

TC Document

I. Basic Information for TC

▪ Country/Region:	BARBADOS
▪ TC Name:	Promoting Sustainable and Innovative Growth in Barbados' Tourism Sector
▪ TC Number:	BA-T1130
▪ Team Leader/Members:	Brown, Tenisha Elizabeth (PTI/TIN) Team Leader; Bettini Vicente, Juliana (CSD/RND) Alternate Team Leader; Centeno Lappas, Monica Clara Angelica (LEG/SGO); Ramsumair-John, Priya Elizabeth (CCB/CTT); Franklin, Rochelle (CCB/CBA); Gonzalez Saldarriaga, Sebastian (PTI/TIN); Dorantes Gomez, Angela Carmelia (PTI/PST); Lucenti, Krista (PTI/TIN); Guerra Roldan , Martha (PTI/TIN); Ortiz De Mendivil, Cloe (CCB/CBA); Leon Lara Romo Ana Sofia (PTI/PTI); Grant, Kayla Sharee (PTI/CTI); Jainauth-Umrao, Naveen (VPC/FMP); Bryan, Christina (CCB/CBA) Jainauth-Umrao, Naveen (VPC/FMP); Bryan, Christina (CCB/CBA) Jainauth-Umrao, Naveen (VPC/FMP) Jainauth-Umrao, Naveen (VPC/FMP)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	07 Mar 2025.
▪ Beneficiary:	Ministry of Tourism and International Transport
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Sustainability(W2A)
▪ IDB Funding Requested:	US\$200,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	1 July 2025
▪ Types of consultants:	Individual and Firms
▪ Prepared by Unit:	PTI/TIN-Trade and Investment Division
▪ Unit of Disbursement Responsibility:	CCB/CBA-Country Office Barbados
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631) 2024-2030:	Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law; Environmental sustainability; Social protection and human capital development; Sustainable, resilient, and inclusive infrastructure; Productive development and innovation through the private sector; Institutional capacity, rule of law, and citizen security; Public sector policy and management

II. Objectives and Justification of the TC

- 2.1 **Objective.** This Technical Cooperation (TC) aims to promote sustainable and innovative growth in Barbados' tourism sector. The specific objectives are to: (i) strengthen evidence-based decision-making by improving the measurement of tourism's economic contribution to national development; and (ii) support the development and implementation of a transformative national tourism strategy and action plan, including a comprehensive destination diagnostic.

- 2.2 **Background.** Tourism is a cornerstone of Barbados' economy, driving employment and foreign exchange earnings..¹ Estimates indicate in 2023, the sector contributed 25.0% of national GDP, with projections indicating an increase to 32.2% by 2034. The sector also plays a critical role in job creation, supporting 38,100 jobs in 2023 (29.9% of total employment), with employment expected to rise to 55,100 jobs (45.3%) by 2034. Its total economic contribution stood at US\$1.6 billion in 2023, with an annual growth rate of 16.2%. This figure is projected to reach US\$2.4 billion by 2034, underscoring tourism's central role in Barbados' long-term socio-economic development.²
- 2.3 While tourism remains a key driver of economic growth in Barbados, there is increasing recognition of the need to strengthen institutional capacity and modernize policy frameworks to more effectively meet the sector's evolving demands.³ The tourism sector is inherently vulnerable to external shocks, including global economic slowdowns, climate-related disruptions, and geopolitical tensions.⁴ These challenges underscore the urgency of adopting proactive strategies to enhance resilience and recovery capacity but also foster continuous innovation to adapt to changing market conditions and visitor expectations.
- 2.4 In this context, and as a mature and well-established Caribbean destination, Barbados must now pivot toward strategic innovation and diversification to sustain its competitive advantage.⁵ The Tourism Master Plan 2014–2023 highlighted the need to transition to high-value tourism products and experiences to avoid stagnation, in keeping with Butler's Tourism Area Life Cycle Model.⁶ Building on the institutional priorities outlined above, Barbados must continue to advance data-driven policies, invest in workforce development, and broaden its market offerings—to drive the tourism sector to become more inclusive, resilient, and future-ready, while maintaining its economic and social relevance in an increasingly dynamic global tourism landscape.
- 2.5 **Justification.** The global tourism landscape continues to evolve—shaped by intensifying competition, economic volatility, climate vulnerabilities, and shifting market expectations around infrastructure, workforce development, and the demand for authentic, high-value experiences.⁷ Barbados' post pandemic recovery continues to build with data indicating a 1.7 increase in stayover visitors at the end of 2024 compared to 2019 levels.⁸ Growth has been particularly strong among travelers from the United States and Canada, while, in parallel, notable efforts have been made to

¹ Government of Barbados, <https://www.centralbank.org.bb/viewPDF/documents/2025-02-03-14-08-11-CBB-Review-of-Barbados-Economy-in-2024.pdf> 2024.

² World Travel and Tourism Council, 2024.

³ Inter-American Development Bank, 2022.

⁴ Central Bank of Barbados, <https://www.centralbank.org.bb/news/general-press-release/central-bank-of-barbados-review-of-barbados-economy-in-2024>, 2025.

⁵ Organization for Economic Co-operation and Development, https://www.oecd.org/en/publications/2020/12/rebuilding-tourism-for-the-future-covid-19-policy-responses-and-recovery_362cb9d9.html, 2020.

⁶ Barbados Ministry of Tourism & International Transport, 2014.

⁷ World Economic Forum, 2024.

⁸ Barbados Today, https://barbadostoday.bb/2025/02/26/tourism-soars-record-breaking-visitor-numbers-in-2024/?utm_source, 2025.

expand airlift capacity, targeting non-traditional source markets such as Latin America, and introducing new festivals and events during the off-peak tourism season.⁹

- 2.6 While Barbados' tourism sector has shown robust growth overall, there has been a noticeable decline in arrivals from the United Kingdom and other European markets. According to the Central Bank of Barbados, this downturn is partly attributed to reduced flight options to Barbados from these regions during the third quarter of 2024, which may have impacted visitor numbers.¹⁰ Additionally, high airline ticket prices are identified as a potential deterrent to sustaining growth in these markets.¹¹
- 2.7 Furthermore, the diversification of tourism products and experiences is crucial to appealing to a broader range of visitors. There is a necessity of moving beyond the traditional "sun, sand, and sea" model by developing innovative, high-quality offerings that provide unique, engaging, and memorable experiences. This includes expanding into cultural, heritage, and community-based tourism, which not only enriches the visitor experience but also promotes inclusive economic growth by involving local communities in tourism activities.¹²
- 2.8 In this context, the conclusion of the Tourism Master Plan (2014–2023) presents a timely opportunity to define a renewed policy framework, as the sector navigates emerging opportunities and evolving challenges. The absence of an updated strategy underscores the urgency of establishing a renewed, evidence-based framework to guide tourism policy, investment, and institutional reform.¹³ A comprehensive sector diagnostic will be essential to this effort—providing the analytical foundation needed to identify emerging trends, evaluate structural gaps, and inform the development of a transformative national tourism strategy that advances innovation, resilience, and inclusive growth across the sector.
- 2.9 Additionally, a longstanding challenge in Barbados' tourism planning has been the limited availability of detailed, sector-specific data to fully capture the economic contribution of tourism and its interlinkages with other key industries.¹⁴ This data gap constrains policymakers' ability to accurately assess tourism's broader impact on sectors such as agriculture, transportation, manufacturing, and the creative industries, and weakens the analytical foundation needed for informed policymaking, investment planning, and workforce development. To address this, the implementation of an experimental Tourism Satellite Account (TSA) should advance in parallel with the development of a new national tourism strategy. The TSA, an internationally recognized framework endorsed by UN Tourism, enables countries to more accurately measure tourism's direct and indirect contributions within national accounts.¹⁵ This will enable more accurate assessments of tourism's impact and support more strategic decision-making across the public and private sectors.

⁹ Barbados Today, <https://barbadostoday.bb/2025/02/26/tourism-soars-record-breaking-visitor-numbers-in-2024/> 2025.

¹⁰ Central Bank of Barbados, <https://www.centralbank.org.bb/viewPDF/documents/2024-10-30-14-02-17-Review-of-Barbados-Economy-January-September-2024.pdf?> 2024.

¹¹ Central Bank of Barbados, <https://www.centralbank.org.bb/viewPDF/documents/2024-07-30-11-15-32-Review-of-Barbados-Economy---January-June-2024.pdf?> 2024.

¹² Barbados Ministry of Tourism, <https://www.tourism.gov.bb/publications/TMP-Report-I.pdf>, 2014.

¹³ *World Economic Forum*, 2024.

¹⁴ Caribbean Tourism Organization, <https://www.onecaribbean.org/wp-content/uploads/RevisedFinalReportTSADiagnosisRecommendationsJune2013.pdf>, 2013.

¹⁵ United Nations Statistics Division, <https://unstats.un.org/unsd/tourism/methodology.asp>, 2014.

- 2.10 In particular, entities such as the Barbados Statistical Service (BSS), the Central Bank of Barbados and the Ministry of Tourism and International Transport (MTIT)—who are at the forefront of tourism data collection and analysis—will benefit from enhanced technical capacity, improved inter-agency coordination, and the availability of robust, disaggregated data. This, in turn, will strengthen the evidence base for tourism policy formulation and facilitate enhanced alignment of sector strategies with national development priorities.
- 2.11 In the post-COVID context, it is essential for Barbados to update its understanding of how tourism activity filters through the economy and to identify the input-output relationships that exist within and across sectors. The TSA framework offers a structured approach for capturing these relationships by recognizing that not all segments of tourism demand contribute equally to national development. By generating updated information on tourism's determinants and economic sensitivities, the TSA will allow policymakers to pinpoint the market segments, industries, and supply chains that yield the greatest returns and are most resilient to external shocks. It will also provide clarity on the intersectoral linkages that drive inclusive and sustained growth. The TSA will help answer critical policy questions such as: What is the overall contribution of tourism to the national economy? How much direct value is added through the fulfillment of tourism demand? Which industries benefit most directly from tourism activity? What goods and services are most commonly purchased by visitors? And how significant is tourism demand within the broader economic structure? By addressing these questions, the TSA will lay a critical foundation for integrating tourism more fully into national development strategies and aligning sectoral investments with Barbados' broader economic transformation goals.
- 2.12 Simultaneously, the data and insights produced through the TSA process can help strengthen the evidence base needed to guide both the design and execution of strategic priorities. Importantly, Barbados has already laid the groundwork for the implementation of an experimental TSA—having benefitted from IDB-supported diagnostics in 2013 and again in 2024, which assessed readiness and provided recommendations, signaling that the country possesses the foundational elements necessary to begin this process.
- 2.13 The TC will support Barbados in strengthening tourism governance and strategic planning, including the development of a national tourism strategy and the phased implementation of a Tourism Satellite Account (TSA). This strategic initiative aims to enhance the sector's long-term sustainability, resilience, and innovation. By focusing on evidence-based policymaking, the TC—through the TSA—will generate critical data to measure tourism's full economic impact, including its linkages with agriculture, transportation, and the creative industries. The national tourism strategy will be aligned with sustainability goals to ensure that tourism growth is environmentally responsible and socially inclusive, delivering broad-based benefits to local communities and small businesses while supporting sustained economic viability and environmental stewardship. By concurrently advancing both the strategy and the TSA, Barbados will be better positioned to make informed decisions that maximize tourism's contribution to GDP, job creation, and inclusive growth. Given that tourism accounts for 25% of GDP and over 65% of exports, the TC is essential for refining policies that strengthen sector resilience, enhance competitiveness, and support diversification beyond the traditional “sun, sand, and sea” model. As the lead policymaker and main beneficiary, the Ministry of Tourism and International Transport (MTIT) and its sub-agencies will be directly supported in their mandate to guide and implement national tourism policy.

- 2.14 The TC will lay the groundwork for longer-term outcomes such as climate-resilient infrastructure, increased visitor spending, stronger linkages with local businesses and communities, and a more inclusive, diversified, and high-value tourism offering. It will also help Barbados identify new opportunities in high-value tourism segments, including cultural, heritage, and community-based tourism. By embedding sustainability, innovation, and resilience into national tourism planning processes, the initiative will position Barbados as a globally competitive, future-ready destination. By addressing data gaps, fostering innovation, and enhancing cross-sector collaboration, outputs from this TC can help position Barbados as a resilient, high-value tourism destination, driving sustainable economic transformation in line with national development plans.
- 2.15 **Strategic Alignment.** The TC aligns with the IDB Group Institutional Strategy: *Transforming for Scale and Impact 2024–2030* (GN-3159-12) by advancing multiple operational focus areas critical to Barbados’ development. It promotes productive development and innovation through the private sector by strengthening tourism value chains and fostering high-value niche markets. It supports sustainable, resilient, and inclusive infrastructure by laying the groundwork for climate-resilient tourism investments. The TC also contributes to biodiversity, natural capital, and climate action by embedding sustainability and environmental stewardship into national tourism planning. Through its emphasis on skills development and local entrepreneurship, it advances social protection and human capital development, while also promoting gender equality and inclusion by ensuring the active participation of vulnerable groups in tourism governance and value creation. Additionally, it strengthens institutional capacity and rule of law by enhancing the Ministry’s ability to lead with evidence-based policy and strategic oversight. Ultimately, the TC promotes social inclusion and equality by fostering a more inclusive, community-oriented, and diversified tourism sector that delivers broad-based benefits across society. Further, it will contribute to the IDB Group Impact Framework 2024-2030 (GN-3195-8) by bolstering sustainable regional growth by strengthening Barbados’ tourism sector through improved data systems and a forward-looking national strategy that supports resilience, competitiveness, and inclusive economic development.
- 2.16 The TC aligns with the IDB One Caribbean Framework (GN-3201-5) by supporting climate adaptation and resilience through the integration of sustainability, environmental stewardship, and disaster risk considerations into national tourism planning—positioning the sector to better withstand climate-related shocks and support long-term resilience. It also promotes sustainable development through private sector engagement by creating a more enabling policy and investment environment that fosters innovation, diversification, and greater private sector participation in the growth and transformation of the tourism economy.
- 2.17 The proposed intervention aligns closely with the Barbados and IDB Group Strategic Agreement Country Strategy 2025 – 2030 by contributing to Pillar 1 – Further revitalize the economy and promote inclusive and sustainable growth through strengthened tourism governance, the development of a national tourism strategy, and the phased implementation of a TSA. These initiatives will enhance the policy and institutional framework for tourism, create a more enabling environment for private sector participation and foster more targeted investments in the sector. It also contributes to Pillar 3 – Build climate resilience and promote energy transformation by integrating sustainability, environmental stewardship, and climate adaptation into national tourism

planning—establishing a strategic foundation for nature-based tourism development and future investments in climate-resilient infrastructure.

- 2.18 This TC is also aligned with the Tourism Sector Framework Document (GN-2779-12) by increasing understanding of tourism's economic benefits and contribution to the local economy, improving tourism governance in Latin America and the Caribbean and strengthening the distribution of the economic benefits of tourism to vulnerable groups in society. Finally, this TC will contribute to the objectives of the Ordinary Capital Strategic Development Program (GN-2819-14) to improve the effectiveness and efficiency of social services, and to promote and foster social inclusion.

III. Description of activities/components and budget

- 3.1 **Component I: Development of a Tourism Satellite Account (US\$80,000).** The objective of this component is to strengthen Barbados' capacity for evidence-based tourism policymaking through the development and implementation of an experimental Tourism Satellite Account (TSA). To achieve this, the following activities will be executed: (i) diagnosis and evaluation of existing data sources and methodologies against TSA requirements; (ii) development of guidance notes and assignment of roles for TSA compilation; and (iii) preparation and delivery of TSA tables, including capacity-building sessions, methodological documentation, and a continuity plan for sustaining and updating the TSA framework. The primary beneficiaries of this component include the MTIT and its sub-agencies, the Central Bank of Barbados, the Barbados Statistical Service (BSS), and other relevant government entities.
- 3.2 **Component II: National Tourism Strategy and Action Plan (US\$85,000).** This component will support the development of a forward-looking, transformative tourism strategy and investment plan for Barbados. Informed by the results of a destination diagnostic, the strategy will offer a comprehensive roadmap for sectoral transformation over the short, medium, and long term. It will be grounded in evidence on market dynamics, competitiveness constraints, investment gaps, and diversification opportunities, and will emphasize innovation, sustainability, and inclusivity as cross-cutting priorities. The strategy will also include an institutional assessment to evaluate the capacity, structure, and readiness of key tourism institutions to support effective implementation. It will identify key areas for product development, policy reform, investment promotion, and institutional strengthening. The strategy and action plan will serve as a guiding framework for the Ministry of Tourism and International Transport (MTIT), its sub-agencies, and broader sector stakeholders—guiding efforts to unlock high-value tourism growth, deepen cross-sectoral linkages, and position Barbados as a competitive, resilient, and forward-looking destination in the global tourism marketplace.
- 3.3 **Component III: Knowledge Dissemination & Stakeholder Engagement (US\$20,000).** This component will ensure that the outputs of the TC are effectively communicated and translated into action. It will support the development of targeted knowledge products—such as policy briefs, presentations, and infographics—for policymakers, tourism professionals, investors, and communities. Knowledge-sharing workshops and roundtables will be held to present findings from the destination diagnostic, TSA, and tourism strategy, fostering dialogue, feedback, and institutional learning. The component will also document lessons learned and best practices to inform future tourism initiatives, while promoting a culture of evidence-based and inclusive governance.

- 3.4 **Component IV: Technical Coordination (US\$15,000).** This component will finance a consultant to support the monitoring and execution of the activities in this TC.
- 3.5 **Expected Results.** The TC is expected to support the development of a validated, forward-looking tourism strategy and investment plan for Barbados. It will enhance the country's capacity to measure and analyze tourism's economic contribution, including its linkages to key sectors such as agriculture, transport, manufacturing, and the creative industries. This TC will also provide targeted recommendations to guide future investments, support sector diversification, and align tourism development with national sustainability and innovation goals. Primary beneficiaries will include the Ministry of Tourism and International Transport, the Barbados Tourism Marketing Inc. (BTMI), the Barbados Statistical Service, and other public and private stakeholders engaged in tourism development. The TC will also produce tailored knowledge products to support informed policymaking, foster stakeholder engagement, and promote cross-sectoral coordination. Additionally, it will strengthen institutional capacity for data analysis, policy planning, and strategic implementation—directly addressing persistent data gaps by advancing the implementation of a Tourism Satellite Account (TSA), which will enable Barbados to more accurately capture tourism's economic footprint and intersectoral linkages, thereby improving the quality of decision-making and long-term sector planning.
- 3.6 The primary beneficiary of this TC is the Government of Barbados, through its key tourism-related agencies. These include the Ministry of Tourism and International Transport (MTIT), its sub-agencies such as the Barbados Tourism Marketing Inc. (BTMI), the Barbados Statistical Service (BSS), and other relevant government entities directly or indirectly involved in tourism planning, policy, and data management.
- 3.7 The total cost of this TC will be US\$200,000, fully financed with resources from the OC SDP Window 2 – Sustainability (W2A). Counterpart funding is not contemplated. The disbursement and execution period will be 36 months.

Indicative Budget (US\$)

Activity/ Component	Description	IDB/W2A	Total Funding
Component I	Development of a Tourism Satellite Account	80,000	80,000
Component II	National Tourism Strategy and Action Plan	85,000	85,000
Component III	Knowledge Dissemination & Stakeholder Engagement	20,000	20,000
Component IV	Technical Coordination	15,000	15,000
Total		200,000	200,000

IV. Executing agency and execution structure

- 4.1 At the request of the beneficiary country, the TC will be executed by the Inter-American Development Bank (IDB), based on a request by the beneficiaries, in accordance with the Bank's Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), through the Trade and Investment Division of the Productivity, Trade and Innovation Sector (PTI/TIN) under the Vice-Presidency for Sectors and Knowledge (VPS). The Client Support taxonomy of this TC justifies the execution by the Bank. The justification for this execution structure is: (i) the Bank has the technical specialized experience and technical, operational and institutional capacity to duly and timely design, coordinate and execute the activities included in the TC; (ii) the TC will need an

extensive coordination with different ministries, institutions and organizations within the beneficiary country; and (iii) the beneficiary requested the Bank to be the executor given the coordination required for the project. Furthermore, the Bank is experienced in working with international entities and networks to execute activities of this nature and can ensure the sustainability of the implementation of the project.

- 4.2 The technical responsibility for overseeing the TC will be the IDB (PTI/TIN) and the Unit of Disbursement Responsibility (UDR) will be the IDB Country Office in Barbados (CCB/CBA).
- 4.3 This TC has been processed and approved as part of the annual dialogue between the Bank and IDB borrowing member countries to establish the operational program. The letter of request will be sent to the Bank by the liaison agency following the TC's approval by the Bank, as per the established protocol.
- 4.4 The IDB is considered to have the adequate systems to guarantee the proper execution of the operation and ensure the sustainability of the implementation of the project in line with the "Operational Guidelines for Technical Cooperation Products" (GN-2629-1) and Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4 Annex II, C 2.2). The Client Support taxonomy of this TC justifies the execution by the Bank. The justification for this execution structure is: (i) the Bank has the technical specialized experience and technical, operational and institutional capacity to duly and timely design, coordinate and execute the activities included in the TC; (ii) the TC will need an extensive coordination with different ministries, institutions and organizations within the beneficiary country; Additionally, the IDB has the necessary experience to ensure compliance with the relevant procurement policies and procedures.
- 4.5 **Procurement.** The IDB will be responsible for the procurement under this TC. All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines.
- 4.6 **Intellectual Property.** All knowledge products generated from this TC (including any platforms, tools, or materials developed) will be the intellectual property of the IDB and may be made available to the public under a Creative Commons license. The IDB will maintain ownership of all outputs to ensure consistency and alignment with our funding objectives. However, at the request of a beneficiary, by the provisions of AM-331, the intellectual property of said products may also be licensed to one or more beneficiaries through specific contractual commitments that shall be prepared with the advice of the Legal Department.

V. Major issues

- 5.1 Several potential challenges may affect the timely and effective execution of the TC. These include: (i) limited inter-agency coordination, bureaucratic complexities, and unclear assignment of roles and responsibilities could hinder progress. To mitigate this, the IDB will work closely with the GoB to strengthen institutional arrangements and promote inter-agency coordination. The use of multi-stakeholder platforms will also be encouraged to improve policy coherence and implementation efficiency; (ii) the project depends on access to high-quality, granular tourism data, but inconsistent

reporting, outdated data collection methods, and institutional reluctance to share information could slow progress in developing a robust statistical system. The TC will provide consultancy support to streamline data-sharing protocols and modernize collection methodologies; and (iii) given the project's reliance on technical studies, cross-agency collaboration, and stakeholder consultations, delays due to bureaucratic bottlenecks or slow decision-making could affect project timelines. The IDB will provide project management support to ensure activities are properly sequenced, timelines are realistic, and institutional responsibilities are clearly defined, helping to minimize execution risks.

VI. Exceptions to Bank policy

- 6.1 There are no exceptions to Bank policies.

VII. Environmental and Social Aspects

- 7.1 This TC is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the IDB's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client_72656.pdf](#)

[Results Matrix_11422.pdf](#)

[Terms of Reference_9402.pdf](#)

[Procurement Plan_5628.pdf](#)