

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PARAGUAY

NATIONAL TOURISM PROGRAM

(PR-L1050)

LOAN PROPOSAL

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ELECTRONIC LINKS	
Required	
1.	Annual Work Plan for the first 24 months http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360863
2.	Monitoring and evaluation arrangements http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35364169
3.	Itemized procurement plan http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360861
4.	Environmental and social management report (ESMR) http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35355960
Optional	
1.	Institutional capacity assessment of SENATUR (ICAS) http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35362192
2.	Fiduciary contributions during project identification and design http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360868
3.	Program risk management report http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=353609125
4.	Economic evaluation of the program and sample projects http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360912
5.	Strategic environmental assessment of the program http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360908
6.	Program Operating Regulations http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360928
7.	Detailed results framework http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35364159
8.	Program execution plan http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360920
9.	Technical briefs for program investments http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360914
10.	Guaraní World Experiential Interpretive Circuit – sample project http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360953
11.	Great American Chaco Interactive Interpretive Center – sample project http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360941
12.	Riverfront visitor station on the Paraguay River– sample project http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360961
13.	Paraguay Tourism Master Plan http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35360921
14.	Tourism in Latin America and the Caribbean and the Bank's experience http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=1442249
15.	Ecotourism and Economic Growth in the Galapagos, Ecuador http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35337822
16.	Strategic economic and social plan – PEES 2008-2013 http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35365595
17.	Market study of tourism in Paraguay http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35366570

- | | |
|-----|--|
| 18. | Analysis of institutional strengthening needs in tourism
http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35366581 |
| 19. | Tourism assessment of targeted areas
http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35366584 |
| 20. | Safeguard Policy Filter Report and Safeguard Screening Form
http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35153994 |

ABBREVIATIONS

CH	Great American Chaco
ESMR	Environmental and social management report
ICAS	Institutional Capacity Assessment System
IRR	Internal rate of return
LY	Lake Yguazú
PCU	Program coordination unit
PMT	Plan Maestro de Turismo [Tourism Master Plan]
SENATUR	Secretaría Nacional de Turismo del Paraguay [National Tourism Department]

PROJECT SUMMARY
PARAGUAY
NATIONAL TOURISM PROGRAM
(PR-L1050)

Financial Terms and Conditions				
Borrower: Republic of Paraguay Executing agency: National Tourism Department of Paraguay (SENATUR)			Amortization period:	25 years
			Grace period:	5 years
			Disbursement period:	5 years
Source	Amount (US\$)	%	Interest rate:	LIBOR
IDB (OC)	10,000,000	83	Inspection and supervision fee:	*
Local	2,000,000	17	Credit fee:	*
Total	12,000,000	100	Currency: U.S. dollars from the Single Currency Facility of the Bank's Ordinary Capital	
Project at a Glance				
Objective: The objective of the operation is to increase the tourism sector's contribution to the country's socioeconomic development. The purpose is to increase tourism revenues and jobs on a sustainable basis in the areas targeted by the program.				
Special contractual clauses: <i>Special conditions precedent to the first disbursement:</i> (i) selection of the program coordination team and appointment of the SENATUR officials who will share responsibility for program execution, in accordance with the terms previously agreed upon with the Bank (paragraph 3.2); and (ii) approval and entry into force of the program Operating Regulations in accordance with the terms previously agreed upon with the Bank (paragraph 3.5). Special execution conditions: (i) Prior to commissioning any work within the framework of program activities in the jurisdiction of a sector or local entity, a framework agreement between the executing agency and the sector or local entity will be signed and placed into effect, establishing the parties' execution obligations, including, <i>inter alia</i> , the methods and conditions for transfer of the goods and services acquired by the executing agency for the sector or local entity to carry out the specific intervention involved (paragraph 3.4); and (ii) in the specific case of a municipio or other local entity, prior to commissioning any work with the framework of program activities in the jurisdiction of that municipio or other local entity, evidence will be presented demonstrating that institutional strengthening activities for tourism management have been initiated in the respective municipio or other local entity (paragraph 3.4).				
Exceptions to Bank policies: None				
Project consistent with country strategy: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
Project qualifies as: SEQ <input checked="" type="checkbox"/> PTI <input checked="" type="checkbox"/> Sector <input type="checkbox"/> Geographic <input checked="" type="checkbox"/> Headcount <input type="checkbox"/>				
Procurement: All program procurements will follow Bank policies and procedures as established in documents GN-2349-7 and GN-2350-7. No exceptions to Bank policies are anticipated.				

(*) 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 Paraguay

- 1.1 **Current context.** The tourism sector has great potential for diversifying Paraguay's productive structure, particularly in rural areas, despite the fact that the sector's current share in the economy is low, as would be expected in a country in the initial stages of tourism development. In 2009, tourism activity generated US\$112 million in foreign currency, equivalent to 1% of gross domestic product, and was a direct and indirect source of 25,000 jobs. Even so, tourism ranked in seventh place in terms of export-related foreign currency revenues, behind six traditional farming and forestry products. According to World Tourism Organization data,¹ Paraguay's current regional share is still small, amounting to 2% of tourist inflows to the region. However, the sector has grown at a significant pace over the past decade, following a period of stagnation in the late 1990s. In the period 2000-2007, the number of foreign tourists grew at an average annual rate of 5.3%, higher than both the world average (4.1%) and the Latin American average (2.9%).² In 2008 and 2009, foreign tourism continued to grow by more than 2.6% despite a steep drop in many countries worldwide due to the global economic crisis, which suggested an increasing interest in Paraguay as a destination in foreign tourism markets.
- 1.2 According to data from Paraguay's National Tourism Department (SENATUR), a mere 15% of the three million annual visitors to Paraguay are tourists (439,000 arrivals), the remainder being foreign day visitors (excursionists³) who do not contribute to the sector's ultimate development because they fail to generate comparable tourism revenues (average revenues of US\$5.8 per excursionist against US\$219 per tourist). Of this small volume of tourists, only some 50% arrive on vacation or leisure travel, which is associated with greater use of tourism services and therefore generates greater spending, as opposed to visitors who enter the country to visit relatives (35%) or for work-related reasons (15%). Leisure travel typically includes more than one country, with itineraries that combine Paraguay with Brazil and Argentina but have to date restricted the Paraguayan component to just two days. However, according to a [market study](#) conducted as part of the program preparation phase (paragraph 1.12), along the Argentine and Brazilian borders there is a market of more than two million foreign tourists with medium-high spending power who have an interest in Paraguay's natural and cultural attractions and constitute a significant potential source of short-term demand, particularly for the two areas identified as priorities under the program (paragraph 1.14).

¹ Tourism in Ibero-America. Current Outlook, 2009, World Tourism Organization and Secretaría General Iberoamericana [Ibero-American General Secretariat].

² [World Tourism Organization](#) and Paraguay's [National Tourism Department](#).

³ The term visitors refers to the total number of individuals who arrive in the country for a stay of less than twelve months for a primary purpose other than to engage in paid activities. Of these, there are visitors who do not stay overnight (excursionists) and those who stay at least one night (tourists).

B. Challenges in the Paraguayan tourism sector

- 1.3 In order to sustainably use its natural and cultural heritage for tourism purposes, Paraguay must confront a number of challenges that have positioned the country in 122nd place among 133 nations, according to the [World Economic Forum's 2009 Travel & Tourism Competitiveness Index](#) (a seven-place drop since 2008). According to the [Paraguay Tourism Master Plan \(PMT\)](#) and as confirmed by the studies conducted as part of program preparation, these challenges are as follows:

1. Scarcity of tourism products capable of attracting demand

- 1.4 There are very few tourism products in Paraguay on a par with those of neighboring countries in terms of quality and specialization levels. Offerings are concentrated in the Southeast Corridor and are focused on certain attractions that have little to distinguish them from similar already developed and better positioned attractions on the Argentine and Brazilian sides (Itaipú complex and Jesuit Missions). Thus, they are not reason enough to attract a satisfactory flow of tourists to Paraguay and keep them in the country longer. Due to this dearth of tourism products, Paraguay is weakly positioned in tourism markets, and tourists account for a very small portion of international visitors. Yet according to SENATUR and the [market study](#) conducted during program preparation, the country possesses unique attractions with high tourism potential, such as the Guaraní culture and the special natural features of the Chaco region. The main problem is the gap that exists between the preferences expressed by tourism demand and the currently available tourism offerings, which do not enable tourists to visit other areas of the country with interesting attractions.
- 1.5 Moreover, in most of the country, particularly in rural and indigenous areas, where a large part of the natural and cultural wealth is concentrated, the tourism business sector is very underdeveloped and lacking in specialized knowledge. In this regard, there are not enough innovative initiatives to expand the sector's portfolio of services.
- 1.6 All of this explains why Paraguay's inbound tourism revenues fail to match those of other countries in the region and are among the lowest on the continent (US\$219 in average per-trip spending per foreign tourist in 2008, compared, for example, to US\$542, US\$993, US\$1,146, and US\$1,509 in Uruguay, Argentina, Brazil, and Colombia, respectively).

2. Weak tourism institutions

- 1.7 Given Paraguay's weak tourism tradition, SENATUR has insufficient resources and technical capabilities for performing its role as the agency responsible for regulating and promoting tourism in the country. In particular, it lacks legal instruments and tools to regulate quality standards, access to market information, and capacity for project development and evaluation. According to an [assessment of institutional strengthening needs](#) conducted as part of program preparation, SENATUR's national statistics system does not receive inbound tourism surveys on

a regular basis and fails to provide disaggregated information by administrative level below the national level or by specific travel purpose and traveler segment, thus complicating the decision-making process. At present, SENATUR is completing a registry of tourism enterprises that includes only 30% of the country's total universe, which means the information provided is vague and incomplete.

- 1.8 This problem is more pronounced at the subnational level, particularly in the case of the Central Humid Chaco, in view of the growing demand for support from the municipios involved and the outlying location of many of the tourist attractions. These municipios have insufficient technical capacity to manage sustainable tourism development in their territories, especially in terms of qualified human resources and sector planning instruments. While SENATUR has a local governance department, cooperation with the municipios is still in its initial stages. By way of example, none of the Central Humid Chaco municipios has up-to-date tourism development plans. All of this hobbles the tourism authorities' ability to help break the vicious circle in the sector of an unsatisfactory and short supply of tourism products.

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

- 1.9 The proposed program is the first comprehensive intervention in support of the tourism sector in Paraguay. However, the Bank has been active in the MERCOSUR tourism sector since 1998, specifically with the operations "Improvement in Tourism Sector Competitiveness" (loan 1648/OC-AR) and "Tourism Development Program (PRODETUR) in the State of Mato Grosso do Sul" (BR-L1244), the latter now in preparation. These operations will create synergies that can be advantageously used by the proposed program to reinforce Paraguay's integration into the tourist circuits shared with Argentina and Brazil, by generating complementary offerings that benefit the tourism sector in all three countries.
- 1.10 Based on the Bank's cumulative experience in tourism programs in the region, the various evaluations conducted, and the recommendations contained in the Country Program Evaluation (document RE-356), Table I-1 below describes the main lessons learned and how they have been integrated into the design of the proposed operation:

Table I-1. Integration of lessons learned

Lesson learned	Integration in program design
Tourism programs should adhere to a strategic development model that focuses on destinations and products that can successfully compete in the market.	The program has adopted a demand-based approach. To this end, a market study was conducted to identify target tourism destinations, high-priority product lines for each destination, and demand segments where it would be advantageous to invest.
In order to promote these destinations and products, tourism infrastructure should be improved and the institutions involved in sector planning and management should be strengthened, as recommended in the Country Program Evaluation (document RE-356).	Program activities have been divided into two components: (i) development of strategic tourism products by developing tourist attractions that are public goods and supporting the local private sector that will provide services; and (ii) institution-strengthening by building the capacities of the tourism administrations.
Institutions should be strengthened at both the national and the local levels. This balance is needed in order to ensure systematic land use and the long-term sustainability of the destinations.	The institutional strengthening component will boost the capacity of SENATUR, as the sector's regulatory and promotion agency. In addition, this component will strengthen the departmental and municipal tourism administrations in the selected destinations.
As recommended in the Country Program Evaluation (document RE-356), consensus should be sought from all stakeholders to ensure successful development of the sector.	The program investments are consistent with the guidelines of the Tourism Master Plan (PMT), prepared in collaboration with the relevant public and private entities. In addition, a local participatory planning process, based on consultations with departments, municipios, tourism associations, and civil society at the target destinations, was conducted during the project preparation phase in order to validate the type of activities and tourism development to be supported through the program. The proposed execution plan will retain these same levels of coordination.
Tourism development activities should reflect a genuine environmental commitment at both the planning and investment levels.	The program has been designed on the basis of the guidelines provided in a Strategic Environmental Assessment, and the recommendations contained in the Environmental and Social Management Plan have been incorporated into the program (paragraph 2.7).

D. The government's strategy in the sector

- 1.11 In recognition of the sector's potential, the government, together with the private sector, has made tourism a top priority in the National Export Plan and has prepared the 2008-2018 [PMT](#) in order to establish a shared long-term vision for tourism development. This plan, which is a significant step toward achieving comprehensive sector planning, establishes a tourism development model for the country and the principal intervention guidelines, based on the consensus of the sector stakeholders. To accomplish its main objective of promoting sustained quality growth in tourism demand, the plan identifies a total of nine tourism regions and focuses on the creation of tourism products that can place Paraguay on equal footing with its competing neighboring countries, based on differentiation and

complementarity criteria. As a result of the plan: (i) objectives at the national level have been established for the 2008-2018 period; (ii) a tourism assessment of the country and its departments has been conducted; (iii) a preliminary assessment of demand by nationalities of origin and types of tourism has been prepared; (iv) nine tourism regions throughout the country have been identified; and (v) strategic areas of activity have been delineated. The proposed program is based on the PMT.

- 1.12 However, due to the breadth of the needs identified in the PMT countrywide and to ensure the program's efficiency and effectiveness, the government, with Bank support, decided to prioritize tourism regions and products established in the PMT for inclusion in the program based on market criteria (supply and demand) and wealth of natural and cultural heritage. To this end, using resources from technical-cooperation operation ATN/SF-11736-PR, SENATUR produced: (i) a current and potential [market study](#) of Paraguay; (ii) an [assessment of the institutional strengthening needs](#) of SENATUR and the various departments and municipios; and (iii) a [competitive diagnostic assessment of the tourism regions selected](#) as priorities. The outputs of this technical-cooperation operation helped to identify the challenges and design the proposed program to address them.

E. Program design

- 1.13 The proposed program will initiate the Bank's comprehensive support for the tourism sector in Paraguay by helping to implement the PMT. It has been designed to address the sector's two main challenges with comprehensive activities based on the studies conducted during the preparation phase.
- 1.14 First, program activities will focus on two of the country's nine tourism regions: (i) Central Humid Chaco for nature, adventure, and river tourism, based on the quality of the region's natural resources; and (ii) Lake Yguazú for cultural tourism rooted in the Guaraní world, which possesses a rich living culture. Both regions are capable of attracting demand segments characterized by longer stays and greater spending. Moreover, they have unique attractions that can shape the country's tourism identity, and they can be easily incorporated into the existing regional tourism circuits. In these two tourism regions, three innovative projects have been selected: (i) Guaraní World Experiential Circuit; (ii) Great American Chaco Interpretive Center; and (iii) River Station in the Bay of Asunción. These projects focus on creating life experiences that connect the traveler to local tradition and culture, while developing the unique characteristics that can set apart the country's tourism offerings from the regional competition. Stated demand preferences suggest that all three projects are highly capable of attracting international demand and generating nearly 40% of the potential inbound target tourism.
- 1.15 The investments and intervention guidelines in the two selected regions have been determined and validated through market studies (based on consultations with outbound operators and both current and potential tourists) and through an extensive participatory planning process involving SENATUR and the potential beneficiary departments, municipios, and communities. In light of the lessons

learned, investments have been organized around comprehensive activities aimed at developing public tourist attractions. These activities range from detailed design to restoration works, outfitting of tourism facilities and equipment, and interpretation and management of resources. These activities are supplemented by investments to support the development of the business chain, with particular emphasis on encouraging the local and indigenous population to participate in tourism activities and the resulting benefits. This will address the challenge posed by the scarcity of tourism products capable of attracting market demand.

- 1.16 Second, the program seeks to strengthen public management of the sector by SENATUR and the departments and municipios that comprise the two regions. At the central level, the program includes investments to help strengthen the country's tourism information systems, develop a regulatory framework and tools for regulating, controlling, and improving sector quality, and conduct effective tourism promotion activities in the target outbound markets. At the subnational level, the program includes investments to create sector planning and management tools and train human resources. This will address the challenge of weaknesses in tourism administration.
- 1.17 **Country strategy.** The proposed program is consistent with the priorities established in the Bank's country strategy with Paraguay 2009-2013 (document GN-2541-1) and its [2008-2013 Strategic Economic and Social Plan for Paraguay](#) inasmuch as it will support the development of tourism, one of the sectors identified as priorities for Bank activity in the country. The program will be directly instrumental in increasing tourism spending and the number of tourists who visit the country (the respective outcome and indicator specified in the results matrix for the strategy) by developing significant tourism offerings that promote the arrival of visitors into the country in greater numbers and for longer stays.
- 1.18 As established in the country strategy, the program's interventions are based on implementation of the PMT, focusing on achieving an increase in tourism revenues by helping to establish tourism infrastructure and improve public management of the sector. The country strategy also indicates that the main obstacle to success is the difficulty involved in drawing the demand. Consequently, the program's design has been based on an analysis of both current and potential tourism demand for travel to Paraguay in order to support the creation of tourism products that responds to market expectations and requirements.
- 1.19 The program is also consistent with the sector priority to protect the environment, respond to climate change, promote renewable energy, and ensure food security, established in the Report on the Ninth General Increase in the Resources of the Bank (document AB-2764), inasmuch as it includes features in response to climate change. In particular, the program proposes actions aimed at using areas rich in biodiversity such as the Central Humid Chaco and Lake Yguazú for tourism purposes in a sustainable manner consistent with environmental conservation. Moreover, the program will help achieve the target for protected terrestrial and

coastal areas established in the Results Framework 2012-2015 of the above-mentioned report.

- 1.20 In addition, the program will contribute to the Bank's objective of reducing poverty and enhancing equity, since its interventions are focused on geographic areas where the Human Development Index scores are below the national average⁴ and where the geographic investment rankings due to extreme poverty⁵ exceed the average for the country.

F. Objectives, components, and costs

- 1.21 The **objective** of the operation is to increase the tourism sector's contribution to the country's socioeconomic development. The **purpose** is to increase tourism revenues and jobs on a sustainable basis in the two areas targeted by the program. The program has two components: (i) development of strategic tourism products; and (ii) institution-strengthening.

- 1.22 **Component 1. Development of strategic tourism products (US\$7.22 million).** This component will generate tourism products that make the most of the country's considerable tourism potential and opportunities and permit sustainable use of its natural and cultural heritage. It includes the following investments by region and tourism product:

- a. Central Humid Chaco, for river, nature, and adventure tourism (US\$5.21 million): (i) Great American Chaco Interactive Interpretive Center; (ii) themed circuits on the local fauna, flora, history, and culture (with observation shelters and platforms, bicycle paths, pedestrian walkways, interpretive media, etc.); (iii) tourism-oriented upgrade of the trans-Chaco route connecting with Asunción (with scenic overlooks, signage, an ecological center, and audio guide); (iv) a riverfront visitor station on the Bay of Asunción; (v) small docks along tributaries of the Paraguay River to facilitate river excursions; (vi) projects to develop natural and cultural attractions in the areas adjacent to the small docks; (vii) integration of and participation by indigenous communities in the development of tourism products associated with the Center and the themed circuits; and (viii) training and technical assistance for local microentrepreneurs and small businesses to generate related tourism services.
- b. Lake Yguazú, for cultural tourism based on the Guaraní world (US\$2.01 million): (i) Guaraní World Experiential Circuit; (ii) integration of and participation by the Guaraní people in the development of the circuit; and (iii) support for local microentrepreneurs and small businesses to generate related tourism and recreational products.

⁴ UNDP Paraguay, 2007.

⁵ Office of Statistics, Surveys, and Censuses and Department of Social Action, 2004.

- 1.23 **Component 2. Institution-strengthening (US\$3.05 million).** This component focuses on SENATUR and the municipios around Lake Yguazú and in the Central Humid Chaco. It will build their capacity to sustainably plan and manage tourism development in these areas in a way that maximizes benefits at the local level. It includes the following activities: (i) development of a legal framework for the sector to regulate tourism offerings and nature and river tourism activities; (ii) strengthening of the national tourism statistics system, market research, and Tourism Satellite Account; (iii) implementation of the Tourism Information and Document Resource Center; (iv) support for the system of registration, rating, control, and inspection of tourism businesses; (v) support for implementation of the national tourism quality system; (vi) training of government technical specialists on private-sector assistance, project design, management, and evaluation, and training of trainers; (vii) preparation of tourism development plans for the selected departments and municipios; (viii) preparation and support for implementation of a marketing plan to promote the country brand and the products supported by Component 1; (ix) design and implementation of a system to evaluate the effectiveness of the promotional activities; and (x) implementation of the Modelo Estándar de Control Interno del Paraguay [Standard Internal Control Model] for public institutions.

G. Key results indicators

- 1.24 The principal benefits of the program are related to the increased contribution of the tourism sector to the national economy and social well-being. In this regard, the outcomes attributable to the program will be: (i) increased tourism spending; and (ii) increased formal employment in the sector. The results framework (Annex II) itemizes outcome and output indicators, with their respective intermediate and final targets.

II. FINANCING STRUCTURE AND RISKS

A. Financing instrument

- 2.1 The operation is designed as a specific investment program with a total cost of US\$12 million. The Bank will provide financing of US\$10 million (83%), drawn from the resources of the Single Currency Facility of the Bank's Ordinary Capital. The local counterpart contribution of US\$2 million equivalent (17%) will be provided by the government.

Table II.1
Program cost and financing (US\$ million)

Investment component	IDB	Local counterpart	Total	%
I. Administration, supervision, and monitoring	0.96	0.38	1.34	11.2
II. Direct costs	8.70	1.57	10.27	85.7
2.1 Development of strategic tourism products	6.40	0.82	7.22	60.3
2.2 Institution-strengthening	2.30	0.75	3.05	25.4
III. Other costs	0.34	0.04	0.38	3.1
3.1 Audits	0.08	0.01	0.09	0.7
3.2 Monitoring and evaluation	0.11	0.01	0.12	1.0
3.3 Contingencies	0.15	0.02	0.17	1.4
Total	10.00	2.00	12.00	100.0
Percentage	83	17	100	

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

Table II.2
Disbursement schedule (US\$ million)

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Total	%
IDB	1.10	4.00	2.98	1.18	0.74	10.0	83
Local	0.37	0.50	0.53	0.32	0.28	2.0	17
Total	1.47	4.50	3.51	1.50	1.02	12.0	100

B. Technical and economic viability

- 2.3 **Technical viability.** With Bank support, SENATUR has prepared the technical design studies for the program through operation ATN/SF-11736-PR, which in addition to the above-indicated outputs (paragraph 1.12) includes: (i) the program Operating Regulations; (ii) technical briefs for all investments; (iii) design of a representative sample of the works; (iv) five-year program execution plan; (v) work plan for the first two years of execution; and (vi) terms of reference for bidding processes for the principal investments over the first 18 months.
- 2.4 **Economic viability.** The economic evaluation of the program was performed based on scenario simulations with and without the program. In the scenario without the program, tourism flows continue on trend, with a 4% annual growth rate for foreign tourists and a 3% rate for domestic tourists, and both spending and length of stay remain constant. In the scenario with the proposed program, the operation increases public investment and induces private investment, generating new products and improving the quality of the service offerings. The increased number of available attractions leads to a rise in the number of inbound and domestic tourists (19% and 7% per year, respectively), a longer average stay, and greater average spending.

- Product development is expected to improve the country's tourist/excursionist ratio from the current ratio of 0.16 to 0.2. The program was evaluated by means of scenario simulations, using a sensitivity analysis and projecting the benefit flow (added value of tourism spending) out 13 years. The rate used for calculating added value was 0.25, which is conservative when compared to international statistics. The revenue flow was contrasted with the program investment costs and the operating and maintenance costs of the new facilities commencing on their first year of operation. The methodology, cost-benefit calculations, and sensitivity analysis are described in the [economic evaluation of the program](#). Under these assumptions and the most conservative scenario, results indicate that the program has a net present value of US\$11.3 million, based on a discount rate of 12%, and an internal rate of return (IRR) of 21.3%. The economic evaluation by target area, carried out with the same methodology and assumptions, also yielded positive results, with a 23.4% IRR for the Central Humid Chaco and 15% for Lake Yguazú.
- 2.5 In addition, a cost-benefit evaluation was performed for a representative sample of the specific projects included in the program. The sample projects, selected because of their high tourism potential as confirmed by the market study, are the following: (i) Guaraní World Experiential Circuit; (ii) Great American Chaco Interactive Interpretive Center; and (iii) a riverfront visitor station on the Bay of Asunción. Based on a 10-year horizon from the start of operations, the respective internal rates of return were 22%, 30%, and 31%.
- 2.6 Impacts on employment were estimated on the basis of the tourism-related employment/revenues ratio. Starting from a nationwide direct employment baseline of 9,100 workers and an indirect employment baseline of 16,000 workers, the program would generate 500 additional jobs in the targeted areas, equivalent to 2% of nationwide sector jobs.

C. Environmental and social safeguard risks

- 2.7 This program is classified as a category "B" operation under the Bank's Environment and Safeguards Compliance Policy guidelines (OP-703). Accordingly, a [strategic environmental assessment](#) was conducted during the preparation phase, including an analysis of the legal and institutional framework and the positive and negative direct and indirect impacts. This assessment was the basis for the design of an Environmental and Social Management Plan, which has been integrated into the two program components and ensures the availability of resources for management, conservation, strengthening of cultural values, and environmental safeguards. 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 Operating Regulations, which consolidates the instructions and requirements of the Bank's applicable policies (OP-703, OP-710, OP-765, OP-704, and OP-102), as well as the specific requirements for works established in the technical annexes to the Operating Regulations (paragraph 3.5). The [Environmental and Social Management Report](#) includes a summary of expected impacts, institutional responsibilities,

compliance with safeguards, and proposed measures to prevent, mitigate, or offset negative impacts. The operation will receive an environmental impact assessment report from Paraguay's Environment Department.

D. Fiduciary risks

- 2.8 During preparation of the program, the institutional capacity of SENATUR was evaluated using the [Institutional Capacity Assessment System \(ICAS\)](#) in terms of the following aspects: planning and organization, financial-administrative management and control, and procurement of goods and services. The results of this analysis show a low level of development and a risk level classified as high. The findings also 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; (ii) provisions in the Operating Regulations for financial-administrative, accounting, and disbursement controls, settlement of expenditures and payments, and auditing, including a manual of functions and procedures for program execution; and (iii) deployment of a program management system with a financial and accounting administration module for reporting to the Bank. This system will be based on Paraguay's Integrated Financial Administration System and Integrated Accounting System.
- 2.9 **Audits.** The program will be supervised through regular internal and external audits. SENATUR has a specific internal auditing unit that operates under the executive secretary of SENATUR. In addition, SENATUR will use loan proceeds to hire an independent auditing firm to perform an annual external audit of program financial statements. This procurement will be carried out in accordance with the terms of reference approved by the Bank and the policies for selecting and contracting auditing firms (OP-273-1). The annual report of the external audit will be delivered to the Bank each year no later than four months after the end of the fiscal year. The program will also be subject to audits by the Comptroller General of the Republic of Paraguay upon request.

E. Other risks

- 2.10 The program may present other risks of a technical and operational nature and relating to coordination with the participating entities (paragraphs 3.3 and 3.4), arising from local execution issues in Paraguay and the fact that this is the first operation to be executed by SENATUR with the Bank. The recommendations of the [risk analysis 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 Paraguay, and the executing agency will be the National Tourism Department (SENATUR), which through the Office of Tourism Management will have full responsibility for program administration, supervision, and evaluation. Its responsibilities will include: (i) implementing the

- program in accordance with the contractual conditions; (ii) requesting disbursements from the Bank and coordinating, implementing, and monitoring activities; (iii) planning, preparing, and organizing the program work plans and program activities; and (iv) preparing the required reports.
- 3.2 These responsibilities will be assigned to the Director of the Office of Tourism Management, who reports directly to the Executive Secretary of SENATUR. To fulfill his duties, he will have the support of a program coordination team consisting of at least: (i) a general coordinator (a professional with experience in project planning and management), who will report directly to the Director of the Office of Tourism Management; (ii) a procurement specialist; and (iii) an administrative-financial specialist. This team will support SENATUR staff in the various units 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 SENATUR staff and the program coordination team are set forth in the program Operating Regulations. **Selection of the program coordination team and appointment of the SENATUR officials who will share responsibility for program execution, in accordance with the terms previously agreed upon with the Bank, will be a condition precedent to the first disbursement.**
- 3.3 In the case of program investments involving other sector entities (such as the Ministry of Public Works and Communications) or entities under municipal jurisdiction, SENATUR will be supported by these institutions pursuant to a framework agreement to be entered into with the relevant sector or local entity. There are no plans to transfer resources to these entities. The responsibilities of these entities include: (i) own the land where the works will be executed; (ii) help obtain the authorizations, permits, and other local procedures that the investments require; (iii) express their nonobjection to the implementation of works and services in their jurisdictions; (iv) give SENATUR, construction firms, external auditors, and the Bank unrestricted access to the construction areas during program execution; and (v) properly operate and maintain the works in their jurisdiction according to generally accepted technical standards, and report on their condition annually to SENATUR. The participating entity will be required to prepare the works maintenance plan and demonstrate that it has sufficient financial capacity to assume the annual operating and maintenance costs.
- 3.4 Prior to commissioning any work within the framework of program activities in the jurisdiction of a sector or local entity, a framework agreement between the executing agency and the sector or local entity will be signed and placed into effect, establishing the parties' execution obligations, including, *inter alia*, the methods and conditions for transfer of the goods and services acquired by the executing agency for the sector or local entity to carry out the specific intervention involved. Furthermore, in the specific case of a municipio or other local entity, prior to commissioning any work with the framework of program activities in the

jurisdiction of that municipio or other local entity, evidence will be presented demonstrating that institutional strengthening activities for tourism management have been initiated in the respective municipio or other local entity.

- 3.5 **Program Operating Regulations.** Program execution will be governed by the program Operating Regulations, which establish the rules and procedures for the executing agency, municipios, and other participating entities, including a description of: (i) the execution mechanisms for the two program components; (ii) the planning, scheduling, and management duties and responsibilities of the SENATUR operating units and the program coordination team; (iii) the plan for delegating responsibilities by authority levels; (iv) a manual of functions and procedures for program execution that establishes the fiduciary requirements and mechanisms for program procurements and financial management; and (v) the procedures for environmental sustainability of the proposed interventions that require them. Any material modification of the Operating Regulations will be agreed upon with the Bank. **The approval and entry into force of the program Operating Regulations in accordance with the terms previously agreed upon with the Bank will be a condition precedent to the first disbursement.**

B. Procurement

- 3.6 SENATUR and the Bank have agreed on 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 the Bank policies contained in documents GN-2349-7 and GN-2350-7 and will be subject to ex ante reviews until the Bank authorizes the use of ex post reviews, as indicated in the plan and as recommended in the institutional capacity assessment (paragraph 2.8). Paraguay's government procurement information system will be used to notify and publicize procurements. The borrower will update the procurement plan on an annual basis or when material changes are made. Any revision of the procurement plan will be agreed upon with the Bank.

C. Monitoring and evaluation arrangements

- 3.7 **Monitoring.** The program has a [monitoring and evaluation plan](#) that has been agreed upon with SENATUR and includes: (i) indicators to monitor, evaluate, and measure the program's impact, as well as the program baseline and the means used to obtain it; (ii) critical path of activities and products for program execution; (iii) description, timetable, and entities responsible for the basic tools of program monitoring; and (iv) methodology, activities, and budget for implementing the plan. Within 60 days following the end of each calendar six-month period during program execution, SENATUR will send the Bank a consolidated monitoring report on the status of program activities. The reports will focus on attainment of the output indicators and progress towards the outcomes specified in the results framework, likewise analyzing any problems encountered and discussing the corrective measures adopted. The second semiannual report of each year will also include the annual work plan for the following calendar year, with disbursement

projections and an updated procurement plan. Any adjustment to this report will be agreed upon with the Bank.

- 3.8 **Evaluation.** As part of program evaluation, SENATUR will present a preliminary evaluation report to the Bank 18 months after the effective date of the loan contract. It will also deliver a midterm evaluation report 90 days after the date on which 50% of the loan resources have been committed and a final evaluation report within 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 financing source; (ii) progress towards the outputs, outcomes, and impacts indicated in the results framework, and the results of a comparative analysis with the 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 results of program impact measurements, in accordance with the [evaluation plan](#).
- 3.9 The program has allocated resources for these evaluations, which will be conducted independently, preferably by tourism specialists, and commissioned by the executing agency and funded with loan proceeds. Once accepted by the Bank, each evaluation report will be made available to the public on the page dedicated to the program on the SENATUR website. The reports, including supporting documentation and statistical data, will be kept available should the borrower or the Bank decide to conduct an ex post evaluation upon conclusion of the program. The program includes resources for strengthening the national tourism statistics system, particularly for conducting annual surveys to gather the basic information needed to formulate tourism aggregates for the areas targeted by the program.

Development Effectiveness Matrix Summary

Indicator	Score	Maximum Score
I. Strategic Relevance	High	
1. IDB Strategic Development Objectives	7.0	10
Country Diversification	2.0	2
Corporate Initiatives	2.5	2.5
Harmonization and Alignment	0.5	3.5
Beneficiary Target Population	2.0	2
2. Country Strategy Development Objectives	9.6	10
Country Strategy Sector Diagnosis	6.0	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 Paraguay a group D country in South America. The program supports the sustainable use of natural resources by promoting tourism in areas rich in biodiversity and is consistent with the SECCI initiative. By focusing on poorer regions of the country, the program is geographically targeting poverty. The Country Strategy include tourism as a priority sector and a specific empirical diagnosis of the sector, and the program is aligned with the Country Strategy objectives related to promoting tourism.

II. Evaluability: The program has a good diagnosis which identifies main deficiencies of the tourism sector 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 employment in the tourism sector and tourism receipts. An evaluation plan is included that follows the plans of similar tourism projects and addresses the challenges in conducting evaluations of tourism projects. There is a cost-benefit analysis that uses the available data to calculate the benefits of the project and provides a reasonable estimate of benefits of the project. The program has identified the principal environmental and social risks, as well as mitigation measures required.

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

RESULTS FRAMEWORK

Objective: To increase the tourism sector's contribution to the country's socioeconomic development.

Purpose: To increase tourism revenues and jobs on a sustainable basis in the two areas of intervention:¹ Central Humid Chaco (CH) and Lake Yguazú (LY).

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

Outcome indicators	Baseline	Target	Comments/Mean of verification
Increase in the volume of inbound tourists (in number).	CH: 22,300 LY: 1,100	CH: 45,000 LY: 14,000	Indicator taken from the results framework of the country strategy with Paraguay. Information generated by the SENATUR National Statistics System.
Increase in average daily spending per inbound tourist (in US\$/day).	CH: 67 LY: 37	CH: 70 LY: 40	Information generated by the SENATUR National Statistics System and the Central Bank of Paraguay.
Increase in tourists as a proportion of total visitor arrivals in Paraguay (tourist/excursionist ratio).	0.16	0.20	Information generated by the SENATUR National Statistics System, the Office of Migrations, and the Central Bank of Paraguay.
Increase in the number of direct and indirect formal tourism jobs (in numbers).	25,000	25, 500 (2% of sector jobs nationwide)	Information generated by the Office of Statistics, Surveys and Censuses and the SENATUR National Statistics System.
Increase in household income due to tourism (in US\$/year).	To be determined.	To be determined.	There is no baseline information in the country for estimating a priori baseline and target values, so baseline and target values will be provided at program startup by the monitoring and evaluation system based on the monitoring and control model and methodology agreed upon by the Bank and SENATUR.

¹ Central Humid Chaco for nature, adventure, and river tourism; Lake Yguazú for cultural tourism based on the Guaraní world.

COMPONENT 1: DEVELOPMENT OF STRATEGIC TOURISM PRODUCTS									
Outcome	Current situation (2010)	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
1. Tourists stay longer when visiting destinations.	The average foreign tourist stay is currently 3 days in the Central Humid Chaco and 2 days in Lake Yguazú.	Average foreign tourist stay (in days)	CH: 3	-	3.1	-	3.3	3.3	<p>The program is expected to lengthen the average inbound tourist stay in the target areas by 10%.</p> <p><u>Measurement frequency</u> Every 2 years.</p> <p><u>Means of verification</u> SENATUR National Statistics System.</p> <p><u>Responsible entity</u> PCU</p>
			LY: 2	-	2.1	-	2.2	2.2	

COMPONENT 2: INSTITUTION-STRENGTHENING									
Outcome	Current situation (2010)	Indicator	Year 1	Year 2	Year 3	Year 4	Year 5	Target	Comments
1. The government's capacity for control and regulation of tourism offerings increases.	At present, only a fraction of the private tourism sector in CH and LY is registered and rated (30%), rendering sector information vague and incomplete.	Average % of registered tourist establishments in the program areas	30%	35%	45%	60%	90 %	90%	<u>Measurement frequency</u> Annual. <u>Means of verification</u> SENATUR's Registry of Tourism Enterprises (REGISTUR) <u>Responsible entity</u> PCU
2. The efficiency of government action to promote tourism increases.	SENATUR currently has no indicators for monitoring and evaluation of resources earmarked for tourism promotion.	Ratio of revenues per target inbound market / promotional budget executed in that inbound market during the period	Establishment of baseline ratios market revenues / promotional budget	Monitoring of baseline ratios market revenues / promotional budget	Market revenues / promotional budget ratios increase by 15% over year 1	Monitoring of baseline ratios market revenues / promotional budget	Monitoring of baseline ratios market revenues / promotional budget	Efficiency of public spending on tourism promotion increases by at least 30% over the values generated by the system in year 1.	<u>Measurement frequency</u> Annual. <u>Means of verification</u> Program management reports SENATUR tourism promotion budget and data from the effectiveness measurement system <u>Responsible entity</u> PCU

SUMMARY PROCUREMENT PLAN

I. GENERAL INFORMATION

Country	Republic of Paraguay
Project name	National Tourism Program
Project number	PR-L1050
Borrower	Republic of Paraguay
Executing agency	National Tourism Department

II. BRIEF DESCRIPTION OF PROJECT OBJECTIVES AND COMPONENTS

The program objective is to promote economic and social development by increasing tourism revenues and jobs in the two areas targeted by the program.¹

- i. Component I. Creation of strategic tourism products, to include investments in: (i) development of tourism resources; (ii) promotion and marketing; (iii) structuring of the supply chain; and (iv) support for social and environmental management.
 - ii. Component II. Strengthening of tourism institutions, targeting SENATUR and tourism agencies in the municipios of the Central Humid Chaco, in order to build capacity for the systematic and sustainable planning and management of local tourism activities.
- **Date of project approval by the Board of Executive Directors:** Nov. 2010
 - **Date of signature of the loan contract:** December 2010
 - **Estimated date of the final disbursement:** June 2016
 - **Address of the executing unit responsible for the procurement plan:**

III. TOTAL CONTRACTING EXPECTED UNDER THE PROGRAM

PROGRAM PR-L1050	11,980,400	Works		Goods		Consulting				Non-consulting		
Total scheduled in the procurement plan	10,920,800	ICB	NCB	NCB	S	QCBS	CQS	LCS	NICQ	ICB	NCB	S
Goods and related services	738,350											
Works	4,316,400	1	1	6	4							
Nonconsulting services	673,420									1	2	3
Firms	3,350,655					12	1	1				
Individuals	1,841,975								24			
Total		1	1	6	4	12	1	1	24		2	3

¹ Central Humid Chaco for river, nature, and adventure tourism, and the Southeast Corridor/Iguazú Hub.

Procurement plan period: July 2011 to June 2016

Ref No. (1)	Category and description of procurement contract	Estimated cost (US\$)	Procure ment method (2)	Review	Source of financing		Prequal. (3) YES/NO	Estimated dates		Status (4)	Comments
					IDB	Local /Other		Start	Completion		
WORKS		4,316,400									
1	Chacoí riverfront visitor station works	880,000	NCB	Ex ante	90.91%	9.09%	NO	07/02/2012	06/28/2013	Pending	
2	Guaraní World Experiential Circuit and Great American Chaco Interpretative Center works	3,436,400	ICB	Ex ante	90.91%	9.09%	NO	04/01/2013	06/30/2014	Pending	Plan calls for procurement by lots
CONSULTING SERVICES - Firms		3,350,655								-	
3	Design and oversight of Chacoí riverfront visitor station	357,500	QCBS	Ex ante	90.91%	9.09%	N/A	08/01/2011	06/28/2013	Pending	Plan calls for procurement by lots
4	Design and oversight of Guaraní Circuit and Chaco Interpretative Center	567,820	QCBS	Ex ante	90.91%	9.09%	N/A	02/02/2012	06/30/2014	Pending	Plan calls for procurement by lots
5	Private-sector awareness-raising and training at Guaraní Circuit and Chacoí riverfront visitor station	249,205	QCBS	Ex ante	90.91%	9.09%	N/A	08/01/2011	06/30/2016	Pending	
6	Preparation of relevant indigenous communities for Guaraní Circuit at Lake Yguazú and Chaco Interpretative Center projects	132,000	QCBS	Ex ante	90.91%	9.09%	N/A	02/01/2013	12/31/2014	Pending	Plan calls for bidding by nongovernmental organizations
7	Recreational and cultural services, organization and classification of crafts, and development of a distribution and sales system for the Guaraní Circuit at Lake Yguazú and Chaco Interpretative Center	242,000	QCBS	Ex ante	90.91%	9.09%	N/A	09/01/2011	06/30/2016	Pending	
8	Preparation of expedited procedures for negative events affecting tourists during their stay in the country	22,000	QCBS	Ex post*	90.91%	9.09%	N/A	07/02/2012	02/28/2013	Pending	
9	Public relations to prepare a public information plan for PR-L1050	141,900	QCBS	Ex ante	90.91%	9.09%	N/A	08/01/2011	12/28/2012	Pending	

10	Design of tourism marketing plan	247,500	QCBS	Ex ante	90.91%	9.09%	N/A	12/01/2011	06/28/2013	Pending	
11	Training in organizational communication techniques and management feedback processes; design, management, and evaluation of tourism development projects	110,550	QCBS	Ex ante	90.91%	9.09%	N/A	12/01/2011	12/31/2013	Pending	
12	Training of SENATUR management and advanced course on destination planning and management for department and municipal officials.	246,180	CQS	Ex ante	90.91%	9.09%	N/A	02/01/2013	06/30/2016	Pending	Plan calls for signing several agreements with universities in the country
13	Improvements to the National Statistics System. Supply and demand	376,200	QCBS	Ex ante	90.91%	9.09%	N/A	02/01/2012	06/30/2016	Pending	
14	Development and deployment of, and operational support for, the market research system	111,100	QCBS	Ex ante	90.91%	9.09%	N/A	06/01/2012	06/30/2016	Pending	
15	Preparation of tourism development plans in the program areas	82,500	QCBS	Ex ante	90.91%	9.09%	N/A	03/01/2012	06/28/2013	Pending	
16	Consulting services for destination quality, distinguishing features of tourism offerings and service providers; analysis of degree of compliance by tourism businesses in the areas targeted by program	376,200	QCBS	Ex ante	90.91%	9.09%	N/A	03/01/2012	12/31/2014	Pending	
17	Program auditing services	88,000	LCS	Ex ante	90.91%	9.09%	N/A	08/01/2011	06/30/2016	Pending	
CONSULTING SERVICES - Individuals		1,841,975									
18	Study and geographical siting for sample projects	77,000	NICQ	Ex ante	90.91%	9.09%	N/A	08/01/2011	06/29/2012	Pending	Plan calls for one contract per project
19	Initial local awareness-raising workshops for the three sample projects	2,805	NICQ	Ex ante	90.91%	9.09%	N/A	08/15/2011	03/30/2012	Pending	
20	Experts to provide personalized technical assistance to tourism-related micro, small, and	240,900	NICQ	Ex ante	90.91%	9.09%	N/A	06/01/2012	06/30/2016	Pending	Plan calls for annual contracting

	medium-sized enterprises in the three sample projects										
21	Support for community integration at Lake Yguazú and in the Central Chaco	223,300	NICQ	Ex ante	90.91%	9.09%	N/A	08/01/2011	06/30/2016	Pending	Plans call for annual contracting
22	Identification of the map of farms with tourism potential and training for potential tourism lodging microentrepreneurs in the Central Humid Chaco	56,100	NICQ	Ex ante	90.91%	9.09%	N/A	07/02/2012	06/30/2016	Pending	Plans call for annual contracting during 4 years
23	Preparation and implementation of organizational, functions, and administrative procedures manuals for the program	49,500	NICQ	Ex ante	90.91%	9.09%	N/A	08/01/2011	12/30/2011	Pending	
24	Monitoring of marketing plan efficiency and effectiveness	33,000	NICQ	Ex ante	90.91%	9.09%	N/A	12/01/2014	06/30/2015	Pending	
25	Identification of training needs and curriculum plan, procedures manual	44,000	NICQ	Ex ante	90.91%	9.09%	N/A	08/01/2011	06/28/2013	Pending	
26	Support staff for beneficiary municipios without a diagnostic assessment for 12 months	47,520	NICQ	Ex ante	90.91%	9.09%	N/A	07/01/2014	06/30/2015	Pending	Plans calls for signing individual contracts
27	Support for creating departmental tourism boards.	30,250	NICQ	Ex ante	90.91%	9.09%	N/A	04/01/2013	06/30/2014	Pending	
28	Consulting services for a study of the legal and financial framework of municipios in the tourism area.	33,000	NICQ	Ex ante	90.91%	9.09%	N/A	04/02/2012	03/01/2013	Pending	
29	Advisory services to department and municipal governments on compliance with roadmap, creation and dissemination of a manual of good practices	57,200	NICQ	Ex ante	90.91%	9.09%	N/A	07/01/2014	12/31/2015	Pending	
30	Individual consulting contracts for the program coordination team	881,400	NICQ	Ex ante	90.91%	9.09%	N/A	07/01/2011	06/30/2016	Pending	Plan calls for annual contracts for 10 positions
31	Consulting contracts for midterm and final evaluations	66,000	NICQ	Ex ante	90.91%	9.09%	N/A	03/03/2014	06/30/2014	Pending	Plan calls for two contracts

NON-CONSULTING SERVICES		673,420									
32	Management and maintenance in the operational phase of the Guaraní Circuit and the Chaco Interpretative Center	165,000	NCB	Ex ante	90.91%	9.09%	N/A	04/01/2014	06/30/2015	Pending	Plan calls for procurement by lots
33	Management and maintenance in the operational phase of the Chacoí riverfront visitor station	99,000	NCB	Ex ante	90.91%	9.09%	N/A	03/01/2013	06/30/2014	Pending	
34	Promotional activities based on the marketing plan; communication of the experience in integrating indigenous communities into the tourism sector and development of an interpretive audio guide on the Chaco	342,100	ICB	Ex ante	90.91%	9.09%	N/A	03/01/2013	06/30/2016	Pending	
35	Maintenance and minor preventive and corrective repairs of vehicles	43,320	S	Ex ante	72.35%	27.65%	N/A	07/02/2012	06/30/2016	Pending	Plan calls for annual contracting
36	Vehicle insurance premiums and expenses	24,000	S	Ex post*	72.35%	27.65%	N/A	07/02/2012	06/30/2016	Pending	
GOODS		738,350									
37	Procurement and installation of equipment: furnishings, signage, equipment, panels, Guaraní World Experiential Circuit	198,000	NCB	Ex ante	90.91%	9.09%	N/A	03/01/2013	06/30/2014	Pending	Plan calls for procurement by lots
38	Technological platform, technical – administrative – procurement and financial/accounting management of the program	55,000	NCB	Ex ante	90.91%	9.09%	N/A	08/01/2011	06/29/2012	Pending	
39	Provision of the tourism information and document resource center (CIRDTUR). Outfitting, start-up, and implementation	106,700	NCB	Ex ante	90.91%	9.09%	N/A	04/02/2012	06/30/2016	Pending	
40	System for disseminating information from SENATUR's National Statistics System	108,900	NCB	Ex ante	90.91%	9.09%	N/A	01/02/2012	06/30/2016	Pending	

41	Computer equipment to strengthen 9 municipios, according to a diagnostic assessment of needs.	14,850	S	Ex Post	90.91%	9.09%	N/A	07/02/2012	12/31/2012	Pending	
42	Furnishings to strengthen 9 municipios, according to a diagnostic assessment of needs	9,900	S	Ex post	90.91%	9.09%	N/A	07/02/2012	12/31/2012	Pending	
43	Fuel	62,400	S	Ex post*	90.91%	9.09%	N/A	09/01/2011	06/30/2016	Pending	Plan calls for annual contracting
44	Office equipment (computer, electronics, telephony, others)	17,600	S	Ex post*	90.91%	9.09%	N/A	10/04/2011	03/30/2012	Pending	Plan calls for procurement by lots
45	Vehicles	110,000	NCB	Ex ante	45.46%	54.54%	N/A	10/04/2011	03/30/2012	Pending	
46	Program evaluation system	55,000	NCB	Ex ante	90.91%	9.09%	N/A	10/04/2011	03/30/2012	Pending	
TOTAL		10,920,800									

* Ex post review of the threshold amounts will be applicable once two (2) procurements reviewed on an ex ante basis in each category have been satisfactorily approved by the Bank, i.e., two procurements that would otherwise be subject to ex post review will instead be reviewed on an ex ante basis because they are the first two.

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; **PA:** 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.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-____/____

Paraguay. Loan ____/OC-PR to the Republic of Paraguay
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 Paraguay, as Borrower, for the purpose of granting it a financing to cooperate in the execution of the National Tourism Program. Such financing will be for an amount of up to US\$10,000,000 from the Single Currency Facility of the Ordinary Capital resources of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.