

## Terms of Reference: Economic Impact Assessment of the Marine Tourism Industry in St Vincent and the Grenadines and Development of Marine Tour Operator Standards

### Background

The World Bank's Unleashing the Blue Economy in the Caribbean (UBEC) project aims to promote sustainable economic development through the enhancement of marine-based industries. It is a transformative initiative aimed at harnessing the vast potential of the region's marine resources to drive sustainable economic development and environmental stewardship. Through strategic investments, policy reforms, and capacity-building efforts, the project seeks to unlock opportunities in sectors such as fisheries, tourism, and waste management while promoting resilience to climate change and biodiversity conservation. By fostering collaboration among governments, private sector stakeholders, and local communities, the initiative aims to create a thriving blue economy that generates inclusive growth, enhances livelihoods, and preserves the unique marine ecosystems that are vital to the Caribbean's cultural heritage and socio-economic prosperity.

St Vincent and the Grenadines, one of the three countries supported through UBEC, boast a rich and diverse marine ecosystem, characterized by pristine beaches, vibrant coral reefs, and crystal-clear waters. The marine tourism industry plays a crucial role in the country's economy, attracting both domestic and international visitors seeking unique experiences such as sailing, diving, snorkeling, and eco-tourism activities.

The marine tourism industry in St Vincent and the Grenadines is comprised of a variety of businesses catering to diverse visitor experiences:

- **Sailing:** The region boasts a vibrant sailing community, with businesses ranging from yacht charters and sailing schools to tour operators and marinas. These businesses provide services such as yacht rentals, crewed charters, sailing lessons, and yacht provisioning. Yachting infrastructure and support services are provided by marinas, boatyards, yacht management companies, and concierge services. These businesses offer amenities such as dockage, mooring, fueling, provisioning, maintenance, and repairs to accommodate the needs of luxury yacht owners, charter guests, and cruising sailors exploring the Grenadines. Marinas, such as the Blue Lagoon Marina, Port Elizabeth Marina, and Clifton Harbour, serve as important docking, refueling, and maintenance hubs.
- **Diving and Snorkeling:** Dive centers, dive resorts, and tour operators specialize in providing diving and snorkeling excursions to explore the rich underwater ecosystems of St Vincent and the Grenadines. These businesses offer guided dives, certification courses, equipment rentals, and eco-friendly dive trips to renowned sites such as the Bat Cave, Marie's Caves, and Mopion Reef.
- **Waterfront service providers:** The stakeholders include people who ply their trade on the waterfront, such as fruit vendors, individuals selling handmade crafts and souvenirs to tourists and locals. Tour Providers: operators offering guided tours of the waterfront, historical sites, and other attractions. Provisioning Services: Businesses providing supplies and essentials to visiting boats and yachts. Dock Assistant: personnel helping with the docking and tying up of boats, ensuring they are securely moored.
- **Water taxis:** Individuals or companies operating water taxi services, transporting passengers between various points along the waterfront. This category includes commuters who use water taxis for transportation, managers and staff overseeing the docking and maintenance of water taxis, and officials ensuring water taxis comply with safety regulations and standards.

- **Water sports centers:** Businesses that provide activities for watersports.
- **Fishing Charters and Guides:** Provides chartered (captain and crew) fishing expeditions with experienced anglers who provide guidance and instruction to clients.

Despite the potential for growth and development, the marine tourism industry in St Vincent and the Grenadines faces various challenges, including limited infrastructure, environmental degradation, and competition from neighboring destinations. Addressing these challenges and identifying strategic investments are essential to unlocking the full potential of the marine tourism sector and promoting sustainable economic development in the country.

To address this, the St Vincent and the Grenadines PSIPMU is seeking a consulting firm (the consultant) to conduct an economic impact assessment of the marine tourism industry in St Vincent and the Grenadines and create marine tour operator standards. The assessment is required to understand the status, challenges, and opportunities for growth in marine tourism.

## 2. Objectives:

This assignment aims to quantify the current impact of marine tourism on the economy of St Vincent and the Grenadines, assess the potential impact of the sector's growth, and identify the investments required to facilitate this growth. Additionally, It seeks to enhance the industry through development of standards and actionable strategies.

The primary objectives of this assessment are:

- **Situation analysis:** Conduct a comprehensive analysis of the marine tourism industry in St Vincent and the Grenadines, examining the industry structure, meeting with key stakeholders, understanding market dynamics, and identifying sector trends at national, regional, and global levels.
- **Economic valuation:** Assess the economic value of the marine tourism industry, including metrics such as job creation, number of businesses, revenues generated, and government fiscal revenues.
- **Identification of Challenges and Opportunities:** Identify key challenges inhibiting the growth and development of the marine tourism industry, including environmental issues, gaps in essential services and barriers to investment. Provide actionable recommendation to address these challenges.
- **Investment Opportunities:** Highlight priority investment opportunities that could unlock growth and investment in the marine tourism industry.
- **Cost-Benefit Analysis:** Conduct a high-level cost-benefit analysis for two priority investments identified during the assessment.
- **Development of Marine Tour Operator Standards:** Create marine tour operator industry standards to improve service quality, safety, and environmental sustainability among marine tour operators.
- **Sustainable Growth Action Plan:** Develop a comprehensive Action Plan outlining strategic steps for the sustainable growth of the marine tourism sub-sector, ensuring alignment with national development goals and global sustainability best practices.

## 3. Scope of Work

### Task 1: Situation Analysis

- Review of existing literature and data sources: Conduct a thorough review of existing literature, reports, and data sources related to the marine tourism industry in St Vincent and the Grenadines. This includes government publications, academic studies, industry reports, and relevant databases
- Consultations with Stakeholders: Visit St Vincent and the Grenadines and conduct consultations with a diverse range of stakeholders from the public sector, private sector, and non-governmental organizations (NGOs) to gather insights and perspectives on the current state of the marine tourism industry. Stakeholders to be consulted include but are not limited to:
  - Government agencies: Ministry of Tourism, Ministry of Finance, Environmental Management Authority, Port Authority, and relevant local government bodies.
  - Industry associations: St Vincent and the Grenadines Tourism Authority, Marine Industries Association, Hotel and Tourism Association, and Yachting Association.
  - Private sector businesses: Tour operators, hotel/resort owners, yacht charter companies, dive centers, and marine transportation providers.
  - NGOs and community organizations: Environmental advocacy groups, marine conservation organizations, community development associations, and cultural heritage preservation societies.
  - NOTE: Stakeholder consultations should also include collecting information for the marine tour operator standards to inform Task 7.
- Analysis of Industry Structure: Examine and define the organizational structure of the marine tourism industry, including the distribution of businesses, types of services offered, and market segments targeted.
- Market and Sector Trends Analysis: Identify key market trends influencing the marine tourism industry in St Vincent and the Grenadines, such as changes in visitor demographics, preferences, and spending patterns. Analyze broader sector trends at national, regional, and global levels, including emerging technologies, regulatory changes, and economic factors impacting the marine tourism industry.
- Deliverable: A comprehensive situation analysis report summarizing key findings and insights, including an overview of industry structure, market trends, and sectoral dynamics, informed by stakeholder consultations with recommendations. Report should include visual aid (graphs, charts, maps) for clarity, as needed.

## Task 2: Assessment of Challenges to Marine Tourism Industry Growth

- Identification of Inhibitors to Growth: Identify key challenges and barriers hindering the development and growth of the marine tourism industry in St Vincent and the Grenadines. Assess market failures and gaps in government policies and services to determine specific barriers that need to be addressed. This may include regulatory hurdles, infrastructure deficiencies, skills shortages, or socio-economic factors. It may also include a lack of associated private sector (e.g., accommodation), weak transportation linkages (e.g., airlift, ground transport, etc.), or a lack of competition in certain sectors (e.g., cruise lines).
- Environmental Challenges Assessment: Evaluate environmental challenges facing the marine tourism sector, such as coral reef degradation, marine pollution, and climate change impacts, and assess their implications for industry sustainability.
- Essential Services Analysis: Identify gaps in essential services and infrastructure critical for supporting marine tourism activities, including transportation, utilities, waste management, and marine safety services.
- Deliverable: A comprehensive assessment report outlining identified challenges and barriers to growth along with their root causes, including a mapping of market failures and government

policy and services gaps, with a recommended course of action. Report should include visual aid (graphs, charts, maps) for clarity, as needed.

#### Task 3: Economic Valuation Methodology

- Utilization of Existing Data: Gather, compile and analyze existing data sources, including government statistics, industry surveys, and economic reports, to inform the creation of a methodology for the valuation of the marine tourism industry's economic impact.
- Methodological Approach: Define and propose an appropriate economic valuation methodology based on available data, such as input-output analysis, economic multiplier models, and contingent valuation techniques, to estimate the industry's contribution to the economy. IT should assess the direct and indirect economic impacts of the marine tourism industry.
- Deliverable: A detailed economic valuation methodology for the marine tourism industry, including data sources and an anticipated level of accuracy.

#### Task 4: Economic Valuation Study

- Metrics Assessment: Quantify the economic value of the marine tourism industry in terms of employment generated, revenue generated (both direct and indirect), and government fiscal revenues derived from taxes and fees on both businesses and consumers. Also, the number of businesses operating within the sector.
- Analysis: Quantify the direct expenditures injected into the St Vincent and the Grenadines economy from marine tourism by analyzing visitor spending, operator spending and any other direct expenditure flows. Map the flow of marine tourism expenditures through the economy, estimate the value of leakages and assess the employment impacts of marine tourism.
- Deliverable: An Economic Valuation Report presenting detailed findings and analysis of the marine tourism industry's economic significance, including employment figures, revenue streams, and fiscal contributions. Report should include visual aid (graphs, charts, maps) for clarity, as needed.

#### Task 5: Recommended Strategies and Action Plan for growth and investment opportunity identification

- Stakeholder Engagement: Engage with key stakeholders, including government agencies, private sector entities, community organizations, and international development partners, to identify recommendations and priority investment areas and foster collaboration.
- Recommendations: Create robust recommended strategies and action plan to address challenges identified in all tasks and to foster sustainable growth and development in the marine tourism industry
- Identification of Investment Opportunities: Identify specific investment opportunities that have the potential to unlock growth and investment in the marine tourism industry. These may include infrastructure development projects, marketing initiatives, skills training programs, and sustainable tourism practices. Categorize investment opportunities as either hard (physical infrastructure) or soft (policy, marketing, training) investments and assess their feasibility, scalability, and potential impact on industry growth.
- Investment Structure: Identify which investments can be driven solely by the private sector and what the private sector would require to proceed with the investment. Identify which investments could be delivered through a Public-Private Partnership approach. Identify which investments require a public sector-first approach.
- Deliverable: Recommendations and Action Plan for addressing challenges and an investment opportunity identification report outlining recommended investment initiatives, their potential impact, and the roles of different stakeholders in implementation, including opportunities for

public-private partnerships. Report should include visual aid (graphs, charts, maps) for clarity, as needed.

#### Task 6: High-Level Cost-Benefit Analysis

- Selection of Priority Investments: Select 2 priority investment opportunities identified during the assessment process for a cost-benefit analysis based on their strategic importance and potential impact on industry development.
- Cost Estimation: Estimate the costs associated with implementing the selected investment projects, including capital expenditures, operating expenses, and any associated risks or contingencies.
- Benefit Assessment: Assess the potential economic, social, and environmental benefits of the selected investment projects, including job creation, revenue generation, environmental conservation, and enhanced community well-being.
- Sensitivity Analysis: Conduct sensitivity analysis to evaluate the robustness of cost and benefit estimates under different scenarios and identify key risk factors that may affect project outcomes.
- Deliverable: A high-level cost-benefit analysis report presenting findings and recommendations for the prioritized investment projects, including a comparison of costs and benefits, risk assessment, and recommendations for decision-making. Report should include visual aid (graphs, charts, maps) for clarity, as needed.

#### Task 7: Development of Standards for Marine Tour Operators

- Utilization of Situation Analysis and Consultation Findings: Utilize the information gathered during the situation analysis, stakeholder consultations and identification of sector challenges to inform the development of standards for marine tour operators in St Vincent and the Grenadines.
- Design of standards:
  - Design standards aimed at enhancing the quality, consistency, and safety of marine tour operations across the industry. This may include guidelines for vessel maintenance, safety protocols, customer service standards, moorings and environmental stewardship practices.
  - Identify and codify the types of services offered by marine tour operators into distinct license categories. This classification should reflect the range of activities and experiences available to visitors, such as sailing charters, diving excursions, snorkeling tours, waterfront service providers, and water taxis.
- Refinement of Licensing Requirements: Review and refine existing licensing requirements for marine tour operators to ensure alignment with industry standards and best practices. This may involve establishing minimum qualifications, training requirements, insurance coverage, and operational guidelines for obtaining and maintaining licenses.
- Creation of a Code of Conduct: Develop a comprehensive code of conduct for marine tour operators outlining ethical principles, professional standards, and responsible practices. The code should address issues such as environmental conservation, cultural sensitivity, customer relations, safety protocols, and compliance with regulatory requirements.
- Stakeholder Engagement: Engage with key stakeholders, including government agencies, industry associations, tour operators, and environmental organizations, to solicit input and feedback on the proposed standards and code of conduct.
- Deliverable: A set of standards for marine tour operators in St Vincent and the Grenadines, including guidelines for improving quality, consistency, and safety, categorization of services into license categories, refined licensing requirements, and a code of conduct for industry practitioners.

#### 4. Deliverables

Task	Deliverable	Delivery Date
Task 1: Situation Analysis	A comprehensive situation analysis report summarizing key findings and insights, including an overview of industry structure, market trends, and sectoral dynamics, informed by stakeholder consultations.	5 weeks after signing the contract
Task 2: Economic Valuation Methodology	Detailed economic valuation methodology for the marine tourism industry including data sources, proposed approach, and anticipated level of accuracy	6 weeks after signing the contract
Task 3: Economic Valuation Study	An economic valuation report presenting detailed findings and analysis of the marine tourism industry's economic significance, including employment figures, revenue streams, and fiscal contributions	9 weeks after signing the contract
Task 4 & 5: Assessment of Challenges to Marine Tourism Industry Growth and Recommended Strategies for Growth and Investment Opportunity Identification	Comprehensive assessment report that: 1) identifies challenges and their root causes, including a mapping of market failures and government policy and services gaps, 2) Provides recommendations to address challenges, and 3) Identifies investment opportunities, outlines recommended investment initiatives, their potential impact, and stakeholder roles for implementation, including opportunities for public-private partnerships.	12 weeks after signing the contract
Task 6: Cost Benefit Analysis and Final Report	Draft a high-level cost-benefit analysis report presenting findings and recommendations for the prioritized investment projects, including a comparison of costs and benefits, risk assessment, and recommendations for decision-making. This deliverable should also include a summary of previous deliverables.	16 weeks after signing contract
	A final version of the cost-benefit analysis and the comprehensive final report.	18 weeks after signing the contract
Task 7: Marine Tour Operator Standards	A set of standards for marine tour operators in St Vincent and the Grenadines, including guidelines for improving quality, consistency, and safety; categorization of services into license categories; refined licensing requirements; and a code of conduct for industry practitioners.	22 weeks after signing the contract.

Sign-off from the Ministry of Tourism is required for acceptance of deliverables and payment.

The Consultant should provide a work plan in the proposal submitted in response to this RFP based on the best estimation of actual activities.

#### Notes for Proposal Submission:

Travel to St Vincent and the Grenadines is required to successfully complete this assignment. The consultants are expected to host at least three field missions for 1) Task 1 stakeholders' consultants; 2) Validation of sector challenges and list of investments; 3 and 5) Final presentation of the results. Tasks will require analyzing existing empirical data and conducting interviews with in-country stakeholders, specifically firms and individuals benefiting from marine tourism and their suppliers.

The Consultant will have access to documents that the Government of St Vincent and the Grenadines regards as helpful for the Consultant to perform the assignment, such as data, prior methodology, and

questionnaires. The Government will coordinate access to stakeholders and will also support the Consultant in reaching out to partner institutions and related Government agencies as necessary.

This study will rely on quantitative and qualitative data to understand visitor spending patterns. Supply-side (business) data will need to be gathered in the country. It is expected that, where possible, this data will capture 2 rounds of indirect spending.

The proposal should stipulate a draft methodology for estimating the direct and indirect impact of the marine tourism industry. The selected firm will be asked to refine this methodology in Task 3 of the assignment.

### **Project Management:**

The consultant should allow project review meetings at the completion of each task. Additional project review meetings will be scheduled as required and in cases where project progress (timelines, budget, deliverables) requires clarification or modification. These meetings can be initiated by the Consultant or by the Ministry of Tourism. Meetings can be held by teleconference.

All written deliverables should be in English and submitted electronically. Acceptance of the above Deliverables will depend on the key criteria of quality and full coverage of the requested scope of work **defined in Section D of this TOR.**

## **5. Criteria for Assessment**

Proposals will be assessed based on the following criteria.

1. Technical Approach: Quality, comprehensiveness, and feasibility of the proposed methodology and work plan to address the TOR's scope of work.
2. Relevant Experience: Proven track record in tourism economic impact assessments, marine tourism projects, and sustainable development, particularly in small island states and the Caribbean.
3. Team Expertise: Qualifications and relevant experience of the multidisciplinary team, including project management, tourism investment, economic analysis, environmental conservation, and policy development.
4. Stakeholder Engagement: Effective strategy for consulting and incorporating inputs from government, private sector, NGOs, and local communities.
5. Project Management Capacity: Ability to deliver high-quality outputs on time and within budget, with strong risk management and quality assurance mechanisms.

## **6. Firm Qualifications**

1. Relevant Experience:
  - The consulting firm should have a minimum of 10 years of experience specializing in economic development, tourism, and sustainable development projects or related fields.
  - Demonstrated experience in conducting economic impact assessments, industry analyses, and policy studies, with a focus on the tourism sector.
  - Record of completed case studies and economic evaluations/impact analyses, including based on quantitative data.
  - Proven track record of delivering high-quality consulting services to international organizations, government agencies, and private sector clients.

- Experience working on projects in the Caribbean region, particularly small island states in the marine tourism sector and with multilateral development organizations.
2. Technical Expertise:
    - Expertise in economic analysis, including economic valuation methodologies, cost-benefit analysis, and input-output modeling.
    - In-depth understanding of tourism economics, market dynamics, and industry trends, with knowledge of sustainable tourism practices and environmental management.
    - Familiarity with regulatory frameworks, policy instruments, and best practices in tourism governance and destination management.
    - Capacity to develop industry standards, licensing requirements, and regulatory guidelines for the marine tourism sector.
  3. Multidisciplinary Team:
    - The consulting firm should have a multidisciplinary team of experts with diverse backgrounds and expertise relevant to the project objectives.
    - See below for list of team members that must be included in the proposed team.
    - The firm should have access to a network of subject matter experts and industry practitioners who can provide specialized knowledge and insights as needed.
  4. Stakeholder Engagement:
    - Demonstrated capability in stakeholder engagement and consultation processes, including conducting interviews, focus group discussions, and workshops with diverse stakeholders.
    - Experience in building consensus among government agencies, industry associations, private sector entities, NGOs, and community organizations.
    - Ability to facilitate participatory decision-making processes and incorporate stakeholder feedback into project deliverables.
  5. Project Management Skills:
    - Strong project management capabilities, including planning, monitoring, and evaluation of project activities, timelines, and budgets.
    - Experience in risk management, quality assurance, and client relationship management to ensure project success and client satisfaction.
    - Ability to prepare clear, concise, and actionable reports, presentations, and policy briefs that communicate complex information effectively to diverse audiences.

## 7. Required Expertise in Team

1. Project Manager:
  - Senior level project manager with 15 years of experience and proven experience in project management, including planning, implementation, and monitoring of complex projects in the tourism or economic development sectors.
  - Strong leadership and interpersonal skills, with the ability to coordinate and motivate multidisciplinary teams to achieve project objectives.
  - Excellent communication and stakeholder management skills, with experience in engaging with government agencies, private sector entities, and international organizations.
  - Proficiency in project management methodologies, with a track record of delivering projects on time and within budget.



- Knowledge of tourism industry dynamics, regulatory frameworks, and sustainable development practices is advantageous.
2. Tourism Private Sector Investment Expert:
    - Master's degree in tourism management, sustainable tourism development, or a related field and a minimum of 10 years of relevant experience.
    - Experience in conducting investment feasibility studies, industry analyses, market research, and stakeholder consultations in the tourism sector.
    - Knowledge of sustainable tourism practices, environmental conservation principles, and community-based tourism initiatives.
    - Excellent communication and interpersonal skills, with the ability to engage with diverse stakeholders and facilitate consensus-building.
    - Familiarity with tourism policy frameworks, regulatory compliance, and industry standards development.
    - Knowledge of public-private partnership (PPP) frameworks, investment promotion strategies, and financing mechanisms relevant to the tourism sector.
    - Familiarity with the investment climate in the Caribbean region, including regulatory requirements, tax incentives, and investment promotion agencies.
    - Strong analytical skills and attention to detail, with the ability to evaluate investment opportunities and develop recommendations for maximizing returns and mitigating risks.
  3. Economic Analyst:
    - Master's degree or higher in economics, with a focus on applied economics, econometrics, or a related field with at least 7 years of relevant experience.
    - Demonstrated experience in conducting economic impact assessments, cost-benefit analysis, and economic modeling.
    - Proficiency in statistical analysis software (e.g., STATA, R) and econometric techniques for data analysis.
    - Strong analytical and problem-solving skills, with the ability to interpret economic data and present findings effectively.
    - Knowledge of tourism economics, including demand analysis, pricing strategies, and market forecasting techniques.
  4. Local Tourism Specialist:
    - Minimum of a bachelor's degree in tourism, economics, business, or a related field; a master's degree is preferred.
    - At least 5 years of experience working in the tourism sector in St. Vincent and the Grenadines, with specific expertise in marine or coastal tourism.
    - Proven knowledge of the local tourism value chain, regulatory environment, and investment landscape.
    - Strong stakeholder engagement and communication skills, with experience working with both public and private sector actors.
    - Demonstrated understanding of sustainability principles and their application to tourism development.
    - Experience contributing to projects involving economic impact assessments or investment planning is preferred.
    - Familiarity with international standards and best practices in tourism development and management is preferred.
  5. Environmental Expert:

- Advanced degree in environmental science, marine biology, conservation biology, or a related discipline.
- Expertise in assessing environmental impacts, ecosystem management, and marine conservation strategies.
- Knowledge of marine ecosystem dynamics, coral reef ecology, and biodiversity conservation principles.
- Strong written and verbal communication skills, with the ability to communicate complex environmental concepts to diverse audiences.

6. Policy Analyst:

- Master's degree in public policy, public administration, or a related field.
- Experience in analyzing policy frameworks, regulatory compliance, and governance structures in the tourism sector.
- Knowledge of public-private partnership (PPP) models, regulatory impact assessment (RIA), and policy advocacy strategies.
- Excellent research and writing skills, with the ability to draft policy documents, regulatory guidelines, and industry standards.
- Familiarity with international best practices in tourism policy, sustainable development goals (SDGs), and global governance frameworks.