

TC Document

I. Basic Information for TC

▪ Country/Region:	GUYANA
▪ TC Name:	Developing a Sustainable Tourism Circuit in South Rupununi Guyana
▪ TC Number:	GY-T1171
▪ Team Leader/Members:	Grazzi, Matteo (IFD/CTI) Team Leader; Dohnert De Lascurain, Sylvia Eva (IFD/CTI); Drakes, Lisa (IFD/CTI); Franklyn, Russell Levon (IFD/CTI); Kelly Castillo, Emily Leticia (IFD/CTI); Lindsay, Courtney Oliver (IFD/CTI); Negret Garrido, Cesar Andres (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	30 Apr 2020.
▪ Beneficiary:	Guyana Tourism Authority (GTA)
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Compete Caribbean Partnership Facility(CCP)
▪ IDB Funding Requested:	US\$250,965.00
▪ Local counterpart funding, if any:	US\$38,319.00 (Cash) US\$43,960.00 (In-Kind)
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	September 2020
▪ Types of consultants:	Individuals and Firms
▪ Prepared by Unit:	IFD/CTI-Competitiveness, Technology and Innovation Division
▪ Unit of Disbursement Responsibility:	IFD-Institutions for Development Sector
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation; Environmental sustainability; Diversity

II. Objectives and Justification of the TC

- II.1 The objective of this technical cooperation (TC) is to help indigenous and vulnerable groups in the South Rupununi generate revenues from the sale of sustainable and inclusive tourism experiences. Essentially, it will build the capacity of micro, small and medium enterprises (MSME) in the region to develop, package, and promote community-based and eco-tourism experiences that are culturally sensitive, market-driven, and environmentally sustainable.
- II.2 In recent years tourism has been recognized by the Government of Guyana as a priority and key value-adding sector in the country's Green State Development Strategy (GSDS). This is due to its non-extractive nature, cross-sectorial benefits, job creation potential, and its contributions to the United Nations Sustainable Development Goals (UNSDG). There is however a need for direct technical assistance to tourism services providers at the regional and community levels through capacity building, product development, and marketing. This will positively affect growth in the sector and benefit the most vulnerable members of the population.
- II.3 The potential of Guyana as a world renowned eco and indigenous tourism destination is huge. In 2019 the country was named “#1 Best Ecotourism Destination in the World”

by ITB-Berlin, the world's leading travel and trade show. This was only one of several tourism awards received that year.¹ This demonstrates the attractiveness of the country as a unique tourist destination, as well as its potential for growth. The South Rupununi region which has been benefiting from the spillover effect of tourism growth in the North Rupununi over the past few years offers diverse opportunities for sustainable eco- and indigenous tourism. According to World Wildlife Fund-Guianas, the Southern Rupununi savannah supports an incredible diversity of species, many of which are highly endangered but highly sought after by ecologists and wealthy sophisticated eco-tourists. The area is home to three indigenous groups that have inhabited the region for thousands of years.

- II.4 However, the growth of its tourism product continues to be hampered by a lack of local capacity and global awareness of the country's unique attractions. This TC will address this market failure by supporting some of the most vulnerable communities while collaborating with entities closer to the market. Through eco-and indigenous tourism development, this TC will contribute to creating inclusive and sustainable growth to the benefit of the regions' residents, especially women and youth. Many are involved in the areas of food-catering, craft-making, cultural performance, etc. MSMEs will benefit from local capacity building and marketing of the region's tourism products.
- II.5 These efforts will also have indirect benefits on social issues. According to UNICEF, "In Guyana, health, education and socio-economic indicators for the indigenous population are at the bottom-most when compared with other ethnicities".² The report highlights a lack of employment opportunities for indigenous men and women as being a major problem.³ Indeed, men typically leave the villages to work in gold mines or urban areas, a situation that affects family life and contribute to social challenges in the villages. Most women have few opportunities for the earning of a steady income. One factor that influences this situation is that: "villages do not have a sustainable economy that generates a market to be explored...".⁴ This method of using eco-and indigenous tourism as a development tool with employment opportunities will create livelihood opportunities within southern villages which may contribute to the improvement of these socio-economic indicators.
- II.6 The value of the project extends to the environmental impact it will have. The savannah region of the South Rupununi is critical to maintaining forests and freshwater ecosystems, which store carbon and connect large landscapes. The capacity building effort implemented by previous Community Based Tourism (CBT) projects in the North funded by donors, including Compete Caribbean, proved that engaging these communities is one of the most successful ways to protect ecosystems and biodiversity. Indeed, by helping villages move into eco-tourism, hunting and trading of rare species of animals are abandoned and protecting them becomes a means of attracting eco-tourists who provide a more sustainable community growth model. This

¹ Guyana also received Silver Medal (2nd place) for Best In Adventure from the International Travel Market and Tourism Awards for its sustainable adventure practices; the country was placed first at the Welcome Back to Nature during the Golden City Gates, the tourism multimedia award. It again placed first in Sustainable Tourism at the Latin American Travel Association Achievement Awards, and finally, also within 2019, Guyana received the Best in Destination award at the Caribbean Tourism Annual Sustainable Tourism Conference

² UNICEF, 2017. "[Study on Indigenous Women and Children in Guyana](#)". A Report. United Nations Children Fund, Georgetown, Guyana.

³ Ibid, pg. 11.

⁴ Ibid.

was particularly the case in the village of Rewa where the Arapaima Fish (among the largest freshwater fish in the world) was hunted until their numbers were significantly reduced. The specie has now rebounded as the region has become a major attraction for catch-and-release fishing by wealthy sports-fishermen. This cluster project builds on these experiences and the interest of indigenous communities in the South Rupununi to attract adventure travelers and promote their cultural diversity, as well as protect their environment.

- II.7 It takes years to develop products that meet the needs and take advantage of the export market. While the Covid-19 crisis remains an important concern for the world, this TC will help vulnerable groups prepare for the growing interest of adventure travellers – both local and international. Until travel restrictions are fully lifted, it is important to develop products that can target the domestic market of expats, as well as the large Guyanese diaspora that travel to Guyana during off season to see family and friends. Second and third generation Guyanese living abroad are increasingly interested in discovering their cultural heritage and community-based experiences.
- II.8 On February 20th, 2020, the Compete Caribbean Partnership Facility (CCPF) convened an Investment Panel (IP) at the IDB Country Office Barbados, to obtain an independent assessment of the funding merit of eight (8) cluster projects. The projects were assessed based on their potential impact on revenues and employment – particularly for women and vulnerable groups – as well as on inclusive and sustainable economic development. The Sustainable Tourism Circuit in South Rupununi Guyana was among the four projects selected for funding.
- II.9 **Strategic Alignment.** This project addresses two key development challenges described in IDB's Institutional Strategy: Social Exclusion and Inequality, and Low Productivity and Innovation. The alignment is defined by the activities of the TC geared toward the economic inclusion of indigenous populations residing in the South Rupununi region of the country. The components are also aimed at increasing productivity and innovation among tourism MSMEs through capacity building and product development (Components I and II). This will be made sustainable through the institutional strengthening of the Visit Rupununi (Component III). It also addresses cross-cutting issues of Gender Inequality and Diversity by focusing on minority groups through indigenous tourism, as well as Climate Change and Environmental Sustainability. Indeed, adventure, community-led, and wildlife tourism have an integral focus on environmental conservation. These are also aligned with the objectives of Compete Caribbean Partnership Facility, whose specific mandates are to: (i) support firms to grow, innovate and enter new sectors and markets, especially for women-owned firms and vulnerable groups; and (ii) to promote an environment that enables innovation and growth in the Caribbean.
- II.10 The TC is also strategically aligned to the area of intervention "Facilitating private sector development" of the IDB Group Country Strategy with the Cooperative Republic of Guyana for 2017-2021. The IDB Group is working with the Government to support private sector development initiatives aimed at increasing business competitiveness through innovation, and the adoption of sustainable business practices. This TC is complementing this on-going work, by promoting innovation through tourism product development and building capacities of MSMEs in business practices and marketing.

III. Description of components and budget

- III.1 Component 1. Product Development and marketing (US\$70,965).** A consulting firm will be contracted to engage local stakeholders and conduct a situation analysis in the indigenous communities, prepare a market-product match, and develop a tourism development strategy for the South Rupununi tourism circuit. The firm will design at least 10 new experiences with respective business models reflecting revenue distribution along the value chain (e.g.: day tours and multi-day packages). A marketing plan will also be developed along with the marketing collateral and market linkages necessary to increase the number of visitors to the South Rupununi by at least 25%. The outputs under this component include: (i) a Tourism Development Strategy, (ii) a Market-Readiness Diagnosis and Assessment of cluster members, (iii) the business model for 10 new tourism products, (iv) a Familiarization Trip, and (v) Marketing Collateral to help promote the products and destination. These outputs will be institutionalized within Visit Rupununi with the help of a cluster manager on the ground. The outcome of this component is a diversified and more market-ready⁵ product offering in the area.
- III.2 Component 2. Capacity building of MSMEs and indigenous stakeholders operating in the region (US\$100,000).** The consulting firm contracted under Component 1 will also be responsible to help the MSMEs and other stakeholders in the cluster become visitor-ready.⁶ During the consultancy, a training needs assessment of relevant tour operators, guests houses and lodges, tour guides, small restaurants, and craft-makers will be conducted given the new products developed. Based on this assessment, it will be designed an original training program, culturally appropriate, gender sensitized, and market driven. The designed curriculum, manual and supporting material will be used to train trainers, including key staff of agencies such as the Guyana Tourism Authority (GTA) and other clusters such as the North Rupununi tourism cluster, as necessary. The training will cover areas such as management, digital marketing, record-keeping, as well as hospitality and customer service, safety and health standards post Covid-19, wilderness emergency protocols, etc. It is expected that 100 MSMEs will receive training, at least 50% of which will be women-owned firms. At least five individuals will be trained as trainers to ensure sustainability.
- III.3** The training curriculum and manual will be developed to be used by the GTA and trainees from other agencies to conduct future trainings. The sustained capacity building through knowledge dissemination among MSMEs will allow for actionable and enhanced business practices and hence business competitiveness of tourism enterprises in Guyana.

⁵ A Market-Ready entity has been operating for at least one year and has a track record for safety and professionalism, business licenses and permits, etc. are in place and the business operates legally; the business has promotional materials; the business has written pricing and payment policies, and a 24 to 48 hour response time to information or booking requests; finally, the business can accept reservations in advance by phone or online and provide prompt confirmation of booking arrangement.

⁶ An establishment is considered to be Visitor-Ready by (i) having all required business licenses, permits, etc. to operate legally, or in the process of obtaining them; (ii) has a basic website and/or Facebook page; (iii) has a contact telephone number or email available year round, and automated email and voice responses if entity operates seasonally; (iv) businesses has branded signage; and (v) in the wake of the COVID-19 pandemic, the business entity has sanitation and physical distancing measures to protect the health of visitors.

- III.4 **Component 3. Strengthening of Visit Rupununi as a Regional Destination Management and Marketing Organisation (RDMMO) (US\$80,000).** Visit Rupununi is a private entity established in 2015 as Guyana's first RDMMO with support from Conservation International-Guyana (CI). Over the years, the organisation has established a strong reputation given its inclusive representation of diverse interest groups, including indigenous communities and private sector stakeholders from all tourism and service-related sectors. In 2018, the GTA and Visit Rupununi signed an MOU which developed closer collaboration between the agencies. However, Visit Rupununi needs technical assistance to ensure financial sustainability and improve the service offering to local stakeholders.
- III.5 Under this component, a cluster manager will be contracted to facilitate the implementation of the first two components and build the capacity of Visit Rupununi. First, the individual consultant will facilitate the implementation of the digital marketing strategy which will enable more booking and new revenue streams for the organisation. In collaboration with the consulting firm and GTA, the cluster manager will also help cluster members establish an online presence through both existing and new online marketing channels, thereby promoting the region's attractions and accommodations. Once established, the online marketing tools and processes will sustain increases in social media following and engagement, increase visitations to platforms featuring the South Rupununi such as Visit Rupununi website, Instagram pages, TripAdvisor, Airbnb Experiences, etc. The purpose is to ultimately increase the number of visitors and spending, thereby increasing revenues for cluster members and indigenous community members in the South Rupununi.
- III.6 Second, the cluster manager will implement a monitoring system that tracks and reports the performance of the new tourism products marketing efforts. This will allow the cluster members to track various indicators and address changes as needed. This monitoring and evaluation system will also be used to report progress to Compete Caribbean over the project duration and facilitate knowledge dissemination.
- III.7 Third, the cluster manager will be responsible to develop a sustainability plan for Visit Rupununi which will include a growth plan given the progress achieved, recommendations for the governance system and any other recommended actions to drive sustainable and inclusive economic growth in the region. The sustainability plan will be prepared in collaboration with the diverse stakeholders and approved by Compete Caribbean before the completion of the project.
- III.8 **Budget.** The total budget for this technical cooperation is US\$334,484. The IDB will finance a total of USD 250,965, to be funded by Compete Caribbean Partnership Facility.

Indicative Budget

Component	IDB/CCPF Funding	Counterpart Funding (Cash)	Counterpart Funding (In-Kind)	Total Funding
I. Product Development and marketing	\$70,965	\$ 12,773	\$15,000	\$98,738
II. Capacity building of MSMEs	\$100,000	\$ 12,773	\$15,000	\$127,773
III. Strengthening of Visit Rupununi	\$80,000	\$ 12,773	\$13,960	\$107,973
TOTAL	\$250,965	\$38,319	\$ 43,960	\$334,484

IV. Executing agency and execution structure

- IV.1 The Compete Caribbean Partnership Facility (CCPF), approved under GN-2851, was jointly designed with donors to be a Bank Executed Program, through the CCPF's Facility Coordination Unit (FCU) established in COF Barbados⁷. Also, in accordance with Section 2.d., Annex 10 of GN-2629 it is appropriate for the Bank to execute TCs when the beneficiary entity does not have the required operational and technical capacities to execute the project. Therefore, the execution of this TC will be carried out by the Bank through the Competitiveness, Technology, and Innovation Division (CTI) and the CCPF's FCU, in coordination with the Guyana Tourism Authority (GTA) and the South Rupununi Tourism Cluster. CTI and CCPF's FCU have accumulated a lengthy experience on successful implementation of cluster projects in the Caribbean, demonstrating the capacity to coordinate and motivate actions across diverse stakeholders.
- IV.2 The execution and disbursement period will be 36 months and the UDR will be IFD/CTI. All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature, and; (c) GN-2303-28 for logistics and other related services.
- IV.3 The supervision of the TC will be responsibility of a project team led by Matteo Grazzi, Senior Specialist of CTI and supported by the CCPF's FCU in the IDB Country Office in Barbados. Lorena Solorzana, Chief of Operations, will act as the designated focal point in the Guyana IDB Country Office. No supervision costs are foreseen. Project output indicators will be monitored following the Monitoring and Evaluation (M&E) framework of the CCPF.

V. Major issues

- V.1 The COVID-19 pandemic has decimated the tourism sector. There is a risk that visitors are no longer interested in traveling. On the other hand, it is possible that a larger number of international visitors will be more interested in visiting remote eco-tourism destinations such as the South Rupununi as opposed to traditional crowded activities such as museums, beaches, etc. A mitigant regarding a possible reluctance to travel by visitors, and indeed, a means of encouraging travel in the current environment will be the assessing and integration of health-related measures in the product development and packaging of new tourism products. This will also be provided in capacity building and training of MSMEs.

⁷ "The Bank will be responsible for the overall execution the Facility and individual projects processed and approved by the Bank" (GN-2851, paragraph 2.23)

- V.2 Another important aspect to consider in the product development and marketing is the direct targeting of the diaspora and expat community already living in the country which makes this project less vulnerable to shock than other destinations. Local advertising and health and safety measures will also target this group, which is another mitigating measure against a lack of visitors due to the COVID-19 pandemic.

VI. Environmental and Social Strategy

- VI.1 Given the nature of the project, there are no associated environmental or social risks. Based on the Environmental and Safeguards Compliance Policy (OP-703) this operation is classified as “C”, meaning that no environmental assessment studies or consultations are required for this category. See [Safeguards Policy Filter Report \(SPF\)](#) and the [Safeguard Screening Form \(SSF\)](#).

Required Annexes:

[Request from the Client - GY-T1171](#)

[Results Matrix - GY-T1171](#)

[Terms of Reference - GY-T1171](#)

[Procurement Plan - GY-T1171](#)