

# EXECUTIVE SUMMARY

- Executing Agency:** National Carnival Commission
- Beneficiaries:** All stakeholders in the Carnival Industry
- Target Beneficiaries:** The project will target six (6) core Carnival industry groupings/organizations (*i.e., fete, music, steelband, mas, associated business associations and public administration service provider, the NCC*) and fifty-three (53) Regional Carnivals Committee in T &T
- Estimated Financing:** NCC: US\$ 30 million  
Counterpart and Development Partners - US\$ 24.7 million  
**Total: US\$ 54.7 million**
- Goals:** Development of the Cultural Industries of T&T as a major contributing sector to social development, GDP, employment and trade.
- Primary Objectives:***
- ❖ Social - reduction of poverty and inequality
  - ❖ Economic –
  - ❖ Growth of output per capita
  - ❖ Primary interventions
  - ❖ See summary “Carnival Development Program for T&T”
- Associated benefits***
- Growth of employment and employment share
  - Growth of trade and trade share
  - Wide range of social benefits
- Specific Objectives:***
- ❖ Measure Social Impact of the Carnival Industry
  - ❖ Measure Economic Impact of the Carnival Industry
  - ❖ Design and implement relevant policy
- Execution Timetable:** The project execution period will be five (5) years. The expected start date is **June 1, 2014**.

## **1. Introduction/Background**

The Government of Trinidad and Tobago has made the creative sector one of its main pillars of development. Ultimately, this requires growing the industry faster than the economy as a whole and extending its social benefits accordingly. Accordingly, it has introduced relevant fiscal (tax, duties and tariffs) policy in the Budget Statement 2014, including in support of the creative industries in “areas where festivals, heritage and dance and theatre are being developed.” The Carnival industries are among these. Based on relevant research, this summary identifies a basket of projects that is fully consistent with this policy and with the mandate of the National Carnival Commission to take all relevant steps to develop the carnival industries. Many projects are regional and international in scope, consistent with government policy to facilitate development in CARICOM and use Carnival for national rebranding.

The purpose of the Aide Memoire is to represent the agreed design and implement policies and strategies of a program aimed at maximizing the potential net gains of the carnival sector, with particular regard to its social benefits as well as its contribution to sustainable growth, employment and trade. There is general consensus among stakeholders that the constraints identified in the Aide Memoire should be addressed and that the programs to address them are as specified, with special emphasis on extending traditional consultations into a joint stakeholder decision-making process when making policy.

## **2. Main Issues/Constraints the Program Will Address**

The main issues/constraints identified are as follows:

- i. the lack of official formal, model-based knowledge of the importance of the carnival sector, as measured by its contribution to GNP, employment, and trade
- ii. the inadequacy of the policy process traditionally adopted by the NCC and government, in particular the science-policy-democracy interface in existing policymaking
- iii. the limited use of the market potential to expand the frontiers of the industry
- iv. the limited rate of development of risk management mechanisms and financing instruments for the industry in the domestic market, as well as the limited role for international investors in the development of capacity, output and markets
- v. inadequate exploitation of the Caribbean and international character of the carnival industry
- vi. the inadequacy and underdevelopment of the physical, educational, health, ICT and security infrastructure of the industry

The NCC seeks to eliminate these constraints through the basket of projects described below.

### **3. Rationale for Program**

The program is necessary to address the need:

- i. to measure the potential and actual growth and development contribution of the carnival sector over time, and to examine the social impact, in comparison to other sectors of the economy and taking into account the challenges of the global economy
- ii. to strengthen the science-policy interface through routine access to data for causal analysis, and routine conduct of causal analysis of NCC interventions
- iii. to implement the sector-wide approach to information collection, communication and sharing as the basis for ensuring socially sensitive policy development and widespread stakeholder participation when arriving at the optimal policies and strategies as well as successful policy implementation
- iv. to expand and exploit the carnival market potential
- v. to underwrite improved incubation, technical support, marketing, risk identification and management, and upgraded financing of the enterprises in carnival
- vi. to upgrade the physical carnival infrastructure, especially in the Regional Carnivals, Port of Spain, Arima, Arouca, San Fernando and Tobago

### **4. Program Description**

The program will consist of the following four (4) components: (i) Awareness building, Measurement and Strengthening the Science-Policy Interface; (ii) Developing and Exploiting the Market Potential of Carnival; (iii) Risk Management and Financing; and (iv) Infrastructure for the Carnival Industry.

#### **COMPONENT I - Awareness building, Measurement & Strengthening the Science-Policy Interface**

This component is the flagship of the set of four components. It highlights the programmatic response to stakeholder calls for a move beyond consultations to a joint decision-making process that provides stakeholders more routine role in developing and implementing policy for the industry. Decision-makers are under no legal or binding obligation to take on board the views of stakeholders offered during consultation. In sharp contrast, joint decision-making brings people actively and routinely into joint analysis, binding choices of action plans and the formation and operation of appropriate institutions or the strengthening of existing ones for implementation. The structure of the component follows.

##### **Part 1 - Awareness Building & Information Sharing**

- Sensitization Workshops and Media Week, building awareness of ICTs & IP
- Data Bank, Depository, and Observatory
- Dissemination of Knowledge Products

## **Part 2 - Addressing the Knowledge Constraint**

- Training (for technical staff in CSO, NCC; Special Interest Groups; and academics), designed and implemented, emphasizing capacity to conduct causal analysis for policy design and effective monitoring and evaluation
- Data Collection by CSO using updated design
- Data Analysis & Research
- Publication of Findings

## **Part 3 - Addressing the Science-Policy Interface**

- Carnival Legislation & Policy Review and Update
- The Updated Policy Making Process for the Carnival industry
  - Establish Joint decision-making process (JDMP)
    - *Preparation of Manual detailing the policy making process*
    - *Institutionalization of process and procedures*
  - Strengthening of Carnival-related Associations, Committees & other organizations for effective participation in JDMP
    - *Establishment of Participatory Learning and Action Programs for institutions*
  - Promoting and strengthening citizens participation in the policy making and legislative process
    - *Establishment of community Participatory Learning and Action Programs*

## **COMPONENT II - Developing and Exploiting the Market Potential of Carnival**

The hallmark of this component is the introduction of specific incentives to stimulate the carnival industries and the introduction of specific investments aimed at pushing the frontiers of monetization in carnival. The main investment here focuses on developing a pool of private entrepreneurs and businesses who can use carnival storylines, art, music, costumes, and other outputs as inputs into film and video games.

### **Part 1 – Incentives & Upgrade of Existing Activities**

- Define and establish Incentive Regime for Carnival Industries, including the UNCTAD agenda
  - Methods of compensating for long term loss of earnings to piracy and the new distribution majors, considering
    - *Increased income security (such as pension systems, accessible convalescent homes and other social retirement arrangements) rather than mere control of income generated along the value chain*
    - *Increased emphasis on revenue augmentation relative to IP protection*
    - *Increased emphasis on fair remuneration relative to IP rights*
  - Methods of increasing transparency of value creation and reward along the value chain
  - Target sponsors with incentives

- Upgrade tax concessions on Carnival inputs
- Tax breaks for media coverage of Carnival
- Tax breaks for sponsorships and NCC's carnival events
- Special incentives for content creation
- Undertake study to define general incentive regime suited to the carnival industry
- Develop new mobile food solutions to cater to environment concerns in carnival
- Develop new mobile fete solutions to cater to environment concerns in carnival, including solutions to address health and sanitation concern
- Upgrade of pan manufacturing
- Upgrade Heritage sites – *Piccadilly on the Greens*
- Privatisation of selected events, especially the Savannah and Skinner's Park Events (if possible)
- ICT solution to integrate the national carnival experience, including the Regional Carnivals
- Investment in development and application of ICT solutions for current carnival *production* activities
- Investment in development and application of ICT solutions for current carnival *marketing* activities
- Policy review on piracy and the emergence of the new majors

## **Part 2 - New Frontiers for Monetizing Carnival**

- Research aspects of pan manufacturing, mas production, music production, etc.
  - Research and Development / Dissemination Units in SIGs coordinated under the CITT
- Training for personnel in carnival industry - Steel Orchestras and Mas Bands, etc.
- Assisting emerging carnival enterprises in capitalizing on ICT development and commercialization
- Upgrade Intellectual Property Regime
- Development of Carnival complexes
  - World Carnival Music Conservatory and Observatory, including a Hi-performance Centre
  - Film development and screening facilities
  - Game (video) development and playing facilities
    - *Regional carnival video games entrepreneurial development programme*
  - Graduate training producing carnival entrepreneurs who use ICT, Animation & IP assets and other goodwill to compete
  - Institutionalization of Annual Carnival Trade Fair
    - *Target international Market*
    - *World Calypso Monarchs Music Festival – All Genres*
    - *Trace TV Music Awards*
    - *Web TV and Internet/Satellite radio facility for storage, access, rebranding and broadcast, with licensing*
    - *Selections for Regional carnival video games entrepreneurial development programme*
    - *Seminar on Carnival industry*

## COMPONENT III - Risk Management & Financing for Carnival Industries

There is little in the way of financing instruments that target carnival. This component focuses mainly on building the business support systems and institutional capacities needed to facilitate expansion of the domestic credit market to include unserved entrepreneurs and businesses in the core of the carnival industries.

### **Part 1 – Improving Access to Financing**

- Psychometric Business & Credit Risk Rating and Analysis
- Financing Measures

### **Part 2 - Development & Commercialization of Innovative Business Support through a range of Technology-Enabling Services**

- Research-Based Development of Novel Cost-Effective Business Incubation Interventions
  - Mentoring/Coaching
  - Low Cost Business Planning Services
  - Low Cost Book-Keeping/Accounting Services
  - Legal Services
  - Employment/Referral Services
- Technical (Engineering/Operations) Interventions
  - Production Technology Upgrade
  - Packaging and Presentation
  - Standards
  - Pricing
  - Incorporation into Education Certification
  - Strengthening the IPR
  - ICT and Innovation
- Commercialization of the Novel Business Interventions using ICT
  - Incubation-Oriented Development Financing, including micro-financing if necessary
  - Real & Virtual Access to High Academic Centres
  - Virtual Communication Centre
  - Virtual Risk Management
  - Virtual Information Sharing
  - International Marketing and Country Rebranding
    - Carnival rebranding and marketing to non-diaspora
      - *Sponsor/collaborate with local practitioners in Carnival rebranding*
    - Trade missions
    - Promote Carnival as “*Come Play with Me*” with Invest TT
- Programme to produce Carnival Youth Entrepreneurs, including student exchanges

### **Part 3 - Strengthening the Role of Stakeholder Interest Groups and the Regional Carnival Committees in the Carnival Enterprise Development Process**

- Strengthening NCC Board & Other Administration
  - Create a special division or bureau in the NCC dedicated solely to its regulatory functions
  - Upgrade the funding options of the NCC
    - *Establish an NCC Grant and Financing Centre*
  - Strengthen the capacity of the CITT, including
    - *Creation of a Research Fund*
    - *Integration of Training & Certification Interventions*
    - *Capacity for Data gathering and Causal Research and Policy Evaluation Capacity*
    - *Development and coordination of a multi-location Carnival Museum, and inclusive of virtual capacity*
    - *Expansion of other modalities of superlative expression, recognition, and income generation beyond competitions – such as a Carnival HALL of FAME*
  
- Technical Assistance/Training of Key Managers and Staff of the Carnival Interest Group
  - Techniques of Risk Management and Assessment
  - Management of IP assets and other goodwill in enhancing competitiveness
  - Planning Capacity
  - Technical skills and capacity building
  - Build Capacity to:
    - *define and deliver upgraded Information & Communications Technology (ICT) services*
    - *provide loan application support and financial representation for member firms*
    - *facilitate and support the marketing of the products and services of members*
    - *conduct hands-on training in practical skills for business development*
    - *deliver general consultancy services for business development*
    - *attract more youthful members*
  
- Development of a Membership Database for NCC and Carnival organizations

## COMPONENT IV - Infrastructure for the Carnival Industry

This component address the need to upgrade the infrastructure of the carnival industries to expand its current carrying capacity. While paying adequate attention to education, health, security and ICT, the main focus is on new vending solutions, improved sanitation solutions and improvement of the carnival infrastructure in the areas served by the Regional Carnival Committees.

- Development of Infrastructure for the Carnival Industry, specifically...
  - Security
    - Education of the security system, including the magistracy and judiciary
    - Security-related education of business operators for participation in the global marketplace
    - Improve collaboration between security system and regional carnival committee
  - Health

- Special study of the health issues of carnival music industry, including problems with vocal chords, etc.
  - Improve vending solutions
  - Improve sanitation solutions
- Physical infrastructure
  - Develop necessary infrastructure to remove carrying capacity-constraints in support of industry development
  - Develop stage facilities in Port-of-Spain and in the Regional Carnivals, including Tobago
- Education
  - Upgrade the role of music and music infrastructure of the basic education system (ECD to Secondary)
    - Curriculum; Pedagogy; social values; academic performance enhancement
  - Expanding and upgrading exit options and articulation to UTT and UWI; other tertiary
  - Strengthening capacity of teachers to support process, including continuous training, research and research assistance from practitioners
- ICT
  - Upgrade of ICT infrastructure and legal framework to support emerging carnival enterprises in capitalizing on ICT development and commercialization.

## **5. Cost, Financing and Sustainability**

The total budget for the project, as shown below in the table, is US\$54.7 million, of which the NCC will provide up to US\$30 million in non-reimbursable financing. The remaining US\$24.7 million will be provided by the international development partners and the private sector as counterpart contribution. It is expected that the Carnival Development Program will be implemented over a 10 year period to 2024 and will be sustained in through the institutionalization of various activities through the routine work of the NCC, CSO, participating academies, and the CITT.

## **6. Executing Mechanism**

The NCC will be responsible for executing the project and fulfilling the project goal and objectives. In so doing, a Development Project and Policy (CDPP) Unit, including a Technical Expert Team, will be established. A Carnival Development Oversight Committee (CDOC) will also be established to provide oversight and monitor the activities CDPP.

## 7. Supervision, Monitoring and Evaluation

The overall supervision and monitoring of the Project will be the responsibility of the CDOC as described above. The monitoring tools used will be quarterly Project Progress Reports provided by the CDPP Unit Director, Financial Reports provided by the Project Accountant and a Final Evaluation Report commissioned by an external Consultant. A Closing Workshop will be held for the purpose of evaluating outcomes, identifying lessons learned, disseminating the experience, and proposing actions to ensure the project's sustainability.

## 8. Program Benefits and Risks

In YEARS 1 – 2, the following core beneficial outcomes are expected:

- i. Entrepreneurs, businesses in the Carnival industry, Carnival Business Associations and organizations sensitized about the Project
- ii. New web/social media presence established
- iii. Training for relevant stakeholders undertaken
- iv. CSO data collection and establishment of Carnival database
- v. Participatory Learning and Action Programme established
- vi. Review and definition of Incentive regime
- vii. Business incubation interventions initiated (including mentorship, business planning, book-keeping, legal services etc)
- viii. Technical (Engineering/Operations) interventions initiated (including production technology upgrade, packaging/presentation/standards, pricing/accounts etc)
- ix. ICT Commercialization of novel business interventions initiated

In YEARS 3 – 5, the following core beneficial outputs are expected:

- i. Carnival videos/documentaries produced
- ii. Joint Decision Making Progress (JDMP) established
- iii. Carnival-related Research and Analysis, articles/publications (including from CITT) completed
- iv. Privatization of selected Carnival events
- v. Carnival establishments capitalized to improve ICT and commercialization
- vi. Carnival complexes established
- vii. Carnival business incubated with improved competitiveness
- viii. Research-driven Training & certification established
- ix. Special regulatory division/bureau in NCC established
- x. Improved funding options for NCC
- xi. CITT capacity strengthened
- xii. Stakeholder Validation workshops held
- xiii. Final Reports and other publications produced

AFTER YEAR 5

The following core beneficial impacts are expected:

- i. Carnival stakeholders are better informed and knowledgeable about the Carnival industry
- ii. Improved capacity to exploit global market potential of Carnival
- iii. Improved risk management and financing for the Carnival industry
- iv. Increased in job opportunities in the Carnival industry

- v. Improved competitiveness and growth potential for Trinidad and Tobago

The core risks to the success of the project include:

- i. Carnival organizations lose interest in collaborating to develop the industry
- ii. Existing conflicts among organizations worsen and limit capacity to work together and to achieve project outcomes
- iii. Consultants are unable to competently deliver desired outcomes
- iv. Insufficient financing
- v. Macroeconomic condition in Trinidad & Tobago become unstable or deteriorate