

INDUSTRY-DRIVEN TRAINING FOR THE TOURISM SECTOR

(TC-95-02-44-5)

EXECUTIVE SUMMARY

EXECUTING AGENCY: Trinidad and Tobago Hospitality and Tourism Association (THTA).

RECIPIENTS: Trinidad and Tobago Hospitality and Training Institute and micro-, small-, and medium-size private sector firms in the hospitality and tourism industry.

OBJECTIVES: The overall objective of the project is to help address the human resource needs of the private sector, thereby increasing the competitiveness of the tourism product and developing quality service to a level of excellence.

The specific objectives of the project are to: (a) strengthen the technical and organizational capability of the THTA to assume responsibility for hospitality and tourism training; (b) help bridge the gap that exists between the demand for specific specialized skills and the supply of high quality training in those skills; and (c) redesign training programs into modular courses based on competency standards and certification thereby increasing the availability, flexibility, and relevancy of such programs.

DESCRIPTION: The project will have a three year duration and will consist of providing technical assistance to the THTA to develop a sustainable, modular training system, responsive to market demand, and delivered both in-firm and at the newly configured training institute.

To achieve its objectives the project will consist of three components: (a) institutional strengthening and transfer of know-how to the THTA to develop and oversee a training system and to enable future sustainability of the system; (b) development of a system of competency standards for the industry; and (c) beneficiary training.

The specific results of the project will include: (a) the establishment of a coalition, representative of industry, education, and government; (b) direct linkages between training and current and emerging

labor market needs; (c) the adaptation of world-class occupational standards for the industry; (d) development of programs for work based, school-room, and distance learning; (e) fostering an awareness of the career opportunities within the industry; (f) the development of a cadre of highly trained trainers for the industry; and (g) general and specialized skill training for 625 industry employees and 625 youth and new entrants to the labor market.

FINANCING:

Modality: Grant

Recipient: US\$1,314,000

MIF: US\$2,000,000

Total: US\$3,314,000

**IMPLEMENTATION
SCHEDULE:**

Execution period: 36 months

Disbursement period: 39 months

**ENVIRONMENTAL
CLASSIFICATION:**

The Environmental Management Committee, at its meeting of May 11, 1995, classified this as a Category II operation.

BENEFITS:

The main benefit of the project is that it will enable the shift from an existing public-sector led, and largely ineffective and outdated training system to one which is private sector and market-driven, dynamic, modern and sustainable. By helping to manage this transition, the project will also encourage collaboration between the public and private sectors, and assist in institutional consensus building tourism industry-wide. Overtime, this systems approach to training and certification is likely to create an industry group with a strong sense of professional standards.

The project as proposed is designed to facilitate the placement of individuals seeking employment and employers seeking skilled workers which will provide a valuable labor market service.

The project provides an essential building block, human resources development, that will complement any on-going or planned tourism effort in the country, especially the recently approved Bank financed nonreimbursable technical cooperation (TT-0021).

Finally, the project will have important demonstration effects for the region because it will establish mechanisms for the integration of school-based and work-based instruction and for enriching curriculum content and teaching methods.

RISKS:

One risk is the possible transition difficulty to be expected in bringing a public training institution under private sector management, in view of the industry's limited experience in development and oversight of training systems. This risk is mitigated by the financing of technical staff (project execution unit) for two years of project implementation, thereby enabling the private sector to progressively assume responsibility by the end of the grant period.

A second risk is the geographical and historical fragmentation of the industry and the need to integrate new private sector players into the sector, given the twin-island setting of the country, and emerging tourism markets and investors. This risk is mitigated through the collective role of the Association, representative of all players, and the Institute, with its dual campus setting, in determining and responding to industry-wide training needs. A comprehensive approach to training and certification will be enhanced by the advisory body to the TTHTA, the Tourism Resource and Coordination Council.

**THE BANK'S COUNTRY
STRATEGY:**

The overall Bank strategy for Trinidad and Tobago calls for activities and programs conducive to diversification, and the stimulation of the private sector, in tandem with public sector reform and more efficient public sector allocation of resources. In the area of training and education, priority areas include reform of delivery systems and the strengthening of the human resource base to better address emerging labor market needs through a more efficient and effective delivery system and greater private sector participation.

The proposed project is in line with this strategy. By supporting the privatization of hospitality and tourism training, the project seeks to rationalize public sector activity and link training supply to market demand. This project will achieve important synergies with proposed activities in the Bank's operative program such as: the Technical and Vocational Education and Training Program which stresses reform measures, and the Short-Term Tourism Support Package (TT-0021) which will finance immediate regulatory, environmental, infrastructural and public awareness measures to support tourism development.

**SPECIAL
CONTRACTUAL
CONDITIONS:**

(a) As conditions precedent to the first disbursement of the financing, the executing agency shall present evidence to the Bank's satisfaction that: (i) the project execution unit has been established (paragraph 3.7); (ii) the Institute has been legally transferred from the GOTT to TTHTA (paragraph 3.35); (iii) the campus sites in Trinidad and in Tobago have been vested in the executing agency, and the lease arrangements for each site have been completed (paragraph 3.35); and (iv) local counterpart contributions from the TTHTA and the GOTT have been committed (paragraph 3.34).

(b) Terms of reference for the institutional and technical support staff will be agreed upon with the Bank before the hiring of such experts (paragraph 3.6).

(c) Eligibility criteria for the scholarship fund will be agreed to by the Bank before any funds are disbursed for this activity (paragraph 3.29).

(d) Requirements for project assessment (mid-term and others) are set forth in paragraphs 9.2 through 9.5 and those for reporting in paragraph 3.33.

I. COUNTRY ELIGIBILITY

- 1.1 Country eligibility for Trinidad and Tobago was approved on November 30, 1993, by the Donors Committee based on a memorandum of Country Eligibility prepared by the Bank.

II. BACKGROUND

A. The tourism industry

- 2.1 Tourism is a sector of emerging importance in Trinidad & Tobago with the potential to help diversify the economy, and to generate significant employment opportunities and economic benefits. To date, however, it has played a minor role in the overall economy, generating only 1.4% of GDP and 2% of employment. In 1994, total stayover visitors to the country numbered only 142,000, cruiseship passengers 43,000 and yacht arrivals, 1,100. Nevertheless, for the Tobago economy, tourism is crucial: 13% of Tobago's jobs and 20% of its economy are directly related to tourism. Total room capacity is currently at 2600 rooms for both islands, with more than half of those on Tobago. As an indication of growing private sector investment, new hotel projects that will be completed by the end of 1995 in Tobago alone, will result in an additional 248 hotel bedrooms, a 33% increase, and will require a human capital base to staff these establishments.
- 2.2 Based upon preliminary market research and trends in the industry, Trinidad & Tobago has an interesting mix of product offerings which are island specific, and which appeal to different market segments: diving, eco-tourism and upper-scale resort tourism on Tobago, and cultural/events tourism, home porting, marine sports and eco-tourism on Trinidad. The Tourism Master Plan (1995-2005) projects a five-fold increase in stayover visitors and plant development, and a tourism sector contribution to the economy of US\$450 million from the current level of US\$100 million. With increasing levels of private sector investment, job creation from the tourism sector from direct and indirect employment (person year equivalents) is expected to increase in ten years to about 45,000 to 50,000 jobs from the current level of about 15,000 jobs. ^{1/}

^{1/} Direct employment in the accommodation sector is based on estimates of direct employees per room: direct employees per resort room, 1.4; direct employees per urban room, 1.17; and direct employees per B&B/guesthouse room, 0.60. These estimates were derived on the basis of information garnered from local developers in Trinidad and Tobago, and the draft Tourism Master Plan document. Indirect employment has been calculated based on ratios of indirect employees per direct employee in the construction and accommodation sector: 2.5 indirect employees to direct employee.

- 2.3 In the light of current and emerging employment and training demands in the industry, MIF grant assistance has been requested by the private sector to support their strategy, namely to develop an industry driven training system and raise the quality and efficiency of service at all levels, a cornerstone for a competitive tourism product.

B. Human resource constraints

- 2.4 The main constraint to developing a skilled human resource base in the sector stems from inherent inadequacies in training services. The only formal institution providing hospitality training is the Trinidad and Tobago Hospitality Training Institute (THTI), which has been government owned since 1975. The Institute's programs are not responsive to the needs of the industry nor linked to market demand and growth projections, a problem which is compounded by limited staff, poor quality of the physical plant, and poor opportunities for career path development, certification, and in-firm training. In recognition of these deficiencies, it was proposed by government that the THTI should be turned over to industry management in 1995, to which the private sector responded positively by accepting responsibility for its management. MIF resources will thus play a catalytic role by providing seed money to the private sector to develop and manage an industry-responsive training system.
- 2.5 In addition to the problem of the THTI's structure, a number of other human resource constraints was identified in the sector as follows: an overall shortage of trained personnel at the senior, middle-management, and technical levels to meet even current labor demands, thereby necessitating firms to import trained personnel from abroad; "poaching," whereby those properties that have the resources to conduct in-firm training programs often find that trained personnel are likely to be recruited by competing firms; insufficient training programs on the island of Trinidad to address technical and middle/senior management needs, as well as emerging market needs; and inadequate responses to Tobago's specific training needs.
- 2.6 By empowering the hospitality and tourism-related private sector to manage and improve the composition and structure, delivery, and assessment of industry training, this project will help address the main constraints identified and link training supply to training demand.

C. Institutional context of the tourism industry

- 2.7 The main private sector body representing the industry is the Trinidad and Tobago Hotel and Tourism Association (THTA), a non-profit organization founded in 1961, limited by guarantee, and registered in Trinidad and Tobago. The organization was created to act as a voice of private sector interests in the hospitality and tourism industries, and is made up of two Chapters: a Trinidad Chapter and a Tobago Chapter convened by a Board with representatives from both Chapters. The Association's Secretariat

resides in Trinidad. The Association works closely with public, private, non-governmental, and regional organizations such as the Caribbean Tourism Organization (CTO) to maximize benefits to its membership and to augment the hospitality and tourism sector.

- 2.8 The Association is composed of primarily small and medium-scale firms from the food and lodging sectors. THTA's membership represents all facets of the industry. The members are divided into three categories, active, allied and honorary members. The thirty-three active members represent a wide range of accommodation services types from bed and breakfast to full service hotel; there are sixty-one allied members representing the full spectrum of hospitality and tourism products and services: airlines, travel wholesalers and retailers, advertising agencies, hotel and restaurant suppliers. Honorary members are specially chosen based on merit. THTA, by virtue of its experience and comprehensive membership, is well poised to act as the coordinating body for industry training requirements and the forum for common standards and career path linkages between institutions, and will be the executing agency of this project.

III. THE PROJECT

- 3.1 The project will have a three year duration and will consist of providing technical assistance to the THTA to develop a sustainable, modular training system, responsive to market demand, and delivered both in-firm and at the newly configured training institute. For definitional purposes, the project involves both the hospitality and tourism industries, that are viewed as one industry sector of the economy, and includes those businesses involved in or with, restaurants and food service, hotels and lodging, recreation, and travel-related services. The common characteristic throughout all of the related businesses within the industry is that of "serving the guest."

A. Objectives

- 3.2 The overall goal of the project is to help address the human resource needs of the private sector, thereby increasing the competitiveness of the tourism product and developing quality service to a level of excellence.
- 3.3 Specific objectives of the project are to: (a) strengthen the technical and organizational capability of the THTA to assume responsibility for hospitality and tourism training; (b) help bridge the gap that exists between the demand for specific specialized skills and the supply of high quality training in those skills; and (c) redesign training programs into modular courses based on competency standards and certification thereby increasing the availability, flexibility, and relevancy of such programs.

B. Description

- 3.4 To achieve its objectives the project will consist of three components: (a) institutional strengthening and transfer of know-how to the THTA to develop and oversee a training system and to enable future sustainability of the system; (b) development of a system of competency standards for the industry; and (c) beneficiary training.
- 3.5 The specific results of the project will include: (a) strengthened institutional capacity of the THTA; (b) direct linkages between training and current and emerging labor market needs; (c) adaptation of international occupational standards for the industry; (d) development of programs for in-firm and classroom learning; (e) fostering an awareness of the career opportunities within the industry; (f) the development of a cadre of highly trained trainers for the industry; and (g) general and specialized skill training for 625 industry employees and 625 youth and new entrants to the labor market.

1. Institutional strengthening of the THTA

- 3.6 Under this component of the project the following activities will be financed: institutional and technical support to the THTA, consisting of a project execution unit, strategic planning and organizational development, a thorough industry needs assessment; and the configuration of an information management system. With the exception of project execution unit staff, who will be individual consultants, these activities will be carried out consulting firms. Terms of reference for the institutional and technical support staff will be agreed upon with the Bank before hiring of such experts.
- 3.7 To manage day-to-day implementation and overall coordination of the project, THTA will appoint a project execution unit consisting of: an Executive Director, two Campus Directors (one for Trinidad, one for Tobago), an Administrative Assistant/Liaison Officer; and two Training and Development Specialists. The establishment of the project execution unit will be a condition prior to first disbursement. The project will finance these positions for a period of two years, at which time the salaries will be assumed by the private sector.
- 3.8 To develop the strong collective leadership and operational strategy required for the training system envisaged and a strategy for self-sustainability by the conclusion of the grant period, technical assistance (through the services of a consulting firm) will be provided for strategic planning. This planning exercise will include a study tour in the first two months of implementation for the Executive Director and the Training and Development Specialists to observe other hospitality and tourism training models and the use of competency standards to determine training outcomes.

- 3.9 To determine the human resource needs which will serve as a basis for the validation of skill standards, design of curricula and training materials, equipment needs for the training institute, and training outcomes, technical assistance (four person months) will be provided to conduct a needs assessment of the entire hospitality and tourism sector to determine the following: (a) specific needs for the job requirements throughout the industry; (b) availability of persons to fill those positions as determined by the private sector; (c) equipment inventories at the various properties for use in determining future equipment needs and in-firm training capability; and (d) curricula contents of both school-based and work-based learning.
- 3.10 Technical assistance (through the contracting of a consulting firm) will be provided to select and configure a management information system for the industry which will be used to study the jobs, catalogue information about the work, increase the skills of individuals through professional development plans, track and register individual progress, assist in the assessment of skills and facilitate focused training and value to employers participating in the training. To accomplish this, the information management system will manage data in three areas: (a) the tasks, (b) the individual enrolled in the training, and (c) administration related to the process.
- 3.11 The management information system will facilitate the placement of individuals seeking employment and employers seeking skilled workers. The data base established through the needs assessment will be accessible to the campuses and to all properties involved in the delivery of work-based learning. The project office will establish a "job hotline" enabling employers to advertize job openings through the computer network. Individuals seeking employment in the industry will have access to the network and data base at the campuses and at many of the properties connected to the system. The THTI staff will manage the job-hotline and serve as job placement counselors for tourism sector job seekers. The management information system will additionally include access to the Internet with modem dial up.
- 3.12 Managing the professional development of individuals moving from employer to employer while tracking the natural changes of the work itself will be accomplished through the digitization of the data and the electronic linkage of program participants and private operators throughout the industry involved in work-based training to the THTI. The project will maintain an electronic registry of workers who have received training, certification, and work experience in the hotel and tourism industry. All in-firm training will be documented and registered. Communication linkages will be established between campuses of the THTI and private operators involved in in-firm training.
- 3.13 Any company or worker participating in an apprenticeship program will work through the THTI to design the learning plan of the apprenticeship and register performance evaluation with the THTI as well. The registry will serve as a resource to employers seeking

workers with qualifications in specific areas and will facilitate the centralization of the information. Moreover, it will serve as a tool to training and development specialists working to continually develop the work force of the industry.

2. Development of a systems approach to skills standards and certification

- 3.14 Under this component of the project the following activities will be financed: validation of skill standards for up to 25 positions within the industry using the services of a consulting firm, and design of training and education material for the training system, with the help of an expert (10 weeks).
- 3.15 The first activity of this component will be to develop a systems approach to industry-based skills standards and certification that is benchmarked to international levels of performance and which will be useful, both in the process of qualifying new hires, and for the continued upgrading of the skills of those presently employed in the industry. To do this, the THTA will identify the types of skills needed to succeed in specific jobs through a process of setting standards for high quality job performance which can then be used as training outcomes and as the basis for certification.
- 3.16 A specific methodology will be identified to carry out this work. A significant amount of standards development work has been conducted in the region with funding from the European Community. The Hospitality Occupational Standards for Training (HOST) in the Caribbean region will serve as an effective starting point. The THTA members will be responsible for adapting these standards for use in the hospitality and tourism sector training system. The adaptation of these standards will provide those certified with a credential that is recognized or "portable" throughout the region. The standards will be content validated prior to their use as certification targets.
- 3.17 The management information system selected will have the capability of contrasting basic skills for a variety of positions and identifying the skills which are most frequently needed in a cross-section of jobs. This will enable the project staff to select and develop core training and education material to prepare trainees for a broader range of jobs.
- 3.18 The second activity will be to provide technical assistance to design training and education material based on sound job and task analysis. THTA through its project execution unit will be responsible for managing the design and development of curricula and course materials on individual subjects, as required to meet the needs as dictated by industry demands, on subjects including mid-management positions in both dining establishments and hospitality providers, tour boat operations, dive boat operations, eco-tourism, heritage and ethnic-tourism, taxi/travel guides, and small craft, boating and yachting-related operations. Training and

Development project staff will be assisted by two curricula design experts.

- 3.19 The following levels of curricula will be contemplated for the training system: (a) craft-level training and education leading to a certificate for skilled workers; (b) career-level training and education leading to a diploma, to address the industry's need for middle management; (c) in-service training and re-training for adults seeking employment entry into the hospitality and tourism industry, and also for workers currently in the industry who are seeking to advance to supervisory and mid-management ranks; and (d) independent study, leading to an individual's certification in areas of employment within the hospitality and tourism industry, enabling displaced adults to enter the industry.
- 3.20 The project staff will work closely with employers to determine immediate and future training requirements for the industry which would best be delivered in a classroom setting. In addition to the standard two-year Diploma Hospitality Management Program, project staff will explore additional important content areas to be addressed for curriculum development.

3. Beneficiary training

- 3.21 This component of the project will assist in improving the quality and level of participation of the TTHTI, from currently 70 students annually to approximately 250 in the first year of project execution, progressing up to 500 students by the second and third year. To accomplish this the project will finance (a) a local layout/design consultant (five weeks) to determine necessary improvements in the physical plant, including qualitative improvements through the provision of computers, audio visual, and office equipment for the two TTHTI campuses; (b) teacher training and improved supervision; (c) career counselling through the matching of work experiences and apprenticeship programs in private sector firms; and (d) a scholarship fund for low income students or employees. Items (a) and (d) will be financed through local counterpart contributions.
- 3.22 While some project funds will be provided to improve layout and to equip partially the training facility in Trinidad, the TTHTI and its campus on Tobago, based on the needs assessment and job and task analysis performed, most equipment-related tasks will be taught in the work place, thereby utilizing the existing (market-driven) resources of the business. Resources, therefore, will be used primarily for professional development of educators and for technology that supports cognitive, theoretical and/or "soft" skills development.
- 3.23 Technical assistance, through individual consultants, will be provided to conduct in-service training and upgrading of technical/teaching staff. Staff training will include the following areas: (a) the on-going collection of job and task analysis data, (b) the use of the management information system that is selected, (c) the administration of training and

certification programs, (d) the tracking and development of the target program entrants, and (e) distance learning techniques.

- 3.24 The project will enhance capabilities of existing staff of the TTHTI and will identify trainers for the campus in Tobago, as well as trainers from within the properties to train in the system. The project will develop a team of trained and paid field supervisors drawn from industry, certified as supervisors, and equipped with tools to structure training and development based on clearly defined performance standards (e.g. training plans, training checklists, on-the-job evaluation forms, etc.). Under agreements with TTHTA member properties, TTHTI will be provided with resources (in the form of in-kind contributions) to deliver and carefully monitor training courses in properties. Training coordinators will be designated in each of the properties where work based learning programs are on offer for monitoring trainee progress.
- 3.25 The project will conduct training in two closely linked environments, the work place, where modular programs for flexible delivery will be introduced to 625 workers, and the classroom, for 625 new entrants to the labor market. Work-based learning will be utilized in two ways: (a) to increase the structure and quality of the learning which occurs in short-term preparation of employees for productive work in a specific area providing documentation of that learning and (b) as the basis for long-term structural learning experiences involving preparation for several areas of business and the development of a broader more valuable set of skills. The first represents basic on-the-job training component of an apprenticeship approach, and the second represents the development of core, portable industry related skills to facilitate an individual's development within the industry or toward valuable opportunities outside the industry.
- 3.26 Classroom learning will also be an integral part of the training delivery and will be carried out at the TTHTI in Trinidad and at its campus in Tobago. It will also be based on the needs assessment and job and task analysis performed for this project.
- 3.27 Participant training fees based on current and competitive rates for hospitality training will be charged, thereby providing sources of revenue conducive to the sustainability of the project. For those low income participants unable to meet all or a portion of the training fees, TTHTA will establish a scholarship fund. Eligibility criteria for this fund, will be developed during the first six months of project implementation and agreed to by the Bank.
- 3.28 The TTHTA will work with the National Training Agency to use outcomes identified by the tourism industry as the basis for certification. Success of the training will be measured not only by numbers certified, but also by the impact of the certification on the quality of the Trinidad and Tobago tourism product. The project execution unit will test several methods, both qualitative and quantitative, to gauge the impact of the training and certification: (a) interviews will be conducted with the original

participants in needs assessment (qualitative although some quantitative analysis may be possible); (b) a mechanism will be developed to track guest perceptions (e.g. comment cards) over the timeframe during which the system is built and operational (quantitative); (c) THTA will conduct a study of organizational profitability (quantitative); and (d) the project will develop a mechanism that tracks wages and increased opportunity for individuals (qualitative/ quantitative). The tracking and administration of this information will be built into the employee registry maintained by THTI. (See Annex I for project indicators.)

C. Beneficiaries

- 3.29 The target population for the project will be (i) new entrants to the job market, with particular emphasis on the youth, ages 16-24 which represents nearly 40% of the unemployed in Trinidad and Tobago, and (ii) persons already employed in the industry. Every attempt will be made to ensure that female participants are heavily represented in the training and placement programs since over 50% of the new entrants to the job market are female. Particular emphasis will be paid to placing women in non-traditional occupations and career paths within the industry. In addition, the project will reach out to low income participants by providing full and partial training scholarships. Eligibility criteria for the scholarship fund will be agreed to by the Bank before any funds are disbursed for this activity.

D. Executing mechanisms

- 3.30 The Trinidad and Tobago Hotel and Tourism Association (THTA) will be the executing agency. The Association is governed by a thirteen member Board of Directors. Twelve of the members of the Board are elected from and by the membership at the Annual General Meeting. Six (6) Board Members are elected from the Trinidad Chapter and six (6) members from the Tobago Chapter. The thirteenth, ex-officio member of the Board is the Director of the Trinidad and Tobago Hospitality Training Institute.
- 3.31 To manage the day-to-day implementation of the project, the THTA, will appoint a project execution unit, a condition prior to first disbursement. This unit will consist of an Executive Director, responsible for overall project implementation, one full-time Administrative Assistant/Liaison Officer, two Campus Directors (one from each campus of the THTI) and two Training and Development Specialists (one from each campus of the THTI). Within this context, the project execution unit will be responsible for coordination and management tasks related to the Trinidad and Tobago Hospitality Training Institute, which will be the professional registry of training delivered both in-firm and in the classroom for the tourism industry in Trinidad and Tobago. The THTI will have a campus on both Trinidad and Tobago.
- 3.32 In recognition of the importance of involving the industry in the management and organization of training, while at the same time acknowledging a role for government and education in the design and

certification of training and education programs for the sector, TTHTA amended its Articles of Association in 1995 and established a standing committee, the Tourism Resource and Coordination Council (TRACC), to function as an advisory arm to the Association in matters related to the development and implementation of training. The TRACC consists of seven voluntary members, representative of relevant public and private stakeholders, involved in hospitality and tourism training and certification. The TRACC will meet monthly, in an advisory capacity, to review implementation of training, including issues related to this project.

- 3.33 The Executive Director of the project execution unit will submit quarterly progress reports to the TTHTA Board of Directors and the Bank. The reports will discuss status of project implementation, any issues and bottlenecks to implementation, and measures to be taken to address such constraints. The basic supervision of this technical cooperation will be the responsibility of the Bank's Country Office in Trinidad and Tobago which will review the reports of the Executive Director, quarterly implementation schedules in relation to budget allocations and project goals, and the mid-term assessment of the project.

E. Project cost, source of financing, and cost recovery project budget

- 3.34 Project costs are estimated to be equivalent to US\$3,314,000 million, of which US\$2,000,000 million will be provided by the MIF Grant through a non-reimbursable financing. In-kind local contributions of US\$1,314,000 will be forthcoming over the three year grant period from the executing agency and the Government of Trinidad and Tobago (GOTT). The Bank will require evidence of the local contribution prior to first disbursement.
- 3.35 As part of the local contribution, the GOTT will continue to financially support the TTHTI, to the extent that it currently does, through direct subventions in the amount of TT\$1.6 million annually, for the life of the project. Such funds will be used for the purpose of establishing and partially outfitting two campuses of the Institute, one in Trinidad and one in Tobago, and for the salaries of trainers. The Bank will require evidence of vesting and leasing arrangements relating to property and assets mentioned in this project prior to first disbursement. Prior to first disbursement the GOTT will transfer the management of the TTHTI to the Association.

INDUSTRY-DRIVEN TRAINING FOR THE TOURISM SECTOR BUDGET SUMMARY OF ACTIVITIES (in US\$000)			
CATEGORIES OF EXPENDITURE	MIF	LOCAL	TOTAL
Services of professional firms	390.0	5.0	395.0
Individual consultants	82.0	10.0	92.0
Other personnel (project execution unit)	228.0	134.0	362.0
Scholarships/fellowships	20.0	250.0	270.0
Training materials	500.0		500.0
Support services	355.0	815.0	1,170.0
Special programs	225	100.0	325.0
Contingencies (10%)	200.0		200.0
Total	2,000.0	1,314.0	3,314.0

(See Annex III for detailed project budget)

- 3.36 The combined government and private sector contributions are a unique cost sharing scheme, embodying the forging of a partnership. This cooperation recognizes the need to shift training away from rigid academic courses to highly flexible, modular systems which are demand-driven, delivered in-firm, and responsive to skill shortages and current and emerging needs. By enabling this shift, the project will provide the means by which market-demand, cost-recovery mechanisms, and the growth of the industry will ultimately sustain the training system developed.
- 3.37 Participant training fees are an important cost-recovery feature of this program. Projected revenues from training fees are based on modest increments in the current fee structure of TT\$1700 (US\$300) per semester. The project proposes to operate training on a trimester schedule, at both campuses and in-firm. The project is expected to meet its target training number of 500 persons in the second and third years of operation, at which time the operational costs of the THTI facilities would be covered.
- 3.38 In addition to participant fees, the project proposes to introduce other revenue-generating activities to sustain the training system and to maintain a level of excellence such as: the sale of goods and services from the training facilities, including sale of books, supplies, promotional materials, tapes; holding special conferences on topics of interest; bidding on tourism training contracts as appropriate; and providing other commercial training services using in-house facilities and trainers.
- 3.39 The THTA will also undertake a number of promotional and marketing activities geared to attracting local, regional, and international participants including the Latin American market. Promotional activities and their impact will be reviewed and evaluated as part of the work of this project.

IV. DISBURSEMENTS

- 4.1 Disbursements of the resources of the grant and procurement of the goods and services would be made in accordance with standard Bank procedures. An advance of up to 10% of the amount of the grant could be made upon request of the executing agency.

V. VIABILITY AND RISKS

A. Benefits

- 5.1 The main benefit of the project is that it will enable the shift from an existing public-sector led, and largely ineffective and outdated training system to one which is private sector and market-driven, dynamic, modern and sustainable. By helping to manage this transition, the project will also encourage collaboration between the public and private sectors, and assist in institutional consensus building tourism industry-wide. Overtime, this systems approach to training and certification is likely to create an industry group with a strong sense of professional standards.
- 5.2 The project as proposed is designed to facilitate the placement of individuals seeking employment and employers seeking skilled workers which will provide a valuable labor market service in Trinidad and Tobago.
- 5.3 The project provides an essential building block, human resources development, that will complement any on-going or planned tourism effort in the country, especially the recently approved Bank financed nonreimbursable technical cooperation (TT-0021).
- 5.4 Finally, the project will have important demonstration effects for the region because it will establish mechanisms for the integration of school-based and work-based instruction and for enriching curriculum content and teaching methods.

B. Risks

- 5.5 One risk is the possible transition difficulty to be expected in bringing a public institution under private sector management, in view of the industry's limited experience in development and oversight of training systems. This risk is mitigated by the financing of technical staff (project execution unit) for two years of project implementation, thereby enabling the private sector to progressively assume responsibility by the end of the grant period.
- 5.6 A second risk is the geographical and historical fragmentation of the industry itself, and the need to integrate new private sector agents in the industry, given the twin-island setting of the country, and emerging tourism markets. This risk is mitigated through the collective role of the Association, representative of

all players, and the Institute, with its dual campus setting, in determining and responding to industry-wide training needs. A comprehensive approach to training and certification will be enhanced by the advisory body to the THTA, the Tourism Resource and Coordination Council.

VI. COMPLIANCE WITH PROJECT ELIGIBILITY CRITERIA

A. General criteria for project eligibility

- 6.1 The proposed project is consistent with the general purpose of the MIF approved in the Agreement Establishing the MIF, specifically Article I, (b) referring to the implementation of development strategies which promote private sector participation and are aimed at poverty alleviation.

B. Facility Criteria for Project Eligibility

- 6.2 The project is consistent with the criteria for grant financing under the Human Resources Facility of the MIF Agreement which establishes, among other criteria, that grants be provided to develop the skills of the work force. The project provides financing for activities which will reduce the social costs of structural adjustment programs, as referenced in Section 5 (b) of the Agreement.

VII. COMPATIBILITY WITH THE BANK'S COUNTRY PROGRAM

- 7.1 The overall Bank strategy for Trinidad and Tobago calls for activities and programs conducive to diversification, and the stimulation of the private sector, in tandem with public sector reform and more efficient public sector allocation of resources. In the area of training and education, priority areas include reform of delivery systems and the strengthening of the human resource base to better address emerging labor market needs through a more efficient and effective delivery system and greater private sector participation.
- 7.2 The proposed project is in line with this strategy. By supporting the privatization of hospitality and tourism training, the project seeks to rationalize public sector activity and link training supply to market demand. This project will achieve important synergies with proposed activities in the Bank's operative program such as: the Technical and Vocational Education and Training Program which stresses reform measures, and the Short-Term Tourism Support Package (TT--0021) which will finance immediate regulatory, environmental, infrastructural and public awareness measures to support tourism development.

VIII. AVAILABILITY OF MIF RESOURCES

- 8.1 **Funding Modality.** The project is expected to be financed through a grant based on the following points: (a) The country of Trinidad and Tobago was declared eligible for all modalities of financing under the MIF by the Donors Committee on December 8, 1993; (b) the compliance of Trinidad and Tobago with the criteria of eligibility for obtaining grant resources at the country level (Article 3, Section 5b of the MIF Agreement) is detailed in section III paragraphs 3.1, 3.2 and 3.3 of the Eligibility Memorandum of the country (MIF/GN-8); and (c) the proposed project will have an important impact on the flow of investment funds by facilitating increased productivity among new workforce entrants.

IX. EVALUATION

- 9.1 There will be three external assessments of the project: a mid-term review at the 18 month point; a second assessment at the 30 month point to report on the progress made during the first 24 months of the project; and the final three months after the end of the grant period.
- A. Mid-term review
- 9.2 The TTHTA will engage the services of a consultant, with the approval of the project team, to conduct the mid-term review. This first assessment should focus on the organizational and consensus building aspects of the project and their impact on the overall administrative operations which have been put into place. The evaluation process will be guided by the general and specific goals of the project and the work program for the review will be written from the standpoint as to how effectively grant dollars were spent for specific areas of the budget. During the mid-term review, the indicators outlined in Annex I will be used.
- B. The second project review
- 9.3 The guidelines for the second evaluation at the 30 month mark, will be along the same lines as the mid-term evaluation with the findings reporting on those changes which are observed between the two reviews. The purpose of the second review is to allow for corrective actions on areas demonstrating significant deficiencies.
- C. Final evaluation
- 9.4 Not later than three months after the activities which constitute the total project have been completed, the final evaluation should be conducted. For this purpose, the Bank and MIF should engage the services of a consultant(s) to conduct the "ex post" evaluation based on the above mentioned specific objectives as the basis of the work program. The consultant(s) shall take into account the

impact of the program on individual participants, the industry on both Trinidad and Tobago, and the interrelationship the project is designed to promote. The final evaluation should focus on several key areas such as: an assessment of the cost-effectiveness of the service provided; a determination of whether wages increased; attainment of certifiable skills by target groups; levels of job placement of unemployed; and improvements in quality of services and customer satisfaction.

PROJECT INDICATORS

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
OVERALL GOAL To help address human resource needs of private sector, thereby increasing the competitiveness of the tourism product and developing quality service to a level of excellence.	Increased organizational profitability; Positive guest perceptions and increased customer satisfaction.	Profitability study results received; Analysis of guest comment cards.	Maintenance of private sector interest in tourism; Continued political and economic stability of country.
Strengthen the technical and organizational capability of the THTA to assume responsibility for hospitality and tourism training.	Project execution unit appointed; THTI under private sector management; TRACC becomes operative; Arrangements completed for dual campuses; Mechanism established to sustain project execution unit staff for third year of project.	Quarterly reports submitted by Executive Director; Vesting arrangements legally completed (Cabinet Note); Needs Assessment completed; Staffing and governance of Training Institute in place (both campuses). Design consultants report received and acted upon; Evidence of funds for project execution unit presented by THTA.	Government follows through with its proposal to divest THTI.
Help bridge the gap that exists between the demand for specific specialized skills and the supply of high quality training in those skills.	Number of participants and volume/type of training courses delivered over grant period; Scholarship fund established; Job Hotline set up by THTA; Tracking system for wage increases and career paths of participants established.	Number of certified graduates, including women; Number of scholarship recipients; Employee registry established and maintained by THTI.	
Redesign training programs into modular courses based on competency standards and certification thereby increasing the availability, flexibility, and relevancy of such programs.	Job/task analysis completed; Certification processes established with GOTT.	Occupational standards developed for 25 positions in industry; Employee registry established and maintained by THTI; Numbers and types of tourism businesses served and numbers and placement levels of students, by occupation, within industry.	Tourism and hospitality stakeholders accept new approaches to training.

SCHEDULE OF ACTIVITIES

Activity	Pre-Grant	Year One				Year Two				Year Three			
		(Quarter)				(Quarter)				(Quarter)			
		1	2	3	4	1	2	3	4	1	2	3	4
TRACC established	X	X											
Hire project execution unit staff	X												
Identify sites for training	X	X											
Legal transfer of institute to TTHTA	X	X											
Perform arrangements for physical assessment of both campuses		X											
Study tour/strategic planning consultancy		X											
Perform industry needs assessment		X											
Order equipment for project office		X											
Configure management information system			X										
Perform job/task analysis		X											
Order equipment and materials for campuses			X										
Install furnishings and fixtures for campuses			X	X									
Perform standards conversion		X	X	X	X								
Reorganize and realign staffing at Trinidad campus		X											
Hire faculty, staff, and administration at Tobago campus			X										
Redesign curricula for both campuses			X	X									
Design certification programs			X	X									
Implement skills and certification programs				X	X	X	X	X	X	X	X	X	X
Design in-firm specialty programs		X											
Implement training for training staff		X	X	X	X	X	X	X	X	X	X		
Provide on-going training programs for trainees		X	X	X	X	X	X	X	X	X	X	X	X
Internal audits and reviews by TTHTA				X						X			
Mid-term review							X						
Second project assessment											X		
Final evaluation after project completion													

DETAILED PROJECT BUDGET

	MIF Contribution	LOCAL Contribution a/	Total
1. Consulting Firms			
Strategic Planning	50.0	0	50.000
Industry Needs Assessment	40.0	5.000	45.000
Standards Validation	80.0	0	80.000
Job/Task Analysis	150.0	0	150.000
Management Info. System Training	70.0	0	70.000
SUBTOTAL	390.0	5.000	395.000
2. Individual Consultants			
Layout and Design	0	10.000	10.000
Curriculum / Training Material Dev.	32.0	0	32.000
Training of Trainers	50.0	0	50.000
SUBTOTAL	82.0	10.000	92.000
3. Project Execution Unit			
	228.0	134.0	362.0
SUBTOTAL	228.0	134.0	362.0
4. Scholarships and Fellowships			
THTA Strategic Planning Fellowship	20.0	0	20.0
Scholarship Fund	0	250.0	250.0
SUBTOTAL	20.0	250.0	270.0
6.0 Local Administrative support			
	0	297.0	297.0
SUBTOTAL	0	297.0	297.0
6.1 Premises			
Trinidad	0	50.000	50.000
Tobago	0	50.000	50.000
SUBTOTAL	0	100.000	100.000
6.2 Building Renovations			
Trinidad	100.0	160.0	260.0
Tobago	100.0	160.0	260.0
SUBTOTAL	200.0	320.0	520.0
6.3 Equipment			
Project execution office	25.0	0	25.0
THTA Trinidad Campus	65.0	49.0	114.0
THTT Tobago Campus	65.0	49.0	114.0
SUBTOTAL	155.0	98.0	253.0
6.4 Teaching Materials			
	200.0	0	200.0
SUBTOTAL	200.0	0	200.0
6.5 Data processing			
License MIS	150.0	0	150.0
MIS/ Standards Installation	50.0	0	50.0
Support Agreement	100.0	0	100.0
SUBTOTAL	300.0	0	300.0

		MIF Contribution	LOCAL Contribution a/	Total
97.	Special Programs			
	Promotional Activities	125.0	50.0	175.0
	Monitoring and Evaluation	100.0	50.0	150.0
	SUBTOTAL	225.0	100.0	325.0
98.	Contingencies (10%)	200.0	0	200.0
	T O T A L	2,000.0	1,314.0	3,314.0
	% Contribution	60.4%	39.6%	100.0%
<p>a/ GOTT contribution will be used for the salaries of teachers/trainers at the TTHTI campuses for rental costs of the two campuses, and for training equipment costs for the two campuses.</p> <p>TTHTA contribution will be charged to the industry needs assessment, layout and design consultants, scholarships fund, promotional activities, and monitoring and evaluation.uses for rental costs of the two campuses, and for training equipment costs for the two campuses.</p>				

PROPOSED RESOLUTION

TRINIDAD AND TOBAGO. NONREIMBURSABLE TECHNICAL COOPERATION FOR
A PROGRAM FOR INDUSTRY-DRIVEN TRAINING FOR THE TOURISM SECTOR

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Trinidad and Tobago Hospitality and Tourism Association and to adopt such other measures as may be pertinent for the execution of the Project Memorandum contained in Document MIF/AT-_____ with respect to a non-reimbursable technical cooperation for a Program for Industry-Driven Training for the Tourism Sector.
2. That up to the sum of US\$2,000,000 is authorized for the purpose of this resolution, chargeable to the Human Resources Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a non-reimbursable basis.