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To: The MIF Representatives
From: The Secretary
Subject: Regional. Nonreimbursable technical-cooperation funding for the project
“Strengthening Bird-based Tourism as a Conservation and Sustainable Development
Tool”

Basic Information: Executing agency National Audubon Society
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or its equivalent in other convertible currencies
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Inquiries to: Filippo Berardi (extension 3577) or Karen Fowle (extension 2654)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

REGIONAL
(BELIZE, GUATEMALA, PARAGUAY, BAHAMAS)

**STRENGTHENING BIRD-BASED TOURISM AS A CONSERVATION AND SUSTAINABLE
DEVELOPMENT TOOL**

(RG-M1238)

DONORS MEMORANDUM

This document was prepared by the project team comprised of:
Filippo Berardi, Team Leader (MIF/ABG), Karen Fowle (MIF/DEU), Georg Neumann (MIF/KSC),
Betsy Murray (MIF/CCR), Brian Muraresku (LEG/NSG), Isabel Auge (MIF/ABG), Mariana
Wettstein (MIF/CPR), Fernando Paulo Balsevich Prieto (MIF/CPR), Ishmael Quiroz (MIF/CBL),
Nicole Rossell (MIF/CGU), and Michelle Evans (MIF/CBH).

Under the Access to Information Policy, this document is subject to public disclosure.

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PROJECT SUMMARY

STRENGTHENING BIRD-BASED TOURISM AS A CONSERVATION AND SUSTAINABLE DEVELOPMENT TOOL (RG-M1238)

Limited opportunities for income generation often drive local communities to engage in activities that degrade the natural resource base¹. Ecotourism is one economic alternative that can raise incomes in communities living close to biodiversity-rich areas, while helping to conserve natural capital. Within the ecotourism market, there is potential to further develop the growing niche market of bird-watching tourism², and draw from the estimated 48 million bird watchers in the United States, of which more than 17 million are willing to travel for birding activities³. Since 1983 the number of bird watchers in the US has increased by 332%⁴. This project will capitalize on this increasing demand to support rural economies and improve conservation activities by focusing communities, MSMEs, local NGOs, and governmental agencies on bird-based tourism as a sustainable conservation and community-development tool.

To accomplish this goal, the MIF is partnering with the National Audubon Society on a regional project, focused on Belize, Guatemala, Paraguay and Bahamas. Project sites were selected by layering bird hot-spot maps on poverty maps⁵, taking into account high importance bird areas likely to attract birder tourists as well as existing relationships between the National Audubon Society and its local partners - Belize Audubon Society, Asociación Vivamos Mejor and Wildlife Conservation Society in Guatemala; Guyra Paraguay, and the Bahamas National Trust. During the selection of the project sites, as an additional element to foster the sustainability of the project results, priority was given to those sites where a minimum level of installed capacity for tourism activities was already developed.

The project draws on previous MIF experience in eco-tourism projects to implement a best-practice model with three pillars: (i) development of international and national market demand for bird-based tourism services, (ii) strengthening of the supply-side through capacity development programs at the project sites, and (iii) conservation and community outreach, and promotion of citizen-based science.

The partnership with Audubon will capitalize on the organization's 450,000 members and the 117 countries globally in which the BirdLife International network operates by promoting the selected sites through the Audubon Magazine (1.7 million subscribers), specialized birding festivals, and direct organizing of Audubon Chapters' trips to the project's destinations. Working with partners in each country, the project will help communities, local tour operators,

¹ Either productive activities such as non-sustainable agriculture, or use of resources for food, fuel, etc.

² Tourism in Belize, for example, is growing substantially with an estimated 156,293 overnight tourists from the United States in 2011, a 7% increase from the previous year. More than 11% of these tourists claimed to be in the country to go bird watching.

³ National Survey of Fishing, Hunting, and Wildlife-Associated Recreation: National Overview (2011), U.S. Fish & Wildlife Service - <http://www.doi.gov/news/pressreleases/upload/FWS-National-Preliminary-Report-2011.pdf>

⁴ Sekercioglu. C. , 2002, Impacts of bird-watching on human and avian communities *Environmental Conservation* 29 (3): 282–289

⁵ Please see Annex I to this document.

and tourism boards develop targeted marketing to attract bird watching tourists to the selected destinations and associated businesses.

This project will also create a network of community-based birding destinations that offer skilled local birding guides, improved park interpretation and lodging, food services, and related goods and services tailored to the birding market. The project will promote the participation of women in the capacity development modules and, as a result, women are expected to benefit from newly generated employment opportunities.

Finally, the project will engage with governmental tourism agencies to support the design of specific birding training courses for local guides and park rangers, promoting the inclusion of such curricula into national training and certification schemes.

The MIF's support will help leverage funding and expertise from the National Audubon Society and its partners in Latin America, and will capitalize the brand of the largest bird conservation organization in the Americas to foster private sector growth and position local communities where they can best benefit from the growing ecotourism market and at the same time conserve its natural capital.

ANNEXES

ANNEX I	Poverty and Important Bird Areas (IBAs) Maps
ANNEX II	Logical Framework
ANNEX III	Budget Summary
ANNEX VI	Quality for Effectiveness in Development (QED)

APPENDIXES

Draft Resolution

INFORMATION AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF MIF PROJECT INFORMATION SYSTEM

ANNEX V	Detailed Budget
ANNEX VI	Preliminary List of Milestones
ANNEX VII	Diagnostic of Needs of the Executing Agency (DNA)
ANNEX VIII	Project Status Reports (PSR), Compliance with Milestones, Fiduciary Arrangements and Integrity Due Diligence
ANNEX IX	Procurement and Contracting Plan
ANNEX X	Project Activities Schedule
ANNEX XI	Operating Regulations
ANNEX XII	Terms of Reference of the Project Coordinator
ANNEX XIII	Monitoring and Evaluation Plan for Impact Evaluations

ACRONYMS AND ABBREVIATIONS

ABG	Access to Basic Services and Green Growth
AOP	Annual Operating Plan
DNA	Diagnostic of Executing Agency Needs
IADB	Inter-American Development Bank
LAC	Latin America and the Caribbean
MIF	Multilateral Investment Fund
MSMEs	Micro, Small, Medium Enterprises
NGO	Non-Governmental Organization
OR	Operating Regulations
PCU	Project Coordination Unit
QED	Quality for Effectiveness in Development
TOR	Terms of Reference

PROJECT INFORMATION

STRENGTHENING BIRD-BASED TOURISM AS A CONSERVATION AND SUSTAINABLE DEVELOPMENT TOOL

(RG-M1238)

Country and Geographic Location:	Location	City or town	State, Dep't or Region	Country
	Cockscomb Basin Wildlife Sanctuary	Maya Center, Maya Mopan and Red Bank villages - Closest town Dangriga	Stann Creek District	Belize
	Crooked Tree Wildlife Sanctuary	Crooked Tree Village - Closest City - Belize City	Orange Walk	Belize
	Maya Biosphere Reserve	Closest town - Flores/Santa Elena/San Benito (Departmental Seat)	Petén	Guatemala
	Lake Atitlan Watershed	Closest town - Sololá (Departmental Seat)	Sololá	Guatemala
	San Rafael National Park	Closest City - Caronay (Capital of Alto Vera District) / Itapúa	Itapúa	Paraguay
	Tres Gigantes / Pantanal Paraguayo Reserve	Closest locality - Bahía Negra (Capital City of Bahía Negra District)	Alto Paraguay	Paraguay
	Asunción Bay	Asunción (Capital City of Paraguay)	Capital City	Paraguay
	Andros Island	Andros Town	Central Andros Island	Bahamas
	Inagua Island	Matthew Town	Inagua Island	Bahamas
Main Executing Agency:	NATIONAL AUDUBON SOCIETY			
Sub-Executing Agencies:	Belize Audubon Society (Belize); Asociación Vivamos Mejor (Guatemala); Wildlife Conservation Society (Guatemala); Guyra Paraguay (Paraguay); and the Bahamas National Trust (Bahamas)			
Access Area:	Access to Basic Services and Green Growth (ABG)			
Agenda:	Leveraging Natural Capital			

Coordination with Other Donors/Bank Operations:	During the project design stages, the Project Team collaborated with the VPS/ESG department for the preparation of the Poverty & Important Bird Areas Maps (Annex I).	
Direct Beneficiaries⁶:	i) 4,180 community members: <ul style="list-style-type: none"> • 3,000 youth and 1,180 adults ii) About 1000 microentrepreneurs: <ul style="list-style-type: none"> • 220 male and 90 female bird guides • 380 women and 280 men providing tourism products or services through MSMEs or community based cooperatives; iii) The environment	
Indirect Beneficiaries:	143,000 people living in the towns surrounding the 9 project sites.	
Financing:	Technical Cooperation:	US\$ 1,747,331
	Investment:	n/a
	Loan:	n/a
	TOTAL MIF FUNDING:	US\$ 1,747,331
	Counterpart:	US\$ 855,060
	Co-financing (if available):	n/a
	TOTAL PROJECT BUDGET:	US\$ 2,602,391
Execution and Disbursement Period:	36 months of execution and 42 months of disbursement.	
Special Contractual Conditions:	Conditions prior to first disbursement will be: <p>(i) Execution Agreements are in place between National Audubon Society and each one of the sub-executing agencies (one in Bahamas, Belize and Paraguay and two in Guatemala)⁷;</p> <p>(ii) adoption of the Project Operative Manual by the Executing Agency in accordance with the terms previously agreed with the Bank;</p> <p>(iii) adoption of a Monitoring and Evaluation Plan⁸; and</p>	

⁶ For a breakdown by country please see the logical framework. Note that the number of microentrepreneurs benefitting from the project equals the total number of beneficiaries participating in business and hospitality training plus microentrepreneurs currently offering high quality tourism services that plan to participate in the birding routes but do need training in these areas.

⁷ See section 2.17 for details on the execution agreements.

⁸ See par. 3.2 in this Memorandum.

	(iv) submission of a disbursement request reflecting the activities and costs scheduled in the Annual Operation Plan.
Environmental and Social Impact Review:	This operation was screened and classified as required by the IDB's safeguard policy (OP-703). Given the limited impacts and risks, the proposed category for the project is C. The Committee on Environmental and Social Impact (CESI) reviewed the operation on 28 June, 2013 and gave its approval without further review or action needed.
Unit with Disbursement Responsibility:	MIF/HQ

1. BACKGROUND AND JUSTIFICATION

A. Diagnosis of the Problem to be addressed by the Project

- 1.1. The niche tourism market of bird watching has the potential to bring important economic benefits to isolated populations in a manner which preserves the biodiversity and natural capital contained in these communities. In order to design a project which maximizes economic benefits to poor communities, while ensuring market demand, Important Bird Areas (IBAs)⁹ maps were layered upon poverty maps to target specific communities in Guatemala, Belize, Paraguay and the Bahamas. Furthermore, these destinations have nascent local eco-tourism providers which will be strengthened by the project to ensure sustainable provision of these services by local providers.
- 1.2. Fifty-three percent of Guatemalans, 41% of Belizeans, 38% of Paraguayans and 9% of Bahamians live below the poverty line¹⁰. This project primarily targets rural communities, where income generating activities are limited and poverty rates are high (see table 1 below). Poverty has driven some landholders and community members to engage in activities that degrade the natural resource base, such as unsustainable or illicit timber extraction, poaching, and land clearing for farming and ranching. This diminishes the value of these ecosystems for biodiversity and for local populations that rely on them for resources and ecosystem services¹¹.

Table 1. Poverty rates at project sites.

Location	Beneficiary Characteristics	Country	Relevant poverty line (monthly income per capita in USD)	Local/regional poverty rate (% of people below the pov. line)	National poverty rate (% of people below the pov. line)
Cockscomb Basin Wildlife Sanctuary	Rural, low income, Mopan and Ketchi Mayan. Language: English official with Mopan and Kekchi Mayan	Belize	\$158.31	53% (rural areas)	41%
Crooked Tree Wildlife Sanctuary	Rural, low income, Creole community. Language: English	Belize	\$134.07	52% (rural areas)	41%
Maya Biosphere Reserve	Rural, low income. Language: Spanish	Guatemala	\$94.83	66%	53%

⁹ The concept of Important Bird Areas (IBAs) was created in the 1980s by BirdLife International. IBAs are places of the highest global priority for birds and biodiversity conservation. They are potentially vulnerable irreplaceable birding “hotspots”. Identified nationally, from data gathered locally and using internationally standardized scientific criteria, IBAs form a worldwide network of sites with high conservation value, especially considering that birds are excellent indicators of the overall biodiversity health. Existing IBAs in the four targeted countries are showed in Annex I.

¹⁰ Sources: (1) Belize: 2009 Country Poverty Assessment. Ministry of Economic Development, Commerce and Industry, and Consumer Protection, 2010. (2) Guatemala: Encuesta Nacional de Condiciones de Vida 2011. INE. (3) Paraguay, district level poverty rates: Robles, M. y Santander, H. "Paraguay: Pobreza y desigualdad de ingresos a nivel distrital", BID/SDS/POV/MECOVI - DGEEC Paraguay, Octubre De 2004; national and rural poverty rates: Paraguay Poverty Assessment. World Bank 2010. (4) Bahamas: Bahamas Living Conditions Survey, Bahamas Department of Statistics, 2004.

¹¹ In rural areas, many residents rely on their surrounding natural resources for food, medicine, fuel and building materials. For example, many of the Mbyá indigenous communities who have landholdings in the San Rafael forest, practice subsistence agriculture and depend on the forest for food. In the case of Cockscomb and Crooked Tree Wildlife Sanctuaries in Belize, communities have been fishing from the rivers and wetlands for centuries, and continue to enter and fish, and sometimes hunt, illegally in the parks.

Lake Atitlan Watershed	Rural, low income, Kaqchikel, Quiche, Tzutuhil. Language: Spanish and Maya	Guatemala	\$94.83	77%	53%
San Rafael National Park	Rural, low income, small farmers, Mbya indigenous People. Language: Spanish and Guaraní	Paraguay	\$77.40	63%	38%
Tres Gigantes / Pantanal Paraguayo Reserve	Rural, low income communities and Ishir/Chamacocos indigenous People. Language: Spanish and Guaraní	Paraguay	\$77.40	35% (rural areas 49%)	38%
Asunción Bay	Urban, low income communities & local conservation groups. Language: Spanish	Paraguay	\$125.00	25%	38%
Andros Island	Rural, medium income, Bahamian. English Language	Bahamas	\$238.58	13%	9%
Inagua Island	Rural, medium income, Bahamian. English Language	Bahamas	\$238.58	21%	9%

- 1.3. The areas where this project will focus are some of the most threatened ecosystems within the selected countries. These, in turn, are areas where the majority of people live below the poverty line. The interior Atlantic forest of Paraguay, for instance, has now been reduced to only 7% of its original cover¹². A similar scenario is playing out in the Paraguayan Chaco with a loss of 268,084 hectares in 2012 alone, as a result of land use change due to cattle-ranching and soy farming¹³. More than 260 bird species have been recorded at the Bahia de Asuncion IBA¹⁴, located within the city limits of Paraguay's Capital and one of the project's selected sites. This IBA protects globally important populations of the near threatened *Buff-breasted Sandpiper* during its migration.
- 1.4. In Guatemala, deforestation in the Maya Forest, the largest tropical rainforest north of the Amazon Basin, stretching across Belize, northern Guatemala and through Mexico's Yucatan Peninsula, continues at an alarming rate, with up to 11% being lost annually¹⁵. Habitat loss represents the main threat for the globally important endangered species that are found within the IBAs at the selected project areas, such as the *Pink-headed Warbler*.
- 1.5. Belize has the highest proportion of IBA coverage of land areas in the Americas¹⁶. Its Crooked Tree Complex in the north of the country, selected as one of the project sites, has been recognized as a globally important site by the Ramsar Convention¹⁷. Four globally threatened species are found in Belize, including *Yellow Headed Amazon* and

¹² BirdLife International - State of the World's Birds - <http://www.birdlife.org/datazone/sowb/casestudy/154>

¹³ New York Times - Vast Tracts in Paraguay Forest Being Replaced by Ranches
http://www.nytimes.com/2012/03/25/world/americas/paraguays-chaco-forest-being-cleared-by-ranchers.html?pagewanted=all&_r=1&

¹⁴ Devenish, C., et al (2009), *Important Bird Areas of the Americas – Priority sites for biodiversity conservation*. BirdLife International (BirdLife Conservation Series No.16)

¹⁵ Bray, D. B., E. Duran, V. H. Ramos, J.-F. Mas, A. Velazquez, R. B. McNab, D. Barry, and J. Radachowsky. 2008. Tropical deforestation, community forests, and protected areas in the Maya Forest. *Ecology and Society* 13(2): 56. [online] URL: <http://www.ecologyandsociety.org/vol13/iss2/art56/>

¹⁶ Devenish, C., et al (2009), op. cit.

¹⁷ The *Convention on Wetlands of International Importance, especially as Waterfowl Habitat*, a.k.a. Ramsar Convention, is an international treaty for the conservation and sustainable utilization of wetlands. It aims at stemming the progressive encroachment on and loss of wetlands, recognizing the fundamental ecological functions of wetlands and their economic, cultural, scientific, and recreational value.

the *Golden-cheeked Warbler*, which are listed as endangered by the International Union for Conservation of Nature (IUCN). Given the country's location on the northernmost part of the Mesoamerican continent, Belize is a very important flyway for migratory birds and overwintering species. Although still relatively healthy, this fly route is under growing threat from anthropogenic activities, so that the need for its conservation is significant.

- 1.6. Finally, in the Bahamas, the island of Andros - one of the project locations - is home to the most endangered bird in the Caribbean, the *Bahama Oriole*. Habitat loss due to resort development and sand mining represent the biggest threats for this bird, which is listed as critically endangered by IUCN. The enormous degradation and fragmentation of forest seen in these areas is the primary driver of biodiversity loss. Improved management and protection is essential if natural capital is to remain a viable driver to support longer-term local economic growth within the communities that rely on it.
- 1.7. In many cases, communities and MSMEs are not aware of, or lack adequate or affordable access to alternative, sustainable uses of natural endowments, such as nature-based tourism. Even when awareness exist, MSMEs operating in the tourism sector do not have the specialized skills demanded by niche markets such as bird-based tourism, and are thus excluded from the related business value chain.

B. Bird-based tourism

- 1.8. Bird watchers constitute one of the largest groups of eco-tourists—and the market for this type of tourism is growing. A 2006 survey by the U.S. Fish and Wildlife Service estimated that there are 48 million bird watchers in the United States alone, figure which is growing at approx. 8% annually, supporting an \$82 billion industry. This survey also highlighted that birders have a light footprint on ecosystems and biodiversity, are generally well educated, tend to have above-average incomes and are willing to travel to more remote areas, outside the sphere of mainstream tourism, to see or study exotic birds.
- 1.9. The tourism ministries of Guatemala, Belize, Paraguay, and Bahamas have all recognized nature-based tourism as a fast growing market important for their country's sustainable development¹⁸. In Belize and Bahamas, furthermore, the tourism ministries collect data on bird-based tourism specifically. In 2011, 11.5% of visitors to Belize participated in birding and 7% of visitors to the Bahamian island of Andros.¹⁹ In 2012, 6% of visitors, about 1,800 people, participated in birding while visiting Yaxha, a national park in Guatemala near the ruins of Tikal, and more than a thousand participated in birding at private nature reserves surrounding Lake Atitlan.²⁰

¹⁸ Belize National Sustainable Tourism Master Plan <http://www.sustainabletourismbz.org/institutional-strengthening-capacity-building/national-sustainable-tourism-master-plan.html>; Paraguay Resolución 953/2011 of 21 Sept 2011, "Reglamento Actividades de Turismo de Naturaleza en la Modalidad de Turismo de Aventura"; 2011 *Andros Island report by the research and statistics dept. of Bahamas ministry of tourism.*

¹⁹ 2011 [Andros Island Statistics Brochure 2011](#), research and statistics dept. of Bahamas Ministry of Tourism.

²⁰ Interviews with nature reserve owners and staff; Perfil del Visitante del Parque Nacional Yaxha-Nakum-Naranjo. 2012. INGUAT and CONAP.

- 1.10. More fully developed bird-based tourism could bring new customers to rural or more marginal areas and improve the long-term profitability of community-based initiatives. This would provide a more stable source of income for local people and offer an alternative to environmentally unsustainable livelihood activities and migration towards urban centers.
- 1.11. MSMEs face specific barriers when looking to enter the birding tourism market, including (i) lack of qualified, credible local birding guides, (ii) missing or poor interpretation (signage) and information at bird-watching sites, (iii) low business management capacity, (iv) poor marketing and communication locally, nationally, and internationally about bird-based tourism products, such as birding trails and sites, and (v) limited market access to the international bird-watching tourism market.
- 1.12. Although governments and private landowners have established protected areas and natural reserves in many regions, they are generally underfunded. As a result, such protected areas are often poorly managed, maintained and not adequately patrolled, leading to low visitation and failures to provide adequate protection and proper valorization of the natural capital within reserves' boundaries²¹.
- 1.13. The lack of adequately trained tour guides in the area of bird-watching is also a significant problem; tourism MSMEs consulted during the project preparation stages have consistently indicated that strengthening this specific area of the eco-tourism value chain is one of the most pressing needs. Training courses provided by vocational training organizations within the selected countries do not normally cover bird-watching as one of the curricula offered for prospective tour guides, which represent another barrier for the growth of the sector.

C. Project Beneficiaries

- 1.14. Direct project beneficiaries include MSMEs, both privately owned and community-owned, and individuals from underserved and indigenous rural communities (or peri-urban in the case of Asuncion Bay) in the target countries that will benefit directly from the project's technical assistance activities. Selection criteria for MSME engagement within this project will be developed with input from the communities as an initial step. Targeted MSMEs will include small-scale local tourism companies with up to 5 employees offering guiding and hospitality services, cooperatives with between 5 and 30 members, as well as larger regional tourism enterprises and tour operators with 10-20 people employed. Small businesses connected to tourist sites and natural areas will see increased visitation from the project, thus creating more firm level income and jobs for local individuals.
- 1.15. Although wildlife and bird guiding is traditionally a male-dominated field, the project will promote opportunities for women. The project's educational activities will engage girls

²¹ For instance, the world-famous Cockscomb Basin Wildlife Sanctuary in Belize—home to one of the largest populations of jaguars in Central America—relies on admittance fees and income from small projects and endowments for revenue, operating with a US\$25,000 annual deficit. In the case of Paraguay, for example, the government has designated the San Rafael Reserve as a national park, but does not have the resources to complete the necessary land acquisition process, leaving the park without a clear status as protected area.

and women in bird clubs, nature reserve tours, and other events that may spark their interest in birding and conservation more generally. Additional business improvement opportunities for women will stem from the project's capacity development components in the area of basic business management for the hospitality service sector (i.e. basic accounting, food preparation, accommodation and guest management, etc.), which are traditionally women-dominated.

- 1.16. Indirect beneficiaries will include other individuals and businesses that receive increased business but that may not be directly involved in the project (restaurants, transportation, park employees, etc.). The environment will benefit through improved biodiversity conservation as local communities' become increasingly aware of the economic value of their surrounding ecosystems.

D. Contribution to MIF Mandate, Access Framework and IDB Strategy

- 1.17. Private sector development. The project will work directly with local MSMEs to improve their profitability and competitiveness through supporting the development of the skills and expertise needed to serve the bird-based tourism market niche, as well as through enhancing the marketing of their products at both domestic and international level.
- 1.18. Poverty alleviation. This project will link businesses in poorer rural and peri-urban communities with a niche market, which offers new employment opportunities for income generation while conserving natural capital.
- 1.19. Link to the Agenda. The *Leveraging Natural Capital* MIF Agenda recognizes that the biodiversity of the ecosystems, flora, fauna, their habitats and their genes, are a key aspect of natural capital. Furthermore, the agenda emphasizes that a rich biodiversity is a critical variable in eco-tourism market and is increasingly seen as an important "brand" for many businesses in this sector. By promoting the generation of skills to serve the eco-tourism market (component 1), improving marketing for local MSMEs (component 2) and fostering environmental awareness and education (component 3), the projects contributes to the achievement of the objectives of the Agenda.
- 1.20. Collaboration with the Bank Group. The project fits well in the context of the Bank's country strategies within the four selected countries. A few details on each individual strategy are offered below.
- 1.21. **Belize.** The project's activities are aligned to the IDB Country Strategy for Belize 2008-2012, as well as to the proposed 2013-2017 Strategy, which is expected to be approved by the end of 2013. The general thrust of the IDB's Country Strategy for Belize, as relevant to this project involves enabling private-sector development, by improving the conditions for sustainable, export-led growth by targeting strategic, growth-enhancing investments, particularly those that benefit tourism. This project, through its support to develop skills and expertise required to service the bird-based tourism market niche links businesses to low rural income communities via the ecotourism sector and will offer much needed new employment opportunities for income generation. Given the strategy's emphasis on the sustainable management in tourism sector, the project will support sustainable achievement of the targets of the National sustainable Tourism Master Plan by providing capacity building and private investment.

- 1.22. **Guatemala.** This project fits well within the Bank's Country Strategy for Guatemala (2012-2016), which has a strong focus on advancing non-agricultural, productive rural development, as a key factor for job creation, community development and economic empowerment in areas with high poverty rates. The project will contribute to strengthening the branding of Guatemala as an attractive country for bird watchers and it will further the work the National Tourism Board (INGUAT). One of the most interesting initiatives in the area of bird-based tourism in Guatemala was the establishment the Guatemalan Bird Watching Roundtable²². Created in 2004 to develop for the first time the bird watching segment at the national level, the Roundtable includes representatives from the private sector, Academia, NGOs, international donors and INGUAT. This project, which includes significant inputs from the Roundtable members, will build on the work that has been carried out over the last few years taking into account results achieved so far and the relevant lessons learned.
- 1.23. **Paraguay.** In the area of tourism, the objective of the Bank's country strategy is supporting actions that increase the number of tourists, as well as the amount they spend on average. This goes along with the current Master Plan of the Ministry of Tourism, which seeks to foster the collaboration between private and public actors to provide impulse to tourism segments and promote employment generation. This project will provide a framework to support skills development and employment opportunities for bird-watching guides and tourism MSMEs, while significantly strengthening marketing and visibility of key birding destinations in the country. Birders are known for being higher-than-average spenders, therefore representing a priority group for targeting high-value tourists.
- 1.24. **Bahamas.** The proposed Country Strategy for 2013-2017, prioritizes private sector development, which in The Bahamas emanates primarily from two traditional sources (tourism and financial services). The proposed project provides a viable alternative model for local economic development in two of the islands of The Bahamas archipelago, that have traditionally received less attention by the tourism sector, Andros and Inagua. Unemployment in these islands is high, poverty is increasing, and crime and violence have escalated. Moreover, The Bahamas is particularly vulnerable to natural disasters. The project will enhance opportunities for self-employment and entrepreneurship, a key priority of the Bank's Country Strategy, while indirectly increasing income for local tour operators, through increased visitation to the National Park. It also contributes to the Bahamas Government discussions towards creating a development plan for the so called "family islands", the poorer and less developed Bahamian islands which Andros and Inagua are part of.

²² *Mesa de Aviturismo (www.birds-guatemala.org)*

2. PROJECT DESCRIPTION

A. Objectives

- 2.1. The project's impact objective is to promote and the growth of micro and small enterprises in the eco-tourism sector in Belize, Guatemala, Paraguay and Bahamas, creating value for natural capital while preserving it.
- 2.2. The Project result objective is to increase economic opportunities in rural areas by connecting communities to bird-based tourism markets as well as increasing the understanding and value of the natural capital to local communities.

B. Description of Model/Solution/Intervention

- 2.3. Sustainable tourism has been an important area of work for the MIF. A number of interventions have been financed over the past few years in collaborations with MIF partners and executing agencies across LAC²³. The proposed project has three main innovative aspects that make it unique when compared to previous projects.
- 2.4. First, the project will focus on a very specific niche of the eco-tourism market, the bird-based tourism. This niche is considered particularly promising as a tool to promote sustainable use of natural capital as birders are typically characterized by higher income and larger spending capacity than the average tourist, increasing the potential of this segment to deliver economic value to the local communities, while respecting the ecological carrying capacity of the ecosystems. Moreover, birders are by definition characterized by their high sensitivity to themes such as ecosystem conservation and protection of biodiversity. This, coupled with the fact that birders are often also very knowledgeable on birds and their supporting ecosystems, configures this particular category of tourists as very good advocates and allies to promote long-term conservation of the natural capital the eco-tourism industry depends upon.
- 2.5. Second, the project will have unprecedented access to a 'captive' pocket on the demand-side of the market, composed of the 457 Chapters of the National Audubon Society. Demand has often represented the weak spot in the design of previous interventions in the sustainable tourism area. Although the achievement of visitation targets remains a risk for the project, which in part depends on external and not fully predictable factors such as the global economic trends, in this case the possibility to leverage a direct access to market demand through the Audubon Chapters and the BirdLife International network²⁴ is likely to significantly increase the chances to reach the expected site visitation results for the selected destinations.

²³ From 2010, the MIF has co-financed 10 projects within the Sustainable Tourism Facility. The projects were selected from among 111 proposals identified through the 2010 Geotourism Challenge, developed jointly by the National Geographic Society, Ashoka Changemakers, and the MIF. An impact evaluation of the Facility is underway through Q2 and Q3 2013, and relevant lessons learned will be taken into account in the development of this project. Finally, the MIF is planning to support the implementation of an integrated waste management system in the communities around Lake Atitlan, which will contribute to improving water quality and hence birds' habitat, ultimately generating positive impacts on bird tourism.

²⁴ BirdLife International is a global network of non-governmental organizations, focusing on bird habitat conservation, which is active in over 110 countries and territories worldwide.

- 2.6. Finally, the intervention will have direct access to tailored advertising expertise and channels made available through the Audubon Magazine. The magazine, which has 1.7million subscribers, has a readership of more than 4 million people. The project will be able to take advantage of both editorial and advertorial content to reach interested readers and directly promote the selected project locations.

C. Components

Component I: Improved structure and capacity of bird-based tourism MSMEs (supply side development).

(MIF: US\$ 629,389; Counterpart: US\$ 286,242)

- 2.7. The objective of this component is to strengthen the supply side of the bird-watching niche of the eco-tourism sector, assisting MSMEs operating in (or willing to enter) this market to develop the specialized skills demanded by costumers. This component also aims at increasing access to vocational training programs for birding guides in the target countries, through the design of specific training curricula at both basic and advanced level. Such modules will be included in existing private and/or government-backed tour guides training and certification schemes. Criteria for the selection of the individuals and MSME that will participate in the capacity development programs will be developed at the project's outset, with input from the local communities.
- 2.8. Each one of the target countries will have a set of activities tailored to the specific local needs and circumstances. However, the following activities are common for all the project sites:
- a. Develop national level bird guide training curriculum (basic and advanced) in consultation with the local tourism authorities/agencies;
 - b. Pilot and systematize bird guide training at the selected sites with basic English language and a focus on bird names and terminology;
 - c. Develop site-level business plans, basic business, marketing, and customer service/hospitality training for MSMEs
 - d. Improve access to basic equipment for bird guiding (including binoculars, scopes, and bird guidebooks); and basic trail development and associated infrastructure.

Component II: Marketing (demand side development).

(MIF: US\$ 265,958; Counterpart: US\$ 126,823)

- 2.9. The objective of this component is to develop and implement marketing strategies at different levels (local, national, international) to promote each country's bird tourism (sites, routes, and countries) in a more strategic, coordinated, and consistent manner, with the view of increasing visitation. At the national level, the project will engage with public sector agencies and business associations to strengthen existing marketing effort, further promoting the project sites. Internationally, a key part of this component will consist in leveraging, and capitalizing on, the direct access the executing agency has

to the network of local Audubon Chapters in the US, and to the international network of bird-conservation organizations affiliated to BirdLife International.

- 2.10. The activities of this component will include the following:
- a. Market project destinations through both editorial and advertorial content to be placed on the Audubon Magazine and other relevant birding media channels;
 - b. Design birding trip packages to project-supported sites with Audubon's partner international tour operators and local tour operators;
 - c. Organize at least 1 marketing event for each country;
 - d. Develop and/or improve national bird-trails material;
 - e. Integrate bird-watching content into national governments and tourism industry websites in each country; and
 - f. Develop national bird festivals to promote bird-based tourism nationally.

Component III: Conservation outreach, education and citizen science.

(MIF: US\$ 106,345; Counterpart: US\$ 242,935)

- 2.11. The objective of this component is to raise awareness of the value of local natural capital and engage local communities and tourists in monitoring ecosystem health.
- 2.12. The activities of this component are the following:
- a. Develop and carry out introductory course on birds and conservation for park staff, communities and women's groups (for adults);
 - b. Develop and deliver targeted environmental education and outreach programs for local schools, using local birdlife as a hook to engage youth;
 - c. Develop and implement a strategy to engage key community stakeholders in conservation;
 - d. Train local guides and parks staff on the eBird platform²⁵ for recording bird sightings and analyzing bird data;
 - e. Pilot site-level research programs that use changes in the composition of bird populations to measure ecosystem health; and
 - f. Develop and promote volunteering opportunities for tourists to support conservation needs at the projects sites.

²⁵ eBird is a web-based "citizen science" platform developed in 2002 by National Audubon Society and the Cornell Lab for Ornithology, which allows for birders and the general public to report and access information about birds, providing rich data sources for basic information on bird abundance and distribution at a variety of spatial and temporal scales. eBird's goal is to maximize the utility and accessibility of the vast numbers of bird observations made each year by recreational and professional bird watchers. To this end, it is amassing one of the largest and fastest growing biodiversity data resources in existence. eBird then shares these observations with a global community of educators, land managers, ornithologists, and conservation biologists, in time providing the foundation for a better understanding of bird distribution and better planning of conservation efforts.

Component IV: Knowledge Management and Communications Strategy.

(MIF US\$ 111,039; Counterpart US\$22,660)

- 2.13. The knowledge objective of the project is to examine the effectiveness of bird-based tourism as a tool for promoting local development and ecosystem conservation. Primarily, the learning product is a scalable bird-based, community tourism model. The model will provide valuable insight on high-value birdwatcher tourists, and make this information available to relevant decision makers in tourism ministries, conservation and development organizations.
- 2.14. The activities and products of this component are the following:
- a. Compile and analyze bird-based tourism market statistics to assess and showcase the economic value of this market segment, including cross-border trips;
 - b. Develop an infographic highlighting the tourism and economic potential of bird-watching as a tool for conservation and economic development;
 - c. Develop an audio visual clip highlighting project objectives and results, and highlighting successful modalities for increasing access to high-value bird-watching tourists;
 - d. Develop at least one event in the US with the MIF, embassies, tourism boards, tour companies and others, to highlight the project's objectives and partial results, to generate scale-up interest; and
 - e. Carry out analysis to identify potential locations/countries to scale up the project.

D. Project Governance and Execution Mechanism

- 2.15. The project will be implemented by the National Audubon Society as the main Executing Agency. National Audubon Society will rely on a network of local partners in each one of the project countries, which will act as local Sub-Executing Agencies. Sub-Executing Agencies will include: the *Belize Audubon Society* in Belize; the *Asociación Vivamos Mejor* and the *Wildlife Conservation Society (WCS)* in Guatemala; *Guyra Paraguay* in Paraguay; and the *Bahamas National Trust (BNT)* in Bahamas.
- 2.16. National Audubon Society will be also able to leverage and capitalize on established relations with governmental agencies such as the Belize Tourism Board, *Instituto Guatemalteco de Turismo (INGUAT)*, and the *Secretaria Nacional de Turismo (SENATUR)* of Paraguay and the Ministry of Tourism in The Bahamas.
- 2.17. Individual execution agreements will be developed between the National Audubon Society and each one of the sub-Executing Agencies, detailing the specific deliverables that each local organization will be responsible for. Each grant agreement will have an associated annual work plan that will include expected deliverables that will be

developed with, and checked by, National Audubon Society. Signing of such grant agreements will be included amongst the prior conditions for the first disbursement.

- 2.18. Local agencies will receive funding from the National Audubon Society to carry out the project activities, under fiduciaries modalities equivalent to those applied between the MIF and the National Audubon Society. Audubon will advance funding to sub-executing agencies at the beginning of the project to initiate activities. Subsequent disbursements will be made every 6 months as portions of the work are completed and reported adequately. Funds will be transferred by wire after financial reports and results have been accepted by the National Audubon Project Administrator.
- 2.19. National Audubon Society will have responsibility for the coordination of the local agencies and for the ultimate achievement of the agreed project milestones and results. Since the Executing Agency is based in the United States, the project's execution will be supervised by MIF HQ staff, with the direct collaboration of the local MIF specialists in the four countries of implementation, acting as MIF liaisons with the local partners. Full details of the execution structure will be included in the Project Operative Manual.
- 2.20. One year before the project ends, country-level **sustainability consultations** will be held with all key stakeholders to identify specific actions needed to ensure the sustainability and continuity of the project's activities after the project funding has been expended.

E. Sustainability

- 2.21. The project locations included into this operation were selected amongst those that were deemed to already have a basic level of capacity. Indeed, sustainability after the end of the intervention was one of the reasons behind this choice, as the existing level of capacity contributes to ensure that the measurable results are achieved within the project timeframe.
- 2.22. On the capacity development side, one of the main element that will foster long term sustainability is the introduction of nation-wide bird-watching curricula, which will help ensuring that the training programs established are run by the governmental tourism-promotion agencies or any other interested stakeholder, after the end of the project lifetime. Moreover, throughout the execution of the project, local sub-Executing Agencies will be assisted by National Audubon Society and sector experts to strengthen their capacity to promote local economic development through focusing on specific nature-based tourism market niches. This will position them as providers of technical expertise within their respective geographies, allowing them to continue to leverage natural capital for local economic development.
- 2.23. In addition, sustainability will be enhanced by the fact that all the Governments of the countries included in the project have expressed strong interest in supporting tourism-related activities, as this is a priority for their country development plans. In the case of Guatemala, Belize and Bahamas, the respective Governments have specifically expressed a strong interest in further developing bird-based tourism as they recognize the potential of this segment for the sustainable development of their countries.

- 2.24. Finally, on the marketing side, the project looks to enhance sustainability by leveraging matching resources from the National Audubon Society to incentivize governmental and private sector purchases of advertising space in selected media. While this will act as a booster for the visibility of the selected destinations, by limiting the intervention to subsidizing the marketing activities, instead of directly financing them, the project will avoid creating 'dependence' in the interested stakeholders, contributing to the continuation of such marketing efforts even after the end of the project's lifetime.

F. Experience and Lessons Learned from MIF or other Institutions

- 2.25. The MIF has recently approved the last one of the operations under the Sustainable Tourism Facility (ATN-ME-11036-RG). Although most projects are still under execution, some of the lessons learned have been analyzed in a recent Impact Evaluation Report²⁶. Lessons learned from MIF sustainable tourism projects include the need to understand the drivers of niche market demand and how to accommodate those demands; that rural or community based tourism only interests a portion of travelers and destination marketing should be carefully targeted to those audiences. In order for the communities to have a net benefit, projects must increase the flow of visitors and not merely substitute service providers. Tourism projects are also affected by perception of health and safety issues, and travel advisories. Appropriate destination management with inputs from private and public sectors, application of sustainable tourism standards by hotels, restaurants, tour operators and other service providers, along with shared marketing mechanisms have had positive results at the destination and participating business level.
- 2.26. Community-based tourism projects have shown that community members have expectations of economic benefits and participation, and local cultures and organization must be respected and taken into consideration for commercial activities. Developing a code of ethics with stakeholders and then training tour guides, visitors, and community members in its application helps ensure local cultures and communities are respected. For eco-tourism in particular, tours pairing bilingual naturalists (or ornithologists) with indigenous guides knowledgeable about the areas' natural and cultural history have demonstrated success in both attracting visitors and engaging local communities.

G. MIF Additionality

- 2.27. Non-Financial Additionality. The MIF brings to the project significant knowledge and technical expertise in the design of eco-tourism operations. The selection of the specific project sites was carried out starting from a database of previous MIF projects, and completed through a layering with birding hot-spots maps and poverty data²⁷. The MIF's longstanding experience in enterprise development and business planning support (supply side development) very well complements the credentials of the Audubon

²⁶ Impact Evaluation Report, "*Facilidad para Apalancar la Experiencia Clúster Turismo (ATN/ME-11036-RG-M1133)*", MIF.

²⁷ See Annex I.

Society as key partner for the development of the marketing component (demand side development).

- 2.28. Financial Additionality. This project will not happen without the financial contribution of the MIF. No other financial sources are available to match the counterpart from Audubon for the implementation of the project.

H. Project Results

- 2.29. The project will produce specific results through each component. Component one will strengthen the capacity and quality of MSMEs active in the provision of eco-tourism and bird-watching services, with results in terms of increased visitation by high-value tourists and employment generation. Component two will improve the marketing of the selected countries and of the targeted project sites, measured by tracking the number of ads published, the amount and value of the advertising space purchased by Governments or local operators, the number of articles and other content published on media other than those directly linked to the National Audubon Society or the Audubon Magazine, the number of government websites that have content from the project, the number of hotels and national/ international tour operators that include project sites into their tour packages, and the number of established bird festivals and outreach events organized.
- 2.30. Component three is designed to increase conservation awareness and promote environmental education in the communities living around at the project sites, measured in part by the number of people entering data into the eBird platform, and the number of volunteers man-hours contributed to the project.
- 2.31. Finally, component four will produce results in terms of improved visibility of the project and dissemination of the project's results and lessons learned through site-level fact sheets on bird based tourism statistics, infographic and audio-visual material, and a number of presentations and events organized with key stakeholders to promote a future scale up of the project's model.

I. Project Impact

- 2.32. The project is expected to produce an impact in terms of economic and environmental benefits for the direct and indirect beneficiaries. Such impact will be measured through tracking increase in average MSME sales, average income for trained guides, increases in annual revenues for national parks or protected areas within the project sites, number of additional people employed in the eco and bird-based tourism sector, and improved ecosystem health at project sites, measured through forest surveys monitoring changes in extension of forest cover and species composition, at least two project sites.
- 2.33. Although quantitative targets expected to be achieved by the end of the project 36-month execution period have been set, it is expected that these represent only a fraction of what the project will achieve in the mid to long term given the longer time horizon associated with bird life cycles and other natural capital preservation. Indeed,

the first 2 years of the project will be focused on providing technical assistance to strengthen supply and demand side of the bird-based market niche. Hence, the main achievements in terms of economic impacts on individuals and firms are expected to occur after the project's 36-month execution. In order to assess the project performance after the end of the execution period, the Executing Agency will perform an endline assessment 3 years after the end of the project execution to report project results mainly in terms of visitation and income for MSMEs trained by the project.

J. Systemic Impact

- 2.34. This project will engage national tourism ministries, tourism boards, business and tourism associations (such as the Belize Tourism Industry Association (BTIA), formed through previous MIF funding), NGOs, and communities that have not traditionally been approached for bird-related tourism opportunities. This will help strengthen and possibly create new public-private partnerships that support the sustainability of the project and that can be replicated within the target country and region. It will better integrate another component of nature based tourism into national tourism agendas and provide another indicator to governments of the value its natural capital.
- 2.35. The development, for the first time, of a national-level certification program for birding tour guides in conjunction with national tourism boards will help ensure adoption of the program and systematic improvement in the quality of the product being offered. Additional investments in bird-watching facilities, the creation and improvement of trails, the development and marketing of birding tourism packages, will support new public and private partnerships and help improve relations among government entities, agencies that manage protected areas, and engaged communities.

3. MONITORING AND EVALUATION STRATEGY

- 3.1. Baseline. Within 4 months of the start of the project, a comprehensive baseline assessment will be conducted. It will identify the initial value of logical framework indicators including the number of MSMEs offering products and services for tourists, MSME sales, income of bird guides currently providing services, and park visitation and revenues. In addition, the local implementing agencies will conduct knowledge, attitude and practices surveys in the villages bordering Crooked Tree Wildlife Sanctuary, Cockscomb Basin Wildlife Sanctuary, Laguna del Tigre National Park, and Yaxha before and after the project intervention²⁸. These surveys will measure community members' knowledge and attitude toward natural capital and the protected areas surrounding their communities.
- 3.2. Monitoring. Audubon will develop a monitoring and evaluation plan to identify the specific data sources, collection methods, timing and responsible parties for each indicator. Park visitation records, visitor satisfaction surveys, semi-structured interviews

²⁸ The proposed locations for the attitude surveys were selected using the following criteria: (i) be discrete project locations where it would be possible to attribute the observed attitude changes to the project activities; and (ii) have reported issues with regard to unsustainable uses of natural capital.

of birding tour groups and Audubon members, and surveys of MSMEs and bird guides will be the primary data collection instruments. Where possible data will be sex-disaggregated (participation in training, bird-guides certifications, local employment, etc.). Progress toward expected outputs, results, and impacts will be reported semi-annually in the MIF's Project Status Report. In the final year of the project, follow-up surveys and an endline will be conducted to measure the final state of the indicators measured in the baseline.

- 3.3. Evaluation. A mid-term evaluation reporting on project implementation performance will be conducted half-way through project execution. A final evaluation will be conducted in the final year of project execution. It will report on project relevance, efficiency, effectiveness, impact, sustainability, and potential for scale-up. It will consider the following evaluation questions: To what extent did the project achieved its targeted results and impacts? What factors influenced the level of achievement of project targets? How were benefits (like increased sales and income) distributed among project participants? In particular, how did benefits achieved by new tourism businesses and new bird guides compare to benefits achieved by established tourism businesses and bird guides (those in market before the project intervention). To what extent (and how) did park and protected area revenues contribute to: i) community development ii) conservation-related initiatives or iii) increased patrolling or protection of parks?
- 3.4. Closing Workshop. The executing agency will organize a closing workshop at the appropriate time to assess along with other key stakeholder the outcomes achieve, identify additional tasks to guarantee sustainability and identify and disseminate lessons learned and best practices.

4. COST AND FINANCING

- 4.1. The project has a total cost of US\$ 2,602,391, of which US\$ 1,747,331 will be provided by the MIF, and US\$ 855,060 by the counterpart. Net of the non-project-related resources²⁹, the counterpart will be providing 34% of the overall project financing, while the MIF will cover the remaining 66%. The execution period will be of 36 months and the disbursement period will be of 42 months.
- 4.2. Retroactive Recognition of Counterpart Funds. Up to US\$ 100,000 will be retroactively recognized as counterpart resources, including expenses incurred by the Executing Agency after the date of the project eligibility (June 13th 2013) for staff time, project design travel costs and some expenses relative to the inception of science outreach program and trail signage improvements in Belize.

Table 2. Project Budget Summary

²⁹ These include: MIF impact evaluation account, MIF agenda account and institutional strengthening.

	TOTAL COST	FOMIN	Audubon		Audubon Partners	
			In cash	In kind	In cash	In kind
PROJECT COMPONENTS BREAKDOWN						
Component 1: Improved structure and capacity of bird-based tourism MSMEs	915,631	629,389	142,933	23,500	19,374	100,435
Component 2: Marketing (demand side development)	392,781	265,958	90,678	12,250	-	23,895
Component 3: Conservation outreach, education and citizen science	349,280	106,345	163,734	2,000	15,600	61,601
Component 4: Dissemination and knowledge transfer	133,699	111,039	8,848	9,500	-	4,312
Project Components Sub-Total:	1,791,391	1,112,731	406,193	47,250	34,974	190,243
%	100%	62%	38%			
EXECUTION AND SUPERVISION COMPONENTS						
Project Execution Team	381,000	204,600	-	176,400	-	-
Baseline and endlines	90,000	90,000	-	-	-	-
Monitoring system	30,000	30,000	-	-	-	-
Mid-Term evaluation	25,000	25,000	-	-	-	-
MIF HQ supervision	20,000	20,000	-	-	-	-
Final Evaluation	20,000	20,000	-	-	-	-
Ex post reviews	35,000	35,000	-	-	-	-
Contingencies	90,000	90,000	-	-	-	-
Execution and Supervision Sub-Total	691,000	514,600	-	176,400	-	-
Institutional Strengthening	15,000	15,000	-	-	-	-
Impact Evaluation Account	85,000	85,000	-	-	-	-
Agenda Account	20,000	20,000	-	-	-	-
GRAND TOTAL	2,602,391	1,747,331	406,193	223,650	34,974	190,243

5. EXECUTING AGENCY

- 5.1. The National Audubon Society will be the Executing Agency of this project and will sign the agreement with the Bank. Established in 1905, the National Audubon Society brings to the project the expertise of a network comprised of 467 Chapters, 54 nature centers, 23 state offices, 450,000 members, and a magazine readership of 1.7 million. Cumulatively, Audubon reaches more than 4 million people each year. As part of its international work, Audubon works with local NGO partners in 10 countries; and as a partner within BirdLife International, it is able to extend its reach in 10 more countries throughout Latin America and the Caribbean.
- 5.2. Audubon's magazine, its network and its international partnerships will be key aspects for implementing the project. Specifically, Audubon has a significant bird-based tourism expertise; the magazine is recognized as a major resource for birders and is a major publication for advertising to the US birding community. Audubon previous project experience in the region includes Belize and Paraguay. In Belize, Audubon has been supporting conservation initiatives with Belize Audubon for decades, most recently supporting science, capacity development, community outreach and education. In Paraguay, Audubon has been working successfully with Guyra Paraguay since 2006, supporting and mentoring processes that have helped build community engagement and empowerment programs. Between 2006 and 2008, with support from Audubon,

Guyra worked with 190 soy farmers to promote sustainable farming methods and reduce the impacts of the rapidly growing soy cultivations in the San Rafael area. More recently, the Guyra and Audubon teams, in collaboration with local government agencies and NGOs, worked together to develop conservation programs across four countries of the Southern Cone (Paraguay, Argentina, Uruguay and Brazil), to implement a regional agreement under the UN Convention on Biodiversity promoting the joint management of migratory species.

- 5.3. This project fits into the Audubon's mission and conservation goals by supporting habitat protection across the region, fostering community engagement with conservation objectives, developing and supporting livelihoods in rural areas, and improving the bird-conservation context within each country where the organization works.
- 5.4. National Audubon Society will establish an executing unit and the necessary structure to effectively and efficiently execute project activities and manage project resources. National Audubon Society will also be responsible for providing progress reports on project implementation. Details on the structure of the execution unit and reporting requirements are in Annex 7 in the project technical files.

6. PROJECT RISKS

- 6.1. This project has few potentially significant risks; however, there are three that could slow progress towards the project's goals:
 - a. External risks. Security issues in remote areas in some of the selected countries may have an adverse effect on tourism in general in the country and possibly in the specific areas being promoted as part of this project. An additional external, risk could be represented by the destruction of forest habitat for bird species, which will be in part mitigated through the project by the environmental awareness campaigns and, indirectly, by the creation of economic alternatives for rural communities;
 - b. Sector risks. Advertising and promotion are key components of the project, and this depends on governments and the private sector making the decision to invest in advertising. Although National Audubon and the MIF will engage both sectors as part of the project's activities, including through providing economic incentives to scale up their marketing activities, this is not a guarantee that they will invest in sufficient advertising and promotion;
 - c. Environmental risk. As part of the development of the natural areas that are the basis for these bird-based ecotourism projects, significantly increased visitation could damage the ecology of the sites. This requires the project to take into account prevention and mitigation measures related to the carrying capacity for tourism.

7. ENVIRONMENTAL AND SOCIAL EFFECTS

- 7.1. Through the implementation of this project, Audubon and the MIF seek to increase the recognition of the value of nature in local and national development plans, which could lead to greater long-term protection and support for the natural resource base especially in the specific sites being supported.
- 7.2. The project looks to increase the inclusion of the indigenous communities living in the proximity of the project sites in tourism activities to help increase incomes and better connect to the tourism industry. The project will consult with indigenous people and community leaders throughout the project cycle and will develop a code of ethics for tour guides and tour groups to ensure local cultures and communities are respected.
- 7.3. The number of visitors to specific sites could overrun their ecological carrying capacities if not properly managed. This is not considered to be a significant risk in the short and medium term; however, the project will include an analysis of carrying capacity within the sites' business development plans that will be developed, as a basis for managing the number of visitors to any specific site, as well as to determine the maximum size of birding groups.
- 7.4. Based on the IDB Environment and Safeguards Compliance Policy, the relevant classification for this Project is Category 'C'. The Committee on Environmental and Social Impact (CESI) reviewed the operation on 28 June, 2013 and gave its approval without further review or action needed.

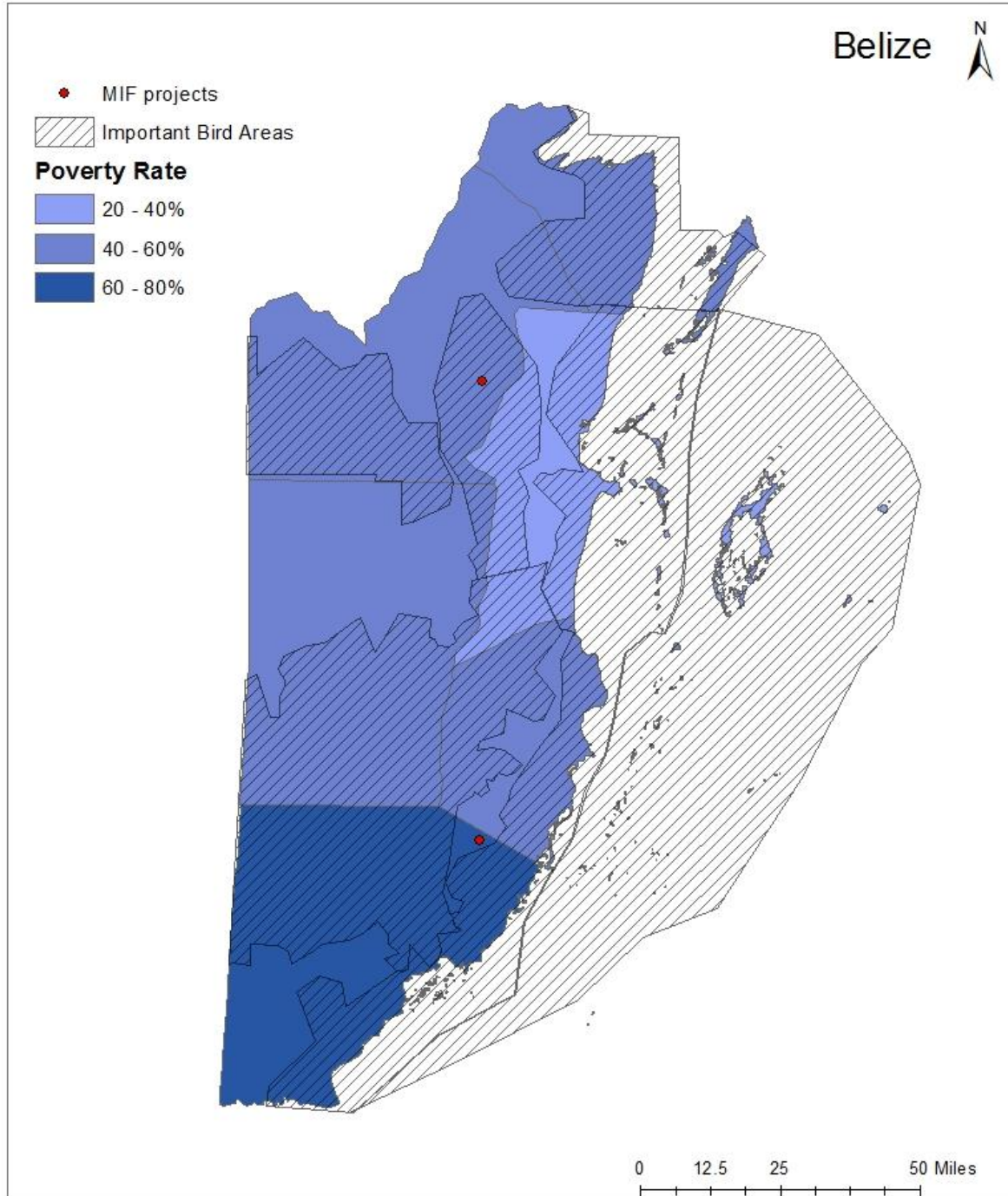
8. COMPLIANCE WITH MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 8.1. **Disbursement by Results and Fiduciary Arrangements.** The Executing Agency will adhere to the standard MIF disbursement by results, procurement and financial management arrangements specified in Annex 8 (Procurement Plan).

9. INFORMATION DISCLOSURE AND INTELLECTUAL PROPERTY

- 9.1. **Information Disclosure.** Project information is deemed confidential during the design stages of project preparation but all information will be publicly disclosed once the project is approved, in accordance with the Bank's Access to Information Policy.
- 9.2. **Intellectual Property.** Both Parties shall jointly own the intellectual property to any work produced or results obtained as a result or product of this project. The Executing Agency shall ensure that all contracts entered into with consultants during the execution of the Project include provisions granting the Bank ownership rights to all copyright, patent and any other intellectual property rights.

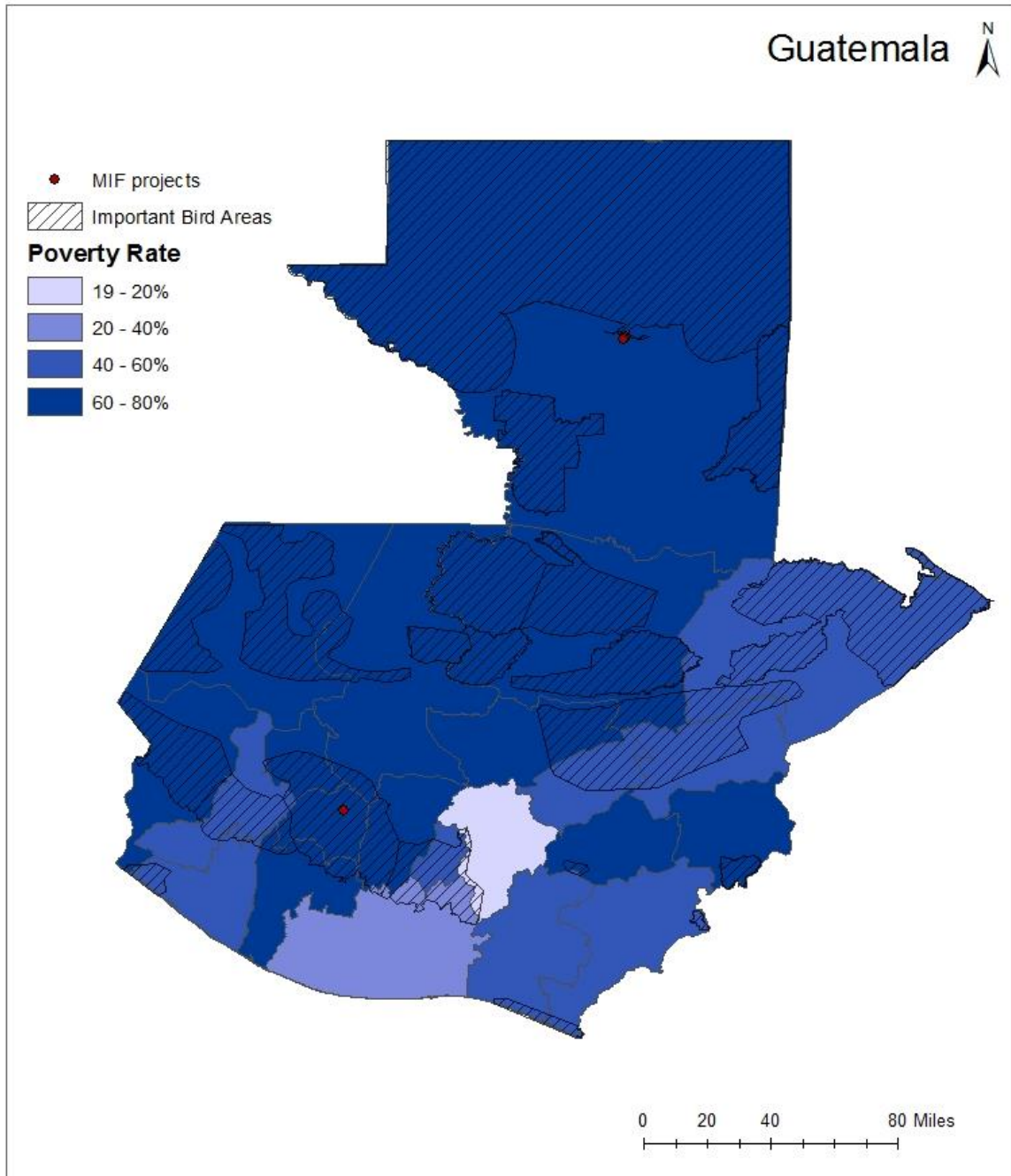
ANNEX I - POVERTY AND IMPORTANT BIRD AREAS MAPS



Sources:

1) Belize 2009 Country Poverty Assessment. Ministry of Economic Development, Commerce and Industry, and Consumer Protection, 2010.

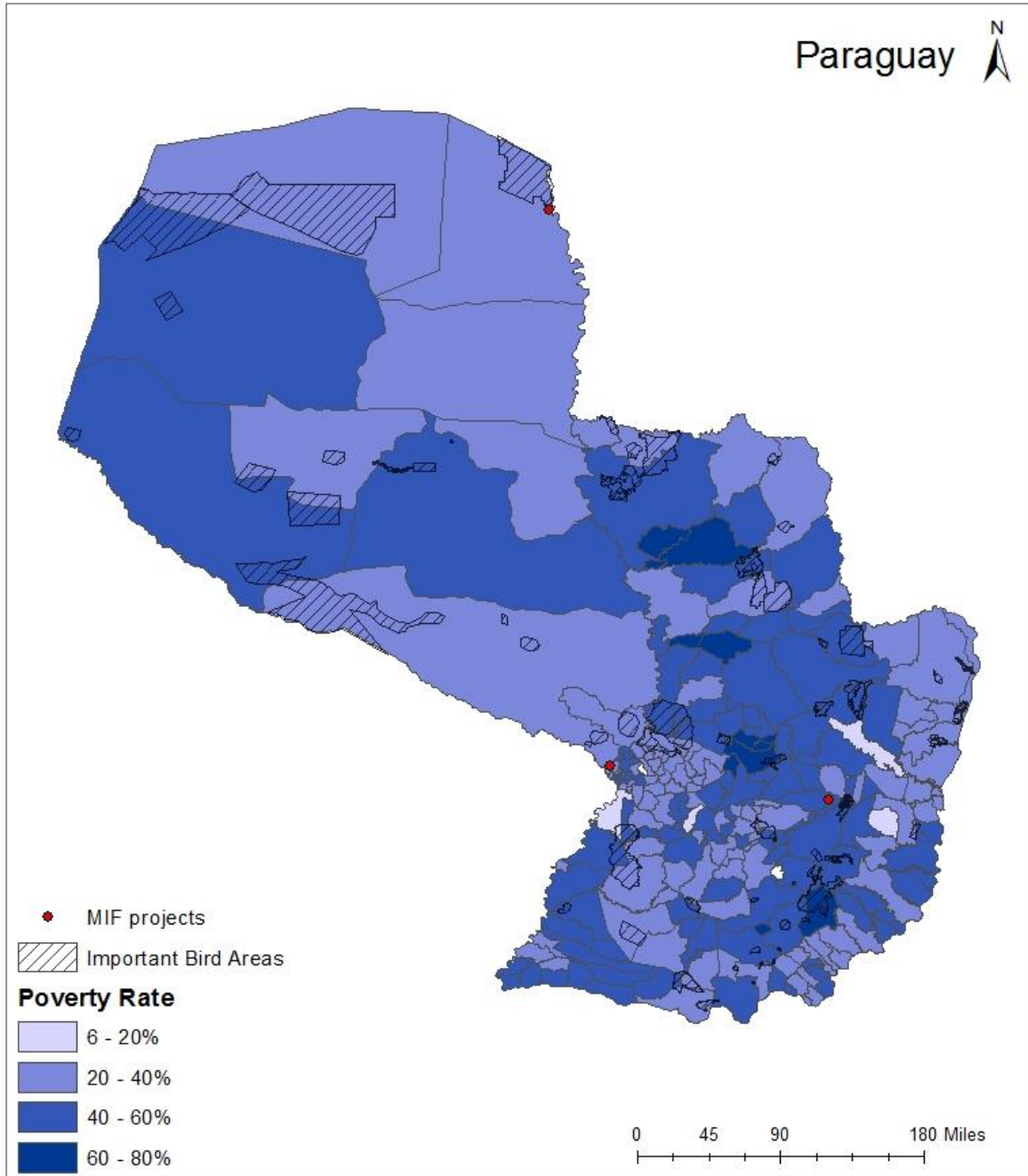
2) Devenish, C., et al, (2009), *Important Bird Areas of the Americas – Priority sites for biodiversity conservation*. BirdLife International (BirdLife Conservation Series No.16)



Sources:

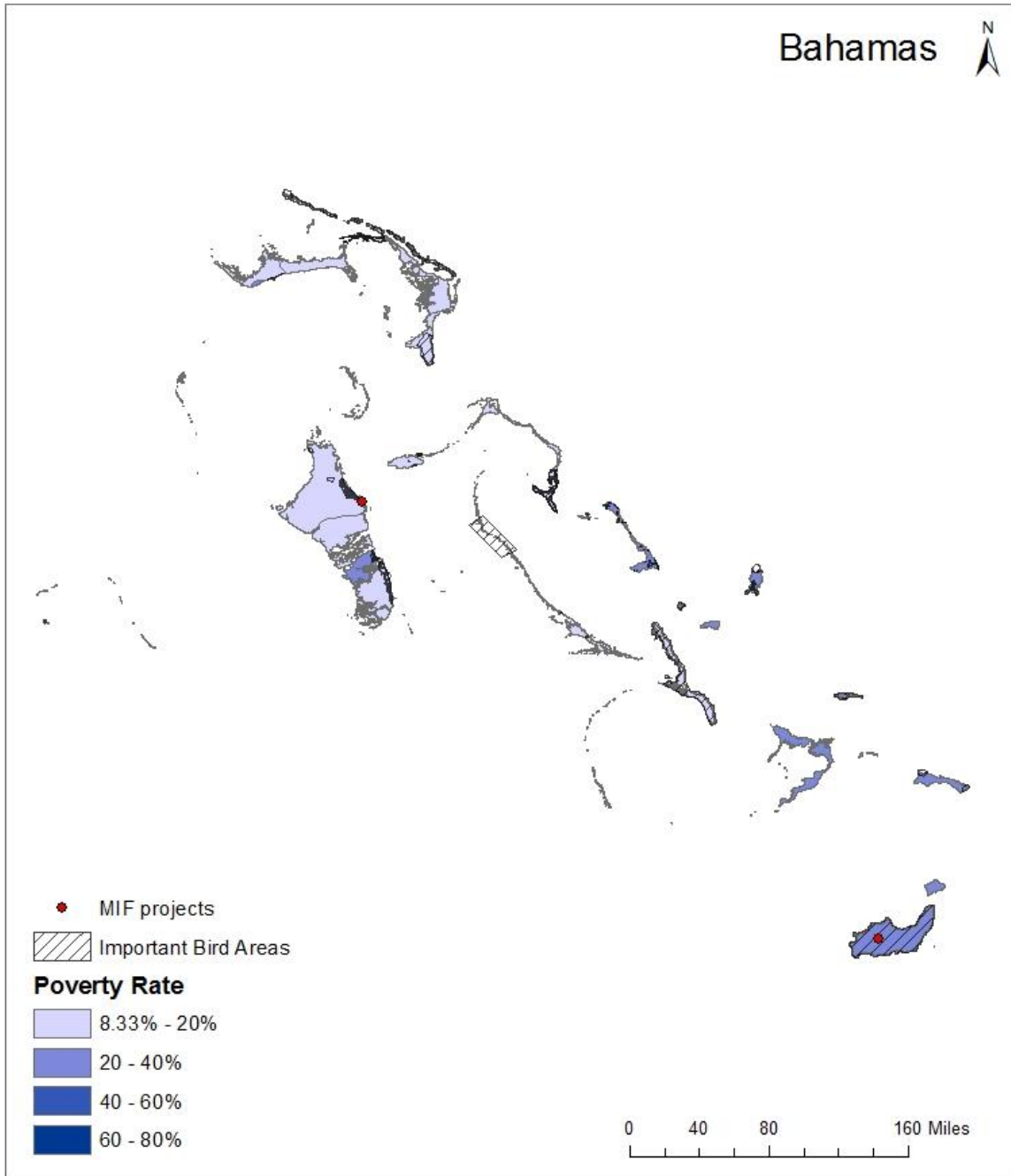
1) Guatemala: Encuesta Nacional de Condiciones de Vida 2011. INE.

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Sources:

- 1) Paraguay district level poverty rates: Robles, M. y Santander, H. "Paraguay: Pobreza y desigualdad de ingresos a nivel distrital", BID/SDS/POV/MECOVI - DGEEC Paraguay, Octubre De 2004.
- 2) Devenish, C., et al, (2009), *Important Bird Areas of the Americas – Priority sites for biodiversity conservation*. BirdLife International (BirdLife Conservation Series No.16)



Sources:

- 1) Bahamas: Bahamas Living Conditions Survey, Bahamas Department of Statistics, 2004.
- 2) Devenish, C., et al, (2009), *Important Bird Areas of the Americas – Priority sites for biodiversity conservation*. BirdLife International (BirdLife Conservation Series No.16)