

**SUPPORT FOR THE DEVELOPMENT OF A TOURISM
HUMAN RESOURCES MANAGEMENT SYSTEM IN JAMAICA**

(TC-96-03-19-4)

EXECUTIVE SUMMARY

EXECUTING AGENCY: Jamaica Hotel and Tourist Association (JHTA).

RECIPIENTS: The JHTA, small tourism entities, employers and workers in the hospitality industry.

OBJECTIVES: The overall goal of the project is to increase the competitiveness of the tourism industry in Jamaica, particularly among small tourism entities, by increasing accessibility, flexibility and relevancy of education and training.

Specific objectives of the project are to:

- (i) facilitate the development of modular training programs and customized training support, with a particular emphasis on small tourism entities;
- (ii) help bridge the gap that exists between the demand for specific specialized skills and the supply of high quality training in those skills;
- (iii) articulate and rationalize tourism education and training for the industry;
- (iv) leverage public and private sector resources for human resource development; and
- (v) strengthen the technical and organizational capability of the JHTA to assume responsibility for human resource development and management for the tourism industry.

DESCRIPTION: The project will have a three year duration and will consist of providing technical assistance to the JHTA to determine the needs and appropriate training programs for small tourism entities in the sector, and to develop a sustainable, human resources management system, responsive to market demand for hospitality workers, employers and training providers. The project would actively promote partnerships with relevant training and education programs to leverage available resources including HEART Trust/NTA to access payroll levies or other funds for matching grants to customize education and training to the needs of small tourism entities.

The specific results of the project would include:

- (i) development of modular and customized programs for in-firm and classroom learning with emphasis on

small tourism entities; (ii) availability of a cadre of highly trained trainers, coaches and mentors for the industry; (iii) stronger facilitation and coordination of general and specialized skill training for industry employees and new entrants to the labor market; (iv) creation of a registry of workers that serves as the foundation for an industry-based labor exchange; (v) the establishment of a credentialling system that would provide a framework for rationalizing tourism education and training; (vi) technical and organizational capacity within the JHTA to initiate and undertake action plans that respond to the human resource development and management needs of the industry; and (vii) a labor market information system that provides direct linkages between training and current and emerging labor market needs in the tourism industry.

FINANCING:

Modality:	Grant
Recipient:	US\$ 885,000
MIF:	US\$1,470,000
Total:	US\$2,325,000

**IMPLEMENTATION
SCHEDULE:**

Execution period:	36 months
Disbursement period:	39 months

**ENVIRONMENTAL
CLASSIFICATION:**

The Environmental Management Committee, in its meeting of October 1, 1996, classified this as a Category II operation.

BENEFITS:

The benefits of the project are as follows: (i) it will position the private sector to play an on-going leadership role in targeting human resources development and management to the specific needs of the industry; (ii) it will encourage partnerships with education and training providers, government and non-governmental organizations; (iii) it will facilitate the sharing of information and serve to leverage available resources to the industry's benefit; (iv) it will organize the employment market and create new efficiencies in recruitment and selection of qualified industry employees; (v) it will create new linkages to previously underserved members of the industry in every region of the country; and (vi) finally, it will have important demonstration effects for the region because the private sector human resource information management system and labor exchange mechanisms developed under the project are unique and have the potential to both rationalize education and training for the industry and to sustain themselves.

RISKS: One risk is the geographical and historical fragmentation of the industry itself, and the need to integrate new private sector agents in the industry and emerging tourism markets. This risk is mitigated through the collective role of the JHTA, representative of all players, in determining and responding to industry-wide training needs. Another risk is the ability of JHTA to promote the registry and credentialling system so that the requisite number of employers, workers, and training and education providers subscribe to the service and sufficient revenue is generated by the project to ensue its sustainability beyond the life of the grant. This risk is mitigated by the provision of Tourism Extension Officers in all JHTA chapters throughout the country that will be tasked with both promoting the labor exchange mechanisms and brokering information on human resource needs and opportunities.

CONDITIONALITY: The operation would be subject to the following conditionality:

- (i) prior to the first disbursement of the resources of the Grant, the JHTA would present to the Bank (a) evidence the Project Execution Unit consisting of a Project Director, two Administrative Assistants, and six Tourism Extension Officers (reference paragraph 3.24 and 3.26); (b) a schedule for the use of counterpart resources over the life of the project; and (c) a letter of intent from HEART/NTA declaring the type and level of resources to be made available to the project;
- (ii) within 12 months of signature of the contract, JHTA will present a cost-recovery strategy for partial support of the personnel during execution and for full support thereafter (reference paragraph 3.25); and
- (iii) 18 months after first disbursement, JHTA will submit evidence of an ongoing communications and marketing strategy incorporating recommendations of technical experts and involving the activities of the Tourism Extension Officers.

Disbursement requirements for the project may be found in paragraph 4.1; procurement procedures may be found in paragraph 4.2.

I. COUNTRY ELIGIBILITY

- 1.1 Jamaica was declared eligible for all modalities of financing under the Multilateral Investment Fund by the Donors' Committee at its meeting on October 6, 1993.

II. BACKGROUND

A. The tourism industry

- 2.1 The Jamaican economy is based primarily on tourism and other service sectors. Tourism is the largest foreign exchange earner on the island. In 1995, 1,624,124 visitors (an increase of 3.4% in visitor arrivals over the previous year) arrived in Jamaica and the country recorded US\$965 million in foreign exchange earnings. According to JAMPRO, the Government's investment agency, this sector provides direct and indirect employment to 288,000 people, almost 30% of the total workforce of 965,000 as recorded by the The Planning Institute of Jamaica (PIOJ), making it the largest employer on the island. While JAMPRO forecasts annual growth rate for the industry to be 5%, average employee turn-over rates of 33% present significant problems in terms of service delivery and quality.
- 2.2 Competition throughout the Caribbean has become fierce in the tourism sector, with each destination striving to carve out its own niche in the marketplace. Most destinations are no longer focusing on sun-sea-sand only, but are now developing and marketing segments of their tourism product where they have determined they have a competitive advantage. Jamaica, a well-known and mature sun, sea, and sand destination, is no different and is working to diversify its tourism product offerings. Eco, heritage, and nature tourism have been identified as the growth segments of the industry for the 90s in Jamaica. The development of heritage, culture, and environment niche markets has the potential to increase visitor arrivals and spending. Beyond the revenue potential held by growth in the "special interest" travel market, an increasing awareness of and concern for the environment in Jamaica are also influencing the thrust to diversify the product.
- 2.3 While worldwide growth trends point to product diversification in eco, heritage, and nature tourism, presently the most significant area of growth in Jamaica's tourism industry is in the "all-inclusive" market. In many ways, all-inclusives are similar to cruise ships in that guests pre-pay a flat fee for lodging, food, drinks, recreation, and entertainment. Once the typical all-inclusive guest arrives in Jamaica, for the most part, he/she remains on property, interacting very little with the community or broader tourism industry. The all-inclusives currently represent 35% of the island's total room count of 20,267. The industry has announced that 4,000 new rooms will be added during the next three

years with almost all of these at all-inclusives and large properties of 300+ rooms.

- 2.4 The growth of the all-inclusives comes at the expense of small tourism entities and the economies in their local communities. Small tourism entities range in diversity of operations from watersports, heritage sites, river-based, mountain-based, and nature-related activities to small inns and bed and breakfasts. In the accommodations sector, small tourism entities currently account for 65% of the industry's total room count, however, this is expected to decline to 55% of total room count by the end of the century. Beyond experiencing loss of market share, small tourism entities are suffering a decline in product quality due to their inability to compete with the all-inclusives.
- 2.5 In line with the growth of eco, heritage, and nature tourism worldwide, Jamaica has the potential to offer a multi-dimensional product that would yield increases in the number of visitors, spending, and earnings for all segments of the tourism industry, particularly small tourism entities. In many instances, the elements for product diversity already exist or are being developed. While capital improvements are occurring, including a special government loan program, for small tourism entities, an overriding obstacle to the industry's growth is its ability to attract and retain the types of people needed to raise the quality of service across the sector and to meet the demands of consumers in these new specialty markets. Small tourism entities in particular have been impacted by their inability to recruit and retain quality staff. However, this is not without consequence to the large properties which have historically relied on the small tourism entities as a "training ground".

B. Institutional context of the tourism industry

- 2.6 Tourism falls within the portfolio of the Prime Minister's office under the direct supervision of a Cabinet Minister. Three agencies report to the Minister of Tourism: the Jamaica Tourist Board (JTB), which is responsible for marketing and promotion of Jamaica worldwide; the Tourism Product Development Company (TPDCo), which is responsible for product development; and Jamaica Vacations, which ensures that adequate air transport is available in untapped markets.
- 2.7 The Ministry of Education has a clearly defined national training system. The system outlines path from primary to graduate level training, in not only tourism but also in other sectors. The system in terms of the academic component is represented by the tertiary institutions, while on the technical side the Human Employment and Training Trust/National Training Agency (HEART Trust/NTA) has been charged with the responsibility for overseeing all technical vocational training within the island. There are two bodies which accredit programs: the University Council of Jamaica and the National Council for Technical Vocational and Education

(NCTVET). The former having responsibility for tertiary education and the latter for vocational education.

- 2.8 The Human Employment and Training Trust (HEART) was created in 1982 by the Government of Jamaica for the purpose of increasing employment through training. In 1991, HEART was refocussed to concentrate more fully on market led training. Additionally, HEART was renamed HEART Trust/National Training Agency (HEART Trust/NTA) in keeping with its new role as coordinator, financiers and developer of the Technical Vocational Educational Training (TVET) system. This included overseeing the work of other public training institutions, as well as community and non-governmental organization programs, and monitoring programs to ensure that they adhere to national program for accreditation.
- 2.9 HEART is the operational side delivering training in academies, vocational training Centers, community-based projects and in-plant. The National Training Agency (NTA) focuses on job analysis, curriculum development, testing and measurement. The NCTVET has the overall responsibility for certifying individuals and accrediting programs which are delivered in technical vocational education in the island. The intent is to standardize training.
- 2.10 The funding for the HEART Trust/NTA system is derived from a 3% levy against employers whose payroll meets or exceeds \$14,444 Jamaica per month. This money is paid directly to HEART Trust/NTA and does not go into the consolidated fund. HEART Trust/NTA and the NCTVET have both expressed a willingness to become an integral part of this project, as there is a plethora of education and training programs funded by the government and other sources in Jamaica (there are over 50 education and training providers six of which are government supported), yet there is a crisis in the supply of quality manpower for the industry. This crisis is demonstrated by the following indicators: (i) over 50% of employees do not have the requirements for the jobs they occupy; (ii) 6% of employees feel they need additional training in their present jobs; and (iii) about 17% of employees enter their jobs without even possessing the basic requirements.

C. Jamaica Hotel and Tourist Association (JHTA)

- 2.11 The JHTA was created to act as a voice of private sector interests in the hospitality industry. The association works closely with the public, private, non-governmental, and regional organizations such as the Caribbean Tourism Organization (CTO) and the Caribbean Hotel Association (CHA) to maximize benefits to its membership to augment the hospitality and tourism sector. The association is comprised of small, medium and large-sized firms from the accommodations and attractions sub-sectors. JHTA's 350 members represent all facets of the industry and are divided into three categories: active, allied, and honorary.

- 2.12 As the umbrella body which represents the sector, the JHTA is working to develop the capability to identify, analyze, and assist in positioning its members to meet the challenges of the 21st century. However, some of the difficulties faced by its members include the inability of the JHTA to provide its membership with relevant information for timely use in the decision-making process. The JHTA recognizes the importance of improved training and systems for tourism human resource management and is prepared to take a lead role in the design, implementation, sustainable financing of a human resources management system and the creation of a National Tourism Training and Education Council (NTTEC) for the industry. This interest has been stimulated in part due to the changing nature of the industry and the need to remain competitive.
- 2.13 Training, particularly for small tourism entities, has become one of JHTA's priorities as a means of diversifying the product and attracting eco, nature, and heritage tourists to the island. Eco, heritage, or nature tourists are very much "quality" oriented and typically do not choose to reside in all-inclusive resort properties. Private sector management specifically for the smaller entities in the industry has been highlighted by JHTA as an area where strengthening is essential, particularly in the levels of application of technology, cooperation, and collaboration in information flow and marketing, and concern for surrounding communities.
- 2.14 JHTA by virtue of its experience and comprehensive membership, is well poised to take a lead role in the design, implementation, sustainable financing of a human resources management system and will be the executing agency of this project.

D. Human resource constraints

- 2.15 The main human resource constraints to the industry's growth are: (i) the lack of reliable, industry-specific labor market information; (ii) weak rationalization/articulation of education and training programs; (iii) heavy centralization of tourism education and training programs which are not easily accessible due to poor transportation infrastructure; and (iv) the diversity among small tourism entities requires flexible, customized approaches to education and training not currently available.
- 2.16 Manpower planning for the industry is significantly hampered and the efficiency and effectiveness of both the tourism industry and the country suffer because of poor labor market information. Little consideration is given by the industry to labor market conditions or availability of specific skill sets when new tourism developments are planned. Many of the skills sets needed to staff new tourism operations are in short supply in Jamaica, making it difficult to attract job-ready staff. As a result, large magnets of potential employment in resort areas such as Ocho Rios, Montego Bay, and Negril have attracted significant populations of unskilled people who hear of employment opportunities and migrate from rural

areas with high expectations but little or no skills. No effective mechanism currently exists to convert this raw human capital into a productive workforce.

- 2.17 Moreover the reliability and veracity of information pertaining to a job candidate's employment history, academic preparation and skill competencies is a major concern for industry employers. Uncertainty about these elements leads to employee turnover when it is discovered that the skills and accomplishments of new hires have been exaggerated and they are not qualified for a particular position.
- 2.18 Most of the education and training programs in Jamaica are still structured as traditional, classroom-delivered courses based on the old academic system which primarily recognizes "seat time" for classroom learning and not on achieving competency-based outcomes, irrespective of how the skill was attained. There is a pressing need to develop new "industry friendly" programs that can be delivered via alternative means such as distance learning (either satellite-based or written correspondence); On-the-Job Training (OJT) programs which are taught by Subject Matter Experts (SMEs), the best workers in a particular position or occupation; and other approaches which are more convenient/accessible to workers and employers.
- 2.19 Small tourism entities, on their own, do not possess the ability to access information applicable to their needs. For example, a US\$35 million program to provide loans to small tourism entities was established by the Jamaican government at the behest of the JHTA and the Inns of Jamaica (small properties within JHTA's membership). Most owner/managers of small properties do not have the technical skills and abilities needed to complete the loan application. Deficiencies include inability to write a business plan, draft projected budgets, conduct cash flow analysis, implement required accounting controls, and develop a marketing plan.
- 2.20 At present, HEART Trust/NTA oversees the work of training providers in the development of curriculum, standards, and competencies in the sector. However, the profusion of programs, both public and private, makes coordination for the sector difficult. At present there is no central body that coordinates all training and development for the tourism sector. A National Tourism Training and Education Strategy was developed under the auspices of the Jamaica Tourist Board in 1990 with assistance from IDB. The strategy called for the establishment of a body to coordinate and oversee tourism education, training and public awareness. The strategy, however, has never been implemented due to fragmentation of responsibility for tourism training among public and private institutions.
- 2.21 Efforts are underway by the Government of Jamaica, following the August 1995 Summit of the Heads of State and Government of the

Association of Caribbean States (ACS) on Trade, Transportation and Tourism, to establish a Jamaican National Tourism Training and Education Council (NTTEC). A meeting was convened of all of the relevant training providers and institutions in the tourism sector to address industry training and education issues. The proposed project would support this initiative and would effectively provide much of the missing manpower planning, gap analysis, trends forecasting, and training information needed by the Council to comply with its national and regional oversight and coordination functions.

III. THE PROJECT

- 3.1 The project will have a three year duration and will consist of providing technical assistance to the JHTA to determine the needs and appropriate training programs for small tourism entities in the sector, and to develop a sustainable, human resources management system, responsive to market demand for hospitality workers, employers, and training providers. The project would actively promote partnerships with relevant training and education programs to leverage available resources including HEART Trust/NTA to access payroll levies or other funds for matching grants to customize education and training to the needs of small tourism entities.

A. Objectives

- 3.2 The overall goal of the project is to increase the competitiveness of the tourism industry in Jamaica, particularly among small tourism entities, by increasing accessibility, flexibility and relevancy of education and training.
- 3.3 Specific objectives of the project are to: (i) facilitate the development of modular training programs and customized training support, with a particular emphasis on small tourism entities; (ii) help bridge the gap that exists between the demand for specific specialized skills and the supply of high quality training in those skills; (iii) articulate and rationalize tourism education and training for the industry; (iv) leverage public and private sector resources for human resource development; and (v) strengthen the technical and organizational capability of the JHTA to assume responsibility for human resource development and management for the tourism industry.

B. Description

- 3.4 To achieve its objectives the project would consist of three components: (i) extension services and training design; (ii) a labor exchange mechanism; and (iii) a sustainable tourism human resource management information system.

- 3.5 The specific results of the project would include: (i) development of modular and customized programs for in-firm and classroom learning with emphasis on small tourism entities; (ii) availability of a cadre of highly trained trainers, coaches, and mentors for the industry; (iii) stronger facilitation and coordination of general and specialized skill training for industry employees and new entrants to the labor market; (iv) creation of a registry of workers that serves as the foundation for an industry-based labor exchange; (v) the establishment of a credentialling system that would provide a framework for rationalizing tourism education and training; (vi) technical and organizational capacity within the JHTA to initiate and undertake action plans that respond to the human resource development and management needs of the industry; and (vii) a labor market information system that provides direct linkages between training and current and emerging labor market needs in the tourism industry.

1. Extension services and training design

- 3.6 As a means of addressing the current constraints to human resource management for the tourism industry, particularly among small tourism entities, including lack of accessibility, flexibility and relevancy, this component would finance tourism extension officers, funded at 50% by HEART Trust/NTA, to provide outreach services and customized training assistance in six regions served by chapters of JHTA. Extension officers would be certified as trainers and equipped with portable laptop computers and modems to access the tourism human resource management information system that would be housed at JHTA. A "train the trainer" program would be conducted through the contracting of a national expert for three months (over the life of the project) to train extension agents. See Annex IV for the Terms of Reference for National Training Expert.
- 3.7 Training would include: (i) the on-going collection of data and information on training needs among small tourism entities and programs available through HEART Trust/NTA and other providers; (ii) the use of the human resources management information system that would be developed (see component three of this document); (iii) the tracking and development of registry participants and the administration of the credentialling program (see component two of the document); (iv) career counseling through the matching of individual development needs and the supply of education and training programs for work-based and classroom learning; and (v) sound business practices and technological applications pertinent to small tourism entities.
- 3.8 Equipped with this information and the appropriate technology, these extension officers would conduct an ongoing industry needs assessment, serve as information brokers (linking supply and demand in the training market), and provide customized training services to small tourism entities. Extension officers would develop strong links to HEART Trust/NTA and the curriculum development process. The project would articulate needs to NCTVET and influence how

resources should be spent on relevant training products such as distance learning.

- 3.9 Moreover, extension officers would be trained and equipped by the project to provide customized training and computer/software packages to small tourism entities to enable them to produce business plans and operating budgets, conduct cash flow analysis, implement required accounting controls, and develop marketing plans. As such, they would be capable of providing training and/or technical assistance directly to small tourism entities.
- 3.10 To assist extension officers in their brokering capacity, technical assistance would be provided through the contracting of a curriculum design expert for three months to assess ongoing education and training programs in the sector and to work with the lead groups established by the NCTVET in the design of curriculum specifically tailored to the needs of small tourism entities.

2. Labor exchange mechanism

- 3.11 Under this component, technical assistance would be provided to create a centralized registry to facilitate the placement of individuals seeking employment and employers seeking skilled workers. The wide-spread collection of this data would create the basis for an electronic labor exchange system. Workers would submit either a resume or complete a profile sheet indicating their academic and employment history. This information would be entered into the system which would use artificial intelligence and natural language processing to match worker skill sets and other attributes to specific job requirements put forth by industry employers. This system would be accessible to employers through either the Internet or with information retrieval by touch tone telephone and fax. The technology to support such a system is readily available in Jamaica given its strong telecommunications infrastructure.
- 3.12 Inclusion in the registry would be free of charge for workers, yet fees would be collected from employers and education and training programs for accessing the registry. It is estimated that 58,000 people (approximately 20% of total direct and indirect employment in the tourism sector) would be listed in the registry by the end of year three. It is projected that 6,000 job searches on the system would be conducted annually by employers by the end of year three. This projection is based on JHTA assisting with the search for approximately 7% of the 90,000 positions (33% of direct and indirect employment) that turn-over annually. Acquisition specifications for the technical components of the skills matching system including training and ongoing maintenance are included in Annex V.
- 3.13 The registry of industry workers would be complemented by a credentialling process established and endorsed under JHTA's leadership that would present a framework for industry recognition of combined academic achievement, non-academic or industry-based

training, work history, and skills attainment. The establishment of a credentialling system would provide verification by JHTA that employment-related information submitted to the registry would be accurate, thereby providing a level of quality assurance. Credentialling differs from certification in that certification is a process whereby standards are established for a particular job function or occupation and an individual's competence is assessed against the standards. A credentialling system, on the other hand, creates a framework for providing industry-based recognition for combined academic achievement, non-academic or industry-based training, work history, and skills attainment. Moreover such a system would create stronger linkages with members of the industry and the association because members would receive official recognition of work and educational achievements; the industry would benefit because of increased commitment and higher professional standards.

- 3.14 While individuals would not be charged for a listing in the registry, application fees would be collected from individuals seeking recognition by the credentialling system including maintenance fees assessed on an annual basis. Of the estimated 58,000 individuals who would be listed in the registry by the end of year three, it is projected that 22% of these individuals would apply for credentialling. Fees for credentialling would be based on the current government licensing scheme for tourism operators with a net profit margin required to sustain operation and maintenance of the system.
- 3.15 The credentialling process would invite all education and training providers to submit their programs for evaluation and incorporation in the JHTA's framework for industry recognition. Application fees would be collected from education and training providers seeking recognition. As such, the credentialling process would enable the JHTA to provide an invaluable service by rationalizing education and training: workers would have portable credentials, and education and training providers would receive industry recognition for their programs. An international expert with experience in configuring credentialling systems would be engaged for a total of five person months of consulting services (over a 12 month period) for ongoing program development from the beginning through the third year of the project.
- 3.16 The industry would encourage government or licensing bodies to adopt the credentialling system established by JHTA as the basis for issuance of operating licenses. This in turn would drive demand for credentialling by linking training and education outcomes to the licensing of tourism operators, thereby providing a level of quality assurance.
- 3.17 As a means of further driving demand for the registry and the credentialling system, a public relations/marketing program would be undertaken to increase public awareness of the registry and credentialling system, change attitudes about the employment and

career opportunities in the industry, influence the behavior of the industry's current workforce and new entrants to enroll in the registry and pursue an industry credential. Project resources would be allocated to launch this campaign under the aegis of JHTA through its established marketing/public relations function.

3. Tourism human resource management information system

- 3.18 A human resources management system provides a means of collecting and organizing information, analyzing data, forecasting trends, conducting gap analysis, formulating solutions, communicating and brokering information, creating a framework for professional recognition, and matching supply and demand for employment and human resource development within the tourism industry.
- 3.19 Under this component technical assistance would be provided to the JHTA for the acquisition and configuration of an integrated, state-of-the art tourism human resource management information system which incorporates a database of industry operations, ancillary software programs including accounting, tele communications with access to the Internet and the World Wide Web, desktop publishing, and other programs and peripherals required to maintain JHTA's technical capability to provide effective leadership for the industry's ongoing human resource development.
- 3.20 Output of this system would include labor market information based on an annual survey of industry staff headcount and projected hiring needs, trainee enrollments and costs as well as increases or decreases in general industry statistics which impact employment including occupancy, number of rooms in and out of service, attraction and event admissions, car rental contracts, sales receipts for in-bond merchants, tour operator customer counts, free-lance ground transportation operators passenger counts, consumption patterns for industry suppliers, etc.
- 3.21 The data base, established with input from an industry needs assessment, would be accessible to members of JHTA and the industry, training providers, government agencies and non-governmental organizations involved in workforce planning and development. This information would assist the industry and other entities in projecting both long-term and short-term employment needs based on growth or contractions in the industry and related sectors of the economy. JHTA would produce an annual manpower study for the sector which highlights demand by occupation or specialized skill set. Technical assistance (through the contracting of a consulting firm) would be provided to select and configure a tourism human resource management information system for the industry. An international expert(s) with experience configuring human resources management information systems would be engaged for six person months of consulting services (over a 36 month period) to provide technical assistance including installation support, training in use of the system, and ongoing maintenance and updating.

- 3.22 Technical assistance would be provided to JHTA to develop the management capacity required to maintain the human resource management system envisaged including strong collective leadership and an operational strategy for self-sustainability by the conclusion of the grant period. This would include engaging an international expert for a total of four person months (over a 36 month period) for ongoing program development from the beginning through the third year of the project to assist with strategic planning, organizational development, data collection techniques and processes. Terms of reference for the international experts and for acquisition of the technical components of the human resources management system are included in Annex IV.

C. Beneficiaries

- 3.23 Direct beneficiaries of the project would be the JHTA which would be equipped to oversee the development and implementation of a tourism human resource management information system. The target populations would be current workers, new entrants and industry employers, that would be linked through a labor exchange mechanism; and small tourism entities, that would benefit from customized training and new products that address their specific needs.

D. Executing mechanisms

- 3.24 The project would have a three year duration and the JHTA would be the executing agency. To manage the day-to-day implementation of the project, the JHTA, would appoint a project execution unit. This unit would consist of a director, responsible for overall project implementation, one administrative assistant, one administrative and information technology assistant, and six field-based tourism extension officers.
- 3.25 The project would be housed in the JHTA head office. The project director would have overall responsible for the execution of this project and would report to the executive director of the JHTA. The project would finance in full the positions of the project director and administrative assistant/information technology assistant for the first year of operations, gradually reducing grant financing for project staff so that by the third year of the project, these positions would be the responsibility of JHTA.
- 3.26 The six extension officers would also report to the project director but would be deployed, one to each chapter of the JHTA, to act as information brokers. By out-posting the extension officers, the project seeks to give the area chapters of the JHTA access to small tourism entities and to collect information on the sector's needs vis-a-vis human resource development. The project would finance one-third of the cost of the salaries of the tourism extension officers, HEART Trust/NTA would finance one-third, and by the third year of operations, JHTA would finance these positions. Terms of reference for all project staff may be found in Annex IV.

- 3.27 The project director would submit quarterly progress reports to JHTA and the Bank. The reports would 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 Jamaica which will review the reports of the project 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

- 3.28 The total cost of the project is estimated to be US\$2,325,000; US\$1,470,000 of which would be provided by the MIF through non-reimbursable financing and US\$885,000 would be provided by the JHTA through in-kind and cash contributions. HEART Trust, through the provision of 33% of the salaries of the tourism extension officers salaries, will be contributing US\$180,000 to the project. The willingness on the part of HEART to participate in the staffing of the extension agents demonstrates their desire to see training programs developed that respond more to the needs of the small tourism entities and to work with the private sector in this regard.
- 3.29 A detailed project budget is attached as Annex III. Cost-recovery and sustainability of the system developed under this project are based on revenues projected from credentialling fees, employer job search fees, and education and training program recognition fees (see paragraphs 3.14 and 3.15 for a discussion of the labor exchange component fee structures). 58,000 individuals, or 20% of direct and indirect employees of the sector, are estimated to be listed in the registry by the end of the third year of the project; approximately 22% of these individuals (12,000 people) are expected to apply for credentialling at a fee of US\$15. In addition, the project would conduct 6,000 job searches at US\$50, and 30 education and training programs would be recognized by the industry credentialling system by the end of the grant period (this fee would be US\$200 per program). Recognition fees, credentialling fees, and employer job search fees are all based on government licensing schemes for tourism operators. Fees generated from labor exchange activities are expected to cover all operational costs of the project by the conclusion of the grant period.

BUDGET SUMMARY OF ACTIVITIES (in US\$000)			
CATEGORIES OF EXPENDITURE	MIF	LOCAL	TOTAL
Services of professional firms	315	0	315
Individual consultants	280	425	705
Support personnel	55	50	105
Premises	0	200	200
Equipment	120	0	120
Training materials	120	0	120
Data Processing	220	0	220
Special programs (promotion/evaluation)	220	180	400
Contingencies	140	0	140
Total	1,470	855	2,325

(See Annex III for detailed project budget)

IV. DISBURSEMENTS AND PROCUREMENT

- 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.
- 4.2 In accordance with the agreement establishing the MIF, goods and services may only be procured from those countries that are donors of the MIF or developing countries members of the IDB.

V. VIABILITY AND RISKS

A. Benefits

- 5.1 The benefits of the project are as follows: (i) it will position the private sector to play an on-going leadership role in targeting human resources development and management to the specific needs of the industry; (ii) it will encourage partnerships with education and training providers, government and non-governmental organizations; (iii) it will facilitate the sharing of information and serve to leverage available resources to the industry's benefit; (iv) it will organize the employment market and create new efficiencies in recruitment and selection of qualified industry employees; (v) it will create new linkages to previously

underserved members of the industry in every region of the country; and (vi) finally, it will have important demonstration effects for the region because the private sector human resource information management system and labor exchange mechanisms developed under the project are unique and have the potential to both rationalize education and training for the industry and to sustain themselves.

B. Risks

- 5.2 One risk is the geographical and historical fragmentation of the industry itself, and the need to integrate new private sector agents in the industry and emerging tourism markets. This risk is mitigated through the collective role of the JHTA, representative of all players, in determining and responding to industry-wide training needs. Another risk is the ability of JHTA to promote the registry and credentialling system so that the requisite number of employers, workers, and training and education providers subscribe to the service and sufficient revenue is generated by the project to ensue its sustainability beyond the life of the grant. This risk is mitigated by the provision of Tourism Extension Officers in all JHTA chapters throughout the country that will be tasked with both promoting the labor exchange mechanisms and brokering information on human resource needs and opportunities.

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 Jamaica 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 strengthening JHTA to provide information services and labor exchange services for the hospitality industry at large, the project seeks to rationalize public sector activity and link training supply to market demand. This project will achieve important synergies with on-going MIF supported projects in the country such as: the Human Capital Development Pilot Project and the Jamaica Computer Society Education Foundation project, both of which have established labor market information systems and computer aided learning techniques.

VIII. AVAILABILITY OF MIF RESOURCES

- 8.1 **Funding Modality.** The project is expected to be financed through a grant based on the following points: (i) the country of Jamaica was declared eligible for all modalities of financing under the MIF by the Donors Committee on October 6, 1993; (ii) the compliance of Jamaica 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 (iii) 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 Success of the training will be measured not only by numbers credentialed, but also by the impact of the credentialling on the quality of the Jamaican tourism product. JHTA will test several methods, both qualitative and quantitative, to gauge the impact of the training: (i) interviews will be conducted with the original participants in needs assessment (qualitative although some quantitative analysis may be possible); (ii) a mechanism will be developed to track guest perceptions (e.g. exit surveys conducted

by the Jamaica Tourist Board (JTB) and guest comment cards from individual properties) over the timeframe during which the system is built and operational (quantitative); (iii) JHTA will conduct a study of organizational profitability (quantitative); and (iv) 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 management information system maintained by JHTA. (See Annex II for project indicators).

- 9.2 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

- 9.3 The JHTA 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 II will be used.

B. The second project review

- 9.4 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

- 9.5 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 in Jamaica, 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; attainment of certifiable skills by target groups; and improvements in quality of services and customer satisfaction.

ACTIVITY SCHEDULE

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PROJECT INDICATOR TABLE

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><i>Overall goal</i></p> <p>The overall goal of the project is to increase the competitiveness of the tourism industry in Jamaica, particularly among small tourism entities, by increasing accessibility, flexibility and relevancy of education and training</p>	<p>Positive guest perceptions and increased customer satisfaction when compared to other destinations</p> <p>Industry operators particularly small tourism entities increase their investment (both dollars and time) in training</p> <p>Number and types of education and training offerings increase and participation increases</p> <p>Occupancy levels rise and profitability increases</p>	<p>Analysis of guest comment cards and visitors exit surveys</p> <p>Analysis of training investment per employee included in annual manpower study conducted by JHTA extension officers</p> <p>Analysis of education and training offerings by number, type and participation included in annual manpower study conducted by JHTA extension officers</p> <p>Annual survey of occupancy levels and other industry demand indicators conducted by JHTA extension officers</p>	<p>Maintenance of private sector interest in tourism</p> <p>Continued political and economic stability of country</p> <p>Industry will respond to market-oriented education and training programs</p> <p>Education and training providers will respond with market oriented programs.</p>
<p>Articulate and rationalize tourism education and training for the industry</p>	<p>New linkages between academic and non-academic education, training and human resource development established;</p> <p>Industry recognizes requirements for education, training and credentialling and understands how to access programs</p>	<p>Framework for articulation/rationalization and credentialling created and disseminated to industry and education and training providers;</p> <p>Analysis of education and training offerings by number, type and participation included in annual manpower study conducted by JHTA extension officers</p>	<p>Cooperation among education and training providers and industry in agreeing on a framework for articulation/rationalization and credentialling</p> <p>Tourism stakeholders accept new approaches to education and training</p>
<p>Leverage public and private sector resources for human resource development</p>	<p>Available resources from education and training are being maximized to the industry's benefit</p>	<p>Analysis of total expenditure for tourism education and training and numbers of people impacted per dollar of investment included in annual manpower study conducted by JHTA extension officers</p>	<p>Cooperation among public and private sector education and training providers</p>
<p>Facilitate the development of modular training programs and customized training support, with a particular emphasis on small tourism entities</p>	<p>Modular training programs and customized training support utilized by industry</p>	<p>Development and delivery of modular and customized training programs</p>	<p>JHTA extension officers established by project are effective in establishing strong relationships with small tourism entities</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	Number of small tourism entities participating and impact on their profitability	Analysis of education and training offerings by number, type and participation included in annual manpower study conducted by JHTA extension officers	JHTA extension officers established by project are effective in establishing strong relationships with small tourism entities
Strengthen the technical and organizational capability of the JHTA to assume responsibility for human resource development and management for the tourism industry	JHTA is perceived as the leading source of information on education, training, and human resource development for the tourism industry in Jamaica Systems (both technical and organizational) required to assume this responsibility are in place	Annual survey of industry operators and education and training providers conducted by JHTA extension officers Development and installation of computer systems, software, and third party skills matching services in place and training and organizational development required to maintain system completed	The leadership of JHTA has the will to assume a leadership role in human resource development and management for the tourism industry JHTA is capable of sustaining project beyond the length of grant period
Help bridge the gap that exists between the demand for specialized skills and the supply of high quality training in those skills	Participation in registry and credentialling system and volume of job searches over grant period	Number of people entered in registry of workers, number of people credentialed by JHTA, and number of job searches conducted on skills matching system reaches project and budgetary expectations	Industry willing to finance its own share credentialling and skills matching system

DETAILED PROJECT BUDGET

	MIF contribution	Local contribution	Total
1. Consulting firms			
Database/MIS system training	90.0	0.0	90.0
Leadership development and strategic planning	60.0	0.0	60.0
Credentialling system development	75.0	0.0	75.0
Skills matching system development	90.0	0.0	90.0
Subtotal	315.0	0.0	315.0
2. Individual consultants			
Project director	55.0	65.0	120.0
Tourism extension officers (6 people x \$30,000)	180.0	360.0	540.0
"Train the trainer" expert	45.0	0.0	45.0
Subtotal	280.0	425.0	705.0
6.6 Support personnel			
Administrative assistant	20.0	20.0	40.0
Information technology assistant	35.0	30.0	65.0
Subtotal	55.0	50.0	105.0
6.1 Premises			
Rent	0.0	50.0	50.0
Utilities/Office overhead	0.0	70.0	70.0
Telephone	0.0	36.0	36.0
Postage	0.0	18.0	18.0
Supplies	0.0	26.0	26.0
Subtotal	0.0	200.0	200.0
6.3 Equipment			
Computers, scanners, networking, printers, etc.	85.0	0.0	85.0
One year hardware service agreements	35.0	0.0	36.0
Subtotal	120.0	0.0	120.0
6.4 Training materials			
Design/production	120.0	0.0	120.0
Subtotal	120.0	0.0	120.0
6.5 Data processing			
Software licensing	60.0	0.0	60.0
Three year software support agreements	40.0	0.0	36.0
Skills matching system support services	120.0	0.0	120.0
Subtotal	220.0	0.0	220.0
97 Special programs			
Promotional activities	120.0	180.0	300.0
Monitoring and evaluation	100.0	0.0	100.0
Subtotal	220.0	180.0	400.0
98 Contingencies	140.0	0.0	140.0
Total	1,470.0	885.0	2,325.0
% Contribution	63.0	37.0	100.0

PROPOSED RESOLUTION

JAMAICA. NONREIMBURSABLE TECHNICAL COOPERATION TO
SUPPORT THE DEVELOPMENT OF A TOURISM HUMAN RESOURCES
MANAGEMENT SYSTEM

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development 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 Jamaica Hotel and Tourist Association and to take such additional measures as may be pertinent for the execution of the project memorandum referred to in Document MIF/AT-_____ with respect to a technical cooperation program to support the development of a tourism human resources management system.

2. That up to the amount of US\$1,470,000, or its equivalent in other convertible currencies, is authorized for the purpose of this resolution, chargeable to the resources of the Human Resources Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.