

TERMS OF REFERENCE

Consultancy for the Development of a Tourism Satellite Account for Barbados

Promoting Sustainable and Innovative Growth in Barbados' Tourism Sector
BA-T1130

ATN/OC-xxxxx-BA

<https://www.iadb.org/en/project/BA-T1130>

I BACKGROUND

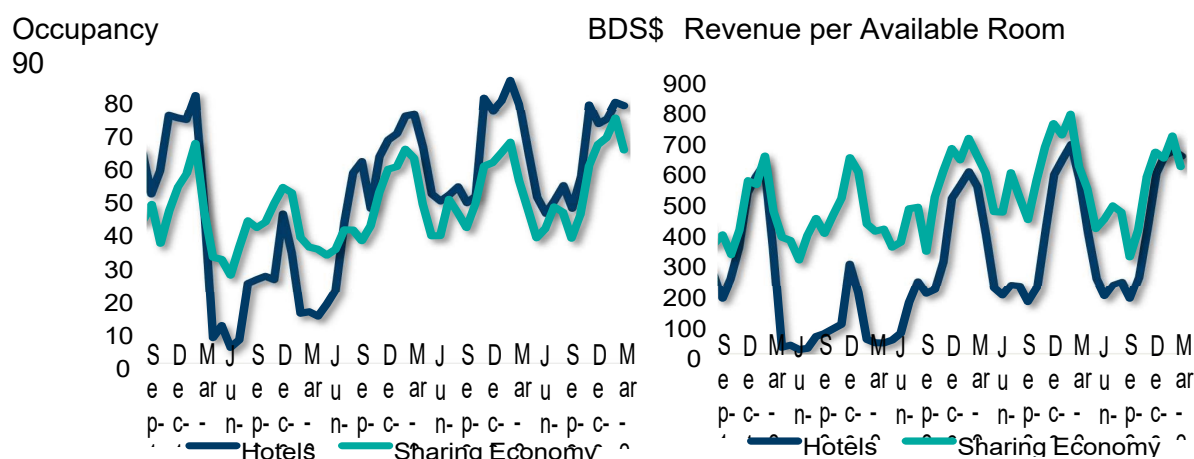
- 1.1 Barbados is a small island economy with a population of approximately 280,000 persons. Its tourism sector is its main export sector for foreign exchange and the driver of economic growth, accounting directly for 12 percent of real gross domestic product and indirectly for over 40 percent when the sector linkages are considered. This intangibility exposes the vulnerability of the Barbadian economy to fluctuations in its main tourism source markets: the United Kingdom, the United States, Canada and the Caribbean.
- 1.2 The standard of living in Barbados is relatively high as measured by the Human Development Index (HDI) and the Gender Inequality Index (GII). The country obtained HDI and GII values of 0.80 (ranking 62 out of 193 countries) and 0.29 (62nd out of 193 countries), respectively, in 2022. Given the passage of Coronavirus pandemic, it is understandable that these values represent an improvement compared to the HDI rank (63) the previous year. Barbados' results for both indicators are a comparable improvement over the averages for the Latin America and Caribbean region.
- 1.3 With respect to economic performance, the Central Bank of Barbados reports that the economy grew by 4.1 percent in the first quarter of 2024, driven by robust tourism activity and construction activity. Tourism activity grew 9.5 percent thereby stimulating the non-traded sectors, notably enhancing output in business & other services. Inflation rates slowed but remained moderately high as of February 2024 with decreases in unemployment claims.
- 1.4 Long-stay visitor arrivals increased by 14.8 percent (Q1 of 2024 on Q1 of 2023), totalling 228,828 visitors. Strong market presence and increased airlift drove this growth seeing arrivals from the United States surging by 47.6 percent and Canadian visitors by 21 percent. However, visitor numbers from the United Kingdom, though 34.3 percent above 2019, fell by 0.2 percent compared to the previous year and this was coupled with reduced airlift capacity from Europe.

Table 1 Tourism Arrivals by Source Market January to March 2024

Major Markets	Average (2017-2019)	2020	2021	2022	2023	2024	Absolute Change (2023/24)	2024 as % 2017-19 Arrivals
United States	53,609	35,276	2,434	32,305	38,360	56,609	18,249	105.6
Canada	34,725	28,012	910	16,040	28,807	34,855	6,048	100.4
United Kingdom	72,676	46,190	1,672	91,446	97,750	97,568	(182)	134.3
Europe	13,545	15,339	493	10,386	12,855	11,416	(1,439)	84.3
CARICOM	20,210	15,933	1,302	9,299	16,009	20,213	4,204	100.0

Major Markets	Average (2017-2019)	2020	2021	2022	2023	2024	Absolute Change (2023/24)	2024 as % 2017-19 Arrivals
Other	6,279	13,098	385	4,707	5,536	8,167	2,631	130.1
Total Arrivals	201,044	153,848	7,196	164,183	199,317	228,828	29,511	113.8
In transit Arrivals	292,045	250,504	0	94,378	242,657	281,172	38,515	96.3
Total Cruise Calls	218	196	4	178	211	226	15	103.8

- 1.5 Winter cruise arrivals were close to the pre-pandemic average reaching 281,172 persons or a 15.9 percent increase over the last year and there were 226 cruise calls, 15 more than the previous year.
- 1.6 With higher arrivals, demand for accommodation both shared and traditional also increased, hotel occupancy rates however, reflected the expansion in hotel room stock. Average occupancy rates for entire places expanded by 7.1 percentage points to reach 64.3 percent by the end of March 2024. However, a 6 percent increase in hotel room stock led to a 4.1 percentage point contraction in average hotel occupancy rates. Despite this, the average revenue per available room (RevPAR) in hotels increased by 3.7 percent. In contrast, RevPAR in the sharing economy declined by 7 percent.



Background on the Barbados economy

- 1.7 Since the 2008 financial crisis, economic growth in Barbados was stagnated, with an average annual growth rate of -0.1 percent between 2010 and 2018. The country has also run constant fiscal deficits with an average of 6.8 percent of GDP over the last decade. Low growth and constant deficit meant rapid growth in public debt which grew from 80 percent of GDP in 2008 to 156 percent of GDP in September 2018. This was the highest debt of all LAC in 2018. At the end of 2017, international reserves reached a historic low, reaching US\$206 million (6.1 weeks of imports), compared with US\$320 million (9.3 weeks) recorded a year earlier. Barbados maintains its currency peg at BDS\$2 = USD\$1
- 1.8 These macroeconomic and fiscal challenges prompted the Government of Barbados to implement the Barbados Economic Recovery and Transformation (BERT) Program in 2018 to restore fiscal and debt sustainability, address falling reserves, and increase growth by targeting a debt-to-GDP ratio of 60 percent of GDP by FY2033/2034. The GOB also engaged

with the International Monetary Fund, for a four-year Extended Fund Facility (EFF) program of US\$290 million. Other international financial institutions, including the IDB, back the reforms through financing and technical assistance.

- 1.9 Socio-economic indicators reflect the weak economic condition. Hand in hand with subdued economic performance, unemployment continued an upward trajectory, rising from 9.7 percent in 2016 to 10.1 percent in 2018 now registering at 7.9 percent for the first quarter of 2024.
- 1.10 Other structural constraints to the economy persist. First, the economy presents low levels of diversification, with a heavy reliance on the tourism and financial services sectors. Second, competitiveness is limited. For the pre-pandemic period, Barbados ranked 77th out of 141 countries on the Global Competitiveness Index (GCI) in 2019. Finally, the business climate is weak, hindered by a high tax burden and excessive red tape. Inefficient government bureaucracy was ranked the second most problematic factor for doing business in the World Economic Forum's Executive Opinion Survey for Barbados. These constraints represent key challenges to private sector operations.
- 1.11 Given the economy's profile, four key areas that present structural challenges to growth and development are identified as follows:

1. Business Climate

- 1.12 An enabling business environment is key to promoting economic growth. However, Barbados ranked 129th out of 190 countries in the World Bank's 2020 Doing Business Report (DBR), reflecting weaker scores than regional peers such as Jamaica (71st), St. Lucia (93rd), Trinidad and Tobago (105th) and Antigua and Barbuda (113th). High trade barriers, burdensome red tape, and regulation represent key constraints to private sector operations.

2. Access to Finance

- 1.13 According to the 2014 Productivity, Technology, and Innovation in the Caribbean, Caribbean Enterprise Survey, access to finance is a major obstacle to private sector operations. The country ranked 144th out of 190 countries for access to credit in the 2019 DBR. High collateral requirements, some features of the institutional and regulatory framework, and prevailing gender disparities are highlighted as factors that hinder access to finance. These potentially inhibit investment and private sector development.

3. Climate Sustainability

- 1.14 Barbados is a water scarce country very subjected to the adverse effects of climate change. It has special vulnerability to air temperature, sea level rise, and changes in weather patterns. In addition to the material and personal losses generated by extreme weather events, natural disasters could exacerbate the country's already burdened fiscal stance and hinder economic growth. Natural disasters would be particularly detrimental to Barbados' tourism industry, as most of its infrastructure is located near the coast.

Macroeconomic and Fiscal Landscape

- 1.15 The current macroeconomic and fiscal landscape is dampening investor confidence, as evidenced by recurring credit downgrades and worsening governance indicators. Both macroeconomic and fiscal challenges, as well as the current economic reforms, have externalities on the rest of the economy and thus on development.

Justification for a Tourism Satellite Account

Overview of past discussions, decisions, and actions regarding the TSA

- 1.16 The Tourism Satellite Account (TSA) developed by the World Tourism Organization (UNWTO) is the internationally recognised framework for the economic measurement of tourism activity. It measures the value of goods and services demanded by tourists according to international standards of concepts, classifications and definitions which allows for valid comparisons with other industries and from country to country. Notably, tourism is not defined as an industry within the system of national accounts (SNA); hence, a satellite account was developed to measure the economic contribution of tourism. Indeed, tourism sector may be defined as an amalgam of related industries which covers accommodation, transportation, food and beverage, recreation and entertainment and travel agency services.
- 1.17 TSAs are used for advocacy, planning and awareness; marketing; investment, operations and management; and manpower, education and training. TSA's provide answers to several fundamental questions about tourism: What is the contribution of tourism in the economy? How much direct value added is generated from satisfying tourism demand? Which industries directly benefit from tourism? What are the main goods and services purchased by visitors and how important is that tourism demand to the total demand?
- 1.18 Even though it is often argued that the Caribbean is the most tourism dependent region in the world, the development of TSAs with the region has been minimal and lagged that of less tourism dependent regions. The paucity of financial and human resources coupled with the lack of prioritization given to it by regional policy makers are identified as the key reasons for the failure to progress more rapidly in this area.
- 1.19 In the context of the foregoing that the Government of Barbados intends to execute, through a technical cooperation, the creation and implementation of an experimental Tourism Satellite Account to contribute to the understanding of the impact of the tourism sector to maximize the potential of tourism to diversify and strengthen the Barbadian economy.
- 1.20 The term "experimental" highlights the fact that this exercise may be the first in a series of similar exercises, using only a limited number of data and information on the tourism sector. It allows to identify the weaknesses and inconsistencies that may exist in Tourism Statistics in Barbados to adopt actions towards their improvement.
- 1.21 The use of the term "experimental" also tries to modulate user pressures on the expected results and gives time to compilers of the statistics to extensively review and improve the exercise in view of introducing the required quality standards and opening the way to a final exercise based on appropriate information.

Value of the TSA for the further improvement of knowledge to the Barbadian Economy

- 1.22 The proposed project is designed under the assumption that Barbados needs to effectively update knowledge on tourism effects in the post-Covid environment and how tourism activity filters through the economy. It is essential to identify the input/output relationships which exist within and across sectors and TSA compilation will provide some basic indicators to enable this analysis. This involves the recognition that not all segments of tourism demand have the same economic impact on the destination, and that it is necessary to have updated information on their determinants and sensitivities between tourism activity and market preferences to identify those relationships that are most profitable for the country.

Current Situation of TSAs in CARIFORUM States

- 1.23 The Bahamas, Dominican Republic and Jamaica are the only three CARIFORUM States to developed and produce TSAs. The remaining CARIFORUM States have been encountering

various challenges in developing TSAs, including completing the basic framework for Supply and Use Tables on which TSAs are generated.

- 1.24 In June 2016, the CTO and the CARICOM Secretariat agreed to collaborate in executing a Tourism Satellite Account project, financed by the 10th European Development Fund for the amount of 70,000 Euros. This project will provide direct technical assistance to four CARIFORUM States and CTO member countries (Belize, Haiti, Guyana, and Trinidad and Tobago). The primary goal of the project is to improve the planning and policy-making competencies of the beneficiary countries by strengthening the ability of regional governments to estimate the direct contribution of tourism to their economies. This will be pursued through use of UNWTO's harmonized methodological framework that allows the participating countries to collate, organize, report and use the statistical data necessary for preparing TSAs.

Work on the Related Programmes and Other Donor Activities

- 1.25 Under the 10th European Development Fund (EDF), a consultancy is being undertaken to prepare a Draft Regional Strategic and Implementation Plan for Tourism Services in CARIFORUM States. This project is jointly managed by the CARICOM Secretariat and the Directorate of External Trade in the Ministry of Commerce of the Government of the Dominican Republic in collaboration with the Caribbean Tourism Organization (CTO).

Previous Work on a Tourism Satellite Account

- 1.26 The preparation of a Tourism Satellite Account (TSA) depends on a completed Supply and Use Table (SUT) and requires technical human resources trained in this area of work.
- 1.27 The National Accounts staff at the Barbados Statistical Service are currently working on the rebasing of the GDP estimates, based on the SUT 2016. The BSS plans to update the SUT to 2019 (the last normal year prior to the impact of the COVID-19 pandemic), with Technical Assistance from the IMF. This work is expected to be completed in 2025.
- 1.28 Without an increase in trained and skilled staff and staff competency in National Accounts at the BSS, it will be unable to pursue the development of the TSA in 2025
- 1.29 It will be necessary therefore to conduct the execution of an **experimental TSA** for Barbados through the use of sources external to the BSS taking into account that the level of active cooperation of BSS and MoT technicians in this current project will determine the acquisition of skills and competencies for a later feasible update of TSA indicators by these institutions.

II. OBJECTIVE

- 2.1 The objective of this project is to develop and implement an **experimental Tourism Satellite Account (TSA) for Barbados**. This analysis will generate key insights into the contribution of tourism services to the Barbadian economy, including output, gross value added, employment, and external trade. The TSA will address critical questions such as: What is the overall contribution of tourism to the economy? How much direct value is added by fulfilling tourism demand? Which industries directly benefit from tourism? What are the main goods and services purchased by visitors, and how significant is tourism demand within the broader economy?

III. SCOPE

- 3.1 The Tourism Satellite Account (TSA) developed by the World Tourism Organization (UNWTO) is the internationally recognised framework for the economic measurement of tourism activity.

It measures the value of goods and services demanded by tourists according to international standards of concepts, classifications and definitions which allows for valid comparisons with other industries and from country to country. Notably, tourism is not defined as an industry within the system of national accounts (SNA); hence, a satellite account was developed to measure the economic contribution of tourism. Indeed, the tourism sector may be defined as an amalgam of related industries which covers accommodation, transportation, food and beverage services, among others.

- 3.2 Even though it is often argued that the Caribbean is the most tourism dependent region in the world, the development of TSAs with the region has been minimal and lagged that of less tourism dependent regions. The paucity of financial and human resources coupled with the lack of prioritization given to it by regional policy makers are identified as the key reasons for the failure to progress more rapidly in this area.
- 3.3 In response to this gap, the Government of Barbados is working to complete the development and implementation of its own Tourism Satellite Account (TSA). The primary goal is to enable the government to accurately assess the true contribution of tourism to the country's economic growth and development.

IV ACTIVITIES

- 4.1 The following points outline some general considerations regarding the approach to the project and key transversal activities:
 - **Stakeholder Engagement:** The consultancy must begin with clear agreement on the level of involvement of local stakeholders in the activities to be carried out. The availability of local staff and their time commitment will directly impact the strategy and working plan to be presented by the consultant team.
 - **Data Analysis and Methodologies:** The primary focus of the activities will be an in-depth analysis of the available data sources related to tourism statistics and the methodologies used by National Accounts to compile various components of the Supply and Use Tables (SUT). The TSA must align with these classifications and concepts to ensure consistency and coherence.
 - **Impact of COVID-19:** The analysis will consider the ongoing effects of the COVID-19 pandemic during the 2020-2021 period. As such, the base year for the Tourism Satellite Account has been selected as 2019. If the SUT for 2019 is not finalized at the time the consultancy begins, 2016 will be used as the reference year.
 - **Technical Notes and Methodological Guidance:** The consultancy will produce technical notes for each component of the TSA, detailing the current status of data sources in Barbados. These notes will include guidance on the methodology required to compile the TSA tables, along with an action plan aimed at improving tourism statistics and integrating tourism-related data into future National Accounts compilations.
 - **Capacity Building and Training:** Depending on the level of local participation, the working plan will incorporate strategies for capacity building, including targeted training for local technicians. This will draw on lessons learned from tourism sector methodologies implemented in other countries.
 - **Awareness and Knowledge Transfer:** Lastly, the consultant team will play an active role in the Awareness Program for the TSA in Barbados, ensuring that local stakeholders are informed and engaged throughout the process.

- 4.2 A proposal of activities to be covered during the project is listed below. This list of activities and the identification of roles and responsibilities will be adjusted by the consultant's team in the working plan.

Area of governance	<ul style="list-style-type: none"> • Discussion on the level of active participation of BSS and MoT technicians in the activities of the TSA implementation, looking at the acquisition of skills and abilities to ensure the continuity of the TSA in the future • Reactivation of the Interagency Committee on the technical level to be cochaired by MoT and BSS, with a first goal towards the organization of an active agenda that could support the TSA consultancy • Assignment of tasks, roles and responsibilities in the implementation of all TSA tables to be included in the experimental TSA • Training of staff of institutions with roles and responsibilities (depending on the level of participation) • Transmission of the information, goals and results of the TSA project to the political level to achieve the Political support and commitment. The TSA project must be considered as a national project. • Improvement of TSA awareness and participation of private sector, organizing workshops, forums, ...
Table 1	<ul style="list-style-type: none"> • Assessment of the methodology for the identification of tourism inbound flows (by air and by cruise) from the immigration data source (Level of compliance with tourism definition) • Assessment of CTO surveys (sample sizes, data cleaning, estimation of inbound expenditure) focusing on their further use by BOP and National Accounts • Assessment of credit card data source acquired by MoT with a focus in the possible use to adjust the indicators of CTO surveys. • Discussion on level of total inbound expenditure to be used, considering that TSA must respect the boundaries of production of National Accounts • Guidance notes on the methodology and data sources to be used for the compilation of Table 1 and experimental compilation • Comparison of inbound expenditure with exports boundaries by product • Technical note on recommendations for the improvement of surveys, data cleaning, sample design, estimation or grossing-up process, after the compilation of the table.
Table 2	<ul style="list-style-type: none"> • Assessment on the inclusion of domestic tourism trips in the experimental TSA based in the non-existence of tourism trips within the island, due to the small territory • Assessment of available information about trips of residents in the Household Expenditure Survey (HES) • Assessment of available information to identify domestic expenditure in the outbound trips • Definition of usual environment for the future TSA to prepare a suitable filter question in the new data collections • Guidance notes on the methodology and data sources to be used for the compilation of Table 2 and experimental compilation • Comparison of domestic expenditure with final consumption of resident households by product • Technical note on Recommendations on the measurement of domestic tourism (design of statistical operation)
Table 3	<ul style="list-style-type: none"> • Assessment of the methodology for the identification of tourism outbound flows from the immigration data source (Level of compliance with tourism definition) • Assessment of the methodology of travel and transport debits and its relation with the aggregate "Purchases of residents abroad" in National Accounts' SUT

	<ul style="list-style-type: none"> Assessment of available information to identify outbound expenditure in the outbound trips Guidance notes on the methodology and data sources to be used for the compilation of Table 3 and experimental compilation Comparison of outbound expenditure with import boundaries by product or "Purchases of residents abroad" aggregate Technical note on recommendations for the improvement of surveys, data cleaning, sample design, estimation or grossing-up process, after the compilation of the table. Inclusion of outbound trips in the proposal of a domestic tourism survey
Table 4	<ul style="list-style-type: none"> Completing the internal tourism expenditure by product from Table 1 and Table 2 Analysis of methodology of rental services imputation in National Accounts Estimation of number of overnights of inbound visitors in own dwellings Execution of methodology of National Accounts, if possible Analysis of data sources and possibility of identification of tourism individual transfer-in-kind Analysis of matrix of intermediate consumption of local products (if available) and assessment of CTO survey to avoid the duplication in the estimation of expenditure of these business trips paid by the employer Technical note on diagnosis of current status and recommendations for the improvement of availability of data sources needed to compile Table 4
Table 5	<ul style="list-style-type: none"> Delivery of TSA requirements to National Accounts for the breakdown of industries and the identification in the Supply Table of tourism output by industry and product Calculation of tourism ratios for the breakdown of output Experimental compilation Capacity Training on methodology Compilation of Table 5 for years 2016 Update of temporary SUT to apply same ratios than in year of reference Compilation of Table 5 for rest of years Technical note on diagnosis of current status and recommendations for the improvement of availability of indicators needed to compile Table 5. Recommendations will include conditions for executing data-sharing agreements with tourism-related economic agents
Table 6	<ul style="list-style-type: none"> Assessment on existence of inputs needed to prepare the template of Table 6 with the required classification Preparation of Template Table 6 year of reference Execution of methodology and experimental compilation Capacity Training on methodology Preparation of Template Table 6 for rest of years Execution of methodology rest of years Technical note on diagnosis of current status and recommendations for the improvement of availability of indicators needed to prepare Table 6
Table 7	<ul style="list-style-type: none"> Assessment of employment data sources (LFS, NIS) and delivery of requirements to BSS and experimental compilation Compilation of Table 7 (Year 2016 and forward) Capacity Training on methodology Technical note on diagnosis of current status and recommendations for the improvement of employment statistics in tourism industries
Table 10	<ul style="list-style-type: none"> Assessment of available data sources and preparation of TSA requirements for this table and all the modules and experimental compilation. Compilation of tables 10a, 10b, 10c, 10d for Year 2016 and forward Technical note on diagnosis of current status and recommendations for the improvement of accommodation statistics (10c). Recommendations will include

	conditions for executing data-sharing agreements with tourism-related economic agents
Table 8 & 9	<ul style="list-style-type: none"> Capacity training on TSA requirements for Tables 8 & 9 Assessment of availability of data sources regarding Gross Fixed Capital Formation and Government Collective Consumption

4.3 The consultancy should be divided in the following phases (adjustable by the consultant in the working plan)

- I. Diagnosis and evaluation of data sources and methodologies available in Barbados in year of reference. Comparison of this situation against the TSA requirements and identification of gaps.
- II. Guidance notes for the compilation of each one of the TSA tables scopes of the consultancy (see previous point). The guidance notes, with a clear assignment of roles and responsibilities in the tasks to be undertaken during the consultancy, would be delivered to Barbados Interagency Committee and revised by them.
- III. Preparation of TSA requirements and delivery to the subsequent institution responsible of the data.
- IV. Compilation of tables of TSA, documentation of methodology
- V. Presentation of tables to Interagency Committee with a focus on the capacity training.
- VI. Final report with a post consultancy continuity plan of the TSA project, recommendation for the update of the evaluation of data sources, update of inputs (SUT) and compilation of TSA indicators.

V. PRODUCTS AND PAYMENTS

5.1 The firm should provide the following products according to the preliminary timeline proposed below:

Deliverables	Percentage	Planned Date to Submit
TSA Deliverable 1: Working Plan Development outlining the consultant's financial basis for travel to Barbados.	10%	Week 4
TSA Deliverable 2: TSA Requirements Request and Evaluation, including diagnosis of STS coverage.	10%	Week 12
TSA Deliverable 3: Draft Guidance Notes for TSA Tables (1–7 & 10) with roles/responsibilities.	30%	Week 24
TSA Deliverable 4: TSA Tables Compilation and Final Package with methodology, documentation, and capacity-building outputs.	30%	Week 40
TSA Deliverable 5: Final Consolidated Report summarizing TSA process, findings, implementation guidance, and recommendations.	20%	Week 47

1. Project Schedule and Milestones

1.1. See Section 7.

2. Reporting Requirements

2.1. All reports will be written in English.

- 2.2. Reports will be in a format compatible with Microsoft Office, must have an editable format, and must be delivered with their corresponding digital support.
- 2.3. The Firm will collaborate with the Bank and the Beneficiary to present each deliverable for Client review and discussion.

3. **Acceptance Criteria**

- 3.1. The products will be validated if they are delivered in a timely manner as indicated in Section 5 of the Terms of Reference.
- 3.2. The products will be accepted after the IDB and Beneficiary evaluates them methodologically and technically, and after the Firm addresses and/or otherwise incorporates such comments, as necessary.

4. **Consulting Firm and Team Requirements**

- 4.1. **Type of consultancy:** Firm
- 4.2. Interested consulting firms must submit a technical and financial proposal including the sections presented below.
- 4.3. **Methodology and Scope of Works:** This section should describe the proposed methodology, including assignment of human resources to perform the consultancy.
- 4.4. **Timeline:** A scheduled proposal for the execution of the activities must be presented. The schedule must indicate the proposed start and finish dates for each of the tasks required in the work and the milestones of the contract (i.e., delivery of reports, etc.). The duration of this contract will be **11 months**.
- 4.5. **Budget:** A financial proposal in US dollars must be submitted for all the tasks of the proposed work (in tabular format) that includes direct labor costs (i.e., number of hours or days per team member and their associated costs per unit) and indirect labor costs (i.e., travel, per diem, subcontractors, etc.). All assumptions related to the financial proposal must be clearly specified. If any additional task is to be recommended, it should be included in the proposal.
- 4.6. **Place of work:** Consultants will work at their usual place of work and will have to travel to Barbados to conduct field work as needed and to present the results of their work.
- 4.7. **Firm Experience and Assigned Human Resources.** 5.1. The consulting firm shall have demonstrated experience in designing and implementing Tourism Satellite Accounts (TSA) and conducting national tourism data system diagnostics. The firm should have

completed at least five (5) assignments related to the measurement of tourism's economic impact, compilation of tourism statistics, or TSA development—preferably within small island developing states (SIDS) or comparable contexts. Prior experience working with national statistical offices, tourism ministries, or multilateral institutions in the Caribbean will be considered a strong asset. The firm must demonstrate technical capacity to deliver complex analytical outputs and coordinate multidisciplinary teams in collaboration with public institutions, tourism stakeholders, and statistical agencies.

4.8. The minimum required professional skills and competencies to successfully complete the assignment are outlined in the following profiles:

- **Expert #1: Team Leader / Economist – TSA and Economic Impact Specialist**
- Education PhD in Economics
- Experience: Minimum of 10 years in economic analysis, national accounts, and TSA implementation
- Relevant experience Demonstrated experience in compiling Supply and Use Tables, developing Tourism Satellite Accounts, and conducting economic impact assessments in the tourism sector.

(i) Expert #2: Economist – Regulatory and Infrastructure Reform Specialist

- Education: PhD in Economics
- Experience: Minimum of 10 years in regulatory analysis, infrastructure reform, and transportation demand estimation
- Relevant experience: Proven expertise in econometric modeling, input-output analysis, and tourism-related infrastructure assessment, particularly in SIDS or developing country contexts.

(ii) Expert #3: Tourism Analytics Specialist

- Education: Master's degree in Tourism Economics, Tourism Management, or a related field
- Experience: Minimum of 10 years in tourism data analysis, sector performance evaluation, and tourism forecasting
- Relevant experience: Extensive knowledge of tourism indicators, experience working with national tourism statistics systems, and supporting the analytical needs of TSA processes

(iii) Expert #4: Stakeholder Engagement & Knowledge Management Specialist

- Education: Master's degree in Communications, Public Policy, International Development, or related field.
- Experience: Minimum of 5 years of experience designing and facilitating stakeholder consultations, focus groups, and participatory research processes.
- Relevant experience: Demonstrated ability to translate technical findings into accessible knowledge products and to lead dissemination efforts including

workshops, presentations, and digital content. Experience working with government in the Caribbean is highly desirable.

- 4.9. It is strongly recommended that at least two of the team members must reside and work in Barbados

5. Other Requirements

- 5.1. Proficiency in English is required.

6. Supervision and Reporting

- 6.1. The IDB Trade and Investment Division (TIN) of the Productivity, Trade, and Innovation (PTI) Sector will be technically responsible for the execution of this contract, as well as for the approval of the products prepared by the consultant.

7. Schedule of Payments

- 7.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
- 7.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.
- 7.3. For the Payment Schedule, see Section 5.

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1. Background and Justification

- 1.1. Tourism is a cornerstone of Barbados' economy, driving employment, foreign exchange earnings, and economic diversification.¹ In 2023, the sector contributed 25.0% of national GDP, with projections indicating an increase to 32.2% by 2034. Tourism also accounted for approximately 65.4% of total exports in 2023. A share expected to grow to 68.4% by 2034, reinforcing its position as the island's leading foreign exchange earner. The sector also plays a critical role in job creation, supporting 42,400 jobs in 2023 (22.3% of total employment), with employment expected to rise to 55,100 jobs (32.2%) 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, generating an additional 12,800 jobs, underscoring tourism's central role in Barbados' long-term socio-economic development.²
- 1.2. 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 better 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.
- 1.3. 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,

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, <https://researchhub.wttc.org/factsheets/barbados>. 2024

³ Inter-American Development Bank, <https://www.iadb.org/en/who-we-are/topics/sustainable-tourism/sector-framework-sustainable-tourism>. 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](#). 2020

⁶ Barbados Ministry of Tourism & International Transport, <https://www.tourism.gov.bb/Publications/Tourism-Master-Plan/>. 2014

Barbados must continue to advance data-driven policies, invest in workforce development, and broaden its market offerings—ensuring the tourism sector becomes more inclusive, resilient, and future-ready, while maintaining its economic and social relevance in an increasingly dynamic global tourism landscape.

- 1.4. 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 availability from these regions during the third quarter of 2024, which may have impacted visitor numbers.⁷ Additionally, high airline ticket prices are identified as a potential deterrent to sustaining growth in these markets.⁸
- 1.5. 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.⁹
- 1.6. 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.¹⁰ 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.
- 1.7. To respond to these dynamics, the Government of Barbados, with support from the Inter-American Development Bank (IDB), is implementing a Technical Cooperation (TC) to promote sustainable and innovative growth in the tourism sector. Component II of the TC focuses on the development of a national tourism strategy and action plan that aligns with the country's sustainability, innovation, and economic resilience priorities.

2. Objectives

- 2.1. To design and deliver a forward-looking, inclusive, and evidence-based **National Tourism Strategy and Action Plan** for Barbados. The strategy should reflect market realities, competitiveness gaps, stakeholder priorities, and national development goals.

3. Scope of Services

- 3.1. The IDB is seeking a consulting firm to conduct a comprehensive destination diagnostic and to develop a transformative, evidence-based national tourism strategy and action plan

⁷ 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

⁸ 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

⁹ Barbados Ministry of Tourism, <https://www.tourism.gov.bb/publications/TMP-Report-I.pdf>. 2014

¹⁰ World Economic Forum, <https://www.weforum.org/stories/2024/12/future-of-tourism-embracing-destination-readiness/>. 2024

for Barbados. The firm will coordinate closely with the Ministry of Tourism and International Transport and other relevant public and private stakeholders. These institutions, alongside other identified counterparts, will review, provide feedback on, and approve key deliverables during the consultancy's execution.

3.2. The general scope of services for the Consulting Firm engaged under this consultancy is to assess the current performance and future growth potential of Barbados' tourism sector, and to design a roadmap for innovation, diversification, sustainability, and investment. The services will include analytical, consultative, and operational tasks, requiring close collaboration with government entities, industry stakeholders, and civil society actors.

3.3. Specifically, the Consulting Firm will:

- Conduct a comprehensive destination diagnostic to evaluate tourism competitiveness, infrastructure and service quality, market dynamics, sector performance, product diversification, and environmental sustainability. This assessment will help identify key gaps and opportunities within the tourism value chain.
- Facilitate multi-stakeholder consultations to identify strategic priorities, investment needs, institutional bottlenecks, and opportunities for innovation and growth. These sessions will ensure that the strategy reflects national and community-level priorities.
- Draft a forward-looking and inclusive tourism strategy that aligns with national development goals, sustainability and climate resilience objectives, and innovation and competitiveness priorities. The strategy will incorporate cross-cutting themes such as equity, digital transformation, and sustainable livelihoods.
- Produce knowledge dissemination products to promote stakeholder understanding and policy uptake. These will include presentation materials, policy briefs, executive summaries, and public communication tools tailored to a range of audiences.

4. Key Activities

4.1 Inception and Planning

- Conduct a kickoff meeting with the Ministry of Tourism and International Transport and the IDB to confirm objectives, timelines, and coordination mechanisms.
- Submit an Inception Report outlining the methodology, detailed work plan, and stakeholder engagement strategy.

4.2 Destination Diagnostic

- Conduct assessments of tourism competitiveness, infrastructure, market dynamics, and sustainability.
- Implement an appropriate methodology to evaluate sector performance and product diversification.

4.3 Benchmarking and Comparative Analysis

- Review global and regional tourism strategy frameworks, with a focus on SIDS and post-pandemic recovery.
- Identify key lessons and models applicable to the Barbadian context.

4.4 Stakeholder Engagement

- Design and facilitate workshops, interviews, and focus groups with key public, private, and community stakeholders.
- Synthesize findings to inform strategy priorities and validate sectoral challenges and opportunities.

4.5 Strategy and Action Plan Development

- Draft a national tourism strategy incorporating goals, strategic pillars, and cross-cutting priorities (sustainability, resilience, innovation, inclusivity).

4.6 Action Plan Formulation

- Design an action plan with clear timelines, phased sequencing, and monitoring provisions.

4.7 Knowledge Dissemination and Final Deliverables

- Prepare presentation materials, executive summaries, and policy briefs.
- Organize a validation workshop to present the draft strategy and action plan to stakeholders.
- Submit final reports incorporating stakeholder feedback.

4. Expected Outcome and Deliverables

- 4.1. The Consulting Firm shall complete and submit the following products and deliverable outputs to the IDB. Deliverables must account for and include all activities identified in Section 3, Scope of Services, as previously described.

Deliverables	Percentage	Planned Date to Submit
Deliverable 1: Inception Report & Work Plan, including detailed methodology and timeline for execution.	5%	2 weeks after contract signature
Deliverable 2: Literature Review and Benchmarking Report, summarizing international and regional tourism strategy frameworks, best practices, and lessons learned.	10%	4 weeks after contract signature
Deliverable 3: Destination Diagnostic Report, including findings on competitiveness, infrastructure, market dynamics, and sustainability.	15%	8 weeks after contract signature
Deliverable 4: Stakeholder Consultation Summary Report, capturing engagement process, key inputs, and validation feedback.	10%	12 weeks after contract signature
Deliverable 5: Draft National Tourism Strategy, including strategic pillars, objectives, and alignment with national goals.	20%	18 weeks after contract signature
Deliverable 6: Draft Action Plan	20%	24 weeks after contract signature
Deliverable 7: Final Strategy and Action Plan revised based on stakeholder and IDB feedback.	10%	30 weeks after contract signature

Deliverables	Percentage	Planned Date to Submit
Deliverable 8: Knowledge Dissemination Materials and Final Presentation.	10%	39 weeks after contract signature

5. Project Schedule and Milestones

5.1. See Section 4.

6. Reporting Requirements

6.1. All reports will be written in English.

6.2. Reports will be in a format compatible with Microsoft Office, must have an editable format, and must be delivered with their corresponding digital support.

6.3. The Firm will collaborate with the Bank and the Beneficiary to present each deliverable for Client review and discussion.

7. Acceptance Criteria

7.1. The products will be validated if they are delivered in a timely manner as indicated in Section 5 of the Terms of Reference.

7.2. The products will be accepted after the IDB and Beneficiary evaluates them methodologically and technically, and after the Firm addresses and/or otherwise incorporates such comments, as necessary.

8. Consulting Firm and Team Requirements

8.1. **Type of consultancy:** Firm

8.2. Interested consulting firms must submit a technical and financial proposal including the sections presented below.

8.3. **Methodology and Scope of Works:** This section should describe the proposed methodology, including assignment of human resources to perform the consultancy.

8.4. **Timeline:** A scheduled proposal for the execution of the activities must be presented. The schedule must indicate the proposed start and finish dates for each of the tasks required in the work and the milestones of the contract (i.e., delivery of reports, etc.). The duration of this contract will be **9 months**.

8.5. **Budget:** A financial proposal in US dollars must be submitted for all the tasks of the

proposed work (in tabular format) that includes direct labor costs (i.e., number of hours or days per team member and their associated costs per unit) and indirect labor costs (i.e., travel, per diem, subcontractors, etc.). All assumptions related to the financial proposal must be clearly specified. If any additional task is to be recommended, it should be included in the proposal.

8.6. **Place of work:** Consultants will work at their usual place of work and will have to travel to Barbados to conduct field work as needed and to present the results of their work.

8.7. **Firm Experience and Assigned Human Resources:** The consulting firm shall have overall experience in conducting tourism sector diagnostics and strategic planning. This includes demonstrated expertise in the design and implementation of tourism strategies, investment planning, stakeholder engagement, and sustainability integration. The firm should have completed at least five (5) assignments related to national or regional tourism development, particularly within small island developing states (SIDS) or similar contexts. Experience working in the Caribbean will be considered a strong asset. The firm must demonstrate capacity to coordinate multidisciplinary teams and work collaboratively with public and private stakeholders.

8.8. The minimum required professional skills and competencies to successfully complete the assignment are outlined in the following profiles:

- **Expert #1: Team Leader/ Tourism Strategy Specialist**
- Education: Master's degree in Tourism Development, Economics, Public Policy, or a related field
- Experience: Minimum of 15 years leading multi-stakeholder tourism strategy or planning assignments
- Relevant experience: Proven track record in managing and drafting national or regional tourism strategies. Experience in SIDS or comparable destinations preferred.

(iv) Expert #2: Tourism Investment Specialist

- Education: Master's degree in finance, Economics, Business Administration, or a related field
- Experience: Minimum of 7 years in tourism investment analysis, project finance, or economic development.
- Relevant experience: Proven ability to conduct tourism investment assessments, identify financing mechanisms, and design investment strategies. Familiarity with public-private partnerships (PPPs) and tourism-related FDI attraction is desirable.

(v) Expert #3: Infrastructure and Spatial Planning Specialist

- Education: Master's degree in Urban Planning, Civil Engineering, Environmental Planning, or a related discipline
- Experience: Minimum of 7 years in infrastructure planning and spatial development

- Relevant experience: Experience in evaluating tourism-related infrastructure needs, spatial development planning, and integration of sustainability and resilience measures into tourism infrastructure projects.

(vi) Expert #4: Data Analyst / Economist

- Education: Master's degree in Statistics, Data Science, Economics, or a related quantitative field.
- Experience: Minimum of 10 years working on tourism-related data analytics, diagnostics, or economic modeling
- Relevant experience: Skilled in handling tourism and economic datasets and producing evidence-based insights to inform policy and planning.

(vii) Expert #5: Stakeholder Engagement & Knowledge Management Specialist

- Education: Master's degree in Communications, Public Policy, International Development, or related field.
- Experience: Minimum of 5 years of experience designing and facilitating stakeholder consultations, focus groups, and participatory research processes.
- Relevant experience: Demonstrated ability to translate technical findings into accessible knowledge products and to lead dissemination efforts including workshops, presentations, and digital content. Experience working with government in the Caribbean is highly desirable.

8.9. It is strongly recommended that at least two of the team members must reside and work in Barbados

9. Other Requirements

9.1. Proficiency in English is required.

10. Supervision and Reporting

10.1. The IDB Trade and Investment Division (TIN) of the Productivity, Trade, and Innovation (PTI) Sector will be technically responsible for the execution of this contract, as well as for the approval of the products prepared by the consultant.

11. Schedule of Payments

11.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

11.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary

conversions of local currency payments.

11.3. For the Payment Schedule, see Section 4.

Technical Coordinator Consultant

Post of Duty: Barbados

The IDB Group is a community of diverse, versatile, and passionate people who come together on a journey to improve lives in Latin America and the Caribbean. Our people find purpose and do what they love in an inclusive, collaborative, agile, and rewarding environment.

About this position

We are looking for a highly organized, proactive, and detail-oriented **Technical Coordinator**. As Technical Coordinator, you will support the effective monitoring, coordination, and execution of the activities under the Technical Cooperation “Promoting Sustainable and Innovative Growth in Barbados’ Tourism Sector.” You will work in the **Tourism and Investment Division (PTI/TIN)**, part of the **IDB’s Productivity, Trade and Innovation Sector**. This team is responsible for advancing data-driven, sustainable, and inclusive tourism development strategies across the Caribbean

What you’ll do:

- Coordinate day-to-day technical and operational activities related to all TC components.
- Support procurement and contract management processes for consulting services and deliverables.
- Liaise with the Ministry of Tourism and International Transport and other key stakeholders.
- Track milestones, deliverables, and payments across components.
- Contribute to internal reporting, reviews, and knowledge dissemination activities.
- Organize and support stakeholder workshops, consultations, and validation meetings.
- Ensure timely submission and quality control of consultant outputs.

Deliverables and Payments Timeline:

<u>Deliverable #</u>	<u>Percentage</u>	<u>Planned Date to Submit</u>
Monthly Progress Reports (Oct–Dec 2025)	10%	Monthly, by the end of each month
Quarterly Progress and Coordination Report (Jan–Mar 2026)	15%	April 5, 2026
Quarterly Progress and Coordination Report (Apr–Jun 2026)	15%	July 5, 2026
Quarterly Progress and Coordination Report (Jul–Sep 2026)	15%	October 5, 2026
Quarterly Progress and Coordination Report (Oct–Dec 2026)	15%	January 5, 2027
Quarterly Progress and Coordination Report (Jan–Mar 2027)	15%	April 5, 2027
Final Consolidated Coordination and Monitoring Report	15%	June 30, 2027

- **Education:** Master’s degree (or equivalent advanced degree) in Economics, Tourism Management, Public Policy, Development Studies, Business Administration, or related fields.
- **Experience:** Between 5 and 10 years of progressive experience in project coordination, technical cooperation, or tourism-related initiatives. Experience in the Caribbean and familiarity with IDB procedures is a plus.
- **Languages:** Proficiency in English.

Key skills:

- Learn continuously.
- Collaborate and share knowledge.
- Focus on clients.
- Communicate and influence.
- Innovate and try new things.

Requirements:

- **Citizenship:** choose one of the following:
IDB: You are either a citizen of Barbados or a citizen of one of our 48-member countries eligible to obtain a valid residency or legal permit to work in Barbados without the need for sponsorship by the IDB.
- **Consanguinity:** You have no family members (up to the fourth degree of consanguinity and second degree of affinity, including spouse) working at the IDB, IDB Invest, or IDB Lab.

Type of contract and duration:

- **Type of contract:** Products and External Services Consultant (PEC), Lump Sum.
- **Length of contract:** 21 months.
- **Work Location:** Remote.

Our culture

At the IDB Group we work so everyone brings their best and authentic selves to work, willing to try new approaches without fear, and where they are accountable and rewarded for their actions.

Diversity, Equity, Inclusion and Belonging (DEIB) are at the center of our organization. We celebrate all dimensions of diversity and encourage women, LGBTQ+ people, persons with disabilities, Afro-descendants, and Indigenous people to apply.

We will ensure that individuals with disabilities are provided reasonable accommodation to participate in the job interview process. If you are a qualified candidate with a disability, please e-mail us at diversity@iadb.org to request reasonable accommodation to complete this application.

Our Human Resources Team reviews carefully every application.

About the IDB Group

The IDB Group, composed of the Inter-American Development Bank (IDB), IDB Invest, and the IDB Lab offers flexible financing solutions to its member countries to finance economic and social development through lending and grants to public and private entities in Latin America and the Caribbean.

About IDB

We work to improve lives in Latin America and the Caribbean. Through financial and technical support for countries working to reduce poverty and inequality, we help improve health and education and advance infrastructure. Our aim is to achieve development in a sustainable,

HRD Terms of Reference

climate-friendly way. With a history dating back to 1959, today we are the leading source of development financing for Latin America and the Caribbean. We provide loans, grants, and technical assistance; and we conduct extensive research. We maintain a strong commitment to achieving measurable results and the highest standards of integrity, transparency, and accountability.

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