

## **PROJECT ABSTRACT**

### **BELIZE**

#### **HUMAN RESOURCE DEVELOPMENT IN THE TOURISM SECTOR**

##### **I. INTRODUCTION**

- 1.1 In Belize tourism is the single largest contributor to economic growth representing over 15% of total GDP. The sector also represents the single largest source of foreign exchange earnings (about 30 percent) and employment in the sector accounts for 1 in 4 jobs. The sector has strong linkages with many other sectors, drawing on inputs from transportation, food production, utilities and retail sales; it tends to be labor intensive; and is a major source of government revenue, through taxes and import levies. While tourism contributes significantly to the economy of Belize, the industry is comparatively weak and operating below capacity. This project will run parallel to the Belize Tourism Development (BL0012) project, as an integral element of improving the tourism sector in Belize.

##### **II. PROJECT OBJECTIVES AND BENEFICIARIES**

- 2.1 The overall objective of the project is to increase the international competitiveness of the tourism industry in Belize. Specific objectives are to: (i) improve the accessibility, flexibility and relevancy of tourism education and training; and (ii) facilitate the development of training programs and the provision of customized technical assistance for small tourism entities.
- 2.2 Project beneficiaries include: the Belize Tourism Industry Association (BTIA) that will be strengthened institutionally to oversee the activities of this project, small hotels; small tourism entities; training and educational institutions; employers; and workers in the hospitality industry.

##### **III. PROJECT ACTIVITIES AND EXPECTED OUTCOMES**

- 3.1 To achieve its objectives the project would include the following two components: (i) Design and implementation of a framework for tourism education and training; and (ii) Outreach services and customized training for small tourism entities.
- 3.2 Under the first component the following activities are planned: (i) conduct a human resources needs assessment to inform the tourism education and training framework; (ii) appoint a third-party, independent tourism advisory council, comprised of all key stakeholder groups of the sector, that would serve both oversee and validate the content and delivery mechanisms proposed for tourism education and training; (iii) define a methodology for setting and validating national skill standards and cost effective means for assessing and certifying the competence of individuals according to the established standards; and (iv) design curricula in line with the standards for in-firm and classroom delivery..
- 3.3 Under the second component, the following activities are envisaged: (i) develop training of trainer programs for education and training providers and for industry trainers; and (ii) customized technical assistance for small tourism entities carried out by certified tourism extension officers in sound business practices and technological applications.
- 3.4 The expected outcomes of the project would include: (i) design of a national tourism training strategy to guide training and education providers and industry; (ii) improvement in number and quality of training available to the tourism sector; (iii) development of modular and specialized

training programs for both in-firm and classroom learning; (iv) a cadre of trained trainers for the sector; and (v) a strengthened BTIA capable of managing and sustaining the tourism education and training program.

#### **IV. ESTIMATED COST AND FINANCING**

- 4.1 The estimated cost of the project is US\$1 million over four years. MIF will contribute US\$700,000 from the Human Resource Facility, and BTIA will contribute 30 percent (US\$300,000), half of which will be in cash (US\$150,000).

#### **V. EXECUTING AGENCY AND PROJECT EXECUTION STRUCTURE**

- 5.1 The proposed executing agency for this project would be the BTIA. The BTIA is a non-profit organization that includes many of the private stakeholders in the industry. It has approximately 300 members who pay dues on an annual basis. The association is divided into sectors and includes the Belize Hotel Association, the Tour Operators Association and the Belize Eco-Tourism Association. Some of the services they provide include marketing and training. The BTIA has offices in secondary cities and is an active organization with direct links to its membership, and has the capacity to mobilize support from its constituents for policies and programs that would benefit the sector.
- 5.2 To manage day-to-day implementation of the project, the BTIA would establish a project execution unit, comprised of a project director, two training and curricula experts that would provide outreach services for small tourism entities, and support staff.

#### **VI. PROJECT JUSTIFICATION**

- 6.1 Although tourism contributes significantly to the economy of Belize, there is growing concern that the industry is showing signs of weakness and is operating below capacity. The number of tourists visiting Belize still remains few in number (less than one percent of those visiting CARICOM countries) and the hotel occupancy rate has declined to reach a low of 27% in recent years. Given its relatively small share of all segments of the markets in which Belize competes, and the excess capacity in the lodging sector, there is considerable room for expansion.
- 6.2 Belize has many strengths and opportunities that will allow the country's nature-based and cultural tourism to grow; the resource base is varied and in excellent condition compared to many of Belize's competitors. It offers a combination of attractions that are ideally suited to the most highly sought-after and affluent segment of the growing natural heritage/ecotourism marketplace, as well as to specific markets like birders, archaeology buffs and divers. Another as yet largely untapped potential is for educational and scientific tourism. With its natural and cultural diversity, Belize could attract the academic and scientific markets and their families, particularly during the summer season, according to North American tour operators.
- 6.3 The tourism niche market that Belize has chosen to target through its protection of the environment and adoption of "ecotourism" is a tremendous strength in and of itself. However, this also means that a skilled and specialized labor force is necessary in order to provide both a high level of quality to this upscale tourist and to be properly sensitive and knowledgeable of the environmental aspects. Furthermore, there is increasing competition for ecotourism in the Caribbean and Central America region. Belize's competitors are reaching new levels of sophistication in marketing. And while their budgets for marketing are increasing, Belize's marketing budget remains tied to the 7 percent rooms tax. Therefore, it is imperative that Belize improve the quality of services in order to be able to compete with its neighbors for a tourism market share.

- 6.4 Furthermore, the quality of services provided to tourists, ranging from their greeting and reception at borders and airports to lodging and guide services, are uneven and in need of improvement to attract a wide range of tourists to Belize. A large number of stakeholders have noted the need for improved training at all levels. Training of industry service providers is essential so that they can more effectively package specific tourism experiences/products and meet the demand for employment in the sector.
- 6.5 Although some training does exist in Belize, it does not appear to be addressing the demands of the sector. There are numerous reasons for this: inappropriate curricula; geographic constraints (many courses are offered only in Belize City); time issues (both during the day and seasonal); and, inappropriate courses that are not addressing the specific needs of small operators.
- 6.6 Moreover, in order to prepare for the expected growth in tourism in Belize, it is crucial that appropriate education and training be developed. Unemployment remains high in Belize, and the expected growth in tourism is a viable option to address this issue, especially since unemployment is particularly high among women, who are especially prominent in the service industry. According to the 1997 Labor Force Survey by the Central Statistical Office, the unemployment rate in the hotels and restaurant sector was 18.6 percent in 1997, and was higher for women than men.

## **VII. LINKAGES TO COUNTRY STRATEGIES AND PROGRAMS**

- 7.1 The Country Paper identifies tourism as one of the priority sectors for the GOB and Bank. The Bank-GOB strategy is to implement the key components of the Tourism Development Plan (Plan) prepared with Bank assistance under TC-96-02-20-03. The rationale for the Bank's emphasis on tourism is that it attracts private sector investment (foreign and local) for accommodations and facilities; generates foreign exchange; creates income and employment among less skilled workers; and in the specific case of nature and cultural tourism, it generates revenue to help conserve the asset.
- 7.2 The Bank has supported tourism development program in other countries in recent years, including Trinidad and Tobago, Mexico, Bolivia, and Ecuador. Experience has shown that tourism provides a good setting to stimulate private/public partnerships for economic growth, and that tourism projects must ensure that communities, and not just tourists, benefit from tourism development.