

# FUTURE TOURISM: Rethinking Tourism and MSMEs in times of COVID-19

## FUT-TOURISM in a Nutshell

### WHAT IS THE FUT-TOURISM INITIATIVE?

The “FUT-Tourism: Rethinking Tourism and MSMEs in times of COVID-19” project aims to technically and financially support Micro, Small and Medium Enterprises (MSMEs) that are directly or indirectly linked to the tourism sector or have been significantly impacted by the COVID-19 pandemic. With gender equality and empowerment of women at its core, the proposal seeks to promote economic diversification, job creation and resilience with the “Blue Economy for Green Islands” approach in the tourism sector thereby boosting recovery and supporting the digitally enabled transformation of the business processes and value chains of MSMEs.

The COVID-19 pandemic has provided the opportunity to rethink and reinvent the tourism sector and how MSMEs operate in order to reduce dependencies. FUT-Tourism aims to become an out-of-the-box platform that serves to assist governments, regional partners and key stakeholders as well as MSMEs to “Build Forward Better” in the COVID-19 context.

### TOWARDS THE NEW NORMAL

The sharp decline in international tourism is having a significant macroeconomic and social impact in the Eastern Caribbean. The industry is a major source of both formal and informal employment across the region, with estimations of up to 90% of the region’s GDP being derived directly or indirectly from tourism. According to the United Nations World Tourism Organisation (UNWTO), it is predicted that international tourism could fall as much as 80% in 2021, a rate much greater than the global average.

Against this background, there is a need to reimagine existing practices and systems. With this in mind, this project aims to support the efforts of 10 governments within the Eastern Caribbean region by targeting some of the defined national priorities with a specific focus on supporting MSMEs, youth entrepreneurship and the female-focused workforce within the tourism sector.



## WHO ARE THE BENEFICIARIES?

The project aims to reach ten countries and territories in the Eastern Caribbean namely Anguilla, Antigua and Barbuda, Barbados, the British Virgin Islands, the Commonwealth of Dominica, Grenada, Montserrat, St. Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines.

## PROJECT DURATION AND BUDGET

US\$ 1.5 million over an 18-month period (January 2021 to June 2022).

## FUT-TOURISM: THE CORE ELEMENTS

Investing UNDP core resources, the project encompasses three main outcomes namely:

### **1. Regional dialogue and Policy solutions** for the tourism sector enhanced through sub-regional and national diagnostics using consultative and participatory approaches:

This output seeks to develop or enhance country-specific diagnostics in at least 5 countries or territories, and one sub-regional analysis for the Eastern Caribbean. This output will bring together governments, regional organisations, big tour operators and anchor companies with MSMEs and other relevant stakeholders. Consultations will provide data and compile information on the current situation, existing policies, ongoing efforts, needs, trends, scenarios and opportunities that could have a catalytic impact on the sector.

### **2. Technical support for MSME retooling and access to markets within tourism value chains:**

Focuses on the development of environmentally sustainable value chains with an inclusive business approach where MSMEs, women-owned businesses, producers' associations and cooperatives that operate either as suppliers, manufacturers, distributors and/or commercial channels receive the support required to adapt to the new market conditions.

### **3. Financial assistance for the economic recovery of MSMEs affected by the impact of COVID-19:**

FUT-Tourism will provide grants to MSMEs to facilitate strategic investments and to further support resilience recovery from the impact of COVID-19. This may include investments to repurpose production facilities to manufacture high demand goods and services related to the tourism industry and/or transition from an in-person, physical interaction business model to a virtual and online one.

Consequently, the project will consider how it can contribute to policy solutions to address the informality of the MSME sector; promote alliances with the private sector in order to provide re-skilling programmes that can guarantee access to job markets and consider how UNDP will maximise opportunities to work with partners to successfully implement the project and achieve desired results. Specific focus will be given to supporting youth entrepreneurship and the female-focused workforce within the tourism sector.

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