

Annual Report

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Community Tourism Alliance





I. Executive Summary

Fiscal Year 2007 marked the beginning of work through sub agreements with different partners in different technical areas and geographical regions of the country. Meanwhile, Counterpart continued to implement field activities according to the annual work plan.

The main activities implemented and their outstanding results are presented next, based on the structure of the work plan.

1. Capacity Building for National, Regional & Local Tourism Organizations

- i Follow up work continued at the Puerta al Mundo Maya destinations in Chisec, Alta Verapaz, which offer a wide array of adventure ecotourism options including caving, tubing, rappelling, and visits to Cancuen archaeological site. Main actions were focused on improving administrative and accounting capabilities, increasing group management and resource management abilities, and raising self esteem of community members involved in tourism venues. Visitation and sales indicators continued to increase.
- i Sustainable Tourism Formal Education Program through a sub agreement with Asociación Ak'ul Tenamit in Izabal continued. Through Counterpart's contribution 78 students are enrolled in the Tourism Formal Education Program and representatives from five communities of Alta Verapaz and Petén have also joined the program. Sales at the practical classroom restaurant and gift shop continued to increase.
- i Sustainable Oscillated Turkey Harvest project in select communities of the Maya Biosphere had a successful 2007 harvest season and is becoming a model for sustainable wildlife management linked to community economic improvement. At Uaxactún 18 clients, generated income worth \$36,000 and harvested 33 turkeys, while at Carmelita 12 clients generated income worth \$20,200 by harvesting 16 turkeys.
- i 76 individual SMEs affiliated to FUNDESA's Tourism Entrepreneurial Centers (CETs) received technical assistance on administrative and human resources management, marketing and sales; while 28 SMEs received technical assistance on corporate image related topics. Through two EMPRETEC workshops in the highlands, 15 new entrepreneurial projects have been generated and they will be followed up by the FUNDESA/CETs personnel and with technical assistance from CPI. CET directors and promoters were trained on effective sales and marketing techniques and, from this training will implement technical assistance for SMEs in their localities.
- i In the highlands Counterpart has participated actively in the Solola Tourism Sub-Commission, leading the execution of the image and marketing related components.
- i In Petén, Counterpart has participated actively in the Mirador - Rio Azul multi-stakeholders Roundtable providing technical assistance and expertise mainly on tourism related topics. Meanwhile technical assistance work at Carmelita and Paso Caballos communities has



continued, high levels of conflict inside these communities, however, have made actions difficult to the point where no certain records of incoming tourists or sales generated are available.

- i Counterpart continued to support Guatemala's Community Tourism Federation (FENATUCGUA) in the realization of its ordinary board and assembly meetings and coordinating strategic planning and actions with other partners, especially INGUAT.

2. Access to Credit and Financial Services

Credit and financial services for rural and tourism related businesses present special challenges in Guatemala, since many tourism and rural initiatives do not qualify for credit under normal banking standards. Thus, the Alliance partnered with Banco de la República/Sustainable Tourism Association and the Dacrédito program to tailor a special guarantee and technical assistance program aimed at rural tourism and handicrafts initiatives. At the beginning of the year activities were focused on promoting the credits program and providing technical assistance to potential credit recipients. Through this activities 24 credits were issued (4 handicrafts and 20 for tourism) amounting Q2,321,504.12 (US \$ 305,461.07). The initial credit beneficiaries under this program have been: taxi and boat drivers from Izabal around Puerto Santo Tomas cruise terminal and handicrafts associations from the highlands that have solicited credit to buy raw materials or new machinery.

Although results for the first quarter of this component were promising, from the second quarter on a series of problems hampered the placement of new credits. Guateinvierte and Dacrédito credit issuing activities were stopped with all banks since the program was requesting overdue rates lower to 1% from the banks. According to participating banks this rate is unreal for Guatemala's rural area, given that even traditional credit programs have higher overdue rates. This situation stopped Guateinvierte from authorizing new credits. At the end of Fiscal Year 2007 Guateinvierte and Dacredito are being restructured in order to reinstate operations. Counterpart, STA and Banco de la Republica are analyzing and implementing alternative actions to continue facilitating access to credit for tourism and handicrafts MSMEs.

3. Certification

Tourism good management practices are a must in today's highly competitive market, and they become an even more valuable asset for SMEs as Guatemala enters the DR-CAFTA and other international treaties. The Alliance promotes information and assistance for SMEs to adopt environmental, social and business good practices. Furthermore, the Alliance works together with the Green Deal local certification seal in order to promote certification of new SMEs and community based operations and assist in the marketing of certified venues.

Counterpart designed 9 training modules on sustainable tourism good practices, focused on rural communities and micro and small businesses. These modules were revised by a technical group formed by INGUAT, Alianza Verde, Rainforest Alliance and FUNDESA, and will serve as a basis for introducing community groups and small businesses into the processes of implementing good practices and tourism certification.



Through the sub agreement with FUNDESA and, in collaboration with Alianza Verde seminars and personalized promotional visits to SMEs were implemented. Seminars aimed at incorporating new businesses to the certification process and at motivating businesses to incorporate better practices into their daily operations, were held in Solola, Chiquimula, and Guatemala City. Given that participation in seminars had been rather low, FUNDESA implemented a new strategy consisting of personalized visits to promote good practices and certification. In total, 37 SMEs from Solola, Verapaces, Peten, and Retalhuleu were visited. The Green Deal Certification Induction Workshop was held in June with representatives from 15 SMEs from Guatemala City, Petén, Izabal, and the Verapaces.

These activities will allow the certification of 30 new MSMEs by the end of 2007 calendar year.

In the Highlands CPI supported Rupalaj Kúistalin on reviewing the implemented improvements and implementing the last details, previous to undergoing the final audit performed on July 2007. Based on the good results from this audit, it is expected that Rupalaj Kúistalin will be certified by the end of 2007.

4. Marketing and Promotion

Counterpart is producing a series of fact sheets featuring beneficiary destinations of the Alliance in order to provide each destination with a unified graphic image and, the necessary copy, image, and graphic element resources which, later on, can be easily used to produce any type of promotional material. Up to date there are fact sheet designs for 13 destinations and work has already begun for their incorporation into value chains of select destinations and businesses.

Counterpart has been working with the Guatemala's Community Tourism Federation (FENATUCGUA) on producing a brochure on community based tourism. CPI is providing technical and design assistance for the production of the brochure, while FENATUCGUA will cover printing and distribution.

Through the sub agreement with FUNDESA, CPI and FUNDESA organized a workshop with directors and promoters of FUNDESA's Tourism Entrepreneurial Centres (TECs) from all over the country (Petén, Izabal, Verapaces, Antigua, Atitlán, Quetzaltenango, and Retalhuleu). During the activity, CPI presented the value chain concepts and then there was a discussion on how to use the value chain as a tool to achieve economic development through tourism. Throughout the workshop, participants provided a big amount of input which will be used to further orient activities and technical support that will be provided both at the destination level and to more than 300 MSMEs affiliated to the TECs. During the afternoon work was concentrated on sales techniques and techniques for producing powerful copy and images for each MSME. Promotional activities related to the www.guatemalaenvivo.com portal have also been included as part of the sub agreement with FUNDESA. The first step will be an improvement of the portal making it a better sales tool for the included MSMEs.

The portal was also advertised on the August edition of the Explore magazine, distributed on all flights of TACA airlines. On the other hand, reciprocal links have been created between



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this portal and the websites of Green Deal and Rainforest Alliance in order to increment hits and focus on good practice implementation. Guatemalaenvivo.com received approximately 171,000 hits during FY 07 and is positioned as one of the first 10 pages on Google and Yahoo under the search criteria "handicrafts + Guatemala" and "restaurants + Guatemala" which confirms it as a potent marketing tool.

As part of the Semana Santa promotional efforts, CPI provided information and contacts for two articles published in two major Guatemalan newspapers. The article on El Periodico focused greatly on Puerta al Mundo Maya but also mentions Corazon del Bosque community destination, the community coffee tours and Carmelita.

<http://www.elperiodico.com.gt/es/20070325/actualidad/38070/>

The Prensa Libre article featured the Puerta al Mundo Maya destinations, Corazón del Bosque, and the Chicoj Coffee tour in Coban.

<http://www.prensalibre.com/pl/2007/marzo/25/166679.html>

In Peten, training workshops on marketing and business plan development for certified venues were carried out in May through the sub agreement with FUNDESA in collaboration with Alianza Verde.

In the Verapaces, Chisec's tourism association (AGRETUCHI) received assistance on efficient use and attention of its primary tourism oriented e-mail account info@puertamundomaya.com. Also, contents of the www.puertamundomaya.com website have been updated in order to encourage repeat visits and to highlight relevant information.

In the highlands CPI conducted two image workshops with widespread participation from tourism businesses and community representatives from all around Lake Atitlan. During the workshops CPI conducted the methodology designed to gather information and inputs for the design of a destination image for Atitlan. More than 40 participants congratulated CPI for the usefulness of the workshop and for having designed a participative methodology in order to receive inputs from all types of organizations and communities around the lake. Inputs from the workshop will be converted into a creative brief for the design of Atitlan's image as a tourism destination. CPI is also working in close coordination with the Atitlan Municipality Mancommunity providing technical support on conceptualizing and designing promotional and informative materials.

CPI has been continually distributing promotional materials from beneficiary destinations at different locations in the country. Promotional material has been distributed at INGUAT offices in Petén and Atitlán and materials have been exchanged among Alliance beneficiaries.

Geotourism

An extended coordination and negotiation process with ANACAFE and INGUAT as local partners has been followed in order to implement the Guatemala Geotourism Initiative.



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An initial workshop facilitated by James Dion of the National Geographic Center for Sustainable Destinations was held in April. The workshop presented the concepts behind Geotourism and the actions involved in a Geotourism initiative, during the afternoon the Counterpart team facilitated the preparation of a work plan that will guide the actions of the Guatemala initiative. Participants in the workshop included: ANACAFE, INGUAT, Counterpart, USAID and STA/Banco de la República.

Geotourism actions that have been implemented, according to the plan include: the site nomination format has been reviewed by the appointed commission and approved by INGUAT. The communications and outreach commission had two work sessions on which resources to be provided by each partner were evaluated and outreach and site nomination strategies were discussed.

The Geotourism Charter was signed at the National Palace in Guatemala City on April 24, 2007 by representatives from National Geographic, INGUAT, ANACAFE, and Counterpart, while President Oscar Berger y U.S. ambassador James Derham participated as witnesses of honor. The event generated extensive media coverage from national and international media who pointed out the importance of the alliance between local partners and National Geographic and also the great opportunity for Guatemala as one of the first five countries to sign this type of charter.

INGUAT and National Geographic Society signed their fund allocation and activity startup contract on September 24th 2007, the signing and approval of this document will mark the beginning of field activities.

Additionally, and related to the Geotourism initiative, CPI, INGUAT, and George Washington University signed an agreement to perform, in collaboration with a local university, a consulting practicum to help the Geotourism process in Guatemala during the summer of 2008.

5. Marketing and Development of Handicrafts Products

This component is performed entirely in collaboration with AGEXPORT's Handicrafts Commission, supporting handicrafts groups that were not receiving technical assistance from other sources, and focusing on post-Stan recovery areas.

Five new product collections were developed under supervision and technical assistance from international designer Patti Carpenter. Local designers from Guatemala and local exporting firms provided further assistance to the producer associations in order to guarantee quality of final products. The beneficiary producer groups and final products from each are summarized in the following table.



<i>Producer groups</i>			
Development of handicrafts collection: Group	Location	Collection	Result
Artesanías del Pueblo Maya	San Antonio Palopó	Cosmetics bags and shopping bags.	10 different fabric designs, with which 47 different products, divided into 4 collections were developed.
Cerámica Atitlán	San Antonio Palopó	Hand painted pottery table set for garden	Three plate sizes, bowls, mugs, sugar and cream holders, and flower pot were produced.
Joyería Tzutuñil	Santiago Atitlán	Bead jewelry sets	A total of 39 pieces in 7 collections were developed using beads.
Asociación Artesanas de San Juan	San Juan la Laguna	Men's bags	The group developed a total of 6 fabrics and the commercializing firm coordinated the production of final products at a workshop in Quetzaltenango. 13 different products in 3 different fabric colors were produced.

All of these products were presented at the New York Gift Show, held at the Javits Convention Center between January 28 and February 1st 2007. In total 60 commercial contacts were generated as a result of the participation in this Fair and the four collections received orders worth US \$23,282.12. After the Fair had ended, new orders worth US \$9,302.23 was received from pre-established contacts. Due to satisfactory results during the January edition of the Fair, Guatemalan exporting firm Casa Cotzal presented the bead jewelry products again at the New York Gift Show held in August. This activity generated sales worth US \$4,000.00.

The seminar on Trends for Design: Color and Fashion Applied to the Handicrafts Sector was carried out on September 22nd 2006. The workshop was facilitated by international designers Patti Carpenter and Michelle Wipplinger. In total 44 persons participated in the seminar, including local designers, owners of exclusive stores in Antigua, Guatemala, design students, managers of exporting businesses, representatives from producer organizations, and representatives from support institutions (Ministry of Economy, INGUAT, and Landivar University). Contents of the seminar centered on trends of color, textures, and motifs for the 2007 and 2008 season.

The Handicrafts Commission placed the products on several local and regional festivals including Guatemala Nuestra 2006 (CEMACO), Maxi Bodegas, and Wal-Mart (Guatemala, Nicaragua, Honduras, El Salvador), generating sales worth US \$ 536,393.02.

Counterpart provided a startup seed fund for the establishment of a handicrafts shop at the Pacific Cruise Terminal (Marina Pez Vela). During the first months of operations (October 2006 to May 2007) the store was open for 31 cruise ships and an estimated 36,000 tourists from the USA, Japan and China. Sales averaged US \$3,000.00 monthly. The store will re-open as the new cruise season begins in October 2007.



6. Post-Stan Recovery Activities

All activities in this component were executed through a sub agreement with Fundación Solar. Counterpart's technical team provides additional technical support and assistance for the work of Fundación Solar and its beneficiary associations on the southern basin of Lake Atitlan. All the actions contributed to improving the tourism offer on the southern basin of Lake Atitlan, an area heavily impacted by Tropical Storm Stan. Two new enterprises and approximately 50 new jobs were generated through these interventions.

Two community organizations for the management of tourism activities were established in San Marcos La Laguna and San Pablo La Laguna, following the model of Rupalaj K'istalin association from San Juan La Laguna. In San Marcos La Laguna the community organization "Jóvenes Mayas Kakchiqueles", is formed by 14 young entrepreneurs with the main objective of integrating their natural and cultural assets into tourism circuits, generating economic benefits for the families involved. In San Pablo La Laguna the community organization "Q'apoj Sajkii" was formed by 35 women, mostly from Tropical Storm Stan affected areas. The objective of this association is to work with ancient materials and techniques, re-valuing traditions and generating income both from the sales of end products and from demonstrations and tours for visitors.

In San Juan La Laguna, the textile producing association Ixoc Ajquem finished its legalization process and opened a new sales room, featuring products from this association and from other local associations.

Community based tourism organizations from San Juan La Laguna and San Marcos La Laguna received training in order to improve their quality of service. Among the training topics the following were included:

- i Tourism host
- i Environmental interpretation, camping and community tourism
- i Project profile elaboration
- i New textile and product designs

As a result of several design and technique workshops a textile sales expo was staged on September 1st 2007 in Antigua. The sales expo featured the new collections from women producers from San Juan La Laguna and was visited by representatives from national and international organizations, embassies, NGOs, and other institutional partners.

One beneficiary organization of this training process was Chajil Chiupup local fishermen association which has begun selling test tours based on traditional fishing and aquatic vegetation exploration.

Three proposals were elaborated and presented to potential donors. The topics of these proposals were:

- i *Strengthening of a community tourism micro enterprise and creation of an environmental awareness program from the community association Jóvenes Maya Kaqchikel from San*



Marcos La Laguna. Presented to the rural productivity network and winner of the second price of the Youth Rural Productivity Award. The prize consisted of US \$5,000.00 in seed capital and a scholarship for one member of the Association.

- i *Appraisal of Environmental Services in the Southern Basin of Lake Atitlan: Sustainable Management of Reeds and Development of a Lake Ecotourism Circuit, Sololá, Guatemala*. Presented to Guatemala's Conservation Fund (FONACON).
- i *Incentives and Strengthening of Entrepreneurial Capabilities of the Rupalaj K'istalin Tourism Guide Association through the creation of Ecologic Maya Hostels*.

II. Introduction

The Community Tourism Alliance is a public - private partnership in tourism development by leading organizations whose objectives are: (a) supporting and creating new community tourism enterprises and small and medium enterprises in rural areas of Guatemala, (b) improving access to marketing, product design and financial services for small and medium tourism enterprises, (c) improving the capacity of local communities to manage and conserve community resources through tourism and d) strengthening support to local communities to participate in the conservation of biodiversity in the regions around the project sites.

The Alliance coordinates its activities closely with the Government of Guatemala, through INGUAT, CONAP and MICUDE-IDAHE. Alternatively, the alliance also develops activities for micro, small and medium scale tours of the following regions:

- i Petén,
- i Izabal,
- i Verapaces,
- i Central Highlands and Western Highlands with special emphasis on areas affected by Hurricane Stan.
- i

During the third quarter of FY2007 (April- June), capacity building activities continued for community organizations and CSOs in the Verapaz, Petén and Solola regions where they are providing direct support to the Council Subcommittee on Tourism Development Department. This resulted in the developing a fundamental analysis of the events of Holy Week, and designing training modules. In addition, four community associations benefited from training modules through working with the Solar Foundation in the South Basin of Lake Atitlan. Counterpart also designed 9 training modules on sustainable tourism good practices, focused on rural communities and micro and small businesses. These modules were revised by a technical group formed by INGUAT, Alianza Verde, Rainforest Alliance and FUNDESA, and will serve as a basis for introducing community groups and small businesses into the processes of implementing good practices and tourism certification. In the Highlands, it is expected that by the end of 2007 Rupalaj community association K'istalin of San Juan La Laguna, will become a certified association and will continue to give technical support.

To market and promote local business activities, Counterpart is producing a series of fact sheets. Within this component, a workshop on information and education in Geotourism with Alliance partners and then the June 24 agreement was signed between ANACAFE Geotourism, INGUAT, CPI and National Geographic, generating great interest and coverage nationally and internationally. Activities related to the development and marketing of handicrafts continued to show positive signs, after the visit of international buyers, sales through the Gift Fair in New York and coordination with Wal-Mart chains and CEMACO for marketing nationally and regionally.



III. Detailed Activity and Results Report

1. Capacity Building for National, Regional and Local Tourism Organizations:

1.1 Training in Tourism Services

Tourism Self Management Committees (CATs)

During Fiscal Year 2007 the Alliance worked on strengthening of select committees. These organizations have different levels of development and organization; therefore, technical assistance was provided responding to particular conditions of each. The following table summarizes the main activities undertaken with several CATs.

ACTIVITIES ACHIEVED WITH CATs		
Region	CAT	Activity/Result (when relevant)
Peten	Municipal and local CATs from the whole department	Completion of formalization and legalization procedures and establishment of mission, vision and objectives.
	Departmental	Discussion of legal base, benefits and CATs work plan were discussed.
	Poptún, San Luis, Dolores	Project design and elaboration of development profiles for Tres Cruces Hill
Highlands	Chichicastenango	Counterpart's staff presented and shared the Puerta al Mundo Maya experience at first Municipal CAT meeting
	Panajachel (ATLA)	Approached to assess CAT in topics related to internal strengthening and strategic planning. Overturned to support in the establishment of a Tourism Sub-commission due to its more integral character and to CAT's internal limitations

Verapaces

The training processes started during FY 2006 with Puerta al Mundo Maya destinations continued along 2007. Additionally, a series of diagnoses, evaluations and prioritizations to include new organizations in training and technical assistance processes were developed. It is worth mentioning that the associations related to Cancuen Archaeological Site carried out an educational exchange with AkiTenamit Association in Izabal.

The following list contains a brief list of the training workshops developed in Verapaces as part of this component:

- i Quality of services in Tourism
- i First Aid
- i Tourism Guiding Techniques
- i Easter preparation, reinforcement in guidance and group management topics, as well as impacts minimization and emergency procedures.
- i Performance evaluation and improvements to implement after Easter period.
- i Self esteem workshop for association members



- i Management of tourism seasonality
- i Community based tourism associations assemblies

In Chilascó, Baja Verapaz, a SWOT analysis of tourism activities was carried out in order to identify training and strengthening needs. Counterpart's staff has made scheduled visits to each of the communities where these assessments have been carried out, and the main technical assistance activities have been focused on calculating operational costs and pricing of tourism services.

Counterpart has been negotiating a cooperative agreement with the Secretary of Social Works of the President's Wife (SOSEP) and the Presidential Commission for Local Development (CPDL) to provide technical assistance in the development of a community based Cacao tour project in Lanquín, Alta Verapaz area. The project is carried out by the above mentioned organizations, a Q'eqchi' women group, and a local entrepreneur. The business plan is being developed and Counterpart will support in administration tools, cost analysis, marketing and design, and implementation of better tourism practices.

Highlands

Through a subagreement with Fundesa, the Alliance organized two EMPRETEC workshops, consisting in a four day activity focused on generating entrepreneurial attitudes and projects from rural entrepreneurs. These workshops were developed in Panajachel and Quetzaltenango during september. In panajachel representatives of SMEs, and San Pedro and San Juan la Laguna community organizations participated in the workshop; however in Quetzaltenango the audience was formed only by SMEs and entrepreneurs. As a result of this workshops, 15 entrepreneurial proposals on tourism services were generated for the region. Fundesa will follow up the implementation of these activities under the cooperative agreement with Counterpart.

After a long negotiation process, motivated in first place by USAID and continued by Counterpart, an agreement has been reached with the Association of Eco-farmers of Chikabal Volcano and Lagoon (ASAECO) state the technical support that the Alliance will be providing them. It has been settled that CPI will start providing assistance on marketing and visitor statistics handling. During the last quarter of FY 2007 a Chikabal promotional fact sheet was developed, this material will be distributed through spanish schools, hostels, and tourism agencies in Quetzaltenango. During FY 2008 Counterpart will strengthen the marketing initiatives and improve the use of statistics to increase the amount of visitors.

A training workshop called "local tourism host" and a basic tourism English course has been designed specifically for the Highlands. The Local tourism host training was not implemented because INGUAT is in the process of implementing a new regulations code for tourism guides, which could have a direct impact on the topics included in this module. It is important to mention that the adaptation of this Regulations Code is an initiative where CPI has been involved since 2005 with the support of USAID. This code includes the "Local Tourism Guide" category, INTECAP started to design contents and training modules for this group. Counterpart's aim is to include this module in workshops from INTECAP and other organizations and to implement them in several communities that carry out tourism activities.



Petén

The strengthening of activities in Paso Caballos has been continued in coordination with WCS-Balam Association. As presented in former reports, the problems of divisionism and internal organization among the tourism groups in the community (ATUPAC and Guacamaya Committee) persist. These problems have hindered any progress of the scheduled activities. Since June 2007, with the support of América Rodríguez several visits to evaluate the conflict, and define strategies to strengthen tourism activities in the area have been carried out. So far, it has been defined that an effort to work through the COCODE will be made in order to prevent false perceptions of one of the groups receiving more support than the other.

Several meetings have been organized in Carmelita to establish a regulation code between the COCODE and the Cooperative, this code approaches the coordination of activities between organizations, as well as their roles and obligations. Two workshops have been carried out to discuss a specific tourism regulations code. Unfortunately the audience was very small, so CPI's staff is searching for new strategies to continue with the discussion and approval of this document. On the other hand, Counterpart participated in a commission established with El Mirador - Río Azul Inter-sectorial Round Table, to elaborate an emergency plan for Carmelita Community. The mentioned plan includes topics such as: strengthening of COCODE, Cooperative and Tourism Commission and Security, among others. This plan is being implemented by Counterpart, WCS, Balam Association, CONAP and ACOFOP; however internal conflicts in the community have delayed the implementation of activities.

1.2 Strengthening of management and administration skills:

This component has provided technical assistance to community based organizations and SMEs. For community venues, administration skills consist of two main aspects: 1. Statutes, operation and administration at the association level, 1 and 2. Administration and accounting for tourism activities and services.

National Community Based Tourism Federation (FENATUCGUA in Spanish)

CPI has supported Guatemala's Community Tourism Federation (FENATUCGUA) in the implementation of their General Assembly and Board meetings. One of the achievements of these meetings has been the revision and reformulation of the strategic and operational plans. Counterpart has also supported individual members of the federation in the Verapaces region (more detail in Verapaces section under this same component).

SMEs

Through an agreement with FUNDESA and its Tourism Business Centers (CETs) 76 SMEs received technical assistance on image, marketing, and administration skills. It has been determined that enterprises face difficulties to implement the recommendations obtained these types of technical assistance, so during next fiscal year the Alliance will follow up on the implementation recommendations generated from marketing and sales assistances. The following table includes a list of technical assistances provided during Fiscal Year 2007 according to geographical area, topic and number of strengthened enterprises.



Technical Assistances carried out through FUNDESA		
Location	Technical Assistance Topic	Number of Enterprises
Sololá	Financial administration	14
Sololá	Marketing	10
Quetzaltenango	Human resources administration	8
Sacatepéquez	Financial administration	17
Guatemala	Financial administration	2
Izabal	Financial Administration	9
Alta Verapaz	Human Resources administration	16
	TOTAL	76

Highlands

CPI is fully integrated as an advisor of the Sololá Tourism Sub-Commission, dependant of the CODEDE. The main task of the Sub-Commission is to promote and coordinate tourism management in Solola, representing a big incidence opportunity for Counterpart. CPI's support consists of information management, profile structuring, strategic planning and execution of the marketing component of the "Strategic Plan of Tourism Development for Atitlan". One of the priority activities in this plan is the development and promotion of a destination image of Atitlan.

Verapaces

After the elaboration of participatory cost analysis, Counterpart presented the results of the workshops to the Chilascó board of directors in July, and a new rate system was established based on results of the analysis.

In coordination with SANK, Counterpart organized a workshop between AGRETUCHI and FAMA (a Q'eqchi' foundation supported by SANK that works on the development of sustainable agriculture) to exchange experiences. The aim of these workshops was to focus on administration and accounting for community based associations.

In Candelaria Camoposanto, Counterpart implemented an administration workshop for the board members of the local association.

In Pamuc, San Cristóbal Verapaz and Rocha Pomitlan, participative workshops were implemented to discuss cost analysis and administration of tourism services. Local guides and members of the boards participated in these workshops.

1.3 Technical assistance on Image

Technical assistance for several SMEs was provided through the sub agreement with FUNDESA and its CETs. A technical assistance consists of a series of visits lead by an architect to make a SWOT analysis of the business and evaluate the image improvements to be performed. The beneficiary receives a series of recommendations directed at improving the image of its business.



The following table presents the total amount of technical assistances provided during 2007 according to location.

Total of MSEs benefited with a technical assistance on Image	
Location	Total of MSEs
Retalhuleu	9
Petén	19
TOTAL	28

1.4 Cultural and Natural Heritage Management in Host Communities

This component has been mainly developed in the communities of the Maya Biosphere Reserve, Candelaria National Park, and Cancuén Archaeological Site.

The following list presents the main topics that have been implemented under this component:

- i Basic speleology (jointly with INTECAP)
- i Speleology techniques (jointly with INTECAP)
- i Biotic and abiotic factors in caves
- i Maya culture and its protection in caves
- i Rotations management and maximum amount of visitors in caves

On the other hand, Counterpart provided technical assistance to Candelaria Camposanto and Mucbilha 1 (Candelaria Caves National Park) for the implementation of improvements to inner cave trails, following up the suggestions that James Goodbar from the U.S Department of Interior provided last year. The implemented changes were directed to improve the protection of the caves, as well as tourist circulation inside them.

Petén

Counterpart participated actively in the establishment and follow up of the Multi-sectorial Round Table for Mirador- Río Azul National Park. Technical support has also been provided to the activities developed by US Department of Interior in technical assessment and logistics to implement their work plan in Carmelita-Mirador.

In Carmelita and Paso Caballos, Counterpart has supported the development of inner regulations codes for tourism development in the communities. These proposals include the administrative functioning, types of contracts with tourism enterprises, services rotation, and behavior codes, as well as resources management. Although these proposals have been already developed, internal conflicts within this communities have hindered their final discussion, approval and implementation.

Counterpart has also led the negotiating processes and execution of actions related with INGUAT for the Round Table. As a result of these negotiations INGUAT has signed an MOU with CONAP, IDAEH, ACOFOP tourism committee and the tourism committees from Carmelita and Uaxactun. This MOU covers areas such as strengthening of local tourism committees, training and fund leverage for the equipment and construction of small scale infrastructure. Counterpart,



FUNDESA, WCS, Balam Association, and US DOI appear as support organizations. Complementarily, in collaboration with INTECAP and CONAP, Counterpart will develop a training program for local communities, based in the new Tourism Guide regulations code recently approved by INGUAT.

CPI participated in a workshop along with members of US DOI, CONAP, IDAEH, and El Mirador Project to design the interpretive plan for El Mirador Archaeological Site. During this workshop several themes were discussed such as the general framework of the interpretation, tools, designs, and preliminary measures for the management of potential impacts caused by visitors. Counterpart's further support has been requested for parallel processes related to the Master and Public Use Plan, as well as the ones related to community organization.

Counterpart also participated in the actualization of the Maya Biosphere Reserve Master Plan, together with local and international NGOs, communities, and GoG agencies.

1.5 Strengthening of community based coffee tours

During the first quarter of Fiscal Year 2007 CPI staff visited the Community Based Coffee Tours promoted by ANACAFE and elaborated an analysis of the main weaknesses and needs to follow up. This evaluation recommended focusing efforts on San Juan La Laguna Coffee Tours (La Voz que Clama el Desierto) and Chicoj (Alta Verapaz) due to their immediate potential and higher product consolidation. ANACAFE's current project has had several administrative changes and has not requested any further assistance from the Alliance. However, the Alliance will continue supporting San Juan La Laguna Coffee Tours, as part of the products from Rupalaj Kistalin Association.

1.6 Strengthening the high school degree program in Sustainable Tourism

A total of 78 students, most of them inhabitants of Q'eqchi' communities are part of the Sustainable Tourism high school degree supported by Counterpart - USAID through a sub agreement with Ak' Tenamit Association. Five new students from the communities of FENATUCGUA were integrated to the program this year and special priority was given to women. These students belong to the communities of: Mucbilha' I and Candelaria Camposanto (Candelaria Caves National Park, Chisec, and Alta Verapaz), El Zapote, Sayaxché, Petén y Pamuc, San Cristóbal Verapaz, Alta Verapaz.

The students from this high school degree manage three tourism enterprises, owned by Ak' Tenamit association, as a component of their practical classroom: a) Café Tatín (located in the association headquarters offering food services for tourists that visit and tours around the interpretative trails), b) Tatin Store (also located in Rio Tatín, this store commercializes local handicrafts under fair trade principles) and c) Buga Mama Restaurant (located in Livingston, certified under Green Deal Seal from Alianza Verde, which has positioned itself as one of the best restaurants for tourism and the main place for the organization of events in Livingston). In addition of the support for the students, the activities with the alliance have been focused on improving the commercialization of the businesses managed by the students and the association. Ak' Tenamit has served a total of 7,928 international visitors and 3,587 national visitors, generating a total of \$32,688.16 in sales for Fiscal Year 2007.



1.7 Strengthening and Expansion of Pavo Project

Actions for this component were focused on the preparation and execution of the 2007 season of the sustainable harvest in Carmelita and Uaxactún communities, both located in the Multiple Use Zone the Maya Biosphere Reserve. Sustainable harvesting is a complementary activity carried out in the reserve, which allows the generation of additional income for the communities, reducing the pressure over this species due to uncontrolled hunting. Uaxactún and Carmelita committees have been strengthened, camps have been improved, and the monitoring and allocation of male adults (the only specimens allowed for hunting, according to CONAP's approved management plan), customer attention and logistics have all been worked on.

Counterpart supported Pavo Project in obtaining authorization of the management plan from CONAP. The process was especially complex this year due to the pending approval of the new hunting law which was sitting in Congress. In the end, CONAP made a temporary exemption, authorizing the execution of activities for this year.

During April, in Uaxactun a total of 18 hunters generated net incomes worth \$ 36,000 and harvested 33 turkeys. At the same time, in Carmelita 12 hunters generated incomes worth \$ 20,200 and harvested 16 turkeys.

Turkey population studies have been conducted at the AFISAP management unit, located next to Carmelita, the purpose of this activity was to evaluate the potential in order to extend the project in year 2008. The results were promising, showing that the expansion of the project is feasible and that the area's readily available infrastructure to implement activities will lower the costs of implementation. Pavo Project will expand activities to AFISAP, allowing more clients, and generating complementary revenues in other areas of the Multiple Use Zone. Studies have shown that this activity has been effective in terms of reducing pressure over the species, generating improved incomes in comparison with hunting or illegal commercialization.

2. Access to credit and financial services

Although during the first quarters of fiscal year 2007 this component presented promising results, after the third quarter, a series of problems did not allow the placement of new credits. Guateinvierte and DaCrédito Program stopped issuing guarantees to all involved banks demanding an overdue rate between 0-1%, a hardly attainable rate for rural areas of Guatemala (not even traditional credits have such low overdue rates). This situation has prevented Guateinvierte from authorizing new credits.

By the end of fiscal year 2007 Guateinvierte and Dacredito program were being restructured in order to restart operations. Counterpart in coordination with STA and Banco de la República are analyzing and implementing other actions to continue providing access to credit and financial services for communities as well as for tourism and handicrafts SMEs. Furthermore, Counterpart has approached h BANRURAL, who manages a project with USAID and the Development Credit Authority (DCA) aimed at facilitating credit access for tourism, forestry and agricultural sectors. It is intended to consolidate this alliance in fiscal year 2008.



2.1 Access to Credit and Financial Services Conferences:

The main objective of this activity was promoting access to credit through Dacredito and Guateinvierte program. The Alliance organized 5 workshops with the following organizations:

- i Tecpan Artisans Association
- i Monterrico Tourism Association
- i Puerto Quetzal Artisans Association
- i Artisans from Handicrafts Market in Guatemala city association
- i Taxi and bus drivers association in Puerto Quetzal Association

On the other hand, the Sustainable Tourism Association presented the credit program during the IV Small Hotel Owners Meeting of Central America, a total of 150 entrepreneurs participated in this event.

2.2 Access to Credit Conferences for cultural and ethnic tourism

STA in coordination with INGUAT's Cultural and Ethnic Tourism Project organized 5 conferences for communities with potential to develop tourism products. These conferences were carried out at:

- i Livingston
- i Cobán
- i Quetzaltenango
- i Petén
- i Guatemala City

2.3 Conferences on Access to Credit for Tourism Committees in Izabal

STA implemented conferences for Tourism Committees in Izabal, these conferences were orientated to businesses with special potential to develop new enterprises or improve the existent ones, due to the projected increase of tourism affluence to the region influenced by the construction of a Cruise Terminal in Santo Tomás Port.

As a result of these conferences 20 credits for the acquisition of new vehicles were granted to Puerto Barrios Taxi Drivers association.

2.4 Direct Promotion Campaign:

STA followed up the direct promotion campaign of Guateinvierte/Dacredito and Banco de la Republica program, focused on tourism and handicrafts. 24 credits were granted (20 for tourism and four credits for handicrafts) worth a total amount of Q 2,321,504.12 (US \$ 305,461.07). STA has also followed up two credits for the acquisition of two boats for tourism in Izabal, once the program is back in to operations. Both credits are worth approximately Q.1, 000,000.00



2.5 Support to "Idea tu Empresa" Program:

STA analyzed 73 proposals and 20 businesses plans that participated in the Idea tu Empresa contest. Banco de la República awarded a prize to the winning project of the Garifuna Group Bururu, which consists on the implementation of a tourism project in Punta de Palma, Izabal.

2.6 Training for CETs personnel to promote credits in tourism and handicrafts

Directors and promoters from FUNDESA's CETs from Antigua Guatemala, Atitlán, Verapaces, Quetzaltenango, Livingston, Petén, and Retalhuleu received training workshops in order to provide information related to the credit program.

3. Certification

3.1 Design of trainings and technical assistance on sustainable tourism good practices and certification for communities:

Counterpart designed 9 training modules on sustainable tourism good practices, focused on rural communities and micro and small businesses. These modules were revised by a technical group formed by INGUAT, Alianza Verde, Rainforest Alliance and FUNDESA. The modules will serve as a basis for introducing community groups and small businesses into the processes of implementing good practices and tourism certification.

3.2 Technical assistance for communities and MSMEs on sustainable tourism good practices:

Local tour guide association Rupalaj K'istalin in San Juan La Laguna is currently undergoing the process of good practice implementation and certification. Based on the first evaluation performed for the association, the needed changes to approach standards required by the certification seal have been implemented. CPI supported Rupalaj K'istalin on reviewing the implemented improvements and implementing the last details, previous to undergoing the final audit performed on July 2007. Based on the good results from this audit, it is expected that Rupalaj K'istalin will be certified by the end of 2007.

As one of the activities being performed in support of Solola's Tourism Sub-Commission, and implementing one of the strategic lines of Atitlán's Tourism Development Plan, a virtual library on good practices has been implemented. The virtual library can be enriched and visited by community members at <http://www.esnips.com/web/BuenasPracticaturismo> or at www.turismoatitlan.150m.com.

3.3 MSME certification through Green Deal:

This component is implemented through a sub agreement with FUNDESA and in collaboration with Alianza Verde. A seminar was held in Solola in March in order to communicate information about Green Deal Certification Program. The main objectives of this activity were to incorporate new businesses to the certification process and to motivate businesses to incorporate better



practices into their daily operations, based on benefits to business economy, entrepreneurship and conservation of environmental and cultural assets. Similar seminars were staged in collaboration with FUNDESA and Alianza Verde according to the information in the following table.

Target group	Date	Location	Number of participants
Small Hotel owners from Guatemala City	April 13 2007	Historic Center, Guatemala City	12
MSMEs from Chiquimula	June 4 2007	Esquipulas	13

As a follow up to the previous seminars, a second Sensibility Seminar was performed with MSMEs operating on Guatemala City's Historic Center. During this seminar, held on the end of April, MSME owners restated their commitment to contribute with the preservation of Guatemala's Historic Center.

Since participation on this seminars was low, and trying to get information about good practices and certification to a wider number of MSMEs, the directors and promoters of the CETs set up personalized visits to tourism MSMEs in order to motivate participation in good practice implementation and certification processes. Visits performed on each region are detailed in the following table.

Region	Number of MSMEs visited to promote Green Deal certification and good practice implementation
Sololá	13
Verapaces	8
Petén	11
Retalhuleu	5

The Green Deal Certification Induction Workshop was held on June 14 and 15th. Representatives from 15 SMEs from Guatemala City, Petén, Izabal, and the Verapaces participated in the workshop where concepts and techniques for certification and good practice implementation were presented.

These activities will allow the certification of 30 new MSMEs by the end of 2007 calendar year.

4. Marketing and Promotion

4.1 Elaboration of promotional tools including Alianza para el Turismo comunitario project's beneficiaries:

CPI is producing a series of fact sheets featuring beneficiary destinations of the Alliance. The underlying idea is to provide each destination with a unified graphic image and, above all, to provide them with the necessary copy, image, and graphic element resources which, later on, can be easily used to produce any type of promotional material. Having these basic tools proved



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very useful to make the best out of marketing opportunities for the Puerta al Mundo Maya destinations, and the same model will be implemented at other destinations. Up to date there are fact sheet designs for 13 destinations and work has already begun for their incorporation into value chains of select destinations and businesses.

CPI has been working with the FENATUCGUA on producing a brochure on community based tourism. Discussion about details, objectives and concepts for the brochure has been rich but lengthy. Up to date, CPI has presented a preliminary design and some feedback from FENATUCGUA has been received. Pictures from FENATUCGUA to illustrate destinations featured in the brochure are still expected. CPI is providing technical and design assistance for the production of the brochure, while FENATUCGUA will cover printing and distribution.

On July 6th 2007, CPI presented the Alianza para el Turismo Comunitario Project at the National Tourism Student Encounter organized by the Universidad del Valle del Altiplano. The presentation generated interest and expectations among students to get more involved in sustainable tourism related activities.

On September 7th CPI and FUNDESA organized a workshop with directors and promoters of FUNDESA's Tourism Entrepreneurial Centers (CETs) from all over the country (Petén, Izabal, Verapaces, Antigua, Atitlán, Quetzaltenango, and Retalhuleu). During the activity, CPI presented the value chain concepts and then there was a discussion on how to use the value chain as a tool to achieve economic development through tourism. Throughout the workshop, participants provided a big amount of input which will be used to further orient activities and technical support that will be provided both at the destination level and to more than 300 MSMEs affiliated to the CETs. During the afternoon work was concentrated on sales techniques and techniques for producing powerful copy and images for each MSME. Such needs have been identified as priority in order to produce more effective results from participations at business round tables and at joint promotional efforts.

CPI has been continually distributing promotional materials from beneficiary destinations at different locations in the country. Promotional material has been distributed at INGUAT offices in Petén and Atitlán and materials have been exchanged among Alliance beneficiaries.

Verapaces

Chisec's tourism association (AGRETUCHI) received assistance on efficient use and attention of its primary tourism oriented e-mail account info@puertamundomaya.com. This mailbox is an important tool for receiving feedback, providing information, and advancing sales to potential Puerta al Mundo Maya visitors, but had been not properly used during the past months. On the other hand, contents of the www.puertamundomaya.com website have been updated in order to encourage repeat visits and to highlight relevant information.

CPI supported the communities of Puerta al Mundo Maya on distributing promotional materials (previously elaborated with support from USAID/AGEXPORT) in Coban, Chisec, and Raxruha as part of the preparations for Semana Santa, the main tourism season for the region.



Atitlano

CPI is working in close coordination with the Atitlan Municipality Man community, formed by the Panajachel, San Antonio Palopó, Santa Catarina Palopó, and San Andrés Semetabaj municipalities. This Mancommunity is executing its tourism development plan as a part of its economic development component and it has requested CPI's technical support on conceptualizing and designing promotional and informative materials. CPI will provide the technical concept and design of informative panels and visitor guides, while the Man community, through its donors, will cover reproduction and installation costs.

On Thursday, September 27th CPI conducted two image workshops with widespread participation from tourism businesses and community representatives from all around Lake Atitlan. During the workshops the Tourism Sub-Commission explained its role and then CPI conducted the methodology designed to gather information and inputs to be used in the design of a destination image for Atitlan. More than 40 participants congratulated CPI for the usefulness of the workshop and for having designed the workshop in order to receive inputs from all types of organizations and communities around the lake. Inputs from the workshop will be converted into a creative brief for the design of Atitlan's image as a tourism destination. While CPI was in charge of all the technical aspects of the workshop, the tourism sub-commission, through FUNCEDE financed the logistics of the event.

CPI provided technical and design support for the Panajachel Municipality and the Solola Tourism Sub-commission in order to produce a series of banners and materials oriented to Salvadorian visitors during the August Salvadorian national holiday.

4.2 Inclusion of destinations benefited by the Project in international fairs and press trips:

CPI facilitated the participation of the Puerta al Mundo Maya destinations in the II Academic Entrepreneurial Cultural and Ethnic Tourism Meeting (A business opportunity), organized by the Universidad del Istmo with support from several organizations in Guatemala City.

As part of the Semana Santa promotional efforts, CPI provided information and contacts for two articles published in two major Guatemalan newspapers. This type of articles has generated several visits and further information demands on other occasions and has also generated a great multiplier effect through word of mouth publicity. The article on El Periodico focused greatly on Puerta al Mundo Maya but also mentions Corazon del Bosque community destination, the community coffee tours and Carmelita.

<http://www.elperiodico.com.gt/es/20070325/actualidad/38070/>

The Prensa Libre article featured the Puerta al Mundo Maya destinations, Corazón del Bosque, and the Chicoj Coffee tour in Coban.

<http://www.prensalibre.com/pl/2007/marzo/25/166679.html>



4.3 Marketing of certified tourism products and venues implementing good management practices:

Promotional activities related to the www.guatemalaenvivo.com portal have been included as part of the sub agreement with FUNDESA. The first step will be an improvement of the portal making it a better sales tool for the included MSMEs. The portal was also advertised on the August edition of the Explore magazine, distributed on all flights of TACA airlines. On the other hand, reciprocal links have been created between this portal and the websites of Green Deal and Rainforest Alliance in order to increment hits and focus on good practice implementation. Guatemalaenvivo.com received approximately 171,000 hits during FY 07 and is positioned as one of the first 10 pages on Google and Yahoo under the search criteria "handicrafts + Guatemala" and "restaurants + Guatemala" which confirms it as a potent marketing tool.

Highlands

Tourism Guide Association Rupalaj Kūistalin from San Juan La Laguna is in the process of being certified. Thus, CPI promoted and provided technical assistance to complete, working with the local Guide Association, the form used to place the information about this initiative on the eco-index portal, the official portal for certified venues in Mesoamerica.

Petén

Training workshops on marketing and business plan development for certified venues in Peten were carried out on May 15 and 16 through FUNDESA and Alianza Verde.

CPI has begun coordination with volunteers from ECHOWAY, a French organization promoting fair trade, responsible tourism and, ecotourism destinations. ECHOWAY's work in Guatemala will be focused in Peten, so CPI will coordinate with this organization in order to promote select destinations through www.echoway.org, one of the best credited sustainable tourism sources in Europe.

4.4 Geotourism campaign:

An extended coordination and negotiation process with ANACAFE and INGUAT as local partners has been followed in order to implement the Guatemala Geotourism Initiative.

An initial workshop facilitated by James Dion of the National Geographic Center for Sustainable Destinations was held on April 12. During the workshop the concepts behind Geotourism were discussed and the actions involved in a Geotourism initiative were reviewed. During the afternoon the Counterpart team facilitated the preparation of a work plan that will guide the actions of the Guatemala initiative. Participants in the workshop included: ANACAFE, INGUAT, Counterpart, USAID and STA/Banco de la República.

Some of the actions that have been implemented, according to the plan drafted on the previously mentioned workshop include: the site nomination format has been reviewed by the appointed commission and approved by INGUAT so it is ready to be used. The communications and



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outreach commission had two work sessions on which resources to be provided by each partner were evaluated and outreach and site nomination strategies were discussed.

According to previous planning, the Geotourism Charter was signed at the National Palace in Guatemala City on April 24, 2007 by representatives from National Geographic, INGUAT, ANACAFE, and Counterpart, while President Oscar Berger y U.S. ambassador James Derham participated as witnesses of honor. The event generated extensive media coverage from national and international media who pointed out the importance of the alliance between local partners and National Geographic and also the great opportunity for Guatemala as one of the first five countries to sign this type of charter. Some examples of the coverage are included in the annex.

Following the signing of the Charter, the partners of the initiative (ANACAFE, INGUAT y Counterpart) contacted USAID to present a proposal for additional funding that will cover costs for the field implementation of the Geotourism Initiative. A first draft of the proposal was handed to USAID who is now in the revision process.

The Geotourism Initiative has been further promoted through participation in important strategic events such as the National Meeting of Tourism Committees (CATs) organized by INGUAT on may 29th.

INGUAT and National Geographic Society signed their fund allocation and activity startup contract on September 24th 2007, the signing and approval of this document will mark the beginning of field activities.

Additionally, and related to the Geotourism initiative, CPI, INGUAT, and George Washington University signed an agreement through which 16 masters students, advised by two PhDs and in cooperation with a Guatemalan University, will perform a consulting practicum to help the Geotourism process in Guatemala during the summer of 2008. This consulting practicum is an international voluntourism program recognized by the World Tourism Organization and the UN and will contribute both to the Geotourism initiative and to strengthening value chains at select localities in Guatemala.

5. Marketing and Development of Handicrafts Products:

This component was developed in collaboration with AGEXPORT's handicrafts commission, supporting handicrafts groups that were not receiving technical assistance from other sources, and focusing on post-Stan recovery areas.

5.1 Development of handicrafts collections:

According to what was stipulated, the AGEXPORT handicrafts commission coordinated the visit of international designer Patti Carpenter to Guatemala in order to work on the design of five new collections to be presented at different commercial and promotional activities during 2007. The collections developed by this Project with selected groups in post Stan recovery areas, were presented at the New York Gift Show, and held at the Javits Convention Center between January 28 and February 1st 2007.



The following steps were followed in order to develop the aforementioned collections:

1. Initial identification of beneficiary handicraft producing groups (through a field trip carried out on August 2006 through several Solola municipalities). Finally, out of 10 diagnosed groups four were selected. These groups developed three textile collections, one pottery collection, and one bead jewelry collection. The selected groups were the following and they involve 250 Sololá artisans.

Group	Location	Handicraft activity
Artesanías del Pueblo Maya	San Antonio Palopó	Textile
Cerámica Atitlán	San Antonio Palopó	Pottery
Joyería Tzutuñil	Santiago Atitlán	Jewelry
Asociación de Artesanas de San Juan	San Juan La Laguna	Textile

2. Identification of exporting businesses that would partner with each of the selected producing groups. The partnership consisted on financing the development of prototypes and providing commercial guidance and advice to the design team, regarding the potential of the line being developed. At the end of the process each exporting business was in charge of promoting the lines developed and placing new orders with the producer group. The businesses selected for this process were:

Exporter	Producing Group	Collection
De Colores	Artesanías del Pueblo Maya	Bags and cosmetics bags
Casa de los Gigantes	Cerámica Atitlán	Garden table line
La Casa Cotzal	Joyería Tzutuñil	Vedas jewelry
Innova	San Juan La Laguna	Men bags
Modiane	Artesanías del Pueblo Maya	Travle line

3. Together with the Design Research Institute (INDIS) of the Rafael Landivar University, the Commission selected five advanced industrial design students to serve as a local link for the process, while at the same time acquiring practical experience in developing handicrafts collections, under directions from an international designer and working with local commercializing and producing enterprises.

With this group the following actions were performed during the year:

Date	Activity	Location
27.10.06	Group recognition field trip	SOLOLÁ
11.12.06	Advance evaluation meeting	AGEXPORT

Each local designer, in coordination with the exporting enterprise carried out several visits to the communities to work with them on development of their prototypes. As a result of this process final prototypes were developed together with local designers.

The following tables summarize the results reached both by producer groups and by exporting firms:



<i>Producer Groups</i>			
Development of handicrafts collection: Group	Location	Collection	Result
Artesanías del Pueblo Maya	San Antonio Palopó	Cosmetics bags and shopping bags.	The group developed a total of 10 different fabric designs, with which 47 different products, divided into 4 collections were developed. Difficulties in acquiring raw materials caused some delays. Prototypes were developed at the workshop of the exporting firm.
Cerámica Atitlán	San Antonio Palopó	Hand painted pottery table set for garden	Three plate sizes, bowls, mugs, sugar and cream holders, and flower pot were produced. Difficulties in reaching adequate texture of pieces.
Joyería Tzutuhil	Santiago Atitlán	Bead jewelry sets	A total of 39 pieces in 7 collections were developed using vedas. Results were very satisfying with almost no problems along the process.
Asociación Artesanas de San Juan	San Juan la Laguna	Menis bags	The group developed a total of 6 fabrics and the commercializing firm coordinated the production of final products at a workshop in Quetzaltenango. 13 different products in 3 different fabric colors were produced with excellent results.



Commercializing firms			
Firm	Location	Collection	Results
De Colores	Chichicas-tenango	Cosmetics bags and shopping bags.	The firm made a strong investment on developing fabrics, but not on buying accessories (zippers, linings). Final quality of confection is adequate and pricing is competitive. Quality could be improved through better accessories.
Casa de los Gigantes	Antigua Guatemala	Hand painted pottery table set for garden	The firm was totally devoted to developing the collection; however the group requires further technical assistance to reach more competitive levels.
La Casa Cotzal	Ciudad de Guatemala	Bead jewelry sets	The experience of the commercializing firm contributed to the developmet of an optimal line.
Innova	Quetzal-tenango	Men's bags	The firm performed all indications on confection and finishes, producing a very competitive collection.

5.2 Seminar on handicrafts trends for 2007 season

The Seminar for Trends in Design, Color and Fashion and Craft Sector Application was held on Friday, September 22, 2006 with the participation of international designers Michelle Carpenter and Patti Wiplinger. Designer Wiplinger has considerable experience in the field of color, actively participating in the Board of the "Color Marketing Group" in the United States, as well as founding her own company Earthuse dedicated to textile design and color. Because being a lover of the textile tradition of Guatemala, Ms. Wiplinger financed her visit to the country and participated in the seminar, sharing her vast experience in the field.

The seminar was attended by a total of 44 people from local designers (exclusive store owners in Antigua Guatemala), design students, managers of exporting companies, personnel supporting the sector institutions (Ministry of Economy, INGUAT, URL), and representatives of producer groups.

The contents of the seminar focused on trends in color, textures and patterns for the seasons of 2007 and 2008. The seminar was co-sponsored by USAID-CPI and UNESCO (who covered the designer Wiplinger's fees and provided refreshments), and evaluation of participants was between excellent and very good for both lecturers and for the organization of the event.

5.3 International Fairs

The collections developed were presented at the New York International Gift Show from January 28 to February 1st. The Alliance provided 50% of the cost for the stand and two exporting businesses (Casa de los Gigantes and Asociación Crecer) provided the other 50% of the cost plus their traveling expenses. The Alliance provided also the coordination costs for selection of



an adequate space, participation logistics, decoration, promotion and other details related to the participation.

Once the prototypes were developed and the products to be presented at the fair were set, calculation of product prices proceeded. Calculations were made for products placed in Miami since the nature of the fair (wholesale) implies that potential clients are looking for prices placed in USA and most of them are not interested in importing products. With this information product catalogues, price lists, promotional materials, and web content were developed. A set of 6 postcards representing the marketed product lines was produced making reference to the website www.export.com.gt where potential customers could revise designs, codes, and prices for all products being sold at the stand. The information developed for the web page was also circulated among the buyers who had visited a similar stand during previous editions of this Gift Show, as well as to other US contacts of the Handicrafts Commission.

Annexes include samples of the technical factsheets of the collections and of the pricelists for the fair.

A total of 60 commercial contacts were established during this fair and follow up will be provided. As the following table shows, the four collections presented at the fair generated sales worth \$23,282.12.

Collection	Exporter	Reactions generated	Sales (US\$)
Cosmetics bags and shopping bags.	De Colores	Competitive prices generated high interest for this line, especially for 3 cosmetic bag sets	\$ 2,818.60
Hand painted pottery table set for garden	Casa de los Gigantes	This was the 3 rd presentation of a pottery collection, however this one included a wider variety, which generated several orders. The exporter also presented bags and high end cushions developed previously.	\$ 6,136.14
Bead jewelry sets	La Casa Cotzal	The exporter has specialized in bead jewelry but this new line contributed to strengthening the concept.	\$ 7,000.00
Men's bags	Innova	This new concept generated great interest, especially for the youth backpack collection. All of the featured products received orders.	\$ 1,240.70
Textile collection (Bandanas, bags cosmetics bags, handbags)	Asociación Crecer	Price shifts influenced the orders for products of this line.	\$ 6,086.68
TOTAL			\$ 23,282.12

After the Show ended, new orders worth US \$ 9,302.23 were placed for the showcased products.

On the other hand, it is also worth mentioning that, due to the excellent results of the January show participation, exporter Casa Cotzal decided to present the bead jewelry products once again at the August New York Gift Show. During this show orders were placed for US \$ 4,000.00 of bead jewelry products. The products developed with Casa Cotzal are readily available on line through www.lacasaguatemala.com.



5.4 Local and Regional Promotion:

The collections were commercialized through the Guatemala Nuestra 2006 Festival of the CEMACO department store. 55 handicrafts producers showcased their products and the activity generated sales worth US\$.187,720.00 during its 25 day duration.

On the other hand, a handicrafts festival was also staged at 6 Maxi Bodegas stores in Guatemala City and neighboring municipalities. Another handicrafts festival was staged at the Walmart stores with 6 producers participating and generating sales worth US\$.53,075.42.

A festival held at the Walmart store in Nicaragua showcased 9 Guatemalan producers and generated sales worth US\$19,577.55.

In order to showcase different handicrafts products being produced and commercialized through Walmart, a showroom was set up at the AGEXPORT headquarters. The showroom generated orders worth \$ 268,438.69 for the Guatemalan Walmart stores and \$ 6,479.10 for the San Salvador store. Given the sustained growth of this activity, Walmart has confirmed its interest in reproducing the festival at its Tegucigalpa, Honduras store and has placed orders worth US \$ 1,102.23 for this festival.

5.5 Visits from international buyers:

AGEXPORT's Handicrafts Commission actively promotes visits from international buyers through participation in international fairs and direct follow up to contacts. Visits from international buyers are detailed on the following table.

Buyer	Country	Result
Rijkzwaan	Holanda	Visited Guatemala on October 2006. Was put in direct contact with a business offering the specific products he was searching for. An order worth US\$5,333.33 was placed and was shipped to Holand by December.
La Curacao	California / EEUU	Buyer from La Curacao in Los Angeles, visited Guatemala for an Inmigrant Encounter organized by MINECO. After a presentation on offer and experience with handicrafts festivals negotiations is still underway.
Lory Grey	California / EEUU	Visited Guatemala on December 2006 and placed an order for US\$.1200.00, will also develop a collection with Modiane.
Machuca/Damien Mayoussier	Francia	Visited on January 2007. Was presented with options according to requirements and with two exporters. Placed an order for \$ 1,000.00.
Miguel Sanchez/Olga Noguera	Estados Unidos	Interested in organizing a Guatemalan product expo at Rhode Island. Were presented with relevant information about the sector.
José Fco. Ovando /	Estados Unidos	Interested in setting up kiosks with Guatemalan



Irma Aguirre		handicrafts products in Los Angeles. Were presented with different product options and bought samples to be used in promotion.
Ars-Latino Angelica y Willy Brand	Alemania	Interested on importing Guatemalan handicrafts to be distributed on established stores in Germany. Were presented with different options and placed an initial order worth \$ 1,500.00.
Mayatenango / Pablo Vásquez	Inglaterra	Guatemalan resident in England, interested in opening a store in London.
Oxfam Australia/Linda Chalmer	Australia	Visited Guatemala on April 2007, was presented with different options according to requirements and put in contact with five exporting organizations. Placed orders worth US \$ 114,596.60.
Asociación del Sol/ Lisa Vigné	Francia	Interested in setting up a Guatemalan handicrafts expo in Paris. Was hended relevant information.
La Chiwinha / Karla y Joel	Puerto Rico	Interested in setting up a Guatemalan handicrafts store in San Juan Puerto Rico. Were presented with different product options and bought samples for promotion worth US \$ 500.00.
María Linares	Estados Unidos	Interested on placing Guatemalan handicrafts products in a hotel in Spain. Has the needed contacts for such Project. Was put in contact with several businesses.

5.6 Stores on Main Tourism Markets:

The establishment of the store at Puerto de San José's Marina Pez Vela Cruise Terminal received seed capital from the Alliance. Participating businesses, on the other hand, shared costs for air conditioning, furniture, and store set up.

The store has reached financial sustainability through generated sales (\$ 3,500.00). Between October 2006 and May 2007 the terminal received an estimate of 36,000 tourists mainly from the US, Europe, Japan, and China. During its firsts months of operations monthly sales were around US \$3,000.00. The store will reopen as the 2007 Cruise season begins in October 2007.

6. Post Stan Recovery Activities

All the activities in this component were executed through the subagreement with Fundación Solar. CPI's staff provides additional technical support and assessment for Fundación Solar and the tourism related associations in Lake Atitlan's southern basin.

6.1 Establishment of community based organizations

Fundación Solar replicated the community based tourism model developed in San Juan la Laguna in two new communities. Two new tourism based enterprises has been created through participative tools, one established in San Marcos la Laguna and the second one in San Pablo. Both of them have begun to manage their own community based tourism initiatives.



In San Marcos La Laguna the “Jóvenes Mayas Kakchiquel” Association was formed by 14 young entrepreneurs with the main objective, of integrating natural and cultural assets of their community, into tourism circuits. These circuits are expected to generate economic benefits for families involved directly and indirectly.

In San Pablo la Laguna the “Q’apoj Sajkii” Association was formed by 35 indigenous women, most of them affected by Stan tropical storm. The main objective of the organization is to work with traditional materials and ancestral techniques, which will add value to their traditions. Resulting products and demonstrations of the fabrication process will be offered to tourists. Both activities will be packaged into tourism products and are expected to generate incomes for association members.

The Ixoc Ajquem weaving association of San Juan La Laguna, completed its legalization process and opened a new sales room. This sales room features products from Ixoc Ajquem’s members and from other women associations (Lema, Q’omanel, Q’apoj Sajkiyy, among others). The goal is to support every local association in promoting and selling their own products and to have a wide variety of products being offered.

As a result of several design and new weaving techniques workshops, a textile sales expo was staged on Saturday the September 1st at El Sitio Cultural Project, in Antigua Guatemala. At the sales expo, two new handicraft product lines were presented by the San Juan La Laguna women associations. Visitors to the sales expo included international and national association leaders, embassies representatives, NGOs, AGEXPORT, institutional partners and other institutions members who could aid in the commercialization of the new products.

6.2 Strengthening of administrative capabilities

Workshops on accounting practices were implemented with Ixoq Ajkem and Jovenes Maya Kaqchikel associations, covering the following topics: a) registration and reporting to the IRS (SAT), b) bank account opening and management, c) petit cash management and, d) check requests.

On the other hand, workshops on organizational and administrative strengthening were also implemented, focusing primarily on reinforcing the statutes of Kapoj Sajkiyy, Ixoq Ajkem and Jóvenes Maya Kaqchikel associations. The following topics were among discussed ones: a) purposes and objectives of the association, b) rights and obligations of associated members, c) organization divisions, d) main board attributions, e) minutes elaboration and reporting and, f) types of legal entities. These activities contributed to improve the performance of two groups during the past quarter: a) Asociación Comunitaria Jóvenes Maya Kakchikel (San Marcos La Laguna) and b) Asociación Ixoq Ajkem (San Juan la Laguna).

Once the associations were created, the training process continued, focusing on the following aspects: a) costs and price validation, b) strategic planning, c) elaboration of procedures manual and, d) production costs.



6.3 Implementation of training programs

During Fiscal Year 2007 a series of training modules and workshops were implemented, all of them focused on improving the quality of tourism services and handicrafts, among others. The following list summarizes training workshops:

- i Local community host course, given by INTECAP for the Asociación Comunitaria Jóvenes Maya Kaqchikel association.
- i Environmental Interpretation, camping techniques and community based tourism workshops for Rupalaj K'istalin association.
- i Project profile elaboration, for board managers and administrators of Rupalaj K'istalin, Chajil Ch'upup, Sendero Rostro Maya, Artesanas de San Juan, Ixok Ajkem, Lema' and Qomaneel associations.
- i One gender equity workshop directed to Rupalaj K'istalin, Jóvenes Maya Kaqchikel y Chajil Ch'upup associations.
- i 18 workshops for new textile design and confection with the participation of Ixok Ajkem, Lema' and Artesanas de San Juan members. Included topics were: a) Textile design methods, b) environment and inspiration, c) ideas for textile design, d) colors, materials, products quality testing and resulting products examples.
- i Additionally, 10 design and new product confection workshops were implemented specifically for Ixoq Ajkem association.

One of the beneficiaries of the tourism service workshops in San Juan La Laguna was Asociación de Pesca Artesanal Chajil Ch'upup. During the last quarter, this association sold 5 traditional fishing tours and 1 handicraft elaboration process tour. These sales generated income worth US\$156.00. At present time, Fundación Solar is training Chajil Ch'upup members in funds management, sales registry and financial and administrative controls. Additionally, the community tourism host workshop ended and, has helped to improve service quality and consequently number of visitors attracted.

6.4 Elaboration of proposals for economic reactivation in Stan affected areas

6.5

Three funding proposals were elaborated by CPI and Fundación Solar and presented to potential donors. The proposals are related to economic reactivation subjects in areas affected by Stan tropical storm and were presented to: Red de Productividad Rural, FONACON and FIDA project from Italy.

Rural Productivity Network Proposal

Strengthening of a community tourism micro enterprise and creation of an environmental awareness program from the community association Jóvenes Maya Kaqchikel from San Marcos La Laguna. Presented to the rural productivity network and winner of the second price of the Youth Rural Productivity Award. The prize consisted of US \$5,000.00 in seed capital and a scholarship for one member of the Association.



FONACON Proposal

Appraisal of Environmental Services in the Southern Basin of Lake Atitlan: Sustainable Management of Reeds and Development of a Lake Ecotourism Circuit, Sololá, Guatemala.

Presented to Guatemala's Conservation Fund (FONACON).

As a general objective, this proposal is aimed at strengthening the "Asociación de Pescadores Artesanales Chajil Ch'upup", supporting the development and implementation of strategies to increase environmental service offers. This approach promotes conservation and the generation of alternative incomes through sustainable use of biodiversity managing and using reeds in a sustainable manner and in compatibility with local traditions. The unifying concept behind this proposal is a lake ecotourism circuit along the shores of Atitlan's southern basin. This product will contribute greatly to diversify the range of tourism activities offered around San Juan La Laguna.

Proposal to FIDA Project (Italy)

Incentives and Strengthening of Entrepreneurial Capabilities of the Rupalaj Kistalin Tourism Guide Association through the creation of Ecologic Maya Hostels.

Currently Rupalaj Kistalin Association faces the challenge of becoming a lucrative and sustainable enterprise. Financing is needed for a diversification of products including the creation of ecologic Maya hostels and a restaurant based on tourism sustainability and good practice implementation. Despite the lack of hotels and food services in San Juan La Laguna, numbers of visitors have been increasing steadily, thus this project proposes that through providing better lodging and food services, the visitor numbers would increase considerably generating greater economic income and jobs for the locality.

IV. Environmental Considerations:

According to the Attachment A, section A. 13 Special Provisions, 6. Environment of the Cooperative Agreement # 520-A-00-06-00092-00, Initial Environmental Examinations (IEEs) will be developed, as well as environmental impact assessments following USAID's Environmental Guidelines for Development Activities in Latin America, if applicable in activities of the components a) Access to Credit and Financial Services, b) Marketing and Development of Handicraft Products and c) Post Stan Recovery Activities. Counterpart has presented this requirement to the partners related with these components, providing the specific guidelines regarding Small Scale Tourism Infrastructure, SMEs, Microfinances, and Ecotourism. Furthermore, these considerations have been included in the partners' sub agreements.

Although the project does not directly implement infrastructure projects, the established guidelines will be applied for such projects funded by credits promoted by the project or by complementary funds leveraged by the Alliance. During Fiscal Year 2007 no activity related to infrastructure was implemented.

The initial environmental evaluation for SO₂ provided a categorical exclusion for activities related with training, meetings and education. For these activities is not necessary to conduct neither an IEE or impact mitigation plans.



Annex 1: Critical gender issues for the Alianza para el Turismo Comunitario Project / CPI **USAID**

In many rural communities it is men who have performed the income generating activities and this trend is seen as normal and expected to continue. Therefore, women participation in tourism venues has been limited. This challenge has been successfully faced when tourism generates demand for complementary services. Food and lodging and, in some cases shops and handicrafts, are businesses typically run by women.

In order to motivate women participation in the management and operation of tourism businesses Counterpart and Ak' Tenamit Association begun a scholarship program for representatives of Guatemala's Community Tourism Federation (FENATUCGUA). Five representatives from FENATUCGUA communities received scholarships to complete Ak' Tenamit's Sustainable Tourism formal education program (Perito en Turismo Sostenible) and special emphasis was placed on finding female representatives from the FENATUCGUA communities that were capable of completing the program and incorporating lessons and skills learned into their community venues. Four out of the five scholarships were finally awarded to women who are now in the process of completing their first year of the formal education program which includes up to 2,000 hours of practical classroom in restaurants, gift shops, and lodgings operated by Ak' Tenamit in Izabal and, in some cases, run by private owners throughout Guatemala.

The handicrafts component, executed through a subagreement with AGEXPORT's Handicrafts Commission, has proven an effective way to incorporate women into productive activities. Many times it has been observed that artisan groups are perfectly capable of producing different types of products with different quality degrees, but then the main problem is access to high value markets. Through the handicrafts component, four women groups from Lake Atitlan received training and assistance on new market trends, next they were accompanied by an advanced Guatemalan design student who helped developing product lines, and were also linked to an exporting company that provided access to markets. The handicrafts component generated 105 entirely new products with sales amounting nearly US\$ 32,585 just from these products over six months. 220 women and 30 men from communities strongly affected by Tropical Storm Stan were benefited through this component.

In other communities affected by Tropical Storm Stan, CPI worked through a subagreement with Fundación Solar legalizing women organizations who will produce handicrafts products and tourism related services. In San Pablo la Laguna, Sololá the "Q'apoj Sajkii" Association was formed by 35 indigenous women. The main objective of the organization is to work with traditional materials and ancestral techniques, in order to market both resulting products and demonstrations of the fabrication process, generating incomes for members of the association.

The Ixoc Ajquem weaving association, formed by 16 indigenous women from San Juan La Laguna, Sololá completed its legalization process and opened a new sales room. This sales room features products from Ixoc Ajquem's members and from other women associations in the region (Lema, Q'omanel, Q'apoj Sajkiy, among others). The training process in order to complete the legalization and registration process included the following topics: a) registration and reporting to the IRS (SAT), b) bank account opening and management, c) petty cash management and, d) check requests. The association is now ready to sell on the mainstream market.



Goals Achieved for SO2 OP Indicators

Program Element 6.2: Private Sector Productivity:

i Number of firms receiving USG assistance to improve their management practices

Target FY 07: 50

Achieved FY 07: 165

Improving management practices of tourism and handicrafts businesses was one of the main activities during FY 07, as part of the Capacity Building for local, regional and national tourism organizations component. CPI's field staff followed up supporting community based tourism enterprises in the Verapaces and Petén, and new community businesses were added members of the Guatemala's Community Tourism Federation (FENATUCGUA), especially in the Verapaces and Highland regions. Main topics included: tourism services provision, accounting, administration, planning and organization. These activities were also supported by Alliance's members, such as Fundación Solar (Stan affected areas in Southern Atitlán Basin), Asociación Balam and Pavo Project in the Maya Biosphere Reserve and SANK in Alta Verapaz.

CPI was able to support a wide range of tourism and handicraft SME through alliances with other partner organizations. Through a subagreement with FUNDESA 135 tourism SMEs located in and around main tourism hubs received technical assistance in marketing, image, human resources, tourism certification and best management practices. Through a subagreement with AGEXPORT's Handicraft Commission, 4 handicraft organizations located in Lake Atitlán improved their ability on product design and commercialization.

The coordination among project's partners organization was a key element to surpass the targets for FY 07, being able to triple the number of firms receiving assistance to improve their management practices.

i Number of SME receiving USG assistance to access bank loans

Target FY 07: 30

Achieved FY 07: 24

Credit and financial services for rural and tourism related businesses present special challenges in Guatemala, since many tourism and rural initiatives do not qualify for credit under normal banking standards. Thus, the Alliance partnered with Banco de la República/Sustainable Tourism Association and the Dacrédito program to tailor a special guarantee and technical assistance program aimed at rural tourism and handicrafts initiatives. At the beginning of the year activities were focused on promoting the credits program and providing technical assistance to potential credit recipients. Through this activities 24 credits were issued (4 handicrafts and 20 for tourism) amounting Q2,321,504.12 (US \$ 305,461.07). The initial credit beneficiaries under this program have been: taxi and boat drivers from Izabal around Puerto Santo Tomas cruise terminal and handicrafts associations from the highlands that have solicited credit to buy raw materials or new machinery.



Although results for the first quarter of this component were promising, from the second quarter on a series of problems hampered the placement of new credits. Guateinvierte and Dacredito credit issuing activities were stopped with all banks since the program was requesting overdue rates lower to 1% from the banks. According to participating banks this rate is unreal for Guatemala's rural area, given that even traditional credit programs have higher overdue rates. This situation stopped Guateinvierte from authorizing new credits. At the end of Fiscal Year 2007 Guateinvierte and Dacredito are being restructured in order to reinstate operations. Counterpart, STA and Banco de la Republica are analyzing and implementing alternative actions to continue facilitating access to credit for tourism and handicrafts MSMEs. In addition, CPI is exploring an alliance with Banco de Desarrollo Rural (Banrural), currently implementing a Development Credit Authority (DCA) USAID project to promote access to credit and financial services for tourism, agriculture and forestry businesses.

i Number of public-private dialogue mechanisms utilized as a result of USG assistance

Target FY 07: 0

Achieved FY 07: 3

Mirador-Río Azul Roundtable:

In Petén, Counterpart has participated actively in the Mirador Rio Azul multi-stakeholders Roundtable providing technical assistance and expertise mainly on tourism related topics. This Roundtable is formed by representatives of the Government of Guatemala (CONAP, IDAEH-MICUDE, INGUAT, SCEP, MARN and local municipalities), local communities located in the Multiples Use Zone of the Maya Biosphere Reserve, as well as local and international NGOs. This Roundtable has turned out to be a dialogue mechanism to improve coordination for conservation activities and security issues, reducing conflicts among different stakeholders. However, the role of the Roundtable to address and solving highly conflictive topics, such as tourism development, has not been demonstrated yet.

Guatemala Geotourism Initiative:

An extended coordination and negotiation process with ANACAFE and INGUAT as local partners has been followed in order to implement the Guatemala Geotourism Initiative. An initial workshop facilitated by James Dion of the National Geographic Center for Sustainable Destinations was held in April. The workshop presented the concepts behind Geotourism and the actions involved in a Geotourism initiative, during the afternoon the Counterpart team facilitated the preparation of a work plan that will guide the actions of the Guatemala initiative. Participants in the workshop included: ANACAFE, INGUAT, Counterpart, USAID and Sustainable Tourism Association (STA) / Banco de la República.

Geotourism actions that have been implemented, according to the plan include: the site nomination format has been reviewed by the appointed commission and approved by INGUAT. The communications and outreach commission had two work sessions on which resources to be provided by each partner were evaluated and outreach and site nomination strategies were discussed.

The Geotourism Charter was signed at the National Palace in Guatemala City on April 24, 2007 by representatives from National Geographic, INGUAT, ANACAFE, and



Counterpart, while President Oscar Berger y U.S. ambassador James Derham participated as witnesses of honor. The event generated extensive media coverage from national and international media who pointed out the importance of the alliance between local partners and National Geographic and also the great opportunity for Guatemala as one of the first five countries to sign this type of charter.

INGUAT and National Geographic Society signed their fund allocation and activity startup contract on September 24th 2007, the signing and approval of this document will mark the beginning of field activities. Additionally, and related to the Geotourism initiative, CPI, INGUAT, and George Washington University signed an agreement to perform, in collaboration with a local university, a consulting practicum to help the Geotourism process in Guatemala during the summer of 2008.

Atitlán’s Tourism Sub-Commission:

CPI is fully integrated as an advisor of the Sololá Tourism Sub-Commission, dependant of the CODEDE. The main task of the Sub-Commission is to promote and coordinate tourism management in Sololá. The Sub-commission is formed by local government, local tourism enterprises and NGOs working in Atitlán region. CPI’s support consists of information management, profile structuring, strategic planning and execution of the marketing component of the “Strategic Plan of Tourism Development for Atitlan”. One of the priority activities in this plan is the development and promotion of a destination image of Atitlan, which has already started with the support of CPI-USAID.

Program Element 8.1: Natural Resources & Biodiversity:

- i Number of people with increased economic benefits derived from sustainable natural resource management & conservation as a result of USG assistance**
Target FY 07: 1,450 (435 women, 1015 men)
Achieved FY 07: 1,118 (520 women, 459 men, 139 not determined)

During FY 07 CPI’s activities supported 1118 people (520 women, 459 men and 139 not determined) increasing their income from sustainable natural resource management & conservation. CPI and project partners focused on the implementation on other capacity building activities that can not be linked directly to increase economic benefits from conservation and sustainable resource management. New activities integrated into FY 08 work plan are oriented to the creation of new enterprises, sales, marketing, which will help have a greater impact in this indicator.

- i Number of people receiving USG supported training in natural resources management and or biodiversity conservation**
Target FY 07: 60
Achieved FY 07: 271

The target for this indicator was surpassed during Fiscal Year 2007. Counterpart with the support of Alliance’s partners trained 271 individuals on natural resources management and biodiversity conservation. Main topics included: a) sustainable harvesting of ocelated turkey in the Maya Biosphere Reserve, b) caves management and protection, c) visitors impact management, c) sustainable tourism operations, d) best management practices



for sustainable tourism, e) management of eco camps and f) waste management, among others.

Current PMP Indicators:

i Sales of goods & services as a result of USAID programs in thousand \$

Target FY 07: 2,000

Achieved FY 07: 2,163

The results for this indicator for FY 07 were successful, due to the incorporation of new beneficiary communities, tourism destinations and private SMEs in the project. CPI's activities during FY 08 will be focused in increasing marketing activities for tourism and handicrafts businesses, including as well new regions and tourism businesses, expecting to keep increasing sales of goods & services from tourism and handicrafts.

i Number of jobs created as a result of USAID programs

Target FY 07: 1450

Achieved FY 07: 51

Expected new jobs for FY 07 were related to credits allocated for tourism and handicraft for the creation or expansion of tourism and handicraft businesses, under Dacrédito program. As described before, this program did not performed as expected during this year due to a series of problems. CPI has planned new and innovative activities for FY 08 designed for the creation of new jobs as a result of Alianza para el Turismo Comunitario project.

ANNEX 2: SO2 INDICATORS

ETEO - SO2 / ECON GROWTH INDICATORS

OP Indicators

Indicators/Targets: <i>Targets are required for each common indicator. Acceptable entries include: 1) a number, 2) zero (if there is work specific to that indicator, but results will not be reportable in this timeframe), and 3) N/A (if the indicator does</i>	9/30/2006	9/30/2007 Target FY07	9/30/2007 Actual FY07	9/30/2008 Target FY08
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COUNTERPART INTERNATIONAL

PROGRAM ELEMENT 5.2: AGRICULTURAL SECTOR PRODUCTIVITY

Number of rural households benefiting directly from USG interventions (ETEO)	0	0	NA	0
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PROGRAM ELEMENT 6.2: PRIVATE SECTOR PRODUCTIVITY

Number of firms receiving USG assistance to improve their management practices	5	50	164	200
Number of SMEs receiving USG assistance to access bank loans or private equity	5	30	24	30
Number of public-private dialogue mechanisms utilized as a result of USG assistance.	0	0	3	4

PROGRAM ELEMENT 8.1: NATURAL RESOURCES AND BIODIVERSITY

Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance	500	1,450	1,118	2,000
number of women	150	435	602	600
number of men	350	1,015	516	1,400
Number of people receiving USG supported training in natural resources management and/or biodiversity conservation	0	60	271	300

Current PMP Indicators

Sales of goods and services as a result of USAID programs, In thousand \$	355	2,000	2,163	2,500
Sales of goods and services under environmental certification , as a result of USAID programs, In Thousand \$	0		NA	
Number of jobs created as a result of USAID programs	360	1,450	51	1,500



Implementing Mechanism and comments

Counterpart International (5.2.4)
Targets TBD.

Counterpart International (6.2.1)
FUNDESA SMEs, community tourism associations and new SMEs integrated into value chain initiative.

Counterpart International (6.2.1)
Dacredito/Banco de la República

Counterpart International (6.2.1).
Mirador - Río Azul Roundtable, Solola Tourism Sub commission, Geotourism Initiative and Tourism Policy & Conservation assessment.

Counterpart International (8.1.2)

Counterpart International (8.1.2)

Counterpart International

Counterpart International

Counterpart International

Annex 3
Examples of benefits of certification for certified companies in 2004

a) Ventas

Empresa	Ventas Promedio 2004	Ventas Promedio 2005	Ventas Promedio 2006
Hotel Ecológico Salvador Gaviota, Livingston, Izabal	Q. 150,000	Q. 235,000	Q. 300,000
Martsam Travel	Q1,880,000	2,500,000	Q3,000,000
Casa Don Ismael	Q130,000	Q140,000	Q150,000
Restaurante Buga Mama	Q150,000	Q165,000	Q193,000
La taquiza	Q30,000	Q50,000	Q90,000
Hotel Ajau	Q410,000	Q430,000	Q450,000
Casa de Maco	Q24, 000	Q48,000	Q72,000
Hotel Villa Antigua	Q2,995,000	Q3,400,000	Q4,000,000
La Lunada	Q36,000	Q40,000	Q42,000
Restaurante Capitán Tortuga, Petén	Q.1,200.000,00	Q.2,340.000,00	Q.3,000.000,00

b) Número de empleados

Empresa	Empleados 2004	Empleados 2005	Empleados 2006
Hotel Ecológico Salvador Gaviota, Livingston, Izabal	2	3	5
Casa de Don Ismael	4	4	4
Restaurante Buga Mama	5	5	5
Restaurante Capitán Tortuga, Petén	10	14	25
La Taquiza	2	2	2
Hotel Ajau	8	8	8
Martsam Travel	6	8	10
Casa de Maco	1	2	2
Explore	2	4	20
Villa Antigua	185	190	210