

TC Document

I. Basic Information for TC

▪ Country/Region:	JAMAICA
▪ TC Name:	Jamaica's Tourism Strategy
▪ TC Number:	JA-T1217
▪ Team Leader/Members:	Gomez Garcia, Olga (CSD/RND) Team Leader; Bonner, Vanessa Venecha (CCB/CJA); Collins, Michael I. (CSD/RND); Jimenez Mosquera, Javier I. (LEG/SGO); Morales Franco Ericka Marleny (CSD/RND); Samuels, Rochelle Kaye (CCB/CJA); Valle Porrua, Yolanda (CSD/RND)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A.
▪ Date of TC Abstract authorization:	12 Apr 2023.
▪ Beneficiary:	Jamaica
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Sustainability(W2A)
▪ IDB Funding Requested:	US\$180,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	15/11/2023
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	CSD/RND-Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	CCB/CJA-Country Office Jamaica
▪ TC included in Country Strategy (y/n):	Yes, TC is Aligned Strategic Areas: Support Social Inclusion of Vulnerable Groups. Enhance the effectiveness of public administration
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Afro-descendants; Diversity; Gender equality; Institutional capacity and rule of law; Productivity and innovation; Social inclusion and equality

II. Objectives and Justification of the TC

- 2.1 The General Objective of this TC is to develop an updated Tourism Strategy for Jamaica, taking into consideration the new post-COVID 19 challenges and trends, as well as the need for a stronger focus on developing an environmentally, socially, and economically sustainable tourism sector, that is more inclusive and resilient, and that contributes to a lesser extent to the exacerbating challenge of climate change.
- 2.2 Before the COVID-19 pandemic, tourism accounted for nearly US\$4.6 billion or 29% of GDP, considering the sector's direct, indirect, and induced effects¹. Tourism

¹

https://wttc.org/DesktopModules/MVC/FactSheets/pdf/704/137_20220613162536_Jamaica2022_.pdf and <https://statinja.gov.jm/NationalAccounting/Annual/NewAnnualGDP.aspx>.

directly and indirectly employed 370,000 workers, 30% of the labor force², thus making it the most pivotal sector for the island nation. In 2020, due to the global COVID-19 pandemic, tourism had one of the most significant contractions of all economic sectors. WTTC data shows that the Caribbean region experienced a 53.2% contraction in tourism GDP and lost 25.8% of all tourism jobs during the first year of the pandemic³. Jamaica's tourism GDP fell -56.1% and lost -23.7% of travel and tourism direct and indirect jobs. Disadvantaged groups, such as Rastafari and women, were particularly affected.

- 2.3 Jamaica's travel and tourism rebound started in 2021, and in 2022, Jamaica's tourism GDP reached US\$4.6 billion, only 0.4% below the 2019 level⁴. Reports from the Jamaican authorities expect foreign visitors' expenditure to surpass 2019 levels by 2023⁵. Despite the recovery, many structural challenges remain unattended, and some have been exacerbated by the pandemic and the impact of climate change.
- 2.4 Among the most relevant challenges, several studies have identified the importance of reinforcing the sector's governance, particularly considering current trends of biodiversity loss, coastal erosion, climate change impact, natural disasters, and the degradation of the environment. Other significant challenges relate to developing a more inclusive tourism sector that creates strong connections with the local productive ecosystem, ameliorates the quality of jobs in the sector (and increases them), and closes the existing gender gap⁶. Furthermore, the digital transformation of the sector cannot wait any longer. Moreover, in the current highly convulsive and intensely competitive environment, knowledge and information systems must be reinforced and incorporated as the primary input for public policy design and evaluation and for public and private investment planning. Reinforcing human capital and building a more tourism-aware civil society would be critical to Jamaica as a tourist destination and could significantly improve its international competitiveness.
- 2.5 The Government of Jamaica has been working with the IDB since 2018 to address these challenges by creating robust evidence-based diagnostics. Under this collaboration and technical partnership, the IDB and the Ministry of Tourism led the elaboration of comprehensive and in-depth diagnostics on a broad set of matters (such as competitive destination assessments and climate change impact analyses), as well as the design and execution of a stakeholder consultation plan, all aimed to inform the future development a revamped Jamaican tourism strategy. These efforts were supported by the technical cooperation JA-T1149 "Tourism Strategy and Action Plan for Jamaica: Promoting Resilience, Sustainability, Innovation & Entrepreneurship" and by some additional resources from the "Targeted Response for C and D Countries" fund.

² <https://wttc.org/research/economic-impact>

³ <https://wttc.org/research/economic-impact>

⁴ <https://researchhub.wttc.org/factsheets/jamaica>

⁵ <https://jis.gov.jm/jamaica-poised-to-generate-record-tourism-earnings-of-us5-billion-in-2023/>

⁶ Spencer, A.J. and McBean, L.M. (2020), "Alignment of tourism investment to the SDGs in Jamaica: an exploratory study", *Worldwide Hospitality and Tourism Themes*, Vol. 12 No. 3, pp. 261-274. <https://doi.org/10.1108/WHATT-02-2020-0010>

- 2.6 All these efforts have been advancing adequately but were constrained and heavily affected by the COVID-19 pandemic. COVID-19 impact, the current state of global affairs, and the intensification of the climate change phenomenon. Due to all these developments, the set of diagnostics and the strategy outline and content need to be updated. Moreover, the COVID pandemic prevented deploying an adequate stakeholder consultation strategy. The tourism sector stakeholders' inputs are relevant for any sector analysis efforts, and their engagement is advisable in the process of tourism strategy formulation.
- 2.7 To tackle the new and refitted challenges mentioned above and incorporate the stakeholder's consultation strategy into the diagnostic and tourism strategy development phases, the Government of Jamaica has requested the Bank's technical and financial support. This technical cooperation (TC) will procure both aspects.
- 2.8 This TC is aligned with the current Country Strategy 2022-2026 with the objectives of "Reactivate the Productive Sector for Sustainable Growth, "Addressing Social Gaps", and "Enhance the effectiveness of public administration." Moreover, the TC is aligned with the Bank's Institutional Strategy 2020 – 2023 as it is expected to promote Jamaica's social inclusion and equality⁷, productivity and innovation⁸, and institutional capacity⁹.
- 2.9 This TC is aligned as well with the main priority areas of the "Ordinary Capital Strategic Development Program Window 2 – Sustainability (W2A)¹⁰". In particular, this TC is aligned with the following priority areas: (i) climate change and environmental sustainability; (ii) sustainable and resilient infrastructure; (iii) effective, efficient, and transparent institutions; (v) inclusive social development (including gender and diversity); and (vi) inclusive economic growth.
- 2.10 The requested operation represents a consolidation of Bank support for Jamaica's very strategic and relevant tourism sector. This operation would build up on valuable studies and activities undertaken in coordination with the Ministry of Tourism through the previously executed TC JA-T1149, among them:
- (i) A macro analysis is oriented to monitor the most recent changes in the political, economic, socio-demographic, technological, and environmental macro trends that affect or could affect the tourism sector. The report addresses these factors

⁷ Tourism has proven effects in reducing poverty and inequality, being a relevant generator of employment in all income quintiles, social strata, and educational levels. In particular, the sector is estimated to employ a high proportion of women, youth, and migrants, generally populations more vulnerable to exclusion (ILO data estimate the proportion at 70%).

⁸ The new tourism strategy expects to facilitate an improvement in the productivity, innovation, and technological transformation of the tourism sector in Jamaica.

⁹ The outputs of this technical cooperation are expected to strengthen and reinforce the tourism sector's governance.

¹⁰ Ordinary Capital Strategic Development Program Window 2 – Sustainability (W2A).

and their impact on tourism demand segments and tourism products (existing or new developments), among other impacts.

- (ii) Seven competitiveness destination reports, providing key tourism facts and recommendations for the main tourist destinations in the country.
- (iii) An analysis of Jamaica's tourism socioeconomic and socio-cultural impacts.
- (iv) A report on the expected impact of climate change on the tourism sector and on the country's destinations' competitiveness.

III. Description of activities/components and budget

3.1 The activities and outputs of this TC will be organized in two components: (i) Building a Strong and Sustainable Tourism Strategy; and (ii) Developing a Tourism Strategy for all Jamaicans.

3.2 **Component I. Building a Strong and Sustainable Tourism Strategy, US\$120.000.** This component aims to develop a comprehensive, updated, and robust set of sector diagnostics that would be the base of a new evidence-based tourism sector strategy for Jamaica. This component includes the following activities:

- (i) Revising, updating, and reinforcing all the diagnostics, data, and reports produced under the previous Bank's TCs;
- (ii) Meet with different government officials to gather all data and official reports relevant to the tourism sector diagnostic and tourism sector strategy,
- (iii) Analyze all data and documents gathered, update them, and reinforce them when pertinent.
- (iv) Synthesize and analyze stakeholder inputs gathered via the consultations already undertaken or new consultations if required,
- (v) Analyze Jamaica's tourism sector governance, including potential digitalization strategies for the tourism sector,
- (vi) Work with government officials and the Bank in developing updated and revamped final versions of the diagnostic reports,
- (vii) Socialize the key conclusions that stem from the diagnostic analyses undertaken,
- (viii) Prepare a strategy outline.

3.3 **Component II. Developing a 2025-2030 Tourism Strategy for all Jamaicans, US\$60.000.** This component aims to develop a comprehensive, updated, robust, and evidence-based tourism sector strategy for Jamaica. This component includes the following activities:

- (i) Develop the strategy outline (i.e., prepare a tourism strategy draft), that will focus on improving Jamaica's competitiveness, and that will focus on developing a more economically, socially, and environmentally sustainable

tourism sector. Gender equality and climate change issues will be mainstreamed across the document.

- (ii) Socialize the tourism strategy draft among government officials and key stakeholders. The dissemination efforts will include actions in social media and via online and in-person meetings with stakeholders, including civil society representatives,
- (iii) Finalize the tourism strategy. The strategy should be evidence-based and consider all the diagnostics elaborated under this technical cooperation as well as any other relevant reports (that would have been ideally included in the diagnostics developed),
- (iv) Disseminate the tourism strategy.

3.4 The estimated amount required to execute this TC is US\$180,000. This TC will be financed in its entirety by the “Ordinary Capital Strategic Development Program Window 2 – Sustainability (W2A)”.

Indicative Budget

Component	Description	IDB Financed by the W2A	Total Funding
Component I	Building a Strong and Sustainable Tourism Strategy	120,000	120,000
Component II	Developing a Tourism Strategy for all Jamaicans	60,000	60,000
TOTAL		180,000	180,000

IV. Executing agency and execution structure

- 4.1 The Government of Jamaica has requested in writing that the Bank carries out the execution of this technical operation and the selection and contracting of consultancy services. The Environment, Rural Development and Disaster Risk Management Division (CSD/RND) at the Inter-American Development Bank will execute this technical cooperation.¹¹
- 4.2 Several reasons justify this arrangement, all of them in alignment with Annex II of the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4). First, the Bank demonstrated technical capacity in the subject matter. The Bank, via CSD/RND, has highly specialized professionals and has gained valuable know-how in the preparation and execution of numerous specialized tourism sector technical cooperations in Latin America and the Caribbean. This experience has generated important technical and operational lessons that could benefit the execution of this technical assistance project, specifically in the design of terms of reference and in selecting and hiring high-quality

¹¹ In accordance with the Bank’s Technical Cooperation Policy (Document GN-2470-2) and the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4. See Annex II).

consulting services. Moreover, the Bank can attract and employ specialized international firms and consultants and has demonstrated more than sufficient knowledge and expertise in the tourism sector to supervise high-quality consulting services effectively and efficiently. Additionally, the Bank could act as an honest broker in addressing potential conflicting priorities among different actors and stakeholders, and its role as an executing agency could help to reinforce the evidence-based nature of this technical assistance and the tourism sector strategy that it supports.

- 4.3 The Bank will contract project consultants by document GN-2350-9 and procure goods and related services by document GN-2349-9,¹² both of March 2011.
- 4.4 CSD/RND will closely coordinate and supervise the execution to be undertaken in this TC with other Bank divisions and departments and with the Strategic Planning Division Department of the Ministry of Tourism of the Government of Jamaica.
- 4.5 The expected execution period for this TC is 24 months, and the Country Office of Jamaica will be the unit responsible for the disbursements.

V. Major issues

- 5.1 We have not identified any potential major issues.
- 5.2 The most significant risk of the works that will be undertaken in the context of this strategy is the potential risk of not implementing the strategy. As the strategy is expected to be built with significant stakeholder involvement and participation, we consider that this risk is mitigated. Additionally, the strategy will suggest a tool for the strategy's implementation monitoring in order to signal any potential delays in its implementation.
- 5.3 Another potential risk is the possible absence of some relevant data that could limit the evidence-based nature of the tourism strategy, as well as some coordination risk related to competing priorities among the different institutions that need to collaborate in the tourism strategy design and implementation effort. To address these risks, the strategy will contribute to the identification of data and knowledge gaps and propose a course of action to revert them. Regarding the competing priorities, all will be assessed in the context of the critical tourism sector competitiveness indicators, and the actions will be prioritized according to existing evidence and the general interest of the country, to be granted via regular meetings with the institutions affected and the MOT and the Planning Institute of Jamaica.

VI. Exceptions to Bank policy

- 6.1 This subheading should identify and address any exceptions to Bank policy.

VII. Environmental and Social Aspects

¹² Policies for the Procurement of Goods and Works financed by the IDB.

7.1 This TC does not finance pre-feasibility or feasibility studies of specific investment projects, including environmental and social studies; therefore, the Environmental ESPF is not applicable.

Required Annexes:

[Request from the Client_62979.pdf](#)

[Results Matrix_50695.pdf](#)

[Terms of Reference_20743.pdf](#)

[Procurement Plan_27655.pdf](#)