

PLAN OF OPERATIONS
Support for an Indigenous Tourist Route in Argentina: Tourism with Identity
(AR-T1024)

EXECUTIVE SUMMARY

A. Beneficiary	Argentina
B. Team Leader / Members	Team Leader: Gustavo Perochena (SPH/CAR); Carlos Perafán (SCL/GDI); Dianna Moyer (SCL/GDI); Diego Belmonte (OMJ); Carmen Albertos (SCL/SPH); Rosina de Souza (LEG/SGO); Erika Molina (SPH/CAR).
C. Executing Agency	Organización de Naciones y Pueblos Indígenas de Argentina (ONPIA).
D. Target Beneficiaries	Indigenous peoples living within 67 communities of Argentina that currently work informally in the tourism sector.
E. Sources of Funding	Korean Poverty Reduction Trust Fund (KPR) Funding: US\$498,860 Local Counterpart Funding: US\$165,800 Total Program Cost: US\$664,660
F. Objectives	The goal of this program is to contribute to an increase in the income level of families of indigenous population participating in tourism business in Argentina. The purpose is to create a business platform (a strategic plan, legally formed business clusters, a national brand and a web page) that will increase indigenous entrepreneur's access to market opportunities and private investment and help revitalize cultural identity..
G. Execution Timetable	18 months execution, 24 months disbursement
H. Special Contractual Conditions	Signature of 6 Agreements regarding project execution between ONPIA and Regional Organizations (6), one with each regional organization;
I. Exceptions to Bank Policies and Procedures	None.
J. Environmental and Social Review	June 21 st , 2007: No comments.
K. Coordination with other Official Development Finance Institutions	Canadian University Students Overseas (CUSO) will participate in the International Advisory Committee and will provide professional counseling to support the Governing Council of ONPIA.

I BACKGROUND AND JUSTIFICATION

A Backgrounds and Problem Identification.

- 1.1 The tourism sector in Argentina: Tourism is among the most dynamic sectors in Argentina's economy. According to the National Strategic and Census Institute (INDEC), between 1991 and 1998, international arrivals grew from 1.7 to 3 million people per year and the income grew from US\$1.241 million to US\$ 2.936 million. Argentina is currently, after Brazil and Mexico, the region's third largest tourist destination as well as the fastest growing tourist destination in the past years.
- 1.2 As part of their efforts to diversify the tourism sector, the government has prepared the Strategic Federal Plan for Sustainable Tourism (PFETS) that emphasizes: (i) the promotion of economic development and social inclusion; and (ii) the preservation of the nation's historical, cultural and environmental patrimony. However, the recognition of indigenous peoples' cultural identity as part of the tourism package still does not exist within the country's tourism diversification strategy.¹
- 1.3 Indigenous peoples, economic crisis and tourism: In Argentina there are 27 indigenous peoples or groups.² According to projections based on 2001 national census samples and INDEC's 2004-2005 complementary survey on indigenous peoples, the indigenous population of Argentina is equivalent to 2.8% of the country's total population, totaling approximately 600.329 persons. The *Mapuche* peoples in Patagonia, the *Kolla* in Jujuy and Salta, the *Toba* in Chaco, Formosa and Santa Fe and the *Wichí* in Chaco, Formosa and Salta represent the largest populations..
- 1.4 In 2002 Argentina suffered a grave economic crisis. This situation affected the economic survival strategies of indigenous peoples in Argentina who in general carry out both traditional subsistence economic activities based on reciprocity as well as some market related activities (handcraft sales, low-wage seasonal labor in both the agro-industry and mining sectors). As part of the new subsistence strategies, many indigenous communities, especially those with a predominantly female population, have entered various tourism related activities (offering services or selling handcrafts) in order to generate additional monetary resources to complement their traditional economies. Empowering a cultural tourism model could serve both as a potential income generator as well as a strong incentive for these communities to revitalize and preserve their own cultural resources. For this program, 67 communities with the most advanced infrastructure or potential for attracting tourism under a cultural tourism model have been identified and selected as the project's beneficiaries.

¹ The brands currently offered include: Patagonia, Litoral Argentino, Cuyo and Norte Argentino.

² The INDEC has identified 23 indigenous peoples or groups: *chané, charrúa, chorote, chulupí, comechingón, diaguita, diaguita-chalchaquí, guaraní, ava-guaraní, tupí-guaraní, mbya-guaraní, huarpe, kolla, mapuche, mocoví, ona, pilagá, rankulche, tapiete, tehuelche, toba y wichí*. Other indigenous peoples not identified in the census are the: *quechua, atacameño, omahuaca*.

B Program Rationale and Consistency with Bank Strategy.

- 1.5 The main objective of the Bank's strategy for 2004-2008 is to help Argentina achieve sustainable and more equitable growth. In this sense, this project fits into Strategy (c): reduction of poverty through rebuilding the human resource base and promotion of sustainable and inclusive social development, as it includes community-based activities that have a direct impact on poor and vulnerable groups.

C Complementary Initiatives.

- 1.6 The products developed under this technical cooperation are vital for the generation of future investment opportunities, including accessing the IDB's private sector windows such as *Opportunities for the Majority* lending program and FOMIN. In addition, this program will carry-out the initial investments necessary to facilitate the indigenous entrepreneurs access to technical assistance and development services available for small and medium size enterprises through national and regional programs financed by the IDB, such as AR-L1033..

II PROGRAM DESCRIPTION

A Program goal and objective:

- 2.1 The goal of this program is to contribute to an increase in the income level of indigenous families participating in the tourism sector in Argentina. The purpose is to create a business platform (a strategic plan, legally formed business clusters, a national brand and a web page) that will increase indigenous entrepreneur's access to market opportunities and private investment. This platform will be based on the revitalization of the cultural identity of ten ethnic groups in Argentina. The expected outcomes are an organic cultural tourism model based on development with identity principals aimed at national and international markets, as well as 15 cultural tourism clusters with established legal identity..

B Components

- 2.2 **COMPONENT I: Diagnostic of Cultural Tourism Supply and Demand.** This component will study the existing and potential tourism supply, especially in regards to cultural tourism, in the regions where the 67 indigenous communities are located as well as the potential market demand for the cultural and other tourism attractions, services or products to be offered. three regions taking also into account the institutional, resource, and physical context of each region. Cultural tourism demand will be determined primarily through an evaluation of different tourism market niches, both existing and emerging; other similar models offered within the region in regards to good practice, lessons learned and potential competition; potential flows; types of services desired, (transport, food, attractions, and accommodations); and an evaluation of specific segments of the population (by age, country, interest) that

- should be targeted for marketing of the cultural tourism model in general and for the specific supply clusters identified. The Diagnostic will conclude with proposals for cultural tourism clusters for each of the three regions to develop, based on an overlap of the supply and demand studies.
- 2.2 **COMPONENT II: National Model for Tourism with Identity.** The objective of this component is to support the indigenous peoples of Argentina develop their own tourism model based on the principle of development with identity. In order to do this, two generic training modules will be developed during the initial phases of the program in: (i) cultural tourism, and (ii) economic governance and business planning and administration. The first module will serve as the foundation for the regional and national discussions to elaborate the cultural tourism model. This module should define the cultural, social and economic objectives and review international models and good practice in cultural tourism. The second module will focus first on economic governance, including the establishment of: (i) schemes that guarantee the technical and economic autonomy of the indigenous businesses from the political functions of community organizations, and (ii) rules for the management and use of income generated, taking into account the needs, interests, cultural norms, and social priorities of the communities. Secondly, this course will include instruction in business planning and financial and administrative business management.
- 2.3 The ideological and cultural foundation of the tourism model will be conceptualized by a network of indigenous tourism providers, who will meet first at a regional level, to review and analyze the results of the tourism Diagnostic and to establish the thematic and cultural emphasis of the cultural tourism model for their respective region. In a subsequent national meeting the network will finalize the model and introduce the National Strategic Plan to implement the model. This network will consist of representatives from the 67 identified communities (see annex 1) with experience in the tourism sector that will each be grouped into 3 regional networks.
- 2.4 In addition, this component will finance the design and registration of the national cultural tourism brand that differentiates, positions and presents the cultural tourism model within marketing channels. Sectur, through its role on the Advisory Committee, will assist by both ensuring that the model is consistent with the National Tourism Development Strategy and by positioning the brand within its national marketing channels. The brand, an Argentinean indigenous tourism product with emphasis on cultural identity, will serve to capitalize on international and national market niches. Finally, this component will finance the design of a website to promote the cultural tourism model and eventually the specific tourism clusters and activities supported under this technical cooperation.
- 2.9 **COMPONENT III: Consolidation and strengthening of indigenous tourism enterprise clusters.** The objective of this component is to consolidate the indigenous enterprises and clusters identified within the Diagnostic and prioritized within the National Strategy by means of providing training, technical assistance and developing a business plan for each of the 15 prioritized tourism clusters. The activities to be financed under this component will be outlined in an Action Plan that describes both

global and cluster specific training, capacity building, consulting services, and other support needed in order to consolidate the clusters and develop the business plans.

- 2.5 Training and technical assistance will be provided to the indigenous tourism providers in seven provinces or at a cluster level in support of: enhancing the design and quality of cultural tourism services offered, incorporating the indigenous cosmovision into business practices and the specific offer, formal legal conformation and legal assistance as necessary, accounting and business administration, and communications and marketing strategies. Seven local workshops will be held and individual assistance will be provided at a cluster level.
- 2.6 The fifteen (15) business plans will be developed for the cultural tourism clusters that demonstrate the capacity for potential growth and connectivity (hostels, restaurants, inns, transportation, tour guides for sacred sites or for participation in community rituals, information/educational services, etc.) and that were prioritized during the regional and national meetings. These business plans should serve as the platform to access both private and public national and international financing and thus be developed in accordance with the criteria and formats required by potential financing windows, such as AR-L1033, FOMIN, and the Opportunities for the Majority Program, among others.
- 2.7 **COMPONENT IV. Institutional Strengthening for the Organization of Indigenous Nations and Peoples in Argentina and development of an Evaluation and Monitoring System.** In order to support program implementation and sustainability of the executing agency (Organización de Naciones y Pueblos Indígenas de la Argentina, ONPIA) and its regional and provincial partner organizations of the Center, South and North³, specific support will be provided for strengthening of administrative and technical capacities of program management and developing a financial strategy to ensure long term sustainability. The program will fund consultants for program administration and planning as well as for the design, development and implementation of: i) a Strategy to ensure long term financial autonomy; and ii) a Monitoring Manual to track socio-cultural indicators over time. In addition, this component will finance training of ONPIA's staff in program management tools so that they can later transfer this knowledge to strengthen their provincial and local partners.

III. BUDGET

A Summary Cost Table

³ Coordinadora del Parlamento del Pueblo Mapuche de Rio Negro, Consejo de Organizaciones Aborígenes de Jujuy (COAJ y ORINPUKO), Coordinadora de Pueblos Indígenas de Salta (COPISA) y organizaciones locales de El Mollar de Tucumán, Comunidad Zapata de Neuquén, y Guaytamar de Mendoza.

Category	Counterpart Contribution	IDB Contribution
1. Component I: Diagnostic of Cultural Tourism Supply and Demand		
Total Component I	\$ 3,000	\$ 95,050
2. Component II: National Model for Tourism with Identity		
Total Component II ⁴		\$ 104,045
3. Component III: Consolidation and Strengthening of Indigenous Cultural Tourism Clusters		
Total Component III	\$ 59,900	\$ 189,850
4. Component IV: ONPIA Institutional Strengthening		
Total Component IV	\$ 40,800	\$ 20,300
5. Administration for Program Management		
Total Administration for Program Management	\$ 62,100	\$ 60,115
6. External Audit		\$ 5,000
7. Evaluation		\$ 7,500
8. Contingencies		\$ 17,000
Total Contribution	\$ 165,800	\$ 498,860
Total Program Cost	\$ 664,660	

B. Description, composition, and sources of funding.

- 3.1 The program has a total cost of US\$664,660 of which the Korean Poverty Reduction Fund will finance US\$498,860 and ONPIA and the 7 regional organizations will finance both in-kind and cash expenses of \$165,800. The technical cooperation funds will finance consulting fees, travel and per diem for the consultants, indigenous representatives, and international advising committee; logistic costs related to local consultations and technical capacity building workshops; as well as costs related to the design and registration of the brand, consolidation of the cultural tourism clusters and development of the 15 business plans. The counterpart contribution will finance the majority of the administration costs of the program, the organization of the local and regional meetings, local coordinators, a national facilitator, ONPIA's training staff, and a portion of the logistical costs related to the local workshops and regional meetings, rent and utilities.

C Sustainability.

- 3.2 The sustainability of this program is based on several factors. First, the planning and design of the program has been carried out through participatory processes with the

⁴ Includes US\$ 13,400 of travel and per diem for 4 members of the program's International Advisory Committee.

beneficiary communities. This has allowed for ownership of the program and buy-in by the beneficiaries. Secondly, resources will be invested in a supply and demand diagnostic to ensure that the technical cooperation resources are targeted for cultural tourism clusters that have potential for development and are financially viable. Third, the program emphasizes the articulation and strengthening of tangible and intangible economic and social goods already held by the indigenous communities with respect to their cognitive capacities, income sources, cultural richness, and existing tourism infrastructure. Fourth, the program fits within the government's priorities for the tourism sector as outlined in the Strategic Federal Plan for Sustainable Tourism (PFETS) and harmony with this strategy will be ensured through SECTUR's participation on the International Advisory Committee.

IV EXECUTING AGENCY AND MECHANISM

A. Executing agency.

- 4.1 The Organization of Indigenous Peoples and Nations in Argentina (ONPIA) was founded in October 2003 in response to a demand manifested by several regional and national indigenous organizations to unite efforts and form a new national indigenous peoples organization. ONPIA's mission is to represent the associated indigenous peoples in the promotion of self-determination, protection of cultural patrimony and intellectual property, and promotion of cooperation among its members for the development of their social, economic, cultural, scientific, technological and ecological assets and capacities. Currently, ONPIA's headquarters are located in the city of Buenos Aires while affiliating indigenous organizations of the first and second degree from 20 indigenous peoples (groups) in Argentina

B Executing mechanism.

- 4.2 ONPIA will establish a Central Coordinating Unit to coordinate and implement the program. The coordinating unit will be headed by a National Coordinator and proficient administrative support staff located in the organization's headquarters in Buenos Aires. This staff will coordinate regional and local activities with logistical support of 6 Local Partner Organizations⁵ (members of ONPIA) and technical consultants who will be hired to undertake the specific tasks demanded by the project. Local and regional activities will be geographically decentralized and will be carried out by 6 Local Partner Organizations.
- 4.3 The technical, administrative and financial supervision of the program will be carried out by the Program Coordinator from the Central Coordinating Unit, located in Buenos Aires, who will coordinate activities at the national level and hold the final authority over hiring technical consultants and reviewing their products.

⁵ The network organizations by province are: Jujuy: COAJ; Tucumán: El MOLLAR; Salta: COPISA; San Juan and Mendoza:, GUAYTAMARY; Neuquén: COMUNIDAD ZAPATA; Río Negro: one community from PARLAMENTO MAPUCHE.

- 4.4 Six (6) teams made up of the local partner organizations and the technical consultants will provide technical assistance, facilitation services, carry out consultations and assist in the elaboration of the cluster business plans. The Central Coordinating Unit in Buenos Aires will supervise these teams. The local program team will be responsible for the identification, design and supervision of project implementation in their respective communities.
- 4.5 An Advisory Committee will be formed consisting of public, private, and indigenous representatives who hold experience in the development of cultural tourism. Korean consultants as well as CUSO will be part of this committee. Based on their national and international experiences in the tourism sector, the Committee will: (i) provide technical assistance in the review of the Diagnostic, Strategic Plan, brand and website, and the 15 Business Plans; (ii) support in the identification of specific market niches and opportunities; (iii) ensure that the cultural tourism model and strategy are consistent with national and regional strategies and initiatives; and (iv) support, if possible, in leveraging or identifying potential resources to support the implementation of the National Strategy or the 15 Business Plans, and/or potential investment partners or effective promotion strategies abroad

C Program implementation readiness.

- 4.6 For the program to be ready for implementation the IDB will need evidence of signed agreements between ONPIA and regional partners, the appointment of a Program Director and availability of terms of reference for main consultants need to be drafted in agreement with ONPIA.

D Execution period and disbursement schedule.

- 4.7 The program will be implemented in 18 months. The disbursement period will be 24 months.
- 4.8 Revolving Fund: based on the financial projections of the project, it is expected that a 10% revolving fund will be necessary to diligently implement the program.

E Procurement.

- 4.9 The beneficiary will follow standard Bank procurement policies. For the acquisition of goods and non consultancy services GN-2349-7 will be used, and the hiring of consultancy services follow GN-2350-7. Only procurements set forth in the annual acquisitions plan (PAQ) approved by the Bank can be implemented. Unless otherwise indicated in the PAQ all procurements will be supervised ex-ante by the Bank. All good and services will be purchased at the central unit.

V MONITORING AND EVALUATION

A Monitoring.

- 5.1 The program's progress will be monitored based on the achievement of goals established in the annual operation plans (POAs). The POAs will define the activities to be undertaken and the resulting products necessary for the achievement of the program results specified by the indicators in the logical framework. The executing agency must prepare an annual POA and present it for Bank approval thirty (30) days prior to the end of each calendar year.

B Technical and basic responsibility.

- 5.2 VPC/CAR and SCL/GDI will be responsible for technical supervision as well as for disbursements.

C Progress and final reports.

- 5.3 Program monitoring within ONPIA will be carried out by the Governing Council (GC) which will request quarterly progress reports from the project coordinator. A final report will be presented 60 days before the disbursement period ends. This report will include output and outcome information..

D Evaluations.

- 5.4 The program will include a single mid-term evaluation focused on processes. This will be an evaluation of the program's implementation. Eventually, upon previous agreement between the Beneficiary and the Bank, a final evaluation will be undertaken based on terms of reference previously agreed with the Bank.

E Auditing.

- 5.5 One final financial statements audit will be carried out according to Bank standard procedures.

VI PROGRAM BENEFITS AND RISKS

A Program benefits and developmental impact.

- 6.1 The expected outcomes of this program include a cultural model of Tourism with Identity in practice and the development of an associated Strategic Plan, 15 cluster business plans that will eventually increase indigenous business access to market opportunities and private investment, and two generic training modules in cultural tourism and economic governance and business planning and management.

B Target Beneficiaries.

- 6.2 The direct beneficiaries of the program will be indigenous peoples in Argentina that are active in the tourism sector (“indigenous tourism providers”) from 67 indigenous communities, located in 7 provinces and representing 10 different ethnic groups

C Risks.

- 6.3 The initial risks related to successful project implementation identified by the project team include: (i) interrelations and capacity among the organizations and communities involved (local indigenous organizations and communities, ONPIA, regional organizations, local governments, etc.); (ii) the capacity of the indigenous entrepreneurs (especially those with minimal levels of organization) to adopt and take-on a competitive business model; (iii) economic governance issues around the management of future incomes generated; (iv) potential socio-cultural impacts and conflicts within communities if greater tourism flows are generated and cultural tourism providers benefit at varying levels; and (v) the real potential to attract private investment in order to finance the implementation of the business plans (given the expectations that will be generated under the program).

VII ENVIRONMENTAL AND SOCIAL ASPECTS

A Date of ERS review. June 21st, 2007: No comments

B Measures taken to mitigate risks.

- 7.1 Prior to program implementation, the following potential environmental and socio-cultural impacts have been identified from an increase in tourism activities in the indigenous communities: (i) deterioration of cultural land management and use; (ii) monetization of traditional economies; (iii) loss of cultural identity; (iv) increased pressure and/or unsustainable flows of people, especially to sacred cultural sites and traditional rituals; (v) deterioration of social organization structures; (vi) inter or intra family or communal conflicts; (viii) envy and witchery; and (ix) increases in transmittable diseases born from inappropriate management or lack of basic sanitation. A strategic environmental and socio-cultural impact study and management plan will be carried out to measure, prevent and/or mitigate for potential cumulative impacts. The criteria and mitigation measures will be incorporated into the operating regulations and business plans developed for future investments.

Required Annexes:

- I. Logical Framework
- II. Detailed Program Budget
- III. Procurement/Contracting Plan