



**Nicaragua Conservation and Sustainable Tourism Program (CSTP)
Technical Application
Revised Program Description¹
May 24, 2011**

¹ **Background Note:** - On April 15, 2011, USAID formally advised AED that due to budget constraints for FY2011 – unrelated to the AED suspension - the LOP budget would be reduced 62% (\$12.899M to 4.968M). Related to these budget cuts, the Mission was refocusing their geographic strategy and the program was directed to focus on two priority regions: the Northern Region and the Atlantic Region. This reduction in budget and scope would require a modification of the agreement, revised program description, workplan, budget, and M&E plan. On May 4th, AED received USAID/Nicaragua's letter dated April 29 setting forth guidance and requesting a formal program revision to the Nicaragua Conservation and Sustainable Tourism program (CSTP), USAID Cooperative Agreement No. AID-524-A-10-00002. AED is submitting the current document in response to that request.

1. Introduction

Market-based Opportunities for Conservation and Sustainable Tourism (also referred to as the Conservation Sustainable Tourism Program - CSTP) is a three-year (September 2010 - September 2013) initiative that will use *sustainable tourism* (see text box) as an engine to:

- 1) Increase competitiveness through sustainable tourism development and promotion; and
- 2) Improve environmental management to conserve biodiversity in two targeted regions of Nicaragua.

The program will generate new and diversified enterprises and employment opportunities for rural populations, while introducing sound environmental practices in and around protected areas and private wildland reserves. CSTP will foster economic growth and income generation and in so doing will create greater food security in the region. Further, CSTP will work with local partners to offer new economic alternatives related to the growing nature-based tourism market to combat threats to biodiversity and high rural poverty rates in the target regions. Nature-based revenue generation will align economic growth and conservation incentives and will bolster habitat conservation.

Sustainable tourism clusters in two priority geographic regions will provide the basic building blocks for creating a viable tourism platform. Three clusters will be established in: **the Northern Mountain Zone** (Jinotega Cluster and Estelí cluster); and the **Southern Caribbean Coastal Zone** (Bluefields cluster).

2. Sustainable Tourism Clusters

The critical building blocks for creating a viable tourism platform will be the development and effective implementation of *sustainable tourism clusters* in priority geographic areas. Clusters have been successfully implemented at leading tourism destinations such as Costa Rica. Employing a

UN World Tourism Organization's Definition of Sustainable Tourism

(STP will apply this definition and associated principles to all of its activities.)

"Sustainability principles refer to the **environmental, economic, and socio-cultural aspects** of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability.

Thus, sustainable tourism should:

1. Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
2. Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
3. Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary.

Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them."

(UNWTO, 2004).

cluster approach requires that stakeholders recognize that the promotion and development of a regional “destination” is advantageous to all, and not to a few. Therefore, it is essential that collectively, cluster members jointly develop a common vision and strategy for development. When stakeholders are unified under a cluster “rubric”, they can work towards common goals that produce tangible and sustainable results. For this to happen, our team will:

- Take a **system-driven focus** to cluster development that recognizes the relationships and connections of the social systems around the twin objectives of **increasing competitiveness through sustainable tourism development and promotion**, and **improving environmental management to conserve biodiversity**;
- Identify **key leverage points and gaps** to prioritize investments and interventions based on the demands of the sustainable tourism and allied value chains;
- Foster active **participation of stakeholders**;
- Support clusters to find **common interests**, and engage in self-sustaining **collaborative actions**;
- Pursue common objectives that are **achievable** and **compatible** with local abilities, resources, and cultural practices; and
- **Empower local stakeholders** to design, implement, manage, and monitor new tourism-related enterprises and activities.

Strong leadership at the cluster level will lay the foundation for post-program evolution into **Destination Management Organizations (DMOs)**. The program will develop and expand leadership and management capacity of tourism leaders at the cluster sites helping them to develop clear objectives, defined work plans, and a sustainable business model that will provide revenue-generating services to the industry and visitors. These tools and skills will empower local leaders to provide sound and strategic planning growing their tourism sector.

At the heart of our approach is the belief that in-country capacity already exists and that with a coordinated effort this local capacity will reach its full-potential. Therefore, our team is comprised of local organizations and staff that are active in the primary geographic areas and possess considerable experience, reach, and local knowledge. These institutions and staff will be key providers of core program services and activities, with supplemental advisory support and expert instruction from select U.S.-based institutions and experts. AED will serve as the overall program facilitator and manager, and help to unleash the untapped and underutilized talent, innovation, and creativity of Nicaraguan entities.

Finally, gender equity will be a core tenet within all programs developed under this framework. Our team will provide women with leadership opportunities, and throughout decision-making and advocacy processes. We will ensure that women-led businesses have equal access to information and capacity building programs. CSTP will also provide a range of small enterprise development opportunities targeting women. Promotional or communication campaigns featuring Nicaraguan women will feature them in positive environmental stewardship, entrepreneurial, and professional roles.

3. Geographic Focus of Program

Achieving sustainable results will require focusing resources and activities within the priority regions of the **Northern Mountain Zone** and the **Southern Atlantic Coastal Zone**. By concentrating efforts, successful program activities can serve as models of excellence for potential replication later in other regions. Within the zones, various factors will influence selection of specific sites for proposed activities, for

example: presence of protected areas (PAs) or priority species; uniqueness of ecotourism offerings; readiness and capability of local actors to support, lead, and sustain an activity; availability of infrastructure and allied services to support the development of a destination; and resources and investment needed to sustain micro, small, and medium enterprises (MSMEs). The Northern

Mountain Zone and Southern Atlantic Coastal Zone are delineated on the map.



Within these zones, the sustainable tourism clusters break down as follows:

| Zone | Cluster(s) and Urban Centers & Natural Attractions |
|---------------------------------|---|
| Northern Mountain | Jinotega Cluster – Jinotega, San Rafael del Norte (urban centers); Cerro Datanlí, Lago Apanás, and Volcán Yalí (natural attractions) Estelí Cluster –Estelí (urban center); and Mirafior, Cañon de Somoto and Tisey-Estanzuela (natural attractions) |
| Southern Caribbean Coast | Bluefields Cluster – Bluefields (urban center); Pearl Lagoon (natural attraction) |

4. Program Components

CSTP is comprised of three components that will have the overall effect of strengthening local sustainable tourism leadership, building better businesses, and improving biodiversity conservation

and environmental education. Below is a description of each component and its activities.

Component #1 - Strengthening the Enabling Environment for Sustainable Tourism

Strong destination management requires a platform where diverse actors can come together, develop a common vision for sustainable tourism, and take pragmatic, collaborative action towards achieving that vision. A productive and healthy enabling environment must embrace and integrate diverse perspectives from all segments of civil society, including the creativity of the private sector and the resourcefulness of local communities. Recently, in the local tourism context, some organizations have begun to take on such a participatory platform role – Departmental and Municipal “Gabinetes de Turismo”, protected area management councils, community management organizations. In many cases, however, these local private and public sector leaders lack the skills and tools for organizing, coordinating, planning, executing, and cultivating tourism sector initiatives effectively.

With local leadership playing such a pivotal role in the enabling environment, the vision for this component is to *strengthening local leadership capacity in order to provide sound strategic planning and promotion of each cluster and its respective tourism offerings, services, and products*. As such, CSTP will henceforth use the “popular” title for this component - **“Strengthening Local Leadership”** – among stakeholders, media, communities, and the general public. Illustrative activities are presented in the following sections.

A. Local Leadership Capacity Building

To strengthen the practical management skills of cluster organizations and other local entities, CSTP will design a series of workshops and provide consulting in the following areas:

- 1) *Organizational* – Provide training on fundamental organizational development skills and topics such as organizational planning, developing a common vision, effective meeting management, prioritization, conflict resolution, transparency, and sustainability. If co-management issues are relevant, the program can build capacity for more effective co-management.
- 2) *Tourism Industry Orientation* – Provide a relevant introduction to the tourism and hospitality industry, the tourism experience, and competitive benchmarks/vision sharing.
- 3) *Local Community Project Planning* – Develop local capacity to scope and plan local community projects (e.g., identify common challenges; develop solutions; separate locally actionable [signs, trash] from nationally actionable [roads]; prioritize, develop deliverables; prepare resources, time, and cost estimates; and establish transparent reporting protocols.

B. Cluster Marketing Capacity Building

To strengthen the market orientation of cluster organizations and other local entities, CSTP will design a series of workshops and consulting in the following areas:

- 1) *Cluster Marketing Introduction* – Provide overview of what a cluster marketing approach entails and identify actionable market segments to guide marketing initiatives.
- 2) *Cluster Marketing Strategy Development* – Based on identified existing market segments, develop a positioning strategy for the Northern Zone, and positioning and branding strategies for the Estelí & Jinotega clusters, including specific products and circuits for specific target segments (i.e. for the “urban family with car” segment a Sunday post-church family Jinotega Day that might include a visit to a panoramic lookout, a country lunch, taking a ceramic artisan tour, or picking up fresh fruits/vegetables on the way home.)
- 3) *Cluster Marketing Campaign Execution* – Based on marketing channels for specific segments, the program will develop specific marketing messages, products to pitch, and a mix of promotional tools (advertisements, brochures, posters, e-tools, events, etc.). CSTP will demonstrate a quick-action promotional campaign within an allotted budget. In addition, it will list potential activities for the cluster leadership to replicate in the future with local resources. The campaign will seek to incorporate a customer feedback element so that cluster leaders can develop a process for continual improvement.
- 4) *Cluster Event Calendar Development* – Advise community leaders in developing and marketing a calendar of key community events and provide training in the fundamentals of event organization and planning.

C. Local Community Tourism Projects

CSTP will support the demonstration of local leadership skills in consensus building, collaboration, and planning through small grants/co-support for sustainable tourism projects:

- 1) *Grants and/or Co-support for Local Community Tourism Projects* – Building on the project planning capacity building (see point A.3 above) and serving as a practical incentive to collaboration, the program will co-support, through a small grants program, local projects such as trash pit clean-up, reforestation; water basin clean-up; tourist bus transportation; and a central tourism information kiosk, among other possibilities. This will provide an opportunity for collaboration with other USAID programs and leveraging other donor, community, and municipal funds for generating cost share.

Building Local Leadership Component - Expected Outcome: The expected outcome from this component is to create the conditions and environment that will to stronger leaders in local organizations defining their own community sustainable tourism vision, empowered to identify and execute projects, and informed and equipped to make sound decisions on marketing and attracting tourism.

Component #2: Improving Private Sector Competitiveness and Widening Livelihoods for MSMEs in the Tourism Sector

Component #2 will create functional clusters in each of the priority geographic areas. USAID/Nicaragua has made prior sound investments in Datanlí and Miraflor and CSTP will continue to build on that work and implement new initiatives in each cluster to improve private sector competitiveness through sustainable tourism. In addition to specialized technical assistance (TA) and advisory services, cluster strengthening small grants will be made to help them grow along a trajectory towards sustainability. Grant size will be based on various criteria, including cluster needs and their ability to manage and absorb funds.

Uniquely positioning each cluster will contribute to long-term success of the program. As such, each cluster must seek to create a set of visitor experiences that not only are complementary to other activities within the cluster, but link across to other clusters as well. Recognizing that not all visitors are alike – some prefer more amenity-laden experiences, others more rustic – a range of options will allow greater market penetration.

Workforce development and vocational training are important elements of this program. CSTP will provide direct support to specific pivotal workforce needs (such as local guides). In addition, to establish a sustainable workforce development intervention, the program will work closely with universities and existing vocational training providers such as the national hotel school.

In addition, business plan development is an important step to MSME sustainability. Evidence shows that only about one-third of new small businesses survive their first three years of operation; experience shows that a well-designed business plan can help avoid failure. To the extent that businesses position themselves to offer, in an attractive way, what their competitors do not, they will increase their competitive edge. We will make business planning accessible to local people by simplifying the business design and planning process.

As stated at the outset, CSTP is seeking to strengthen sustainable, natural resource-based tourism enterprises both as businesses and as tourism enterprises. A successful tourism enterprise thrives when it succeeds at identifying customers, understanding their needs, exceeding expectations consistently, operating with effective financial controls, and planning. CSTP will henceforth use the “popular” title - **“Building Better Businesses Component”** - in order to make clear to stakeholders, media, communities, and the general public the essence of the component. Specific activities that the program will carry out to help businesses succeed will include:

A. Improve Business & Management Skills (Work Force Development & Training)

The program will help build an innovative suite of business and management support services for three types of firms working in the sustainable tourism sector in the targeted clusters - Lead Firms, Promising Businesses, and Rural Micro-entrepreneurs:

- 1) *Lead Firms* –are existing tourism enterprises that are operating effectively despite the nascent sector structure and that either have or have a desire to embody sustainable principles and practices (economic, social and environmental). These businesses

typically have healthy and/or growing demand for products and services which result in stressing existing offerings, cash flow/finance management, and/or strategic planning (versus simply reacting to growth). CSTP envisions working with a cadre of 10 leading enterprises to form a strong network that support the growth of a sustainable tourism flow and demand for local supply chain services.

- 2) *Promising Businesses* –are existing enterprises that maintain a certain level of business but have potential for sustainable economic growth. Challenges typically faced by this segment range from lack of growth strategies, inability to cut costs, product differentiation and financial management. The program envisions working with approximately 40 enterprises, conducting a diagnostic of main business challenges and developing a suite of services targeting high impact solutions.
- 3) *Rural Micro-entrepreneurs* – existing or potential micro-enterprises located in or around the targeted program areas. These firms are often seasonal, complimentary, subsistence or nascent operations that routinely encounter cash-flow problems and have a need fundamental support to reach a sustainable model. CSTP envisions working with approximately 65 micro-entrepreneurs in the two priority regions.

B. Strengthen Tourism Product & Marketing (Work Force Development & Training)

CSTP will work to link local businesses with cluster marketing efforts:

- 1) *Link MSMEs to Identified Markets* – In close coordination with the Cluster Marketing Strategy (segmentation, messages, tools, campaigns), CSTP will help conduct a Rapid Readiness Assessment to get targeted businesses to be “tourist ready” (e.g. product offered matches marketed expectations, cleanliness, check conditions of bathrooms, appropriate signage, accessibility, etc.). The program will conduct an Assessment before the launch of the targeted cluster marketing campaign to make sure that any highlighted business has the ability to accept target clients. For those not ready, CSTP will make recommendations for improvement that can be addressed throughout the life of the program.

C. Improve Delivery of Tourism Experience (Work Force Development & Training)

CSTP will help local cluster businesses become better tourism experience providers by supporting product development around customer expectations and needs and targeted business improvements to meet that experience. Specific program activities include:

- 1) *Tourism Experience/Product Development* – CSTP will orient businesses on the importance of enhancing their customer’s tourism experience. In addition, drawing on the results of the market segmentation and cluster marketing strategy, the program will help identify products sites, make recommendations for upgrading existing installations (both low cost/quick action and medium/long-term investments) and develop key sites when a market gap exists. Illustrative examples include, but are not limited to, developing an *eco-friendly* Apanás picnic & micro-

enterprise kiosk site; and developing connecting hiking circuits; developing vegetable garden plots to supply local tourism businesses and families, among others.

Further, the Santa Fe International Folk Art Market, an organization with experience in product identification and support to local artisans worldwide, will assist Nicaraguan handicraft cooperatives and MSMEs. The number of crafts persons and artisans to be reached will be determined following a rapid assessment of handicrafts and artisans in the two priority geographic zones. The initial assessment visit will explore opportunities for CSTP to improve on the work of current artisan groups and cooperatives, assess product quality, etc. Based on the assessment of the experts, a set of recommendations for capacity building will be developed and rolled out. Further, the assessment will help identify potential participants in the program with the minimum skill set and meet an array of criteria (to be developed).

- 2) *“Super Local Guide” Training Program* – CSTP will localize and deliver a tested model for guide training developed by Dr. Sam Ham of the University of Idaho, widely recognized (both in Central America and across the world) for its innovative ability to produce professionally competent guides. The vision is to deliver two 4-week residential training courses in clusters which will take a cadre of guides, develop a network and create much desired “super local guides” that leading tour operators need for trips to the region. The materials and intensive training guide will be available for replication by local universities and/or a national tour guide association.
- 3) *Practical Upgrading of Human Services* – Working in collaboration with other vocational capacity building suppliers such as Lux Development/Ruta del Café, INTUR, local universities and the National Hotel School, CSTP will facilitate access and much needed basic vocational training in customer service orientation, hygienic food preparation, waiter training, etc. Depending on the demand, the challenges in provision/adoption, and the available resources, CSTP will develop tailored training, so that the clusters can improve service quality levels at the destination or sites.

Building Better Businesses Component - Expected Outcome: Increase in sustainable natural resource-based tourism enterprises and enhanced capacity to manage it for long-term benefit; and increased economic benefits to local enterprises and communities involved in natural resource-based tourism.

Component #3: Biodiversity Conservation and Environmental Education

The natural environment is one of Nicaragua’s greatest assets. The protection, restoration, and conservation of this natural asset is fundamental to the success of a sustainable tourism industry, in addition to being a global imperative. This program component seeks to conserve biodiversity, improve water resource management and provide environmental education to businesses and local inhabitants, and the general public.

A. Biodiversity Conservation

Each priority area has a wide range of needs for biodiversity conservation, from supporting ecotourism to mitigating its impacts. To prioritize these, a selection process will be carried out based on both threats and opportunities. The biodiversity sub-component will initiate with a threats analysis during which experts from throughout the country will gather and discuss the currently available scientific knowledge and bibliographic information for biodiversity within each cluster area. As part of this review, scientists will analyze the extent to which tourism developments, including hotels, trails, visitor centers and concessions, and boat traffic may impact priority species and habitats. A priori, key habitats within the two priority geographic regions include: upland seasonally dry tropical forest, montane cloud forest, pine-oak forests and woodlands, and Caribbean mangroves systems. In addition to being attractive to nature-based tourism, each of these systems provides critical habitat for a large number of endangered species that range from the Resplendent Quetzal to the jaguar.

The results of the threats analysis will be presented in a program document which will include a conceptual framework that will define biodiversity objectives for the program, and will elucidate direct threats and contributing factors to these key objectives. The outcomes of these threat analyses will be integrated into MIRADI software which is a management tool based on the Open Standards for Conservation Practice. CSTP's biodiversity team will use MIRADI to support the monitoring and evaluation of program activities in relation to biodiversity and water.

Specific activities will be carried out in response to threats and in support of the development of tourism activities linked to biodiversity and its preservation. CSTP activities will fall in three main areas:

- 1) *Natural Resource Stewardship* - Engaging local communities and private sector businesses in sustaining natural resources is critical to ensuring the sustainable use of natural resources. The program will involve communities in key watersheds in participatory interventions that may range from watershed clean-ups to training in reforestation and forest restoration techniques. Additionally, stewardship will be cultivated through interpretive materials at key protected areas and tourism destinations. Further, to capitalize on pre-existing relationships with local communities and private landowners who have expressed an interest in setting aside new areas for protection, CSTP will accompany landowners through the process of preparing technical input for applications for private reserve status.
- 2) *Biodiversity Tools for Tourism* - It is widely acknowledged that Nicaragua is the least biologically known country in the region. Gaps in knowledge create weaknesses in management at protected areas and increase the vulnerability of people to climate change. The program will ensure that local communities, protected area managers, and tour providers are equipped with tools for reducing negative impacts from tourism and for evaluating change of ecosystems over time. The program will also conduct surveys of wildlife and plants at poorly documented sites such as the Somoto Canyon in order to ensure that managers and tour providers have sufficient knowledge to take actions to protect the resources.

Additionally, the program will carry out wildlife monitoring to evaluate populations over time and to measure tourism and climate change impacts. Finally, tools will be prepared for the tourism sector by developing illustrated “Field Guides” that local guides and tourists may use as a reference during their tourism activities. Local tour guides will receive training in the use of these field guides and also in methods to reduce tourism impact on sensitive plants and wildlife.

- 3) *Food Security and Ecosystem Health* - The links between ecosystem health and agricultural productivity have been well documented. Healthy ecosystems improve food production in areas such as pest control (e.g. birds and bats), soil productivity (e.g. mutualistic mycorrhizae), and pollination (e.g. insects and bats). The program will carry training workshops for rural farmers and ranchers on ecosystem health-related topics. The goal of the workshops will be to expand knowledge surrounding the interactions between climate change, food production, and ecosystem health and also to provide training in farming practices to increase crop yields while also benefiting biodiversity.

A. Water Management

Approximately ten percent of Nicaragua’s surface is covered by water. Yet environmental degradation, pollution, and simple scarcity in many rural areas threaten the country’s ability to provide potable water to sustain its population and productivity. Indeed, at the present time approximately one third of Nicaraguans do not have access to potable water. The situation is more critical in rural areas, where 72% of people lack such access to potable water. In rural areas, access to water comes from wells, rivers, streams, and lakes that are frequently polluted with residential sewage, pesticides, and industrial toxins.

Environmental degradation, in the form of deforestation, is a serious problem throughout the country. As a result of unmanaged tree harvesting and settlement, deforestation has led to rapid soil erosion, decreased the amount of recharge to aquifers due to increased surface runoff, damaged barrier reefs and ecosystems, and increased turbidity which affects mangroves, decreases agricultural production, and causes increased maintenance of water infrastructure. Water accessibility, supply, and quality are critical to the success of sustainable tourism clusters. Accordingly, CSTP will work with the tourism and allied businesses directly affected by water management issues to address concerns in these areas.

Specific activities may include:

- 1) *Water Resource Use And Efficiency* - The program will conduct an analysis of water resource use and efficiency at the cluster level. This analysis will consider the range of uses of water across the cluster area, the sources of water for agriculture and human supply, and identify problem spots for point-source pollution. The analysis and related report will also consider the impact of climate change and potential vulnerabilities along watersheds and the water supply. Finally, this analysis will

provide specific practical recommendations to empower local partners with restoring watersheds, improving water quality, and increasing resiliency to climate change.

- 2) *Water Access & Sanitation* - Specific practical activities to improve both access to and the sanitation of water will be developed with program partners. These activities may include workshops at urban centers focused on increasing the efficiency of water use; workshops on rainwater collection and storage; training in rural communities with methods for ensuring clean water and sanitation; targeted clean-up activities focused on recovering community wells and springs; and interventions to ensure safe drinking water at key tourism destinations. Further, CSTP will use its grants activity, where appropriate, to support the purchase of water collection and storage devices for small family farms, ecolodges and other tourism enterprises that support sustainable tourism clusters.
- 3) *Water Issues Communication* - Finally, CSTP partner Paso Pacífico will work with leading organizations from Bluefields, particularly universities, to implement a series of educational events and workshops parallel to Palo de Mayo, which is a cultural festival celebrating rain and the new life it brings. The goal of these activities is to increase the cultural value ascribed to water and wetlands by performing outreach during the cultural space created by this Afro-Caribbean festival.

B. Environmental Education

Various stakeholder groups in and around the priority areas will benefit from upgrading current educational, outreach, and training activities and practices. There is no single means to reach all segments of society; rather, what is required is a thoughtfully prepared plan that targets key groups and stakeholders with timely, accurate, and actionable information and training that can produce meaningful and positive results. The primary audiences for our proposed initiatives will initially be municipal and civic leaders, rural residents, students, youth (*e.g.*, university, vocational school students, and out-of-school youth) and young entrepreneurs; and community eco-tour guides, and environmental interpreters. Specifically, the program will seek to strengthen the environmental component of the tourism management degrees at BICU and URACCAN universities. In addition, university faculty and/or students could participate in the practical execution of awareness campaigns targeting vocational students and actual tourism industry workers.

To mitigate the potential impacts of tourism, environmental education activities must reach both local communities and tourists. Messages will provide specific steps, behaviors, or actions that people can take to reduce threats to biodiversity. Meanwhile, participatory, nature-based activities educational activities will target children and youth, and foster a close connection for them with their environment. Paso Pacífico will identify educational opportunities in relation to the major threats to biodiversity across sites. Recommendations will consider the three main audiences: local community members, foreign and national tourists, and children and youth.

Public awareness and education activities on site-specific biodiversity issues will target stakeholder groups such as tourists or rural communities in priority regions. Campaigns will raise awareness on threats impacting biodiversity targets, such as wildlife trafficking, groundwater

conservation, waste management, and the value of endangered species and ecosystem services. Messages will be tailored and disseminated differently for each audience. Popularized reference and instructional materials will be developed to help community groups understand the importance of conserving biodiversity and its role in the local economy. Materials might include simple guidebooks or manuals on topics such as “10 things tourists expect to have when visiting your community,” “Steps to improve your business while protecting the environment,” or “Alternative technologies for rural eco-lodges” (e.g., solar and wind energy, biodigestors). Special efforts will be made to use social media to reach youth.

Conserving Nature Component - Expected Outcome: Improved management of protected areas, priority biodiversity resources, and improved water resources management for conservation and sustainable tourism benefits, and increased in-country awareness in the target regions of the value of biodiversity conservation and capacity to address threats to biodiversity.

5. Program Team & Coordination

A. Management Team

The management team presented below is the one currently in place and approved by USAID/Nicaragua. No changes are anticipated at this time. Management personnel for this program are:

- **Roberto J. Matus* (Chief of Party)** has 15 years of experience across Latin America, Middle East, Asia, and the United States and has built a record of bringing immediate impact to initiatives in the nexus between business & development. Mr. Matus is a team leader, strategic thinker, and hands-on problem solver who thrives working with people to develop sustainable businesses.
- **Isa LaPorte* (Communications Officer)** has 15 years of communications and social marketing experience. Most recently, she worked on the USAID-funded “Conservation and Sustainable Tourism in Critical Watersheds” project where implemented outreach strategies on sustainable tourism promotion and conservation management. Previously, Ms. LaPorte was an Information and Evaluation Specialist for USAID/Nicaragua.
- **Carlos Davila* (Chief Financial Officer)** has more than 10 years of finance and accounting experience. He served as Deputy Finance & Operations Manager on the USAID-funded Excelencia project. Mr. Davila is a certified public accountant, and has worked as an M&E coordinator and internal auditor.
- **Marcia Aguilera (Operations Manager)**, who has more than 15 years of experience on USAID programs in Nicaragua. Most recently, Ms. Aguilera worked as the Administrative Manager for Procurements and Contracts for AED on the USAID-funded Excelencia project.

** Denotes Key Personnel*

B. Program Partners

AED will be the prime recipient and lead organization of a compact team of registered Nicaraguan and U.S. organizations (sub-recipients). As with the management team, the partner organizations are

drawn from the existing team. Two partners approved in the original program (Fundación Cocibolca and Shorebank International) will no longer be participating in the CSTP. Broad organizational roles follow.

| Team Member | Role & Responsibilities |
|--|---|
| AED | <ul style="list-style-type: none"> • Overall management responsibility, facilitation, coordination, and technical leadership, ensuring that all goals, deliverables, and results are met on time and on budget. • Sole point-of-contact with USAID/Nicaragua (technical direction) and the RAO. Ensure compliance with terms of the cooperative agreement by all partners. • Provide expertise in social media, communication, environmental education, capacity building, etc. • Establish and maintain Managua program office; procure commodities and equipment. |
| Paso Pacífico | <ul style="list-style-type: none"> • Provide technical leadership in biodiversity conservation, monitoring, land use management, etc. |
| Mesoamerican Ecotourism Alliance | <ul style="list-style-type: none"> • Provide technical leadership in ecotourism enterprise development. • Provide technical assistance in ecotourism business development, marketing, PR, etc. |
| La Cuculmeca | <ul style="list-style-type: none"> • Serve as lead local implementer of activities in Northern Mountain Zone; provide overall TA in community outreach and mobilization, capacity building. |
| Agora Partnership | <ul style="list-style-type: none"> • Strengthen MSME development; improve access to capital; create entrepreneurship through investment consulting, match-making, business development, etc. |
| University of Idaho | <ul style="list-style-type: none"> • Provide capacity-building expertise in site-based eco-tour guiding and interpretation, curriculum strengthening for ecotourism enterprise development, tourism philanthropy. |
| Santa Fe International Folk Art Market | <ul style="list-style-type: none"> • Provide upgrading of handicraft quality and diversification of products through skill building and training; assist in handicraft promotion and marketing. |

C. Cost-Share Match

Our team will actively engage various entities to identify resources that complement and reinforce USAID/Nicaragua funding to this program. Among the different sources of additional funds and leveraged resources include: the Agora Venture Fund, private reserve owners, Paso Pacífico, UNWTO, USFS, among others. AED also has a solid track record of meeting or exceeding all negotiated cost requirements of USAID-funded cooperative agreements that it implements. AED will strive to meet or exceed a cost share match of 10% of expended funds over the life-of-the-program.

D. Donor Coordination

Various donors are active in the “Nicaraguan sustainable tourism space”. In order to maximize development impact and avoid duplication of efforts, CSTP will support improvements in coordinating among different organizations active in the field. In particular, CSTP will support and participate in the Embassy of Luxembourg initiative to establish a Tourism Donors Roundtable, which is already promoting coordination of activities amongst donors and INTUR. This will enable USAID/Nicaragua to actively participate in strengthening efforts between donors, private sector investors, and local stakeholders.

6. Grants Management

The strategic use and timely application of grants will be instrumental in helping the program to use sustainable tourism as an engine to improve private sector competitiveness and improve environmental management in Nicaragua in priority geographic areas. A total of \$595,000 will be made available to local Nicaragua organizations in the form of grants.

| Grant Type | Recipient Organization(s) | Purpose | Number of Grants | Monetary Value | Total Amount |
|--|--|--|-----------------------------|-----------------------------|--------------|
| Cluster Strengthening Grants | 3 clusters in priority geographic zones | Help clusters move along a trajectory towards sustainability | 3 | \$50,000 each | \$150,000 |
| Sustainable Tourism Enterprise Development Grants | Micro- and small tourism entrepreneurs, community-based enterprises (CBOs) and select NGOs | Assist micro- and small entrepreneurs convert well-conceived business plans into viable sustainable tourism enterprises | To Be Determined (13-19) | Between \$10,000 - \$15,000 | \$185,000 |
| Resource Institution Grants | Various | Financially support local institutions, e.g., universities in Atlantic, to support tourism vocational training that is consistent with the overall USAID program goals | To Be Determined (3-5) | Between \$25,000- \$75,000 | \$150,000 |
| Pass Through Grant | U.S. Forest Service | Support implementation in Estelí corridor and trail layout and development, sign construction, instructional and interpretative materials, etc. | 1 | N/A | \$110,000 |

7. PMP/Monitoring and Evaluation (M&E) Plan

In the near term, CSTP will update the previously approved M&E plan to reflect the revised program description. The existing plan responds to USAID/Nicaragua's information and reporting needs and draws from experiences of partners Paso Pacífico, MEA, and Agora in developing and reporting on biodiversity conservation, capacity building, and MSME strengthening. The revised M&E plan will: be based on discussions with USAID/Nicaragua and stakeholders to reflect the modified program focus and will identify specific goals and targets; articulate hypotheses (causal

chains) and means to test them; refine indicators and targets (from ones listed below); describe how to collect, analyze; and use information for management and decision-making; establish frequency of data collection; and disaggregate by gender.

As with the approved M&E plan, partners will be trained to collect and analyze performance indicator data and support key stakeholders in monitoring activities. A simple and accessible system will allow stakeholders to use this knowledge after the program ends. The M&E plan will help to determine the effectiveness of interventions, and make course corrections as necessary. Baseline data and performance indicators will be developed to meet USAID Strategic Objectives, industry standards, and sustainable tourism’s triple bottom line of social, economic, and biodiversity conservation benefits. Further, CSTP will work with USAID/Nicaragua to include a water resource indicator.

The indicators described below will help validate the central program hypothesis that it is a systems-driven approach that gives local stakeholders the needed resources and incentives to effectively guide the sustainable tourism agenda. In establishing a broad and robust partnership, the program intends to make best use of the collective local knowledge of the academic, scientific, NGO and business communities to evaluate and document the range of positive impacts by the program.

Expected program impacts, anticipated results, illustrative indicators and targets include:

| Program Indicator | Anticipated Results | Year 1 Target* | Year 2 Target* | Year 3 Target* |
|---|--|----------------|----------------|----------------|
| 1. Strengthening the Enabling Environment for Sustainable Tourism | | | | |
| Expected impact: Stronger leaders in local organizations, governmental and non-governmental defining their own community sustainable tourism vision, empowered to identify and execute projects, and informed and equipped to make sound decisions on marketing and attracting tourism. | | | | |
| Causal logic: The program takes a systems-driven approach that recognizes the relationships and connections in the tourism sector. Successful efforts to strengthen local leadership organizations and networks result in synergistic investment that increases visitation overall and more repeat visitation as a result of greater tourist satisfaction. Through efforts to build local capacity, Nicaraguan entities will be better positioned to manage tourism development in the future. | | | | |
| # of cluster-level projects developed | Local organizations empowered to identify and execute projects | 0 | 20 | 10 |
| # of cluster-level projects implemented | Local organizations empowered to identify and execute projects | 0 | 10 | 5 |
| 2. Improving Private Sector Competitiveness in the Tourism Sector/Widening Livelihoods for Micro, Small and Medium Enterprises that Support Tourism | | | | |
| Expected impact: Increase in sustainable natural resource-based tourism enterprises and enhanced capacity to manage it for long-term benefit. | | | | |
| Causal logic: Private sector creativity and resourcefulness is the engine that drives tourism. A well-functioning private sector understands how the different pieces function and this leads to diversification and effective niche marketing. Visitors seeking unique, authentic experiences will patronize Nicaraguan businesses that understand and support sustainable tourism initiatives and thus increase their competitiveness in the regional and global marketplace. | | | | |
| # of firms receiving USG supported assistance to invest in improved technologies | MSMEs able to demonstrate better resource stewardship | 0 | 30 | 30 |

| | | | | | |
|--|--|-------|------|------|--|
| # of firms receiving USG supported assistance to improve their management practices | MSMEs testing and sharing improved practices | 15 | 180 | 220 | |
| % increase in web-based viewers to Nicaraguan websites | Tourists with greater access to destination-specific information and visitor experiences | TBD** | 7%↑ | 10%↑ | |
| Expected impact: Increased economic benefits to local enterprises and communities involved in natural resource-based tourism. | | | | | |
| Causal logic: Local MSMEs must plan for their successful entry into the tourism market. A well-crafted business plan includes a series of analyses involving markets, consumer demand, competition, price structuring, profit margin analysis, and a host of other considerations. Business plans will help differentiate them from regional competitors and identify opportunities for collaboration with enterprises along the value chain. Increases in revenues will lead enterprises to become invested in expanding their opportunities, including diversification of products and services. Increases in revenues and workforce are essential elements for meeting the increased demand for innovative tourism products and thus improvements in tourism's allied sectors (e.g., food services, agribusiness, restaurants and lodging, transportation services, etc.). | | | | | |
| % increase in revenue in participating MSMEs | More MSMEs investing greater resources in sustainable tourism | TBD** | 5%↑ | 5%↑ | |
| % increase in new jobs generated in participating MSMEs | Increased economic benefits from tourism to rural communities | TBD** | 5%↑ | 5%↑ | |
| # of MSMEs with operational business plans | MSMEs with greater capacity to manage sustainable tourism | 0 | 15 | 15 | |
| 3. Conservation Biodiversity/Environmental Education | | | | | |
| Expected impact: Improved management of natural areas, priority biodiversity resources, and improved water resources management for conservation and sustainable tourism benefits and increased in-country awareness in the target regions of the value of biodiversity conservation and capacity to address threats to biodiversity. | | | | | |
| Causal logic: The proposed indicators determine the resources available to monitor biodiversity impacts and prioritize the settings where the monitoring will take place. The program will support two types of biodiversity monitoring and evaluation (M&E) efforts: monitoring biodiversity conservation targets, following indicators such as population, fragmentation, geographic area under protection; and long-term biodiversity monitoring at key landscape locations, to obtain baselines and analyze change over time (i.e., in relation to tourism impacts, climate change, and effectiveness of conservation interventions). Privately held reserves are excellent laboratories where partner organizations can work at the interface of conservation and tourism. | | | | | |
| # of Has. In of biological significance under improved management as a result of USG assistance | Improved management of priority habitat areas and biodiversity resources | TBD** | TBD* | TBD* | |
| # of people with increased economic benefits derived from sustainable NRM and conservation as a result of USG assistance | Improved livelihoods and economic opportunity through sustainable resource management for rural inhabitants in priority geographic zones | TBD** | 5%↑ | 7%↑ | |
| # of people with access to improved sanitation facilities as a result of USG assistance. | Improved water resource management | 0 | 180 | 180 | |
| Expected impact: Increased in-country awareness of the value of biodiversity conservation and capacity to address threats to biodiversity. | | | | | |
| Causal logic: Recipients of program training and environmental education activities will be front-line spokespeople in the campaign to raise awareness on threats impacting biodiversity targets, such as wildlife trafficking, groundwater conservation, waste management, and the value of endangered species and ecosystem services. Trainings directed at | | | | | |

| | | | | | |
|---|---|-------|------|------|--|
| elected departmental and municipal-level officials ensure that they can reach their constituents with targeted messages. For example: informing private landowners and service providers in local hospitality, food service, handicrafts, or allied value chains on new laws and regulations; developing new materials, websites, trail signage, etc; promoting cultural festivals and fairs; educating select societal segments on such topics as solid waste prevention, or the value and importance of biodiversity as a tourist attraction. | | | | | |
| # of people receiving USG supported training in NRM and/or biodiversity conservation | Increased in-country capacity to manage and protect biodiversity | 80 | 160 | 160 | |
| # of Nicaraguans reached through environmental education, communication campaigns, social media | Greater awareness of threats to biodiversity and the value and benefits that natural resource protection provides | TBD** | 10%↑ | 15%↑ | |