

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

NICARAGUA

NATIONAL TOURISM PROGRAM

(NI-L1039)

LOAN PROPOSAL

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1.	Annual Work Plan (AWP) for the first 18 months http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35342324
2.	Monitoring and evaluation plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35343634
3.	Detailed procurement plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35337488
OPTIONAL	
1.	INTUR institutional capacity analysis (ICAS) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35338463
2.	Institutional capacity analysis for INTUR procurement http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35342321
3.	Fiduciary contributions during project identification and design http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35342322
4.	Risk analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35342348
5.	Economic evaluation of the program http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35342691
6.	Strategic environmental assessment of the program http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35342436
7.	Diagnostic assessment of the Nicaraguan tourism sector –Nicaragua’s National Tourism Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35342471
8.	Tourism development plan for the southern Pacific coast – Nicaragua’s National Tourism Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35342323
9.	Tourism in Latin America and the Caribbean and the Bank’s experience http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=1442249
10.	Ecotourism and Economic Growth in the Galapagos, Ecuador [in English] http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35337822
11.	Detailed results framework http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35343523
12.	Safeguard Policy Filter Report and Safeguard Screening Form http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35342312

ABBREVIATIONS

INTUR	Instituto Nicaragüense de Turismo [Nicaraguan Tourism Institute]
MSMEs	micro, small and medium-sized enterprises
PNTN	Plan Nacional de Turismo de Nicaragua [Nicaragua's National Tourism Plan]
POR	Program Operating Regulations
SCF	Single Currency Facility
PNOTT	Plan de Ordenamiento Turístico del Territorio [Nationwide Tourism Management Plan]
PDTD	Plan de Desarrollo Turístico de Destinos [Destination Tourism Development Plan]
BCN	Central Bank of Nicaragua

PROJECT SUMMARY

NICARAGUA

NATIONAL TOURISM PROGRAM

(NI-L1039)

Financial Terms and Conditions					
Borrower: Republic of Nicaragua Executing agency: Instituto Nicaragüense de Turismo [Nicaraguan Tourism Institute] (INTUR)			Source of financing::	OC	FSO
			Amortization period:	30 years	40 years
			Grace period:	6 years	40 years
Source	Amount (US\$ million)	%	Disbursement period:	5 years	5 years
IDB (Ordinary Capital)	5.0	38.5	Interest rate:	SCF-Fixed	0.25%
IDB (FSO)	5.0	38.5	Inspection and supervision fee:	*	NA
Local	3.0	23.0	Credit fee:	*	NA
Total	13.0	100.0	Currency:	US\$	US\$
Project at a glance					
<p>Project objective/description: The objective of the program is to enhance the role of tourism in the socioeconomic development of Nicaragua. The purpose is to increase the revenues and jobs generated by the tourism sector in the intervention areas through the consolidation of their tourism offerings.</p> <p>Special contractual clauses: (a) Special conditions precedent to the first disbursement: (i) an agreement between the Ministry of Finance, representing the borrower, and INTUR, as the executing agency, will have been signed and in force, establishing the terms under which loan proceeds will be transferred as well as the other execution obligations of the parties (paragraph 3.1); (ii) the staff that will make up the program coordination team in INTUR's Tourism Projects Division will have been selected and the staff within INTUR who will have responsibility for participating in program execution, in terms previously agreed upon with the Bank, will have been appointed (paragraph 3.2); and (iii) the program's Operating Regulations have been approved and entered into force, in terms previously agreed upon with the Bank (paragraph 3.5). (b) Special advance against the first disbursement: In order to facilitate fulfillment of the conditions precedent to the first disbursement, the Bank may make an advance of the financing against the first disbursement for an amount equivalent to up to US\$250,000, upon fulfillment of the conditions precedent specified in Articles 4.01(a), (b), and (d) of the General Conditions of the loan contract (paragraph 3.6).</p> <p>Special execution conditions: (i) in order for the program to finance an intervention in the jurisdiction of a sector or local entity, the borrower, through the executing agency, must have previously signed a framework agreement with that entity, in which they agree to the obligations of the parties during execution, including the modalities and conditions for transferring the goods and services acquired by INTUR to the sector or local agencies to carry out the specific intervention involved (paragraph 3.4); (ii) in the specific case of an intervention in the jurisdiction of a local entity, before the program can finance the intervention, the borrower, through the executing agency, will have previously initiated that entity's institutional strengthening activities for tourism management (paragraph 3.4); (iii) in the specific case of the intervention related to the "Southern Pacific Coast Scenic Road," prior to initiating any bidding process for works related to that intervention, the borrower, through INTUR, will provide evidence that the El Naranjo-El Ostional road has been rehabilitated (paragraph 3.4); and (iv) in the specific case of the interventions related to the "El Naranjo Border Station Welcome Center," prior to the initiation of any bidding process for works related to that intervention, the borrower, through INTUR, will provide evidence that the site has previously been recognized as a border station (paragraph 3.4).</p>					
<p>Exceptions to Bank policies: None.</p>					
<p>Project consistent with country strategy: Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]</p> <p>Project qualifies as: SEQ [<input type="checkbox"/>] PTI [<input checked="" type="checkbox"/>] Sector [<input type="checkbox"/>] Geographic [<input checked="" type="checkbox"/>] Headcount [<input type="checkbox"/>]</p> <p>Procurement: All program procurement will follow Bank policies and procedures as established in documents GN-2349-7 and GN-2350-7. No exceptions to Bank policies are anticipated.</p>					

* The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provisions of the Bank's policy on lending rate methodology for Ordinary Capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

I. DESCRIPTION AND RESULTS MONITORING

A. Tourism in Nicaragua

- 1.1 **Current context.** Tourism is one of Nicaragua's principal sources of foreign exchange. Revenues from inbound tourism have tripled since 1998, accounting for one fourth of total exports in 2009. Between 2000 and 2007, tourism was the country's largest generator of foreign exchange, ahead of coffee, its traditional main export crop. In that same year, the tourism sector accounted for 5.1% of GDP and generated US\$345.9 million in foreign exchange as it received 931,904 international tourists.¹ The average annual rate of increase in volume of foreign tourist arrivals² during the 2001-2008 period was 9%, well above the world average³ of 4%. The rate for 2009 was 8.6%, despite marked declines experienced in many countries and regions of the world as a result of the global economic crisis.
- 1.2 **Challenges.** Despite this growth and its significance in the balance of payments (tourism brought in a surplus of US\$199.4 million in 2009), these figures have limited impact. The fact that Nicaragua earns only 3.8% of the total inbound tourism revenue in Central America is evidence of its poor performance and lack of development in the sector. According to the [Travel and Tourism Competitiveness Report of the 2009 World Economic Forum](#), Nicaragua ranked 103 out of 133 countries, and had a similar ranking in 2008. To raise the sector's ability to position itself internationally and generate revenue, the Nicaraguan government will need to meet the following challenges, presented in order of importance based on results sought (for further details, see the [Nicaraguan Tourism Sector Assessment](#) performed during the program preparation phase):
- a. **Underdeveloped tourism offerings.** Tourism offerings in Nicaragua are less specialized than those of their Central American and Caribbean competitors. The country lacks widely known iconic sites such as La Antigua and Tikal in Guatemala, the national parks of Costa Rica, or the Canal and the Free Trade Zone in Panama City.⁴ Nicaraguan tourism is heavily concentrated geographically and thematically, with Managua and its surrounding area accounting for nearly two thirds of the lodging capacity and half of new investments approved during the past year devoted to high-density sun-and-sand and business tourism. As a result of this underdeveloped supply, tourism demand has been concentrated in market segments with low profitability. In 2009, only 40% of tourists who traveled to Nicaragua were there on vacation.⁵

¹ Cuenta Satélite de Turismo [Tourism Satellite Account] of the Central Bank of Nicaragua.

² Instituto Nicaragüense de Turismo [Nicaraguan Institute of Tourism] (INTUR).

³ United Nations World Tourism Organization (WTO).

⁴ "Estudio de Imagen y Posicionamiento del destino de Centroamérica en Europa" 2008 [Study of Central America's image and ranking as a destination in Europe] 2008, Secretaría de Integración Turística Centroamericana [Central American Tourist Information Secretariat] (SITCA).

⁵ Vacation visits are associated with greater use of tourism services (hotels, tours, guides, etc.) and spending propensity. The remainder of visits to Nicaragua are related to family, work, and religious solidarity visits. This is consistent with the fact that only 47.6% of tourists use hotel accommodations.

They generated an average revenue per visit of US\$325, the lowest in Central America, as compared with US\$1,107 in Costa Rica or US\$1,122 in Guatemala, for example, and 50% lower than Honduras, the country closest in volume of inbound tourists. Furthermore, the demand comes mainly from Central America, which generates 61.3% of inbound tourism.⁶ This situation raises the sector's vulnerability to potential changes in consumption in those countries and means dependence on travelers from a relatively poor region whose principal reason for travel is unrelated to vacations or leisure. To date, the degree of penetration in new demand segments of interest based on Nicaragua's potential is very low. Most of the potential European market does not associate Nicaragua with any specific type of tourism, and the value of its few recognized products was rated medium-low compared with other Central American countries.⁷ The situation is likely to continue unless changes or improvements are made in the supply to meet nonregional international demand.

- b. **Weak national tourism administration.** The Nicaraguan Tourism Institute (INTUR), the sector's lead agency, has insufficient technical competencies or resources to effectively carry out its role as the country's tourism regulatory and promotional agency, especially at the subnational level. This weakness is more marked at the local level in the case of the municipal administrations, which results in poor coordination and ineffective institutional action in tourist areas. The fundamental implications of this situation are reflected in: (i) limited capacity for establishing an effective quality management system in Nicaragua, where only 64% of all registered tourist establishments are rated⁸; (ii) insufficient knowledge of the market, because the national tourism statistics system does not provide sufficient data broken down at the local level to identify trend patterns in supply and demand; and (iii) weak promotion of the country brand in generating markets, with lack of tools to monitor and evaluate the effectiveness of actions taken, and lack of positioning in target markets. In this case, 28% of potential U.S. travelers to Central America showed interest in visiting Nicaragua, the second lowest interest level for Central America, only ahead of El Salvador, and only 9% had any knowledge of its tourism offerings.⁹ These weaknesses continue to limit the tourism administration's capacity to make appropriate decisions.

⁶ This figure even exceeds 70% of inbound tourism if we include Nicaraguan emigrants and those naturalized abroad who visit the country mainly for family reasons.

⁷ "Estudio de Imagen y Posicionamiento del Destino de Centroamérica en Europa" 2008 Secretaría de Integración Turística Centroamericana [Central American Tourist Information System] (SITCA).

⁸ Inventario de Establecimientos turísticos 2009 [Inventory of Tourist Establishments 2009], Central Bank of Nicaragua.

⁹ Oportunidades de Turismo de Nicaragua en EE.UU [Opportunities for Nicaraguan Tourism in the U.S.], 2008 INTUR

- c. **Weak private tourism sector.** The private sector suffers from poor organization, especially among local micro, small and medium-sized enterprises (MSMEs), whose problems lie in the areas of productivity and quality. Although 30% of the lodging supply is highly rated,¹⁰ it is concentrated in Managua. In some of the most-visited destinations, such as Granada and Masaya, only 25% and 12% of the lodging, respectively, is regulated and rated 3 stars or higher, while in others, such as the island of Ometepe, it is practically nonexistent. The fundamental reasons for this situation are limited access to market information, preinvestment and investment resources, training, new technologies, and innovation, which makes it difficult to improve knowledge on how the tourism market operates or to have external benchmarks for tailoring services to international tourism standards.

B. The Bank's activities in the sector and lessons learned

- 1.3 The Bank began long-term support for the Nicaraguan tourism sector in 2005, through its program entitled "Support for Implementation of the National Development Plan" (1702/SF-NI). The objective of the program is to boost the competitiveness of the country's principal productive clusters through infrastructure improvements, production support activities, preinvestment, and institutional support. The operation includes a component for support to the tourism cluster, for which INTUR serves as the executing agency. The component is receiving US\$15.7 million in Bank financing (39% of the total), of which US\$6.1 million (39%) has been executed, to develop tourism along the Ruta del Agua in the department of Río San Juan. The principal outputs so far are: improvements to the boardwalk, dock and airfield at San Carlos; three tourist information centers and three migration posts built; tourist signage along the route implemented; 80% of MSMEs in the area of influence trained; marketing plan for tourism along the route prepared; and INTUR provided with tools to develop and monitor administrative, financial, and asset control plans and manuals. With 56% of the loan resources disbursed, the program has an expected completion date of June 2012.
- 1.4 Based on the Bank's cumulative experience in this and other tourism programs in the region and the various evaluations conducted, Table I-1 shows the principal lessons learned and how they have been integrated into the design of the proposed operation.

¹⁰ 4 and 5 stars.

Table I-1. Integration of lessons learned	
Lesson learned	Integration in program design
Tourism programs should adhere to a strategic development model that targets destinations and products that can compete successfully in the market.	The program has adopted a demand-based approach, recognizing that the market ultimately determines the level of success of the tourism product. To that end, a market study was conducted to identify target tourist destinations, high-priority tourism product lines for each destination, and demand segments where it would be advantageous to compete, thus creating a clear strategic vision for prioritizing the proposed program investments.
The development of tourism destinations and related products hinges on improvements in tourism offerings, and on the strengthening of the institutions involved in sector planning and management.	The program interventions hinge on two components: (i) development of strategic tourism offerings through the development of tourism resources that are public goods; and (ii) Institutional strengthening through improvements in capabilities of the tourism administrations. A third component, support for the private sector, will supplement the activities in the chosen destinations.
Institution-strengthening should be implemented on both the national and local levels. A balance is needed to ensure orderly land use and to allow for the long-term sustainability of the destinations, since tourist consumption takes place on a local or subnational scale.	The institutional strengthening component will continue to boost the capabilities of INTUR, already begun under loan 1702/SF-NI, at the central level as well as in the decentralized offices at the target destinations. The component will also strengthen the departmental and municipal tourism administrations at those destinations.
Given the multisectoral and cross-cutting nature of tourism, efforts should be made to ensure participation and consensus-building with all the stakeholders so as to ensure successful development of the sector.	The program investments are consistent with the guidelines and priorities of the National Tourism Plan, prepared in collaboration with the public and private agencies involved. A local participatory planning process was also implemented during the project preparation phase, on the basis of consultations with the departments, municipalities, tourism associations, and civil society at the target destinations, to validate the types of tourism activities and development that would receive program support. The proposed execution plan will retain these same levels of coordination.
Tourism development should include a genuine environmental commitment at both the planning and investment levels.	The program was designed on the basis of guidelines from a Strategic Environmental Assessment, and the recommendations from the Social and Environmental Management Plan have been incorporated into the program. In addition, investments in works include environmental impact studies, supervision of construction firms, and environmental audits, when needed. Lastly, activities associated with development of strategic tourism offerings and institutional strengthening components include specific measures for preservation and sustainable use of the natural and cultural resources of importance to tourism, and for strengthening INTUR's environmental management unit.

- 1.5 The government's strategy in the sector.** The Nicaraguan government's National Human Development Plan recognizes tourism as one of the country's principal engines of economic progress and foreign exchange earnings, as well as a prime means of wealth distribution and poverty reduction. To foster this role in socioeconomic development, the government is making efforts to promote and

diversify tourism offerings, facilitate investment in tourism companies and services, and push for decentralized management with the subnational administration. As part of its commitment to sector development, however, the government needs to first identify the tourism destinations and products that can be successfully positioned in the markets, and in which to concentrate its own efforts and international cooperation going forward.

- 1.6 In that regard, INTUR developed initiatives that played a subtle role in laying the foundation for a national tourism strategy to prioritize destinations and products. Of particular note, in 2002 it promoted the Nationwide Tourism Management Plan (PNOTT), which was executed in four phases: (i) special tourism planning and development zones] (ZEPTs); (ii) geographic information system; (iii) tourism routes; and (iv) local decentralized management. The PNOTT identified 144 ZEPTs scattered throughout the national territory, and cooperation was obtained on: (i) the Ruta del Agua, which received US\$15.7 million in Bank financing under loan 1702/SF-NI; and (ii) the Ruta del Café, financed by the Government of Luxembourg in the amount of US\$5 million.
- 1.7 INTUR, with support from technical-cooperation operation ATN/FG-11562-NI, and financed with nonreimbursable resources from the Spanish General Cooperation Fund, is presently updating the [Nicaraguan National Tourism Plan](#) (PNTN) with a market-based focus. The outputs of the plan include: (i) a competitive assessment of the sector at the national level; (ii) prioritization of tourist destinations and products in Nicaragua, based on market expectations and requirements; (iii) identification of an overall long-term national strategic vision, principal development objectives, and strategic intervention guidelines for achieving those objectives; and (iv) the [Destination Tourism Development Plan](#) (PDTD) for the southern Pacific region, identified as a priority.

C. Program design

- 1.8 The proposed program will continue the Bank's support for the tourism sector in Nicaragua by helping to implement the first phase of the PNTN. To ensure program efficiency and effectiveness, the operation will focus on support for tourist destinations and products that have strategic value for the country, chosen for their high competitive potential. To that end, the program design hinges on the four outputs of operation ATN/FG-11562-NI (paragraph 1.7) that paved the way for identification of the destinations and products on which short-term efforts need to be concentrated, in light of their capacity for positioning themselves in the global marketplace and for attracting higher-spending, longer-staying demand segments. Based on the results of those outputs, the program activities will focus on two destinations in the southern Pacific region: (i) San Juan del Sur, for low-density sun-and-sand products with an ecotourism undertone, owing to the quality of its beaches, scenery, and coastline; and (ii) Granada, for cultural tourism products, because it has a rich, lively culture and is one of the oldest, most well-preserved colonial cities in Latin America. Both destinations have great potential for attracting highly profitable foreign-tourist market segments that will promote qualitative as

well as quantitative sector growth. These destinations are presently very underdeveloped, however, so the program will seek to improve the sector's performance indicators in order to confirm them.

- 1.9 The investments and guidelines for intervention at the two destinations have become more definite and been validated in a comprehensive participatory planning process with INTUR and the local public and private stakeholders, which resulted in a PDTD. In recognition of the lessons learned, the investments were organized around comprehensive activities to develop the public tourism offerings. These activities range from development of tourism planning tools and detailed designs to implementation of activities to restore the attractions, outfitting of facilities and equipment for tourism, and interpretation and management of resources. These activities are supplemented with investments to help organize the business chain, and improve public management on the part of INTUR and the destination municipalities.
- 1.10 The program seeks a sustainable increase in tourism industry revenues, based on recognizing that the tourist destinations with the greatest capacity for global marketplace positioning are also the ones that have considerable carryover to other areas of the country that have less potential on their own but that offer opportunities for development as a complement to the other destinations. The two chosen destinations can act as a promoter of regional development and spread some of the flow of foreign tourism to other destinations where efforts are under way, such as the Ruta del Agua and the Ruta del Café.
- 1.11 **Country strategy.** The proposed program is consistent with the priorities established in the Bank's Country Strategy with Nicaragua 2008-2012 (document GN-2499). The program is in line with Strategic Objective IV, "Productive Development," and Line of Activity IV.3 "Tourism Development," which seeks to boost competitiveness, raise the supply of exportable goods, and diversify the economy by developing Nicaragua's tourism potential. The program will be directly instrumental in increasing economic activity in the tourism sector—the indicator established in the Country Strategy—through the development of tourism offerings that are important for international tourism consumption.
- 1.12 The program is consistent with the Bank's target of poverty reduction and increased equity, since its interventions are focused on geographic areas where the human development indexes are below the national average.
- 1.13 The program is also consistent with the sector priorities of environmental protection, response to climate change, promotion of renewable energy, and food security, established in the Ninth General Increase in the Bank's Resources (document AB-2764), since the operation includes features in response to climate change. In particular, it includes investments for sustainable management of tourist areas along the coast, promotion of the use of renewable energy and energy efficiency in the sector, and institutional strengthening for environmental sustainability of tourism development. The program will play a role in achieving

the target of protected terrestrial and coastal areas established in the Results Framework 2012-2015 of the above-mentioned report.

- 1.14 **Coordination with other donors.** The program was designed in coordination with the preparation of European Union and Spanish Agency for International Development Cooperation projects, which are also helping the PNTN to develop cultural and rural tourism modalities along the Ruta Colonial and the Ruta de los Volcanes. INTUR will keep close contact with these international entities during the program execution phase.

D. Objectives, components, and costs

- 1.15 The objective of the operation is to enhance the role of tourism in socioeconomic development, while helping to improve the quality of life of the people of Nicaragua and reducing poverty. The purpose is to increase the revenues and jobs generated by the tourism sector in the two target areas, San Juan del Sur and Granada, through the consolidation of their tourism offerings.
- 1.16 The program is organized into three components: (i) development of strategic tourism offerings; (ii) support for the local private tourism sector; and (iii) institution-strengthening.
- 1.17 **Component 1. Development of strategic tourism offerings (US\$8.48 million).** This component is aimed at enhancing both low-density sun-and-sand tourism and ecotourism in San Juan del Sur, and cultural tourism offerings in Granada. It includes the following planning activities: (i) land management and urban planning along the coastline, incorporating considerations of adaptation to climate change and management of natural disasters in coastal areas; and (ii) creation and implementation of tools for sustainable management of beaches. The component also includes the following investments to develop tourism resources: (i) a themed cultural and leisure center at Bahía de San Juan del Sur; (ii) restoration and improvement of the coastal promenade at San Juan del Sur; (iii) upgrading of an existing coastal road as a scenic coastal nature route for tourism (with scenic overlooks, signage, bicycle paths, pedestrian walkways, and interpretive centers); (iv) reconstruction of the legendary Ruta del Oro between San Juan del Sur and La Virgen, with replicas and interpretation of the principal features, both tangible and intangible; (v) restoration of the historic center of Granada, by improving and expanding the current small tourist corridor to new areas with lighting, street furniture, signposting, museums, and other amenities; and (vi) upgrading of the boardwalk and small docks in Granada that serve as points of departure for tours to Lake Nicaragua.
- 1.18 **Component 2. Support for the local private tourism sector (US\$0.75 million).** This component will provide support for optimizing the tourism production chain in San Juan del Sur and Granada, by improving business performance and the quality of tourism services. In alignment with Component 1, the beneficiary MSMEs will be those involved in providing services for the highest-priority types of tourism (low-density sun-and-sand tourism, ecotourism, and cultural tourism). The

component includes: (i) human resources skills-building; (ii) technical assistance and training to improve the quality of service to tourists; (iii) technical and legal assistance for access to alternative financing sources, innovation, and clean technologies, including promotion of renewable energy and energy efficiency in service delivery; and (iv) promotion of experience-sharing and dissemination of best practices.

- 1.19 **Component 3. Institution-strengthening (US\$1.86 million).** This component focuses on INTUR and the municipalities that encompass the destinations of San Juan del Sur and Granada. The purpose is to build capacity for effective, efficient planning and management of sustainable tourism development. The component includes: (i) redesign and updating of the system of registration, rating, control and inspection of tourism businesses; (ii) strengthening of the national tourism statistics system; (iii) updating of the sector's regulatory framework, including environmental standards and tourism incentives for private investment; (iv) improvement and outfitting of the project-coordination and environmental management units of INTUR, and of the decentralized offices in San Juan del Sur and Granada; (v) strengthening of the network for tourist information and assistance at destination; (vi) training of public tour managers for INTUR and the municipalities; (vii) design and implementation of a system to evaluate the effectiveness of promotional activities; and (viii) preparation and implementation of marketing plans to promote the country brand and the products supported by Components 1 and 2.

E. Key outcome indicators

- 1.20 The principal benefits of the program are related to the increased contribution of the tourism sector to the national economy and social well-being. The outcomes attributable to the program are: (i) increased tourism spending; and (ii) increased formal employment in the sector.
- 1.21 The Results Framework (Annex II) presents details of outcome and output indicators, with their respective intermediate and final targets.

II. FINANCING STRUCTURE AND RISKS

A. Financing instrument

- 2.1 The program is designed as a specific investment project with a total cost of US\$13 million. The Bank will finance US\$10 million (77%), of which US\$5 million will be drawn from the resources of the Single Currency Facility of the Bank's Ordinary Capital (OC) and the other US\$5 million from the Fund for Special Operations (FSO). The local counterpart resources equivalent to US\$3 million (23%) will be contributed by the Nicaraguan government.

Table II-1. Program Cost and Financing (in millions of U.S. dollars)				
Investment component	IDB	Local counter-part	Total	%
I. Administration, supervision, and monitoring	0.3	0.4	0.7	5.4
II. Direct costs	8.5	2.6	11.1	85.3
2.1 Development of strategic tourism offerings	6.76	1.72	8.48	65.3
2.2 Support for the local private tourism sector	0.5	0.25	0.75	5.8
2.3 Institution-strengthening	1.24	0.62	1.86	14.3
III. Financial costs	0.75	0	0.75	5.8
IV. Other costs	0.45	0	0.45	3.5
4.1 Audits	0.1	0	0.1	0.77
4.2 Monitoring and evaluation	0.35	0	0.35	2.70
Total	10.0	3.0	13.0	100
Percentage	77	23	100	

- 2.2 The program execution period will be five years. For disbursement purposes, a preliminary financial program has been set up for estimating the following flow of funds:

Table II-2. Disbursement schedule (in millions of U.S. dollars)							
Source	Year 1	Year 2	Year 3	Year 4	Year 5	Total	%
IDB	1.58	2.47	2.50	2.03	1.42	10.0	77
Local	0.32	0.75	0.98	0.68	0.27	3.0	23
Total	1.90	3.22	3.48	2.71	1.69	13.0	100

B. Technical and economic viability

- 2.3 **Technical viability.** With Bank support, INTUR prepared the technical studies for the program design through operation ATN/FG-11562-NI, which in addition to the outputs mentioned above (paragraph 1.7) includes: (i) the program's Operating Regulations; (ii) terms of reference for bidding processes for the principal investments in the first 18 months, commissioning of the program baseline and inputting of data for the monitoring system; (iii) technical briefs for all program investments; (iv) technical design studies for a representative sample of investments; (v) detailed budgets by component and source of financing; and (vi) work plan for the five years of execution.
- 2.4 **Economic viability.** The program seeks to increase tourism revenues on a sustainable basis at destinations that need to be reinforced. In so doing, the proposed program investments are expected to act as engines of regional economic development by creating jobs and generating income for the local population. To estimate the full range of direct and indirect socioeconomic benefits envisioned under the program at the destinations of San Juan del Sur (including the municipios of San Juan del Sur, Tola, Rivas, and Cárdenas) and Granada (including the

municipio of Granada), a simulation methodology based on a sector microeconomic approach was used. The economic evaluation of the project was based on the marginal deviations from the trend (baseline without the project) compared with scenarios with the project. The description of the methodology, cost-benefit calculations, and sensitivity analysis are presented in the [Economic Evaluation of the Program](#). Under the most conservative scenario, the program has a net present value of US\$45.9 million, based on a discount rate of 12% and an internal rate of return of 37.6%.

C. Environmental and social safeguard risks

- 2.5 This operation is classified as “C” under the Bank’s Environment and Safeguards Compliance Policy guidelines (OP-703), in view of the small scale of the investments and the minimal impact of the project. A [Strategic Environmental Assessment](#) Strategic Environmental Assessment was conducted during the preparation phase and included an analysis of the legal and institutional framework and the positive and negative direct and indirect impacts. This analysis was the basis for the design of an Environmental and Social Management Plan, which will be supplemented by other plans, including land use that take into account the management of risks associated with natural disasters and adaptation to climate change for each destination (paragraph 1.13). The plan has been integrated into the three program components and resources are earmarked for management, preservation, and environmental safeguards, including institutional strengthening of INTUR’s environmental management unit. The planning, design and execution of program investments will adhere to the requirements and guidelines established in the Environmental and Social Management Plan attached as an annex to the program’s Operating Regulations, which consolidates the instructions and requirements of the Bank’s policies applicable to this operation (OP-703, OP-710, OP-765, OP-704, and OP-102), as well as the specific requirements for works in the technical annexes to the program’s Operating Regulations (paragraph 3.5).

D. Fiduciary risks

- 2.6 During preparation of the program, the institutional capacity of INTUR was evaluated using the [Institutional Capacity Assessment System \(ICAS\)](#) and a [Specific Evaluation of Procurement](#) in terms of the following systems: program planning and organization, management, and control. The risk level determined in the evaluation of these three systems was classified as low. This level of risk acknowledges INTUR’s prior experience in the co-execution of operation 1702/SF-NI. The recommendations in the evaluations confirm that the identified risks can be mitigated by: (i) training for the executing agency in the accounting, administrative, and financial procedures required by the Bank; and (ii) specification of provisions in the program’s Operating Regulations for financial-administrative, accounting, and disbursement controls, settlement of expenditures and payments, and auditing. In addition, the switch to ex post review of disbursements will be delayed because of existing minor issues regarding financial administration and

control that will improve after the implementation of the program's Operating Regulations has been consolidated.

- 2.7 **Auditing.** The program will have periodic internal and external audit supervision. INTUR has a specific internal auditing unit that operates under the authority of the INTUR board of directors. In addition, INTUR will draw on the loan resources to hire the services of an independent auditing firm to perform the annual external audit of the program's financial statements. This procurement will be carried out according to the terms of reference approved by the Bank and the policies for the selection and contracting of auditing firms (OP-273-1). The annual report of the external audit is required to be submitted to the Bank each year within four months after the close of the fiscal year. The program will also be subject to audits by the Comptroller General of the Republic of Nicaragua upon its request.

E. Other risks

- 2.8 The program may present other risks of a technical and operational nature in regard to matters related to execution in Nicaragua. The recommendations from the [risk analysis and the mitigation plan](#) were incorporated into the design and cost of the program.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Program execution and administration

- 3.1 The borrower will be the Republic of Nicaragua, and the executing agency will be INTUR. **The signature and entry into force of an agreement between the Ministry of Finance, representing the borrower, and INTUR, as the executing agency, establishing the terms under which loan proceeds will be transferred as well as the other obligations of the parties during execution will be a special condition precedent to the first disbursement.**
- 3.2 INTUR, through its Tourism Projects Division, will have full responsibility for program administration, supervision, and evaluation. Its responsibilities will include: (i) executing the program in accordance with the contractual conditions; (ii) requesting disbursements from the Bank and coordinating, implementing, and monitoring the activities; (iii) planning, preparing, and organizing the work plans and program activities; and (iv) preparing all required reports. To fulfill these duties, the Tourism Projects Division will have support from a program coordination team, which will consist of at least one general coordinator (a professional experienced in project planning and management, who will report directly to the head of the Tourism Projects Division), a procurement specialist, an administrative-financial specialist, and a program delegate for San Juan del Sur and Granada, respectively, who will report to the general coordinator. This team will support INTUR's staff professionals in the various units, including the Financial Administration Division, involved in program execution, which will share responsibility for execution in the following areas: (i) technical aspects of the

- activities; (ii) planning and control; and (iii) fiduciary management, procurement, and contracts. The profiles, responsibilities, tasks, and relationships of the INTUR permanent staff and the program coordination team will be delineated in the program's Operating Regulations. **The selection of the staff that will make up the program coordination team in INTUR's Tourism Projects Division and the appointment of the staff at INTUR who will have responsibility for participating in program execution, in terms previously agreed upon with the Bank, will be a special condition precedent to the first disbursement.**
- 3.3 For program investments that involve other entities in the tourism sector, such as the Ministry of the Environment and Natural Resources (MARENA), the Ministry of Interior, the Nicaraguan Institute of Culture, and the National Port Authority, INTUR will receive support from those institutions, formalized through a framework agreement with the respective sector entity (paragraph 3.4). No resources are expected to be transferred to those institutions. For the works under municipal jurisdiction, INTUR will receive support from the municipalities, which will be formalized through a framework agreement with the respective local entity (paragraph 3.4). The municipalities will have the following responsibilities: (i) own the land where the works will be executed; (ii) work together to obtain the authorizations and permits and make the other local arrangements that the investments require; (iii) express their nonobjection to the implementation of works and services in their jurisdictions; (iv) allow INTUR, construction firms, external auditors, and the Bank to freely access the construction areas during program execution; and (v) properly operate and maintain the works in their jurisdictions according to generally accepted technical standards, and report on their status annually to INTUR. The participating municipality will prepare the works maintenance plan and demonstrate that it has sufficient financial capacity to assume the annual costs of its operation and maintenance.
- 3.4 For the program to be able to finance an intervention within the scope of the jurisdiction of a sector or local entity, the framework agreement with that sector or local entity will have been previously signed, in which the parties' obligations for execution are agreed upon, including the methods and conditions of transfer of the goods and services acquired by the executing agency for the sector entity to carry out the specific project involved. In the specific case of an intervention in a local entity's jurisdiction, before the program can finance that intervention, that entity's institutional strengthening activities for tourism management will have been previously initiated. In the specific case of interventions related to the "Southern Pacific Coast Scenic Road," before beginning any bidding process for works in that intervention, presenting evidence that the El Naranjo-El Ostional road has been rehabilitated will be a prior requirement; in the specific case of interventions related to the "El Naranjo Border Station Welcome Center," before the start of any bidding process for works in that intervention, presenting evidence that the site has been previously recognized as a border station will be a prior requirement.

- 3.5 **Program Operating Regulations.** Program execution will be governed by the program's Operating Regulations, which establish the rules and procedures for the executing agency, municipalities, and other participating entities. The regulations also specify the means of execution of the three program components and the procedures for environmental sustainability of the proposed interventions that require them. Any substantial modification of the Operating Regulations must be agreed upon with the Bank. **The approval and entry into force of the program's Operating Regulations, in terms previously agreed upon with the Bank, is a special condition precedent to the first disbursement.**
- 3.6 Special advance. In order to facilitate fulfillment of the conditions precedent to the first disbursement, the Bank may make an advance of the loan against the first disbursement for up to US\$250,000 equivalent, upon fulfillment of the conditions precedent specified in Article 4.01(a), (b), and (d) of the General Conditions of the loan contract.

B. Procurement

- 3.7 INTUR and the Bank agreed to a procurement plan for the five years of program execution (Annex III). Goods, works, and services using program resources will be procured in accordance with Bank policies (documents GN-2349-7 and GN-2350-7), and supervision will be performed ex ante until such time as the Bank authorizes the use of an ex post modality, as specified in the plan and recommended by the Institutional Capacity Assessment System (paragraph 2.6). INTUR will update the plan on an annual basis or whenever substantial changes are made. Any revision of the procurement plan must be agreed upon with the Bank.

C. Monitoring and evaluation plan

- 3.8 **Monitoring.** The program has a [monitoring and evaluation plan](#). Within 60 days after the end of each six-month period for the duration of the program, INTUR will send the Bank a consolidated monitoring report of progress on program activities, using the project monitoring tools developed under loan 1702/SF-NI (paragraph 1.3). The reports will focus on attainment of the output indicators and progress made on outcomes specified in the Results Framework. They will also analyze any problems encountered and discuss the corrective measures adopted. The second semiannual report of each year will also include the annual work plan (AWP) for the following calendar year, with disbursement projections and an updated procurement plan. Any adjustments to the program arising from the discussion of these reports will be agreed upon with the Bank at the respective semiannual meetings with INTUR.
- 3.9 **Evaluation.** As part of program evaluation, INTUR will present a preliminary evaluation report to the Bank 18 months after the effective date of the loan contract. It will also present a midterm evaluation report 90 days after the date on which 50% of the loan resources have been committed, and a final evaluation report 90 days after the date on which 90% of the loan proceeds have been disbursed. These reports will include: (i) an analysis of the program's financial execution, by

component and source of financing; (ii) progress towards attaining outputs, outcomes, and impacts indicated in the Results Framework, and the results of a comparative analysis with the program baseline; (iii) effectiveness in implementing the Operating Regulations; (iv) level of compliance with the contractual clauses; and (v) summary of the results of program audits of financial statements, procurement processes, disbursement requests, and internal control systems. The final evaluation report will also include the score of the impact of the proposed program, in accordance with the agreed [Evaluation Plan](#).

- 3.10 The program provides resources for the evaluations, which will be conducted independently, preferably by tourism specialists, and commissioned by the executing agency using loan proceeds. The reports, including supporting documentation and statistical data, will be kept available for an ex post evaluation, should the borrower or the Bank decide to conduct one after program completion. The program includes funding for strengthening the national tourism statistics system, and in particular for conducting annual surveys to gather the basic information needed to formulate tourism aggregates for the target areas.

Development Effectiveness Matrix Summary

Indicator	Score	Maximum Score
I. Strategic Relevance	High-Low	
1. IDB Strategic Development Objectives	5.5	10
Country Diversification	2.0	2
Corporate Initiatives	2.5	2.5
Harmonization and Alignment	0.0	3.5
Beneficiary Target Population	1.0	2
2. Country Strategy Development Objectives	3.6	10
Country Strategy Sector Diagnosis	0.0	6
Country Strategy sector objective & indicator	3.6	4
II. Development Outcomes - Evaluability	Highly Satisfactory	
3. Evidence-based Assessment & Solution	9.3	10
4. Evaluation & Monitoring Plan	9.3	10
5. Cost-Benefit or Cost-Effectiveness	10.0	10
6. Risks & Mitigation Monitoring Matrix	10.0	10
III. IDB's Role - Additionality		
7. Additionality	10.0	10
Technical Assistance provided prior the project	3.0	3
Improvements in management of financial, procurement, monitoring or statistics internal controls	4.0	4
Improvements in environmental, health and labor performance	3.0	3

I. Strategic Relevance: This operation is implemented in Nicaragua, a country group C in Central America. By including a focus on poorer regions of Nicaragua and trying to extend the benefits of tourism outside of the main cities of that region, it is geographically targeting poverty. Through the promotion of natural resource-based tourism and the investments needed for such tourism, it is linked to the Bank's Climate Change initiative. Although the Country Strategy does not include a specific diagnosis of the sector, the program is aligned with the Country Strategy sector objectives and the specific investments are linked to an empirically-based tourism sector note written for Nicaragua.

II. Evaluability: The program has a good diagnosis which identifies main deficiencies and their magnitudes. There is a monitoring plan which identifies responsibilities, means of verification and frequency of measurement for each and every indicator. The results matrix includes indicators of direct employment in the tourism sector and tourism receipts. The impact evaluation will also measure income gains and indirect employment generation stemming from tourism (which is not included in the Results Matrix). An evaluation plan is included that follows the plans of similar tourism projects and represents the best practice for conducting evaluations of tourism projects. There is a cost-benefit analysis that uses a social accounting matrix to calculate the benefits of the program and provides a reasonable estimate of overall benefits which exceed project costs. The program is rated C for risks. It has identified the principal environmental and social risks, as well as mitigation measures required.

III. Additionality: The program is expected to greatly improve the tourism planning process through strengthening the capacity of the government to plan using an analytical framework. The program is also expected to improve tourism data collection and analysis.

RESULTS FRAMEWORK

Objective: Enhance the role of tourism in the socioeconomic development of Nicaragua, while helping to improve the quality of life of the population and reducing poverty.

Purpose: Increase the revenues and jobs generated by the tourism sector in the two intervention areas, San Juan del Sur (SJS) and Granada (G), through the consolidation of their tourism offerings.

See the optional electronic link [Detailed results framework](#).

Outcome indicators	Baseline (2010)	Target	Comments
Increase in average daily spending per foreign tourist	SJS: US\$50.7	US\$ 69.0 (+36.1%)	This increase is the result of a 6.2% average annual increase in inbound tourism on the southern Pacific coast from 2011 to 2015.
	G: US\$60.9	US\$76.9 (+26.3%)	
Increase in the number of formal tourism jobs	SJS: 1,148 jobs	2,540 jobs (+121.3%)	A substantial increase in jobs can be expected as a result of growth in inbound tourism; a slight increase in the jobs/foreign tourist ratio is also expected.
	G: 1,705 jobs	3,343 jobs (+96%)	

Outcome/Output by component	Current situation	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
Component 1. Development of strategic tourism offerings									
OUTCOME									
1. Foreign tourists stay longer while visiting destinations	The current average hotel stay is 8.43 nights in the southern Pacific region. The objective is to achieve an average stay similar to that of Central America.	Average hotel stay per foreign tourist	8.5	8.7	8.8	8.9	9.0	9.0 (0.5 nights)	<u>Measurement frequency</u> Annual. <u>Means of verification</u> Reports of the program coordination team INTUR statistical yearbook <u>Responsible entity</u> Program coordination team (INTUR)

Outcome/Output by component	Current situation	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
2. Percentage of foreign tourists who visit the destinations for leisure increases	Currently 67.53% of tourist arrivals in the region are for vacation or leisure.	% of foreign tourists visiting on vacation.	69.1%	70.6%	72.1%	73.5%	75.0%	75.0%	<u>Measurement frequency</u> Annual. <u>Means of verification</u> Reports of the program coordination team INTUR statistical yearbook <u>Responsible entity</u> Program coordination team (INTUR)
Component 2. Support for the local private tourism sector									
OUTCOME									
1. Formal employment in the private tourism sector increases	SJS: 208	Number of formal tour companies per destination	222	260	302	352	408	408	<u>Measurement frequency</u> Annual. <u>Means of verification</u> Reports of the program coordination team Data on the inventory of tourist establishments of the Central Bank of Nicaragua (BCN) and registration and rating of tourist establishments (INTUR) <u>Responsible entity</u> Program coordination team (INTUR)
	G: 285		315	350	395	445	507	507	

Outcome/Output by component	Current situation	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
2. The quality of tourism services provided increases, taking into account the requirements and standards of international vacation demand.	Currently, SJS and G hotels have no quality management plans.	% of hotels in SJS and G that implement a quality management plan and obtain a quality seal	0%	5%	10%	20%	30%	30%	<u>Measurement frequency</u> Annual. <u>Means of verification</u> Reports of the program coordination team Data on registration and rating of tourist establishments (INTUR) <u>Responsible entity</u> Program coordination team (INTUR)
Component 3. Institution-strengthening									
OUTCOMES									
1. The government's capacity for control and regulation of tourism offerings increases	There are differences between the number of businesses included in the BCN's Inventory of Tourist Establishments and the number that have an INTUR rating. Only 64% of establishments in Nicaragua are rated	Percentage of tourist establishments that are rated	64%	66%	69%	72%	75%	75%	<u>Measurement frequency</u> Annual. <u>Means of verification</u> Reports of the program coordination team Data on registration and rating (INTUR) of tourist establishments <u>Responsible entity</u> Program coordination team (INTUR) Registration (INTUR)

Outcome/Output by component	Current situation	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
2. The government's capacity for serving and informing tourists at the destinations increases on a sustainable basis	Technical and operational weaknesses at the tourist information centers limit their effectiveness as service and information centers	Number of tourists served at the tourist information centers in SJS and G	15,000	30,000	45,000	50,000	60,000	60,000 tourists served per year at tourist information centers in SJS and G	<u>Measurement frequency</u> Annual. <u>Means of verification</u> Reports of the program coordination team Record of activities at the tourist information centers <u>Responsible entity</u> Program coordination team (INTUR)
3. Efficiency of tourism promotional activities undertaken by the government increases	Currently INTUR has no indicators for monitoring and evaluation of resources earmarked for tourism promotion.	Average annual increase in volume of revenues per target generating market, in relation to the promotional budget executed in that market during the period considered	Establishment of baseline ratios market revenues / promotional budget	Monitoring of baseline ratios market revenues / promotional budget	Market revenues / promotional budget ratios increased 15% over Year 1	Monitoring of baseline ratios market revenues / promotional budget	Monitoring of baseline ratios market revenues / promotional budget	Efficiency of public expenditure on tourism promotion increases at least 30% over the figures yielded by the system in Year 1.	<u>Measurement frequency</u> Annual. <u>Means of verification</u> Reports of the program coordination team INTUR budget and data from the measurement system implemented <u>Responsible entity</u> Program coordination team (INTUR)

PROCUREMENT PLAN SUMMARY
(first 18 months of program execution)

Ref. no. ¹	Category and description of procurement contract	Estimated cost of procurement (US\$000)	Procurement method ²	Review (ex ante or ex post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Status ⁴ (Pending, in process, awarded, canceled)	Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract		
1	GOODS										
	1. Outfitting of dock at La Virgen	150	NCB	Ex ante	100%		Yes	October-13	March-14		
	2. Outfitting of Ruta del Oro interpretive center	125	NCB	Ex ante		100%	Yes	October-13	November-14		
	3. Outfitting of El Naranjo border station welcome center	40	NCB	Ex ante	100%		No	November-15	April-16		
2	WORKS										
	1. Upgrading of INTUR project offices	220	NCB	Ex ante	100%		Yes	June-12	June-13		

¹ If groups of similar individual contracts will be executed in different localities or at different times, they may be grouped together in a single category with an explanation in the Comments column indicating the average individual amount and the execution period. For example, for an education project that includes school construction, the item listed as “School construction” would give the estimated total amount of US\$20 million and the following explanation in the Comments column: “This is a group of approximately 200 contracts for school construction at an average cost of US\$100,000.00 each, to be individually awarded by the participating municipalities in the three-year period between January 2006 and December 2008.”

² **Goods and works:** **ICB:** International competitive bidding; **LIB:** Limited international bidding; **NCB:** National competitive bidding; **S:** Shopping; **DC:** Direct contracting; **FA:** Force account; **PSA:** Procurement through specialized agencies; **PAs:** Procurement agents; **IA:** Inspection agents; **PLFI:** Procurement in loans to financial intermediaries; **BOO/BOT/BOOT:** Build, own, operate/build, operate, transfer/build, own, operate, transfer; **PBP:** Performance-based procurement; **PLGB:** Procurement under loans guaranteed by the Bank; **PCP:** Community participation procurement. **Consulting firms:** **QCBS:** Quality- and cost-based selection; **QBS:** Quality-based selection; **FBS:** Selection under a fixed budget; **LCS:** Least-cost selection; **CQS:** Selection based on the consultants’ qualifications; **SSS:** Single-source selection. **Individual consultants:** **NICQ:** Selection based on comparison of national individual consultant qualifications; **IICQ:** Selection based on comparison of international individual consultant qualifications.

³ For new policies, applies to goods and works only. For old policies, applies to goods, works, and consulting services.

⁴ The “Status” column will be used for retroactive procurements and procurement plan updates.

Ref. no. ¹	Category and description of procurement contract	Estimated cost of procurement (US\$000)	Procurement method ²	Review (ex ante or ex post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Status ⁴ (Pending, in process, awarded, canceled)	Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract		
	2. Modification of SJS auxiliary office as tourist information center	70	NCB	Ex ante	100%		No	June-12	June-13		
	3. Modification of Granada tourist information center	50	NCB	Ex ante		100%	No	June-12	June-13		
	4. Construction of dock at La Virgen	200	NCB	Ex ante	100%		Yes	December-12	October-13		
	5. Construction of Ruta del Oro tourist facilities	200	NCB	Ex ante	100%		Yes	December-12	February-14		
	6. Construction of Ruta del Oro interpretive center	300	NCB	Ex ante		100%	Yes	December-12	July-14		
	7. Modification of Granada boardwalk	80	NCB	Ex ante		100%	Yes	January-13	July-14		
	8. Finish Calle de la Calzada-Paseo del Malecón in Granada	740	NCB	Ex ante	100%		Yes	January-13	October-14		
	9. Tourism-related upgrading of Granada Hospital	700	NCB	Ex ante	29%	71%	Yes	January-13	September-15		
	10. Construction and tourism-related modification of SJS coastal promenade	200	NCB	Ex ante		100%	Yes	February-13	August-14		
	11. Construction of Port of SJS leisure-cultural-business area	3,000	ICB	Ex ante	100%		Yes	February-13	March-16		
	12. Construction of El Ostional welcome center	150	NCB	Ex ante		100%	Yes	July-13	November-14		
	13. Construction of La Flor interpretive center	60	NCB	Ex ante		100%	Yes	July-13	November-14		
	14. Southern Pacific Coast Scenic Road tourist facilities	250	NCB	Ex ante	100%		Yes	July-13	January-15		

Ref. no. ¹	Category and description of procurement contract	Estimated cost of procurement (US\$000)	Procurement method ²	Review (ex ante or ex post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Status ⁴ (Pending, in process, awarded, canceled)	Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract		
	15. Construction of El Naranjo border station welcome center	320	NCB	Ex ante	100%		Yes	July-13	August-15		
3	NON-CONSULTING SERVICES										
	1. Training for associations	250	NCB	Ex ante	40%	60%	No	November-11	August-12		
	2. SJS interpretive tourism signposting	50	NCB	Ex ante	100%		Yes	February-13	March-14		
	2. Technical assistance for associations	280	NCB	Ex ante	64%	36%	No	November-11	May-14		
	3. Benchmarking activities and program for associations	120	NCB	Ex ante	100%		No	November-11	September-15		
	4. Design and implementation of tourism awareness-building entities and companies	100	NCB	Ex ante	100%		No	November-11	November-15		
4	CONSULTING SERVICES										
	1. Southern Pacific Coast Scenic Road conceptual design	60	QCBS	Ex ante	100%		5	N/A	May-12		
	2. Ruta del Oro marketing plan conceptual design	90	QCBS	Ex ante	100%		No	N/A	March-12		
	3. Completion of coastal management plans	250	QCBS	Ex ante	100%		No	August-11	August-12		
	4. INTUR offices remodeling project design (plans, Environmental Management Unit, etc)	50	NICQ	Ex ante	100%		No	N/A	April-12		
	5. Project and program management and coordination system	60	NICQ	Ex ante	100%		No	N/A	May-12		

Ref. no. ¹	Category and description of procurement contract	Estimated cost of procurement (US\$000)	Procurement method ²	Review (ex ante or ex post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Status ⁴ (Pending, in process, awarded, canceled)	Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract		
	6. Redesign of registration, rating, and tourist incentive system	150	QCBS	Ex ante	100%		No	September-11	April-13		
	7. Statistics management and market intelligence system	190	QCBS	Ex ante	100%		No	September-11	February-14		
	8. Formulation of partial management plan for SJS port area and coastal promenade	250	QCBS	Ex ante	100%		No	November-11	January-13		
	9. Standard tourist information center functional design and image	60	NICQ	Ex ante	100%		No	N/A	May-12		
	10. Marketing operations plans	100	QCBS	Ex ante	100%		No	December-11	May-12		
	11. Signposting manual	75	QCBS	Ex ante	100%		No	December-11	July-12		
	12. Development of regulatory framework and tourist incentive system	80	QCBS	Ex ante	100%		No	December-11	August-12		
	13. National Tourism Development Strategy destination training program	100	QCBS	Ex ante	50%	50%	No	December-11	March-13		
	14. National Tourism Development Strategy implementation national training program	220	QCBS	Ex ante	50%	50%	No	December-11	Seteember-14		
	15. Management model tourist information center boatmen and dock upgrading	90	QCBS	Ex ante	100%		No	N/A	September-12		
	16. Granada port and boardwalk management plan	90	QCBS	Ex ante	100%		No	N/A	November-12		
	17. Studies and designs for restoration and assignment of hospital uses	150	QCBS	Ex ante	100%		No	N/A	November-12		

Ref. no. ¹	Category and description of procurement contract	Estimated cost of procurement (US\$000)	Procurement method ²	Review (ex ante or ex post)	Source of financing and percentage		Prequalification ³ (Yes/No)	Estimated dates		Status ⁴ (Pending, in process, awarded, canceled)	Comments
					IDB %	Local/ Other %		Publication of specific procurement notice	Completion of contract		
	18. Interpretive content and outfitting of Fortaleza de la Pólvera	250	QCBS	Ex ante	100%		No	N/A	February-13		
	19. Interpretive content of Convent of San Francisco	400	QCBS	Ex ante	100%		No	December-11	February-13		
	20. Design modification of SJS auxiliary office as tourist information center	20	NICQ	Ex-post	100%		No	N/A	August-12		
	21. Design modification of Granada as tourist information center	10	NICQ	Ex-post		100%	No	N/A	August-12		
	22. Implementation marketing operations plans	400	QCBS	Ex ante		100%	No	February-12	November-15		
	23. Design-Plan dock at La Virgen	45	QCBS	Ex ante	100%		No	N/A	December-12		
	24. Design-Plan Ruta del Oro interpretive center restoration	75	QCBS	Ex ante	100%		No	N/A	January-13		
	25. Design El Ostional welcome center	15	NICQ	Ex post		100%	No	N/A	February-13		
	26. Design La Flor interpretive center	10	NICQ	Ex post		100%	No	N/A	February-13		
	27. Design modification El Naranjo border station welcome center	40	NICQ	Ex ante	100%		No	N/A	May-13		
	28. Study concession and development port area investments	100	QCBS	Ex ante	100%		No	N/A	January-14		
	29. Independent auditor	100	NICQ	Ex ante	100%		No	November-12	July-16		
	29. Evaluation and monitoring	350	QCBS	Ex ante	43%	57%	No	July-11	July-16		Evaluations: Midterm 2013; final 2016 (75,000 ea.)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/10

Nicaragua. Loan ____/BL-NI to the Republic of Nicaragua
National Tourism Program

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Nicaragua, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a national tourism program. Such financing is under the multilateral debt relief and concessional finance reform at the Bank, and will be for the amount of up to US\$5,000,000, from the resources of the Single Currency Facility of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____)

LEG/SGO/CID/IDBDOCS#35356885
NI-L1039

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/10

Nicaragua. Loan ____/BL-NI to the Republic of Nicaragua
National Tourism Program

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Nicaragua, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a national tourism program. Such financing is under the multilateral debt relief and concessional finance reform at the Bank, and will be for the amount of up to US\$5,000,000, from the resources of the Bank's Fund for Special Operations, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____)

LEG/SGO/CID/IDBDOCS#35356895
NI-L1039