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UNITED NATIONS DEVELOPMENT PROGRAMME

RETHINKING TOURISM & MSMEs IN TIMES OF COVID-19

FUTURE-TOURISM IN THE EASTERN CARIBBEAN
REGIONAL POLICY DIALOGUES: SUMMARY REPORT

REGIONAL POLICY DIALOGUES SUMMARY REPORT



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UNDP Barbados and the Eastern Caribbean

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The purpose of this briefing paper is to present the recommendations of diverse stakeholders based on the key issues and opportunities affecting Micro, Small and Medium Enterprises (MSMEs) involved in the tourism value chain in the Eastern Caribbean region. These discussions took place over five Regional Policy Dialogues (recording of the dialogues accessible [here](#)) and an online discussion forum (accessible [here](#)) in May and June 2021.

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Caribbean Development Bank (CDB)	Government of Antigua & Barbuda
Caribbean Hotel and Tourism Association (CHTA)	Government of Barbados
Caribbean Public Health Agency (CARPHA)	Government of the British Virgin Islands
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Acronyms

ACS	Association of Caribbean States
BSO	Business Support Organisation– public or private
CARPHA	Caribbean Public Health Agency
CERMES	Centre for Resource Management and Environmental Studies at UWI
CHTA	Caribbean Hotel and Tourism Association
CTO	Caribbean Tourism Organisation
ECCB	Eastern Caribbean Central Bank
MSMEs	Micro, Small and Medium Enterprises
NHTA	National Hotel and Tourism Association
OECS	Organisation of Eastern Caribbean States
SDGs	Sustainable Development Goals
SIDS	Small Island Development States
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNWTO	United Nations World Tourism Organisation
UWI	University of the West Indies

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“SUSTAINABLE AND INCLUSIVE TOURISM CAN PLAY A CRITICAL ROLE IN HELPING CARIBBEAN COUNTRIES TO ACHIEVE THE SUSTAINABLE DEVELOPMENT GOALS AND THEIR NATIONAL DEVELOPMENT PRIORITIES. UNDP WANTS TO BE PART OF THE EFFORT AS AN EFFECTIVE INSTRUMENT IN THAT PURSUIT”

Luis Felipe Lopez-Calva,
UN Assistant Secretary-General and
UNDP Regional Director for Latin America
and the Caribbean



Executive Summary

Context: The rapid growth in the number of international visitors to the region over the past several years has led to limited social and economic benefits for Caribbean people. The income per capita in several Caribbean countries in December 2019 was still below 2007 levels. Social and community development also lagged behind the growth in visitor numbers. The pause created by the COVID-19 pandemic presents the opportunity to rebuild the industry more equitably.

Problem: The tourism value chains in the Caribbean are neither inclusive nor sustainable. They lack effective monitoring and coordination at the community, national and regional levels. The success in the tourism industry should not be related to the number of arrivals but the progress towards the Sustainable Development Goals (SDGs). The protection of the environment especially the sea should be financed by all, more so by the visitors who use it most.

Issues identified by the panellists:

- The Caribbean will become the most at-risk tourist destination in the world between 2025 and 2050. The social, economic and environmental impact of each market segment is not properly assessed nor understood.
- The price and fees paid by cruise lines and passengers do not include the environmental damages caused while adding limited benefits to the local economy:
 - For example, in Barbados, the average spending per passenger fell 30% over the 9- year period ending in 2015 to a total of USD 57 million (representing 600k visitors)¹
 - 68% of tourists’ spending is on imported goods such as watches, perfumes, and clothing².
 - Cruise lines capture as much as 70% of the value by selling excursions prior to port arrival.³
- The demographic challenge: The Caribbean suffers from an ageing population, brain drain, and a lack of digital talent to accelerate digital transformation.
- Only 30% of Caribbean MSMEs can process online payments while tourists like to book online and do not carry cash around. Women are disproportionately affected by the crisis, and technology adoption is lower among female-owned businesses in the tourism sector.⁴
- Although there are many organisations involved in tourism, there is a lack of effective coordination at the community, national and regional levels. National hotel and tourism associations, CHTA, CAST, and CTO are effective tourism organisations that can push the sustainable tourism agenda forward while coordinating with stakeholders at all levels, but they lack internal capacity.
- Convenient and sustainable financing and volunteering mechanisms are not in place to encourage philanthropists, donors, and visitors to contribute.

“GOING BACK IS THE WRONG WAY TO GO.”

Marla Dukharan,
Caribbean Economist



¹ <https://gvcc.duke.edu/cggclisting/barbados-in-the-cruise-tourism-global-value-chain>

² Dukharan, <https://www.bb.undp.org/content/barbados/en/home/future-tourism/regional-dialogues.html>

³ <https://gvcc.duke.edu/cggclisting/saint-lucia-in-the-cruise-tourism-global-value-chain/>

⁴ Two sources revealing same finding: (1) Nearly 1,000 MSMEs responses to UNDP’s survey launched in May 2021; (2) The “Innovation, Firm Performance and Gender” (IFPG), sample of 1970 firms in 12 countries, Compete Caribbean, 2019

Opportunities presented by the panellists:

Remote work programmes can generate more foreign exchange with fewer people, and have a greater spillover effect on the local economy:

- Within five months, Barbados received 1,918 applications for the Welcome Stamp, representing 3,200 individuals. Assuming that all applicants stay for 12 months, USD 92 million in foreign exchange could be captured for accommodations alone.
- Digital nomads/expats want to contribute meaningfully to their host community.

The shift in consumer demand creates important market opportunities for MSMEs:

- 75% of consumers are more concerned about sustainability after COVID-19.⁵
- Overnight visitors are planning to stay longer (7 days pre-pandemic vs 11 days in January 2021).⁶
- Families want stimulating activities for their children.
- International visitors want authentic experiences offered by local businesses.
- Visitors are willing to pay more if supplies are sourced locally and benefit communities.⁷

Innovation in digital payments:

- A digital currency is introduced in the Eastern Caribbean: the Dcash wallet will enable vulnerable groups to participate in the tourism value chain.
- Fintech companies such as WiPay enables Caribbean businesses to accept online payment within 24h without investments and red tapes. In some countries, WiPay enables mobile payment by credit cards which enables microentrepreneurs, street vendors, and attractions to better access the tourism market.

Innovation in digitalisation:

- Google tools such as Destination Insights are available for free, and other tools such as Google my Business, Google Analytics, and Online Travel Aggregators (OTA) are increasingly accessible to MSMEs.
- The Caribbean Traveller’s Health Mobile App can improve the health and safety of Caribbean destinations.

Innovation in the industry:

- The start-up ecosystem is expanding in the region which should drive new options for system interoperability and digital transformation.

Sustainable destination assessment, identification of targets, and roadmaps involving diverse stakeholders can lead to impressive progress towards SDGs within one year.

The public and private sector entities are committed to the sustainable tourism agenda and willing to work together. Many tools, research and plans can be leveraged to make a substantial difference.

Recommendations: Solutions and priorities

FOUR POLICY SOLUTIONS AND RECOMMENDATIONS	ASSESSMENT AND STRENGTHENING OF THE ECOSYSTEM	CAPACITY BUILDING	AWARENESS CAMPAIGN
<p>1 Digital transformation for MSMEs, including the informal sector</p>	<ol style="list-style-type: none"> 1. Obtain information about online payment gateways available in each country and share diagnostic with BSOs and MSMEs 2. Support expansion and integration of Dcash in the ecosystem 3. Stimulate the development of system interoperability to increase options for digital transactions and procedures 4. Establish/improve digital payment legislation to facilitate registration and regulation of fintech companies 5. Establish digital linkages between businesses in tourism and other sectors 	<ol style="list-style-type: none"> 6. Help MSMEs adopt digital payment options to accept payment online and/or via mobile phone 7. Help MSMEs develop digital content to tell their story 8. Help MSMEs improve their digital presence to facilitate customer acquisition (Use of social media, Google My Business, website analytics, OTAs, etc.) 9. Help formal SMEs obtain the Caribbean Travellers Health Assurance Stamp from CARPHA to be listed on the App 	<ol style="list-style-type: none"> 10. Promote the use of Dcash among consumers and businesses in the Eastern Caribbean Monetary Union 11. Promote the use of the Caribbean Traveller’s Health Mobile App among visitors 12. Promote the use of Dcash among visitors to the Monetary Union

⁵ Euromonitor International Voice of the Industry Travel and Tourism, April 2020

⁶ UNWTO Insights Series: The impact of COVID-19 on tourism: what was and what will be? (10 Feb.2021)

⁷ <http://ourtourism.onecaribbean.org/wp-content/uploads/2019/12/Consumer-Research-willingness-to-pay-for-CBT-Activities-Final-Report.pdf>

FOUR POLICY SOLUTIONS AND RECOMMENDATIONS	ASSESSMENT AND STRENGTHENING OF THE ECOSYSTEM	CAPACITY BUILDING	AWARENESS CAMPAIGN
<p>2 Diversification of the product offering: Product and Market Development</p>	<ol style="list-style-type: none"> 1. Assess the needs and constraints of long-stay visitors to inform product development and policy decisions in diverse sectors such as education, transport, real estate, financial services, etc. 2. Develop digital content targeted at digital nomads/expats to accelerate their integration in and contribution to the local community 3. Assess risks of different market segments to inform pricing and policies 	<ol style="list-style-type: none"> 4. Help MSMEs increase the value of their offering (ie. authenticity, customisation of services, convenience, sourcing practices, community involvement, etc.) 5. Help MSMEs implement sustainable practices (eco-friendly material, waste management, energy saving, etc.) 6. Help MSMEs diversify their product offering to include activities highly valued by visitors such as culinary experiences, farm to table, food & beverages, and adventure 7. Facilitate bundling of activities and services by supporting clusters and community-based tourism 	<ol style="list-style-type: none"> 8. Promote the market opportunities identified to MSMEs and large businesses 9. Share stories of visitors to attract the right market to the Caribbean
<p>3 Stakeholder engagement and regional coordination</p>	<ol style="list-style-type: none"> 1. Assess the environmental impact of cruise ships to integrate into the cost and pricing structure 2. Establish a regional policy for cruise ship management with the support of a regional committee for sustainable tourism such as CAST 	<ol style="list-style-type: none"> 3. Increase the capacity of a regional body to facilitate coordination efforts related to sustainable tourism priorities 4. Help conservation trusts and related to NGOs to capture donations digitally. 5. Facilitate the harmonization of health, travel protocols, and tourism taxes across the region 6. Establish a satellite accounting system for assessing the true value of market segments 	<ol style="list-style-type: none"> 7. Promote conservation efforts among visitors and establish digital mechanisms to optimize donations (ie. Using digital wallets such as Dcash) and volunteerism

FOUR POLICY SOLUTIONS AND RECOMMENDATIONS	ASSESSMENT AND STRENGTHENING OF THE ECOSYSTEM	CAPACITY BUILDING	AWARENESS CAMPAIGN
<p>4 Monitoring of key performance indicators (KPIs) related to sustainable and inclusive tourism</p>	<ol style="list-style-type: none"> 1. Identify key performance indicators for sustainability most relevant for the Caribbean, building on the Caribbean Sustainable Tourism Policy and Development Framework (CSTPDF) 2020 2. Conduct sustainable destination assessment across the region 	<ol style="list-style-type: none"> 3. Strengthen national hotel and tourism association and establish sustainable/environment committees to involve stakeholders at the community level 4. Establish roadmaps and define targets aligned with the SDGs at the regional, national and community levels 5. Establish monitoring and reporting mechanism 	<ol style="list-style-type: none"> 6. Promote the 2030 sustainable development agenda and the targets established for the Caribbean to the general public, MSMEs and visitors 7. Promote the commitment of the Caribbean to the SDGs in the source market to attract the right visitors 8. Promote financing opportunities for investors, philanthropists and donors to facilitate achievement of targets. Make the donation process convenient.

Context

The Regional Policy Dialogues fall under the United Nations Development Programme (UNDP) project “Future-Tourism: Rethinking Tourism and MSMEs in times of COVID-19”. This project was established by UNDP in January 2021 to revamp the tourism sector through Regional Dialogues and Policy Solutions, and Technical and Financial Assistance for Micro, Small, and Medium Enterprises (MSMEs) within the sector in the following 10 countries and territories in the Eastern Caribbean: Anguilla, Antigua and Barbuda, Barbados, the British Virgin Islands, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines.

With gender equality and empowerment of women at its core, the project seeks to promote economic diversification, job creation and resilience with the “Blue Economy for Green Islands” approach.

The Problem

The Caribbean tourism industry was at a record high just before the pandemic. According to the Caribbean Tourism Organization (CTO): “Stayover arrivals grew by 4.4% to reach 31.5 million, outpacing the international growth rate of 3.8% reported by the World Tourism Organization, and the highest growth rate in the Americas. Cruise visits also increased by 3.4% to 30.2 million, representing the seventh consecutive year of growth.”⁸

Meanwhile, the Caribbean region continued to suffer from decades of declining economic growth. The income per capita in several countries in December 2019 was still below the level it was in 2007.⁹ Many people wonder: who is profiting from the +60 million visitors to the Caribbean every year? The problem is: the Micro, Small and Medium Enterprises (MSMEs), who contribute on average 50% of GDP and create 45% of jobs in the region¹⁰

⁸ <https://www.onecaribbean.org/statistics/annual-reviews-prospects/>

⁹ https://publications.iadb.org/publications/english/document/Caribbean_Region_Quarterly_Bulletin_Volume_8_Issue_4_December_2019_en.pdf

¹⁰ <https://www.caribank.org/newsroom/news-and-events/speeches/state-msme-sector-caricom-prospects-future>

are not effectively integrated into the tourism value chains. The informal sector, which represented 35% to 44% of Caribbean GDP in 2017¹¹, is presumably not benefiting enough either. The root causes of this problem and potential solutions were discussed during the Regional Policy Dialogue series.

The pandemic made the problem worse for vulnerable groups, especially women. Given their higher concentration in tourism-related services and sales sectors, more women have experienced job losses than men in the Caribbean¹². Falling income levels translated into lower living standards, particularly for women. A higher proportion of single-females (26.4%) reported going to bed hungry in April 2020 compared to single-males (16.4%)¹³. This crisis is unravelling many fundamental issues in the Caribbean development model that requires everyone to rethink the future of tourism.

Moreover, Small Island Developing States (SIDS) are on the front line in the war against climate change. Extreme weather-related events are increasing, species of fish are diminishing, and coastal ecosystems are more threatened every day. The future of tourism must not only be inclusive but also take proactive actions to foster the sustainability of tourism assets.

The Dialogues

A series of five Regional Policy Dialogues was designed to engage diverse stakeholders in discussing the issues and opportunities affecting inclusive and sustainable growth in tourism-related sectors. Additionally, three online discussion forums were facilitated during the 2-month period to provide a more open opportunity for the public contribution of perspectives and ideas about potential solutions. The recording of these dialogues is accessible [here](#) and the results of the discussions are summarised below.

Regional Policy Dialogue I

The Future of Tourism: What is next?

THEMES

1. The value of short VS long-term visitors
2. Diversification of product offering
3. Digital innovation

Link to full recording

REGIONAL DIALOGUE
THE FUTURE OF TOURISM
WHAT IS NEXT?

Tuesday, 11 May, 2021 | 9:30a.m. AST

LIVESTREAM: www.uwitv.org

Panelists:

- Dr. the Right Hon. Keith Mitchell, Prime Minister of Grenada
- The Right Hon. Roosevelt Skerrit, Prime Minister of the Commonwealth of Dominica
- Luis Felipe López Cevallos, UN Assistant Secretary General, UNDP Regional Director for Latin America and the Caribbean
- Sandra Carvao, Chief Market Intelligence and Competitiveness, World Tourism Organization
- Maria Dukharan, Caribbean Economist
- Flavia Matos, Airbnb Director of Public Policy for Latin America

11. <https://publications.iadb.org/en/estimating-size-informal-economy-caribbean-states>

12. <https://caribbean.unwomen.org/en/materials/publications/2021/3/summary-report--status-of-women-and-men-in-covid-19>

13. <https://publications.iadb.org/en/mind-gender-gap-picture-socioeconomic-trends-surrounding-covid-19-caribbean-gender-lens>

During the first event, presented by Denise Shepherd-Johnson, the panellists and online stakeholders set the context by highlighting key facts and arguments that urge policy makers, MSMEs and development agencies to take advantage of the new opportunities for building back more equitably.

According to Sandra Carvao from the UNWTO, the number of Tourist arrivals went back 30 years. She stated:

“The sector has been growing without limits which posed challenges in terms of inclusion, fair jobs, climate change and biodiversity. This pause is enabling all of us to rebuild the industry in a safe, equitable and climate-friendly manner.”

Vaccination everywhere is of course the top priority to protect citizens. It is also critical for Caribbean destinations to coordinate efforts on harmonization of travel protocols at the regional level. This is important to not only attract new types of visitors interested in experimenting with different islands but also to promote intra-regional tourism. According to the Prime Minister of Grenada Keith Mitchell, there is an untapped Caribbean market that would be willing to travel across the region if some barriers would be removed. For example, the countries should coordinate more strategically the management of taxes imposed on airlines, homestays, hotels, and cruise lines. Some taxes may need to be reduced and others increased depending on market segments, but consensus is important to avoid unfair competitive advantage or exploitation by international companies. Harmonization of travel protocols, Tourism taxes, and operating procedures will in turn improve the ease of doing business for international companies and increase the overall interest in promoting the region.

For example, it is not cost-effective for Online Travel Agencies (OTAs) such as Airbnb which operates in more than 100,000 cities worldwide to establish business relations with Small Islands Development States (SIDS) separately given the level of effort needed and the challenges related to administration of taxes, digital payments, etc. Thanks to the leadership of the Caribbean Tourism Organization (CTO), Flavia Matos from Airbnb announced a partnership to promote the accommodation of 18 Caribbean countries. This massive increase in global visibility for those interested in renting their home or providing an authentic Caribbean experience should have a direct impact on the inclusive recovery of Caribbean destinations.

Improved coordination at the regional level was also emphasized by Prime Minister Skerrit from Dominica. The most important asset for tourism in the region is the water ecosystem which requires strategic management and protection to be sustained. For example, a study published by The Nature Conservancy in 2019 revealed that the value of reef-associated tourism is estimated at more than \$7.9 billion annually¹⁴. Although many reefs disappeared already, they can be regenerated and protected if regional coordination is more effective and visitors are involved in the process to create meaningful experiences.

14. Reef-Adjacent Tourism Value of Caribbean Coral Reefs, The Nature Conservancy, 2019 <https://oceanwealth.org/wp-content/uploads/2019/01/Reef-Tourism-Study-Summary-FINAL.pdf>

Theme 1: The value of short-term vs long-term visitors for Caribbean countries. The pandemic created new market segments and destroyed others – which ones should be targeted in the future and why?

Short-term visitors are typically distinguished from overnight or long-term visitors (e.g. snowbirds, remote workers) because they do not spend on accommodations. Most short-term visitors come via cruise ships to spend a few hours on the beach, shopping or exploring the island. Unfortunately, the fall in passengers’ onshore expenditures has kept overall cruise revenue relatively flat in the last decade despite the growth in arrivals. For example in Barbados, a study conducted by Duke University revealed that the number of cruise visitors increased 33% between the cruise seasons of 2006 and 2015 to nearly 600,000 passengers, while the average spending per passenger fell 30% to a total of USD 57 million¹⁵ in the same period.

Caribbean Economist Marla Dukharan explained during the dialogue that the benefit of foreign exchange to a country depends on the extent to which the money stays within the country. She claimed that 68% of tourists’ spending is on imported goods such as watches, perfumes, and clothing.

She stressed the need to integrate local MSMEs in the tourism value chain and to encourage visitors to spend on locally produced goods and services. That is essential if the objective is to progress towards a more equitable approach in the future but very difficult to achieve in the context of cruise tourism. Indeed, another study in St. Lucia highlighted that **cruise companies have been highly effective at selling excursions prior to port arrival, capturing as much as 70% of the value**¹⁶.

The term value in this case refers to the amount of money spent by visitors. However, stakeholders in the online discussion forum advocate for a more comprehensive assessment of value when preparing for negotiation with cruise lines. Positive and negative externalities should be considered before defining the fee per passenger or environmental levies. If Caribbean countries coordinate more strategically going forward, cruise lines may no longer be able to play each country against each other during negotiation. Even if collective negotiation is not practical, Caribbean countries must establish a common policy to increase value for Caribbean people.

Meanwhile, the pandemic created a turning point for an emerging market segment that may add more social and economic value to the Caribbean. More than ten Caribbean countries¹⁷ have launched remote work programmes since 2020 generally referred to as Digital Nomad visas. The UN Assistant Secretary-General and UNDP Regional Director for Latin America and the Caribbean Luis Felipe Lopez-Calva expressed admiration for the speed at which countries like Barbados embraced this more valuable market.

The data published in November 2020 by Terra Caribbean, a real estate agency¹⁸ enables the calculation of estimates about the potential economic value of remote work programmes. Within five months from its announcement, Barbados received 1,918 applications for the **Welcome Stamp**, representing 3,200 individuals. Based on the processing fees, this represents nearly USD 4.5million in revenues for the government. If all applicants stay for 12 months, as much as USD 92million in Forex exchange could be captured from accommodations alone. While these estimates exclude spending on food, entertainment, transport, etc. they shed light on the potential spillover effect in small economies given the level of employment in the hospitality industry.

¹⁵ <https://gvcc.duke.edu/cggclisting/barbados-in-the-cruise-tourism-global-value-chain/>

¹⁶ <https://gvcc.duke.edu/cggclisting/saint-lucia-in-the-cruise-tourism-global-value-chain/>

¹⁷ Anguilla, Antigua and Barbuda, Aruba, Bermuda, Barbados, Curaçao, Dominica; Dominican Republic, Montserrat; Saint Lucia, The Bahamas, The Cayman Islands, Puerto Rico, British Virgin Islands (BVI).

¹⁸ https://issuu.com/theterragroup/docs/remote_working-results-issuu?fr=sOWZhYjEzMDUwMjA

Table 1 - Report from Terra Caribbean, January 2021

% OF APPLICANTS	# OF APPLICATIONS JULY - NOV 2020	MONTHLY RENTAL BUDGET IN USD	MONTHLY FOREX SPENT ON ACCOMODATIONS	
4.9%	94	625	58,750	INDICATIVE ONLY: Estimated Forex spent on accommodations for 12 month, assuming that all applicants moved to Barbados and stayed for 12 months.
30.7%	589	1,875	1,104,375	
41.4%	795	3,750	2,981,250	
20.9%	401	7,500	3,007,500	
1.6%	31	12,500	387,500	
0.4%	8	25,000	200,000	
100%	1,918	4,035 (weighted average)	7,739,375 (per month)	92,872,500 (per year)

In the case of the “Work in Nature” programme in Dominica, Prime Minister Skerit described additional benefits observed in recent months. “Because visitors stay longer, they immerse themselves into the local culture and spread the tourism value into communities. He provided some examples about visitors involved in cooking lessons, doctors volunteering their time, and others visiting local farms. He added: “Given the strong telecommunication network, the diaspora has also travelled in larger numbers, bringing their family along, and investing in the country.”

The situation observed in Dominica illustrates the different points that Dukharan emphasized: “We need to attract people with digital skills in other to fast forward into a more knowledge-based economy and a digital-first way of life. More Caribbean people with tertiary education reside abroad so we need to bring them back”. This is also critical given the ageing population in the region and the high proportion of low wages in the legacy tourism product.

“The Caribbean must shift its business model and focus on making the region more attractive to families who can work and live here.” She explained that 20-38% of the working age population in the USA can work from anywhere. She referred to another survey conducted in February 2021 to shed light on this segment post-COVID: 26% of US employees who worked remotely during the pandemic prefer to do so permanently.

The Digital Nomad movement started long before the pandemic, but the crisis has institutionalized remote working for many companies and countries. Airbnb reported in 2021 that the volume of remote workers that book on their platform tripled since 2019¹⁹. The number of bookings for +28 days also increased, and **one quarter of Americans see themselves undertaking more long-term stays in the future.**

To capitalize on this growing market segment, Dukharan recommends structuring immigration policy, national insurance system, and tax policies with a new value proposition for tourism in mind. It is also critical to involve local MSMEs in developing innovative products and services that derive higher value for inclusive economic growth.

¹⁹ Isolation to Connection – Travel in 2021, Airbnb https://news.airbnb.com/wp-content/uploads/sites/4/2021/01/Travel_Report_2021.pdf

Overall, long-stay visitors present important positive externalities as they contribute greater spillover effects on the Caribbean economies beyond the actual amount of dollars spent. Although more research is necessary to estimate the multiplier effect, the Caribbean Council published an article stating that long-stay visitors are estimated to contribute 11.5 times more than cruise ship passengers to the local economy and government revenues. The Adventure Travel Trade Association presented interesting findings in the second policy dialogue from an impact assessment of tourism on revenues and jobs. In the case of mass tourism, 14% of revenues remain in the country and 1.5 jobs are created. The impact is understandably much higher in the case of adventure tourism: 65% of revenues remain and 2.6 jobs are created²⁰.

Theme 2: Diversification of the product offering. New market trends are shifting consumer demand and creating new opportunities for Caribbean MSMEs.

Lopez-Calva from UNDP described the value of diversification in tourism brilliantly: “it is about linkages with different types of businesses”. Sourcing food locally and explaining to the visitors where, why or how the products are obtained can also improve the authenticity and quality of the experience. By diversifying the product offering, more sectors of the economy can benefit, grow, and innovate. Beyond the digital nomads, international visitors are interested in staying longer, from an average of seven days pre-pandemic to 11 days in January 2021. They are also more inclined to travel with their family and want less crowded destinations²¹

According to Dukharan: “Travelling with kids doesn’t have to be a summer thing. Based on a survey among households earning more than USD 200,000/year – and there are 474,000 such families in the USA – 1/3 of parents think that their children are missing out on extra-curricular activities, and half of the parents are concerned about the lack of stimulation and social development. Caribbean MSMEs should design tourism experiences that cater to these needs and create a higher value, non-traditional, tourism product. We can easily keep visitors engaged with our culture, food, and bio-diversity.”

Dukharan also stressed the importance of designing sustainable experiences because the pandemic has accelerated the movement towards more responsible travel. She cited Travel Advisory Virtuoso’s finding that 82% of travellers want to travel more responsibly, and half of them want to choose a hotel, cruise line or travel company that have a strong sustainability policy.

Airbnb came to a similar conclusion after surveying their travellers in 2020. They published a report called: “2021 will be the year of meaningful travels”. More than half of those under 50 years old say they prefer using a digital platform that allows them to search for alternative energy and green accommodations. But sustainable travel is broader than green energy and eco-friendly accommodations. **Airbnb found that the main driver for booking on their platform is the interest in authentic and cultural experiences that not only limit the impact on the environment but also spread the tourism dollar more equitably.** Their guests seek opportunities to experience the destination’s unique attributes beyond cities and the main attractions. This shift in global demand is the reason for having created a new product line called **Airbnb Experiences**. These activities such as cooking, playing music, or special adventures are offered by local experts and provide deep insights into communities that international visitors would not otherwise be able to discover.

Lopez-Calva believes that Caribbean destinations underestimate the value of their unique culture as an engine of diversification and inclusive growth given the backward linkages. He raised the question about the type of tourists that the region wants to attract.

Dukharan’s opinion is very clear on this: “To attract and benefit from the right type of visitors, we need more local content with domestic linkages, more community-based tourism, more authentic experiences (which should be easy), go greener, and adopt the digital-first way of life.” The right type of visitors can add significant value for the region but MSMEs must learn to speak their digital language – that is to offer contact-less bookings, digital cancellation, and cash-less payment asap.

20 <https://www.adventuretravel.biz/research/adventure-travel-overview-and-market-sizing>

21 UNWTO Insights Series: The impact of COVID-19 on tourism: what was and what will be? (February 2021)

Theme 3: Digital and technological innovation – a transformation involving diverse sectors is necessary for the region. What is the top priority?

According to the UNDP, the region is well poised to embrace innovative technology given the penetration of smartphones and the fundamental change that is taking place in the Eastern Caribbean with the introduction of Dcash - the digital representation of the EC dollar. Since Dcash can be transferred among persons via mobile phones without a bank account, the most vulnerable groups will finally be able to join the tourism value chain. In a region where 80-90% of the value of all payments are conducted in cash/cheque²², and where most MSMEs cannot process payments online²³, mobile booking and payment will be a game-changer for some attractions, street vendors, farmers, tour guides, taxi drivers, etc. They will be able to accept payments from international visitors who do not carry cash around. Increasingly since COVID, people prefer contact-less means of payment.

The Minister of Tourism in Dominica who joined the discussion also emphasised this point: “MSMEs don’t have the digital facility to access markets. They need support to navigate the digital transformation process.” Technical assistance is a top priority if inclusion is at stake but important innovation in financial technology to the financial ecosystem is essential to reduce the overall cost of adoption, especially for the underbanked and the unbanked which represents a large proportion of MSMEs in the region²⁴.

Since the key issues of digital payment have been solved in many parts of the world, the focus of digitalisation has been on establishing an online presence and using online data to analyse trends and manage customer acquisition and retention. Digital platforms are used to engage visitors before, during and after traveling.

Thanks to the pandemic, consumers are more open to providing personal information that facilitates contact tracing, and contact-less operations are increasingly expected. To facilitate travelling in this context and restore confidence, the UNWTO established a Digital Health Passes Compendium²⁵. This type of innovation in digital transformation will be driving the future of tourism.

Regional Policy Dialogue II

The online discussion forums that ran parallel to the policy dialogue portrayed the topic of remote work from

22 The Eastern Caribbean Central Bank (ECCB), 2020

23 The Role of Fintech and regulations in enabling MSMEs to grow and innovate, Compete Caribbean, 2019

24 The size of the informal economy is estimated at 35% to 44% of Caribbean GDP in 2017, <https://publications.iadb.org/en/estimating-size-informal-economy-caribbean-states>

25 <https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2021-04/Digital-Passes-Compendium.pdf>

different perspectives. Peter Thomson explained that it is misleading to refer to remote workers as digital nomads because they are distinctly different from those who have been travelling all over the world for years, moving every 2 or 3 months from place to place. The remote workers in the COVID-19 landscape, which are better described as digital expats, require greater assistance to settle in.

Digital expats are experiencing transitional “pain points” while opening a local bank account to pay monthly bills, renting a car, receiving items from offshore, or finding schools for children. There is a lot of friction involved, with many noting insufficient information and procedural difficulties (see testimonials from expats in appendix). A guide to moving to the Caribbean should be the starting point, or an ongoing, ‘living’ document that highlights the various MSMEs on the island, and the services or events they offer.

Unmet needs represent emerging market opportunities for MSMEs. They can remove some of these pain points by developing new services, bundling services together with long-term packages, or by making their businesses more prominent and accessible to these new profiles of visitors.

Montserrat and Antigua & Barbuda are among the +10 Caribbean countries that launched remote work programmes over the past year. Warren Solomon from the Tourism Division in Montserrat and Katrina Yearwood from the Immigration Department in Antigua & Barbuda described similar benefits as those highlighted during the first policy dialogue. However, their provided different perspectives and key insights about lessons learnt and optimisation of benefits for local communities. For example in Antigua and Barbuda, temporary residents under the programme must prove that their household income exceeds a certain threshold and that their children attend private school. To facilitate settlement upon arrival, the immigration officer responsible for application processing provides personalised customer service. The close relationship established with government officers can also be leveraged to build connections with additional support services such as nannies, drivers, cooks, helpers, etc.

In the case of Barbados, a private company called Remote Work was established to cater to the specific needs of “one-year stampers”. The founder emphasised the long-term benefits of such programme beyond the spending on local products and services. “Digital nomads do not only understand the digital economy, but they are at the leading edge. The future of the Caribbean lies in its transition to the knowledge-based economy which must build on these new digital skills.”

Ava Nasiri on the panel, who works for one of the largest software companies in the world, complemented these points suggesting that most of these travellers are interested in contributing meaningfully during their stay. She and her other new nomad friends met via WhatsApp groups suggested volunteering their time and skills with those interested. They want to build local relationships and establish memories that will give them a reason to return in the future. She added: “If I have children in 10 years, I may want to raise

The ‘digital nomad’ visas are a great opportunity, but we need to do more besides monitoring the number of applications. Governments need to find a way to measure the economic and noneconomic impacts. For instance, we know that persons who come on these visas contribute to host economies not just through the fees that they pay but spill-over effects, such as purchases of goods and services, enrolment of children into schools (tuition fees), etc...

They also contribute in philanthropic ways as well. How is this all being measured? We also need to find a way to turn what is a short-term programme into long-term gains. What programmes are being put in place to continue engagement with these persons while on island or when they return to their home countries after their visa period expires? These persons can become return visitors and potential investors, especially at a time when our economies desperately need to increase private capital inflows.

-Alicia Nicholls,
Trade and Development Consultant

I’ve heard from many nomads in Barbados — there’s a broad sense of appreciation for the opportunity to live somewhere so serene within an incredibly welcoming local community, and a desire to give back. By tapping into the skillsets of nomads, and providing opportunities for them to participate in ethical tourism, this group will feel more at home, and simultaneously provide great benefit to the communities they now live in.

-Patrick Fitzpatrick,
Digital Expat

them here.” This statement illustrates the potential return of this market segment over the lifetime of some of the most successful professionals among millennials.

In contrast, cruise ship visitors have insufficient time to explore the destination and appreciate the real cultural identity of each island: only 48% of cruise passengers indicated that they would be willing to return for a land-based vacation in the next three years²⁶.

Caribbean countries can more easily create a sense of community and belonging with remote workers. More co-working spaces for instance where nomads can work or network is also a good way of establishing emotional bonds. Nikola Simpson who leads UNDP’s Accelerator Lab noted interesting findings about the hope and promise that digital nomads bring to the region when it comes to MSMEs. This involves shifts towards longer, more responsible stays, as well as strong interest expressed in greater integration with locals by sharing skills, purchasing from community enterprises, and volunteering. The analysis and findings can be read in the latest [blog](#).

In terms of market demand beyond that of remote workers, the trends are similar. **Visitors want to explore nature and culture through authentic experiences.** The detailed assessment of their willingness-to-pay described in a consumer research published last year by Compete Caribbean²⁷ provides key insights about the characteristics of the experience most valued. Sylvia Dohnert also described the rise of the new world travellers as more caring about their contribution to local economic growth and will dare to investigate how companies treat employees and the environment. “People question the social contract even more so post-pandemic.” To help MSMEs tap into this emerging market, she mentioned four specific experiences that optimise the intersection between the level of interest of visitors, and the benefits for Caribbean entrepreneurs:

1. Local Tourism involves activities linked to the local/host community across various tourism categories aimed at offering an authentic and local experience. Examples include:
 - a. Multi-day stays with variations of full-day offerings that combine school visits, museum visits, heritage sites and local cuisine.
 - b. Direct interaction with a local family, participatory cooking experience, transportation and local guide with storytelling and traditional folklore.
 - c. Excursion to an isolated village including natural elements off the beaten path such as local knowledge about herbal remedies and folklore.
2. Food and beverage tours: expeditions that include visits/excursions linked to food and related products and activities such as rum, coffee, spices, and chocolate.
3. Traditional cuisine: activities where the local food and beverage including agricultural products, gastronomic offerings and methods of food preparation are the primary pull factors and key aspects of the experience. They can be offered by a family, at local restaurants or via the traditional fish fry.
4. Farm-to-table: a culinary experience that includes products that are locally grown or sourced. This may include a farm tour, harvesting ingredients, and/or a cooking class in addition to a meal/tasting using locally sourced ingredients.

The interesting aspect that is prominent across these experiences is the visitors’ willingness to pay more if the MSMEs:

- Offer tourists the possibility of **customizing their activities**, letting them select what to do, time spent, and restaurants visited according to their interests and needs.
- Highlight the **authenticity of the local experience**, as tourists are willing to pay more if they know a percentage of the ticket goes to the community.
- **Offer convenience** to visitors by providing transportation to and from the hotel.

²⁶ Both studies revealed similar unfavorable impressions of cruise passengers experiences on shore: <https://gvcc.duke.edu/cggclisting/barbados-in-the-cruise-tourism-global-value-chain/> <https://gvcc.duke.edu/cggclisting/saint-lucia-in-the-cruise-tourism-global-value-chain/>

²⁷ <https://www.competecaribbean.org/wp-content/uploads/2021/02/Consumer-Research-on-WTP-for-CBT-activities-Sept.2019.pdf>

Dohnert also highlighted the opportunities offered by the domestic and regional travellers who can play a role in building resilience in the sector. In addition to the harmonisation of COVID protocols, the idea of a Caribbean bubble can reduce the need for quarantine while maintaining low levels of infections. As the Prime Minister of Dominica mentioned in the first Policy Dialogue: “Regional coordination can attract more visitors who may be interested in bathing in a pristine river on one island, trekking in rainforests, or driving in a volcano in another”.

Gabrielle Stowell also stressed the needs and interests of niche markets such as adventure travellers who represent a huge untapped market for the Caribbean. According to the research presented²⁸, 7-8% of US outbound Adventure travellers which represents more than USD 70 billion in terms of tourism expenditures:

- Want to push their limits. They are willing to take risks and like experiences with some element of danger.
- Actively seek out destinations where the culture and lifestyle are different from their own.
- Want to get the most out of life and are looking for excitement.
- Identify as social media users.

The various demographic needs of visitors should also be unpacked. MSMEs must consider the behaviour, experiences, beliefs, and desires of emerging markets to add value and optimise revenues. For example, the number of services searched on the Airbnb platform with the “allow pets” filter increased 90% compared to last year. Understanding customer insights would allow MSMEs to pivot, adapt and capture new markets.

The answer to building a sustainable flow of new types of visitors lies in identifying and addressing their needs and in creating meaningful experiences.

Regional Policy Dialogue III

The Digital Transformation.

THEMES
DIGITAL REQUIREMENTS FOR CARIBBEAN MSMEs

- Online payment
- Mobile payment
- Contact tracing and digital apps for health and safety
- Data analytics and real-time monitoring

[Link to full recording](#)



Thursday, 3 June, 2021 / 9:00 a.m. AST



NATALIA BAYONA
Director of Innovation, Education and Investments,
UN World Tourism Organization (UNWTO)
KEYNOTE SPEAKER



BRIAN FRONTIN
Caribbean Tourism Strategist
MODERATOR

Panellists



Dr. Lisa Indar
Director at Caribbean Public Health Agency (CARPHA)



Sybil Welsh
Senior Project Specialist,
Eastern Caribbean Central Bank (ECCB)



Jessica Bensley
Founder & CEO,
Skyviews Inc.



Aldwyn Wayne
Founder & CEO,
WiPay



Iva Kutlic Skrljec
Global Destination Marketing Partner,
Google

LIVESTREAM: www.uwito.org
UNDP BARBADOOS AND THE EASTERN CARIBBEAN

Brian Frontin opened the dialogue by reminding the audience that we cannot go back to the 2019-type of tourism. Given the digital gap in the Caribbean, digitalisation and digital transformation of payments are top priorities to unleash the potential of MSMEs and empower them to integrate the tourism value chains.

In 2021, less than one third of Caribbean MSMEs are selling online²⁹. This is particularly a problem in tourism given that the vast majority of international travellers book and pay online.

Thanks to the pandemic, this trend is on an exponential growth trajectory as illustrated by the Compounded Annual Growth Rate (CAGR) in the graphic below.

Jessica Bensley is an emerging digital entrepreneur who has been operating in the tourism sector for nearly 30 years across 28 Caribbean countries. She described some of the pain points:

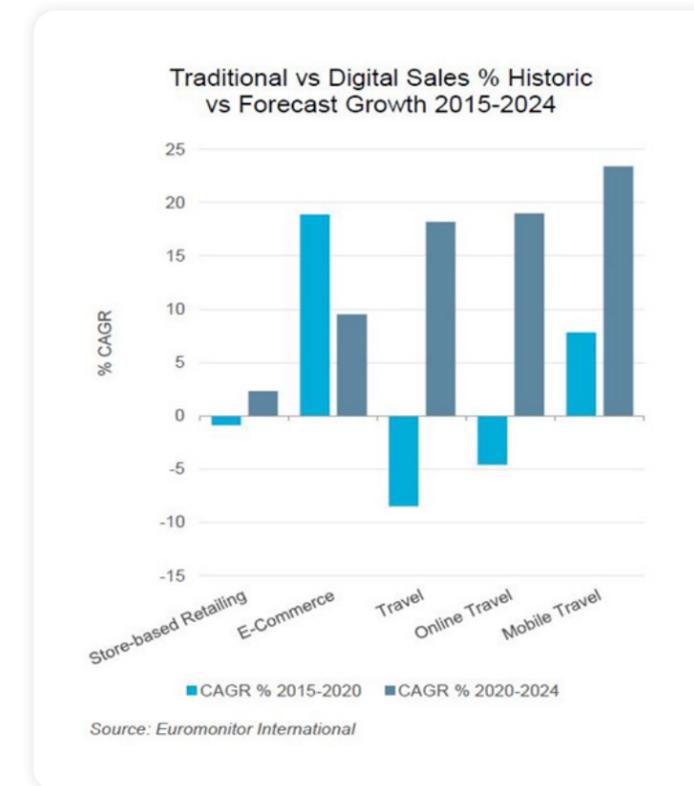
“In the last decade, the only way I could operate my business across the region was to carry cash around. I had to manage 27 bank accounts to make deposits and process checks in different currencies. Over the past year, I discovered payment gateways such as Paypal, Stripe or Square but none of those are available for Caribbean-based businesses.”

Aldwyn Wayne, founder and CEO of WiPay, a new Caribbean regional service provider of online payments, explained that to operate in the region, the payment facilitator must be registered and regulated by the relevant authority in each country. Obtaining such permission can take years of effort especially given that many Caribbean countries do not yet have the legislation in place to regulate digital payments outside of the banking system. Moreover, the volume and size of transactions in the Caribbean are not large enough to offset the investment needed by international fintech companies. This explains why simple payment providers such as Paypal are still not accessible for MSMEs registered in the region.

Traditionally in the Caribbean, the only way for businesses to take online or credit card payments has been via their banks. Given the size of the informal sector³⁰, a large proportion of MSMEs does not have a commercial bank account. Many Caribbean individuals or businesses that rent their home or cottage via Online Travel Agencies (OTA) on platforms such as Airbnb, Expedia, etc. have a payment gateway linked to a US or Canadian bank account. Therefore, many MSMEs are excluded from the tourism value chain because tourists favour digital means of payment.

For entrepreneurs like Jessica who requested a payment gateway from one of her banks, the application process is tedious, requiring +/- 50 pages of documentation and a minimum of USD 5,000 holding in the account. If (and when) the application is approved, the business gets the source code which must be integrated into the website.

This requires additional investment, time, and technical assistance. Some financial institutions in the region made progress over the past year to facilitate access but the transaction fees are generally twice as much in the Caribbean. In some cases, Caribbean entrepreneurs have an additional clearance requirement of 30 days



28 <https://www.adventuretravel.biz/research/adventure-travel-overview-and-market-sizing>

29 Nearly 1,000 MSMEs responses to UNDP's survey launched in May 2021 in the 10 beneficiary countries of Fut-Tourism 30 35% to 44% of Caribbean GDP in 2017, <https://publications.iadb.org/en/estimating-size-informal-economy-caribbean-states>

to access the cash from sales in the local currency. Given the challenge of cash flows for MSMEs, this delay is a considerable barrier.

The problem of access to digital payments solutions in the region is not only related to online sales. Only 62% of Caribbean firms accept credit cards to process sales³¹. The barriers to entry are high, especially in the seasonal context of tourism because monthly maintenance fees of Point-Of-Sales (POS) devices are fixed.

Thankfully, the two solutions presented by the panellists are game-changers for MSMEs and vulnerable groups as they will be able to conduct transactions digitally using their mobile phones or website. Once they are fully deployed, these disruptive innovations will enable Caribbean MSMEs to integrate the tourism value chains and directly benefit from the millions of visitors to their region every year.

"Being unable to collect payments from overseas clients has been a pain. It means that a lot of money gets left on the table because not everyone has the time or interest in paying other than through their credit card."

-Melissa Golden,
Caribbean Entrepreneur

With Dcash issued by the Eastern Caribbean Central Bank (ECCB), which is the digital representation of the EC dollar, small businesses including street vendors and tour guides who do not have commercial bank accounts will be able to accept digital payments using mobile phones. They will also be able to pay their suppliers and staff without having to travel around which can have a significant impact on the speed of economic recovery in these countries. Sybil Welsh who provided additional details about the app called Dcash Wallet, encouraged everyone to [read more](#) about the benefits of Dcash in terms of financial inclusion.

In the case of WiPay for tourism, the mobile payment peer-to-peer application proved to be extremely powerful in Trinidad & Tobago during carnivals. Visitors were able to make credit card purchases via mobile phones which benefited countless tourist attractions and micro-entrepreneurs who cannot afford the monthly fees for credit or debit card processing. The founder and CEO Aldwyn Wayne was proud to say that this system enabled thousands of Jamaicans to maintain their livelihoods during the curfew through a platform called ENDS³². In terms of online payment for booking or e-commerce³³, Wipay's payment gateway can be downloaded as a plug-in to Caribbean entrepreneurs' website and start accepting payments within 24hours³⁴. These innovations and others emerging from different fintech companies in the region will accelerate digital transformation and enable the most vulnerable groups and promising firms to benefit from the tourism industry.

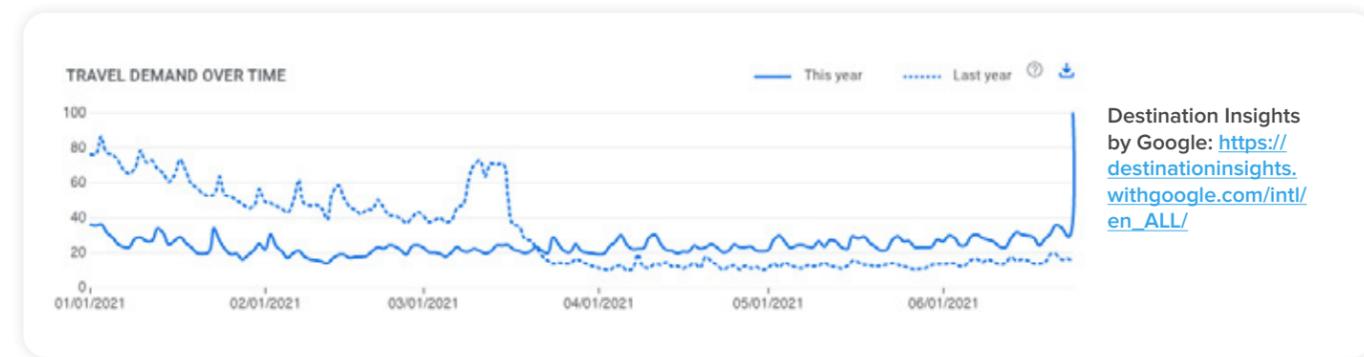
Increasing access to digital payments and e-commerce is interesting for the tourism value chain since products could be promoted to the visitors and diaspora after their visit. Natalia Bayona from the UNWTO also highlighted that **tourism accounts for over 30% of total exports in most small islands, and in some cases, 80% of exports and trade depend on tourism**. However in terms of tourism services, many believe that a Caribbean version of an Online Travel Agency (OTA) should be established to facilitate customer conversion for Caribbean entrepreneurs, and to keep the commissions (10%-30%) paid to these large international companies within the region. This is precisely what a consultant and entrepreneur in the online discussion forum would like to offer starting in Montserrat.

The digital transformation in the region will indeed be accelerated by a strong start-up ecosystem. The UNWTO launched a Global Rural Tourism Start-up Competition³⁵ in April 2021 to involve more entrepreneurs in building a more inclusive, sustainable, and resilient tourism sector. Techbeach launched an accelerator programme in the Caribbean in 2020 and the OECS Commission will launch an incubator and accelerator programme in 2021.

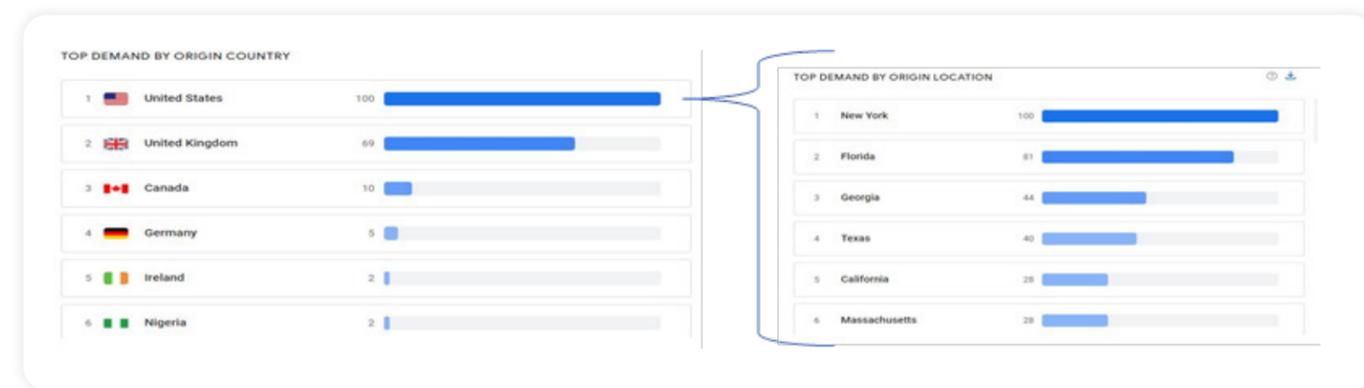
Bayona also mentioned the importance of upskilling and was proud to announce that thousands of individuals have taken free online courses at the [UNWTO Tourism Online Academy](#)³⁶.

Meanwhile, digitalisation is accelerating in health and safety which is critical in the context of COVID. Dr Lisa Indar from CARPHA spoke about the [Caribbean Traveller's Health Mobile App](#) designed for travellers, health, and tourism stakeholders. It provides travel health information by each Caribbean destination, health alerts, and travel requirements by country such as testing, health screening, pre-approval, and tracking. The app also provides the name of accommodations and other facilities within a destination that have been awarded the Caribbean Travellers Health Assurance Stamp. Businesses and travellers are encouraged to sign-up asap to ensure safety for all.

In terms of market intelligence relevant for MSMEs, Iva Kutle from Google presented simple online tools that became freely available to support the recovery of tourism. She provided a short demo of the Google Destination Insights which enables businesses to monitor travel demand in real-time from any origin to any destination for both domestic and international travellers. This information is based on the millions of Google searches done every day so it can be used to adapt marketing strategies according to monthly changes.



Building on her example for Barbados, the graph illustrates a sharp increase in the air travel demand in June this year, and the image below shows demand from these countries. By looking at the states with the majority of queries, MSMEs can focus their digital marketing campaign and learn more about their potential customers.



31 The "Innovation, Firm Performance and Gender" (IFPG), sample of 1970 firms in 12 countries, Compete Caribbean, 2019

32 E-commerce National Delivery Solution: <https://jis.gov.jm/information/get-the-facts/e-commerce-national-delivery-system-ends/>

33 <https://wishopscaribbean.com/>

34 Trinidad & Tobago, Barbados, Jamaica, Guyana, St. Lucia

35 <https://www.unwto.org/unwto-global-rural-tourism-startup-competition>

36 <https://www.unwto-tourismacademy.ie.edu/>

Iva emphasized the importance of digitalisation of travel businesses across the travellers’ journey especially for small businesses which do not have the resources to launch an important marketing campaign.

“Google my business” enables MSMEs to obtain a digital presence and the analytics provide recommendations on how to improve given a variety of factors.

Jessica also agreed that Caribbean firms must use these types of tools to have an online presence and to also take advantage of online marketplaces such as OTAs to reach more conscientious international visitors.

From the online discussion forum:

...we are now in uncharted territory. Our tourists are changing, and their demands are changing. Things were changing before Covid-19, but its presence accelerated what was happening.

For example, where, before, tourists experienced our shores when they arrived, i.e., saw pictures that lured them to book their vacations, now the tourist interact with destinations directly long before even speaking to a travel agent (videos on social media, chat rooms and groups, gaming, etc).

We therefore need to understand the new journey (use cases) of a tourist, from beginning to end. When and how they first connect? What are they seeking when they connect and how do we earn their trust and confidence to visit? When they visit us, how do we live up to their expectations, exceed them and succeed in bringing great value to our economies.

Regional Policy Dialogue IV

A value chain approach for inclusive and sustainable recovery.

THEMES

- Community-Based Tourism
- Value chain integration with national, regional and international partners and markets
- Cross sectorial linkages

[Link to full recording](#)

During this dialogue on inclusion and sustainability of the tourism value chain, Tonni Brodber from UN Women emphasised the gender difference in the damage caused by the pandemic, especially given that 50 to 70% of the tourism workforce are female. Most disturbing, a higher proportion of single-females (26.4%) reported going to bed hungry in April 2020 compared to single-males (16.4%)³⁷. Among the pool of MSMEs that applied for assistance to the UNDP’s Future of tourism project, a gender difference was also observed in the technology adoption.

37 <https://publications.iadb.org/publications/english/document/COVID-19-The-Caribbean-Crisis-Results-from-an-Online-Socioeconomic-Survey.pdf>

DIGITAL ADOPTION OF TOURISM-RELATED MSMEs IN THE EASTERN CARIBBEAN					
908 applications from tourism-related MSMEs during in April-June 2021	Women-owned	Mixed ownership	Men-owned	Total	
Online presence (use any digital media to promote businesses e.g. Facebook)	77%	91%	87%	760	84%
Online reservations/orders	54%	65%	61%	537	59%
Online payment	29%	34%	36%	291	32%
Ownership-Gender distribution	45%	31%	24%	100%	
Total	413	279	216	908	

This means that to foster inclusion, special attention must be given to help women embrace digital technology and use it to access the emerging tourism market. Valerie Cliff from UNDP mentioned that there are many micro and small businesses in the Caribbean already offering highly valued authentic experiences. “However, it often takes months for expats like me to discover these hidden Caribbean treasures”. MSMEs need technical assistance to establish an online presence that will give them access to overnight-stay visitors and digital nomads who are interested in new experiences and supporting local businesses.

She explained that visitors want to know more about the entrepreneur and the characteristics of their products or services. In fact, a consumer research funded by Compete Caribbean in 2019 revealed that the majority of American visitors are willing to pay more if: (a) they know that a portion of the price is going back to the community; (b) if the product is locally sourced; and (c) if it uses practices for environmental sustainability. She shared other interesting opportunities from the same research: visitors are willing to pay as much as USD 100\$ for traditional cuisine but the average current price paid in the Caribbean for this type of meal is only USD 10\$. “This represents a huge untapped market opportunity for MSMEs.” In the case of farm tours, the willingness to pay increases to USD 300\$ if the experience includes transport and is combined with other activities. **Offering customized experiences – often referred to as a VIP option - is becoming increasingly important especially in the context of COVID because visitors are less inclined to travel in large groups.**

“To me, inclusion is about empowering everyone to benefit from social and economic development. I believe this can be achieved with the adoption of necessary technology. For that to happen, we need to help MSMEs access and use it.

Digital technology must connect the business community with the sustainable market opportunities increasingly available in this region – thanks to the remote work programs launched in many islands over the past year.”

- Valerie Cliff,
UNDP Resident Representative for Barbados and the Eastern Caribbean

Valerie Cliff’s last point was about the importance of coordination and linkages: “We need to help community-based businesses work together on developing more comprehensive experiences that involve diverse MSMEs. In the past, MSME integration has often focused on combining transport, food, and guided tours but in the future of tourism, visitors are increasingly traveling with their families, so why not offer kid-friendly activities or bundled packages as well? MSMEs must learn about the emerging market profiles of long-term travellers and their specific needs.”

In the British Virgin Islands (BVI), important efforts were made to establish direct linkages between the marine-based industries and MSMEs. Dr Hon. Natalio Wheatley, Deputy Premier talked about supporting tourism corridors across islands and leasing beachfront spaces for local entrepreneurs to facilitate access to visitors. Considerable investments were made last year in training young people on a variety of marine-related vocations and to obtain tourism certifications. There is also a strong push to ensure that the menus in restaurants offer locally sourced fish and produce which increases the authenticity and value of the meal. Given the progress made in controlling the spread of the Coronavirus in BVI, events and festivals are already being organised to rebuild the local economy and support the creative industries. The month of November has been dedicated to promoting tourism and culture, thereby increasing linkages between visitors and MSMEs.

Collaboration is also at the heart of the Caribbean Hotel and Tourism Organisation (CHTA). Frank Comito highlighted the partnership with the Caribbean Public Health Agency (CARPHA) to train 8,000 managers on health and safety protocols as well as workshops to accelerate recovery. In terms of collaboration with SMEs, the purpose of the CHTA and the National Hotel and Tourism Associations is to foster business connections among members and support their development. At the national level, the association invites suppliers and service providers across related sectors (e.g. transport, agriculture, etc) to join as well. At the regional level, the Caribbean Travel Marketplace is the largest annual event focused on business-to-business relationships. Comito shared the stories of members such as Sir Royston Hopkin from Grenada who started in the seventies with a vision but little experience. Over the years, the support provided by the association in terms of education, mentorship and connections contributed to his success in establishing one of the best resorts in the world.

In terms of sustainability, Helena Rey from the UN Environment Programme (UNEP) created a sense of urgency by reminding the audience that the Caribbean will become the most at-risk tourist destination in the world between 2025 and 2050. Her colleague at the UNWTO mentioned in a previous dialogue that only 10 countries in the world have developed a public policy to foster tourism sustainability. The **“Caribbean Sustainable Tourism Policy and Development Framework (CSTPDF) 2020”**³⁸ was published by the CTO but much remain to be done to adopt the principles and practices in each member state.

In the Dominican Republic, UNEP helped the country establish a roadmap to achieve targets aligned with the 2030 sustainable agenda. The hospitality sector agreed on reducing food waste by 50% and in one year, they exceeded the target by 1%. Rey also noted that for every dollar invested by the stakeholders, \$7 of profit was generated from the initiative.

Carl Hurter shared another success story in St. Lucia but related to the linkages established with the agriculture sector. The Environmental Committee of the national hotel and tourism association started by establishing a WhatsApp group that facilitated connections between small farmers and chefs. The initiative evolved into different spinoffs and ended up improving the livelihood of many farmers while also increasing the variety of agricultural produce offered in the country. For example, closer connections to the market encouraged farmers to start producing mushrooms and asparagus among other things.

From the perspective of visitors, the most popular way to adopt sustainable travel practices is by supporting local businesses and communities in the destination³⁹. Taking advantage of this emerging opportunity is precisely what the CTO is advocating for and investing in. In his keynote address, Neil Walter mentioned that the most strategic priority for the Caribbean is to **expand the types of experiences offered and help communities have equitable access to the tourism markets. Such diversification will not only leverage the comparative advantage of Caribbean culture but also enable more people to benefit from tourism and engage in the protection of biodiversity.** To support this necessary transition towards more sustainable tourism

development, a Community-Based Tourism (CBT) toolkit⁴⁰ was published last year. It provides simple templates and guidebooks to help destinations develop or refine their product offering based on consumer research on the willingness-to-pay of visitors. The tools are available for download on the CTO’s and Compete Caribbean’s websites, and described in the reference section.

In terms of assessing the value of tourism for the Caribbean economies, the panellists acknowledged the question asked about the impact of cruise ships vis-à-vis other market segments. The Deputy Premier in BVI stated that **cruise tourism must be environmentally and socially sustainable over the long term** and recognized that more investigation was necessary to better understand the impact. Walter agreed that the current evaluation system does not provide an accurate estimate of how the tourism dollar circulates in the economy and proposed the adoption of the Tourism Satellite Accounts. This standard statistical framework developed by international organisations is a more appropriate tool for the economic measurement of tourism.

Regional Policy Dialogue V

Sustainable solutions for tourism development.

THEMES

- Regional coordination
- Explicit policy solutions and recommendations for discussion

[Link to full recording](#)

REGIONAL DIALOGUE V
FUTURE TOURISM: SUSTAINABLE SOLUTIONS
 PRESENTED BY UNDP BARBADOS AND THE EASTERN CARIBBEAN

Tuesday, 29 June, 2021 / 9:00 a.m. AST

RIAD MEDDEB
 Senior Principal Advisor for Small Island Developing States,
 United Nations Development Programme (UNDP)
 MODERATOR

LIVESTREAM:
www.uwity.org
 UNDP BARBADOS AND THE EASTERN CARIBBEAN

Solutions Presenters

- Karolin Troubetzkoy**
 Executive Director, Marketing & Operations, Area Chairman & Jade Mountain Resort
- Seleni Matus**
 Executive Director, International Institute of Tourism Studies, George Washington University
- Maria Fowell**
 Senior Technical Specialist Tourism, Organisation of Eastern Caribbean States (OECS)

Financial Institutions

- Floris Vermeulen**
 Local Representative, Southern and Eastern Caribbean, European Investment Bank (EIB), European Union (EU)
- Marisol Inurritegui**
 Natural Resources Sector Specialist, Inter-American Development Bank (IDB)

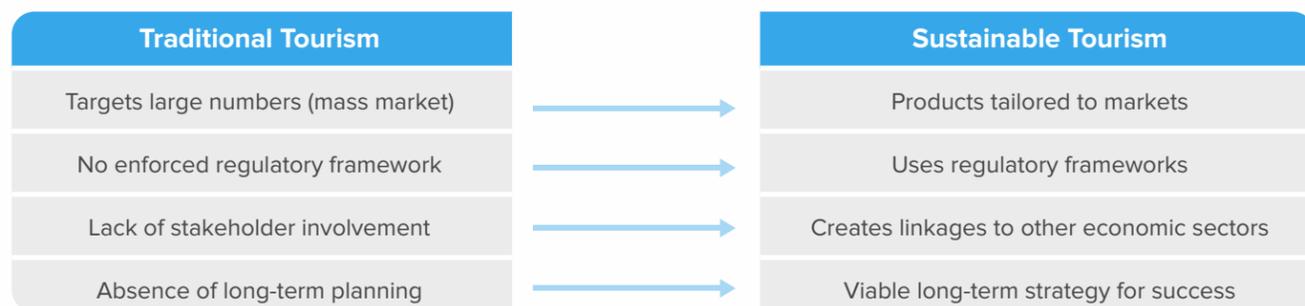
Riad Meddeb invited the panellists to build on the issues and opportunities discussed in the four previous dialogues and to focus their interventions on solutions that are relevant for Small Island Development States (SIDS). Based on his global expertise on the subject, targeted efforts are needed by public agencies to create an enabling environment for MSMEs.

All panellists emphasised the importance of sustainable tourism and their respective commitment to support it. Maria Fowell drew a sharp distinction between traditional and sustainable tourism and reminded the audience that sustainability is about finding the right mix of support for social (PEOPLE), environmental (PLANET), and economic (PROSPERITY) development among the current and future generations.

³⁸ <https://www.onecaribbean.org/our-work/sustainable-tourism-dept/research-policies-frameworks/>

³⁹ Euromonitor International's Voice of the Industry -Travel and Tourism Survey

⁴⁰ <http://ourtourism.onecaribbean.org/cbt-toolkit/>



In her presentation, Seleni Matus presented an overview of 16 sustainable destination assessments completed in the Caribbean with the support of the Association of Caribbean States (ACS). The four key pillars of sustainable destinations and indicators are aligned with the global 2030 Agenda for Sustainable Development. Floris Vermeulen from the EIB could see how the results of these assessments are analysed over time and compared for different destinations within and across countries. Although he recognized that “what gets measured gets improved”, he questioned the capacity of national and regional entities to finance these efforts after project completion. Would the visitors be willing to pay their part?

Karolin Troubetzkoy brought a reality check from the private sector: “Although visitors want to travel sustainably, they don’t”. Therefore, the public and private sectors must work together on establishing effective and coordinated approaches. There are structures already in place such as the Caribbean Bio-diversity Fund which channels grants via National Trust Funds in each country but there must be greater coordination with the tourism stakeholders such as the Hotel and Tourism Associations, Ministries of Tourism, the Tourism Authorities and others. Some of these entities must simply be strengthened to achieve significant impact.

At the regional level, for example, an umbrella tourism sustainability platform is needed to foster knowledge sharing and engagement. The Caribbean Alliance for Sustainable Tourism (CAST)⁴¹ which was established by the private sector played an important role over the years but more resources are needed to implement projects. Grants are needed to support the sustainability agenda, especially after two years of limited revenues in the industry.

Visitors should contribute too. She recommended imposing resilience fees to cruise ship passengers and leverage the Dcash wallet issued by the Eastern Caribbean Central Bank to capture donations for conservation. She concluded by saying: “Let’s not reinvent the wheel but push it forward together”.

From the perspective of the IDB, tourism can accelerate poverty alleviation and help the most disadvantaged people. Marisol Inurritegui also emphasized the importance of coordinating efforts across ministries because tourism must be planned along with transport, energy, infrastructure, waste, water, ICT, etc. This is particularly important as visitors are encouraged to visit remote communities which put additional pressure on the infrastructure.

The IDB Group provides multiple financing mechanisms for the government, large corporates as well as technical assistance grants for MSMEs such as the ones offered by Compete Caribbean and the IDB Lab. The Beyond Tourism Innovation Challenge was launched in collaboration with the UNWTO in 2020 to stimulate reimagining the sector post-COVID. [Seven innovative ideas](#) from the Caribbean were selected.

On the point of grant funding, Floris Vermeulen highlighted the +30 million Euro’s worth of EU grants disbursed via Caribbean Export through the Direct Access Grants Scheme (DAGS). For the next round of EU funding for the region for the 2021-2027 EU budget cycle, he suggested that organisations submit detailed proposals that

can demonstrate value for money, stakeholder engagement and the commitment to achieve/report results. Critical, however, is that such organisations have the capacity to meet the EU’s requirements for financial management and reporting, which is quite stringent. Given the level of effort needed to design, implement, and close projects, the scale of impact expected must be large.

For governments to gain easier access to concessional financing, he recommended investing in consultants to develop projects that meet the quality standards of large development finance institutions. “Even if such consultants appear expensive to hire, the return on the investment could be 20x or even 50x if large grant resources are accessed from the European Union or the Green Climate Fund as a consequence”. Seleni’s recommendation for more effective management of sustainable destinations involving diverse stakeholders at the local, national, and regional levels in a proper governance structure could represent an interesting multi-million dollars project for the European Commission.

41 <https://caribbeanhotelandtourism.com/cast/>



The Solutions

The following four solutions summarise the stakeholders' recommendations discussed during the five Regional Policy Dialogues. The institutions listed must be directly involved in the design and implementation of activities.

1. Digital Transformation

WHAT	HOW	WHO
Assessment and strengthening of the local digital payment ecosystem	Obtain information about online payment gateways available in each country and share diagnostic with BSOs and MSMEs	<ul style="list-style-type: none"> Financial Institutions Fintech Companies
	Support expansion and integration of Dcash in the ecosystem	<ul style="list-style-type: none"> ECCB OECS Commission Financial Institutions Fintech Companies
	Stimulate the development of system interoperability to increase options for digital transactions and procedures	<ul style="list-style-type: none"> Incubator and Accelerator Programs ECCB Financial Institutions Fintech Companies
	Establish/improve digital payment legislation to facilitate registration and regulation of fintech companies	<ul style="list-style-type: none"> ECCB OECS Commission Financial Services Commissions Central Banks
	Establish digital linkages between businesses in tourism and other sectors	<ul style="list-style-type: none"> National Hotel and Tourism Associations Agriculture Board / Cooperatives Restaurants Transport Board Waste and Recycling Programs
Capacity building of MSMEs	Help MSMEs adopt digital payment options to accept payment online and/or via mobile phone	<ul style="list-style-type: none"> Technical Assistance and Educational Programs National Hotel and Tourism Associations
	Help MSMEs develop digital content to tell their story	<ul style="list-style-type: none"> Business Support Organisations Technical Assistance and Educational Programs
	Help MSMEs improve their digital presence to facilitate customer acquisition (Use of social media, OTAs, Google My Business, website analytics, etc)	<ul style="list-style-type: none"> National Hotel and Tourism Associations Business Support Organisations
	Help formal SMEs obtain the Caribbean Travelers Health Assurance Stamp from CARPHA to be listed on the App	
Awareness campaign	Promote the use of Dcash among consumers and businesses in the Eastern Caribbean Monetary Union	<ul style="list-style-type: none"> Tourism Board/Authorities Ministries of Tourism Destination Management Organisations
	Promote the use of the Caribbean Traveller's Health Mobile App among visitors	<ul style="list-style-type: none"> CHTA
	Promote the use of Dcash among visitors to the Monetary Union	

2. Diversification of the product offering: Product and Market Development

WHAT	HOW	WHO
Assessment and strengthening of the local ecosystem	Assess the needs and constraints of long-stay visitors to inform product development and policy decisions in diverse sectors such as education, transport, real estate, financial services, etc.	<ul style="list-style-type: none"> Tourism Boards/Authorities OECS Commission
	Develop digital content targeted at digital nomads/expats to accelerate their integration in and contribution to the local community	<ul style="list-style-type: none"> Tourism Boards/Authorities Investment Promotion Agencies
	Assess risks of different market segments to inform pricing and policies	<ul style="list-style-type: none"> Ministries of Tourism Ministries of Blue Economy and/or Environment
Capacity building of MSMEs	Help MSMEs increase the value of their offering (ie. authenticity, customisation of services, convenience, sourcing practices, community involvement, etc.)	<ul style="list-style-type: none"> BSOs including NHTA Technical Assistance Programme
	Help MSMEs implement sustainable practices (eco-friendly material, waste management, energy-saving, etc)	<ul style="list-style-type: none"> BSOs including NHTA Technical Assistance Programme
	Help MSMEs diversify their product offering to include activities highly valued by visitors such as culinary experiences, farm to table, food & beverages, and adventure	<ul style="list-style-type: none"> BSOs including NHTA Technical Assistance Programme
	Facilitate bundling of activities and services by supporting clusters and community-based tourism	<ul style="list-style-type: none"> BSOs including NHTA Technical Assistance Programme
Awareness campaign	Promote the market opportunities identified to MSMEs and large businesses	<ul style="list-style-type: none"> BSOs including NHTA Technical Assistance Programme Chambers of Commerce
	Share stories of visitors to attract the right market to the Caribbean	<ul style="list-style-type: none"> Tourism Boards/Authorities Investment Promotion Agencies

3. Stakeholder engagement and regional coordination

WHAT	HOW	WHO
Assessment and strengthening of the local ecosystem	Assess the environmental impact of cruise ships to integrate into the cost and pricing structure	<ul style="list-style-type: none"> • ACS • OECS Commission • CTO • CERMES
	Establish a regional policy for cruise ship management with the support of a regional committee for sustainable tourism such as CAST	<ul style="list-style-type: none"> • ACS • OECS Commission • CTO
Capacity building of MSMEs	Increase the capacity of a regional body to facilitate coordination efforts related to sustainable tourism priorities	<ul style="list-style-type: none"> • CAST • CTO • Caricom
	Help conservation trusts and related to NGOs to capture donations digitally.	<ul style="list-style-type: none"> • OECS Commission • BSOs
	Facilitate the harmonization of health, travel protocols, and tourism taxes across the region	<ul style="list-style-type: none"> • Caricom • CHTA • CTO • UNWHO • UNWTO
	Establish a satellite accounting system for assessing the true value of market segments	<ul style="list-style-type: none"> • CTO • Ministries of Tourism
	Promote conservation efforts among visitors and establish digital mechanisms to optimize donations (ie. Using digital wallets such as Dcash) and volunteerism	<ul style="list-style-type: none"> • CTO • OECS Commission • ECCB

4. Monitoring of key performance indicators (KPIs)

WHAT	HOW	WHO
Assessment and strengthening of the local ecosystem	Identify key performance indicators for sustainability most relevant for the Caribbean, building on the Caribbean Sustainable Tourism Policy and Development Framework (CSTPDF) 2020	<ul style="list-style-type: none"> • CTO • UNEP • CAST • OECS Commission
	Conduct sustainable destination assessment across the region	<ul style="list-style-type: none"> • Institute of International Tourism at GWU
Capacity building of MSMEs	Strengthen national hotel and tourism association and establish sustainable/environment committees to involve stakeholders at the community level	<ul style="list-style-type: none"> • CHTA / CAST • NHTA
	Establish roadmaps and define targets aligned with the SDGs at the regional, national and community levels	<ul style="list-style-type: none"> • CTO • OECS Commission • CAST
	Establish monitoring and reporting mechanism	<ul style="list-style-type: none"> • CTO • OECS Commission • CAST
	Promote the 2030 sustainable development agenda and the targets established for the Caribbean to the general public, MSMEs and visitors	<ul style="list-style-type: none"> • BSOs including NHTA • Technical assistance programme
	Promote the commitment of the Caribbean to the SDGs in the source market to attract the right visitors	<ul style="list-style-type: none"> • Ministries of the Blue Economy • OECS Commission •
Awareness campaign	Promote financing opportunities for investors, philanthropists and donors to facilitate achievement of the targets. Make the donation process convenient.	<ul style="list-style-type: none"> • CTO • CHTA • Tourism boards/authorities
	Share stories of visitors to attract the right market to the Caribbean	<ul style="list-style-type: none"> • CTO • CHTA • Tourism boards / authorities

Conclusion

The issues and opportunities discussed during the UNDP Regional Policy Dialogues can fundamentally affect the speed, sustainability, and inclusiveness of economic recovery in the Eastern Caribbean. Therefore, four policy solutions were identified as top priorities to rebuild a more equitable industry.

The UNDP's Future of Tourism project can finance some recommendations listed but not all. The project offers technical assistance and grants to 300 MSMEs which is a step in the right direction, but more resources are needed to reach thousands more. To ensure the successful implementation of the other recommendations, the stakeholders must come together and collaborate on an action plan.

The good leadership of regional entities is essential to avoid reinventing the wheel and push this agenda forward. Additionally, the design and execution of these recommendations must be integrated within the programmes of established public and private sector organisations at national and community levels.



Annexes

Annex 1

Overview of the five Regional Policy Dialogues

Recording: <https://www.bb.undp.org/content/barbados/en/home/future-tourism/regional-dialogues.html>

Public engagement: <https://www.sparkblue.org/FUT-Tourism>

TOPIC	THEMES	PANELLISTS	DATE
<ul style="list-style-type: none"> • RPD1: High-level Discussion: The Future of Tourism: What is next? • “Disruptive Innovation” 	<ul style="list-style-type: none"> • The value of short VS long-term visitors • Diversification of product offering • Digital innovation 	<p>Moderator: Denise Shepherd-Johnson</p> <ol style="list-style-type: none"> 1. Dr the Honourable Keith Mitchell, Prime Minister of Grenada 2. The Honourable Roosevelt Skerrit, Prime Minister of the Commonwealth of Dominica 3. Luis Felipe Lopez-Calva, UN Assistant Secretary-General and UNDP Regional Director for Latin America and the Caribbean 4. Marla Dukharan, Caribbean Economist and chief economist at Bitt Inc. 5. Sandra Carvao, Chief Market Intelligence and Competitiveness at World Tourism Organization (UNWTO) 6. Flavia Matos, Airbnb Director of Public Policy for Latin America 	11 May 2021 9:30-11:00am (AST)
<ul style="list-style-type: none"> • RPD2: The new profiles of visitors - A market-driven approach to accelerate recovery. • “New market opportunities” 	<ul style="list-style-type: none"> • Remote work programme (digital nomads, welcome stamps, etc.) • Emerging market opportunities for MSMEs 	<p>Moderator: Nikola Simpson, UNDP Accelerator Lab in Barbados & the Eastern Caribbean</p> <ol style="list-style-type: none"> 1. Warren Solomon, Director of Tourism, Montserrat Tourism division 2. Dr Sylvia Dohnert, Compete Caribbean Executive Director 3. Katrina Yearwood, Chief Immigration Officer, Antigua and Barbuda 4. Peter Thompson, CEO Remote Work (Barbados) Inc. 5. Gabriella Stowell, Regional Director for Latin America & Caribbean, Adventure Travel Trade Association 6. Ava Nasiri, SAP Engineer and Digital Nomad in Barbados 	25 May 2021 9-10:30am (AST)
<ul style="list-style-type: none"> • RPD3: A digital approach to leapfrog recovery • “Digital Transformation” 	<ul style="list-style-type: none"> • Digital requirements for Caribbean MSMEs • Online and mobile payment • Contact tracing and digital apps for health and safety • Online presence and real-time monitoring 	<p>Moderator: Brian Frontin, Caribbean Tourism Strategist</p> <p>Keynote address: Natalia Bayona, UNWTO Director of Innovation, Education and Investments</p> <p>Panelists:</p> <ol style="list-style-type: none"> 1. Dr Lisa Indar, Director-Surveillance, Disease Prevention & Control Division, Caribbean Public Health Agency (CARPHA) 2. Sybil Welsh, Senior Project Specialist, Eastern Caribbean Central Bank (ECCB) on Dcash 3. Jessica Bensley, Founder and CEO, Skyviews 4. Aldwyn Wayne, Founder and CEO, WiPay 5. Iva Kutle, Global Destination Marketing Partner, Google 	3 June 2021 9-10:30am (AST)

TOPIC	THEMES	PANELLISTS	DATE
<ul style="list-style-type: none"> • RDP4: A value chain approach for inclusive and sustainable recovery • “Inclusive & Sustainable Value Chains” 	<ul style="list-style-type: none"> • Community-Based Tourism • Value chain integration with national, regional and international partners and markets • Cross sectorial linkages 	<p>Moderator: Tonni Brodber, Representative, UN Women MCO - Caribbean</p> <p>Keynote address: Neil Walters, Secretary General (Ag.), Caribbean Tourism Organization (CTO)</p> <p>Panelists:</p> <ol style="list-style-type: none"> 1. Dr Hon. Natalio Wheatley, Deputy Premier and Minister for Education, Culture, Youth Affairs, Fisheries, and Agriculture, British Virgin Islands 2. Valerie Cliff, UNDP Resident Representative for Barbados and the Eastern Caribbean 3. Helena Rey, UNEP Programme Officer 4. Carl Hurter, St. Lucia Hotel & Tourism Association 5. Frank Comito, Special Advisor and Former CEO, Caribbean Hotel and Tourism Association (CHTA) 	10 June 2021 9-10:30am (AST)
<ul style="list-style-type: none"> • RPD5: Sustainable solutions for tourism development • “Sustainable solutions” 	<ul style="list-style-type: none"> • Regional coordination • Explicit policy and financing solutions for discussion 	<p>Moderator: Riad Meddeb, Senior Principal Advisor for SIDS</p> <p>Solution presenters:</p> <ol style="list-style-type: none"> 1. Karolin Troubetzkoy, Hotelier and Envoy, Caribbean Challenge Initiative, past Chairperson of CHTA and the Caribbean Alliance for Sustainable Tourism (CAST) 2. Seleni Matus, Executive Director, International Institute of Tourism Studies, George Washington University 3. Maria Fowell, Senior Technical Specialist Tourism, OECS Commission <p>Panel of financing agencies:</p> <ol style="list-style-type: none"> 4. Floris Vermeulen, Local Representative, Southern and Eastern Caribbean, European Investment Bank, European Union 5. Marisol Inurritegui, Natural Resources Sector Specialist, Inter-American Development Bank (IDB) 	17 June 2021 9-10:30am (AST)

Annex 2

UNDP SparkBlue Discussion Forum: Sample views from the Online Discussion Forum

Derek Roth Gordon, One-year stamper

Hello all. It’s exciting to be a part of this discussion. As a Welcome Stamper who has spent the last nine months here in Barbados with my family of five, I have a somewhat different perspective on being a digital nomad (or digital expat, as Peter Lawrence Thompson more appropriately puts it).

Families are a very different customer persona to consider, but a very lucrative one for Barbados and other islands if they can continue to be attracted here post-pandemic. While we may spend a little less at bars, family units spend way more resources on restaurants, groceries (need more food), housing (need more room) and activities (need to keep the kids occupied!).

Family heads of household are also likely to hold more senior management roles at businesses they work for, leading to a higher level of income, and perhaps a halo effect of this kind of living arrangement being more acceptable at their places of work. Finally, families, I suspect, are also going to be much more attracted to a long-stay value proposition, as transitioning multiple people with multiple needs is much more involved than transitioning a 20-something nomad with a suitcase and a laptop bag.

In addition to the logistical needs highlighted by Ben Fitzpatrick, families have added needs if they are going to consider a long stay away from home. The most pressing need is education resources. Among families I’ve met this year, about half registered their kids in in-person school here in Barbados (when it was available), and half continued some form of remote-learning or home-schooling from their home country. We were in the former group, enrolling two of our children in a private secondary school, and our oldest at the University of the West Indies (UWI).

This proved to be the most challenging part of moving here, mostly because the programme was new and schools didn’t know what to do with Welcome Stampers. Making this piece super simple is key to parents choosing to come. Parents see school not only as a safe place to deposit their children every day while they work but also as a way to connect with the greater community. So, schools that choose to participate in these Welcome Stamp programmes should be making efforts to connect the parents.

Beyond schools, there are 101 other decisions parents need to make to accommodate the needs of their families while living away from home. Finding babysitters, housekeepers, drivers, nannies, camp activities (both during summer and the frequent breaks), sports, weekend activities, etc, are all essential needs for parents, but also HUGE opportunities for MSME’s to fill in the gaps and provide these services.

Parents are used to paying dearly for high-quality caregivers, money that can flow into the local economy here. Families, as mentioned earlier, are keen to connect with other families and build community. As Laura Hildebrandt mentions above, returning nationals become an interesting constituency to especially cater to, as they can be a strong connection between the local citizenry, and the transient Welcome Stampers who would love to interact with them if given the chance.

In addition to the individual services, there is probably a lot of money to be made bundling these services together in “family packages” or concierge services that could help families skip to steep learning curve of handling the needs of a family in a new environment. The magnitude of change a family deals with when moving is enough to scare most people off, especially in the post-pandemic period. If the various Welcome Stamp programmes could really show parents that this could be an easy transition, and one their families would always cherish, the decision becomes a lot easier, and paves the way for developing this group as a key customer of the programme.

Eric Tattersdale, One year stamper

I arrived here with my girlfriend and two kids in October 2020, and what started as a getaway from the pandemic actually turned into a long-term commitment and we ended up buying a house three months into our visit. It has definitely been an interesting and eventful process and as pointed out above, integrating welcome stampers into the community is the key to the success of these programmes.

When it came time to do house hunting we found it to not be very “buyer friendly”. What I mean by “buyer friendly” is that there is no centralized database for all the listed homes for sale or rent in Barbados. Every realtor had the same house listed and unless you reached out by email or phone it was hard to ascertain if the house was still on the market for sale or rent.

I think that loosening the rules around being able to take your money out of Barbados if you wish from a sale of a property would spur on more investment. Why pick Barbados over another warm destination? my answer... Safety, Healthcare, People, Fast Internet, less chance of hurricanes than other parts of the Caribbean.

We also found that the internet not being the main source of information for local businesses was not something we were used to. One instance we went out for dinner to a restaurant that was showing open for business that day only to find it had burned down months ago. Being more adapted to digital expectations would go a long way to making a transition easier for a Welcome Stamper.

Programmes helping people transition into working remotely more efficiently. Very few businesses including one of the biggest cell phone and internet providers refused to call my international cell phone number. In our case, for example, it was imperative to keep our business cell phones from Canada activated at all times, even though we had to pay huge roaming fees. Perhaps bridging and assisting employees and companies which might support remote working with issues like this, internet services etc.

Shipping anything is also a huge issue. It doesn't matter how personal or important an item is that you are sending to Barbados, it will go through an incredible amount of delays and administration not to mention the costs.

However, even with some small complications during our stay here, we really enjoy living here very much and continue to have a high opinion about the people and welcoming culture of Barbados. The island is very safe and large enough to feel like you're not too isolated. I have all the confidence in the momentum that I believe is in full swing here in Barbados. I feel that politically Barbados is in good shape and that was a factor in my choice to purchase here.

**Rob Griffiths, One year stamper**

Hi All,

Some interesting points made so far that really resonate with our experience. We moved across as a family, from the UK, back in November and felt much of the transitional pain already described. We resorted to our property manager and social media sites on the whole for advice and support.

I am a little surprised at the lack of engagement and support from the Barbados government. From the moment we were successful in our visa application we haven't heard anything else. The welcome stamp is proving to be valuable for the island economy but not fully exploited. Nobody has requested feedback or testimonials and this feels like a wasted opportunity to learn and improve the experience of other visitors as well as a potential marketing strategy.

A monthly webinar with key stakeholders and current visitors who could answer questions would prove incredibly helpful for those families “sat on the fence” trying to make a decision back home. Similarly recorded testimonials for the website could provide great marketing material for the scheme.

I have had the privilege of volunteering at the Queen Elizabeth Hospital since January, supporting the medical leadership team with a surgical transformation project. Volunteering however, was not easy and I eventually resorted to emailing the prime minister with a copy of my CV which finally got things moving! I have made a lot of friends on the Island who would be willing to volunteer and give something back to the local community but there is no clear pathway for people to do this.

As I have spent more time at the hospital it is clear that they would benefit from external expertise. This support would not need to be medical, nursing or even hospital based, expertise in administration, leadership, infrastructure, project management to name but a few would prove extremely valuable. There are almost certainly even more benefits of a volunteering scheme to other sectors on the island that wouldn't conflict or remove local jobs.

Overall we have thoroughly enjoyed our time on the island and would recommend it to anyone who will listen!

Alicia Nicholls, Trade and Development Consultant

The ‘digital nomad’ visas are a great opportunity, but we need to do more besides monitoring the number of applications and the number of successful applications etc... Governments need to find a way to measure the economic and non-economic impacts. So for instance, we know that persons who come on these visas contribute to host economies not just through the fees that they pay but spill-over effects, such as rental/purchase of real estate, other purchases of goods and services, enrolment of children into schools = tuition fees, etc...

They also contribute in philanthropic ways as well. How is this all being measured? We also need to find a way to turn what is a short-term programme into long-term gains. What programmes are being put in place to continue engagement with these persons while on island or when they return to their home countries after their visa period expires? These persons can become return visitors and potential investors, especially at a time when our economies desperately need to increase private capital inflows.

James Ellsmoor, Island Innovation

Hi all! Some very interesting discussions here! I'm copying below an excerpt from our recent webinars on this topic: <https://islandinnovation.co/become-top-remote-working-destination/>

Remote workers present a rapidly developing economic opportunity for island and rural communities either in the form of diverse visitor revenue streams or welcoming the diaspora home. Below we list the decision-making process of remote workers when choosing their next home and how destinations can respond to ensure they attract this particular demographic.

Digital nomads are a particular category of remote worker and are not fixed to any particular location. There are a number of different types of remote worker including:

- Those that work from home or partially from the office.
- Workers who split their time between home and other destinations.
- Digital nomads who live where they work and change destination.
- Expats who work remotely but stay in one location permanently.
- Residents who return home and work remotely (for a foreign or local company).

There are several converging trends fuelling the growth of remote work. It's important to note that there is mounting evidence to show that there are productivity gains to be made. Research by Stanford University has shown that remote workers are 13% more productive. Another study by Owl Labs revealed that remote workers themselves report 79% increased productivity without the distractions of the office.

You also learn more about Dominica's "Work in Nature" programme here which we hosted a discussion on: <https://islandinnovation.co/discover-dominica-work-in-nature/>

Annex 3

Resources

These resources were provided by the entities and stakeholders involved in these dialogues.

DIGITAL TRANSFORMATION

1. DCash website <https://www.dcashec.com/>
2. Workshop on digital transformation sponsored by Compete Caribbean for SMEs in T&T weblink: <https://www.competecaribbean.org/digitaltransformation-workshop-2021/>
 - a. Folder containing a PDF copy of the Workshop presentation as well as template documents for the Business Model Canvas and the Value Proposition Canvas: <https://drive.google.com/drive/folders/1xW2TYmt0jQFlnED9iT4JAHItQZCpEH8?usp=sharing>.
3. Business Model Canvas walkthrough YouTube video link (by The Business Channel): <https://www.youtube.com/watch?v=IP0cUBWTgpY>
4. Canva - a graphic design platform, used to create social media graphics, presentations, posters, documents and other visual content: <https://www.canva.com/>
5. Tailor Brands - the world's first AI-powered logo design and branding platform: <https://www.tailorbrands.com/>
6. WhatsApp Business App: <https://www.whatsapp.com/business/?lang=en>
7. WhatsApp Business App functionality walkthrough: <https://cleverclicksdigital.com/blog/everything-need-know-whatsapp-business/>
8. Google My Business short training courses: <https://events.withgoogle.com/mydigitalworkshop/online-training/>
9. The Role of Fintech and regulations in enabling MSMEs to grow and innovate: <https://www.competecaribbean.org/documents/the-role-of-fintech-and-regulations-in-enabling-caribbean-msmes-to-grow-and-innovate/>

COMMUNITY-BASED TOURISM (CBT)

1. Caribbean Tourism Organisation (CTO)'s CBT toolkit

- a. **Tourism asset inventory:** template to prepare an inventory of assets found in the community which are valuable for community-based tourism development. a user-friendly excel spreadsheet to document the number and types of businesses, local experts, and infrastructure found in a community. The framework also enables the collection of information relevant for donors and partnering agencies to facilitate project design and fundraising.
- b. **Diagnostic tool:** Simple questionnaire to assess the market readiness of a community destination based on key success factors. The diagnostic tool is essentially a frame of reference for community leaders or business support organisations (BSOs) to assess the situation in a community interested in developing tourism. For each question, a score can be given using a simple 2-point scale: 0 (not in place); 1 (partially); or 2 (currently in place). This assessment of nearly 30 success factors in CBT can then be used to identify gaps and discuss priorities for project design and long-term development.
- c. **CBT Enterprise handbook:** User-friendly guidebook to help entrepreneurs develop profitable CBT enterprises that return benefits to communities. It provides useful tips to facilitate planning, product development, pricing, online marketing, and financial management of a CBT business given the particularities of the global tourism value chain.
- d. **Consumer research on willingness-to-pay:** Assessment of willingness-to-pay of American visitors for experiences that can be offered by Caribbean MICRO, SMALL and MEDIUM ENTERPRISES (MSMEs). It reveals important untapped opportunities that can expand the benefits of tourism spending to remote areas beyond the tourism industry, such as agriculture, agroprocessing, culture, transport, logistics, health & wellness, etc, while also diversifying the product offering in a more sustainable and socially responsible way. The results provide details about 15 products prioritized based on their potential revenues for Caribbean MSMEs and the interest level of the American visitors.
- e. **CBT destination profile:** A 2-page marketing template to collect information about the types of experiences or services found in a particular community to attract visitors.

2. **Planeterra's training, networking and marketing opportunities:** The Global Community Tourism Network supports community tourism enterprises to achieve their unique social and environmental goals by breaking down barriers that exist in the tourism marketplace. It aims to increase the capacity, quality and accessibility of community tourism enterprises all around the world. The main activities include: (i) Access to online learning; (ii) Connection with peers around the globe; and (iii) Partnership and promotion

3. **Indigenous Tourism Forum of the Americas:** The Industry Advisory Group includes business and government leaders committed to the responsible development of Indigenous tourism through the Americas. In addition to tourism, the group represents broader development issues, such as infrastructure, education and healthcare, which impact Indigenous communities. While the group does not determine tribal direction or interfere with Indigenous narratives and cultural traditions, industry participants will collaborate with Indigenous leaders on developing and executing on an action plan with market potential. That way, Indigenous community tourism opportunities can be developed and packaged in a way that resonates with the growing numbers of travellers seeking culturally authentic experiences

CLIMATE CHANGE:

1. **Trends & Statistics:** This special edition of our annual meta-analysis focused on lessons from COVID-19 for "tourism in a changing climate." It is rich with data points and factoids describing how travellers, tourism businesses, and destinations are implementing workable, sustainable solutions to support our planet and its people. It also provides an overview of what consumers, businesses, and destinations are experiencing during COVID-19 and offers sustainable solutions that can help the tourism industry on the road to responsible recovery. We then held a forum on this topic on World Tourism Day, which specifically focus on destination, consumer, and businesses examples (it was moderated by Denaye Hinds, who we spoke about!)
2. **Marine & Coastal Tourism in the Caribbean and Climate Change Volumes:** I think you'll find these four volumes helpful. They contain essays and case studies from more than 60 different experts that look at how various tourism sectors both contribute to and are impacted by climate change.
3. **Grenada Climate Change & Coastal Tourism Workshops** (scroll to the bottom of the page for the fact sheets): Building on data shared at the 3rd Symposium for Innovators in Coastal Tourism, held in Grenada in 2014, our staff researched and compiled information on linkages between climate change and tourism in Grenada and created a one-hour comprehensive presentation with fact sheets to share with the larger Grenadian community. Thirty locals from public, private, and civil sectors were trained in 2015 with the information so it could be dispersed throughout the islands.

ASSESSMENT OF IMPACT OF TOURISM AND CRUISE TOURISM

1. **The Invisible burden:** The report describes how destinations must uncover and account for tourism's hidden costs, referred to as the "invisible burden", to protect and manage vital destination assets worldwide. Failing to do so puts ecosystems, cultural wonders, and community life at increasing risk, and places the tourism industry on a weak foundation that could crack under its weight.
2. **Tourism Satellite Account:** <https://www.oecd.org/cfe/tourism/tourismsatelliteaccountrecommendedmethodologicalframework.htm>
3. **Cruise Tourism in the Caribbean: Selling Sunshine:** This CREST book explores the lessons learned from half a century of Caribbean cruise tourism, one of the most popular and profitable sectors of the tourism industry. The study considers the limited economic benefits of cruise tourism, its environmental and social impacts, and the effects of climate change, and over tourism. Based on this analysis and case studies of key Caribbean and Mediterranean destinations, this book cautions against over-dependence on cruise tourism and outlines reforms needed to bring more benefits and equity to Caribbean countries.
4. **Cruise Tourism in Belize:** This report highlights some of the primary data I mentioned showing the economic impact of cruise tourism vs. stayover tourism. According to the research, in Belize at that time, "only 17.5% of all tourist expenditures come from cruise tourists, despite the fact that 77.2% of all tourists are cruise tourists," and cruise tourists spent on average less than half that of stayover tourists. The question we always ask is: "Would you rather have 100 visitors spending \$10 each, or 10 visitors spending \$100 each?"
5. **St. Lucia in the Cruise Tourism Global Value Chain** <https://gvcc.duke.edu/cggclisting/saint-lucia-in-the-cruise-tourism-global-value-chain/>
6. **St. Lucia in the Cruise Tourism Global Value Chain** <https://gvcc.duke.edu/cggclisting/barbados-in-the-cruise-tourism-global-value-chain/>
7. <https://barbadostoday.bb/2021/05/08/anchoring-destroyed-our-reefs-did-we-learn-anything/>
8. <http://jamaica-gleaner.com/article/commentary/20201231/my-top-10-beefs-cruise-ship-industry-when-they-finally-come-back-we-need>

FOOD WASTE:

Food Waste Reduction & Prevention Opportunities for the Caribbean Hotel Sector (attached): This report, prepared for World Wildlife Fund, provides an overview of current tourism trends, food insecurity, and food waste reduction efforts, challenges, and opportunities within the Caribbean region. It focuses on six countries, including Aruba, The Bahamas, Barbados, Belize, the Dominican Republic, Jamaica, and St. Lucia. Through this research, it became clear that most hotel sector engagement with the issue of food waste management in the Caribbean takes place on a property-by-property basis.

Although there have been some small-scale initiatives to address food waste, there are few locally specific resources to help guide properties on their food waste management, and the policy landscape, particularly around food donation, is either insufficient or not widely understood. There is an opportunity to share and build upon the practices of and lessons learned from hotels that are managing their food waste at a property level and scale this nationally and regionally.

Bucuti & Tara Case Study: We facilitated a pilot waste intervention between CREST Platinum Sponsor Bucuti & Tara in Aruba and WWF. The intervention focused on staff training and behaviour change through Lobster Ink food waste training videos.

That pilot achieved a reduction of 30% of food wasted before and during service to guests, and this has been maintained since initial project completion in September 2018. In addition, the pilot initiated a culture shift among service staff, who were motivated by the environmental impacts of food waste demonstrated in the Lobster Ink training videos.

Food Management Forum: We held a mixed virtual/in-person conference for Jamaican hoteliers in January, in partnership with Jamaican non-profit CaribShare and WWF. The event tackled issues of food waste reduction and recycling and provided practical guidance to hoteliers on how to implement the business case for managing their food waste holistically to achieve a positive impact on their bottom lines.

TRAINING AND EDUCATION:

1. **Online Tourism Academy:** <https://www.unwto-tourismacademy.ie.edu/>
2. **Caribbean Tourism Organisation (CTO):** <https://www.onecaribbean.org/>
3. **Caribbean Public Health Agency:** <https://carpha.org/>

REMOTE WORK PROGRAMMES:

1. **Montserrat:** www.visitmontserrat.com
2. **Antigua and Barbuda:** <https://antiguanomadresidence.com/>
3. **Remote Work Barbados Inc:** <https://remoteworkbarbados.com>
4. **Island Innovation:** <https://islandinnovation.co/become-top-remote-working-destination/>
5. **Dominica:** <https://windominica.gov.dm/>
6. **Saint Lucia:** <https://www.stlucia.org/en/liveit/>
7. **Anguilla:** <https://escape.ivisitanguilla.com/work-from-anguilla/>
8. **Barbados:** <https://barbadoswelcomestamp.bb/>

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