



## **MEMORANDUM**

**Date: May 4, 2015**

**TO:** Anneke Jessen  
Country Representative, CID/CBL

**FROM:** Sybille Nuenninghoff  
Natural Resource Lead Specialist, RND/CBL

**SUBJECT: BL-T1078 Belize CT-INTRA: Sustainable Tourism: Exchange of Experiences between Belize and Panama / Jamaica**

### **I. RELATIONSHIP TO THE BANK'S STRATEGY OBJECTIVES IN BELIZE**

- 1.1 The proposed CT/INTRA supports the Bank's Country Strategy with Belize, 2013-2017 (GN-2746), which identifies tourism as one priority area for support. The Bank's focus is to support efforts to increase overnight visitor demand and expenditure in a socially and environmentally sustainable manner, through: (i) diversification of tourism products and destinations, and (ii) improved sector management. With regard to the former, the Bank will support the development of cultural and heritage tourism products in existing and new destinations. The Bank's approach is closely aligned with the objectives of the National Sustainable Tourism Masterplan (NSTMP) in the areas of governance, sustainability and quality assurance, infrastructure and product development. As this technical operation will provide the significant knowledge transfer needed for the implementation of the future Sustainable Tourism Programme II (BL-L1020) it contributes also to the following lending program priority targets outlined in the Report on the Bank's Ninth General Increase in Recourses (AB-2764) and its Result Framework: (i) small and vulnerable countries; (ii) poverty reduction and equity enhancement; and (iii) climate change, sustainable energy and environmental sustainability, as it relates to protected area management and seeks to climate-proof its investments in public works.

### **II. CONCORDANCE WITH THE COUNTRY'S DEVELOPMENT POLICIES AND STRATEGIES**

- 2.1 The initiative is in line with Belize's development strategy to reduce poverty and increase the welfare of its population. This depends on the country's capacity to achieve higher levels of economic growth while ensuring macroeconomic sustainability and the effective use of scarce public resources. Recognizing that tourism is one of the two most important economic bases, the Government of Belize endorsed the NSTMP as the country's tourism policy and strategic

planning instrument with the aim to contribute to the sector development objective to improve tourism value added and sustainability.

### **III. CONFORMITY WITH THE BANK'S NORMS AND CONDITIONS**

- 3.1 This CT/INTRA operation is in conformity with the Bank's norms and conditions as it will contribute to the transfer of know-how and experiences between institutions in a Bank member country, which has developed and implemented innovative comprehensive tourism programs based on destination management. These exchange opportunities in Panama and Jamaica will bring together stakeholders from the public and private sectors with similar responsibilities (management and destination promotion) in order to share experiences and ideas. Arrangements will also be made to have dialogue with selected public and private sector agencies involved in the actual execution of the initiatives in Panama and Jamaica.
- 3.2 On November 12, 2014, the Ministry of Finance and Economic Development (MFED) of Belize requested the Bank's assistance to finance the technical knowledge exchanges for a technical team of Ministry of Tourism, Culture and Civil Aviation (MTCCA) to exchange experiences with Panama and Jamaica with the objective to learn about implementation of their National Tourism Master Plans. The CT/INTRA will finance eligible activities, eligible expenses and eligible government officials as defined in GN-2620-1.

### **IV. BACKGROUND**

- 4.1 Tourism is the most important economic base in Belize. In 2012, the Government of Belize endorsed the NSTMP as the country's tourism policy and strategic planning instrument. The NSTMP's overall objectives are to promote low impact and high value sustainable overnight tourism and thus double the total number of overnight tourist arrivals by 2030. The MTCCA established a Project Planning and Development Unit (PPDU) with an initial technical support from the Bank that will be responsible for coordinating the implementation of the masterplan's objectives and monitoring its expected results.
- 4.2 The MTCCA recognizes that the implementation of the NSTMP is an ambitious task and the proposed knowledge transfer will allow Belize to review and gain insight into lessons learnt by other small LAC countries during implementation of their National Tourism Masterplans, which can be of significant relevance to the situation in Belize. Two fellow countries that the MTCCA has identified as having successfully implemented their Tourism Masterplans are Panama and Jamaica. Panama's "PLAN MAESTRO DE TURISMO SOSTENIBLE DE PANAMÁ 2007-2020" (Plan Maestro) and Jamaica's Master Plan for Sustainable Tourism Development (MPSTD) were partially funded by the Bank. Panama is achieving remarkable progress in implementing its "Plan Maestro" and has begun establishing the National Tourism Trust Fund "Fondo Nacional para el

Turismo (FONATUR)” to promote and develop tourism activities, improve standards and increase human capital, among others. Panama has established one of the leading tourism legislative frameworks to attract private investments and retirees. Belize can benefit from learning how FONATUR and the related laws and regulations have helped to facilitate the implementation of Panama’s “Plan Maestro”, as well as establishing closer contacts with relevant actors involved in the country’s regional air travel industry. Jamaica, meanwhile, has advanced considerably in the implementation of the MPSTD, which has resulted, among other things, in the creation of the Tourism Enhancement Fund (TEF) that allocates grants to tourism-related public sector projects from money collected from tourist arrivals. A Tourism Development Company has improved hospitality standards, human capital development and encourages investment in tourism-related activities in Jamaica.

#### **Panamá:**

- 4.3 The direct contribution of tourism in Panamá to total GDP was 5.9% (\$US 2.468 billion) and the total contribution was 13.9% (\$US5.829 billion) to total GDP in 2013. In 2013, tourism accounted for 13.4% (\$US4.413 billion) of the total exports revenue. Tourism in Panamá directly employed 102,500 (5.9% of total employment) people and contributed to 234,000 (13.5% of total employment) direct, indirect, and induced jobs in 2013. In 2007, Panama began the implementation of its “Plan Maestro” 2007-2020 with the aim to improve the competitiveness of its tourism industry. Panama’s overarching goal with the “Plan Maestro” was to pursue a long-term strategy, policy, and regulatory framework for tourism development to contribute to the generation of jobs and to increased income levels. The three specific objectives of the “Plan Maestro” are: (i) To generate economic and social wealth to Panamá through the development of domestic and international tourism, (ii) distribute and decentralize economic development, generating employment opportunities, new ventures and developing tourism destinations and (iii) position tourism as a tool for sustainable development in its three pillars - social, environmental and economic - for both specific destinations and the country as a whole.
- 4.4 The Belizean delegation will primarily interact with representatives from the *Autoridad de Turismo de Panamá* (ATP) which holds responsibility equal to that of the MTCCA and its statutory body the Belize Tourism Board (BTB). The ATP is a separate legal entity under public law established by Decree Law No. 4 of 27 February 2008, that creates the “*Autoridad de Turismo de Panamá*”, with the mission of establishing an effective and modern structure that enables the development, promotion and regulation of tourism as an activity of national priority, public utility and social interest. The ATP has the mandate to implement the MPSTD. In 2007, the ATP created the National Trust Fund, “*Fondo Nacional para el Turismo* (FONATUR)” with the aim to promote and develop tourism activities in Panama. The “*Cámara de Turismo de Panamá* (CAMTUR)” is the national “Chamber of Tourism” and was established in 1986. CAMTUR is responsible for bringing together the various tourist associations of Panama. CAMTUR’s mission is to promote and develop tourism; its prime objective is tourism as a development alternative, with adequate legislation, so that the activity

develops with adequate infrastructure and equipment. The “*Consejo Nacional de Turismo* (CONATUR)” and “*Consejos Consultivos de Turismo*” are the National Council for Tourism and the Tourism Advisory Council, respectively, and they are additional statutory bodies created by the ATP since the implementation of the “*Plan Maestro*”. Panama is a member of the Central American Tourism Integration Secretariat (SITCA), key institution responsible for tourism policy-making and the overall regional management of the tourism policy.

#### **Jamaica:**

- 4.5 Tourism is the most important economic base and the largest earner of foreign exchange in Jamaica. In 2013, the total contribution (direct, indirect and induced impact) of tourism on the Jamaican GDP was 25.6% (\$US 4 billion) and tourism accounted for 51.0% (\$US 2.6 billion) of total export revenues. Over the past 13 years tourism exports have grown by a significant 62% compared to the entire export sector which only grew at 39% during the same time period. Tourism in Jamaica directly employs 84,500 (7.1% of total employment) people which is larger than any other sector and contributed to 274,500 (23.4% of total employment) direct, indirect, and induced jobs in 2013. Similar to Belize’s economy, the health of the Jamaican economy is closely related to the health of the tourism industry. In 2002, Jamaica began the implementation of the MPSTD with the aim to improve the competitiveness of its tourism industry. Jamaica created a strategic vision for the industry that would enable them to create an environment that supports and incentivizes growth and development in a sustainable manner. The five main objectives of the MPSTD are: (i) Growth based on Sustainable Market Position, (ii) Enhancement of the Visitors Experience, (iii) Community-Based Development, (iv) Building of an Inclusive Industry, and (v) Environmental Sustainability. In particular, the Government of Jamaica has continuously expressed its desire to move away from “Sun, Sand, and Sea” tourism products and promote cultural/historic and community-based tourism assuming that this would better distribute the tourism benefits throughout society along with the preservation of the natural environment.
- 4.6 The delegation of Belize will primarily interact with representatives from the Ministry of Tourism and Entertainment, including the statutory bodies such as the Jamaica Tourism Board (JTB), the Tourism Product Development Company (TPDCo) and the Tourism Enhancement Fund (TEF). In addition, the Belize delegation will interact with representatives from the Ministry of Education and the Ministry of Industry, Investment and Commerce, including the statutory bodies such as Human Employment and Resource Training Trust, National Training Agency (HEART Trust/NTA), JAMPRO, Micro Investment Development Agency Limited (MIDA), Jamaica Business Development Corporation (JBDC), and the Self-Start Fund. Similar to the MTCCA in Belize, the Ministry of Tourism and Entertainment was mandated to lead the implementation of the MPSTD and to ensure that all agencies that are concerned with tourism coordinate their activities. Jamaica is a member of the Caribbean Tourism Organization (CTO) which is the Caribbean’s tourism development agency comprising

membership of over 30 countries and territories including Dutch, English, French and Spanish, as well as a myriad of private sector allied members.

4.7 The liaison agency stated its non-objection to the request for collaboration from the Bank for a program of Sustainable Tourism: Exchange of Experiences between Belize and Panama / Jamaica on behalf of the Government of Belize. The donor institutions would be the Ministry of Tourism and Entertainment of Jamaica and the *Autoridad de Turismo de Panama* (ATP).

4.8 The Country Offices in Jamaica and Panama agree to the execution of this operation.

## V. OBJECTIVES

5.1 The objective of the CT/INTRA is to allow Belizean government officials to share experiences with similar governmental entities and other key stakeholders (e.g. private sector) that are at a more advanced stage in the implementation of their National Tourism Master Plans. Specifically, the CT/Intra will support learning from the implementation of the National Tourism Master Plans in Panama and Jamaica and what programs or legislative frameworks have facilitated and/or supported their implementation. It is expected that the exchange during these technical missions will examine precedents and provide opportunity for:

- Review and Discussions of:
  - ❖ Institutional arrangements that have been put in place for the implementation of the Master Plans or Tourism Strategies **(Panama and Jamaica)**
  - ❖ Tourism Legislative Framework **(Panama)**
  - ❖ National Development Trust - **(Panama and Jamaica)**
  - ❖ Standards/Capacity Building programs- Tourism Development Company & HEART trust/NTA **(Jamaica)**
  - ❖ Investment and Retirement Programs **(Panama and Jamaica)**
  - ❖ Visitor Facilitation System **(Jamaica)**
  - ❖ Development of MSMEs-Micro Investment Development Agency Limited (MIDA), Jamaica Business Development Corporation (JBDC), and the Self-Start Fund **(Jamaica)**

## VI. PARTICIPANTS

6.1 The Government of Belize has identified key agencies (MTCCA, MFED, Ministry of Labour, Local Government, Rural Development, NEMO and Immigration and Nationality and Ministry of Trade, Investment Promotion, Private Sector Development and Consumer Protection / BELTRAIDE) that are currently engaged in the implementation of the NSTMP.

6.2 The following senior technical officers are proposed to participate in the technical visits for **Panama**:

1. Abil Castañeda, Chief Tourism Officer, MTCCA
2. Javier Paredez, Director of Revenue and Registrar of Hotels, BTB
3. Emily Aldana, Economist, MFED
4. Hero Balani, Investment Officer, BELTRAIDE

6.3 The following senior technical officers are proposed to participate in the technical visits for **Jamaica**:

1. Abil Castañeda, Chief Tourism Officer Ministry of Tourism, MTCCA
2. Juliet Neal, Planning and Project Development Unit Coordinator, MTCCA
3. Armeid Thompson, Director of Quality Assurance, BTB
4. Melanie Gideon, General Manager of Enterprise and Entrepreneurship Development Division, BELTRAIDE
5. Mario Arzu, Director of Ports of Entry, Ministry of Labour, Local Government, Rural Development, NEMO and Immigration and Nationality

6.4 The Country Office in Belize has arranged for the Country Office in Panama and Jamaica to facilitate these visits by assisting the Belizean Delegation in obtaining the necessary approvals of the local government authorities in Panama and Jamaica. Contact has been made with the respective key institutions and arrangements are underway for meetings with the relevant managers responsible for supervision, administration and management.

## VII. COST TO THE BANK

7.1 The Bank would contribute the equivalent of **US\$ 17,870** to the costs of the operation, pursuant to the following budget:

Estimated Budget (in US\$):

Destination	Air Ticket	Hotel		Subtotal	Per-Diem		Subtotal	Total	Number of Persons	Grand Total
		Days	Cost		Days	Cost		Per Person		
<b>Visit to Panama</b>										
Belize - Panama City - Belize (Belize Delegation)	775.00	3	158.00	474.00	4	96.00	384.00	1,633.00	4	6,532.00
Contingencies (15%)								244.95	4	979.80
Ground Transportation (Site Visits)					2	500.00	1,000.00			1,000.00
<b>Total</b>										<b>8,511.80</b>
<b>Visit to Jamaica</b>										
Belize - Kingston - Belize (Belize Delegation)	950.00	3	\$77.00	531.00	4	84.00	336.00	1,817.00	4	7,268.00
Contingencies (15%)								272.55	4	1,090.20

Ground Transportation (Site Visits)				2	500.00	1,000.00			1,000.00
<b>Total</b>									<b>9,358.20</b>
<b>Total financed by the CT/INTRA</b>									<b>17,870.00</b>

All air tickets will be purchased in economy class in compliance with GN-2620-1

## VIII. Certification

8.1 The Grant and Cofinancing Management Unit (VPC/GCM) certifies that the amount of **US\$ 17,870**, from the CT/INTRA Program of the Ordinary Capital is available to finance the project proposed herewith.

ORIGINAL SIGNED

05/08/2015

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Sonia Rivera, Chief, VPC/GCM

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Date

## IX. APPROVAL

9.1 Pursuant to the provision of resolution DE-34/11 of June 1<sup>st</sup>, 2011 and Document GN-2620-1, the Bank's Representative in Belize authorizes the utilization of resources up to the equivalent of US\$17,870 for financing of the Intra-regional Technical Cooperation described in the present Memorandum Plan of Operations.

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05/08/2015

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Anneke Jessen, Representative CID/CBL

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Date