

SOCIAL ENTREPRENEURSHIP PROGRAM

PROJECT SYNTHESIS

1. **Country:** Perú
2. **Project Number:** PE-S1010
3. **Project Name:** Strengthening the Ecotourism Development Focus of the Native Community of Infierno
4. **Executing Agency:** Rainforest Expeditions S.A.C (RFE) [Borrower], Netherlands Development Organization (SNV) [TC]
5. **IDB Unit:** Multilateral Investment Fund (MIF)

6. Financing Amount and Source:

	<u>BID</u>	<u>Local</u>	<u>Total</u>
Reimbursable financing:	US\$935,000	US\$250,000	US\$1,185,000
Technical cooperation:	US\$250,000	US\$188,638	US\$438,638
Total:	US\$1,185,000	US\$438,638	US\$1,623,638

7. Goal and Purpose:

The goal of the project is help raise employment and income among the families of the Native Community of Infierno by expanding and consolidating ecotourism activity. The purpose is to strengthen the ecotourism development focus of the CNI and of Rainforest Expeditions on the Tambopata River.

8. Description:

To this end, two components will be financed: a reimbursable financing component, for US\$1,185,000 (IDB: US\$935,000, and RFE: US\$250,000), and a nonreimbursable technical-cooperation component, for US\$438,638 (IDB: US\$250,000, and SNV: US\$188,438).

- ***Reimbursable financing component***

The proceeds of this component will be disbursed to RFE, but will benefit both RFE and the CNI. The loan proceeds will be used to upgrade CNI and RFE infrastructure, facilities, and equipment, in order to implement a strategy to diversify and broaden the services supplied and the prices charged by the company and community. It is estimated that the investment will be distributed among: Albergue Posada Amazonas and the CNI's tourism attractions and Ñape Center (50% of the loan will be for the CNI); and RFE's Refugio Amazonas and/or its Tambopata Research Center^s (50% of the loan will be for RFE). The investments could include procurement of machinery, equipment, and vehicles, and improvements to the facilities, for example, LED lighting, biodigesters, the

expansion of common areas, finishes, fire prevention systems, access improvements, an ethnobotanical circuit, as well as two new community-led tourism initiatives (for US\$10,000 each). These improvements and investments will make it possible to apply strategies related to offering differentiated tourism packages, from a premium level to a conventional level, thereby increasing sales and profits and gaining a larger market share. They will also make the CNI more attractive to tourists and reinforce its position as an intermediate point between the capital of the province (Puerto Maldonado) and the circuit of lodges on the Tambopata River. The improvements are expected to have an impact on the CNI by increasing its dividend income thanks to the rise in the price per night at Posada Amazonas, the number of stays at Ñape Center, the increase in tourism services in the community's spaces, the development of complementary businesses to take advantage of the influx of tourists of various profiles, and the new jobs generated by all of these activities. Moreover, RFE will have greater capacity to receive tourists at its ecotourism facilities and will be able to generate higher sales and profits.

- ***Non-reimbursable Technical Cooperation component***

The technical-cooperation component will be executed by SNV. The proceeds of this component will be used to finance training activities, organizational strengthening, and tools to bolster Baawaja Expeditions, all to the benefit of the CNI. Support will mainly be given to the following five areas: (i) organizational strengthening and internships for CNI members in activities managing ecotourism lodges; (ii) technical-level certificate courses for CNI members on tourism topics; (iii) support for the CNI in legal and operational matters related to simplifying its community enterprises and placing them under its ownership; (iv) evaluation, systematization, and dissemination of results; and (v) coordination, monitoring, and auditing of the project. The technical cooperation plan of operations, available in the project technical files, describes this support in greater detail.

9. Beneficiaries:

The project's direct beneficiaries will be (i) some 168 families of the Native Community of Infierno (Ese'Eja ethnic group), in the province of Tambopata. These families will benefit from higher income due to the additional profits generated at Posada Amazonas, the Ñape Center, and other ecotourism activities, more sources of direct work in tourism activities (provided both by their company, Baawaja Expeditions, as well as by RFE), facilities and assets improved through the investments made with the CNI's portion of the loan, and professional capacities developed with the technical-cooperation activities; and (ii) Rainforest Expeditions, by having improved ecotourism facilities and higher sales.

10. Expected results and benefits:

The direct benefit of the proceeds from the Bank will be captured by two groups of beneficiaries: (i) most of the benefit will be for the Native Community of Infierno, composed of some 168 families of the Ese'eja ethnic group, who, as a result of the loan and the technical-cooperation component of the project, will have, *inter alia*: (a) additional annual income of at least US\$200,000 per year starting in the third year of the project; (b) improved ecotourism facilities, equipment, and activities (both in Posada Amazonas and in the Ñape Center), attracting tourists from different market segments; (c) a 25% increase in tourism-related jobs generated by the project in the CNI; and (d) improved professional capacities of at least 20 community members in different specialties relating to tourism

(management, sales/reservations, logistics, human resources, etc.), with which they will be able to continue to improve their tourism offerings in their community and lodges; and (ii) Rainforest Expeditions, which will have improved tourism facilities and higher sales and profits, also benefitting community members with the jobs and salaries that they receive at the RFE lodges and with their portion of profit-sharing.