



D14 – A Policy for the Department of Tourism Regulations  
D15 – Governance Structure for the Department of Tourism Regulations

## FINAL REPORT

D14 – A Policy for the Regulatory Authority

D15 – Governance Structures for the Tourism Regulatory Authority

## Acronymic

|           |  |
|-----------|--|
| BSC       | : Balanced Score Card                      |
| D14 – D15 | : Deliverable 14 and Deliverable 15        |
| DMO       | : Destination Management Organisation      |
| DTR       | : Department of Tourism Regulations        |
| FT        | : Full Time                                |
| HT        | : Half Time                                |
| ICT       | : Information and Communication Technology |
| KPIs      | : Key Performance Indicators               |
| M&E       | : Monitoring and Evaluation                |
| MOA       | : Memorandum of Agreement                  |
| MOU       | : Memorandum of Understanding              |
| PS        | : Permanent Secretary                      |
| TCI       | : Turks and Caicos Islands                 |
| TCITB     | : Turks and Caicos Islands Tourist Board   |

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## Introduction

This Report represents D14 (called “A Policy for the Regulatory Authority” in the TOR) and D15 (called “Governance Structures for the Tourism Regulatory Authority” in the TOR) which were planned as independent reports by the TORs. The Target Euro team has merged these two different deliverables into one because they are interrelated and together they provide a clear picture on how the Department of Tourism Regulations will work, including its activities and rules, how it will be implemented within the Ministry of Tourism, Environment, Heritage, Maritime, Gaming and Disaster Management (“Ministry of Tourism”). As a result, this report includes the following chapters and annexes:

- **Chapter 1 (Regulations activities of the TCITB):** this chapter analyses the regulatory activities that are actually carried out by the TCITB and which units of the TCITB are responsible for the provision of these activities.
- **Chapter 2 (The new Department of Tourism Regulations):** this chapter details the characteristics of the new DTR, including information about its new policy, vision and mission; an organogram and different rules and responsibilities; staff and relations with other Ministries and the Destination Management Organisation (DMO).
- **Chapter 3 (Implementation strategy the DTR):** this chapter includes information about the performance system, monitoring and control activities and annual budget of the DTR.
  
- **Annex 1** Tourism Certification Forms and Inspection Sheets
- **Annex 2** Detailed job descriptions of the DTR employees

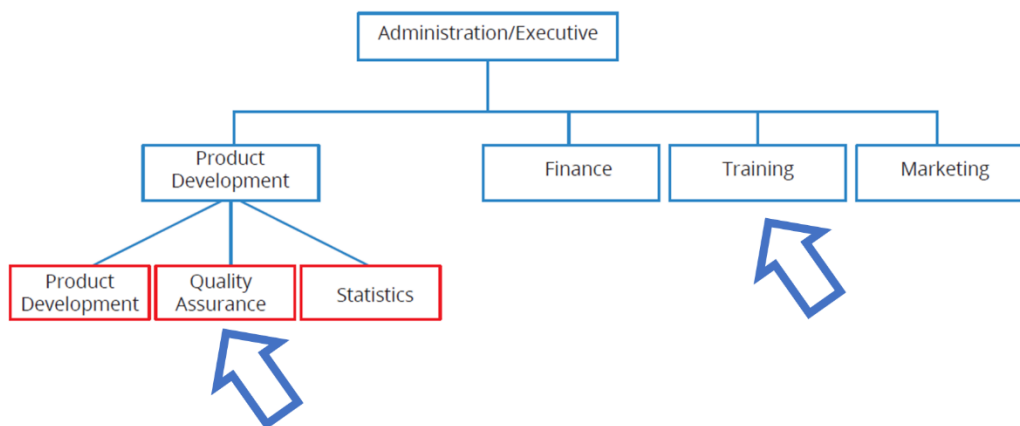
## 1. Regulations activities of the TCITB

As described in report D3, the TCITB is a statutory body with the objective of promoting the TCI tourism industry globally and contributing to the stimulation of sustainable tourism development in Turks and Caicos Islands. In this regard, marketing, product development and statistics are key activities of the TCITB. At the same time, the TCITB has the following regulatory functions:

- **Licensing**: the TCITB provides the annual Tourism License to Accommodations, Tour Operators and Taxis. This is a compulsory certification for these categories of tourism businesses, which is a prerequisite for the renewal of their annual business licence. Its aim is to guarantee the provision of high-quality tourism services and infrastructure offered by these tourism businesses.
- **Enforcement of licensing and regulations**: the TCITB provides assistance to tourism businesses to apply for their annual Tourism Licence and, at the same time, it assists the Ministry of Tourism to identify specific needs from the private sector that could enforce the licensing and regulation processes.
- **Recommendations on amending tourism legislation**: The TCITB Board of Directors, in cooperation with its executive staff, identifies specific requirements from tourism stakeholders and proposes amendments to tourism legislation related to its charter to the Ministry of Tourism.

Considering the organization of the TCITB, the Quality Assurance Unit and the Department of Training are carrying out regulatory activities:

**Figure 1 – Organogram of the TCITB**



As mentioned in D3 both areas, marked with arrows, are focused on to providing annual Tourism Licences and the related training to hotels, taxi drivers and tour operators. In particular:

- The **Quality Assurance Unit** is mainly responsible for the tourism certification of the hotels and all other accommodation types. As previously noted, this certification is compulsory for the accommodations to renew the annual business license.
- While, the **Department of Training** is mainly focused on the training of taxi drivers and tour operators to receive the annual Tourism License and certification which is compulsory to renew the annual business license. Occasionally, training programs/projects are promoted by the TCITB. No specific agreements/partnerships have been developed by the TCITB with national and international universities or specialized training institutions.

## 2. The new Department of Tourism Regulations (DTR)

The Government will replace the TCITB with the DMO. However, this new entity will not regulate the tourism industry, license tourism businesses, and enforce regulations. Since the DMO will not have legislative powers, a new “Department of Tourism Regulations” will be created under the Ministry of Tourism, to absorb the functions of the TCITB Quality Assurance Unit and the Training Unit which are expressly dedicated to tourism licensing activities. All other training and technical assistance activities related to the development of new skills and competences of the tourism ecosystem in TCI will be absorbed by the DMO.

### 2.1 Policy of the new Department of Tourism Regulations

Government intervention in tourism development dates back to the 1990s when it was prioritized in the first TCI national development plans. The new legislation provides that the Department of Tourism Regulations (DTR) shall be responsible for mandatory tourism regulations, coordinating with other government offices on matters related to tourism policy and compulsory standards; development of tourism policy and improvement of the tourism enabling environment; and training on tourism services as it relates to annual Tourism Licenses in coordination with the DMO. Furthermore, and beyond regulating the industry, the Ministry of Tourism plays the oversight role of coordinating and overseeing tourism policy direction and strategic planning, fostering inter-ministerial collaboration and coordination; product diversification; synergy building and improving the alignment between supply and demand; enhancing competitiveness and investment potentials; establishing regional governance for destination development; and monitoring and evaluation of tourism programmes and activities in the country.

Tourism benefits and contributions to the economy will be fostered through regulatory models that enable investments to succeed and stimulate the permanent quality development of the tourism services. This calls for coordination and collaboration between public and private stakeholders. The DTR will have the mandate of regulating the tourism sector, including developing regulations, mandatory standards and guidelines that are necessary to ensure an all-round quality service delivery in the tourism sector. To enhance the competitiveness of TCI as a tourist destination, the DTR will assure the provision of quality products and service excellence. Moreover, considering the extent to which environmental and social factors shape the demand from visitors and investors, the DTR’s role in maintaining the quality of TCI’s products and services is paramount for the destination to remain relevant in the international marketplace.

To ensure its regular implementation, the DTR will allocate resources, develop annual workplans in coordination with the DMO, and promote them among all of its staff. An appropriate monitoring and evaluation framework must be put in place to track the progress and the effectiveness of implementation activities.

The new DTR should have a branded corporate identity, qualified and competent personnel, (if needed) regional representation/presence in the pre-defined tourism development districts (TIDs), clear mandate, professionalism, established inter-agency linkages within the Ministry of Tourism and outside of it, well established legal frameworks, engaged, diverse and knowledgeable stakeholders, and well-defined management system.

In order to be prepared to meet current and future demand and trends, the DTR should be conducive to investment, have an appreciation of regulations needed (e.g., hygiene, safety, and sustainability), have availability of trained human capital, be aware of constant consumer preferences, and be knowledgeable of emerging technological advancements for tourism regulatory purposes.

The implementation of the DTR should include objectives, concrete activities to contribute to reaching those objectives, and key performance indicators (KPIs) to measure progress. As an example, in the area of quality



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assurance, activities include: develop regulations, undertake audits of tourism establishments, quality certification and accreditation, and conduct training in coordination with the Quality Assurance Department of the DMO (if needed). In terms of compliance, activities include: promotion of the registering and licensing of regulated tourism enterprises through the Ministry of Finance, and undertake awareness campaigns on compliance. Related KPIs may include but will not be limited to the number of trainings delivered, audits completed, tourism establishments in compliance.

The DTR should promote and support the ease of doing business within the tourism sector. As such, an accessible and user friendly online system should be developed to enable tourism businesses to comply with regulations and be certified by the DTR, under its standardized operating procedures.

Personnel of the DTR should have a clear compensation scheme, including career guidelines, opportunities for upward mobility, and a human resource policy and procedures manual.

The strategic direction of the DTR should incorporate a vision, mission, core values, and strategic objectives. Target Euro has proposed the following for amendment by the DTR upon its formation to increase buy-in and ownership among its staff.

**Vision:** a centre for tourism regulatory excellence.

**Mission:** develop and promote a conducive regulatory environment for a dynamic, competitive and sustainable tourism sector in TCI.

**Core values.**

- ***Professionalism:*** committed to excellence through continuous improvement.
- ***Integrity:*** a culture that promotes honesty and best ethical practices.
- ***Inclusion:*** work with all stakeholders in the tourism sector.
- ***Innovation:*** embrace new ideas and methods as per the changing needs of the sector.
- ***Teamwork:*** a participatory approach and collaboration at all levels.

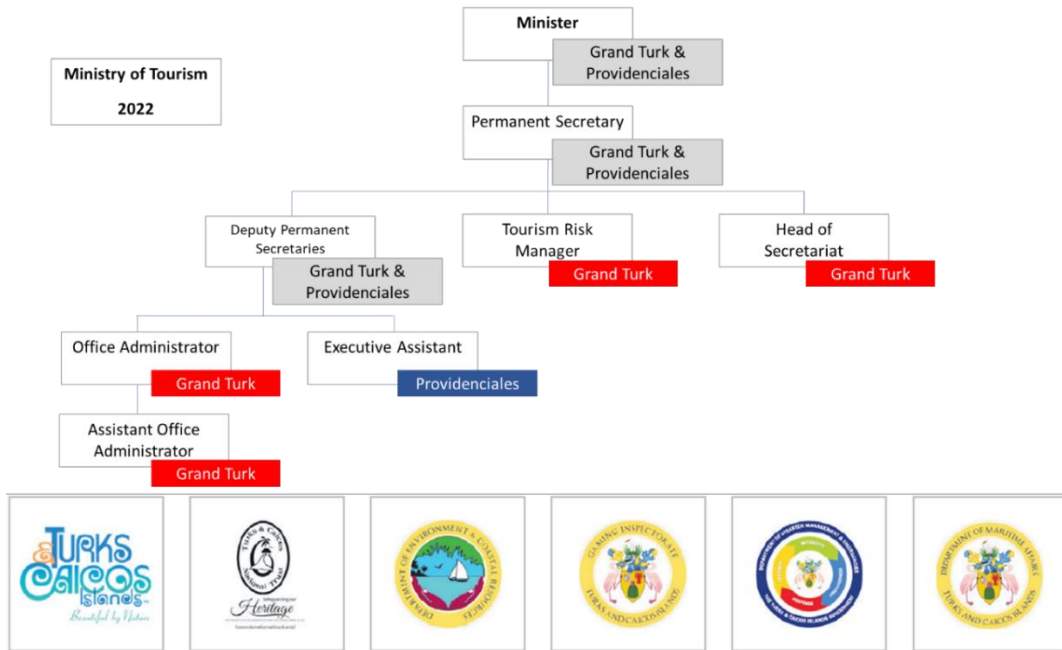
**Corporate Image.** A strong and consistently communicated corporate image will enable the DTR to attract and retain the best talent, inspire public confidence, gain support of development partners and generate a sense of direction and purpose. The DTR's registered logo, in line with the logo of the Ministry of Tourism and TCI Government, and tagline will contribute to giving the DTR a distinct identity. Additionally, the DTR will strive to have its internal stakeholders uphold its core values to provide excellent customer service. In order for the DTR to build a strong and visible corporate image, this plan envisions a review of the communication strategy of the Ministry of Tourism in line with the changes in the operating environment and communication landscape and its full implementation.

**Service Delivery.** As a state office, the DTR exists to serve tourism stakeholders. As such, all efforts of the DTR should be focused on exceptional service delivery to lead by example and create value for all the stakeholders in line with its customer service charter. A Quality Management System should be pursued to streamline internal processes and procedures to facilitate effective and efficient service delivery in the execution of the DTR's mandate.

## 2.2 Organizational structure within the Ministry of Tourism

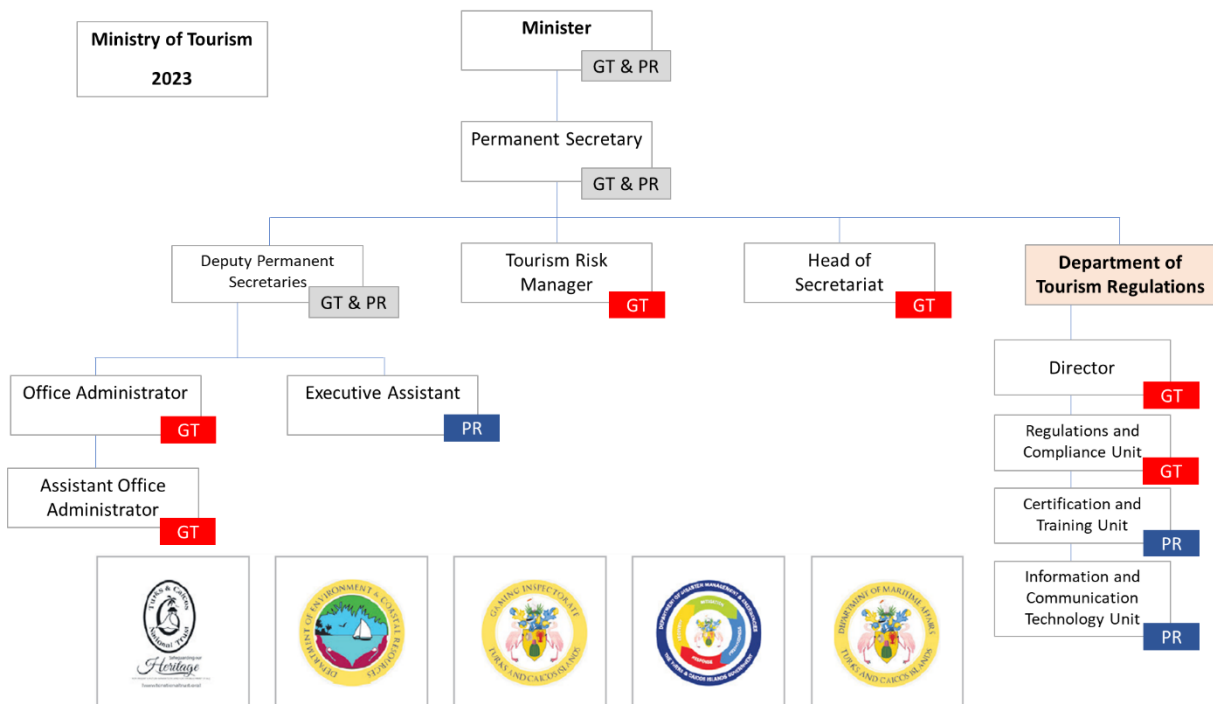
In order for the DTR to deliver on its mandate, there is need to have strong operations in the areas of management, staff, equipment, technology, office space/premises, remuneration, and benefits packages. As denoted in Figure 2, the Ministry of Tourism currently carries out its activities of regulations and control with the support of the Agencies which are responsible for specific issues.

**Figure 2 – Current organogram of the Ministry of Tourism, Environment, Fisheries and Marine Affairs, Culture and Heritage, Agriculture, Religious Affairs and Gaming**



While with the replacement of the TCITB with the DMO and the integration of the Department of Tourism Regulations (DTR) within the Ministry of Tourism, the new organogram will be structured as outlined in Figure 3.

**Figure 3 – New organogram of the Ministry of Tourism, Environment, Fisheries and Marine Affairs, Culture and Heritage, Agriculture, Religious Affairs and Gaming**



Considering the new organogram of the Ministry of Tourism, the DTR will be created under the Permanent Secretary of Tourism, in line with the Deputy Permanent Secretaries, Tourism Risk Manager and Head of the Secretariat.



## 2.3 Mandate and Functions of the Department of Tourism Regulations

According to legislation, the Department of Tourism Regulations (DTR) will have the following functions:

- 1) Formulate regulations for sustainable tourism attractions, activities and services countrywide, in accordance with the national tourism strategy.
- 2) Develop, in consultation with relevant stakeholders, criteria for mandatory standardization and classification of tourism facilities and services.
- 3) Regular assessment and audit of tourism attractions, activities and services, and preparation of tourism sector status reports.
- 4) Dispense tourism businesses certification within the tourism sector.
- 5) Monitor tourist activities and services to enhance continuous improvement and adherence to principles and practices of sustainable tourism.
- 6) Training businesses to be certified and licensed, using if needed and possible DMO staff.
- 7) Promote the adoption of regulations across the tourism sector.
- 8) Enforcement of tourism licensing and regulations.

Considering its functions, the Units composing the DTR will have the following responsibilities:

- i. **Regulations and Compliance Unit.** This Unit is responsible for developing TCI tourism regulations and assessing international and regional tourism regulations and proposing to the Minister changes in the existing regulations or the development of any new regulations needed to stimulate the development of the tourism ecosystem in TCI. In addition, this Unit will be in charge of controlling the licensing and compliance of tourism businesses with the sector regulations required by the national law. This Unit has the power to proceed with payment notices and fines for non-payment.
- ii. **Certification and Training Unit.** This Unit will be responsible for all of the activities needed to certify tourism businesses in TCI. Depending on the type of tourism businesses and the related certification and training requirements, this will include on-site inspections and assessments of tourism businesses and/or the provision of training. This Unit will coordinate with the Quality Assurance Department of the DMO and training institutions in the country to design and implement new training courses, models and curriculum related to the certification of tourism businesses and all other aspects related to regulations development and implementation in the tourism sector.
- iii. **Information and Communication Technology Unit.** This Unit will cover the following two areas: ICT and knowledge management. Its responsibilities combine ICT and knowledge and records management since the DTR should plan to use and leverage ICT in all its operations through e-records. Knowledge management is critical to the success of the DTR promoting a culture conducive to learning and sharing knowledge to achieve its strategic goals. Globally, there is a paradigm shift from the traditional 'command and control' approach to regulation, to smart regulation. Through communication and outreach, the DTR should therefore embrace a co-regulatory framework with national tourism stakeholders as one of the approaches to smart regulation and governance to more effectively and efficiently regulate the tourism sector. This unit will work on the DTR's image and public relations and building an understanding between the department and the public it serves. It will also be responsible for creating awareness on the importance of adherence to minimum pre-defined mandatory standards and guidelines in the tourism and hospitality sector through the development and delivery outreach programmes throughout the country with support of the DMO. The DTR's stakeholders should gain an understanding of the importance of adherence to minimum standards and the role of standards in enhancing destination competitiveness and its long-term sustainability. It is important to note that the Unit combines ICT and knowledge and records management with indicators and metrics that can be used in all its operations to leverage improved performance and economic, social and environmental impacts in the tourism sector.

### 2.3.1 Extension of the Tourism Certification to all tourism businesses in TCI

The DTR will certify all types of accommodation, tour operators and taxis, as the TCITB has done until now. In addition, the tourism certification will be extended, and it will become mandatory for all types of tourism businesses in TCI to obtain business licences and renew them annually. The business licence will be compulsory for the following types of tourism businesses:

- Accommodations (Hotel/Resorts, Guest Houses, Villas and Apartments)
- Restaurants & Bars
- Caterers & Private Chefs
- Tour Operators and Destination Management Companies
- Travel Agencies
- Taxis
- Car Rentals
- Helicopter Tours
- Horse Back Riding
- Bicycles & Bicycle Rentals
- Water Sports
- Water Sport Equipment Sales & Rental
- Golf
- SPAs
- Casinos
- Museums
- Marinas
- Concierge Services
- Other businesses related to tourism (e.g., food trucks, home sharing such as VRBO and AirBNB)

Based on the 2022 data provided by the Department of Revenues of the Ministry of Finance, there were around 2.600 tourism businesses in TCI in 2022 as shown in Table 1 below.

**Table 1 – List of tourism businesses by type and requested activity for their tourism certification**

| Tourism businesses                                 | Number of businesses (2022) | Activity for the tourism certification |
|--|-----------------------------|--|
| Hotels / Resorts                                   | 60                          | Government inspection                  |
| Villas   | 840                         | Government inspection                  |
| Apartments   | 190                         | Government inspection                  |
| Additional apartments on Airbnb / VRBO (estimated) | 374                         | Government inspection                  |
| Restaurants & Bars                                 | 99                          | Government inspection                  |
| Caterers & Private Chefs                           | 104                         | Training                               |
| Tour Operators less then 30ft                      | 114                         | Training                               |
| Tour Operators over 30ft                           | 69                          | Training                               |
| Tour Operators Land Base                           | 35                          | Training                               |
| Travel Agencies                                    | 10                          | Training                               |
| Taxis  | 262                         | Training                               |
| Car Rentals  | 155                         | Training                               |
| Helicopter Tours                                   | 1                           | Training                               |
| Horse Back Riding                                  | 6                           | Training                               |

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|                                      |              |                       |
|--------------------------------------|--------------|-----------------------|
| Bicycles                             | 10           | Training              |
| Water Sports                         | 95           | Training              |
| Water Sport Equipment Sales & Rental | 53           | Training              |
| Golf                                 | 1            | Government inspection |
| Spas                                 | 51           | Government inspection |
| Casinos                              | 3            | Government inspection |
| Museums                              | 1            | Exempted              |
| Marinas                              | 4            | Government inspection |
| Concierge Services                   | 65           | Training              |
| <b>TOTAL</b>                         | <b>2,602</b> |                       |

- a) ***Inspections:*** Accommodation, restaurants and bars, golf, spas, casinos and marinas should be subject to government inspection. The form to be used for the accommodation facilities is the Annual Tourist Accommodation Licensing (Application renewal form 2017) with the integrations proposed by Target Euro team in the D9 (Assessment and recommendations for forms, licenses, and procedures for the TRA). The other tourism businesses excluded from this list should be subjected to the government inspection using a revised version of the form used for accommodation facilities (see Annex 1).
- b) ***Business training for certification:*** With the exception of all types of accommodations, restaurants and bars, golf, spas, casinos, museums and marinas, all other tourism businesses will be eligible to receive a tourist license after attending a training course. This requirement is already for taxis and tour operators through the TCITB. Training activities could be carried out in the DTR’s offices, on the premises of tourism businesses or even remotely. In the latter case, the training sessions must be recorded and participants must certify their identity and keep the camera on while attending the training courses. The DTR will conduct final inspections on the premises of tourism businesses in order for them to obtain a tourist license; however, if needed, all promotion and training activities could be carried out through collaboration with the DMO’s Department of Quality Assurance.

The definition of quality standards as compulsory criteria to be met by tourism enterprises is a process that takes time and requires the full participation of the business categories involved. The inspection sheets proposed in Annex 1 were defined on the basis of the sheets already used by the TCIG for accommodation, but were not shared with the stakeholders. Therefore, in order to create consensus on the inspection sheets, it is suggested that for the first year of operation, tourism certification will remain mandatory only for accommodation, taxis and tour operators. During this first year, the DTR will work to create consensus on the quality assessment criteria for the various tourism types involved (restaurants, golf courses, SPAs and Marinas) in order to introduce mandatory tourism certification by the end of 2024.

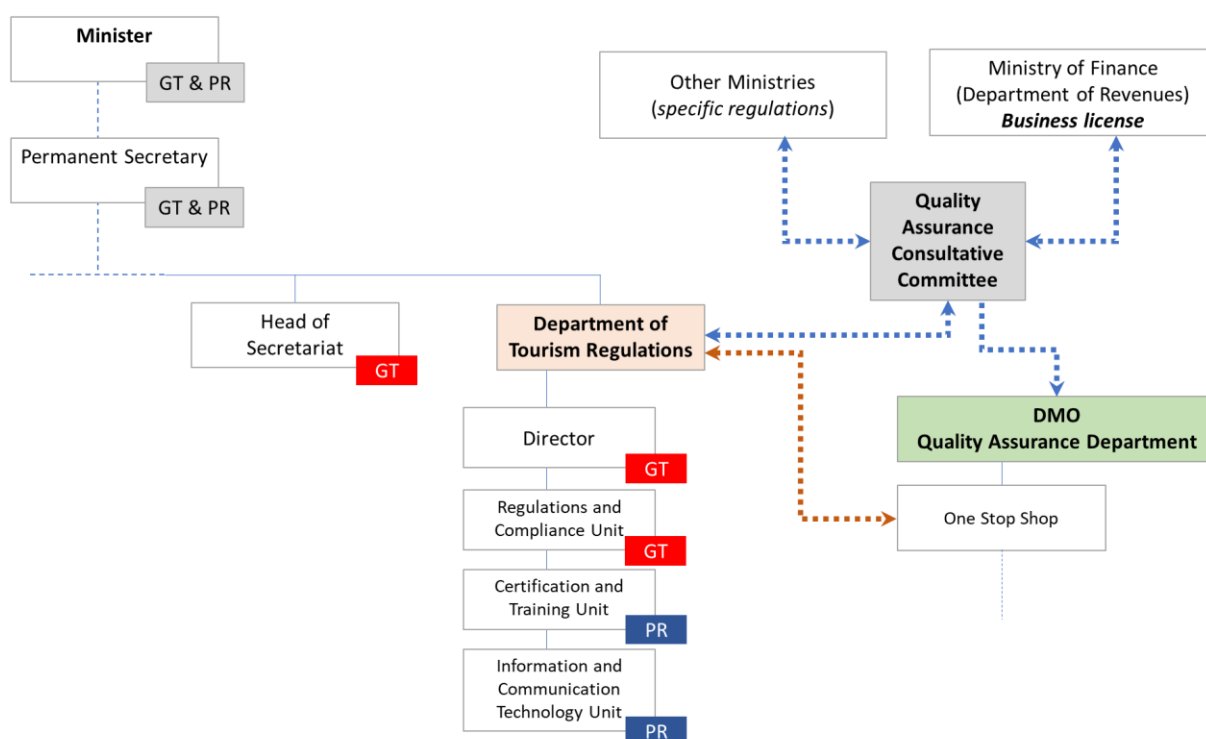
### 2.3.2 Development, adoption and enforcement of public sector compulsory regulations

The DTR will work to develop, amend and adopt tourism regulations under the working format of multi-stakeholder “committees”. These committees should have predefined terms of reference and should include all public and private interested parties that are subject to the regulations. To this end, close cooperation with and support from the DMO will be required. This is because the DMO will be the entity representing the tourism industry in the country, working hand in hand with the tourism businesses and other tourism stakeholders.

Regarding new regulations, or changes to existing ones, the DMO will collaborate with the DTR by submitting all requests, needs and expectations that come from the private sector. This approach will be used to develop and/or vet proposed changes to the tourism regulations. As a result, the DTR will develop, promote the adoption, and enforce compulsory regulations within the tourism and hospitality sector.

In the short term, the DTR should organise a **Quality Assurance Consultative Committee**. At a minimum, this Committee will be composed by the PS Tourism, the PS Finance, and the Executive Director of the DMO. However, it is highly recommended that this Committee include the PS of all other TCI Ministries linked to the tourism sector, as well as selected representative of some TCI Agencies (e.g., Turks and Caicos National Trust, Department of Environment and Coastal Resources, Department of Fisheries & Marine Resources Management, etc.). It will have a scope of work that includes meeting quarterly to review implementation of the strategic plan of the DTR, which could be assessed in the regular technical and financial reports produced by the Director of the DTR. The Committee will discuss and recommend management actions and corrective measures to be taken to mitigate any challenges encountered or attractive opportunities identified. It will assure external coordination with all public and private stakeholders that should be engaged and considered by the DTR. It will also assist the Minister of Tourism in the validation of the Annual Report submitted by the DMO outlining its annual performance and the economic, social, and environmental impacts and benefits generated by the tourism industry. In addition, this Committee in collaboration with the DMO, will help the Ministry of Tourism to conceptualise and design sustainable tourism development policies.

**Figure 4 – Quality Assurance Consultative Committee**



## 2.4 Staff

The proposed staff of the DTR will be composed of seven (7) employees during the first year of operations and will increase up to 10 employees as needed over the course of the first few years.

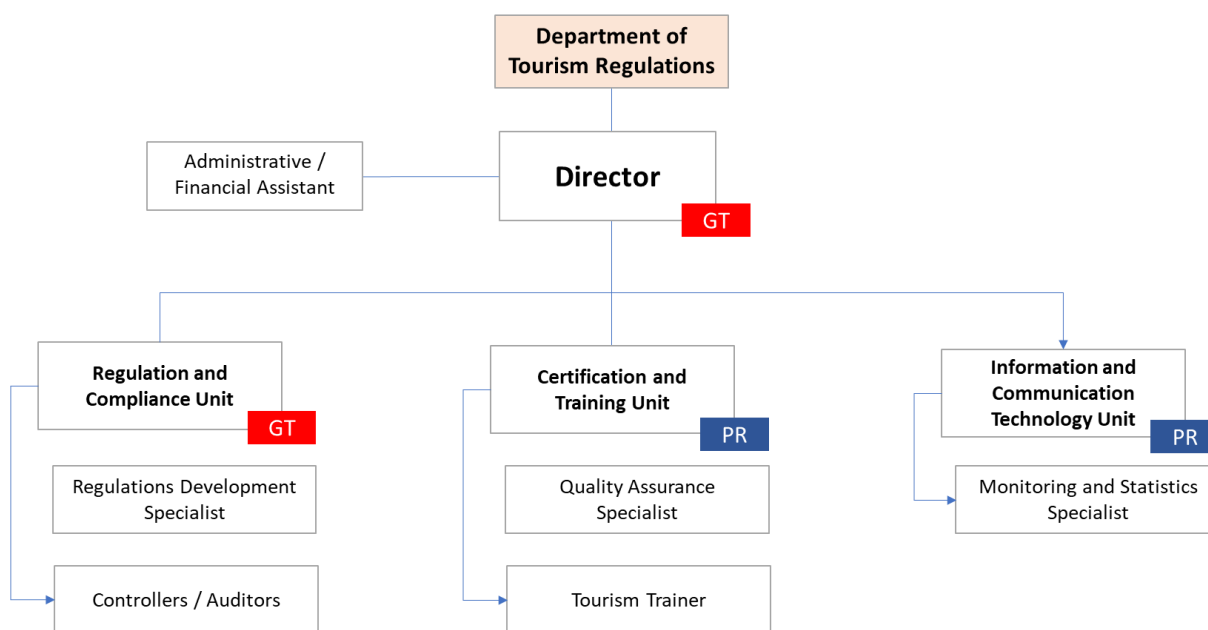
**Table 2 – DTR staff by year and units**

| STAFF                                      | Number of employees | Contract type | Y1 | Y2 | Y3 | Y4 | Y5 |
|--|---------------------|---------------|----|----|----|----|----|
| <b>MANAGEMENT</b>                          | <b>2</b>            |               |    |    |    |    |    |
| DTR's Director                             | 1                   | FT            | 1  | 1  | 1  | 1  | 1  |
| Assistant of the Director (Admin.&Finance) | 1                   | HT            | 1  | 1  | 1  | 1  | 1  |
| <b>Regulations and Compliance Unit</b>     | <b>3</b>            |               |    |    |    |    |    |
| Regulations Development Specialist         | 1                   | FT            | 1  | 1  | 1  | 1  | 1  |
| Controllers/auditors                       | 2                   | FT            | 1  | 2  | 2  | 2  | 2  |

|  |           |    |          |           |           |           |
|--|-----------|----|----------|-----------|-----------|-----------|
| <b>Certification and Training Unit</b>               | <b>4</b>  |    |          |           |           |           |
| Quality Assurance Specialist                         | 2         | FT | 1        | 2         | 2         | 2         |
| Tourism Trainer                                      | 2         | FT | 1        | 2         | 2         | 2         |
| <b>Information and Communication Technology Unit</b> | <b>1</b>  |    |          |           |           |           |
| Monitoring and statistics Specialist                 | 1         | FT | 1        | 1         | 1         | 1         |
| <b>TOTAL EMPLOYEES AT THE DTR</b>                    | <b>10</b> |    | <b>7</b> | <b>10</b> | <b>10</b> | <b>10</b> |

The job profiles of each of the seven initial positions are included in Annex 2 of this document.

**Figure 5 – Organogram of the staff employed at the Department of Tourism Regulations**



**Operational staff.** The initial DTR’s optimal staffing level is the Department Director, an administrative/financial assistance, and five to 8 additional employees to cover five functions as described in the organogram above. In addition, one of the DTR staff will also be appointed as Deputy Director. The variance in needs will be bridged through: recruitment on a permanent, contract and/or casual basis; internships and attachments; and exchange programmes with local, regional and international organizations. All DTR staff will be selected through an open public selection procedure, including the Director and Deputy Director. The DTR will make every effort to attract, develop, motivate and retain talented, committed and high performing staff towards the achievement of its strategic plan. The DTR will also put in place a coaching and mentorship programme that will support the professional development and capabilities of its staff.

Referring to their main duties, in general, they will be as follows:

- *Director of the DTR:* he/she will manage all activities of the DTR and will be directly responsible for the performance of the DTR and reporting directly to the Minister of Tourism and the PS Tourism. He/she will coordinate all activities related to the relations and collaboration with all other TCI Ministries and tourism stakeholders. Under his/her leadership, the DTR’s Unit leads will meet weekly to report progress made on the implementation of its annual strategic plan, problem solve and address challenges. The Director of the Department of Tourism Regulations is responsible for issuing the tourism certification to all tourism businesses, as well as for revoking, suspending or cancelling certification as provided for in the regulations.
- *Administrative / financial assistant:* he/she will assist the Director in the activities related to the general administration of the office, including the definition of the working agenda, organization of events,

meetings, etc. within the DTR, etc., and he/she will assist the Director as a financial controller responsible for all the funds collected through the certification activities carried out by the DTR.

- Regulation Development Specialist: he/she will be responsible for the development of tourism regulations in TCI in line with the constantly evolving needs of the tourism ecosystem in TCI and global and regional tourism trends. He/she will suggest changes in tourism laws and ordinances to the Minister of Tourism based on the requests of the country's tourism business representatives and will be responsible for expanding the Ministry of Tourism's international relations by identifying and analysing international ordinances (best practices / case studies) that could support the development and sustainability of the tourism industry in TCI.
- Controllers / Auditors: these employees will be responsible for monitoring tourism businesses' compliance with legislation within the tourism sector. This will include carrying out random inspections of tourism enterprises to verify that they have obtained the tourism quality certificate and that they meet the related requirements. They will be empowered to activate warning and sanction processes for those enterprises that are not certified (including providing formal corrective action requests to enterprises that are not in compliance), have not renewed their certification, or are in arrears. They will also collaborate with the Regulations Development Specialist to collect needs and requests from the private tourism stakeholders about tourism legislation and regulations in TCI.
- Quality Assurance Specialist: he/she will be responsible for the certification activities related to the accommodations and all other tourism businesses which require an on-site inspection to be certified (see Table 1 the businesses which require government inspection).
- Tourism Trainers: they will be responsible for organising and providing the training to those tourism businesses that require training in order to renew their tourism certificates. (See Table 1 for the list of tourism businesses which need training to renew their tourism certificate).
- Monitoring and Statistics Specialist: he/she will be responsible for generating and elaborating all data related to the DTR activities, with particular emphasis on the data related to the type and number of tourism businesses that are certified. He/she will also be responsible for assessing the main challenges faced by the tourism industry related to the certification, licensing and the required trainings and proposing potential solutions. This specialist will be important in the context of the TCI government's need to create a Smart DMO since the DTR will process data that will be useful to the DMO in its recurring analysis of the tourism offer and its performance.

## 2.5 Drafting tourism policies, concessions, and incentives

Private sector needs, when backed by technical documents and research which justify change within the sector could be an input for new or revised legislation at the Ministry of Tourism, with the aim to make the tourism industry more competitive in the international tourism market. In the organizational model of the DMO there is no function or "box" that illustrates how the private sector stakeholders participating in the DMO can propose policy, legislation and concessions for the Ministry of Tourism evaluate and enact if justified. This should be done through ad hoc "committees" or via annual policy proposals where interested parties develop technical positions to explain and substantiate the business case for proposed policy solutions that can improve the enabling environment and benefit the tourism sector at large. These technical positions, once approved, can then be modified as needed and translated into documents that should serve the Minister of Tourism, political appointees, and the legal teams responsible for drafting the required legislation.

## 2.6 Relations of the DTR with the DMO and other Ministries

For a full understanding of the relations between the DTR with the other stakeholders it is important to consider the key institutional division of responsibilities between DMO, DTR and Ministry of Finance:



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- 1) The **DMO** will assume responsibility for Quality Assurance related to private industry **voluntary** standards.
- 2) The **DTR of the Ministry of Tourism** will be responsible for developing and enforcing tourism public mandatory regulations that improve the quality, safety and sustainability of the TCI tourism offering:
  - Development of tourism regulations
  - Collaboration with other Ministries for the development of other regulations related to health, safety, quality and sustainability
  - Management of public tourism regulations
  - Inspect and certify regulations (compliance)
  - Coordinate with other Ministries regulating specific areas that indirectly relate to the tourism sector.

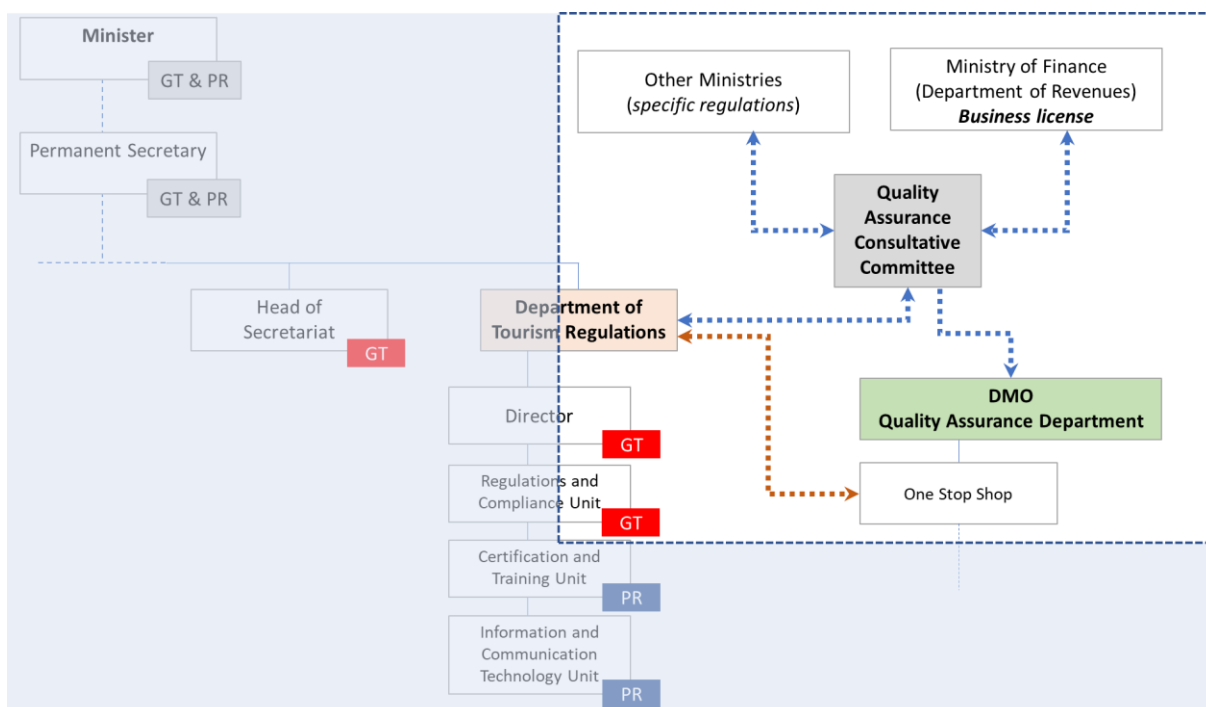
In addition, being a public/private institution, **the DMO** will coordinate three functions closely related to the DTR through the proposed “Online ONE STOP SHOP”:

- Development and certification of voluntary tourism standards (e.g., sustainability)
  - Businesses and workers technical assistance and training to help compliance with private voluntary standards and public mandatory regulations
  - Certification, control and monitoring of voluntary standards
- 3) The **Ministry of Finance** will continue to manage business licensing in the tourism sector and subsectors.

As previously noted, it is paramount that the DTR has a close relationship with the DMO “Online One Stop Shop”. A strict collaboration and coordination between the DTR and the One-Shop-Stop unit of the DMO that is established via a formal MOU or MOA is requested. In particular, the collaboration/coordination will include the following:

- The DTR will provide all information to the DMO about the TCI tourism regulations via the One-Stop-Shop web-based system.
- The DMO One-Stop-Shop virtual platform will permanently inform and update the DTR about all requests for information from tourism businesses in TCI.
- The DMO One-Stop-Shop platform will elaborate a quarterly report including a detailed analysis of the type of requests received by the One-Stop-Shop Unit from national and international stakeholders regarding standards and regulations.
- The One Stop Shop web-based platform will house information about the development and certification of the tourism private sector through voluntary tourism standards; all required technical assistance provided to support business development and the implementation of standards; and information on which businesses, works, services, etc. have been certified.
- The information housed in the One Stop Shop online based repository will be designed to help the DMO and the DTR enhance role of standards and regulations in boosting the destination’s competitiveness and long-term sustainability.

In addition to the relations with the DMO, the DTR will need to coordinate information and actions with other Ministries and public sector organizations regulating aspects related to the tourism sector (e.g., food labeling, street safety, etc.).

**Figure 6 – Relations between the DTR and the DMO (One-Stop-Shop) and other Ministries**

As illustrated in Figure 6, in order to realise the potential of the TCI travel and tourism sector, continued inter-ministerial and multi-sectoral collaboration is required in the design, development, and implementation of policies, national and regional strategies, and action plans. Structured collaboration between key stakeholders within the private, public and civil sectors will enable the tourism sector to take advantage of the interlinkages and cross-cutting economic impacts of tourism, unlock the potential of the system as a whole and enable the achievement of the sustainable development of the sector.

It is recommended that the Ministry of Tourism initiate a mechanism to foster inter-ministerial collaboration between key Ministries linked to travel and tourism through structured partnerships executed through MOUs and Collaboration Agreements with sister governmental agencies to implement TCI's tourism agenda. Through structured collaboration and the alignment of tourism-related priorities, sister Ministries can optimise financial and human resource efficiencies and take a more coordinated approach to tourism development.

Below is a list of Ministries and potential and existing areas of collaboration between the DTR and DMO:

#### **Ministry of Tourism, Environment, Heritage, Maritime & Gaming**

- Lead the development of tourism strategy and policy, coordinate policy direction and planning and oversee its implementation through the DMO, DTR and other private and public agencies/organizations, to ensure product diversification, synergy building, improved alignment between supply and demand, enhanced competitiveness and investment potential, regional governance for destination development in the tourism development districts, and the monitoring and evaluation of tourism programmes and activities in TCI
- Provide oversight of the DMO's roles including voluntary standards and guidelines and the DTR's roles in establishing mandatory regulations, providing certification, promoting licensing, and delivering business training for certification, licensing, and compliance in coordination with the DMO
- Coordinate with other Government Ministries and offices on matters related to tourism strategy, policy, development, regulations and standards

#### **Ministry of Finance, Trade and Investment**

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- Continue to foster a positive, progressive, and coherent policy and regulatory environment inclusive of competitive tax benefits and concessions and link select benefits to compliance with licensing regulations
- Actively promote TCI's tourism investment projects targeting local and international investors within international markets
- Improve the insurance and credit conditions to provide tourism MSMEs with access to financing
- Develop mechanisms for supplementary sourcing of funds via donor agencies to support sustainable tourism development
- Work with the DMO to secure tourism intelligence on tourism supply and demand and to incrementally implement tourism satellite accounting

#### **Ministry of Infrastructure, Housing & Planning**

- Support the DTR in the development of criteria for the mandatory standardization and classification of tourism facilities
- Work with the DTR to ensure policies and standards for sustainable building design and development, including carbon emission reductions and energy efficiency, are incorporated throughout the accommodations sector to add value and provide a competitive edge to properties
- Meet regularly with the DMO, DTR and Turks and Caicos Hotel and Tourism Association to discuss issues, priorities and plans for the upgrade of port and terrestrial infrastructure and facilities that would impact private and commercial traffic via air, land and water
- Annually identify and justify with DMO, DTR and Turks and Caicos Hotel and Tourism Association the implementation of priority investments in public infrastructure in identified tourism corridors (e.g., access roads, piers, user-friendly signage, public amenities and conveniences in key locations).
- Work with the Turks and Caicos Islands Airports Authority to determine the feasibility of licensing priority domestic aviation routes to the outer islands on a competitive tender basis to ensure regular scheduled access to new attractions

#### **Ministry of Home Affairs, Transportation & Communication**

- Determine the feasibility of offering, as a complement to private transport services, a public transport service within primary tourism circuits
- Explore all mechanisms for offering more affordable telephone and internet connectivity in prioritised locations in the outer islands to enable micro-enterprise development
- Create an enabling environment for communication technology companies to service tourism destinations and circuits that do not have internet connectivity

#### **Ministry of Immigration, Citizenship, & Labour**

- Support capacity building of Immigration Officers to improve visitor welcome experience at all ports of entry
- Strengthen existing systems and create new systems for information sharing which would aid in improved decision making, monitoring the performance of the travel industry, and improved security

#### **Ministry of Education, Youth, Culture & Library Services**

- Convene a Hospitality and Tourism Education Task Force to oversee the execution and implementation of all tourism-related policy measures in the area of education and training with an emphasis on empowering women and youth
- Support the delivery of hospitality and tourism education and trainings and establish a mechanism for continuous monitoring and evaluation of entities engaged in the delivery of these trainings
- Strengthen mechanisms to deliver tourism curricula, starting in primary school to improve the narrative and perception of tourism and its benefit to the residents of TCI
- Raise awareness of the value of tangible and intangible cultural heritage and advocate for protecting cultural heritage assets and sites that are not currently protected

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- Support the Turks and Caicos National Trust in mapping of cultural heritage sites and jointly pursue funding for the development of priority cultural heritage preservation, education, and sustainable cultural heritage tourism projects and programmes
- Support the development and implementation of a competitive tendering and concession system for select cultural heritage sites (e.g., the Turks and Caicos National Museum) on a pilot basis for location appropriate businesses (e.g., for art galleries, coffee shops)

**Ministry of Health, Agriculture, Food Services & Sports**

- Continue to establish health regulations, sub-regulations, and COVID-19 protocols linked directly and indirectly to the tourism private sector
- Collaborate in the development of an agritourism policy that captures the synergies between the tourism and agricultural sector
- Help to identify suitable, desirable and receptive areas or businesses for agro-tourism, build their capacity and link them with the tourism value chain
- Support the attraction and promotion of sporting events

### 3. Implementation strategy of the DTR

#### 3.1 DTR performance system

The DTR will adopt the Balanced Score Card (BSC) approach to monitor and report on the execution of the DTR's activities and the achievement of its key performance indicators (KPI). This BSC system should link the DTR's organizational Vision, Mission, Goals and Strategic Objectives with operational elements such as initiatives, measurements, KPI metrics, targets and budget.

#### **Parameters to be used under the BSC.**

This Strategic Plan shall be data driven and thus measures will make it possible to visualize the extent of strategic implementation.

- Strategic Objectives: description of what is to be achieved for the DTR to realize its strategic goals. The plan will be deemed successful if there is a high level of achievement of the strategic objectives.
- Projects: these are initiatives that will help the DTR reach the set targets and achieve the strategic objectives.
- Activities: actions that will be undertaken in order to realize the desired outcomes.
- Expected Outputs: immediate observable results after completion of activities.
- KPI Metrics: tangible units for measuring the extent, magnitude or degree of accomplishment of the desired output in order to track progress.
- Targets: projected levels of performance linked to the KPI Metrics that indicate the desired extent of fulfillment of the specific strategy. They are quantitative and qualitative in nature.
- Responsibility: the person or unit to oversee the assigned activity.
- Budget estimates: quantification of the cost of each activity which will aid in planning and ensuring availability of adequate resources.

The DTR should have an implementation matrix that will be the basis for annual work plans.

#### 3.2 Monitoring and Evaluation

Monitoring and Evaluation (M&E) is a management tool that the DTR should use to ensure the implementation of the Strategic Plan. M&E will measure accomplishments and detect any deviation. Having this system in place will enable the MOT and Director to take any appropriate and timely corrective actions.

At the DTR's Director level, the M&E reporting will include: progress made against targets of the Strategic Plan; causes of any deviations; areas of difficulties and suggested solutions to problems that may adversely affect implementation; and suggested or corrective measures taken to mitigate the challenges encountered.

At the Unit level, M&E will be carried out by the Director and Lead persons of the DTR's units. These persons will meet quarterly, led by the Director General to report and review progress on implementation of the Strategic Plan under their particular units/areas.

In conducting M&E, some tools will be applied: annual implementation review; annual performance contracts and work plans; annual budget and quarterly expenditure reviews; committee meetings; annual staff performance appraisal; quarterly and annual reports.

Measurement of performance will be based on indicators such as stakeholders' satisfaction; increases in revenue and cost reductions; compliance to internal processes based on indicators outlined the implementation plan; improvement in institutional capacity; and accomplishment of annual workplan targets.

### 3.3 Budget

Successful implementation of the Strategic Plan will require financial, human and physical resources. The sources of funding include government allocations, internally generated revenue (regulatory activities and certification), and other sources of funds such as public-private partnerships to conduct special projects in the areas of quality assurance and training.

**Government funding.** being part of the Ministry of Tourism, the DTR annual costs for its activities will be covered by the annual budget allocated by the TCI Government to the Ministry of Tourism.

**Internally generated funds.** All revenues generated by the DTR through the tourism certification of the tourism businesses will go directly to the consolidated budget of the TCI government.

**Externally generated funds,** including development partners, public-private partnerships, public-public partnerships.

- **Development partners.** The DTR will explore opportunities for resource mobilization establishing a database of possible funding partners (international and regional development agencies, donors, etc.), funding cycles and match them with the strategic objectives of the plan, and ensure continual engagement for solicited and unsolicited funding openings.
- **Public-Private Partnerships.** This includes partnerships with the private sector stakeholders. Tourism stakeholders play an integral part of regulating the industry, and should collaborate in order to widen the financial base of the DTR.
- **Public- Public Partnerships.** The DTR will partner with local authorities and other national government agencies on key areas affecting the local tourism sector to support its initiatives to enhance destinations within TCI through the TIDs to improve TCI's competitiveness and sustainability.

Considering the fiscal year 2023/2024, and if the DTR will be operative from September 2023, the estimated costs for the DTR's staff are as follows:

**Table 3 – DTR costs for the Staff**

|                           | Number of employees (DTR Full Operative) | Type of contract | Total Y1 (6 months) | Total Y2  | Total Y3  | Total Y4  | Total Y5  |
|---------------------------|--|------------------|---------------------|-----------|-----------|-----------|-----------|
| <b>MANAGEMENT</b>         | <b>2</b>                                 |                  |                     |           |           |           |           |
| DTR's Director            | 1  | FT               | 42,500.00           | 85,000.00 | 85,000.00 | 85,000.00 | 85,000.00 |
| Assistant of the Director | 1  | HT               | 9,880.00            | 19,760.00 | 19,760.00 | 19,760.00 | 19,760.00 |



## D14 – A Policy for the Regulatory Authority

## D15 – Governance Structures for the Tourism Regulatory Authority

|  | Number of employees (DTR Full Operative) | Type of contract | Total Y1 (6 months) | Total Y2          | Total Y3          | Total Y4          | Total Y5          |
|--|--|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| <b>UNITS</b>   |  |                  |                     |                   |                   |                   |                   |
| <b>Regulations and Compliance Unit</b>               | <b>3</b>                                 |                  |                     |                   |                   |                   |                   |
| Regulations Development Specialist                   | 1  | FT               | 24,960.00           | 49,920.00         | 49,920.00         | 49,920.00         | 49,920.00         |
| Controllers  | 2  | FT               | 20,580.00           | 82,320.00         | 82,320.00         | 82,320.00         | 82,320.00         |
| <b>Certification and Training Unit</b>               | <b>4</b>                                 |                  |                     |                   |                   |                   |                   |
| Quality Assurance Specialist                         | 2  | FT               | 21,180.00           | 84,720.00         | 84,720.00         | 84,720.00         | 84,720.00         |
| Tourism Trainer                                      | 2  | FT               | 20,580.00           | 82,320.00         | 82,320.00         | 82,320.00         | 82,320.00         |
| <b>Information and Communication Technology Unit</b> | <b>1</b>                                 |                  |                     |                   |                   |                   |                   |
| Monitoring and statistics Specialist                 | 1  | FT               | 21,980.00           | 43,960.00         | 43,960.00         | 43,960.00         | 43,960.00         |
| <b>TOTAL EMPLOYEES AT THE DTR</b>                    | <b>10</b>                                |                  | <b>161,660.00*</b>  | <b>448,000.00</b> | <b>448,000.00</b> | <b>448,000.00</b> | <b>448,000.00</b> |

\* The staff in Y1 will be composed by 7 employees, while it will be 10 employees from Y2.