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**REGIONAL  
BELIZE, COSTA RICA, ECUADOR, GUATEMALA, MEXICO,  
NICARAGUA, AND PERU**

**INTERNATIONAL PARTNERSHIP TO MARKET  
SUSTAINABLE TOURISM SERVICES**

**(RG-M1103)**

**DONORS MEMORANDUM**

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Document V	Rainforest Alliance by-laws
Document VI	Counterpart commitment letter
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## **ABBREVIATIONS**

RA-CR	Costa Rica office of the Rainforest Alliance
CESI	Committee on Environment and Social Impact
MSMEs	Micro, small, and medium-sized enterprises
PCU	Project coordination unit
STCNA	Sustainable Tourism Certification Network of the Americas

# INTERNATIONAL PARTNERSHIP TO MARKET SUSTAINABLE TOURISM SERVICES

(RG-M1103)

## I. EXECUTIVE SUMMARY

<b>Beneficiary countries:</b>	Belize, Costa Rica, Ecuador, Guatemala, Mexico, Nicaragua, and Peru	
<b>Executing agency:</b>	The Costa Rica office of the Rainforest Alliance (RA-CR).	
<b>Beneficiaries:</b>	The direct beneficiaries will be: (a) 300 micro, small and medium-sized enterprises (MSMEs) that adopt good practices for sustainable tourism, and (b) 80 inbound tourism operators in participating countries that will do business with MSMEs implementing good practices. Indirect beneficiaries include: (a) 5,200 tourism service providers of those 80 inbound operators, which will adopt sustainability criteria; (b) 40 tourism operators in outbound markets, including provider MSMEs that implement sustainable tourism practices; and (c) employees, communities, and tourist destinations where those MSMEs are located.	
<b>Financing:</b>	MIF <sup>1</sup>	US\$2,987,596 (50%)
	Counterpart contribution:	<u>US\$2,915,715 (50%)</u>
	<b>Total:</b>	<b>US\$5,903,312 (100%)</b>
<b>Objectives and description:</b>	The project <b>goal</b> is to enhance the competitiveness and international exposure of MSMEs that adopt good practices in sustainable tourism in the participating countries. The <b>purpose</b> is to forge and strengthen business relationships between international marketing channels and MSMEs that institute good practices in sustainable tourism. The project will have four <b>components</b> : (1) supply-side strengthening of sustainable tourism services; (2) linkages between inbound and outbound tourism operators to market sustainable tourism; (3) international marketing and communications; and (4) evaluation and dissemination of lessons learned.	
<b>Execution timetable:</b>	Execution period:	48 months
	Disbursement period:	54 months

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<sup>1</sup> The MIF contribution includes funds that will be managed by the Bank with no requirement that the beneficiary submit a disbursement request: (i) US\$25,000 for monitoring the MIF sustainable tourism as a development strategy cluster, as described in Document MIF/GA-14-1, and (ii) the equivalent of 0.5% of the contribution to cover expenses relating to the MIF Impact Evaluation System, to be credited to the Impact Evaluation Account.

<b>Special contractual clauses:</b>	<b>Conditions precedent to the first disbursement of Bank resources:</b> The program Operating Regulations are in effect on the terms previously agreed upon with the Bank.
<b>Exceptions to Bank policy:</b>	None.
<b>Environmental and social review:</b>	The Committee on Environment and Social Impact (CESI) reviewed the project at its meeting 08-07 of 1 March 2007, and raised no objections.
<b>Coordination with other development finance institutions:</b>	The project will be coordinated with other international cooperation entities, primarily the United States Agency for International Development (USAID) and the Global Environment Facility (GEF).

## **II. BACKGROUND AND RATIONALE**

### **A. Tourism: a source of foreign currency and engine of economic development**

- 2.1 There is a clear relationship between tourism development and local economic development in Latin America: (i) tourism is the principal source of foreign currency generation for 83% of developing countries, and is the principal “export” activity for one-third of the poorest countries; (ii) tourism is the second-largest source of foreign currency generation for the world’s 40 poorest countries; (iii) over the last decade, tourism has been the only sector in which poor countries have consistently generated a trade surplus. In addition to providing a significant source of foreign currency for the region’s countries, tourism has also been a major source of employment in their most remote regions.
- 2.2 Many organizations have promoted good practices in sustainable tourism as a way to pair sustainable tourism with economic development for micro, small, and medium-sized enterprises (MSMEs).<sup>2</sup> The main effort has been to work with MSME tourism service providers to support their adoption of sustainability principles in their day-to-day business practices.<sup>3</sup> However, to develop sustainable tourism in Latin America, supply-side strengthening must be accompanied by efforts to create and spur demand. Both of these factors are essential for MSMEs

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<sup>2</sup> “Sustainable tourism” applies to any travel, even “mass tourism,” that seeks to reduce adverse environmental and sociocultural impacts (United Nations World Tourism Organization).

<sup>3</sup> Sustainability principles in tourism relate to the environmental, economic and sociocultural aspects of tourism development, striking the right balance among them to ensure long-term sustainability. Sustainable tourism should: (i) ensure optimum use of natural resources; (ii) respect the sociocultural authenticity of the host communities; and (iii) yield socioeconomic benefits for all involved.

that practice sustainable tourism to be competitive and secure access to international markets.

**B. The tourism value chain and sustainability trends**

- 2.3 Most tourists arrange their travel through wholesalers. The tourism sector production chain and its participants (providers, operators, etc.)<sup>4</sup> are highly consolidated within their current standards and classifications. In order to incorporate sustainability criteria and alter the status quo, efforts must be focused on showing intermediaries the benefit of working with the MSMEs that practice sustainable tourism, so as to expand their opportunities in the selling chain.
- 2.4 New, authentic, and differentiated products are needed to meet new demand, and tourism service providers need effective strategies and tools to meet these markets expectations. Some intermediaries in the selling chain have responded to the new market dynamic and incorporated sustainability criteria into the provider selection process.<sup>5</sup> To replicate this with more wholesalers, these concepts must be actively integrated into the provider selection process for domestic inbound operators as well as international outbound operators.
- 2.5 It is essential to ensure the credibility of provider businesses in upholding sustainability criteria in their operations. Inbound and outbound operators must be provided efficient, simple, and reliable means of ensuring that the services offered meet sustainability criteria. The baseline criteria of the existing Sustainable Tourism Certification Network of the Americas (STCNA) (see the project Operating Regulations, Annex I) and verification of those criteria will be the tools that guarantee the sustainability of products available on the market. Those criteria include respect for indigenous cultures and customs, rational use of water and energy, waste disposal, treatment of wildlife, and training and employment of local personnel.
- 2.6 In brief, because wholesalers and tourists are unaware of the benefits, the value of implementing good practices in sustainable tourism and earning certification is not recognized in selecting providers or in terms of premium pricing.

**C. The need for a multicountry approach**

- 2.7 There are important reasons for including the seven beneficiary countries in the project. The sites have been selected on the following criteria: (i) tourism is a key industry in terms of GDP and number of jobs; (ii) established tourism development strategies provide a framework for work under this project; (iii) certification initiatives and other sustainability verification services are, or soon will be, up and running at tourism sites; (iv) growth of nonsustainable tourism operations threatens

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<sup>4</sup> Inbound operators are wholesalers, retailers, or local intermediaries serving individuals and tour groups. Outbound operators are wholesalers or intermediaries located in the tourists' countries of origin. Service providers are hotels, restaurants, local tours, etc.

<sup>5</sup> Experience gained on project ATN/ME-8382-RG in Costa Rica, Ecuador, Guatemala, and Belize.



fragile ecosystems and the welfare of local communities. In addition, enough countries need to participate in the project to reach a critical mass of MSMEs, for international marketing of sustainable tourism to succeed. The majority of tourism MSMEs in Latin America are limited in their ability to act efficiently and effectively in the market, and therefore a joint marketing strategy would afford them a market presence they would be unable to attain on their own. It will be important to include countries well positioned in the tourism market (such as Mexico) as well as emerging destinations (such as Nicaragua). The presence of the former will enable tourism operators to consider other destinations as well, and those destinations will benefit from the larger operators' reputations. The project also plans to diversify the types of tourism promoted, which would range from eco tourism (as in Costa Rica) to more culturally oriented tourism (as in Peru). Finally, the project should adopt a regional focus to contribute added value to the MIF sustainable tourism cluster projects and the STCNA, which began operating in 2004.

- 2.8 Several governments are working to promote regional tourism (e.g. Mundo Maya), and efforts will be coordinated with each of these campaigns in the participating countries.

**D. Added value of the MIF contribution**

- 2.9 The added value of the project between the Costa Rica office of the Rainforest Alliance (RA-CR) and MIF is based on working with the entire marketing chain of tourism providers, from local providers to international outbound tourism operators. Unlike other projects focused on one link in the supply chain, this partnership will work with the entire value chain, with special emphasis on international wholesale operators as key actors in creating the end products offered to tourists, the end consumers. This will provide a successful demonstration for other companies likely to join the process in the future. Another added value will be the consolidation of a regional network including all the MIF-financed sustainable tourism projects financed in the STCNA (which currently has 75 member entities in 25 countries), and possibly other MIF tourism cluster projects. This will facilitate adoption of the project strategy by key tourism actors, leaders of sustainable tourism projects and organizations in the Americas, and will greatly support the objectives of the MIF Sustainable Tourism Cluster Action Plan.

### **III. OBJECTIVES AND DESCRIPTION**

**A. Project objectives**

- 3.1 The project **goal** is to enhance the competitiveness and international exposure of MSMEs in participating countries that adopt good practices in sustainable tourism. The **purpose** is to forge and strengthen business relationships between international marketing channels and MSMEs that institute good practices in sustainable tourism. The project will have four components.

## **B. Components and activities**

- 3.2 **Component 1: Supply-side strengthening of sustainable tourism services (MIF US\$487,350; Counterpart US\$690,782).** This component seeks to strengthen sustainable tourism services supplied by MSMEs and to lessen fragmentation of this link in the value chain through horizontal integration, so as to facilitate both business with tourism operators and destination marketing (Operating Regulations, Section 4.4). The project will finance long- and short-term consulting engagements to: (i) identify key national organizations for tourism and facilitate training of instructors and local auditors/evaluators to verify compliance with standards; (ii) negotiate agreements with inbound tourism operators to include sustainable tourism providers in their itineraries and destination marketing efforts; (iii) train inbound tourism operators in best practices for sustainable tourism; (iv) provide annual presentations on the theory and application of good practices for sustainable tourism at a national tourism forum in each country; and (v) organize international forums on monitoring and evaluation of impacts and marketing tools. This component will be implemented within the STCNA and MSMEs participating in MIF tourism cluster projects in execution.
- 3.3 The expected outcomes of this component are: (i) a 10% annual increase (starting in year 2) in the number of tourism operations that institute good practices by strengthening partnerships with key players (including inbound tourism operators); (ii) partnerships with at least 80 inbound tourism operators that will directly benefit some 300 participating MSMEs and indirectly benefit 5,200 MSMEs in participating countries, and (iii) direct procurement agreements signed with at least 50% of the participating MSMEs.
- 3.4 **Component 2: Linkages between inbound and outbound tourism operators to market sustainable tourism (MIF US\$302,246; Counterpart US\$169,365).** This component seeks to institute sustainable tourism practices all along the value chain by forging business relationships with intermediaries. The project will finance long- and short-term consulting engagements to: (i) train outbound tour operators and consumer organizations in sustainable tourism; (ii) develop “business-to-business” tools<sup>6</sup> to facilitate linkages between inbound operators in participating countries that include MSMEs employing good practices in their products/services and outbound operators; and (iii) negotiate business agreements with outbound tour operators to include sustainable tourism service providers in their itineraries and international promotions.
- 3.5 The expected outcomes of this component are: (i) 40 outbound tour operators in Europe and North America include sustainable or certified MSME operations in the products/services they offer, and (ii) 20 outbound tour operators establish business relationships with inbound operators in participating countries.

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<sup>6</sup> For example validation lists and means of rating operators’ sustainability; tools to train personnel in selecting and evaluating sustainable tourism services; design of sustainable products, rating and selection of sustainable providers, and incentive or rewards systems.

- 3.6 **Component 3: International marketing and communications (MIF US\$1,122,627; Counterpart US\$808,383).** This component seeks to increase the media exposure and profile of MSMEs committed to sustainable practices through international marketing and communication directed toward tourism operators and individual tourists. The project will finance long- and short-term consulting engagements and services to: (i) distribute press releases to selected journalists in the United States and Latin America on agreements with international tourism operators; (ii) conduct familiarization trips to selected sites for outbound tourism operators and travel guide editors; (iii) develop and distribute informational catalogs, CDs, pamphlets, etc. on sustainable tourism in the beneficiary countries and target markets; (iv) exhibit at international tourism trade shows with sustainable tourism stands representing beneficiary MSMEs and their partners; (v) expand the scope of the “Eco-Index of Sustainable Tourism;”<sup>7</sup> (vi) prepare agreements with travel guide publishers; (vii) identify international airlines and negotiate agreements to support marketing; (viii) develop sustainable tourism itineraries in cooperation with operators of Internet travel sites; (ix) produce promotional videos on the MSMEs’ sustainable tourism operations in several languages; (x) create website content for MSMEs on how to promote and market their services by highlighting their commitment to sustainability; (xi) prepare business agreements with public relations and marketing agencies handling promotional campaigns for the respective beneficiary countries, regions or destinations; and (xii) identify prospects and prepare business agreements with nonprofit travel organizations and key multinational companies.
- 3.7 The expected outcomes of this component are: (i) a 10% annual increase in MSME participation in project marketing and promotion activities; (ii) a minimum of 20 international marketing and supplier partnerships with major international travel companies; (iii) enhanced exposure of the project and the ideas it promotes in the international media and tourism industry by educating consumers and key institutions about sustainable tourism.
- 3.8 **Component 4: Evaluation and dissemination (MIF US\$372,971; Counterpart US\$373,258).** This component seeks to manage the knowledge generated by the project and effectively measure its impact on the organizations involved as a demonstration effect to interest other potential beneficiaries. The project will finance long- and short-term consulting assignments to: (i) develop a monitoring and evaluation system to identify, monitor, and evaluate changes (outcomes) in the various market segments (supply side, selling chain, and consumers); (ii) develop a country-by-country site baseline using information generated by verification of businesses’ implementation of best practices and information about country conditions; (iii) train participating local organizations and tourism operators to implement the monitoring and evaluation system; (iv) set a market baseline (selling chain and consumers); (v) conduct periodic summative evaluations to absorb

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<sup>7</sup> An Internet database created under loan ATN/ME-8382-RG to allow tourists to select sustainable tourist service providers ([www.eco-index.org/tourism](http://www.eco-index.org/tourism)).

lessons learned, optimize intervention strategies, and stay abreast of market trends; (vi) document case studies; and (vii) develop a quality assurance system for project activities.

- 3.9 The expected outcomes of this component, reflecting activities under the three previous components, are: (i) supply-side growth of sustainable businesses in the target countries; (ii) changes in selected products/services in the participating selling chains; and (iii) increase in consumer demand for sustainable tourism services.

## IV. COST AND FINANCING

### A. Cost and financing

- 4.1 The estimated project cost is US\$5,903,312. Of that amount, the MIF will contribute US\$2,987,596, and the RA-CR counterpart will be US\$2,915,715 with at least half in cash.
- 4.2 The estimated project budget is presented below.

**Estimated Project Budget**  
(in U.S. dollars)

Budget items	MIF contribution	Counterpart contribution	Total
Management	329,101	608,516	937,617
Logistics	222,820	208,240	431,060
Component 1	487,350	690,783	1,178,133
Component 2	302,246	169,365	471,611
Component 3	1,122,627	808,383	1,931,010
Component 4	372,971	373,258	746,229
<b>SUBTOTAL</b>	<b>2,837,115</b>	<b>2,858,545</b>	<b>5,695,660</b>
Contingencies	56,742	57,171	113,913
External evaluations	42,000		
Audits (4)	12,000		
<b>TOTAL</b>	<b>2,947,857</b>	<b>2,915,716</b>	<b>5,863,573</b>
Cluster activities	25,000		25,000
Impact Evaluation Account	14,739		14,739
<b>GRAND TOTAL</b>	<b>2,987,596</b>	<b>2,915,716</b>	<b>5,903,312</b>
<i>Percentage</i>	50%	50%	

## **B. Program sustainability**

- 4.3 The project's technical sustainability strategy is to build sustainable practices into transactions between the links of the tourism services value chain. Emphasis will be placed on strengthening business and marketing agreements in order to make sustainable practices a permanent, integral part of tourism services for providers and intermediaries involved in the project. The tools developed by the project will be disseminated among tourism operators and incorporated into their routine provider selection processes, while validation services may be contracted from trained evaluators.
- 4.4 A sustainability seminar will be held to assess the project strategy's effectiveness for future actions. The resulting project implementation model could be replicated in other Latin American countries.

## **V. PROJECT EXECUTION**

### **A. Executing agency and execution mechanism**

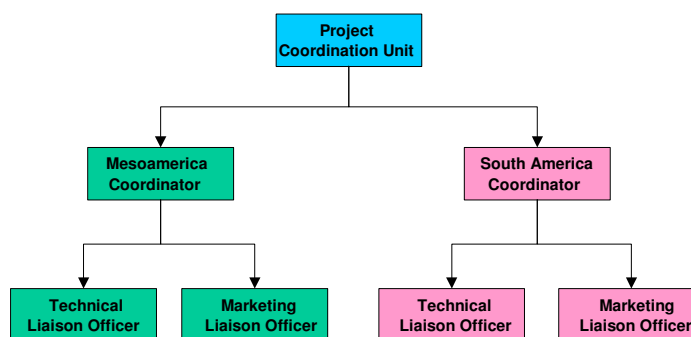
- 5.1 **Executing agency.** The project executing agency will be the Costa Rica office of the Rainforest Alliance (RA-CR). RA-CR has been working for eight years at the local, regional and international level to increase and strengthen the supply of sustainable tourism services as well as global market demand for such goods and services. At the local level, RA-CR has worked with MSMEs in training over 1,000 entrepreneurs and providing technical assistance to tourism operators in best practices for sustainable tourism. It has also linked these MSMEs to the market through agreements with over 25 national and international tourism operators. As part of project ATN/MT-8382-RG, RA-CR managed the consolidation of the Sustainable Tourism Certification Network of the Americas (STCNA), which encompasses all certification programs operating in the hemisphere. The Bank's risk analysis and institutional assessment confirmed RA-CR's ability to meet the counterpart requirements and manage the project at the regional level.
- 5.2 RA-CR will achieve its objectives through a combination of its own efforts, local and international consulting assignments, and partnering with MIF sustainable tourism cluster projects and other initiatives in the participating countries. For this project, RA-CR will utilize and disseminate a series of tools designed under project ATN/ME-8382-RG, which will facilitate rapid progress toward project objectives.<sup>8</sup>

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<sup>8</sup> These tools and documents are listed in the Operating Regulations. For example: "Guide for Sustainable Tourism Best Practices," "Buenas prácticas para turismo sostenible para tour operadores en ecosistemas marino costeros y bosques tropicales" [Good practices in sustainable tourism for tour operators in coastal marine ecosystems and tropical rainforests]; sustainability analyses; database of media outlets; baseline preparation methodology for priority sites; "Demanda del consumidor y apoyo del operador para turismo social y ambientalmente responsable" [Consumer demand and operator support for socially and environmentally responsible tourism].

5.3 **Execution mechanism.** The **project coordination unit (PCU)** will be located in Costa Rica and have a project general coordinator, a financial/accounting administrator, and support services, supervised by a sustainable tourism director. The PCU will operate on the basis of annual work plans (AWP) for technical coordination and overall project execution. The PCU's functions and its staff's terms of reference are given in the Operating Regulations and include: (i) overall project management (financial, administrative, and technical); (ii) coordination and communication with the various project actors; (iii) contracting all consulting assignments, and goods and services, including annual external audits.

5.4 The PCU will receive technical support from **project regional coordinators** for two subregions: **Mesoamerica** (Mexico, Belize, Guatemala and Nicaragua) and **South America** (Ecuador and Peru). Each regional coordinator will work with two specialized consultants: a **technical liaison for sustainable tourism**, and a **marketing liaison** (see diagram below). The terms of reference form part of the Operating Regulations and include: (i) technical assistance to local organizations working on initiatives with local MSMEs to institute good practices for sustainable tourism; (ii) recruitment and supervision of entities that conduct local validation of good practice compliance; (iii) arrangements for the signature of business agreements in the project's geographic area; and (iv) coordination of consulting assignments for project activities in each country in the areas of international marketing, communication, and special events.



5.5 An **International Advisory Board** will be formed by the executing agency and a representative from each of the countries where the project operates, selected on the basis of reputation and knowledge of the tourism business and good management practices. The Board will meet in person or hold virtual meetings at least once a year, and its principal functions will be: (i) to contribute local experience in tourism, local development, and integration to the various initiatives sponsored by the project; (ii) to provide feedback to the executing agency on outcomes of the periodic summative evaluations; (iii) to help identify and reach agreement with potential additional beneficiaries, so as to expand the project's impact.

5.6 **Execution period.** The estimated project execution period will be 48 months, and the disbursement period, 54 months.

- 5.7 **Project readiness.** Agreement has been reached on the project objectives, components, activities, timetable, budget, and Operating Regulations, and terms of reference have been prepared for the principal consulting assignments. An analysis of project execution risks was done, and a plan developed to manage those risks. The executing agency has provided a letter of commitment to contribute the counterpart funds.

**B. Procurement**

- 5.8 RA-CR, acting through the PCU, will manage the procurement of goods, services and consultants centrally in accordance with the Procurement Plan previously approved by the Bank (see Document IV in the technical files), which will be updated in connection with each semiannual progress report. Procurements will be conducted in accordance with the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-7), Policies for Procurement of Works and Goods Financed by the Inter-American Development Bank (document GN-2349-7), and the MIF guidelines of 8 August 2006.
- 5.9 The executing agency may employ the single-source selection method to contract individual consultants as project general coordinator and marketing and communications specialists, pursuant to sections 3.10(a), 3.11 and 5.4(a) of the July 2006 Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-7). Use of this contracting method is justified because: (i) the tasks represent a natural continuation of previous work carried out by the consultants under project ATN/ME-8382-RG, and continuity of those tasks is essential for the services to be provided under this project and will enhance execution; (ii) the consultants' previous performance was rated as more than satisfactory (technical approach, experience gained, and continued professional liability); and (iii) the consultants were originally selected competitively. The amount of the MIF contribution for each contract will not exceed: (i) US\$220,816 for the project general coordinator; (ii) US\$173,000 for the marketing specialist; and (iii) US\$122,000 for the communications specialist. The local counterpart contribution will make up the total estimated amount and any necessary extension of each contract, in accordance with the procurement plan.

## **VI. MONITORING AND EVALUATION**

- 6.1 **Monitoring and supervision.** The Bank's Country Office in Costa Rica will be responsible for program monitoring and supervision. A **closing workshop** will be planned for the end of project execution, to identify outcomes and evaluate project impact.
- 6.2 **Evaluation.** Two external evaluations will be done, contracted directly by the Bank and charged against the MIF contribution resources. The first evaluation will be contracted in month 24 of project execution. The final evaluation will be conducted three months prior to the scheduled last disbursement. The MIF may conduct an

impact evaluation with its own funds three years after the operation concludes. The executing agency will therefore continue to operate the monitoring and evaluation system.

## **VII. BENEFITS AND RISKS**

### **A. Project beneficiaries**

- 7.1 The direct beneficiaries will be: (a) 300 MSMEs that adopt good practices for sustainable tourism in the participating countries; and (b) 80 inbound tourism operators in participating countries that will do business with MSMEs implementing good practices. The project's indirect beneficiaries include: (a) 5,200 tourism service providers of those 80 inbound operators, which will adopt sustainability criteria into the selling chain for their services; (b) at least 40 tourism operators in outbound markets, increasing the number of their provider MSMEs that implement sustainable tourism practices; (c) employees, communities (including indigenous communities), and tourist destinations where those MSMEs are located. The data gathered by the project team indicate that a high percentage of the beneficiaries will be women, which will be confirmed during the baseline study.

### **B. Risks**

- 7.2 Since the MSMEs are not directly involved in creating products/services, the first project risk is a delay while the MSMEs become incorporated into marketing channels under the right conditions. This risk is mitigated by the initial activities under the first component, to incorporate the MIF sustainable tourism cluster organizations into the STCNA as members and use the network to identify likely companies. Another risk is the complexity of supervising simultaneous activities in multiple countries. To mitigate this risk, the execution plan includes two regional coordinators, each with a technical liaison and a marketing liaison. This will ensure effective communication and oversight of project activities.

## **VIII. ENVIRONMENTAL AND SOCIAL REVIEW**

- 8.1 The Committee on Environment and Social Impact (CESI) reviewed this operation at its meeting 08-07 of 1 March 2007, making no comments.
- 8.2 This operation will increase the percentage of sustainable tourism operators and outlets, and so is expected to generate positive environmental impacts. Positive socioeconomic impacts are also expected in the geographic areas where the beneficiary MSMEs are located, through increased demand for goods and services from a greater number of tourists.
- 8.3 Promotion of tourism development without sustainability standards would introduce various threats, including soil and water pollution, soil degradation, overconsumption of water and energy, diminished biodiversity, and harm to traditional communities and local cultures. Accordingly, the introduction of sustainable tourism via this project would have direct positive environmental



impacts and enhance community welfare with MSMEs embracing good practices in keeping with principles of sustainability. The beneficiary MSMEs will be given access to information on the project and encouraged to participate actively in the areas where they are located, paying special attention to indigenous communities and women's organizations.

**INTERNATIONAL PARTNERSHIP TO MARKET  
SUSTAINABLE TOURISM SERVICES  
(RG-M1103)**

**LOGICAL FRAMEWORK**

Narrative summary	Indicators	Means of verification	Assumptions
<b>Objective</b>			
Enhance the competitiveness and international exposure of MSMEs in participating countries that adopt good practices in sustainable tourism.	<ul style="list-style-type: none"> <li>3 years after the project: Sales have increased by 10% for MSME providers of sustainable tourism services. Average occupancy has increased by 10% for MSME providers of sustainable tourism services. The number of sustainable tourism service providers has increased by 20% at target sites.</li> </ul>	<ul style="list-style-type: none"> <li>Statistics offices of the participating countries.</li> <li>Ex post evaluation by the executing agency.</li> <li>Ex post surveys by the executing agency.</li> <li>External studies, World Tourism Organization (WTO).</li> </ul>	<ul style="list-style-type: none"> <li>No natural or terrorism-related disasters occur in Latin America.</li> <li>Social, political, and economic stability is maintained in Latin America.</li> </ul>
<b>Purpose</b>			
Forge and strengthen business relationships between international marketing channels and MSMEs that institute good practices in sustainable tourism.	<ul style="list-style-type: none"> <li>Business relationships have been forged to strengthen tourism services by instituting sustainability practices in the beneficiary countries,<sup>1</sup> and benefit more than 5,200 MSMEs, by month 48:</li> </ul>	<p>Baseline and monitoring of indicators. Midterm and final evaluations by external consultant.</p>	<ul style="list-style-type: none"> <li>Enough businesses meet the conditions to join market outlets.</li> </ul>

<sup>1</sup> The beneficiary countries are: Belize, Costa Rica, Ecuador, Guatemala, Mexico, Nicaragua, and Peru.

Narrative summary	Indicators	Means of verification	Assumptions
	<p>30 business agreements have been signed between Rainforest Alliance (RA-CR) and local inbound tourism operators to include sustainable tourism operators in at least 40% of their products/services, by month 24.</p> <p>80 such agreements have been signed, by month 42.</p>	<p>Project completion report (PCR).</p> <p>Project performance monitoring report (PPMR).</p> <p>Executing agency's progress reports and final report.</p> <p>Surveys of market outlets.</p> <p>Signed agreements.</p>	<ul style="list-style-type: none"> <li>• Project managers in each country communicate and interact fully and effectively.</li> <li>• The complexity of supervising activities in several different countries is well managed.</li> <li>• Enough donors wish to contribute counterpart funds in a timely manner.</li> </ul>
	<ul style="list-style-type: none"> <li>• Business relationships have been forged between inbound and outbound tourism operators, to make at least 30% of their products/services sustainable: <ul style="list-style-type: none"> <li>○ 15 business agreements have been signed between RA-CR and outbound tourism operators (in the target markets of the United States and Europe), by month 24.</li> <li>○ 40 such agreements have been signed, by month 42.</li> </ul> </li> <li>• At least 20 international marketing and supplier partnerships have been signed between RA-CR and major international tourism marketing players (airlines, NGOs, print and electronic media, etc.), by month of 30.</li> <li>• At least 60 inbound and outbound tour operators proactively markets sustainable tourism services and engage in sustainable tourism activities.</li> </ul>		

Narrative summary	Indicators	Means of verification	Assumptions
	<ul style="list-style-type: none"> <li>○ 30 tour operators offer sustainable tourism products/services, by month 24</li> <li>○ 60 business agreements have been signed, by month 42</li> </ul>		
<b>Component 1.</b>			
Strengthening of sustainable tourism products and services	<ul style="list-style-type: none"> <li>• 10% annual increase (starting in year 2) in the number of tourism operations that institute good practices by strengthening partnerships with key players (including inbound tourism operators).</li> <li>• Partnerships with at least 80 inbound tour operators have benefited 300 participating MSMEs, by month 48.</li> <li>• Direct purchase agreements have been signed with at least 50% of participating MSMEs, by month 48.</li> </ul>	<ul style="list-style-type: none"> <li>• Signed business agreements between project participants.</li> <li>• Reports on marketing activities.</li> <li>• Signed business agreements with proactive inbound tour operators.</li> </ul>	<ul style="list-style-type: none"> <li>• Enough businesses meet the conditions to join market outlets.</li> <li>• Sustainable tourism standards are implemented to a sufficiently uniform degree on the supply side.</li> <li>• Other projects in the IDB/MIF sustainable tourism cluster have the time and resources to participate in verification and support activities.</li> <li>• It is possible to strengthen sustainable tourism services for marketing activities.</li> </ul>

Narrative summary	Indicators	Means of verification	Assumptions
<b>Component 1 activities:</b>			
<p>Linkages with related initiatives:</p> <p>1.1 Incorporate the MIF sustainable tourism cluster organizations into the Sustainable Tourism Certification Network of the Americas (STCNA) as members.</p> <p>1.2 Work with current STCNA members in the beneficiary countries to identify key actors and organize national forums on sustainable tourism.</p> <p>1.3 Conduct annual sustainable tourism activities at a national tourism forum in each country.</p> <p>1.4 Develop and implement a technical assistance plan to better enable the STCNA to support MSME adoption of good practices.</p> <p>1.5 Organize 21 international forums (actual or virtual meetings) on monitoring and evaluation of impacts and marketing tools.</p> <p>1.6 Encourage the adoption of sustainability tools in the field through internships for representatives of other MIF sustainable tourism cluster projects.</p>	<ul style="list-style-type: none"> <li>• National forums on sustainable tourism have been organized in all beneficiary countries, by month 36.</li> <li>• Annual activities have been organized in each country in conjunction with the national forum on sustainable tourism, by months 24, 36, and 48.</li> <li>• 1 technical assistance plan for STCNA members has been implemented over the 4 years of the project.</li> <li>• 3 international forums (actual or virtual meetings) on monitoring and evaluation of impacts and marketing tools have been held in each country, by months 24 and 36.</li> <li>• 12 key organizations have been identified in the target locations, and institutional assessments completed, by month 12.</li> <li>• 12 training and technical assistance programs to strengthen local organizations have been completed, by month 24.</li> <li>• 50 high-quality-specialist trainers have been trained, by month 12.</li> </ul>		

Narrative summary	Indicators	Means of verification	Assumptions
<p>Forging local partnerships:</p> <p>1.7 Identify (using predetermined selection criteria) the key tourism, environmental, and sociocultural organizations for working in the 7 beneficiary countries (recurring process during the 4 years of the project).</p> <p>1.8 Facilitate training (including training of trainers), technical assistance, and annual technical refresher activities for entities selected on the basis of evaluations of their use of sustainable tourism tools.</p> <p>1.9 Train local evaluators to conduct sustainability verifications using a diagnostic assessment tool.</p> <p>1.10 Verify implementation of good practices in sustainable tourism at MSMEs.</p> <p>1.11 Conduct verification activities, including gathering of information, assessment and quality control, during the 4 years of the project.</p> <p>Linkage of MSMEs with inbound tour operators:</p> <p>1.12 Negotiate agreements with inbound tour operators to include sustainable tourism providers in their itineraries and destination marketing.</p> <p>1.13 Provide seminars for inbound tour operators on best practices for sustainable tourism.</p>	<ul style="list-style-type: none"> <li>• 6 refresher seminars for trainers have been held in each country, by month 48.</li> <li>• At least 7 preselected organizations are providing verification services to 300 SMEs, by month 42.</li> <li>• Agreements have been signed with no fewer than 80 inbound tour operators, benefiting 5,200 MSMEs, by month 42.</li> <li>• 28 seminars with no fewer than 420 participants have been held, by month 48.</li> </ul>		

Narrative summary	Indicators	Means of verification	Assumptions
<b>Component 2:</b>			
Linkages between inbound and outbound tourism operators to market sustainable tourism.	<ul style="list-style-type: none"> <li>40 outbound tour operators include sustainable or certified operations in the products/services they offer, by month 48.</li> <li>20 outbound tour operators have forged business relationships with inbound tour operators, by month 48.</li> </ul>	<ul style="list-style-type: none"> <li>Promotional materials of tour operators.</li> <li>Business agreements signed with tour operators.</li> </ul>	<ul style="list-style-type: none"> <li>A sufficient number of tour operators are interested in the project.</li> <li>The current “business-to-business” tools of tour operators are compatible with those of the project. If not, arrangements are made to adopt the project tools.</li> <li>Local providers are willing to work for a common cause shared by all countries.</li> </ul>
<b>Component 2 activities:</b>			
<p>Project preparation:</p> <p>2.1 Provide seminars for outbound tour operators and consumer organizations on best practices in sustainable tourism.</p> <p>2.2 Develop “business-to-business” tools to facilitate linkages between inbound and outbound tourism operators.</p>	<ul style="list-style-type: none"> <li>840 participants have attended sustainable tourism seminars, by month 48.</li> <li>40 outbound tour operators include sustainable or certified operations in the products/services they offer, by month 42.</li> <li>20 outbound tour operators have forged business relationships with inbound operators, by month 42.</li> </ul>		<ul style="list-style-type: none"> <li>A sufficient number of consultants with instructor training/skills are available.</li> <li>A sufficient number of tour operators are interested in the project.</li> </ul>

Narrative summary	Indicators	Means of verification	Assumptions
<p>Linkage of tour operators with outbound agencies:</p> <p>2.3 Negotiate business agreements with outbound tour operators to include sustainable tourism service providers in their itineraries and promotions.</p>	<ul style="list-style-type: none"> <li>At least 10 joint marketing agreements have been signed with outbound tour operators, by month 36.</li> </ul>		
<b>Component 3:</b>			
International marketing and communications	<ul style="list-style-type: none"> <li>A 10% annual increase<sup>2</sup> in MSME participation in project marketing and promotion activities.</li> <li>A minimum of 20 international marketing and supplier partnerships with major international travel companies, by month 36.</li> </ul>	<ul style="list-style-type: none"> <li>Agreements signed with major international travel companies.</li> <li>Progress reports on the project as a whole.</li> <li>Published travel guides.</li> <li>List of publications and events.</li> </ul>	<ul style="list-style-type: none"> <li>A sufficient number of qualified marketing consultants are available.</li> <li>Beneficiaries are interested in participating in marketing mechanisms.</li> <li>Market interest in consuming sustainable tourism services remains steady or increases.</li> </ul>

<sup>2</sup> Year-on-year percentage increase with respect to the number of businesses involved in marketing mechanisms the previous year.



Narrative summary	Indicators	Means of verification	Assumptions
<b>Component 3 activities:</b>			
<p>Marketing and communications:</p> <p>3.1 Distribute press releases to selected journalists in the United States and Latin America, and follow up each press release with vigorous media outreach.</p> <p>3.2 Publicize agreements reached with international tour operators through media promotion and activities.</p> <p>3.3 Organize and conduct familiarization trips to selected sites in the beneficiary countries for outbound tour operators and travel guide editors.</p> <p>3.4 Develop and distribute catalogues, CDs, pamphlets, and other marketing materials on sustainable tourism in the beneficiary countries and target markets.</p> <p>3.5 Exhibit at international tourism trade shows with sustainable tourism stands representing all beneficiary MSMEs and their tour operator partners.</p> <p>3.6 Expand the scope of the “Eco-Index of Sustainable Tourism,” enhancing its functionality so that it can grow and become available in more languages.</p> <p>3.7 Develop news bulletins for tour operators in the region.</p> <p>3.8 Negotiate agreements with travel guide publishers and host familiarization trips for editors.</p>	<ul style="list-style-type: none"> <li>• 300 press releases have been sent, by month 48.</li> <li>• 7 press trips have been hosted, by month 36.</li> <li>• 7 familiarization trips have been hosted for key operators and editors, by month 36.</li> <li>• 3 editions (each) of a widely circulated catalogue in print and electronic editions have been published, by months 24, 36, and 48.</li> <li>• 2 national events have been attended each year in the target countries, and 4 major international or regional tourism trade shows have been attended each year, by month 48.</li> <li>• 1,200 MSMEs have been added or updated in the “Eco-Index of Sustainable Tourism” database, by month 48.</li> <li>• News bulletins have been published and distributed to at least 5,000 interested parties, by month 36.</li> <li>• At least 2 travel guides with information on sustainable tourism services have been published in print and electronic editions, by month 48.</li> <li>• At least 1 agreement has been signed with an airline to support sustainable tourism marketing, by month 24.</li> </ul>		<ul style="list-style-type: none"> <li>• Potential key partners have compatible interests.</li> </ul>

Narrative summary	Indicators	Means of verification	Assumptions
<p>3.9 Identify prospects and negotiate agreements with international airlines to support sustainable tourism marketing.</p> <p>3.10 Develop sustainable tourism itineraries in cooperation with operators of Internet travel sites.</p> <p>3.11 Create a promotional video on sustainable tourism operations in American English, British English, Spanish, German, Italian, Dutch, and French.</p> <p>3.12 Develop project websites in English, Spanish, German, Italian, Dutch, and French.</p> <p>3.13 Produce videos promoting the MSMEs for the Rainforest Alliance website at <a href="http://www.rainforest-alliance.org">www.rainforest-alliance.org</a>.</p> <p>3.14 Create website content for MSMEs on how to promote and market their services by highlighting their commitment to sustainability.</p> <p>3.15 Partner and negotiate business agreements with public relations and marketing agencies handling promotional campaigns for the beneficiary countries, during the 4 years of the project.</p> <p>3.16 Partner and negotiate business agreements with directors of regional or multideestination promotional campaigns.</p>	<ul style="list-style-type: none"> <li>• At least 2 partnerships have been signed with Internet tourism marketing companies, by month 36.</li> <li>• 1 promotional video has been produced in multiple languages, by month 24.</li> <li>• Project websites have been translated and are online, by month 12.</li> <li>• 2 promotional videos have been posted on the RA-CR website, by month 24.</li> <li>• Content has been developed and published on the project website, and 250 users have registered, by month 24.</li> <li>• 5 business agreements have been signed with advertising and public relations agencies, by month 36.</li> <li>• At least 2 agreements have been signed with directors of multideestination promotional campaigns, by month 24.</li> <li>• 35 videos have been produced and posted on the Internet, by month 48.</li> <li>• At least 12,000 brochures have been printed, by month 48.</li> <li>• Knowledge sharing events, involving at least 12 beneficiaries per activity, have been held, by month 48.</li> <li>• At least 3 nonprofit travel organizations (universities, museums, international NGOs, etc.) include sustainable tourism operations in their travel itineraries, by month 36.</li> </ul>		

Narrative summary	Indicators	Means of verification	Assumptions
<p>3.17 Produce beneficiary testimonials for use on the Internet and at special events.</p> <p>3.18 Develop promotional materials such as brochures to disseminate project impacts.</p> <p>3.19 Promote exchanges among decision-makers at intermediary companies (including tour operators) in target countries.</p> <p>Commitments from nonprofits and companies:</p> <p>3.20 Identify prospects and negotiate business agreements with nonprofit travel organizations.</p> <p>3.21 Identify prospects and negotiate business agreements with key multinational companies.</p>	<ul style="list-style-type: none"> <li>5 multinational companies adopt sustainable tourism policies and institute sustainable tourism itineraries for their conferences, corporate travel, or employee recognition program, by month 48.</li> </ul>		
<b>Component 4</b>			
<p>Evaluation and dissemination</p> <p>Tracking changes in the sustainable development market:</p>	<ul style="list-style-type: none"> <li>Supply-side growth of sustainable businesses in the target countries has been measured, by month 48.</li> <li>Changes have occurred for selected products/services in the participating selling chains, by month 48.</li> <li>Consumer demand for sustainable services increases, by month 48.</li> </ul>	<p>Verifier reporting on 300 businesses and certification programs.</p> <p>Annual reports of tour operators on the inclusion of sustainable products/services.</p> <p>Trend reports of outbound tour operators.</p> <p>WTO and other external reports.</p>	<ul style="list-style-type: none"> <li>Corporate culture allows for the tracking and recording of sustainability indicators.</li> <li>Relevant information on country-level impacts is documented or available.</li> </ul>

Narrative summary	Indicators	Means of verification	Assumptions
<b>Component 4 activities:</b>			
<p>4.1 Develop a monitoring and evaluation system to identify, monitor, and evaluate changes (outcomes) in the various market segments (supply side, selling chain, and consumers).<sup>3</sup></p> <p>4.2 Develop a country-by-country site baseline using information generated by verification of businesses' implementation of best practices and information about country conditions.</p> <p>4.3 Set a market baseline (selling chain and consumers).</p> <p>4.4 Design the tools necessary to implement the monitoring and evaluation system (surveys, marketing assessments, statistical data processing tools, etc.).</p> <p>4.5 Implement the monitoring and evaluation system for each segment identified (introduction of tools, indicator monitoring plan, interpretation of data, trends, etc.).</p> <p>4.6 Conduct periodic summative evaluations to absorb lessons learned, optimize intervention strategies, and stay abreast of market trends.</p>	<ul style="list-style-type: none"> <li>• A monitoring and evaluation system that can be used in all target countries to assess changes in the 3 specified market segments has been developed, by month 12.</li> <li>• A country-by-country site baseline study has been done, by month 12.</li> <li>• A market baseline study (selling chain and consumers) has been done, by month 48.</li> <li>• Evaluation toolkits (supply side, selling chain, and consumers) have been developed, by month 12.</li> <li>• Reports on system implementation has been done for months 6, 12, 18, 24, 30, 36, 42, and 48.</li> <li>• An annual summative evaluation has been done in months 12, 24, 36, and 48.</li> <li>• 300 organizations and operators have instituted monitoring and evaluation systems, by month 48.</li> <li>• 6 case studies have been documented, by month 48.</li> </ul>		

<sup>3</sup> The monitoring and evaluation will include at least a baseline, matrix of expected outcomes for each component, indicators and other specific measurements, indicator monitoring plan, data processing methods, matrices of unexpected outcomes and contingencies, and summative evaluations of outcomes and trends.

Narrative summary	Indicators	Means of verification	Assumptions
<p>4.7 Train participating local organizations and tourism operators to implement the monitoring and evaluation system.</p> <p>4.8 Document case studies.</p> <p>4.9 Conduct semiannual activities in each country to motivate beneficiary businesses to utilize the monitoring and evaluation system with local partners (verification organizations).</p> <p>4.10 Develop a quality assurance system for project activities (including satisfaction surveys).</p>	<ul style="list-style-type: none"> <li>• 42 activities have been conducted to motivate beneficiary businesses to utilize the monitoring and evaluation system, by month 48.</li> <li>• A quality assurance system for project activities has been developed, by month 12.</li> </ul>		

**INTERNATIONAL PARTNERSHIP TO MARKET  
SUSTAINABLE TOURISM SERVICES  
(RG-M1103)**

**BUDGET SUMMARY**

Budget items		MIF (US\$)	Local (US\$)	TOTAL (US\$)
<b>Coordination and logistics</b>		<b>551,921</b>	<b>816,756</b>	<b>1,368,677</b>
Management		329,101	608,516	<b>937,617</b>
Logistics		222,820	208,240	<b>431,060</b>
<b>1. Organization of sustainable tourism products and services</b>		<b>487,350</b>	<b>690,783</b>	<b>1,178,133</b>
Component subtotal, consulting assignments		-	324,317	<b>324,317</b>
1.1	Incorporate the MIF sustainable tourism cluster organizations into the Sustainable Tourism Certification Network of the Americas (STCNA) as members.	6,418	17,295	<b>23,713</b>
1.2	Work with current STCNA members in the beneficiary countries to identify key actors and organize national forums on sustainable tourism.	6,316	13,684	<b>20,000</b>
1.3	Conduct annual sustainable tourism activities at the national tourism forum in each country.	75,616	25,024	<b>100,640</b>
1.4	Develop and implement a technical assistance plan to better enable the STCNA to support MSME adoption of good practices (consultant days for the 4 years of the project).	11,128	20,568	<b>31,696</b>
1.5	Organize 21 international forums (actual or virtual meetings) on monitoring and evaluation of impacts and marketing tools (consultant days for the 4 years of the project).	8,278	21,910	<b>30,188</b>
1.6	Encourage the adoption of sustainability tools in the field through internships for representatives of other MIF sustainable tourism cluster projects.	25,378	21,910	<b>47,288</b>
1.7	Identify (using predetermined selection criteria) the key tourism, environmental, and sociocultural organizations to work in the 7 beneficiary countries (recurring process during the 4 years of the project).	6,316	21,117	<b>27,433</b>
1.8	Facilitate training (including training of trainers), technical assistance, and annual technical refresher activities for entities selected on the basis of evaluations of their use of sustainable tourism tools.	49,245	80,693	<b>129,938</b>
1.9	Train local evaluators to conduct sustainability verifications using a diagnostic assessment tool.	42,243	37,578	<b>79,821</b>
1.10	Verify implementation of good practices in sustainable tourism at MSMEs.	105,000	-	<b>105,000</b>

Budget items		MIF (US\$)	Local (US\$)	TOTAL (US\$)
1.11	Conduct verification activities, including gathering of information, assessment and quality control, during the 4 years of the project.	63,245	21,333	<b>84,578</b>
1.12	Negotiate agreements with inbound tourism operators to include sustainable tourism providers in their itineraries and destination marketing efforts.	69,432	54,210	<b>123,642</b>
1.13	Provide seminars for inbound tourism operators on best practices for sustainable tourism.	18,735	31,144	<b>49,879</b>
<b>2.</b>	<b>Linkages between inbound and outbound tourism operators to market sustainable tourism</b>	<b>302,246</b>	<b>169,365</b>	<b>471,611</b>
Component subtotal, consulting assignments		-	106,317	<b>106,317</b>
2.1	Provide seminars for outbound tourism operators and consumer organizations on sustainable tourism.	136,481	38,207	<b>174,688</b>
2.2	Develop “business-to-business” tools to facilitate linkages between inbound and outbound tourism operators.	22,205	6,218	<b>174,688</b>
2.3	Negotiate business agreements with outbound tourism operators to include sustainable tourism service providers in their itineraries and promotions.	143,560	18,624	<b>162,184</b>
<b>3.</b>	<b>Higher profile of sustainable tourism businesses in international marketing and media outreach activities</b>	<b>1,122,627</b>	<b>808,383</b>	<b>1,931,010</b>
Component subtotal, consulting assignments		-	286,317	<b>286,317</b>
3.1	Distribute press releases to selected journalists in the United States and Latin America, and follow up each press release with vigorous media outreach.	89,690	69,594	<b>159,284</b>
3.2	Publicize agreements reached with international tour operators through promotional activities and work with media outlets.	66,765	30,098	<b>96,863</b>
3.3	Organize and conduct familiarization visits to selected sites in the beneficiary countries for outbound tourism operators and travel guide editors.	177,657	106,782	<b>284,439</b>
3.4	Develop and distribute informational catalogs, CDs, pamphlets, etc. on sustainable tourism in the beneficiary countries and target markets (3 editions of catalogs).	97,667	12,901	<b>110,568</b>
3.5	Take part in international tourism trade shows, supporting sustainable tourism exhibits representing all beneficiary MSMEs and their tour operator partners.	172,932	11,606	<b>184,538</b>

<b>Budget items</b>		<b>MIF (US\$)</b>	<b>Local (US\$)</b>	<b>TOTAL (US\$)</b>
3.6	Expand the scope of the “Eco-Index of Sustainable Tourism,” enhancing its functionality so that it can grow and become available in more languages.	168,950	16,145	<b>185,095</b>
3.7	Develop bulletins and newsletters for tourism operators in the region.	46,420	18,834	<b>65,254</b>
3.8	Negotiate agreements with travel guide publishers and invite editors for familiarization visits.	21,588	3,916	<b>25,504</b>
3.9	Identify prospects and negotiate agreements with international airlines to support sustainable tourism marketing.	10,151	13,064	<b>23,215</b>
3.10	Develop sustainable tourism itineraries in cooperation with operators of Internet travel sites.	17,613	11,750	<b>29,363</b>
3.11	Produce a promotional video on sustainable tourism operations in American English, British English, Spanish, German, Italian, Dutch, and French.	65,260	10,126	<b>75,386</b>
3.12	Develop project websites in English, Spanish, German, Italian, Dutch, and French.	29,605	24,910	<b>54,515</b>
3.13	Produce videos promoting the MSMEs for the Rainforest Alliance website at <a href="http://www.rainforest-alliance.org">www.rainforest-alliance.org</a> .	16,830	4,118	<b>20,948</b>
3.14	Create website content for MSMEs on how to promote and market their services by highlighting their commitment to sustainability.	8,900	16,873	<b>25,773</b>
3.15	Partner and negotiate business agreements with public relations and marketing agencies handling promotional campaigns for the beneficiary countries, during the 4 years of the project.	19,588	3,916	<b>23,504</b>
3.16	Partner and negotiate business agreements with those directing regional or multideestination promotional campaigns.	21,588	5,367	<b>26,955</b>
3.17	Produce beneficiary testimonials for use on the Internet and at special events.	27,669	5,242	<b>32,911</b>
3.18	Develop promotional materials such as brochures to disseminate project impacts.	14,890	8,498	<b>23,388</b>
3.19	Promote sharing of experiences among decision-makers at intermediary companies (including tour operators) in target countries.	26,588	140,495	<b>167,083</b>
3.20	Identify prospects and negotiate business agreements with nonprofit travel organizations.	11,138	3,916	<b>15,054</b>
3.21	Identify prospects and negotiate business agreements with key multinational companies.	11,138	3,916	<b>15,054</b>



Budget items		MIF (US\$)	Local (US\$)	TOTAL (US\$)
<b>4.</b>	<b>Tracking changes in the sustainable development market</b>	<b>372,971</b>	<b>373,258</b>	<b>746,229</b>
Component subtotal, consulting assignments		-	189,517	<b>189,517</b>
4.1	Develop a monitoring and evaluation system to identify, monitor, and evaluate changes (effects) in the various market segments (supply side, selling chain, and consumers).	8,231	13,735	<b>21,966</b>
4.2	Develop a country-by-country baseline of sites using information produced by verification of businesses' implementation of best practices and information about country conditions.	7,756	20,183	<b>27,939</b>
4.3	Set a market baseline (selling chain and consumers).	30,406	4,520	<b>34,926</b>
4.4	Design the tools necessary to implement the monitoring and evaluation system (surveys, marketing assessments, statistical data processing tools, etc.).	31,511	15,035	<b>46,546</b>
4.5	Implement the monitoring and evaluation system for each segment identified.	87,210	42,003	<b>129,213</b>
4.6	Conduct periodic cumulative evaluations to absorb lessons learned, optimize intervention strategies, and stay abreast of market trends.	120,813	17,881	<b>138,694</b>
4.7	Train participating local organizations and tourism operators for implementation of the monitoring and evaluation system.	22,916	15,269	<b>38,185</b>
4.8	Document case studies.	35,181	14,794	<b>49,975</b>
4.9	Conduct semiannual activities in each country to motivate beneficiary businesses to utilize the monitoring and evaluation system with local partners (verification organizations).	21,376	15,269	<b>36,645</b>
4.10	Develop and institute a quality assurance system for project activities (including satisfaction surveys).	7,571	25,055	<b>32,626</b>
<b>SUBTOTAL</b>		<b>2,837,115</b>	<b>2,858,545</b>	<b>5,695,660</b>
<b>Contingencies</b>		<b>56,742</b>	<b>57,171</b>	<b>113,913</b>
<b>Baseline and midterm and final evaluations</b>		<b>42,000</b>		<b>42,000</b>
<b>Audits (4)</b>		<b>12,000</b>		<b>12,000</b>
<b>TOTAL</b>		<b>2,947,857</b>	<b>2,915,715</b>	<b>5,863,573</b>
<b>Cluster activities</b>		<b>25,000</b>		<b>25,000</b>
<b>Impact Evaluation Account</b>		<b>14,739</b>		
<b>GRAND TOTAL</b>		<b>2,987,596</b>	<b>2,915,715</b>	<b>5,903,312</b>

**INTERNATIONAL PARTNERSHIP TO MARKET SUSTAINABLE TOURISM SERVICES  
(RG-M1103)**

**LIST OF MIF SUSTAINABLE TOURISM CLUSTER PROJECTS**

<b>Project number / date of approval</b>	<b>Title of project, sector, executing agency, and amount</b>	<b>Date of signing and disbursemen period in months</b>	<b>Percentage disbursed</b>	<b>Comments: Satisfactory execution or problems in execution, including delays, extensions, reformulation, executing-agency change, etc.</b>
ATN/ME-8382-RG 30 July 2003	International accreditation system and consolidation of national systems for sustainable tourism certification to facilitate SME competitiveness and market access  Rainforest Alliance US\$3,020,000	27 October 2003 49 months	73.77%	Project performance is generally satisfactory. The assumptions remain valid, project activities are being performed without any problems, and the initial targets are being surpassed in some cases.
ATN/ME-8867-PE 22 September 2004	Promoting the development of the Northeast Tourist Circuit to enhance MSME competitiveness  CARETUR Cajamarca and ALAC US\$798,431	18 March 2005 54 months	17.62%	Project performance is generally satisfactory. The planned activities have been completed, and the executing unit team strengthened. There is a good working relationship with the consultants supporting the project.
ATN/ME-8977-SU 1 December 2004	Sustainable tourism development  Conservation International Suriname (CIS) US\$845,000	10 March 2005 36 months	12.63%	This project is rated highly satisfactory, with the presidential elections having given impetus to the tourism sector. The project activities are therefore highly likely to be completed.
ATN/ME-8987-RG 8 December 2004	Competitive development of rural tourism in the Andes  Fundación CODESPA US\$2,028,190	11 March 2005 54 months	12.83%	The project's rating in the PPMR went from satisfactory in December 2005 to "red flag" in August 2006, due to delays in execution and in reaching the first triggers. This situation was discussed with the executing agency, CODESPA, on a recent administration mission. As a result, it will submit an action plan for the agreements reached at that time. These agreements will help get the project back on track to meeting its objectives and targets.

Project number / date of approval	Title of project, sector, executing agency, and amount	Date of signing and disbursements period in months	Percentage disbursed	Comments: Satisfactory execution or problems in execution, including delays, extensions, reformulation, executing-agency change, etc.
ATN/ME-9211-BR 25 May 2005	Estrada Real—network of tourism SMEs State of Minas Gerais Estrada Real US\$1,701,740	14 July 2005 42 months	21.16%	Project execution continues to go well.
ATN/ME-9273-BL 30 June 2005	Improving small business competitiveness in the tourism industry Belize Tourism Industry Association US\$580,000	7 September 2005 42 months	21.82%	Project performance is generally satisfactory. Although project execution began quite slowly, progress thus far has been satisfactory.
ATN/ME-9410-EC 21 September 2005	Sustainable productive sector development in Galapagos Cámara Provincial de Turismo de Galápagos (CAPTURGAL) US\$1,863,616	29 November 2005 48 months	11.68%	The conditions precedent were fulfilled in the first six months of execution, and the coordinator has been hired. Startup has gone well.
ATN/ME-9466-BH 26 October 2005	Sustainable tourism network for SMEs Bahamas Hotel Association US\$1,301,000	17 March 2006 48 months	24.37%	The project has just been signed and is in its first six months of execution.
ATN/ME-9503-UR 10 November 2005	Development of the Salto tourism cluster	20 February 2006 36 months	20%	Project performance is generally satisfactory.
ATN/ME-9512-DR 16 November 2005	Model for sustainable tourism management in Bayahibe Asociación de Hoteles Romana-Bayahibe (AHB) US\$1,302,480	4 January 2006 48 months	16.42%	Project performance is generally satisfactory. The actions included in the components are part of the AHB's business plan. In December 2005 the local community and the AHB were very enthusiastic about project execution.

Project number / date of approval	Title of project, sector, executing agency, and amount	Date of signing and disbursement period in months	Percentage disbursed	Comments: Satisfactory execution or problems in execution, including delays, extensions, reformulation, executing-agency change, etc.
ATN/ME-9563-CO 7 December 2005	Rural tourism development in Territorio Paraíso Fundación Carvajal US\$845,000	31 March 2006 36 months	15.82%	The project is in the initial phase of execution, following contract delivery on 31 March 2006. The conditions precedent were met in full, and the overall rating is satisfactory.
ATN/ME-9588-GU 14 December 2005	Competitive development of cultural tourism with indigenous communities Cámara de Turismo de Guatemala US\$1,157,737	24 January 2006 48 months	10.27%	The conditions precedent were satisfactorily met, and the project was declared eligible in April 2007. The startup workshop was held in July 2006.
ATN/ME-9720-ME 8 March 2006	Tourism development for MSMEs in the Tequila Region Consejo Regulador del Tequila US\$1,572,370	27 April 2006 42 months	10%	The executing agency has fulfilled the conditions precedent, and the project is therefore eligible for disbursements to begin. Project performance is generally satisfactory.
ATN/ME-9832-CR 31 May 2006	Rural community tourism in Costa Rica and replication in Central America COOPRENA US\$1,092,048	15 August 2006 48 months	5.32%	Implementation of initial activities is satisfactory, and the proposed components are likely to be completed.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION MIF/DE-\_\_\_/07

Regional. Nonreimbursable Technical Cooperation ATN/\_\_\_-\_\_\_\_-RG  
International Partnership for the Marketing of Sustainable Tourism Services

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Asociación Alianza del Bosque Lluvioso (Rainforest Alliance Incorporated), and to take such additional measures as may be pertinent for the execution of the project proposal contained in document MIF/AT-\_\_\_ with respect to technical cooperation to international partnership for the marketing of sustainable tourism services.

2. That up to the amount of US\$2,987,596 or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the resources of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

LEGIII/RG-972718-07  
RG-M1103