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MULTILATERAL INVESTMENT FUND

PARAGUAY

**PROMOTION OF TOURISM TO THE MISSIONS
IN THE GUARANÍ WORLD**

(PR-M1008)

DONORS MEMORANDUM

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ABBREVIATIONS

AWP	Annual work plan
CESI	Committee on Environment and Social Impact
FTN	Fundación Tierranuestra
MSMES	Micro, small, and medium-sized enterprises
PCR	Project completion report
PPMR	Project Performance Monitoring Report
SENATUR	Secretaría Nacional de Turismo [National Tourism Department]
TACPY	Touring y Automóvil Club Paraguayo [Paraguayan Touring and Automobile Club]
ToRs	Terms of Reference
UNWTO	World Tourism Organization

PROMOTION OF TOURISM TO THE MISSIONS IN THE GUARANÍ WORLD (PR-M1008)

EXECUTIVE SUMMARY

Executing agency:	Touring y Automóvil Club Paraguayo [Paraguayan Touring and Automobile Club] (TACPY) and Fundación Tierranuestra (FTN)		
Beneficiaries:	At least 180 stakeholders in the public and private sectors (120 on the Ruta Jesuítica [Jesuit Route] and 60 on the Camino Franciscano [Franciscan Trail]) who latch on to the Route/Trail concept. At least 300 new and existing micro, small, and medium-sized enterprises (MSMEs) will participate throughout the program (200 for the Route and 100 for the Trail). The awareness of at least 2,000 MSMEs located in the missions area will be heightened by the end of the program. The awareness of at least 40 public sector representatives (20 for the Route and 20 for the Trail) will be raised with regard to tourism product development. At least 500 people will have been trained by the end of the program. At least 300 workers in MSMEs will be trained.		
Amount and source:	MIF (Facility IIIa) ¹	US\$1,816,587	(70%) ²
	Local counterpart	US\$ 761,800	(30%)
	Total	US\$2,578,387	(100%)
Objectives and description:	The goal of the program is to contribute to sustainable tourism development in the missions area and to its positioning in the national and international tourism market. The purpose is to build a network of MSMEs to promote tourism. Based on an historical and current vision associated with the Guaraní culture common to the area, these enterprises will develop and market tourism products and services in line with national and international market demands.		
Terms:	Execution period:	36 months	
	Disbursement period:	42 months	
Special contractual clauses:	Conditions precedent to the first disbursement of Bank resources: (1) selection of the program's operations coordinator; and (2) adoption of the respective Operating Regulations, in accordance with terms previously agreed upon with the Bank.		

¹ The MIF contribution includes US\$30,000 for the coordination activities of the tourism cluster.

² The percentage excludes cluster activities.

As a **condition of execution**, within four months of the signature of the technical cooperation agreement and for every subsequent six-month period, an annual work plan (AWP) will be submitted by the **Program Operations Coordinator**, that denotes coordination in the contracting for and execution of the two executing agencies' joint activities.

Condition previously fulfilled: the signature of a cooperation agreement by TACPY and the FTN that ensures a commitment to program coordination.

**Exceptions to
Bank policy:**

None.

**Social and
environmental
impact:**

The Committee on Environment and Social Impact reviewed the program at its 2 June 2006 meeting. The recommendations and actions carried out are summarized in paragraph 7.1.

**Coordination
with other
development
finance
institutions:**

Implementation of this program will be coordinated with the National Export Plan-Export and Investment Network project of the Taiwanese cooperation agency and with the Jesuit Heritage Conservation Project financed by the Spanish Agency for International Cooperation (AECI), as described in paragraph 1.13.

I. BACKGROUND AND RATIONALE

A. Jesuit and Franciscan towns

- 1.1 **Jesuit missions.** Of the 30 towns that make up the great mission undertaken by the Jesuits in the early seventeenth century in Latin America, seven are in Paraguay (Santiago, Santa Rosa, San Cosme y Damián, Trinidad, San Ignacio, and Jesús del Tavarangué). In 1993, UNESCO declared the *reducciones* [settlements of Christianized indigenous people] of Santísima Trinidad del Paraná and Jesús del Tavarangué “World Heritage Sites.” Currently, the Jesuit Route is geographically delimited to two regions in Paraguay, comprised of the departments of Misiones and Itapúa, and starts 226 kilometers from Asunción, the capital of Paraguay. The main characteristics of the seven missions are described in the analysis of the status of the sector conducted during program preparation.³ The missions, impressive and spectacular, with imposing stone churches, are a distinctive feature of Paraguay's identity.
- 1.2 **Franciscan Trail.** This refers to the mission of Fray Alonso de San Buenaventura and Fray Luis de Bolaños, who arrived in the city of Asunción in 1575. The Franciscan Trail and the arts and crafts industry follow in the footsteps of the Franciscan Order, which founded open towns and left behind valuable works of art. The circuit, which also makes it possible to meet the craft workers in their own towns, starts in Asunción and goes through Ypané, Altos, Itá, Atyra, Yaguarón, Piribebuy, Tobatí, Caacupé, Luque, Valenzuela, Villarrica, Caazapá, Areguá, Itauguá, and S. J. Nepomuceno. The farthest town is 300 kilometers from Asunción. In the case of the Franciscans, the churches are located in the center of large plazas and are modest, adobe-walled constructions, charming reminders of the humility of Franciscan culture and its adaptation to the environment of the indigenous culture. They remain open for worship to this day. The Franciscan Trail offers very special monuments, nature, history, crafts, patron saint celebrations, gastronomic delights, and music.
- 1.3 In Paraguay, the Franciscans and Jesuits produced what is surely the best example in the Americas of a mestizo society, both anthropologically and culturally. The evangelical work of the Jesuits and Franciscans was characterized by its syntony and mutual understanding with the Guaraní people, their customs, and their language. More than in the neighboring countries that also have missions, Paraguay is identified as the heart of **Guaraní culture**, and the ancestral language is in use by the population in general to this day. This document will therefore refer to both influences as the **Missions in the Guaraní World**. Both worlds—Franciscan and Jesuit—where the indigenous and Spanish cultures creatively merged, are the

³ Technical document III.

two faces of the process of fusion into a resulting civilization; this diversification is what is valuable to current and potential tourism supply.

B. Tourism supply and demand

- 1.4 Over the last few years, the general tourism trend in South America, in particular in the 2003-2004 period, was clearly positive, with an average increase of 7% in the number of arrivals from MERCOSUR countries. In 2004, South America welcomed 16 million tourists, recording a 16% rise. An increase over the previous period of over 2.2 million new arrivals exceeded the record of 15.2 million tourists recorded in 2000. In the case of Paraguay, there are no official statistical data on hotel demand flow available from the government or any other officially recognized institution. Analysis of the little statistical data available and direct interviews conducted by the project team showed that: (i) the number of arriving foreign tourists was 310,000 in 2004, and Encarnación, the gateway to the Jesuit missions, recorded 18% of the arrivals; and (ii) according to the Secretaría Nacional de Turismo [National Tourism Department] (SENATUR), international arrivals increased in 2006 and as of August over 104,000 international tourists had been logged. Most are from Argentina (85.5%), primarily groups from Buenos Aires that visit the Argentine and Paraguayan Jesuit ruins prior to traveling to the falls (Puerto Iguazú). Most of the tourists spend the night in Posadas, Argentina. In addition, tourism flows from Ciudad del Este, especially business tourism, cannot be ignored. Tourists who visit the Jesuit and Franciscan missions rarely stay more than one to one and a half days, if it is ever more than a simple day trip.
- 1.5 In the specific program areas (Jesuit and Franciscan) the number of establishments is limited; however, tourists could easily spend the night in Encarnación and Asunción. Except for those two cities, tourism services and product organization supply in the program areas is very limited and the quality could be improved. This situation does not encourage tourists to spend the night in the area, and they tend to limit their visit to a mere day trip. Traditional events (mission tradition festivals, carnivals, etc.) organized by the local communities are an excellent attraction at the local level but have little impact in terms of international tourism. In addition, there is a dearth of services that would make it possible to take advantage of tourism resources, such as professional tour guides, specific information on the Jesuit Route and the Franciscan Trail, tourist assistance, etc.

C. Sector constraints and program response

- 1.6 There is no **organization** of the tourism product and coordinated supply on the part of local actors to make the most of the tourist draws is lacking. This situation is more critical for the Franciscan Trail, where there is still no tourism product but only a complex of unexploited attractions. Although there are some hotels, restaurants, and other tourism **infrastructure**, in most cases the supply is fairly

deficient and inadequate in terms of the quality required to attract tourists in general, and foreign tourists in particular.

- 1.7 The level of **promotion** of tourist attractions is limited. No systematic and sustained policy has been implemented to publicize the attractions, with the exception of a few examples, such as participation in the MERCOSUR tourism promotion campaign in Japan and at the ITB Berlin. As to the **marketing** system, most tour operators and travel agencies in the country are small and weak; few participate in international fairs and most prefer to market Iguazú Falls. They organize two-to-four-day trips and packages to the missions, essentially for tourists who are already at the falls, without promoting tourism directly in the outbound markets.
- 1.8 The conjunction of lack of knowledge and lack of appreciation of the **heritage resources** on the part of the local population, and in some cases their local authorities, are one of the main causes of their gradual deterioration: (i) plunder by local residents or vandalism; (ii) lack of maintenance and development activities; (iii) inadequate mapping of the area and/or elements or objects with heritage value; and (iv) lack of resolution in the occupation of urban space and poor settlements around the ruins, in particular the Jesuit ones. The interventions carried out so far (with public funds and international cooperation) are improving the situation, but problems remain.
- 1.9 This negative general framework of tourism supply and demand notwithstanding, the World Tourism Organization (WTO) forecasts a 15% annual increase in the inbound sector in Paraguay over the next few years, thanks especially to improved economic conditions in the closest demand area, represented by Argentina, in addition to the promotion activities being carried out in Brazil and Chile. Development will be based primarily on business and rural tourism, an increase in the quantity of inbound supply, the organization of events, and the increased quality of services.
- 1.10 The State has passed a national law on tourism (Law 60/90), which means that the sector has become one of the country's essential economic variables. The country's development in tourism terms would be based on the following products: (i) the Jesuit Route; (ii) the Franciscan Trail and the arts and crafts industry; (iii) technological tourism; (iv) the enormous Chaco-Pantanal territory; (v) fishing, golf, and sports; (vi) adventure; and (vii) the Tapè Aviru.
- 1.11 The **value added** of this MIF program is to strengthen the competitive capacity of tourism MSMEs along the Jesuit mission route and the Franciscan Trail, organizing each of them into a network to proactively develop and market products adapted to the market's requirements. Another goal is to raise the awareness of the local communities and other local actors to develop the cultural identity and heritage. Promoting tourism to the missions in the Guaraní World thus becomes a **unique**

and differentiated product that identifies an internationally competitive product associated with Paraguay; it thus turns into a very powerful development option not only for the MSMEs participating in the Route and Trail but also for the expanded Paraguayan economy.

- 1.12 This program falls under the MIF's "sustainable tourism as a development strategy" cluster and was identified as a result of the government's commitment to the Guaraní World Project initiatives, which, with contributions from limited concessional resources and funds from the IDB, conducted studies and created a critical mass of people and institutions that will participate in the initiative proposed in this document. This work was supplemented by consulting services financed by the Italian Trust Fund and contracted by the MIF in 2005. The consultants suggested considering options for a regional project, but after the consulting assignment was over, the loan to enhance tourism sector competitiveness (AR-L1004) was approved, which includes activities with the beneficiaries identified by the MIF; in addition, because of the distances between the tourist attractions, difficulties in physically connecting the routes with Bolivia were encountered. For this reason, it was decided that the executing agencies identified by the consultants would be encouraged to submit national projects and that, during their preparation, mechanisms for possible coordination would be sought in order to leverage the MIF's intervention. The MIF is currently preparing a project on Jesuit missions in the Chiquitania region of Bolivia. An effort will be made to find the synergies between them and also with the loan component in Argentina that has objectives related to those envisaged in the MIF operations.
- 1.13 In addition, the MIF program will be coordinated with: (i) Bank loan PR-100 that seeks to boost the competitiveness of SMEs by enhancing the pertinence, efficiency, and sustainability of business development services; (ii) the National Export Plan-Export and Investment Network project financed by the Taiwanese cooperation agency and executed by the Ministry of Industry and Commerce, which seeks to promote exports and foreign direct investment in selected sectors, one of which is tourism; and (iii) the Jesuit Heritage Conservation Project financed by the Spanish Agency for International Cooperation and executed by SENATUR, the purpose of which is to maintain the archeological site of Jesús.⁴

II. OBJECTIVES AND DESCRIPTION

A. Program objectives

- 2.1 The **goal** of the program is to contribute to sustainable tourism development in the missions area and to its positioning in the national and international tourism market.

⁴ Related projects being implemented or designed are described in Technical Document IV.

The **purpose** is to build a network of MSMEs in the missions area to promote tourism. Based on an historical and current vision associated with the Guaraní culture common to the area, these enterprises will develop and market tourism products and services in line with national and international market demands. Five components will be implemented to accomplish this.

B. Components and activities

- 2.2 **Component 1: Design of the Route and Trail in the missions areas and of an organizational model (MIF: US\$186,800; Counterpart: US\$8,000).** The purpose of this component is to design all aspects of the Route and Trail concept (including rules for being a part of it, good practices standards in sustainable tourism, and delineation); provide a defined, participatory organization, and raise awareness of its strategic importance among the various actors. This component will finance the following activities: (i) technical assistance to define the Route and Trail and business plan (including attraction identification and selection); organizational model and operations manual; (ii) a launching seminar with a presentation of international success stories; and (iii) seminars to raise the awareness of the communities in the various municipios that the Trail and Route cross.
- 2.3 The outcome will be a business plan and operations manual for the Route and Trail and at least 300 associated MSMEs participating actively.
- 2.4 **Component 2: Development of tourism products and training (MIF: US\$283,300; Counterpart: US\$55,000).** The purpose of this component is to have a package of tourism products and services that can be marketed in the short and medium terms and to train participating MSMEs in managing them. This component will finance the following activities: (i) studies with recommendations for development (possibility of public attraction concessions like museums, services related to ruins and sites: interpretative center, sale of crafts, toilet facilities, etc.); (ii) design of tourism packages that can be marketed by national and international wholesale operators (alternative public consumers, costs, itineraries, etc.); (iii) design of a consolidated calendar of events along the Route and Trail; (iv) training of MSMEs in managing these products and services while considering the existing situation and structuring the value chain; (v) training in tourism management to encourage the local population to establish new MSMEs; and (vi) education for participants in the Route and Trail to enhance knowledge of the wealth they offer from the historical, natural, and cultural standpoints.
- 2.5 The outcome includes the design of at least 20 products and the training of 300 people and 100% of MSMEs associated with the Route and Trail.
- 2.6 **Component 3: Development of job competencies in the hotel, food service, tour guide, and tour operating sectors. (MIF: US\$177,200; Counterpart: US\$0).** The purpose of this component is to train trainers-evaluators on evaluation

- processes and standards; and develop teaching materials and courses to train the staff of MSMEs participating in the Trail and Route. This component will finance the following activities: (i) development of teaching materials and training courses; (ii) training of trainers-evaluators on evaluation processes and standards; and (iii) training for workers.
- 2.7 The expected outcome of this component is at least 1,000 workers trained in the hotel, food service, tour guide, and tour operating sectors.
- 2.8 **Component 4. Positioning, promotion, and marketing: (MIF: US\$499,000; Counterpart: US\$554,500).** The purpose of this component is to position the Route and Trail (including their attractions) in commercial sales channels, generating effective demand. This component will finance the following activities: (i) technical assistance for the development of an operational and strategic marketing plan (promotion and marketing); (ii) technical assistance for the design of the brand, corporate identity, and user's manual; (iii) local and international fam trips and press tours (tour operators and specialized travel agencies, journalists, and others); (iv) participation in fairs; (v) design of promotional, advertising, and marketing materials: a handbook and promotional brochure; (vi) website design and maintenance; (vii) design of a communications and public relations plan; (viii) development of a database of contacts with clubs, associations, and communications media specializing in cultural, nature, or other tourism, in various international markets; and (ix) events and contest and prize design.
- 2.9 The expected outcome is implementation of an operational marketing plan, a "Missions in the Guaraní World" brand in use, and at least 80% of local operators and five international operators offering the Trail and Route among their destinations.
- 2.10 **Component 5. Pilot coordination project (MIF: US\$199,400; Counterpart: US\$0).** The purpose of this component is to develop a system for comparing internal circuits (FTN) with similar offerings in countries like Argentina, Brazil, and Bolivia (TACPY). This component will finance the following activities: (i) technical assistance for designing the relational benchmark system of excellence (including identification and selection of attraction items and items per category: public and private enterprise); organizational model and operations manual; and (ii) pilot coordination project: national circuits (FTN) and forum for actors in the other mission destinations in Argentina and Brazil, seeking synergies/complementarity (TACPY).
- 2.11 The expected outcome is a comparison model for valuation of growth and the differences between the areas that have missions; and feedback for lessons and adoption of best practices.

III. PROGRAM COSTS AND FINANCING

A. Cost and financing

- 3.1 The cost of the program has been estimated at US\$2,578,387 equivalent, of which US\$1,816,587 will be contributed by the MIF and US\$761,800 by the counterpart, at least half of which will be in cash. The MIF contribution includes US\$30,000 for Tourism Cluster activities. Following is a summary of principal budget items (the itemized budget is provided in Annex II):

(in U.S. dollars)

Categories	MIF (US\$)	Local (US\$)	Total (US\$)
Administration	126,000	42,000	168,000
Logistics	15,960	39,600	55,560
Component 1	89,850	4,000	93,850
Component 2	117,900	35,000	152,900
Component 3	88,600		88,600
Component 4	336,250	307,000	643,250
Component 5	145,550		145,550
Subtotal TACPY	920,110	427,600	1,347,710
Contingencies (5%)	46,006		46,006
Baseline and evaluations	30,000		30,000
Audits (4)	10,000		10,000
TOTAL TACPY	1,006,116	427,600	1,433,716
Cluster activities	15,000		15,000
GRAND TOTAL TACPY	1,021,116	427,600	1,448,716
	70%	30%	
Administration	126,000	42,000	168,000
Logistics	11,660	20,700	32,360
Component 1	96,950	4,000	100,950
Component 2	165,400	20,000	185,400
Component 3	88,600		88,600
Component 4	162,750	247,500	410,250
Component 5	53,850		53,850
Subtotal FTN	705,210	334,200	1,039,410
Contingencies (5%)	35,261		35,261
Baseline and evaluations	30,000		30,000
Audits (4)	10,000		10,000
TOTAL FTN	780,471	334,200	1,114,671
Cluster activities	15,000		15,000
GRAND TOTAL FTN	795,471	334,200	1,129,671
	70%	30%	
OVERALL TOTAL	1,816,587	761,800	2,578,387
	70%	30%	

B. Program sustainability

- 3.2 Through the program, the competitive capacity of the tourism networks is expected to generate interest among private entrepreneurs to participate in them; this could promote cooperation with other public and private actors in the region. In this regard, after the program has ended, the main potential sources of funds could be: (i) subscription fees for participants in the networks; (ii) sale of advertising space on the networks' Internet site and signage sponsorships, among others; (iii) possible contributions or grants from support institutions; and (iv) direct sale of tour packages through operators participating in the networks and through the Internet site. To this end, the program will finance a marketing plan that will guide the activities of the Route and Trail once the execution period has ended. One year before the program comes to an end, TACPY and the FTN will present their sustainability strategy at a **Sustainability Workshop** to be attended by Bank representatives. Its purpose will be to examine the potential for the model to continue operating autonomously after MIF support comes to an end.

IV. PROGRAM EXECUTION

A. Executing agency and mechanism

- 4.1 The program's **two executing agencies** are the Touring y Automóvil Club Paraguay [Paraguayan Touring and Automobile Club] (TACPY) and Fundación Tierranuestra (FTN). Each executing agency will sign an agreement with the Bank. For purposes of implementing the program, a cooperation agreement will be signed by the two executing agencies. It will cover, among other things, the joint hiring of the program's operations coordinator, mentioned in the following paragraph.⁵
- 4.2 A **coordinating unit** will be set up in the office of each executing agency and will be comprised of a project coordinator and an administrative/accounting assistant. There will also be a **Program Operations Coordinator** in charge of coordinating the work of the executing agencies in accordance with the clauses of the technical and financial reports, preparing work and procurement plans and terms of reference, selecting and hiring consultants, and procuring goods and services, particularly when done jointly. The terms of reference for coordinating unit staff and the Program Operations Coordinator will be specified in the technical documents.

⁵ The reason for executing the Trail and Route separately but in a coordinated manner is as follows: (i) they are two territorially distinct tourist destinations; (ii) although the fusion of Spanish and indigenous culture in both areas resulted in a unique Guaraní civilization, the culture remains alive as an attraction along the Trail, while the Route's main attraction is its architectural heritage; and (iii) based on these arguments, the proposed executing agencies have separately specialized methodologically in each of the types of attractions and territories involved in this program.

- 4.3 Under the supervision of the Program Operations Coordinator, each coordinating unit will be responsible for: (i) managing all aspects of its own project (financial, administrative, and technical); (ii) preparing, implementing, and monitoring annual work plans (AWP); (iii) contracting goods and services; (iv) monitoring execution of activities under its own project; (v) managing the budget; (vi) processing disbursement requests for the MIF's contribution; (vii) preparing the statements of account for resources used; (viii) presenting administrative reports to the Bank; (ix) organizing and maintaining the project's administrative files; (x) coordinating and communicating with the project's various actors; (xi) hiring auditors and conducting the audits required by the Bank; and (xii) processing any proposed changes in the Operating Regulations.
- 4.4 An **Advisory Council** will be set up, consisting of the two executing agencies and a representative from each of the widely respected institutions with knowledge of tourism and the missions: SENATUR, REDIEX, ASATUR, the Sacred Arts Commission (custodians of the Church's assets), the Compañía Provincial de Jesús (owners of a number of museums and heritage sites), the Franciscan Order, and other private parties. It will meet quarterly and will have the following main functions: (i) to bring local experience in tourism, local development, and integration to the different initiatives being promoted; (ii) to provide guidance on specific matters related to tourism and the missions; (iii) to set up special working groups or technical committees to support its efforts, including whichever specialists and experts it deems necessary; and (iv) to help identify and develop agreements with private and public institutions that contribute to the national coordination of Trail and Route interventions and program sustainability.
- 4.5 TACPY was established in 1924 and is a private, nonprofit organization offering comprehensive services to its members, automobile owners, and the population in general, including tourism. It is, in fact, the private sector's lead agency in the tourism sector. It has 12,000 members and its operation is financed from monthly and other fees paid by its members, grants, and services provided. TACPY has 130 employees.
- 4.6 The FTN is a private, nonprofit institution established in 1998. Its mission is to work for sustainable human development by strengthening people's and groups' capacity to learn and organize in order to improve their living conditions. The FTN is working on the development of various local communities along the Franciscan Trail. It has project administration experience, using international agency funds to promote community development. Member and private firm contributions fund the FTN's activities. The FTN has 12 employees.
- 4.7 In the prior institutional analysis performed by the Bank, a review of financial and administrative documents of the two institutions showed that they have the capacity to meet the program's budget and management needs.

- 4.8 **Execution period.** The program is expected to be executed over 36 months, with a disbursement period of 42 months.
- 4.9 **Program readiness.** The program's objectives, components, and activities have been agreed upon. The executing agencies have submitted letters committing to supplying the counterpart funds and have already signed the proposed cooperation agreement. The Operating Regulations have been drafted and the terms of reference for the main consulting services have been agreed upon.

B. Procurement

- 4.10 Through their coordinating units, TACPY and the FTN will procure the goods and services envisaged in the program and previously approved by the Bank in the semiannual procurement plan. The procurement will be undertaken at market prices using competitive methods, in accordance with the procedures established in the *Policies for selection and contracting of consultants financed by the IDB* (document GN-2350-7), the *Policies for the procurement of works and goods financed by the IDB* (document GN-2349-7), and the MIF guidelines dated 8 August 2006.

V. SUPERVISION AND EVALUATION

- 5.1 **Supervision and monitoring.** The Bank's Country Office in Paraguay will be responsible for program supervision and monitoring. A **Closing Workshop** will be scheduled for the end of execution, to evaluate the outcomes and identify the actions required to increase the program's impact.
- 5.2 **Evaluation.** Subject to agreement by the executing agencies, in a period of no more than three months from entry into force of the operation the Bank will hire consultants to design the evaluation and monitoring system and develop the baseline. The evaluation system will be based on the logical framework and will take a total-quality approach, for purposes of analyzing the following: (i) relevance, currency, and the extent to which program objectives have been fulfilled; (ii) the quality of services offered; (iii) program sustainability (in technical, economic-financial, social, and institutional terms) once the MIF contribution has been depleted; (iv) possibilities of expanding or replicating the experience; and (v) impacts achieved.
- 5.3 The program provides for two evaluations, which will be performed by a specialized individual consultant, to be selected and hired directly by the Bank. The first evaluation will be commissioned once 50% of the total has been disbursed or 24 months after the first disbursement, whichever comes first. The final evaluation will be conducted when 90% of the contribution has been disbursed, or three months prior to the deadline for the last disbursement, whichever comes first. If there is interest on the part of the MIF, an impact evaluation may be conducted—

using MIF resources—three years after the end of the operation. To this end, the executing agency will need to feed the monitoring and evaluation system on an ongoing basis.

- 5.4 **Accounting and auditing:** The executing agency will submit audited financial statements on an annual basis.

VI. BENEFICIARIES AND RISKS

A. Program beneficiaries

- 6.1 The direct beneficiaries of the program are: (i) at least 180 stakeholders in the public and private sectors (120 on the Jesuit Route and 60 on the Franciscan Trail) who latch on to the Route/Trail concept; (ii) at least 300 new and existing MSMEs that will participate throughout the program (200 for the Route and 100 for the Trail); (iii) at least 2,000 MSMEs located in the missions area whose awareness will be heightened; (iv) at least 40 public sector representatives (20 for the Route and 20 for the Trail) whose awareness about tourism product development will be raised; (v) at least 500 people who will be trained in tourism standards for the development of quality tourism services; and (vi) at least 300 workers in tourism-related MSMEs who will receive training.
- 6.2 Indirectly, all the other inhabitants of the Trail's and Route's areas of influence will benefit, enjoying tangible and intangible benefits from greater economic, cultural, and social integration, complemented by rational and orderly tourism activity. Lastly, other entrepreneurs, who will not participate in the program, will benefit from additional consumption generated by the larger number of tourists and the longer length of their stays.

B. Risks

- 6.3 The two tourism products targeted by the program are at a different stage of development. In particular, the Jesuit Route seems more organized than the Franciscan Trail and there is a risk that this could affect the organization and sale of tourism packages. As a mitigation measure, activities such as the relational benchmark and technical assistance for organization of the tourism product have been included that will support the organization of the Franciscan Trail. A second risk is the possible lack of coordination between the two coordinating units in the implementation of the joint activities. To mitigate this risk, the figure of the program operations coordinator has been established, who will coordinate both the joint Route/Trail activities and the activities to be carried out separately.

VII. SOCIAL AND ENVIRONMENTAL CONCERNS

- 7.1 The Committee on Environment and Social Impact reviewed the program at its 2 June 2006 meeting. The responses to the CESI's recommendations are described below. The Operating Regulations include criteria for participation by beneficiaries in the training and awareness-raising activities to ensure equal participation by men and women in all instances—workshops and training courses. In activity 2.6 of Component 2, information/training workshops were included on the heritage value and history of the communities so that each community as a whole can act as a “guide” for future tourists, thereby increasing the human capital of the members of the community. Lastly, the participation of local businesswomen is promoted as part of the eligibility criteria for beneficiaries set out in the Operating Regulations, and through the launching and awareness-raising activities under Component 1.

LOGICAL FRAMEWORK

PROMOTION OF TOURISM TO THE MISSIONS IN THE GUARANÍ WORLD (PR-M1008)

Objectives	Indicators	Means of verification	Assumptions
Goal			
The goal is to contribute to sustainable tourism development in the missions area and to its positioning in the national and international tourism market	<p>By the fifth year after program completion, the following is expected:</p> <ul style="list-style-type: none"> At least a 200% increase in tourist visits At least a 70% increase in tourist overnight stays An increase of at least 300% in local spending on products and services offered by the missions' tourism product 1,500 direct new jobs for MSMEs. <p>* <i>Definition and projected estimate of the value of the indicators to be developed by the evaluation consultant, to be hired at the start of the program.</i></p>	<ul style="list-style-type: none"> Bureau of Statistics, Surveys, and Censuses (DGEEC) Ex post surveys conducted by the executing agency. Ex post evaluation conducted by the executing agency 	No external events take place that would have a negative impact on Paraguay's tourism industry.
Purpose			
The purpose is to build a network of MSMEs in the missions area to promote tourism. Based on an historical and current vision associated with the Guaraní culture common to the area, these enterprises will develop and market tourism products and services in line with national and international market demands.	<p>By program end:</p> <p>General:</p> <ul style="list-style-type: none"> Network of at least 300 MSMEs offering products and services along the Jesuit Route and Franciscan Trail. Tourism signage for routes and trails over approximately 800 kilometers Image and association of "Guaraní World" or other national brand as a quality tourism destination 	<ul style="list-style-type: none"> Baseline and monitoring of indicators Midterm and final evaluations by external consultant Project completion report (PCR) Project Performance Monitoring Report (PPMR) Executing agency's progress and final reports Records of the sustainability and closing workshops 	<ul style="list-style-type: none"> The government makes the investments in infrastructure maintenance, promotion, and public services, pursuant to the program. The main actors with an influence on the operation of the Trail and Route commit to participate.

Objectives	Indicators	Means of verification	Assumptions
	<p>Jesuit Route:</p> <ul style="list-style-type: none"> ▪ Route with eight types of attractions identified and with signage (mission constructions, archeological sites, museums, craft workshops, patron saint festivals, religious festivals, school field trips, sports/adventure, academic/scientific tourism) ▪ A line of at least 10 marketable products integrated under the Route concept ▪ Operational and financial sustainability of the Route <p>Franciscan Trail:</p> <ul style="list-style-type: none"> ▪ Trail with eight types of attractions identified and with signage (mission constructions, sports/adventure, musical events with young people, craft workshops, patron saint festivals, religious festivals, school field trips, academic/scientific tourism) ▪ A line of at least 10 marketable products integrated under the trail concept ▪ Operational and financial sustainability of the Trail <p>18 months into execution:</p> <p>Franciscan Trail:</p> <ul style="list-style-type: none"> ▪ Eight circuits defined in tourism terms ▪ Five marketable tourism products 	<ul style="list-style-type: none"> ▪ Surveys of commercial channels 	
Components			
<p>1. Design of the Route and Trail in the missions areas and of an organizational model</p>	<p>General:</p> <ul style="list-style-type: none"> ▪ The awareness of 100% of the MSMEs along the Route and Trail and of at least 1,000 people heightened by the end of the program. 	<ul style="list-style-type: none"> ▪ Monitoring and evaluation system and baseline reports ▪ Executing agency's progress and final reports ▪ Midterm and final evaluations by the external consultant 	<ul style="list-style-type: none"> ▪ Institutions and MSMEs remain interested in participating in the Route/Trail.

Objectives	Indicators	Means of verification	Assumptions
	<p>Jesuit Route:</p> <ul style="list-style-type: none"> ▪ Business plan and operations manual prepared and approved in month 9 of year 1. ▪ Awareness of MSMEs and other actors heightened through eight events in the first 18 months. ▪ Eight attractions identified by month 12. ▪ 120 private/public stakeholders latch on to the Route concept. ▪ At least 200 new and existing MSMEs on the Route participate throughout the project <p>Franciscan Trail:</p> <ul style="list-style-type: none"> ▪ Business plan and operations manual prepared and approved in month 9 of year 1. ▪ Awareness of MSMEs and other actors heightened through 12 events in the first 18 months. ▪ At least eight attractions are identified and recommended for development in month 12. ▪ 60 private/public stakeholders latch on to the Trail concept. ▪ At least 100 new and existing MSMEs on the Trail participate throughout the project. 	<ul style="list-style-type: none"> ▪ PPMR ▪ PCR ▪ Attendance records in program database and records of events. ▪ Inspections by MIF country specialist. 	
<p>2. Development of tourism products and training</p> <p>The purpose of this component is to have a package of tourism products and services to be marketed in the short and medium terms and to train participating MSMEs in managing them.</p>	<p>Jesuit Route:</p> <ul style="list-style-type: none"> ▪ At least 10 products identified and marketable by month 24. ▪ 100% of MSMEs on the Route and at least 150 people trained by project end. ▪ Awareness of 20 representatives of the public sector raised by month 12. ▪ Attraction managers have recommendations for development by month 12. 	<ul style="list-style-type: none"> ▪ Executing agency's progress and final reports. ▪ Midterm and final evaluations by the external consultant ▪ PCR ▪ PPMR ▪ Inspections by MIF country specialist. ▪ Attendance records for training events in program database. 	<ul style="list-style-type: none"> ▪ Institutions and MSMEs involved participate and provide information on time and to standard. ▪ The critical mass of members needed for the development of tourism packages is reached.

Objectives	Indicators	Means of verification	Assumptions
	Franciscan Trail: <ul style="list-style-type: none"> At least 10 products identified and marketable by month 24. 100% de MSMEs of the Trail and at least 150 people trained by project end. Awareness of 20 representatives of the public sector raised by month 12. Attraction managers have recommendations for development by month 18. 		
3. Development of job competencies in the hotel, food service, tour guide, and tour operating sectors	<ul style="list-style-type: none"> At least two cooperation agreements signed with training institutions for the development of training programs in year 1. 1,000 workers trained in the hotel, food services, guide, and tour operating sectors (350 for the FTN: 150 in food services, 90 in hotel services, 10 tour operators, 100 guides) (650 for TACPYP: 150 in food services, 150 in hotel services, 150 tour operators, 200 guides) 	<ul style="list-style-type: none"> Executing agency's progress and final reports. Midterm and final evaluations by the external consultant PCR PPMR Inspections by MIF country specialist. 	<ul style="list-style-type: none"> Trainers are able to assimilate the standards, so as to effectively communicate them to the workers.
4. Positioning, promotion, and marketing	<ul style="list-style-type: none"> Operational marketing plan implemented beginning in year 3. 40 tour operators (20 national and 20 international), 30 national travel agencies, 30 journalists (20 local and 10 international) participate by the end of the program. The "Missions in the Guaraní World" or other brand in use beginning in year 3. Penetration and positioning of the brand on the national market by year 4. 80% of the operators offer the Route and Trail among their destinations beginning in month 24. 	<ul style="list-style-type: none"> Analysis reports Executing agency's progress and final reports Midterm and final evaluations by external consultant PCR PPMR 	<ul style="list-style-type: none"> The stakeholders are participating and providing information on time and to standard. The market is adequately informed about the Trail and Route and demand is generated for available packages.

Objectives	Indicators	Means of verification	Assumptions
	<ul style="list-style-type: none"> Five international operators offer the Route and Trail among their destinations beginning in month 36. 		
5. Pilot coordination project	<p>By the end of the program:</p> <ul style="list-style-type: none"> The benchmark of excellence model for assessing growth and the differences between the areas with mission tourism offerings is in operation. Lessons and feedback for incorporating best practices. 	<ul style="list-style-type: none"> Benchmark and baseline system reports Executing agency's progress and final reports Records and evaluations in the program's database Midterm and final evaluations by the external consultant 	<ul style="list-style-type: none"> The main actors in the three neighboring countries make a commitment to participate.
Activities			
<p>1. Design of the Route and Trail in the missions areas and of an organizational model</p> <p>1.1 Technical assistance to define the Route and Trail and business plan (including attraction identification and selection); organizational model and operations manual (50%: TACPY and FTN)</p> <p>1.2 A launching seminar with a presentation of international success stories (e.g. wine tourism trail, product clubs) (50%: TACPY and FTN)</p> <p>1.3 Seminars to raise the awareness of the Route/Trail participants in the various municipios they cross, for the private and public actors involved. (50%: TACPY and FTN)</p>	<p>1.1 Consulting services for business plan, organizational model, and operations manual contracted and implemented in month 12.</p> <p>1.2 Launching seminar in month 6.</p> <p>1.3 14 events to raise awareness conducted in the various municipios that comprise the Route (2), and Trail (2), involving 1,000 people, by month 12.</p>	<ul style="list-style-type: none"> Financial reports Progress reports Consulting service contracts Executing agency's semiannual and final reports Midterm and final evaluations by the external consultant PCR PPMR 	<ul style="list-style-type: none"> Institutions and MSMEs remain interested. Qualified experts are available.

Objectives	Indicators	Means of verification	Assumptions
2. Development of tourism products and training			
2.1 Studies with recommendations for development (possibility of concessions for public attractions, such as museums, services related to ruins and sites: interpretative center, sale of crafts, toilet facilities, etc.) (50%: TACPY and FTN)	2.1 Consulting services to develop Route/Trail tourist attractions completed in year 2.	<ul style="list-style-type: none"> Financial reports Progress reports Consulting service contracts Executing agency's semiannual and final reports Midterm and final evaluations by the external consultant 	<ul style="list-style-type: none"> MSMEs remain interested. Qualified experts are available.
2.2 Design of tourism packages that can be marketed by national and international wholesale operators (alternative final consumers, costs, itineraries, etc.) (50%: TACPY and FTN);	2.2 Consulting services to design tour packages by month 24.	<ul style="list-style-type: none"> PCR PPMR 	
2.3 Design of a consolidated calendar of events along the Route and Trail (50%: TACPY and FTN);	2.3 Consulting services to develop a schedule of events, carried out in year 3.		
2.4 Training of MSMEs in managing these products and services considering the existing situation and structuring the value chain (50%: TACPY and FTN);	2.4, 2.5, and 2.6 Courses designed and taught between months 6 and 18. The following will be trained: 300 tourism entrepreneurs and 500 people.		
2.5 Training in tourism management to encourage the local population to establish new MSMEs (50%: TACPY and FTN);			
2.6 Education for participants in the Route and Trail to enhance knowledge of the wealth they offer from the historical, natural, and cultural standpoints (50%: TACPY and FTN).			

Objectives	Indicators	Means of verification	Assumptions
3. Development of job competencies in the hotel, food service, tour guide, and tour operating sectors 3.1 Development of teaching materials and training courses (50%: TACPY and FTN) 3.2 Training of trainers-evaluators on evaluation processes and standards (50%: TACPY and FTN) 3.3 Training for workers (50%: TACPY and FTN)	3.1 A training course (modules, teaching materials, and evaluation) structured for the training of trainers-evaluators on the country's tourism standards during the second half of year 1 and first half of year 2. 3,000 handbooks for workers written and published in year 2. 3.2. 60 instructors from selected training institutions are trained as trainers and evaluators in year 2 of the program (30 FTN and 30 TACPY).	<ul style="list-style-type: none"> ▪ Financial reports ▪ Progress reports ▪ Consulting service contracts ▪ Executing agency's semiannual and final reports ▪ Midterm and final evaluations by the external consultant ▪ PCR ▪ PPMR 	<ul style="list-style-type: none"> ▪ MSMEs remain interested. ▪ Qualified experts are available.
4. Positioning, promotion, and marketing 4.1 Technical assistance for the development of an operational marketing plan (promotion and marketing) (50%: TACPY and FTN) 4.2 Technical assistance for: brand design, corporate identity, and user's manual 4.3 Local and international fam trips and press tours (tour operators and specialized travel agencies, journalists, and others) (50%: TACPY and FTN) 4.4 Participation in fairs	4.1 Consulting services for the design of briefings and the marketing plan, completed in year 2. 4.2 Brand and identity defined and user's manual written and in operation in year 2. 4.3 A trip for tour operators, specialized travel agencies, national and international journalists in year 3; Invitation to journalists in year 3. 4.4 Travel and participation in three trade fairs in year 3.	<ul style="list-style-type: none"> ▪ Financial reports ▪ Progress reports ▪ Consulting service contracts ▪ Executing agency's semiannual and final reports ▪ Midterm and final evaluations by the external consultant ▪ PCR ▪ PPMR 	<ul style="list-style-type: none"> ▪ Qualified experts are available. ▪ Institutions and MSMEs remain interested..

Objectives	Indicators	Means of verification	Assumptions
<p>4.5 Design of promotional, advertising, and marketing materials: a handbook and promotional brochure (50%: TACPY and FTN)</p> <p>4.6 Website design and maintenance (50%: TACPY and FTN)</p> <p>4.7 Design of a communications and public relations plan (50%: TACPY and FTN)</p> <p>4.8 Development of a database of contacts with clubs, associations, and communications media specializing in cultural, nature, or other tourism, in various international markets (50%: TACPY and FTN)</p> <p>4.9 Events and contest and prize design</p>	<p>4.5 Consulting services for the design of promotional, advertising, and marketing materials, completed by month 24.</p> <p>4.6 Consulting services for website design and maintenance performed in month 24.</p> <p>4.7 Consulting services for the design of the communications and public relations plan contracted by month 24.</p> <p>4.8 Consulting services for the development of a database completed in month 8.</p> <p>4.9 Four prizes established by year 2: prizes for the best "musical event" and "house façade" (FTN) "worker of the year" (restaurant, hotel, guide, tourism company) (FTN and TACPY).</p>		
<p>5. Pilot coordination project</p> <p>5.1 Technical assistance for designing the relational benchmark system of excellence (including identification and selection of attraction items and items per category: public and private enterprise); organizational model and operations manual</p>	<p>5.1 Consulting services for developing a relational benchmark system of excellence contracted six months from the start of the program.</p>	<ul style="list-style-type: none"> ▪ Financial reports ▪ Progress reports ▪ Consulting service contracts ▪ Executing agency's semiannual and final reports ▪ Midterm and final evaluations by external consultant 	<ul style="list-style-type: none"> ▪ Qualified experts are available

Objectives	Indicators	Means of verification	Assumptions
5.2 Pilot coordination project a. National circuits (FTN) b. Forum for actors in the other mission destinations in Argentina and Brazil, seeking synergies/complementarity (TACPY)	5.2 FTN: seminar to launch the pilot coordination project; closing workshops for the pilot coordination project; and annual forum to seek synergy/complementarity TACPY: to be carried out in the last six months of the program.		

ITEMIZED BUDGET

PROMOTION OF TOURISM TO THE MISSIONS IN THE GUARANÍ WORLD (PR-M1008)

Budget categories	MIF (US\$)	Local (US\$)	Total (US\$)
Coordination and logistics	141,960	81,600	223,560
Administration (TACPY)	126,000	42,000	168,000
Logistics (TACPY)	15,960	39,600	55,560
1. Design of the Route and Trail in the missions areas and of an organizational model (TACPY)	89,850	4,000	93,850
1.1 Technical assistance to define the Route and Trail and business plan (including attraction identification and selection); organizational model and operations manual	77,850	-	77,850
1.2 A launching seminar with a presentation of international success stories	-	4,000	4,000
1.3 Awareness-raising seminars for Route participants in the two departments (Misiones and Itapúa), for various private and public stakeholders	4,500	-	4,500
1.4 Technical advisors	7,500	-	7,500
2. Development of tourism products and training (TACPY)	117,900	35,000	152,900
2.1 Studies with recommendations for development	7,800	-	7,800
2.2 Design of tour packages to be marketed by national and international wholesale operators	26,750	-	26,750
2.3 Design of a schedule of events for the Routel	1,700	-	1,700
2.4 Training of MSMEs in managing these products and services considering the existing situation and structuring the value chain	8,700	-	8,700
2.5 Training in tourism management for the development of new MSMEs	8,700	-	8,700
2.6 Education for participants in the Route to enhance knowledge of the wealth it offers from the historical, natural, and cultural standpoints	12,300	-	12,300
2.7 Technical advisors	51,950	35,000	86,950

Budget categories	MIF (US\$)	Local (US\$)	Total (US\$)
3. Development of job competencies in the hotel, food services, tour guide, and tour operating sectors (TACPY)	88,600	-	88,600
3.1 Drafting of teaching materials	6,500	-	6,500
3.2 Training of trainers-evaluators on evaluation processes and standards	28,600	-	28,600
3.3 Training of workers	47,250	-	47,250
3.4 Technical advisors	6,250	-	6,250
4. Positioning, promotion, and marketing (TACPY)	336,250	307,000	643,250
4.1 Technical assistance for the development of an operational marketing plan (promotion and marketing)	20,250	-	20,250
4.2 Technical assistance for: brand design, corporate identity, and user's manual	12,500	-	12,500
4.3 Local and international fam trips and press tours (specialized tour operators and travel agencies, journalists)	22,000	22,000	44,000
4.4 Participation in fairs	25,000	124,500	149,500
4.5 Design of promotional, advertising, and marketing materials: a handbook and promotional brochure	75,000	93,000	168,000
4.6 Design and maintenance of website	15,000	5,400	20,400
4.7 Communications and public relations plan	25,000	-	25,000
4.8 Development of a database of contacts with clubs, associations, and media specialized in archeology and gastronomy, in various international markets	20,000	3,600	23,600
4.9 Events and contest and prize design	106,500	58,500	165,000
4.10 Technical advisors	15,000	-	15,000
5. Pilot coordination project (TACPY)	145,550	-	145,550
5.1 Technical assistance for designing the relational benchmark system of excellence	94,800	-	94,800
5.2 Forum for actors in the various parts of the Jesuit Route in Argentina, Bolivia, and Brazil	40,000	-	40,000
5.3. Technical advisors	10,750	-	10,750
Subtotal	920,110	427,600	1,347,710
Contingencies (5%)	46,006	-	46,006
Baseline and midterm and final evaluations	30,000		30,000
Audits (4)	10,000		10,000
Total	1,006,116	427,600	1,433,716
Cluster activities	15,000		15,000
Grand total TACPY	1,021,116	427,600	1,448,716
Percentage (excluding cluster activities)	70%	30%	100%

Budget categories	MIF (US\$)	Local (US\$)	Total (US\$)
Coordination and logistics	137,660	62,700	200,360
Administration (FTN)	126,000	42,000	168,000
Logistics (FTN)	11,660	20,700	32,360
1. Design of the Route and Trail in the missions areas and of an organizational model (FTN)	96,950	4,000	100,950
1.1 Technical assistance to define the Route and Trail and business plan (including attraction identification and selection); organizational model and operations manual	84,350	-	84,350
1.2 A launching seminar with a presentation of international success stories	-	4,000	4,000
1.3 Awareness-raising seminars for Trail participants in the various municipios it crosses, for various private and public stakeholders	5,100	-	5,100
1.4 Technical advisors	7,500	-	7,500
2. Development of tourism products and training (FTN)	165,400	20,000	185,400
2.1 Studies with recommendations for development	12,050	-	12,050
2.2 Design of tour packages to be marketed by national and international wholesale operators	25,500	-	25,500
2.3 Design of a schedule of events for the Trail	3,300	-	3,300
2.4 Training of MSMEs in managing these products and services considering the existing situation and structuring the value chain	16,800	-	16,800
2.5 Training in tourism management for the development of new MSMEs	24,900	-	24,900
2.6 Education for participants in the Trail to enhance knowledge of the wealth it offers from the historical, natural, and cultural standpoints	24,900	-	24,900
2.7 Technical advisors	57,950	20,000	77,950
3. Development of job competencies in the hotel, food services, tour guide, and tour operating sectors	88,600	-	88,600
3.1 Drafting of teaching materials	6,500	-	6,500
3.2 Training of trainers-evaluators on evaluation processes and standards	28,600	-	28,600
3.3 Training of workers	47,250	-	47,250
3.4 Technical advisors	6,250	-	6,250
4. Positioning, promotion, and marketing (FTN)	162,750	247,500	410,250
4.1 Technical assistance for the development of an operational marketing plan (promotion and marketing)	20,250	-	20,250
4.2 Technical assistance for: brand design, corporate identity, and user's manual	12,500	-	12,500
4.3 Local and international fam trips and press tours (specialized tour operators and travel agencies, journalists)	-	44,000	44,000
4.4 Participation in fairs	-	36,500	36,500
4.5 Design of promotional, advertising, and marketing materials: a handbook and promotional brochure	75,000	72,000	147,000
4.6 Design and maintenance of website	7,500	5,400	12,900

Budget categories		MIF (US\$)	Local (US\$)	Total (US\$)
4.7	Communications and public relations plan	12,500	-	12,500
4.8	Development of a database of contacts with clubs, associations, and media specialized in archeology and gastronomy, in various international markets	20,000	3,600	23,600
4.9	Events and contest and prize design	-	86,000	86,000
4.10	Technical advisors	15,000	-	15,000
5.	Pilot coordination project (FTN)	53,850	-	53,850
5.1	Technical assistance for designing the relational benchmark system of excellence	35,600	-	35,600
5.2	Forum for actors in the various circuits of the Franciscan Trail	7,500	-	7,500
5.3.	Pilot coordination project (FTN)	10,750	-	10,750
Subtotal		705,210	334,200	1,039,410
Contingencies (5%)		35,261	-	35,261
Baseline and midterm and final evaluations		30,000		30,000
Audits (4)		10,000		10,000
Total		780,471	334,200	1,114,671
Cluster activities		15,000		15,000
Grand total		795,471	334,200	1,129,671

RELATED PROJECTS

PROMOTION OF TOURISM TO THE MISSIONS IN THE GUARANÍ WORLD (PR-M1008)

A. Projects in the sustainable tourism cluster

Project number/date of approval	Project title, executing agency, and amount	Date of signature and disbursement period in months	Percentage disbursed	Comments: satisfactory execution or problems with execution, including delays, extensions, reformulation, change in executing agency, etc.
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 Asociación Alianza del Bosque Lluvioso [Rainforest Alliance] US\$3,020,000	27 October 2003 49 months	61.50%	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	Developing the Northeastern Tourist Circuit (NTC) to enhance MSME competitiveness CARETUR Cajamarca and ALAC US\$798,431	18 March 2005 54 months	10.00%	Project performance is generally satisfactory, as it has carried out the planned activities and strengthened the team in the executing unit, and 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	10.00%	This project is rated very satisfactory, since the presidential elections gave impetus to the tourism sector. It is therefore highly probable that project activities will be fulfilled.

Project number/date of approval	Project title, executing agency, and amount	Date of signature and disbursement period in months	Percentage disbursed	Comments: satisfactory execution or problems with execution, including delays, extensions, reformulation, change in executing agency, etc.
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	6.00%	Although project performance is classified as unsatisfactory overall, because it is proceeding very slowly, it is hoped that there will be time to complete the project activities.
ATN/ME-9211-BR 25 May 2005	Estrada Real–Network of tourism SMEs in the state of Minas Gerais Estrada Real US\$1,701,740	14 July 2005 42 months	12.00%	Project execution remains positive.
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	10.00%	Satisfactory classification in general. 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	5.00%	The conditions precedent were fulfilled in the first six months of execution, and the coordinator has been hired. The startup has been favorable.
ATN/ME-9466-BH 26 October 2005	Sustainable Tourism Network for SMEs Bahamas Hotel Association US\$1,301,000	17 March 2006 48 months	24.00%	The project has just been signed and it is being executed. First six months of execution satisfactory.
ATN/ME-9512-DR 16 November 2005	Model for sustainable tourism management in Bayahibe Asociación de Hoteles Romana Bayahibe US\$1,302,480	4 January 2006 48 months	10.35%	Satisfactory classification in general. The actions included in the components are part of the AHB's activities plan and in December 2005, the local community and the AHB were very enthusiastic about project execution.

Project number/date of approval	Project title, executing agency, and amount	Date of signature and disbursement period in months	Percentage disbursed	Comments: satisfactory execution or problems with execution, including delays, extensions, reformulation, change in executing agency, etc.
ATN/ME-9563-CO 7 December 2005	Rural Tourism Development in Territorio Paraíso Fundación Carvajal US\$845,000	31 March 2006 36 months	10.00%	The project is in the initial phase of execution, following formalization of the contract on 31 March 2006. The conditions precedent were met in full, and the overall classification 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	10.00%	The conditions precedent were satisfactorily met, and the project was declared eligible in April 2006. 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	10.00%	The executing agency has fulfilled the conditions precedent, and the project is therefore eligible for disbursements to begin. Satisfactory classification in general.
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	0.00%	Implementation of initial activities is satisfactory, and fulfillment of the proposed components probable.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION

Paraguay. Nonreimbursable Technical Cooperation ATN/ -PR
Tourism promotion in the "Mundo Guaraní" missions area

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 Touring and Automobile Club of Paraguay, and to take such additional measures as may be pertinent for the execution of the project proposal contained in Document AT- with respect to a technical cooperation for tourism promotion in the "mundo guaraní" missions area.

2. That up to the amount of US\$1,021,116, or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the resources of the Small Enterprise Development Facility of the Multilateral Investment Fund.

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

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION

Paraguay. Nonreimbursable Technical Cooperation ATN/ -PR
Tourism promotion in the "Mundo Guaraní" missions area

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 Fundación Tierranuestra, and to take such additional measures as may be pertinent for the execution of the project proposal contained in Document AT- with respect to a technical cooperation for tourism promotion in the "mundo guaraní" missions area.
2. That up to the amount of US\$795,471, or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the resources of the Small Enterprise Development Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.