



Commonwealth of Dominica Ministry of Tourism, Industry and Private Sector Relations



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Tourism Master Plan 2005 - 2015

- 2nd Draft Final Report -

24th November, 2006



Caribbean Development Bank



CHL CONSULTING LTD.

**Commonwealth of Dominica
Ministry of Tourism, Industry and
Private Sector Relations**

**Consulting Services for the Preparation of a
Tourism Master Plan 2005 – 2015:
Commonwealth of Dominica**

– 2nd Draft Final Report –

24th November, 2006

Almeda House,
90-100 Sydney Street, Chelsea,
London SW3 6NJ, UK
Tel: +44 (0) 20 7351 9762 Fax:+44 (0) 20 7352 2260
Email: mail@chl-uk.com



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ACKNOWLEDGEMENTS

GLOSSARY OF TERMS

CAP	Community Action Planning
CDP	Community Development Programme
CDERA	Caribbean Disaster Emergency Response Agency
CSO	Central Statistics Office, Dominica
CTO	Caribbean Tourism Organisation
DCA	Dominica Conservation Association
DHTA	Dominica Hotel and Tourism Association
DPA	Dominica Port Authority
DSA	Dominica Society of Architects
DWA	Dominica Watersports Association
ECU	Environmental Coordination Unit
EIA	Environmental Impact Assessment
EU	European Union
ETDP	Eco - tourism Development Programme
F & B	Food and Beverage
GDP	Gross Domestic Product
GoCD	Government of the Commonwealth of Dominica
HRD	Human Resource Development
IPA	Investment Promotion Agency
MOF	Ministry of Finance
MOT	Ministry of Tourism, Industry & Private Sector Relations
MTI & PSR	Ministry of Tourism, Industry & Private Sector Relations
NDC	National Development Corporation
NTO	National Tourism Organisation
OAS	Organisation of American States
PMU	Programme Management Unit
RBG	Roseau Botanic Gardens
RDP	Roseau Development Programme
SHAPE	Society for Historic, Architectural Preservation and Enhancement
SIP	Site Improvement Programme
TA	Technical Assistance
VIP	Visitor Information Programme
WTO	World Tourism Organisation

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1. INTRODUCTION

Dominica possess a wealth of ecological attractions including tropical forests, mountains, rivers, lakes, wetlands and sunken volcanoes with steep drop-offs. Recognising the specialness of Dominica's natural resources, UNESCO designated the Morne Trois Pitons National Park as a World Heritage Site. Within the park boundaries is the aptly named Valley of Desolation and the spectacular Boiling Lake, largest of its kind in the world. The country also has a varied and interesting patrimony, including home to the last of the indigenous people of the Caribbean – the Cabrits as well as a colonial historical heritage.

Despite the general recognition of the country's abundant ecological and cultural resources, Dominica has failed to translate this resource base into a significant tourism industry. Non-Dominican related leisure tourists number less than 25,000 yearly, a figure which has changed little in recent years

The Government of Dominica wishes to develop the tourism sector as a driver of national economic activity and diversification. It has designated tourism as a priority sector as the country has the ecological and cultural resource base upon which to develop a sustainable industry on the one hand and on the other, take advantage of the expanding market for international travel to and within the Caribbean which is projected to grow by between 3% and 4% yearly.

Aims of the Tourism Master Plan

As specified in the project Terms of Reference, the objectives of the Tourism Master Plan are to:

- provide a comprehensive planning framework for the development of the tourism sector so that it can play a key role in the diversification of the Dominica economy
- elaborate a vision of the future direction and content of the sector, which can help to focus and guide the actions of the various stakeholders towards a shared goal
- identify priority areas for tourism development, related tourism facilities and supporting infrastructure
- specify the major programmes, roles and responsibilities of key players, institutional arrangements and resource requirements for achieving the vision.

Tourism Master Plan formulation involved extensive consultations

Extensive consultations were held with stakeholders directly and indirectly associated with the tourism sector in Dominica. Four fieldwork missions were undertaken during which product inspection trips were undertaken to all areas in Dominica involving visits to nature sites, touristic attractions and resorts in these areas.

An important part of the consultative process was the convening of focus group meetings with sub-sectors of the industry and general stakeholders workshops under the aegis of the Ministry of Tourism, Industry & Private Sector Relations.

The participants at these meetings and workshops included individuals from the public and private sectors holding key positions in the industry (hoteliers, tour operators, representatives of industry associations etc) together with personnel from different government agencies.

The deliberations and recommendations from these meetings and workshops formed the basis of the tourism development strategy and plan as elaborated in this report.

Report Structure

The report is structured in seven parts, viz:

- Part I** - Provides an overview of Dominica's tourism sector, its ecological resource base and patrimony, facilities and services, enabling environment and sector management.
- Part II** - Reviews the performance of Dominica's tourism sector, its competitive position and economic value.
- Part III** - Sets out the strategic framework, involving assessment of the tourism products' growth potential, future growth options and assessment of these options.
- Part IV** - Elaborates the vision and future direction for the tourism sector identifying areas for development and the related product development plans, as well as community development projects.
- Part V** - Specifies the Tourism Master Plan Strategy and action programmes (institutional re-arrangements, access transport, destination and product marketing etc) required to achieve the vision
- Part VI** - Considers Tourism Master Plan implementation in terms of the organisational structures, timing of actions, costs and source funding.
- Part VII** - Contains the various annexes and addendums.

2. EXECUTIVE SUMMARY

2.1 TOURISM TO DOMINICA TODAY

Dominica receives about 75,000 stay-on tourists yearly, a figure which has changed little over the last decade. Most (about 40,000) are Dominica related and stay with friends and relatives. Less than 25,000 are non Dominica related visitors who are attracted by the nature, culture and dive tourism products.

With its pristine tropical forests, waterfalls, birdlife, the island is a pure naturalist's paradise. Dominica is also recognised as one of the top destinations in the Caribbean for dive. Despite these natural attractions, the tourism sector has failed to develop. Various reasons have been identified for this – infrastructure gaps, insufficient marketing, restricted and inconvenient airlift, skills deficiencies. The fundamental reason is that Dominica offers the international market a very limited product offer in terms of variety, quantity and quality. Only around one-third (285 rooms) of the available room stock is considered to be of acceptable international standard (export ready) and most of these (160) are in Roseau. There are few recreational facilities, no fine dining and very limited entertainment. As a result, Dominica has the 'worst of both worlds' – few tourist spending relatively little.

Although tourist numbers are small, Dominica attracts a significant number of cruise visitors – 301,500 in 2005. Dominica's popularity with cruise companies is that it offers a distinctly different attraction – smaller, quieter and more traditionally Caribbean in its offerings than other destinations with visits to nature sites. Cruise is an important source income and employment in Dominica. Spending by cruise visitors accounts for about 20% of total visitor expenditure (compared to 27% by the non-Dominica related stay-over vacation tourists). However, the average spend by cruise visitors is low compared with other destinations – due to the limited spending opportunities.

2.2 GOVERNMENT POLICY TO DEVELOP TOURISM

By any assessment, Dominica has the natural and cultural resource base upon which to develop a sustainable industry.

Published in 2005, Dominica's national tourism policy statement¹ elaborates a vision, growth objectives and guiding principles for the sustainable development of the tourism sector. A growth objective – the equivalent of a yearly 10% growth rate of tourism revenue – was indicated as being achievable in the circumstances of a robust market for international travel and the planned improvements to the island's economic infrastructure. In the context of the Tourism Master Plan period 2005 – 2015, this growth objective translates to a total tourism revenue target of EC\$400M by 2015 compared with the estimated EC\$150M spent by visitors in 2005.

¹ Dominica – Tourism 2010 Policy, June 2005

2.3 NEED FOR DIVERSIFIED AND VALUE ADDED TOURISM PRODUCT

Achieving this target will require a broadening of the present product strategy of solely relying on nature and cultural tourism for growth to a more diversified range of products, while at the same time maintaining Dominica's 'green island' destination appeal. This broader strategic approach is the fundamental principle of the *Dominica-Tourism 2010 Policy* statement which recognises that the present 'nature island' destination positioning limits the tourism sector's potential to deliver on this target.

Broadening the product range while maintaining Dominica's intrinsic appeals means moving from a product offer of essentially of nature, dive and cruise tourism to a wider product offering which includes:

- nature and adventure
- dive
- hiking/trekking
- heritage and culture
- health / wellness
- community
- residential
- golf resorts
- yachting
- beach resorts
- sports
- cruise

In addition to widening the product range, it is also important to add-value to the individual product offerings. The Tourism Master Plan product development strategy addresses this issue by firstly, putting in place a higher quality product; secondly, by creating opportunities to spend (for example, a cruise village) and thirdly, expanding the range of things-to-see-and-do (for example, Biopark, marine interpretative/visitor centre, scenic tours along a heritage corridor to include the Carib village, etc.).

2.4 TOURISM DEVELOPMENT ZONES

To assist in the overall planning, management and promotion of a diversified, value added tourism product, the proposed Tourism Master Plan development concept builds on the strengths of the nature product by clustering development around the two major natural resources in the north and south of the island. The proposal is to have a series of differentiated products according to island character, development, type of experience etc.

The recommendation for the north of the island is to provide three integrated mixed use resort zones with an emphasis on quality recreational activities in a tranquil setting:

MAP 2.1: TOURISM DEVELOPMENT ZONES



- Cabrits
- North East Coast
- West Coast

In the south, the intention is to develop the nature, heritage and community based tourism product in and around Roseau and along a ‘heritage corridor’ in a more intensive and commercial manner, offering an ‘experience’, but not compromising the integrity of the resource. Bisecting the north and south of the island is an important road linking the east and west coast and giving access to Roseau and Melville Hall Airport. It is vital that this area be subject to stringent conservation controls to minimise development impacts, thereby preserving the nature isle image.

A further zone is proposed along the west coast to protect the marine resources and strengthen Dominica’s position as a premiere diving and whale watching destination.

The importance of having designated tourism zones is that they:

- help create critical mass – making it economic to provide a range of facilities and services in an area
- diversify the product offer in a way that can be promoted to different niche markets, thereby facilitating product branding
- allow different forms of tourism development to co-exist – designating particular areas for exclusive nature tourism only, other areas for more intensive use.

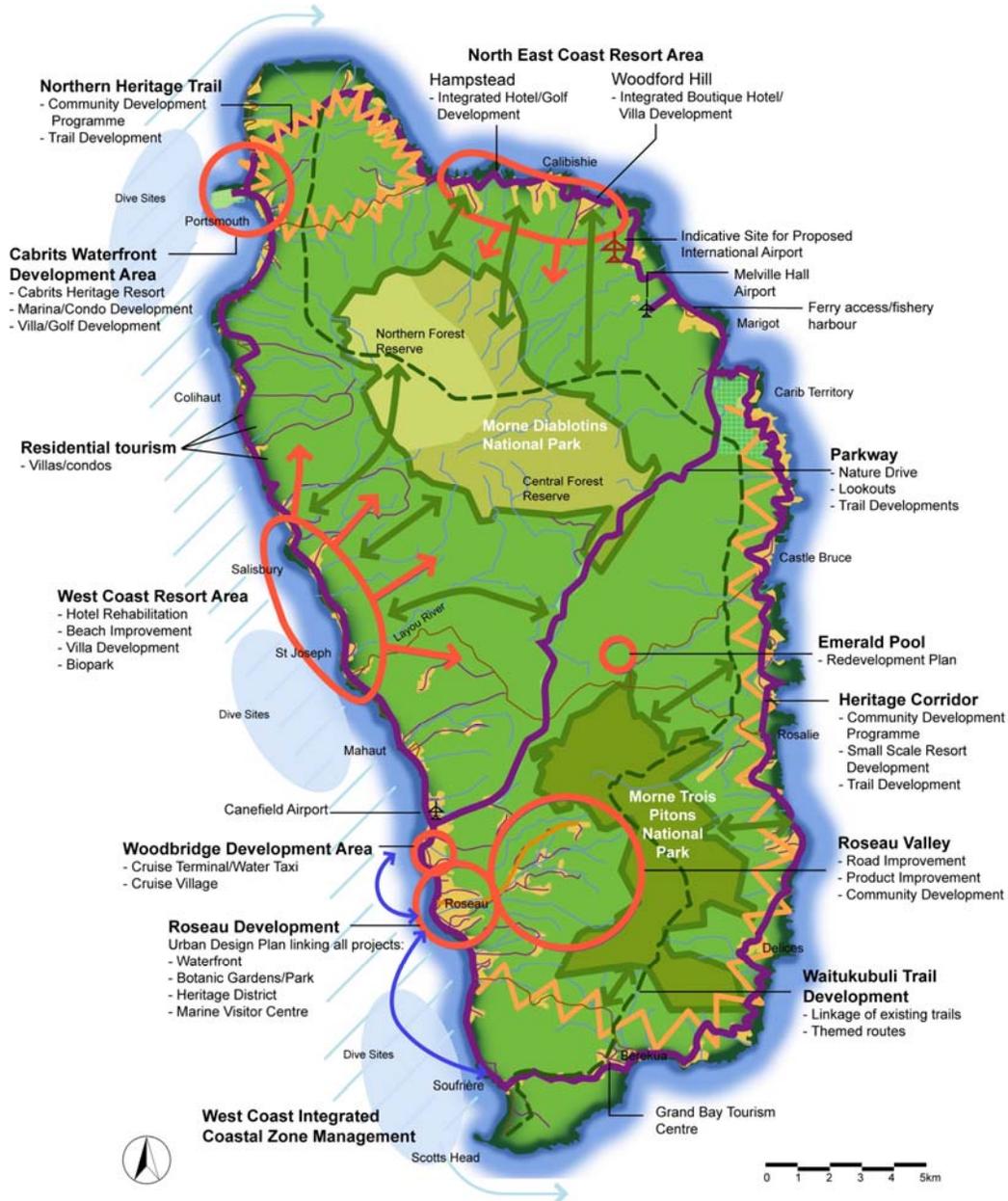
2.5 PRODUCT DEVELOPMENT AND STRUCTURE PLAN

The tourism product development plan is illustrated on Map 2.2, which shows the spatial arrangement of the recommended tourism products and their relationships with the island ecological resource base and infrastructure.

The plan identifies 10 priority product development areas

- (i) Roseau Development Area
- (ii) Woodbridge Development Area
- (iii) Roseau Valley
- (iv) West Coast Resort Area
- (v) Cabrits and Portsmouth Development Area
- (vi) Northern Heritage Trail
- (vii) North East Coast Resort Area
- (viii) National Parks and Nature Sites
- (ix) Heritage Corridor
- (x) West Coast Integrated Coastal Zone Management Area

MAP 2.2 TOURISM PRODUCT DEVELOPMENT AND STRUCTURE PLAN



Within each of these development areas the Plan specifies the most appropriate products to be put in place, taking into account the area’s geography, ecology and infrastructure. Product plans, detailing types of accommodation, number of rooms, attractions and facilities, are outlined in the report.

An important element of the product development and structure plan is the anchoring and linking of the product development areas by developing products that effectively integrate sites, attractions, events, activities and associated accommodation. To effect this, the plan recommends the development of tourism circuits, scenic routes and trails with appropriate signage, and interpretative information and linkages.

The products which both anchor and integrate the development areas are the:

- general touring product
 - parkway and scenic routes
 - ‘Ring of Dominica’ scenic route
- Waitukubuli Trail
 - with themed sections
- visitor and interpretative centres

2.6 PRODUCT DEVELOPMENT PLAN NECESSITATES INVESTMENT LED STRATEGY

Putting in place the product development plan will require significant public and private sector investment as outlined in Table 2.1.

TABLE 2.1 TMP INVESTMENT AND SECTOR MANAGEMENT COST (EC\$M)

Public Sector	Private Sector	Public/Private/Partner	Sector Management
<ul style="list-style-type: none"> - road improvements - sports stadium - airport improvements - Roseau cruise berth rehab - Waitukubuli Trail devlpt - nature sites/devlpt - Roseau River Corridor - Rosau Botanic Gardens - capacity increase at Emerald & Trafalgar - Woodbridge cruise rehab and new jetty - new airport - redevlp. Marigot harbour for ferry access 	<ul style="list-style-type: none"> - resorts (golf, beach) - upgrade of properties - new boutique hotel - residential (villas, condos) tourism 	<ul style="list-style-type: none"> - marine intrep centre - cruise village - biotech park - Roseau waterfront - marina at Cabrits - Roseau historic centre 	<ul style="list-style-type: none"> - destination marketing - HRD programs - air access promotion - institute. re organ. - sea access promotion - range of fiscal incentives
863.0 to 1,003.0	1,278.0	524.0	100.0

Total investment over the Master Plan period is estimated at approximately EC\$2.7B. Of this, public sector investment is estimated at between EC\$863M and 1,003M though it should be noted that EC\$400M of this is accounted for by the proposed new international airport. Private sector investment is estimated at EC\$1,278M, and public/private partnerships at about EC\$524M.

2.7 LINKING STRATEGY AND ACTION PROGRAMMES TO SUSTAINABLE BENEFITS

The wider objective of the Tourism Master Plan is to obtain sustainable benefits for the people of Dominica by generating additional economic activity. The fundamental mechanism to achieve this wider objective is by increasing tourism revenue. Without an increase in revenue there can be: no growth in income; no improvement in employment; no addition to foreign exchange earnings or Government tax revenues; and no possibility of improving community benefits from tourism.

Achieving the Master Plan target will position the tourism sector as a driver of the economy.

- tourism to represent between 8% and 12% of GDP by 2015
- foreign exchange earnings of EC\$400M by 2015
- government receipts from tourism between EC\$50 and 60M annually by 2015
- up to 3,000 new job opportunities created by 2015
 - hotels, restaurants, guides, transportation services, attractions

In addition, the Dominica economy will receive further stimulus from the new investments in facilities and infrastructure. Over the period of the plan these new investments will amount to about EC\$2,665M, representing an injection of about EC\$300M annually to the building and construction sector and the commercial sector with downstream benefits to the agriculture and services sectors.

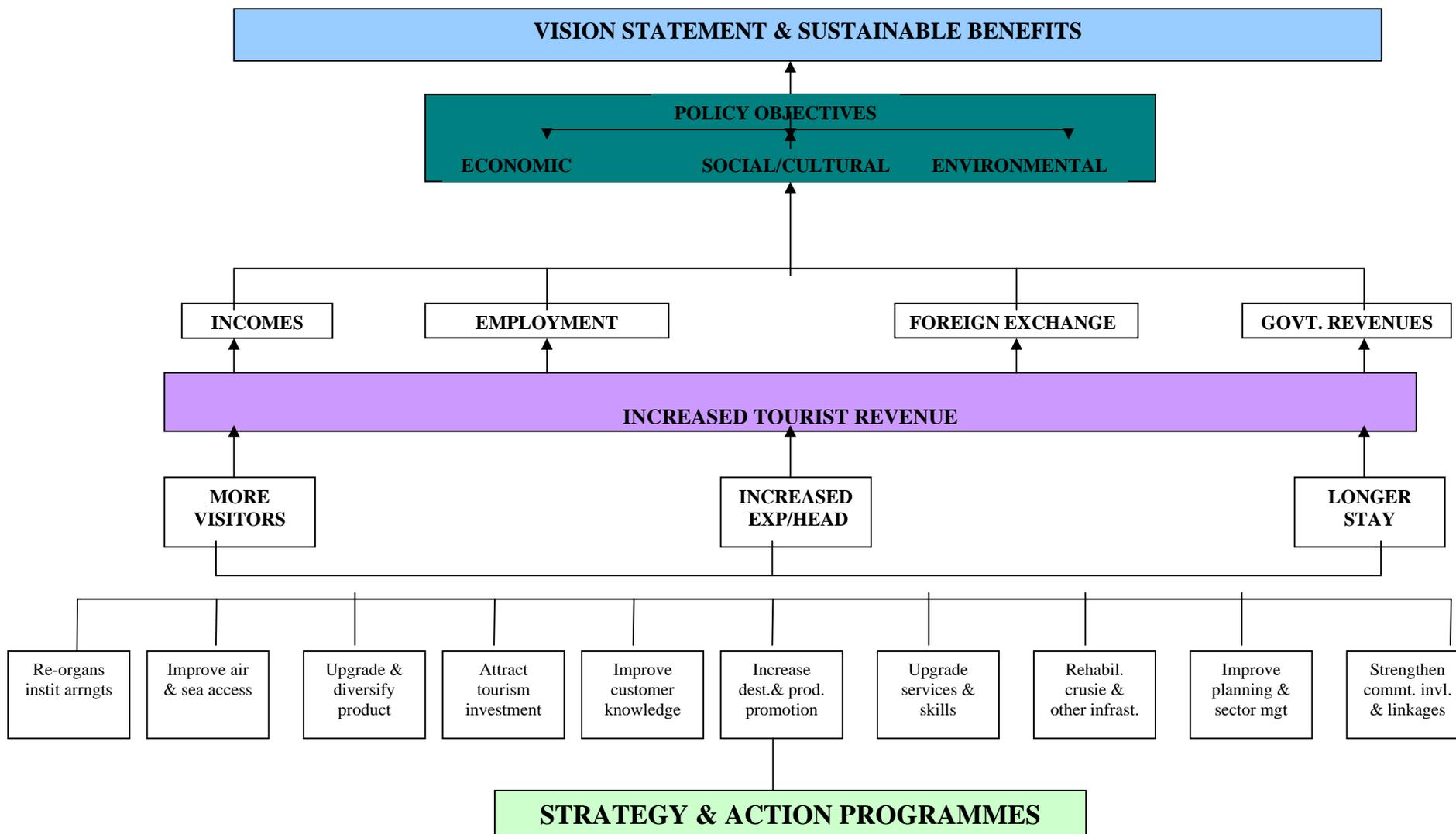
The process of securing these sustainable benefits from tourism revenue is shown on Chart 2.1. To increase tourism revenue there must either be

- more visitors,
- increased per capita spending by visitors, or
- longer stays,
- or some combination

To get more visitors, persuade them to stay longer and spend more money requires the implementation of ten (10) strategic initiatives viz:

- reorganise institutional arrangements
- improve air and sea access
- upgrade, diversify and expand product

CHART 2.1 ACHIEVING SUSTAINABLE BENEFITS



- attract tourism investment
- improve customer knowledge and ‘know how’
- increase destination and product promotion
- upgrade service skills and standards
- rehabilitate cruise and other infrastructure
- improve planning and sector management
- strengthen community involvement and linkages with other sectors

The related action programmes are described in the report.

2.8 ORGANISING FOR GROWTH

The development of Dominica’s tourism sector will not just simply happen. It has to be stimulated, directed and the activities of the various tourism and tourism related organisation coordinated.

Three elements are necessary – a champion, a steering group and a project management unit.

Champion

To get ‘buy in’ by all stakeholders, the TMP need to be ‘championed’. The TMP vision, the strategy and the benefits from development needs to be regularly articulated, elaborated and its implementation encouraged by a senior figure in authority.

Steering Group

TMP implementation will require the involvement of a number of Ministries, state organisation, communities, NGOs and the private sector. To facilitate collaboration between the different state agencies and strengthen public-private partnership, we recommend that setting up of a steering group – a Tourism Task Force. This task force would also have an advisory role in regard to the TMP implementation. The Task Force would be composed of the senior officers from the Ministries and organisations directly involved in tourism, as well as representatives from the private sector and communities. It would be chaired by the Minister of Tourism. The members should be kept relatively small to facilitate an action oriented focus.

Project Management Unit

Recognising that the members of the Tourism Task Force will be senior officers/representatives having other responsibilities, we recommend the setting up of TMP project management unit within the Ministry of Tourism with the responsibility to initiate, guide and coordinate TMP implementation.

2.9 TOURISM MASTER PLAN IMPLEMENTATION

An issue of concern to tourism planners is how to sequence the recommended action programmes. Should the tourism product be expanded and standards improved prior to, or after, the establishment of a marketing campaign? Should capacity building and human resource development precede product development and marketing? The greatest consensus appears to be to do all at once. This is not as simplistic as it appears at first sight. Because all the action programmes are so interlinked, trying to identify the best sequence is not a realistic approach. No single measure can bring much benefit without at least some progress in respect of the other actions. In this sense, it is more instructive to view the development of the tourism sector as a process rather than as a sequence of activities.

Although, we see the implementation of the TMP action programmes in three distinct but related phases ,viz

Short Term:	2006 – 2007	-	organising for growth phase
Medium Term:	2008 – 2010	-	growth ‘take-off’ phase
Longer Term:	2011 – 2015	-	‘rapid’ growth phase

we recommend the following actions to drive this process forward.

Action 1: Put the Arrangements for TMP Implementation in Place

- GoCD approval for TMP
- Publication and distribution of TMP document
- Set-up Tourism Task Force
- Establish a TMP within Ministry

Action 2: In partnership with Dominica hotels and dive shops, NDC/DTB, Ministry and airlines to undertake a special promotional campaign in selected markets to increase demand for the nature and dive products with expansion of airlift to Dominica.

- Currently, Dominica attracts about 25,000 non Dominica related stay-over leisure tourists, of which about 3,000 are divers. However, little is known about these tourists – where they are from, what their motivations for selecting Dominica as a vacation destination are; what they do; how long they stay etc. The first step is to carry-out a customer survey to determine their profiles. Based on this information, the second step is to formulate a focused promotional campaign in selected markets. The third step is to discuss with the airlines (American Eagle, Caribbean Star/Sun), the issue of airlift limitations which may be constraining the development of these niche markets and, if so, to work out ways in which airlift can be increased. This may involve supporting an extra service on particular routes depending on the increase in demand arising from the dedicated promotional campaign. Fourthly, a special campaign fund will have to be

established from NDC, Ministry with contributions from the private sector in cash or kind (e.g. absorbing costs of journalists educational tours to Dominica).

- A committee needs to be established to spearhead and coordinate this special promotional campaign. which will need a two to three year commitment.

Action 3: Establish Rehabilitation Fund to Upgrade Selected Properties

The lack of international standard (export ready) hotel rooms has already been identified as a constraint to growth. The majority of hotel properties require rehabilitation/upgrading of their product. What is required is an injection of fresh equity and/or loan finance.

As a first step a viability assessment needs to be undertaken in conjunction with the relevant bank(s) of each of the properties requiring re-financing to upgrade. Depending on the findings, a re-financing package, involving a combination of conversion of loan to equity, new equity and loan finance would be put in place. External technical assistance – with relevant receivership/liquidation experience in the hospitality sector – would be required to undertake these viability assessments.

- A rehabilitation fund, underpinned by Government, the relevant commercial banks and a Development Bank, will need to be established.

Action 4: Attract a Major Flagship Resort Developer

This is key to diversifying the product. Ideally, the resort would include an hotel, villas/condominiums, golf and other activities. Woodford Hill and/or Hampstead are the recommended locations. It is important that the resort is managed by a recognised international brand.

- Identify prospective international brands
- Provide package of incentives to attract investors.

Action 5: Approve GOCD ‘White Paper’ Policy on Residential Tourism

Residential tourism is expected to be a significant segment of the market for Dominica. A White Paper has been published by Government. It is important now to

- Establish the incentives for attracting residential tourism
- Set-out the regulations
- Ensure supporting services (medical, realtors, etc.) are in place
- NDC/IPA to formulate a promotional campaign.

Action 6: Propose Outline Feasibility Assessments of

- Marine visitor centre
- Biopark, and
- Redevelopment of fishing harbour in Marigot to accommodate sea ferry.

Action 7: Institutional Re-organisation

- Amend legal framework to establish
 - Dominica Tourist Board
 - National Parks Service Agency
 - Dominica Air & Sea Ports Authority
 - Environmental Protection Agency
 - Investment Promotion Agency
- Streamline Tourism Division within Ministry.