

Summary of Terminal Evaluation

I. Outline of the Project			
Country : Republic of El Salvador		Project title: The Project for the Strengthening of Capacities for Rural Tourism Development in the Eastern Region of El Salvador	
Issue/Sector: Private Sector Development / Tourism		Cooperation scheme : T/A Pro related to ODA Loan	
Division in charge : Private Sector Development Division		Total cost : <u>210 million</u> yen,	
Period of Cooperation	(R/D): 2010/07 ~ 2013/07	Partner Country's Implementing Organization : Ministry of Tourism(MITUR), Salvadoran Tourism Corporation (CORSATUR)	
		Supporting Organization in Japan :	
Related Cooperation :			
1 Background of the Project			
<p>The <i>Ministerio de Turismo</i> (MITUR) was established during the Administration of 2004-2009 for making linkage with other governmental institutions in the tourism sector; such as <i>Corporación Salvadoreña de Turismo</i> (CORSATUR), <i>Instituto Salvadoreño de Turismo</i> (ISTU) and <i>Consejo Nacional para la Cultura y el Arte de El Salvador</i> (CONCULTURA; currently SECULTURA: Secretaria de Cultura) and for coordinating industrial organizations in the sector.</p> <p>With the model of tourism development defined by the Government of the President Mauricio Funes, Mr. José Napoleón Duarte, through MITUR, established the priorities for the sector, which has been included in the Five-Year Development Plan 2014 (<i>Plan de Desarrollo Quinquenal 2009-2014</i>). The model of ‘mutual growth from interior to exterior (<i>crecimiento adentro hacia fuera con reciprocidad</i>)’ established a new linkage with components such as assistance for financial access for Micro Small and Medium Enterprises, opening of flight connections, creation of sustainable tourism, technical assistance for human resources of tourism sector and the development and investments in projects and real estates.</p> <p>Since 2009 MITUR has implemented a new approach of tourism development defined through consistent and institutional strategy, called “<i>Pueblos Vivos</i>”, which constitutes the fundamental base of the National Strategy of Tourism, and allows the reinforcement of the relations with the municipalities through an introductory process that starts from the uniqueness of each community. This process implies collaboration among the municipal governments and their principal sectors, and rediscovering and reinforcing identity of the population as well as putting touristic values to their natural and cultural resources, triggering a positive impact on their income and employment for the local communities and the autonomy and independence of tourism development in their municipalities.</p> <p>With the development of this strategy, awareness of these municipalities and the population has been raised in general, by means of implementation of innovative actions that integrate the efforts of <i>Comités de Desarrollo Turístico</i> (CDTs) and their municipal governments to have strategic plans for development of their touristic destinations which meets the quality standards for services provided to their tourists.</p> <p>In the Republic of El Salvador (hereinafter referred to as “El Salvador”), most of the developed tourism sites are concentrated in the south western and central south regions. However, the Eastern Region has rich tourism resources such as volcanoes, lakes, wetlands, mangrove forests, beaches, ethnic cultures and ruins, basic tourism infrastructure has not been developed enough to attract private investments.</p> <p>In order to boost the tourism industry in the Eastern Region, it was found that to strengthen the capacity of CDTs as well as CORSATUR through the network of tourism offices recognized as <i>Centro</i></p>			

de Amigos del Turista (CAT) is essential so that it can support the CDTs in an effective and efficient way. Under these circumstances, the Government of El Salvador requested the Government of Japan to provide support to build a mechanism of sustainable tourism development that would benefit the local communities through public-private partnerships in the Eastern Region of El Salvador.

Consequently, the Project on Strengthening of Capacities for Rural Tourism Development in the Eastern Region (hereinafter referred to as the “Project”) was commenced in July 2010 with the period of three years with MITUR/CORSATUR as counterparts (hereinafter referred to as the “C/P”s). The regulations of these institutions states that CORSATUR will promote the formation of CDTs, however, in order to implement effective tourism development in the Eastern Region, this Project was designed to give assistance to both CDTs and *Asociaciones de Desarrollo Turísticos* (ADTs) in collaboration with other organizations such as MEGATEC and *Comisión Nacional de la Micro y Pequeño Empresa* (CONAMYPE).

The Mid-Term Review was conducted in June 2012 to verify the progress of the project activities and the challenges to be addressed by the completion of the Project. As a result, it was confirmed that most of the activities had been implemented as planned. Meanwhile, some challenges to achieve the Project Purpose were identified and thereby the Project in terms of sustainability and efficiency was evaluated as medium. Based on the results of the Mid-Term Review, some recommendations were made on the way that future project activities are to be implemented.

Considering that the Project is to be finished in July 2013, the Terminal Evaluation was conducted with an aim to verify the achievements of the project activities and the Outputs based on the Five Evaluation Criteria explained in this report as well as to make recommendations on the activities for the remaining period of the Project and obtain lessons learned for JICA’s similar projects.

2 Project Overview

(1) Overall Goal

Community tourism based on distinctive local resources is developed in the Eastern Region.

(2) Project Purpose

A sustainable mechanism of tourism development to benefit the local community in the Eastern Region is established through a public-private partnership.

(3) Outputs

1. Direction for local tourism development in eastern region is clarified. (Guideline)
2. Knowledge on tourism development utilizing local tourism resources is enhanced through pilot projects in the pilot project area.
3. Capacities of CDTs/ADTs in the pilot project area are enhanced. (Capacity building of CDTs/ADTs)
4. Capacities of MITUR and CORSATUR for assisting CDTs/ADTs are enhanced in the pilot project area. (Capacity building of MITUR/CORSATUR)
5. A Model of tourism development for CDTs/ADTs are created and disseminated in the Eastern Region. (Model development and dissemination)

(4) Inputs

Japanese Side:

Experts : 6 (Long-term)

Local cost : 32,882,000Yen (as of 31 Dec 2012)

Equipment : Approx. 3 million yen

Trainees received : 5

Salvadoran Side :

Counterpart: 12 (10 at central level and 2 at local level) **Local cost :** USD395,608.65

Facilities: Project Offices (central level and local level)

II. Evaluation Team (Members of Evaluation Team)

Mr. Takafumi Ueda	Team Leader	Senior Advisor, JICA
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Ms. Kana Matsuzaki	Cooperation Planning	Special Advisor, Private Sector Development Division 1, Private Sector Development Group, Industrial Development and Public Policy Department, JICA
Ms. Kaori Koizumi	Evaluation Analysis	TA Networking Corp.
Ms. Reiko Mishima	Interpreter	Interpreter registered to JICA Mexico Office
Period of Evaluation: 10 February 2013 to 2 March 2013		Type of Evaluation : Terminal Evaluation

III. Results of Evaluation

1. Project Performance

(1) Project Purpose

- The Project Purpose is expected to be achieved on condition that CDTs/ADTs' capacity development, which will be implemented until the end the project, is realized (Output 3) and that an appropriate and practical model is developed (Output 5), which are scheduled to be completed.

(2) Outputs

- Output 1 has been achieved based on the fact that all the three Objectively Verifiable Indicators (OVIs) have been met.
- Output 2 is expected to be mostly achieved as the monitoring and evaluation reports are to be prepared hereafter.
- Output 3 is to be achieved on condition that the following OVIs be met: elaboration of article and internal operational regulations in at least six CDTs/ADTs (OVI 3-2), formulation of the concept of tourism development in at least eight CDTs/ADTs (OVI 3-4) and preparation of proposal in at least eight CDTs/ADTs (OVI 3-5).
- Output 4 is expected to be generally achieved. There is room for improvement since not all the C/Ps from CORSATUR have been fully engaged in the project activities because of institutional responsibilities but OVIs 4-1(To strengthen the communication of MITUR and CORSATUR with CDTs/ADTs) and 4-2(To strengthen the capacity of MITUR and CORSATUR for assisting CDTs/ADTs in proposal writing and project palnning/administration to receive fund assistance from donors and NGOs) are to be achieved.
- It is possible that Output 5 would be achieved. Although the outline of the model has just begun to be drafted at the time of the Terminal Evaluation, C/Ps and the Project Team are committed to achieving Output 5.

2. Summary of Evaluation Results

(1) Relevance: High

The Project is consistent with the Salvadoran national policies: "The Five-Year Development Plan 2014 (*Plan Quinquenal de Desarrollo 2009-2014*)" and the "National Tourism Plan 2020 (*Plan Nacional de Turismo 2020*)". MITUR/CORSATUR has promoted the concept of *Pueblos Vivos* through the establishment of CDTs nationwide as well.

The Project is consistent with the Japan's ODA policies. Japan has made it an ODA policy for El Salvador to promote its sustainable development. The Project has been one component of the Program for Eastern Region Development in El Salvador.

The Project is consistent with the needs in the target area. It has been confirmed through interviews that the members of CDTs/ADTs and the communities have identified the potential for tourism development in their municipalities. It has also been confirmed that there are needs to establish a mechanism of tourism development through the collaboration between CDTs/ADTs and municipal governments at the municipal level and through regional partnership lead by the Regional ADT.

(2) Effectiveness: Relatively high

The Project Purpose is expected to be achieved on condition that CDTs/ADTs' capacity

development is realized (Output 3) and that an appropriate and practical model is developed (Output 5), which are scheduled to be completed.

Regarding the Important Assumption for the achieving the Project Purpose, the Government of El Salvador gives importance to tourism development.

Contributing factors include opening of the new access route passing through the Gulf of Fonseca, construction of the Port of La Unión, assistance from Spanish Agency for International Development Cooperation (AECID), some pioneering tour operators from San Salvador and the very existence of this Project.

As the consideration points to the achievement of the Project, ASIGOLF13 Cities, which are the pilot projects areas, had been regarded as the main activities and beneficial areas until the Mid term Review. This situation of the primary activities and input to the Project site would be inferred that the progress of the Project has been partially affected.

(3) .Efficiency: Medium

All Outputs are expected to be achieved by the termination of the Project, although the project activities have been in progress with slight delays.

Regarding the inputs from the Japanese side, the assignment of Experts, the provision of equipment and material, the implementation of the trainings in Japan and in third country and JICA's budget for the Project have been appropriate in general.

As for the inputs from the Salvadoran side, the C/Ps has been assigned for coordination as well as for each of the five pilot projects at national level, and staff of CAT La Unión at local level. However, the involvement of each C/P in the Project has varied. CORSATUR has not budgeted for per diem or accommodation expenses for the C/Ps' business trip to the Eastern Region.

Some replacements of Experts and C/Ps made their communication complicated in some way and slowed down some project activities.

With regard to the Important Assumption for achieving the Outputs, there were some CDTs/ADTs including Regional ADT whose members have been drastically replaced after the mayoral election in March 2012. CORSATUR/CAT La Unión provided technical assistance to restructure those CDTs to reinforce their organizations.

(4) Impact: Relatively high

The Overall Goal is likely to be achieved in three to five years after the completion of the Project on the premise of the achievement of the Project Purpose. There are many positive impacts found as well.

With respect to the Important Assumptions for achieving the Overall Goal, MITUR/CORSATUR has shown the intention to continue strengthening CDTs/ADTs' capacity. On the other hand, the following concerns remain: at the time of the Terminal Evaluation, the security is not favorable especially for foreign travelers according to press reports; and it is uncertain if the C/Ps who have worked for the Project will continue in service after the presidential election scheduled in March 2014.

(5) Sustainability: Relatively high

1) Political and institutional aspects:

MITUR/CORSATUR has shown the intention to continue supporting capacity building for CDTs/ADTs and clearly states that they will continue the tourism policy "*Pueblos Vivos*" that gives importance to community initiatives. They will continue to support CDTs/ADTs as a mechanism for tourism development in accordance with the law as well.

Although active leadership has been observed with some CDTs/ADTs, operational capacities including financial management and reporting of CDTs/ADTs are still limited.

2) Financial aspects:

CORSATUR's budget to support CDTs/ADTs will continue to be secured. They have already implemented the National CDT Meeting (*Encuentro Nacional de CDT*) held each year, the fair of *Pueblos Vivos*, entrepreneurship training and so on.

It is a major challenge for CDTs/ADTs to secure their financial resources. It is indispensable for them to ensure their own business income, government/municipality subsidies and/or donation including remittances.

3) Technical aspects:

Seminars to disseminate the models are to be held in all the four departments in the Eastern Region by CORSATUR's initiative. Consequently, CORSATUR will be able to continue disseminating the models even after the termination of the Project.

It is difficult to judge the prospect of dissemination and applicability of the models at the present due to the fact that the models are in the process of development at the time of the Terminal Evaluation. Nonetheless, it is expected that the quality of the models will be assured as the models are to be developed by the Project Team together with C/Ps.

4) Other contributing factor for sustainability:

The thirteen CDTs/ADTs, which the Project targeted as pilot projects, are so motivated to continue to promote tourism development even after the termination of the Project.

"Millennium Challenge Account (*FOMILENIO*) Second Compact" is to be implemented to support the operation of the "Strategy for Integral and Sustainable Development in the Marine Coastal Area in El Salvador 2012-2024". Infrastructure construction in the coastal area and the related capacity building has been planned. An increase in the number of tourists in the area is expected by such cooperation for tourism development.

3 . Factors promoting sustainability and impact

(1) Factors concerning to Planning

- The trainings in third country conducted in the project fiscal year 1 and 3 contributed to networking among them since they functioned as a place for the members of CDTs/ADT which are the Pilot Project areas, C/Ps and their collaborators to get together.

(2) Factors concerning to the Implementation Process

- MEGATEC has the Faculty of Tourism and has been giving technical support for the pilot project of Tourism environment education and elaboration of the concept of tourism development. These activities have been social service (*servicio social*) and volunteering activities for the students, thus, their continuous cooperation can be expected.

4 . Factors inhibiting sustainability and impact

Systematic monitoring and management have not been put into practice. The Experts in charge of pilot projects and other project activities have been paired with the corresponding C/Ps so that monitoring could be carried out under joint responsibility. And CAT La Unión does not seem to have been fully involved in this process despite the fact that CORSATUR/CAT La Unión has internal monitoring system. The Experts have implemented monitoring in accordance with the PDM since the time of the Mid-term Review and have shared the progress of the project activities only on a monthly basis and further discussion seems to have been necessary, resulting in delays in adjusting project activities in a timely manner. There were some cases that necessary modifications of the project activities to reflect monitoring results had not been realized.

5 . Conclusion

- It has been confirmed that the Project Purpose is likely to be achieved within remaining five months of the project period, despite slight delays with some activities. The activities for Outputs 3 and 5 are to be accelerated for the rest of the project period.

- The effectiveness has been assessed as relatively high from the point of view of the achievement level and the prospect of achieving the Project Purpose.
- The efficiency has been assessed as medium due to the fact that the project activities for Output 3 and 5 have been in progress with slight delays; that the involvement of each C/P in the Project has varied and that some replacements of Experts and C/Ps made their communication complicated in some way and slowed down some project activities.
- The impact of the Project has been assessed as relatively high, considering the prospect of achieving the Overall Goal and the existence of many impacts.
- The sustainability of the Project has been assessed as relatively high from political and institutional, technical and other points of view. Particularly, the CDTs/ADTs' financial sustainability is important. It would be judged that the Project Purpose will be achieved by the end of the project period.

6 . Activities to be recommended during and after the Project period

1) For the remaining period of the Project

To the Project Team:

- It is necessary to improve collaboration in general, and prior consultation in particular, with the C/Ps in order to strengthen effectiveness for the remaining period of the Project. Especially, since model development and dissemination under Output 5 are important to achieve the Project Purpose, review the Plan of Operation with the C/Ps immediately after the Terminal Evaluation and discuss the content of model development and dissemination sufficiently, before implementing these activities.
- Play Supporting roles for disseminating activities under Output 5 with C/Ps taking central roles, is needed since nurturing the ownership of MITUR/CORSATUR is important to assure sustainability of the achievements of the Project.
- Develop and finalize the model which is replicable in the four departments of the Eastern Region by the end of May 2013.

To C/Ps:

- It is necessary to discuss the overall content of the model development sufficiently with the Project Team since C/Ps need to play central roles in not only dissemination but also development of the model because of its importance for enhancing the impact and sustainability of the Project.

2) For medium-long term (To C/Ps)

- It is worthy considering to maintain/develop a mechanism to link municipalities and CDTs/ADTs in the Eastern Region or its sub-regions such as *mancomunidad* for promoting integrated tourism development in the Eastern Region. For example, tourism departments of the municipalities need to have a forum to share information and take necessary joint actions because of the nature of tourism in the region.
- Develop activities to foster motivation of CDTs/ADTs. For example, awards could be given to those who have made most progress or demonstrated good practices; a regional competition could be organized.
- It is expected to promote the tourism products in this region domestically and to neighboring countries in close collaboration with the tourism private sectors to boost tourism industry in the Region.
- It is important that Regional ADT would become a central organization to develop community-based tourism as mentioned in the Overall Goal.
- Mutual visits among CDTs/ADTs would be expected in order to provide learning opportunities and establish cooperation at regional level.
- Develop necessary infrastructure and advocate the importance of the security and safety situation among the people in the Eastern Region so that it would not deteriorate further. Encourage the

tourism police to become more effective.

- Prepare and develop the data collection system at the municipal level. Periodically conduct surveys to obtain and analyze opinions of tourists for identifying the market segmentation.

7. Lessons Learned

- Identify and involve effective leaders in the region to promote community-based tourism.
- Adjust indicators of PDM in a timely manner after the commencement of the Project.
- Establish a monitoring system as a management tool to adjust project activities.
- Record success and mistakes of daily activities; and analyze them in order to develop manuals of good practices for future references.
- Make timely adjustments to the project. For example, when it is necessary to increase the number of C/Ps, agreements need to be made clearly with all the relevant divisions/departments and the implementation structure needs to be adjusted accordingly. If the target areas are found to be too ambitious, necessary adjustments need to be made at the earliest stage.
- Recognize tourism products in other areas in the country as well as from other countries in order to increase competitive advantages.