

**DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND**

**SURINAME**

**SUSTAINABLE TOURISM DEVELOPMENT**

**(TC-02-09-00-5-SU)**

**DONORS MEMORANDUM**

This document was prepared by the project team consisting of: Daniel Shepherd (MIF), Project Team Leader; Leonardo Corral (RE3/EN3); William Grisley (COF/CSU); Kristyna Bishop (RE3/SO3); Geronimo Frigerio (LEG); and Maria Elena Nawar (MIF).

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Project Performance Monitoring Report (PPMR)

## ABBREVIATIONS

CBO	Community based organization
CESI	Committee on Environment and Social Impact
CI	Conservation International
CIDA	Canadian International Development Agency
CIS	Conservation International Suriname
CO	Country office
CSNR	Central Suriname Nature Reserve
EU	European Union
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
LBB	Forest Service
MIF	Multilateral Investment Fund
MOU	Memorandum of Understanding
NGO	Non-governmental organization
STINASU	Foundation for Nature Preservation
STS	Suriname Tourism Foundation
SCF	Suriname Conservation Foundation
TIC	Tourist Information Center
TCT	Ministry of Transport, Communications and Tourism
UNDP	United Nations Development Programme

**SURINAME: SUSTAINABLE TOURISM DEVELOPMENT  
(TC-02-09-00-5-SU)**

**I. EXECUTIVE SUMMARY**

**Executing agency:** Conservation International Suriname (CIS)

**Beneficiaries:** Direct and immediate beneficiaries of the project will be individuals and community tourism businesses within the communities located near the Central Suriname Nature Reserve (CSNR) at Raleighvallen (Witagron and Kaimanston), the Foundation for Nature Conservation (STINASU), existing and new Suriname tourism private sector (hotels, tour operators, transportation companies, bars and restaurants, etc.) and other tourism related businesses, especially craftspeople and artisans.

**Amount and Source:** Modality: Grant – Small Enterprise Development Facility

MIF: US\$ 845,000

Local: US\$ 355,000

Total: US\$1,200,000

**Terms:** Execution Period: 30 months

Disbursement Period: 36 months

**Objectives and description:**

The objective of the project is to expand opportunities for the tourism industry, especially targeting private sector and community-based participation that will have positive impacts for the Surinamese economy. The purpose of the project is to promote a new private sector focused model for tourism to help increase and improve the products and services in the country.

The program includes the following three components:

**(i) Component I: Development of products and services.** The objective of this component is to promote the participatory design, planning and development of sustainable tourism products and services in and around the Raleighvallen area of the CSNR.

**(ii) Component II: Training and enterprise development.** The objective of this component is to assist in the development of tourism and business administration skills in order to provide the basis for viable enterprises.

**(iii) Component III: Promotion and dissemination.** The objective of this component is to promote tourism opportunities associated with the CSNR and to disseminate the results of the project.

<b>Environmental/ social review:</b>	The Committee on Environment and Social Impact (CESI) reviewed this project document in its meeting (TRG 10-03) held on March 21, 2003, and recommended that the monitoring system track specific information related to gender as well as the impact of crafts related activities on women (¶ 3.11 and ¶ 7.3).
<b>Special contractual conditions:</b>	Presentation of the work plan and expected disbursement schedule for the first year of the program will be a condition prior to first disbursement.
<b>Exceptions to Bank policy:</b>	None.
<b>Relationship with initiatives of other international organizations:</b>	The project is designed to complement another tourism development project in Suriname funded by the European Union entitled <i>Integrated Tourism Development Program</i> (¶ 2.11).

## **II. BACKGROUND**

### **A. General overview of Suriname**

- 2.1 Suriname maintains a small and narrow economic base with around 80% of 2001's merchandise exports of US\$426 million coming from alumina. Private sector enterprise opportunities are limited (44% of the country's labor force is directly employed by government and another 20% by parastatals). Furthermore, all of the leading economic activities (mining, oil, rice farming, shrimp and fisheries) require significant capital investment and are therefore accessible to few. There is a pressing need to diversify Suriname's economy.

### **B. Suriname Tourism Opportunities**

- 2.2 Suriname enjoys underdeveloped tourism resources of the highest quality – including vast tracts of wilderness, large pristine river systems, extremely productive coastal ecosystems, and unique cultural and historic attractions. The country's ecosystems provide habitat for a number of species that can provide specialty tourism attractions. In fact, Suriname was an early tropical, nature-based tourism destination when it attracted significant international bird watching tourism during the 1970s.
- 2.3 Suriname distinguishes itself from the other destinations in terms of cuisine, history and culture. The country's unusual mix of African, Asian, European and

indigenous Amerindian cultures, including great diversity of cuisine, religion, language, music and festivals contribute further to Suriname's tourism potential. The country is sufficiently different from other neotropical destinations that it can establish its own tourism identity and market. Suriname enjoys the lowest population density and highest percentage of remaining rainforest cover of any moist, tropical country. In 1998, Suriname created the Central Suriname Nature Reserve (CSNR) on the upper Coppename River – the most pristine tropical rainforest protected area in the world with an uninhabited wilderness area of over 1.6 million hectares. CSNR represents one of the few regions that is left where all options are still available and where development and conservation can proceed hand-in-hand — maintaining a healthy ecosystem and advancing the economy at the same time. A key goal of the CSNR and its management is the development of uses such as sustainable tourism that provide economic benefits while maintaining the ecological and cultural integrity.

### **C. Challenges faced by tourism development in Suriname**

- 2.4 Despite spectacular raw tourism resources, Suriname does not yet possess tourism products and services that meet the highest standards of international tourists. Existing international tourism to Suriname's interior is limited, only marginally profitable and dominated by a low value market. Despite the enormous natural resource that the CSNR represents, the Raleighvallen area receives less than 2,000 profit-generating tourists annually. The quality of the tourism product must be improved and promoted if the market is to grow. The concept of community tourism is still in its infancy in Suriname and private sector participation remains incipient, which has inhibited the sector's growth. Currently, there are only a handful of tour operators in the country and a limited number of small businesses in the sector, most of which lack business management and planning skills and do not offer a product and service that is adequate for higher-end international tourists.
- 2.5 Another challenge faced by the tourism sector is transportation, both internationally as well as in the interior. Accessibility to Suriname remains a factor affecting international tourism opportunities. Nevertheless, there are now many direct flights to Europe each week, with indications that flights to other locations may increase as well. Over the last two years, the number of North American connected flights has increased significantly. A MIF project is underway to improve the airport safety and security procedures (see ATN/MT-8048-SU). The existing road and bridge network in Suriname is limited to only a fraction of the interior. The road network that does exist in the interior is unreliable, mainly due to bridges and a road network in poor repair. As a result, small plane travel is ubiquitous in Suriname and relatively inexpensive relative to other places. Another opportunity exists in utilizing the extensive river network as a means to travel inland, but this is a service that has yet to be upgraded to a level appropriate for higher-end tourists.



- 2.6 Artisan crafts and products offer alternative livelihood for people and communities especially those in the interior. There are some existing crafts products and markets in Suriname, but poor enterprise management results in few employment opportunities and little or no growth. The greatest shortcoming is not crafts skills or product designs but business management capacity. Similarly, producers often require assistance in the area of product development, as few producers have a good understanding of the myriad of factors to consider in tapping into markets (e.g. financial issues, market channels, etc.).

**D. Existing tourism support initiatives**

- 2.7 Conservation International Suriname (CIS) initiated its tourism program in 1997 to support the development of tourism in Suriname's interior as a sustainable and healthy path to economic growth. In 2000, the Bank approved US\$136,000 in technical cooperation resources to CIS to carry out the Tourism Development and Conservation Promotion Program. The program involved 25 international experts and 60 Surinamese stakeholders in a workshop planning exercise that resulted in the publication, *The Suriname Tourism Development Assessment and Guide*, which includes a detailed analysis and plan for how to develop tourism in the country. Much of the focus of this plan centered around trying to incorporate the private sector into the industry rather than rely on the provision of products and services by the public sector and parastatals. In 2002, CIS produced an interpretive brochure, *Paramaribo Historic Walking Tour*, targeting international tourists. For a number of years CIS has supported exhibition development, operational costs and training for Suriname's Tourism Information Center as well as organized familiarization tours of Suriname for international specialty tour operators. CIS has also organized preliminary training programs in food service, safety, guiding and product development for tourism businesses in the interior, among other activities.
- 2.8 Since 1969, STINASU (the Foundation for Nature Conservation - a non-profit parastatal foundation) has developed and managed tourism activities at Raleighvallen, which is the key tourism site in the CSNR. STINASU, in accordance with its bylaws, has operated both the business aspects of tourism (facilities, activities, and services provision and management) and the NGO-type public-good functions (conservation education and research). To date, the private sector has been largely absent from Raleighvallen and local people have been employed mostly as laborers and low-level staff. The existing services are not of sufficient quality and diversity to attract and maintain international tourists.
- 2.9 In the final draft Management Plan for the CSNR, the Ministry of Natural Resources indicates that the management of the CSNR is to remain according to current law, with the LBB (Forest Service) as the lead agency. The Ministry of Natural Resources has also indicated that STINASU will continue to be involved with tourism development and management in the CSNR. To this end, STINASU and CIS have signed a Memorandum of Understanding (MOU) intended to

facilitate their collaboration in areas including the tourism development of the Raleighvallen area of the CSNR.

**E. Proposed project**

- 2.10 This project seeks to expand opportunities for private sector and interior community participation in the tourism sector, with a significant positive impact on the Surinamese economy, by developing the Raleighvallen area of the CSNR into a high-quality international tourism destination while maintaining and promoting access for citizens of Suriname. This project is based on the principle that by creating models for success, tourism will begin on a self-generating path of growth carried forward by Surinamese institutions and the private sector. It is expected that this project will demonstrate a new model for tourism development in the country, away from domination by parastatals to increased private sector involvement and public/private partnerships.

**F. Relation to other initiatives**

- 2.11 The project is designed to complement another major tourism development effort in Suriname funded with approximately US\$2.15 million by the European Union entitled *Integrated Tourism Development Program* and which is scheduled to conclude in May 2005. The focus of that project has been on other strategic interventions, namely hotel and restaurant training, legal and institutional development to create an enabling regulatory environment, and a dispersed product development component focused on various locations throughout the country.

### **III. PROGRAM OBJECTIVES AND COMPONENTS**

**A. Objectives**

- 3.1 The general objective of the project is to expand opportunities for private sector and community-based participation in the tourism sector that will have positive impacts for the Surinamese economy. The purpose of the project is to promote a new private sector focused model for tourism to help increase and improve the products and services in the country.

**B. Components**

- 3.2 The project includes three primary components: (i) Development of products and services; (ii) Training and enterprise development support; and (iii) Promotion and dissemination.

**Component 1: Development of Products and Services (MIF US\$ 292,891;  
Local US\$237,141)**

- 3.3 The objective of this component is to promote the participatory design, planning, and development of sustainable tourism products and services in and around the Raleighvallen area of the CSNR. This component includes the following activities: (i) defining the overall structure for CSNR tourism businesses; (ii) design and planning for tourism products in the CSNR including natural and cultural attractions; (iii) development of interpretative materials and guide training; and (iv) identification of community tourism related business opportunities. As a result of the activities of this component, the program expects to develop high quality, environmentally and socially sound tourism attractions that deliver benefits to the private sector, local communities, STINASU and the national economy.
- 3.4 Tourism activities at Raleighvallen will operate through STINASU under agreements based on a set of standards derived from the reserve's objectives (i.e., conserving biodiversity and wilderness resources, generating special benefits for local people and providing opportunities for private sector participation). Through the project, private sector entities will be encouraged to become involved in assisting the operations to become professional, improving quality and becoming self-sustainable. The operations anticipated to become the first freestanding businesses are river transportation, food and beverage services and craft/gift retail sales. Business opportunities in the second phase are likely to include provision of goods and services (e.g. foodstuffs, building materials) by neighboring communities, lodge management, and river/adventure tour operating. Depending on the particular business operation, the mechanism for private sector involvement would either be a concession from STINASU's business entity to manage specific business operations under license, or through private sector participation as shareholders in the business entity.
- 3.5 Business planning and legal consultants will be engaged to design and create the structure whereby the tourism aspects of Raleighvallen's development and operations are encompassed within an effective and efficient businesses operation. Consultants will be contracted to provide advice concerning the location, temporality and interpretive content for the development of tourism activities in the CSNR area related to natural features (e.g., treks to granite outcroppings and guided tours for viewing giant river otters) and possible recreational activities (e.g., river rafting and river tours), which could involve the private sector. The consultancies will include assessments of existing resources and specific recommendations concerning their sustainable use, carrying capacities, etc. A community based strategic planning and design process will be carried out with Witagron and Kaimanston to identify mechanisms for benefit sharing and tourism related enterprise opportunities for these communities.
- 3.6 Activities parallel to this initiative include tourism infrastructure development funded and managed by CIS in cooperation with STINASU. That work includes

renovation and construction of new facilities and utilities to form the basis for the expansion of Raleighvallen tourism. Design and construction of the highest international standards and environmentally-sound technological solutions for energy provision and waste management are being employed - making the whole Raleighvallen development a model sustainable tourism product for all of Suriname.

- 3.7 For the necessary travel to the interior, the project will provide various communication devices and river transportation for consultants and CIS staff. Secondly, with counterpart resources, boats will be provided that will also be used as a model to introduce improved technology (four-stroke engines), comfort (improved seating and shade covering) and safety (equipment and training) on traditional Maroon hand-built dugout canoes.

**1. Component 2: Training and enterprise development support (MIF US\$208,276; Local US\$46,313)**

- 3.8 Training and enterprise development are critical for: (i) developing viable tourism enterprises; (ii) enabling local people to gain the skills necessary to operate independent enterprises as the primary owners, managers, and beneficiaries of the development of their tourism resources; and (iii) improving the quality of the visitor experience. The project will provide business training to communities, community-based organizations (CBOs), and individual tourism entrepreneurs, identified in Component I. Training will also be provided to the managers and staff of STINASU and of tourism businesses operating in the CSNR. This training will cover a comprehensive range of tourism and business administration skills in order to provide the basis for viable enterprises.
- 3.9 Conservation International (CI) will make available its own training course for community enterprise, which takes into consideration social and environmental factors and is tailored to people inexperienced in business, of low formal education levels, utilizing case studies that mirror their own situations. Nevertheless, since this manual was developed in a different cultural setting, a consultant will be contracted to adjust and translate the existing training course to the local circumstances. In order to become a sustainable model for training, the project will identify and train local service providers in its use, through a “training of trainers” approach. Once a group of trainers have been adequately trained, they will be able to provide training courses for other community enterprises.
- 3.10 A wide range of other training will be provided in such areas as: (i) business and financial management; (ii) health and safety and emergency planning and training; (iii) marketing; (iv) guest relations and services; and (v) natural and cultural resource conservation. These courses will be based on curricula developed by other institutions (when available) or new curricula developed within the project. All will be delivered to existing staff and community-based entrepreneurs in the field.

- 3.11 In order to contribute to the development of the crafts industry, a consultant experienced in international crafts business will be contracted to assess existing crafts production in the target area and current markets. The broad objective will be to stimulate interest among existing craftspeople to improve quality and to consider association, through the existing crafts NGOs or others. Part of this strategy will include measures to help ensure sufficient quantity and consistent quality products and to then help identify possible markets. To do this, a few selected importers of crafts in Europe and USA will be contacted with information and samples, in order to ascertain preliminary market feedback on the products. Specific efforts will be undertaken to promote inclusion of women handicrafts producers within this project, such as through separate training sessions. The development of crafts will provide additional opportunities for people and communities, especially those surrounding the CSNR. Crafts will be showcased and offered for sale at Raleighvallen as well as in Paramaribo.

**2. Component 3: Promotion and dissemination (MIF US\$60,933; Local US\$41,260)**

- 3.12 The purpose of this component is to promote the tourism opportunities associated with the CSNR and disseminate the results of the project. A specific and detailed targeted marketing plan for the CSNR area that identifies distribution channels for the products and establishes sales targets will be developed. For this, the component includes the development of promotional displays and materials and the facilitation of familiarization tours for targeted tour operators and media.
- 3.13 Two traveling exhibits will be produced for use at trade shows, international promotional events, and to inform interior communities. These exhibitions have a permanent marketing value and will also serve as the public relations face of the project to the larger Surinamese community. In addition, the project includes a specific marketing campaign for project related activities, including familiarization tours, website development and maintenance, and other promotional material development (tourist maps and brochures). The project will disseminate the results of its efforts related to the CSNR at three international conferences. It will also produce a publication highlighting its lessons learned. Finally, the Raleighvallen site of CSNR will be highlighted within the ecotourism destinations sites of Conservation International.

**IV. EXECUTING AGENCY AND EXECUTION MECHANISM**

**A. Executing Agency**

- 4.1 The executing agency for this initiative will be Conservation International Suriname (CIS) who will be responsible for the counterpart contributions. CIS was registered as a foundation with the Suriname Ministry of Justice in 1992. CIS

believes that the Earth's natural heritage must be maintained if future generations are to thrive spiritually, culturally, and economically. CIS works closely with government, international institutions, local NGOs and indigenous communities to promote sound environmental policies, ensure the continued strength of the country's protected area system and to find economically and environmentally sound alternatives to destructive resource use. CIS has 22 staff and an annual budget of US\$1,100,000.

- 4.2 CIS is involved in a number of conservation and conservation-based development projects on the ground in Suriname including: the International Cooperative Biodiversity Groups Program (bioprospecting); the Shaman's Apprentice Program (traditional medicinal knowledge); and the UNDP Global Environmental Facility (GEF) Small Grants Program (conservation-based community development). CIS was instrumental in facilitating the creation of the Central Suriname Nature Reserve (CSNR) by the Government of Suriname in 1998 as well as in the creation of the Suriname Conservation Foundation (SCF), a national environment fund in the form of an endowment. The SCF is charged with financially supporting management of the country's protected areas system. CIS, after managing the Bank-funded tourism project design process in 2000 (see paragraph 1.7), has already begun to implement many pilot activities, including the design and construction of facilities at Raleighvallen. Due to all of these factors, CIS has the institutional capacity and is the appropriate entity to be the executing agency for this proposed MIF-supported project.

#### **B. Execution mechanism**

- 4.3 For the execution of the activities, the project will have a project coordinator, a project assistant, and a half-time project accountant. The project coordinator will be responsible for coordinating project actions, and managing and controlling program activities and budget. The project coordinator will report to the Director of CIS (see Annex VIII in the technical files for an organizational chart for the program).
- 4.4 As a means to ensure coordination between the various tourism related entities and initiatives, an Advisory Committee will be established that will include STINASU, the Suriname Tourism Foundation (STS), CIS, representatives of the communities of Kaimanston and Witagron, and other relevant stakeholders. The Committee will meet biannually.
- 4.5 **Execution and disbursement periods.** Execution and disbursement periods of 30 and 36 months, respectively, are anticipated. A revolving fund will be set up for 10% of the MIF contribution, which will be disbursed and managed in a separate account. The executing agency will submit semi-annual financial reports on the status of the revolving fund to the Bank Country Office in Suriname. Disbursements of grant funds and the purchase of goods and the contracting of services will be done in accordance with Bank/MIF procedures.

- 4.6 **Status of program preparation.** The design, budget and activities planned under the program have been prepared by the executing agency with input from stakeholders and the Bank project team. Counterpart funding has been negotiated and confirmed and the detailed budget is available (see Annex IV in the technical files). The institutional agreement between STINASU and CIS was signed and is available in Annex X in the technical files.

## V. COST, FINANCING AND SUSTAINABILITY

**Table 1**  
**BUDGET BY ACTIVITIES (IN US\$)**

ACTIVITIES	MIF	LOCAL	TOTAL	%
Develop tourism products and services	292,891	237,141	492,532	45.1
Training and enterprise development	208,276	46,313	255,464	21.7
Promotion and dissemination	60,933	41,260	110,068	8.7
Monitoring and Evaluation	60,153	19,501	79,653	6.8
Project administration	144,007	8,500	152,507	13.0
Financial Audit	4,000	--	4,000	0.3
Contingencies	49,741	2,285	40,776	4.4
<b>SUBTOTAL</b>	<b>820,000</b>	<b>183,581</b>	<b>1,175,000</b>	<b>100.0</b>
Percentage	70%	30%		
Cluster Activities	25,000	--	25,000	
<b>TOTAL</b>	<b>845,000</b>	<b>355,000</b>	<b>1,200,000</b>	

- 5.1 The cost of the program is estimated at US\$1,200,000. The MIF will contribute US\$845,000 on a non-reimbursable basis, and CIS will be responsible for providing US\$355,000 as local counterpart contribution (see Annex IV for an itemized program budget), of which at least 50% must be in cash.
- 5.2 The amount equivalent to US\$25,000 for Cluster Activities shall be utilized by the Bank for purposes of carrying out activities related to Cluster described in paragraph 7.2. This amount will be deducted from the amount of the MIF Contribution on the effective date of the TC agreement of this operation, without requiring a disbursement request from the executing agency.
- 5.3 **Sustainability.** The sustainability of the training and business development activities are linked to building up the local capacity of service providers, especially through the training of trainer courses. After the end of the execution of the proposed project, these recently trained professionals will be able to continue to provide services to businesses, communities, and CBOs, recovering costs through charging for services. In terms of the willingness to pay for such services,

as businesses become established and linked to private sector service providers, so increasingly such services will be provided by the private sector partners and their cost embedded in the transaction. For example, an importer with a successful market for Surinamese crafts will invest in design and product development and perhaps provide training in other skills, such as packing, because the importer has a commercial interest to do so.

- 5.4 The products and services developed in the CSNR are expected to result in increased tourism opportunities, which should assist with the financial sustainability of the private sector, community based tour operators, and other service providers in the country. This aspect of sustainability is inextricably linked to the products and services first identified in Component I and the ability of the local businesses to develop and offer high quality products and services.

## **VI. JUSTIFICATION, BENEFICIARIES AND RISKS**

### **A. Benefits**

- 6.1 The project will create new market opportunities, as up until now the tourism sector has depended on public sector involvement rather than encouraging the private sector to reach its full potential. Suriname's economy is currently so small and narrow that even minor, high-end specialty tourism markets will have a significant impact on the local economy, most especially in the targeted interior sites. An effort will be made to maximize the opportunities and provide models for community enterprise and private sector participation in tourism development in the CSNR, especially among smaller enterprises (and through this model - for all of Suriname).
- 6.2 The project will develop tourism products in a participatory manner that empowers the Surinamese people to understand, control and develop their own resources into products that they own, manage and benefit from. These products will help establish Suriname as a recognized international tourism destination and will serve as a model for other locations in Suriname and neighboring countries that could be replicated. Ultimately, through sustainable tourism, the Surinamese people can directly enjoy the economic benefits of their resources, in turn becoming the strongest advocates for their conservation and leading ultimately to a sustainable economic future.

### **B. Beneficiaries**

- 6.3 Direct and immediate beneficiaries of the project will be individuals and community tourism businesses within the communities located near the CSNR at Raleighvallen (Witagron and Kaimanston), along with STINASU, existing and new Suriname tourism private sector (hotels, tour operators, transportation



companies, bars and restaurants, etc.) and other tourism related businesses, especially craftspeople and artisans.

## C. Risks

- 6.4 The following risks have been identified: (i) international tourism can be fickle and is subject to events and trends, which are beyond the control of investors. *Mitigant:* The proposed project includes specific measures to develop a targeted market and promote the CSNR among specialty international tour operators as a means to create stable and reliable partnerships that will work to minimize these risks. (ii) The private sector and community-based organizations may not be interested or able to develop the quality of services and products needed for the level of tourists being targeted. *Mitigant:* The proposed training curriculum and enterprise development efforts are based on similar experiences from other countries, which have proven effective for developing high quality services and products. (iii) The transportation difficulties identified in paragraph 2.5 may persist as formidable obstacles for attracting high-end tourists. *Mitigant:* The project includes activities to assist with improving the quality of the river transportation within the interior. The international transportation difficulties remain an issue for concern, though the other MIF-financed project on airport security is expected to help increase the number of flights.

## VII. MONITORING AND EVALUATION

- 7.1 **Monitoring.** The Bank's Country Office (CO) in Suriname will be responsible for the supervision of this project, with the technical support of the project team. The executing agency will be responsible for gathering and analyzing relevant information for the continuous monitoring of the program's performance indicators (see Annex I for the logical framework). The executing agency will be responsible for submitting semi-annual reports to the IDB Country Office.
- 7.2 Under the Cluster activities line item in the budget, the MIF Office will manage resources to cover expenses associated with Cluster workshops, provide funding for staff from the executing agency to attend Cluster events, and hire a technical advisor for the Cluster and other Cluster related activities. The technical advisor will be responsible for assisting all the executing agencies for Cluster projects and for helping with monitoring and data collection for the Cluster.
- 7.3 The project will contract a consultant to develop an integrated system to monitor and evaluate environmental and social impacts. This system will be a cost-effective, integrated monitoring and evaluation (M&E) system that can be carried out by local consultants and the participating businesses over the life of the project and will likely entail the use of socio-economic surveys carried out using participatory rural appraisal methods. The M&E system will track tourism levels

at the CSNR and examine the ecological impact of tourism on the reserve using a variety of indicators. The project will also evaluate the social and economic impacts of increased tourism on the communities of Kaimanston and Witagron (see Annex IX in the technical files for more details). The M&E system will disaggregate data according to gender and ethnicity to support specific efforts to include these groups.

- 7.4 **Evaluations.** An intermediate and a final evaluation of the project will be undertaken by external consultants to be contracted directly by the Bank, through the Country Office in Suriname. The mid-term evaluation will be prepared upon the earlier of: 15 months after the first disbursement or when 50% of the resources have been disbursed. For the mid-term evaluation the consultant will take into account the following: (i) the number of tourism products and services being provided by the private sector; (ii) level of involvement of members of the local communities within the proposed activities; and (ii) the progress toward the development of new goods and services. A final evaluation will be conducted at the end of program execution or when 95% of the Bank's contribution has been disbursed. For the final evaluation, the consultant will take into account: (i) the effectiveness of the project in encouraging the private sector to increase services and products; (ii) the net increase in tourists to the CSNR as a result of this project; and (iii) the expected sustainability of project activities.
- 7.5 During the project's execution, CIS will compile supervision and program evaluation indicators, to be used by the Bank Country Office and the executing agency to gauge the overall impact and to assess the results. These initial indicators are set forth in the Logical Framework (see Annex I). In addition to the indicators in the logical framework, the executing agency will also track information regarding visitors to Raleighvallen including whether they are international or local tourism and whether the visitors are a part of an organized group or are traveling independently. The executing agency will provide access to all the information and documentation needed to conduct these evaluations.

## VIII. ENVIRONMENTAL AND SOCIAL VIABILITY

- 8.1 Unlike development options based on resource extraction, sustainable tourism provides the opportunity for Suriname to benefit from its resources while at the same time conserving, and possibly even enhancing them. This initiative is intended to serve as a model to demonstrate how to develop socially, economically, and environmentally sound tourism opportunities in the region. The executing agency will ensure equal access to training and other program activities regardless of gender and ethnicity.
- 8.2 In order to ensure that the beneficiary communities are fully aware of the project, a community meeting was held at Witagron on September 15, 2004. An

interpreter assisted the project team and the chief (*granman*), several captains (*basjas*) and other community members attended the meeting. It was clear during the meeting that the community was interested in increasing their capacity to provide goods and services to Raleighvallen and that they would like to become more involved in community-based tourism.

- 8.3 The Committee on Environment and Social Impact (CESI) reviewed this project document in its meeting (TRG 10-03) held on March 21, 2003, and recommended that the project document clarify that the monitoring system include specific information related to gender and the impact of crafts related activities on women (see paragraphs 3.11 and 7.4).

## **IX. SPECIAL CONTRACTUAL CONDITIONS**

- 9.1 Presentation to the satisfaction of the Bank of the work plan and expected disbursement schedule for the first year of the program will be a condition prior to the first disbursement.

**SURINAME: SUSTAINABLE TOURISM DEVELOPMENT (TC 02-09-00-5)**

<b>LOGICAL FRAMEWORK</b>			
<b>NARRATIVE SUMMARY</b>	<b>INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
<b>GOAL</b>			
Expand opportunities for private sector and community-based participation in the tourism sector with positive impacts for the Surinamese economy.	<ul style="list-style-type: none"> <li>• A 50% increase in new visitors to Raleighvallen annually by end of project (assuming 1500 visitors per year now).</li> <li>• At least 12 new business services or products developed in the Raleighvallen area</li> </ul>	<ul style="list-style-type: none"> <li>• Recorded number of visitors and baseline statistics to be developed by the project</li> </ul>	<ul style="list-style-type: none"> <li>• Stable internal political and social climate</li> <li>• International tourism climate favorable</li> </ul>
<b>PURPOSE</b>			
Increase and improve the products and services offered by the tourism sector through better design and planning, business training and marketing	<ul style="list-style-type: none"> <li>• Average length of stay increases to four days in Raleighvallen by end of project</li> <li>• At least six of the 12 expected tourism services at Raleighvallen are transferred to private sector enterprises.</li> <li>• Raleighvallen tourism gross revenues increase by 100%.</li> </ul>	<ul style="list-style-type: none"> <li>• Statistical records and reports generated by project</li> <li>• Financial records from Raleighvallen, W/K partner tourism businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Demand will respond to improved availability and quality of tourism products and services</li> <li>• Communities remain interested and committed to tourism business development</li> <li>• International air access to Suriname remains as is or improves.</li> <li>• Visa and reporting requirements for international tourists remains as is or improves.</li> </ul>
<b>COMPONENTS</b>			
I. Development of Products and Services	<ul style="list-style-type: none"> <li>• Four or more nature-based activities available to tourists at Raleighvallen</li> <li>• Three or more tourism products and/or services offered by Witagron / Kaimanston (W/K) to Raleighvallen tourists.</li> </ul>	<ul style="list-style-type: none"> <li>• Reports generated by project and site visits</li> <li>• Project-generated interpretive materials</li> <li>• Tourism products published and available for booking</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure improvements at Raleighvallen are completed in same general timeframe as development of new tourist activities at Raleighvallen</li> <li>• W/K community members develop and maintain interest in tourism-based economic activities and in participating in project.</li> </ul>
II. Training and enterprise development.	<ul style="list-style-type: none"> <li>• 50 community members, STINASU staff and private business owners at target sites receive project training in tourism-related business development</li> </ul>	<ul style="list-style-type: none"> <li>• Reports and records on training provided</li> </ul>	<ul style="list-style-type: none"> <li>• Small-scale private sector interests and community members demonstrate interest in tourism-based economic activities and desire to receive training</li> </ul>

LOGICAL FRAMEWORK			
NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	and management skills by the end of the project.		<ul style="list-style-type: none"> <li>Government policies affecting small scale businesses and access to capital do not change significantly during the project</li> </ul>
III. Promotion and dissemination	<ul style="list-style-type: none"> <li>Three fold increase in number of international tour operators who offer tours to Raleighvallen</li> <li>Seven fold increase in number of international tours visiting Raleighvallen to 20 annually.</li> <li>At least 400 people made aware as to the benefits and opportunities of sustainable tourism</li> </ul>	<ul style="list-style-type: none"> <li>Tour operators and tours that are offered in the market.</li> </ul>	<ul style="list-style-type: none"> <li>International demand for specialty wilderness and cultural tourism destinations is elastic and will respond to improvements in supply.</li> </ul>
ACTIVITIES			
Component 1: Development of Products and Services			
1.1.1 Develop new tourism products and improve tourism services in the Raleighvallen area.	<ul style="list-style-type: none"> <li>Three or more new half-day to two-day activities for tourists visiting Raleighvallen that offer wildlife viewing, ecological, and/or natural history content.</li> <li>STINASU's business entity created to operate and manage Raleighvallen tourism activities</li> </ul>	<ul style="list-style-type: none"> <li>Reports generated by project and site visits</li> <li>Legal registration documents and operating and financial reports of the STINASU's business entity</li> </ul>	
1.1.2 Engage in community consultations and develop tourism products and services at Witagron/Kaimanston.	<ul style="list-style-type: none"> <li>In W/K, the majority of the community perceives tourism development and the CSNR as a benefit and they have consistent access to information about tourism activities.</li> <li>W/K community-based businesses provide river transportation services to the Raleighvallen area.</li> <li>At least two goods and services provided by W/K to tourists – e.g. half-day tour to tourists, food &amp; beverage</li> </ul>	<ul style="list-style-type: none"> <li>Baseline and follow-up community surveys</li> <li>Raleighvallen procurement contracts</li> <li>Records generated by project of W/K-provided services and products sold to tourists attracted by the CSNR and W/K community business records</li> <li>Staff rosters</li> </ul>	

<b>LOGICAL FRAMEWORK</b>			
<b>NARRATIVE SUMMARY</b>	<b>INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
	services, retail handicrafts and/or foodstuffs.		
1.2.1 Improve interpretation of natural, cultural, and historical resources and develop interpretive materials.	<ul style="list-style-type: none"> <li>• Accurate mechanisms for delivery of interpretive information on natural, cultural, and historical resources are available to tourists.</li> <li>• Five brochures produced</li> <li>• Signage in place for each of the developed tourism sites and related activities</li> <li>• One map produced</li> </ul>	<ul style="list-style-type: none"> <li>• Interpretive materials produced by project</li> </ul>	
1.2.2 Develop guide training materials and strategy.	<ul style="list-style-type: none"> <li>• Guide-training curriculum with Suriname-specific content and associated training materials produced</li> </ul>	<ul style="list-style-type: none"> <li>• Guide-training curriculum and materials produced by project</li> </ul>	
1.2.3 Implement guide training program	<ul style="list-style-type: none"> <li>• 40 guides from W/K, STINASU, CSNR staff and the private sector trained</li> </ul>	<ul style="list-style-type: none"> <li>• Records on training provided</li> <li>• Site visits</li> </ul>	
<b>Component 2: Training and Enterprise Development</b>			
2.1 Design and implement (i) community enterprise and (ii) business training programs that include all aspects of tourism enterprise management.	<ul style="list-style-type: none"> <li>• Local training agencies trained in community enterprise development and in turn provide training to W/K communities</li> <li>• 100 people are trained in a range of business management subjects and are satisfied that the level and content is appropriate to their business activity</li> <li>• Developed curriculum is available for future training programs</li> </ul>	<ul style="list-style-type: none"> <li>• Training program records and documentation, including information on trainees enrolled, course content and structure, and copies of course materials</li> <li>• Interviews with trainees upon completion of program</li> </ul>	
2.2 Develop crafts product design and marketing skills and commercialization strategy.	<ul style="list-style-type: none"> <li>• Results of survey of existing crafts production and markets</li> <li>• Costed plan to strengthen handicrafts business sector</li> <li>• Three design and market development workshops held</li> <li>• Preliminary feedback obtained from</li> </ul>	<ul style="list-style-type: none"> <li>• Crafts development plan, survey results and market feedback documents</li> <li>• Workshop records</li> </ul>	

LOGICAL FRAMEWORK			
NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	three European and US markets on Surinamese crafts		
<b>Component 3: Promotion and Dissemination</b>			
3.1 Develop a comprehensive marketing plan to promote the CSNR area as an international wilderness and cultural tourism destination	<ul style="list-style-type: none"> <li>• Tourism promotion strategy produced that identifies target markets and appropriate marketing strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Tourism marketing plan document</li> </ul>	
3.2 Design and produce tourism marketing displays for special events	<ul style="list-style-type: none"> <li>• Two traveling displays produced for use in national and international events</li> <li>• Displays contain accurate, well researched content</li> </ul>	<ul style="list-style-type: none"> <li>• Temporary exhibits produced and displayed during project life</li> </ul>	
3.3 Design, produce and distribute marketing materials (brochures, maps, web-site etc).	<ul style="list-style-type: none"> <li>• Promotional materials produced and distributed to at least 100 national and international travel agencies, airlines, and tour operators</li> <li>• Materials contain accurate, well researched content</li> </ul>	<ul style="list-style-type: none"> <li>• Promotional materials</li> <li>• Dissemination records and reports prepared by project on use by recipients of the materials</li> </ul>	
3.4 Familiarization program for tour operators and press	<ul style="list-style-type: none"> <li>• 12 representatives of the national and international travel industry and media participate in familiarization tour</li> </ul>	<ul style="list-style-type: none"> <li>• Project report on tour itinerary and participants and post-tour interviews with participants</li> </ul>	
3.5 Participation in conferences to disseminate project results	<ul style="list-style-type: none"> <li>• Participation of project staff in at least three tourism /community development / conservation related conferences.</li> <li>• Publication highlighting lessons learned from project.</li> </ul>	<ul style="list-style-type: none"> <li>• Publication</li> <li>• Conference materials</li> </ul>	
<b>Component 4: Monitoring and Evaluation</b>			
4.1 Social, environmental and business impacts of tourism monitored, evaluated <i>and managed</i> .	<ul style="list-style-type: none"> <li>• One integrated M&amp;E system functioning that identifies impacts.</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline data developed by project</li> <li>• M&amp;E plan, including implementation mechanism</li> <li>• M&amp;E reports and recommendations</li> <li>• Project reports on implementation of recommendations</li> </ul>	

## SURINAME: SUSTAINABLE TOURISM DEVELOPMENT (TC 02-09-00-5)

## Summarized detailed budget

Components/Objectives/Budget Details	MIF	CIS		Subtotal
		Cash	In kind	
<b>1. Component 1: Develop Products and Services</b>				
1.1 Design & Planning				
1.1.1 Development of products & services in the Raleighvallen area	108,270	60,995	62,634	231,899
1.1.2 Development of Tourism Products and Services in Witagron & Kaimanston	50,300	0	2,000	52,300
1.2 Interpretive Development				
1.2.1 Development of interpretive materials	39,500	43,500	2,500	85,500
1.2.2 Design a guide training strategy, curriculum and materials	26,841	9,531	5,281	41,653
1.2.3 Implement Guide Training Strategy	22,480	0	0	22,480
1.3 Interior Transportation and Communications				
1.3.1 Travel	30,500	23,750	13,750	68,000
1.3.2 Interior Communications	15,000	12,000	1,200	28,200
<b>TOTAL COMPONENT 1</b>	<b>292,891</b>	<b>149,776</b>	<b>87,365</b>	<b>530,032</b>
<b>2. Component 2: Training and Enterprise Development</b>				
2.1 Business Training				
2.1.1 Community enterprise training	18,349	0	10,958	29,307
2.1.2 Business training	125,559	0	19,788	145,346
2.2 Crafts Development				
2.2.1 Enhance local designs and develop commercialization strategy.	64,368	6,000	9,568	79,936
<b>TOTAL COMPONENT 2</b>	<b>208,276</b>	<b>6,000</b>	<b>40,313</b>	<b>254,589</b>
<b>3. Component 3: Promotion and Marketing</b>				
3.1 Develop & Implement Marketing Plan	9,715	520	5,669	15,904
3.2 Design and produce marketing displays	15,600	5,250	2,080	22,930
3.3 Design, produce & distribute marketing materials	11,500	5,250	0	16,750
3.4 Familiarization trips for press & tour operators	14,118	10,500	9,991	34,609
3.5 Dissemination of project results	10,000	1,000	1,000	12,000
<b>TOTAL COMPONENT 3</b>	<b>60,933</b>	<b>22,520</b>	<b>18,740</b>	<b>102,193</b>



<b>Monitoring &amp; Evaluation</b>				
4.1 Design an integrated plan to for M & E	20,153	3,000	16,501	39,653
4.2 Independent Project Evaluations	40,000	0	0	40,000
<b>TOTAL MONITORING &amp; EVALUATION</b>	<b>60,153</b>	<b>3,000</b>	<b>16,501</b>	<b>79,653</b>
<b>Project Administration</b>				
Subtotal Salaries	114,507	0	0	114,507
Subtotal Direct Expenses	18,000	0	0	18,000
Subtotal Equipment	11,500	0	8,500	20,000
<b>TOTAL PROJECT ADMINISTRATION</b>	<b>144,007</b>	<b>0</b>	<b>8,500</b>	<b>152,507</b>
<b>AUDIT</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>4,000</b>
<b>CONTINGENCIES</b>	<b>49,741</b>	<b>2,285</b>	<b>0</b>	<b>52,026</b>
<b>SUBTOTAL</b>	<b>820,000</b>	<b>183,581</b>	<b>171,419</b>	<b>1,175,000</b>
<b>Cluster Activities</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>25,000</b>
<b>GRAND TOTAL</b>	<b>845,000</b>	<b>183,581</b>	<b>171,419</b>	<b>1,200,000</b>

**Suriname: Sustainable Tourism Development  
(TC-02-09-00-5)**

**Related Projects in Suriname and of the Sustainable Tourism as a Development Strategy cluster**

**A. Similar or related MIF projects.**

None.

**B. Similar or related Bank project.**

Project number and date of approval	Project name, executing agency, and amount	Date of signature and disbursement period in months	Percentage disbursed	Comments
1246/OC-SU May 17, 2000	Community development fund program Fondo de Desarrollo Comunitario  Community Development Fund of Suriname (CDFS)  US\$10.3 million loan amount	November 12, 2001  48 months	16.25%	After 20 months in operation, CDFS has completed 2 projects, has another 8 in execution, has 3 at the tender stage, and is developing the project proposals for an additional 47 projects. While progress is being made, the project cycle is moving much slower than anticipated and the total number of projects may not be achieved within the expected timeframe.
ATN/SF-8023-SU September 23, 2002	Forest Policy Formulation  Formulación de Política Forestal  Ministry of Natural Resources and Energy	December 20, 2002  24 months	98.38%	No PPMR

**C. Projects related to the same sector or beneficiary group.**

Project number and date of approval	Project name, executing agency, and amount	Date of signature and disbursement period in months	Percentage disbursed	Comments
ATN/MT-8048-SU  October 4, 2002	Strengthening Airport Security  <b>Fortalecimiento de la Seguridad Aeroportuaria</b>  Civil Aviation Security Authority of Suriname (CASAS)  US\$435,000 MIF Contribution	January 9, 2003  24 months	38.83%	Conditions for first disbursement were met on April 10, 2004. While the design of the program envisioned individual contractors for project implementation, the Project Execution Unit (PEU) determined that it would be better to contract an international firm to undertake the entire project. However, the PEU took until November 18, 2003 to prepare and advertise the international bid in Business Development. The contracted firm is on schedule to complete the project in October 2005.

**D. Projects under the Sustainable Tourism as a Development Strategy Cluster.**

Project number and date of approval	Project name, executing agency, and amount	Date of signature and disbursement period in months	Percentage disbursed	Comments
ATN/ME-8382-RG  July 30, 2003	International accreditation system and consolidation of national systems for sustainable tourism certification to facilitate SME competitiveness and market access	October 27, 2003  54 months	12%	The project is executing satisfactorily. The assumptions remain valid and the activities are being executed without problems. It is expected that expected outcomes would be surpassed.

	<p>Sistema de acreditación internacional y consolidación de sistemas nacionales de certificación de turismo sostenible para facilitar la competitividad de las pequeñas y medianas empresas y su acceso al mercado</p> <p>Rainforest Alliance</p> <p>US\$3,020,000 (MIF Contribution)</p>			
<p>ATN/ME-8867-PE</p> <p>September 22, 2004</p>	<p>Developing the Northeastern Tourist Circuit (NTC) to Enhance MSME Competitiveness</p> <p>Competitividad de MIPYMES Consolidando el Desarrollo del Destino CTN - Circuito Turístico Nororiental</p> <p>Cajamarca Regional Tourism Chamber (CARETUR) and the Andes Association of Cajamarca (ALAC)</p> <p>US\$ 798,431 MIF Contribution</p>	<p>N/A</p> <p>54 months</p>	N/A	N/A

Multilateral Investment Fund											
SURINAME MIF PORTFOLIO											
	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	% Disb	
1	MIF/AT-502	TC020302	ATN/MT-8048-SU	Strengthening Airport Security	CASAS	I	4-Oct-02	In execution	435,000	38.83	
									MIF Total	435,000	