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FROM - ROCAP/Guatemala

SUBJECT - Project Evaluation Summary (PES): 596-0045
Tourism Infrastructure (CAREI) L-013

REFERENCE

FOR: MO/PAV

Subject PES is attached.

DATE SENT

MARCH 28, 1979

35-60

w/attach.

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attach to be run w/ airgram

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PAGE 1 OF 1 PAGES

DRAFTED BY RHechtman/vaba	OFFICE Program	PHONE NO. X-42	DATE 3/27/79	APPROVED BY DIR: HAckerman
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AID AND OTHER CLEARANCES

CF: ASundermann

ACDO: L Rojas

ADIR: RVenezia

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PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-4

1. PROJECT TITLE Tourism Infrastructure (CABPI) (L-013)	2. PROJECT NUMBER 506-0045	3. MISSION/AID/W OFFICE ROCAP
4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) <u>70-1</u>		
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION		

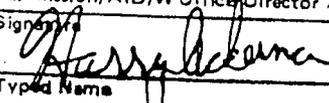
5. KEY PROJECT IMPLEMENTATION DATES A. First PRO-AG or Equivalent FY <u>73</u> B. Final Obligation Expected FY _____ C. Final Input Delivery FY _____	6. ESTIMATED PROJECT FUNDING A. Total. \$ <u>37,600</u> B. U.S. \$ <u>13,350</u>	7. PERIOD COVERED BY EVALUATION From (month/yr.) <u>Sept. 1977</u> To (month/yr.) <u>March 1970</u> Date of Evaluation Review _____
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8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., program, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
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1. ROCAP has requested (GUATEMALA 1306 Feb. 70) a one-year extension of the terminal Disbursement Date from June 30, 1979 to June 30, 1980.	AID/W IAC/DR	Pending
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9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS <input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan e.g., CPI Network <input checked="" type="checkbox"/> Other (Specify) <u>Loan Authori-</u> <input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T <u>zation</u> <input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT A. <input type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project
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11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles) Mr. Alejandro Sundermann, ROCAP Project Manager Mr. Armando Astorga, CABPI Project Manager, Chief Infrastructure Division	12. Mission/AID/W Office Director Approval Signature:  Typed Name: <u>Harry Ackerman</u>
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13. Summary

This loan finances three subprojects. ROCAP finds CABEI's project administration technically adequate and has requested a TDD extension due to factors beyond CABEI's control. The loan TDD of June 30, 1979 will not be met although all the construction work under each subproject (Tikal Ruins - Guatemala, Copán Ruins - Honduras, and Poás Volcano - Costa Rica) is well underway, except for one Poás park facilities construction contract which was let for bid on March 13, 1979. The major reason for not meeting the TDD on all the subprojects is late initiation of construction due to host government delays in negotiating and signing engineering contracts, and in contracting construction.

Background

AID fund construction accruals to January 31, 1979 amount to about \$5.0 million and expected accruals by the present TDD (June 30, 1979) are \$8.8 million (66% of the \$13.35 million loan). ROCAP has requested AID/W approval of a one year extension of the TDD to June 30, 1980 (Guatemala 1306) to insure complete disbursement of AID loan funds.

The status of the subprojects being financed are:

a) Copán Ruins - Honduras - AID Funds: \$5.1 Million

Included are construction of a 62 km. road leading to Copán, and ruins restoration and service facilities in the town of Copán. The CABEI subloan for this project is \$9 million. The estimated project cost is \$9.5 million, with the \$0.5 balance to be funded by the GOH. The projected completion date is May 1980. This subproject is about 48% completed. AID funds are being used to finance construction of the road and engineering supervision only.

b) Volcán Poás - Costa Rica - AID Funds: \$1.35 Million

Includes the improvement of the access/service road (10 kms.) and the construction of visitor and administrative buildings. The \$1.8 million CABEI subloan covers the total estimated cost for this project. AID is financing 75% of the entire project. The project completion date is March 1980 and completion to date is about 24%.

c) Tikal - Guatemala - AID Funds: \$6.9 Million

The subproject includes construction of a new airport at Flores, a 63 km. road from Flores to Tikal, service facilities in the park area, and ruins restoration. AID financing will be used only for road and park services construction. The CABEI subloan for this \$26.3 million project is \$12 million, with the GOG providing \$14.3 million. Twelve percent of the project has been completed. Completion of the entire project is expected in August 1981 with AID funds disbursed on the road and park services construction NLT June 1980.

14. Evaluation Methodology

This joint ROCAP/CABEI evaluation was conducted to establish the expected date when all AID funds would be disbursed, and to review project progress.

Data used in this evaluation report was collected from numerous field trips and reports done by ROCAP, evaluation of construction progress reports and schedules, and consultations with CABEI. The key individuals working on the project are: Alejandro Sundermann and Victor Dardón, ROCAP engineers; Armando Astorga, Head of the Infrastructure Department of CABEI; Tulio Martínez, Edgardo Durón, and Jorge García, the three CABEI infrastructure subproject managers.

15. External Factors

Not pertinent.

16. Inputs

An important required input in the program is the generation of private sector hotel infrastructure interest and investment for the Tikal and Copán subprojects. This portion of the program is underway at Copán and CABEI has been requested to assure promotion of hotel infrastructure at the Tikal project. The GOG Tikal project coordinator has been working towards this end and it is expected that sufficient hotel infrastructure plans will take shape before project completion. The delays in starting the public infrastructure

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construction under the project was the reason private sector representatives delayed development of investment plans. Nevertheless there is moderate hotel expansion already underway at Flores where the Tikal project airport is being constructed.

17. Outputs

Work on all ~~subprojects is well underway.~~ All project-supported infrastructure is ~~expected to be completed~~ by mid-1980 for Copán and Poás Volcano, and by August 1981 for Tikal.

18. Purpose

The purpose of the loan was to further stimulate tourism development in Central America by providing CABEI with funds for financing public infrastructure projects in direct support of the regional tourism development program.

The subprojects selected for financing continue to be of high priority for the respective countries. Tikal and Copán are the two principal sites of restored Mayan ruins in Central America, and the Poás Volcano is one of the main tourist attractions in Costa Rica. All three subprojects are contemplated in the regional tourism development program. The purpose of the loan addressed the major constraints to increased tourism in Central America: 1) lack of public infrastructure and resulting reluctance of private investment in hotels where primary tourism attractions are located; 2) lack of adequate financing in these areas; 3) the relative inconvenience of travel to the tourist attractions. In the Tikal and Copán projects, the access highways being constructed go beyond this in that the roads should provide substantial developmental benefits in addition to tourism benefits as established in the economic analysis of the projects.

19. Goal/Subgoal

The broader objective to which this project contributes is the balanced economic development of Central America. Tourism is a high growth sector in C.A. During 1978, the region registered a total of 415,000 visitors accounting for approximately \$300 million in foreign exchange. This FX figure has already surpassed the projected goal of the

