the Tourism sector with a focus on the National Protected Areas, Community Conservancies and Nature-Based Tourism (NBT) enterprises.

3. OBJECTIVES AND SCOPE

¹ According to the latest Namibia COVID-19 SITREPs No.186, as of 20th September 2020.

The overall objective of this SEIA is to undertake an analysis of the impact of COVID-19 on the tourism sector focusing on National Protected Areas, Community Conservancies and Nature-Based Tourism (NBT) enterprise. The fundamental government need is to understand, measure, and quantify the impacts of the Covid-19 pandemic on the tourism sector and industry, and to develop a medium-term strategy on how to rebuild Namibia's tourism sector and industry so that it is resilient and able to recover quickly from Covid-19.

The specific tasks of the consultants will be to:

- 1) Identify and summarise the pre Covid-19 macro and micro contexts regarding the tourism sector and industry in Namibia;
 - The summary must take into consideration the pre-pandemic financial, economic, social, cultural, and governance contexts
 - The summary must identify and highlight the pre Covid-19 tourism and nature-based related policies, strategies and institutional action plans;
- 2) Undertake an assessment of the socio-economic impacts of the Covid-19 pandemic on the tourism sector and industry
 - In terms of loss of revenue, business closure, income and employment, and where relevant, livelihoods of the most vulnerable groups amongst others.
 - This will include an assessment of the impacts on nature-based tourism and enterprises – particularly concerning the National Parks (Protected Areas) and Communal Conservancies.
 - A classification or careful categorization of what was considered (scope of the Assessment) will need to be included to provide the source of the tourism/nature-based value chains being considered in the analysis (inclusion and exclusion).
 - It will also include an assessment of the Government, development partners, and private sector (PS) response measures.
- 3) Based on the assessment and findings in 1&2, recommend to the Government of Namibia (and private sector and development partners) socio- economic recovery measures for addressing the sectoral needs to rebuild the tourism sector and industry in a sustainable manner.
 - Identify and prioritize recovery needs, including a projection of three possible/likely future scenarios.
 - Differentiated strategies and options for rebuilding nature-based tourism, notably National Parks, Conservancies and Nature-based Enterprises (Lodges and Joint Ventures).
 - The recommendations must consider/wight options that take into accounts the issues of local vulnerable groups, and interventions carried out by local communities, particularly women and indigenous groups.
 - Current Covid-19 economic and social relief measures, social protection measures, and their associated benefits or impacts on the tourism sector recovery, if any.
 - The recommendations must also consider the different trades (accommodation& hospitality, travel, tourism operators, arts crafts, cultural performances).
- 4) Recommend tourism recovery and rebuilding measures that the tourism industry role players can uptake without government intervention;
- 5) Recommend measures, e.g. favourable policies, terms of trade and appropriate legal frameworks that must be introduced and maintained post-COVID 19 to:
 - Rebuild the tourism sector and industry
 - Increase the tourism sector and industry contribution to the national economy
 - Create demand for the tourism nature-based associated value chains
 - Protect rights and benefit entitlements of Communal Conservancies' beneficiaries esp., in line with Joint ventures operated on communal conservancies;

- 6) Develop a strategy for implementation to rebuild the sector so that it is better placed to withstand future shocks and help achieve necessary transformation towards its longer-term development objectives. Amongst others consider also, the Tourism Revival Strategy and associated Protocols, new destinations, and options for 12-24 months 'Tourism Teleworking' packages for regional and international tourists.
 - 7) In addition to the macro analyses, the Strategy will be informed by a thorough socio-economic impact assessment of the impacts of Covid-19 on the tourism sector, which will also form a key part of this consultancy. The socio-economic impact assessment will be based on the Digital SEIA approach.
 - 8) The strategy needs to take into account the UN framework five pillars (health first, protecting people, economic response and recovery, macroeconomics and social cohesion), and the entry points of the Green Economy within the four UNDP's pillars (green economy, digital disruptions, governance and social protection) beyond recovery towards 2030.
 - 9) It is also expected that the Strategy will be linked to the national development goals and existing sectoral planning frameworks and to tease out the role of tourism in achieving the Sustainable Development Goals. Specifically, the consultants must align this strategy with existing strategies such as the Tourism Growth Strategy and Investment Promotion Plan; and the Strategy on Cultural Tourism which is at an advanced stage. The work will need to be coordinated with the development process of the Tourism Spatial Development Master Plan.
- 10) The Strategy will be expected to address priority areas including amongst others:
1. **Mitigating the socio-economic impacts of Covid-19 on livelihoods**
 2. **Boosting competitiveness and building resilience**, including through the promotion of international, domestic and regional tourism, and empowering micro, small and medium-sized enterprises (MSMEs) in the sector.
 3. **Advancing innovation and digital transformation of tourism.**
 4. **Fostering sustainability and green growth** to shift towards a resilient, competitive, resource efficient and carbon-neutral tourism sector. Green investments for recovery could target protected areas, nature-based and cultural tourism, renewable energy, smart buildings and the circular economy, among other opportunities.
 5. **Coordination and partnerships to restart and transform sector and** working together to ease and lift travel restrictions in a responsible and coordinated manner.

4. EXISTING INFORMATION AND SOURCES

The consultants will be expected to consider and align their work with, amongst others, the following documents:

- Fifth National Development Plan (2017/18 – 2021/22), specifically sections relating to tourism;
- All documentations relating to the country's International Tourism Revival Initiative and its protocols;

- National Sustainable Tourism Growth and Investment Promotion Strategy (2016-2026);
- Draft National Strategy on Sustainable Heritage Tourism Development and Employment Creation;
- SADC Protocol on the Development of Tourism;
- Tourism Development Plans at the level of national parks;
- Relevant publications documenting international good practices with regard to sector relief and stimulus packages
- UN Namibia SEAI on the health, social and economic aspects, currently under development.
- UNDP Beyond Recovery towards 2030

5. METHODOLOGY

The assessment is characterized by an inclusive consultations, engagements and exchanges with three main key stakeholder groups (i.e. government of Namibia (NPC, NSA, MoHSS, and Min of Finance), the most direct sectoral lead, i.e. MEFT and its partner institutions, e.g. NTB and NWR, and the tourism industry role players, plus the ETEA, i.e. emerging tourism enterprise association representing interest of the vulnerable 'MSMEs' role players in the big industry. The methodology for this assignment is four-fold: literature review, secondary data analysis, primary data collection and rapid impact assessment.

Literature review: The pandemic has triggered an academic deluge of papers in recent months that identifies and quantifies the socio-economic damage brought about by COVID-19. This recent string of literature is referred to for greater understanding of the possible socio-economic costs. In addition, among other disciplines, public policy practitioners have started to discuss a diverse menu of relief and stimulus packages. This will guide the socio-economic assessment and key elements of the tourism strategy.

Secondary data analysis: Both qualitative and quantitative data will be used for the socio-economic impact assessment. Possible variables of interest include latest figures such as tourist arrivals, total earnings from tourism, employment in travel and tourism, domestic products, goods and services associated with travel and tourism, including but not limited to food& beverages, cultural performances/dances, remittance receipts along with macroeconomic variables such as inflation, gross domestic product (GDP), interest rates, international trade, among others. The data for these variables will be drawn from relevant ministries and institutions including Bank of Namibia (BON) <https://www.bon.com.na/> August 2020 Economic Outlook, which projects a domestic to contract by 7.8 percent in 2020 (a downward revision of 0.9 percentage point since the April 2020 Outlook). It also need to consider the Namibia Economic Outlook by private sector entities, such as CIRBUS and other quarterly bulletins, such as those prepared by the National Static Agency <https://nsa.org.na/> . All the applicable reports and initiatives by the Ministry of Environment, Forestry and Tourism <http://www.met.gov.na/> and the National Planning Commission <https://www.npc.gov.na/about-npc/> last but not least, international and regional data sets from WB, IMF, SADC, SACU, etc. will need to be assessed.

Primary data collection: The aim of primary data collection will be three-fold. First, to fill the data gaps identified during the secondary data analysis; second, to verify and supplement conclusions from other methods used and third, to identify new insights on possible impact of COVID-19 on the targeted sectors and groups. It is considered that a survey will be the most effective means of carrying out the primary data collection. The outcome of the survey is expected to be instrumental in informing the strategy to rebuild the sector.

Survey description: A total of 500 nature-based enterprises, 50% of the National Protected Areas under the NWR, 50% of the Communal Conservancies (43) and 20 Joint Ventures in strategic destination areas will be surveyed. Further, a total of 50 questionnaires will need to be randomly administered to MSMEs who provide direct goods and services to nature-based tourism (these can be drawn from the arts crafts, cultural performances/dances, food and beverages, locally produced products, goods and services, such as travel and camping equipment providers) focusing on local value chains. Another 20 questionnaires will be administered to OMAs (i.e. Offices, Ministries and Agencies) of the Government of the Republic of Namibia, to be drawn from Executives of the NTB <http://www.namibiatourism.com.na/> NWR <https://www.nwr.com.na/> MEFT <http://www.met.gov.na/> MOF <http://www.gov.na/web/mof/home> , NPC <https://www.npc.gov.na/about-npc/> NSA <https://nsa.org.na/> , MAWL <http://www.mawf.gov.na/> EIF <https://www.eif.org.na/> , BON, DBN, SSC. The last group will be administered on the key tourism sector and industry role players, such as HAN, ETEA, FENATA, ISAP, etc.

Consultations with stakeholders: This assignment requires a series of consultations with a broad range of stakeholders. They include representatives of different interest groups relating to the most affected sub-sectors of the tourism industry. The purpose of these consultations will be to gather information on how and to what extent businesses and services have been affected by the pandemic. It will also further ask for the perspectives of these key role players on inclusive strategies to rebuild the sector. The consultations will also assess the expectations of these groups from the state to address their concerns or to provide attractive incentives to avoid job losses in the tourism sector. Where necessary, strategic Key Informants (KI) will be provided by the UNDP or MEFT to supplement the data being collected and inform the analysis of the findings and results.

Survey instruments: The instruments and tools to be used will be designed by the Digital SEIA RSU, supported by the UNDP CO in Namibia and informed by the MEFT for customization purposes. The instruments will be administered by one national consultant, who will be supported by 3 NUNVS. It is anticipated that majority of the questionnaires will be conducted online, via email or phone. The MEFT or UNDP will provide access to a mobile phone to enable the conduct of the survey to continue uninterrupted. The entry of the data will be done by RSU to enable full control of the input on the digital system.

6. STAKEHOLDER PARTICIPATION

The consultants will be expected to consult the full range of stakeholders involved in the tourism sector in an open and participatory manner. This should include amongst others:

- Ministry of Environment, Forestry and Tourism
- Members of the Tourism Revival Task Force Team
- Namibia Tourism Board
- Hospitality Association of Namibia
- Federation of Namibian Tourism Associations
- Namibian Association of CBNRM Support Organizations (NACSO)
- Emerging Tourism Enterprises Association
- Tourism Competitiveness Advisory Council

7. KEY DELIVERABLES

The key deliverables for this consultancy are:

- A. Inception Report by mid-October 2020;

- B. Draft Socio-economic impact assessment report of the pre-Covid 19 tourism sector and the impacts of Covid 19 on the sector by end of October 2020;
 - o Projections of future scenarios (some modelling work create scenarios based on the Namibian context) by end of October 2020;
 - o Recovery interventions (what is needed to be implemented to recover and create a resilient tourism sector); and
 - o Medium-term (3-5 yrs) Strategy to rebuild the sector in the context of Covid-19 towards 2030.
- C. Final Socio-Economic Impact Assessment for the Namibia Tourism Sector incorporating feedback from MEFT, UNDP and stakeholders, by mid-November 2020; and
- D. Online Data sets, Online Dashboard and Comprehensive PPT presentation covering the methodology, results, projections and strategies for rebuilding the tourism sector, targeted to the audiences of the Government of the Republic of Namibia (MEFT, MOHSS, MoF, NPC and Office of the Prime Minister).

NO	DELIVERABLE	TIMEFRAME	PAYMENT %
A	Inception report	Mid October	10%
B	DRAFT Tourism SEIA	End October	40%
C	FINAL Tourism Sector SEIA	Mid November	40%
D	PPT and Others	End November	10%

8. REQUIREMENTS AND QUALIFICATIONS / REQUIRED SKILLS AND EXPERIENCE

A team of two consultants, one international, to be designated as a Team Leader and one national to be designated as a National Consultant and Enumerator will be hired for these services. It is possible that 3 short-term NUNVs will be hired to provide additional questionnaire administrative support. In addition, the MEFT, UNDP CO and Digital SEIA RSU will provide oversight and overall quality assurances in the process. The consultants should possess the following qualifications, skills and experiences, and must be readily available to commit to these services between October -November 2020:

Education:

- Team Leader is expected to have a PhD in economics or related field
- National Consultant and Enumerator is required to have a Master's degree in economics or environmental economics, statistics, econometrics, international development or other related fields

Experience:

- At least 10 years of progressive relevant experiences, preferably in developing countries, in conducting economic analysis, impact assessments of social policy, or economic modelling related to macro-economic analyses, environmental economics, and tourism;
- Evidence of previously developed forward looking tourism strategies with scenario-based analytical work in the recent past;
- Demonstrated experience in developing tourism-related policies and strategies, backed up with experiences in conducting sectoral studies such as nature-based tourism, tourism, or agriculture;
- Strong analytical skills and demonstrated experience in matters relating to economic, social and environmental analyses;
- Thorough knowledge of regional or Namibia's national development and sectoral policy frameworks;
- Sound understanding of Namibia's political, economic, environmental and social conditions;

- Ability to deliver strategic, high quality documents within tight and set deadlines;
- Strong planning, coordination and facilitation skills, backed up with excellent presentation and communication; including organising and facilitating interviews, workshops and focus group sessions; and
- Excellent command of written and spoken English is required, for national consultants' knowledge of local languages is an advantage.

Criteria	Weighting
<i>Qualification and Relevant Experience of Proposed key staff</i>	20%
<i>Experience and technical expertise in designing and conducting socioeconomic assessments</i>	30%
<i>Proven track record in effective management of similar projects/services</i>	20%
<i>Clarity of technical proposal and evidence of ability to deliver quality results in way that is fast, flexible and collaborative</i>	20%
<i>Inclusion of ideas or suggestions that demonstrate an understanding of the requirements, objectives and deliverables and how they might be enhanced within or adjacent to the specified scope.</i>	10%
TOTAL	100%

9. PROCEDURES AND LOGISTICS

Management Arrangements:

- The consultants will be contracted by the United Nations Development Programme, and will thus have a contracting reporting obligation to the UNDP Resident Representative in Namibia;
- The national consultant will work under the guidance and in close consultation with the Executive Director of the Ministry of Environment, Forestry and Tourism (MEFT), thus will be 100% directly accountable to him on the deliverables (the ED may appoint one of his executives to be his designate on day to day basis).
- The overall quality supervision of the work and conduct of the work will be done by the UNDP (expanded to the Digital SEIA RSU) with direct engagement and constant consultations with the Executive Director of the MEFT.
- The consultants are expected to have direct working arrangements including regular reporting with the Executive Director of the Ministry of Environment, Forestry and Tourism or his designated representative with a secondary reporting copy to the UNDP.

- A total of 35 days spread over a period of three months have been allocated to the development services of this initiative (per TOR). A national consultant will be hired for 35 days². 3 x NUNVs will be for three months.
- The consultant will be given access to relevant information necessary for execution of the tasks under this assignment, most of which are referred to or hyperlinked on the TOR.
- The consultant is responsible for bringing their own ICT equipment for use during this assignment as well as have access to a reliable internet connection.
- Payments will be made upon the completion to a satisfactory level of the deliverables agreed between the assessment team, MEFT and UNDP at the start of the assignment and submission of documentary evidence and a certification of payment form.
- The consultant will be afforded any and all protections from COVID-19, including appropriate PPE, safety measures and standards in compliance with UNDP policy.

² The National Consultant will be required to support an International Consultant who is conducting the macro modelling work. 10 days are allocated to this, while 25 days are allocated on this TOR.