

3.3. Measures for Strengthening the Tourism Sector

3.3.1. Certification Programs for Sustainable Tourism

Ecotourism certification systems have been created in many countries to stimulate environmental conservation in tourism destinations. Nevertheless, diversity in tourism supplies as well as various interests of stakeholders make it difficult to establish simple and uniform criteria.

Different terms and certification logos have been created to define and certify nature tourism experiences for marketing purposes, even though certified products are not oriented towards creating awareness, spreading knowledge, and respect for nature and cultural manifestations, and do not take into account the tourism impacts on visited ecosystems. Unsystematic use of certification logos has resulted in the lack of credibility in tourism markets. Moreover, certification systems oriented towards the market tended to bias conceptual and programmatic frameworks, which resulted in a complete failure of the certification system.

Different studies suggest that certification programs that are based on a system that evaluates and rewards for conservation efforts have had better results than those based on the measurement of current environmental conditions. In this sense, it is recommendable to establish a national certification system in Guatemala, which evaluates and rewards such efforts with local initiatives. The certification should be publicized among domestic and international tourists, in particular, those who have already arrived in Guatemala.

On the other hand, it is necessary to consider the need to have a certification system that has international recognition, and complies with the international standard of quality and services. For this purpose, it is recommended to make a joint venture with well-known international certification systems.

To achieve the two objectives: to strengthen efforts for conservation and social development, and to promote Guatemala's destination images and services, a certification program should be introduced, which consists of the two phases:

- Phase I: to create a certification system that complies with the reality of Guatemala's tourism sector to motivate tourism stakeholders to develop environmentally friendly tourism products.²
- Phase II: to make a joint venture with an internationally recognized certification system to uplift the standards of Guatemala's ecotourism, and to facilitate the marketing of products.

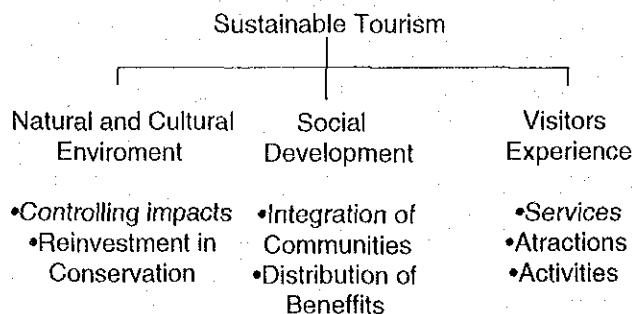
² Propetén certification system should be considered and supported, allowing it to mature through a gradual process.

(1) National level certification system to motivate conservation

a. Criteria

Ecotourism certification in Guatemala should be based on a sustainable tourism model and organized in terms of activities and themes in accordance with: the sustainability of ecosystems; re-evaluation of natural and cultural assets; distribution of tourism incomes among local communities to reduce their dependency on other economic activities that harm natural and cultural assets and reinforce their identity; and creation of satisfactory and environmentally respectful experience for visitors.

Figure 3.7 A sustainable tourism model



Source: JICA Study Team

Guatemala's certification system should have a wide variation of levels to include different kinds of products and services offered in the country. Even traditional tourism products and services should be involved to encourage more friendly attitudes towards the environment and social development with a purpose to create a sustainable tourism sector in the entire country.

Certification system should take into account the local conditions and the international standards.

b. Credibility

Credibility of Guatemala's certification system would depend on the healthy environments it could create. The level scheme in the certification system, as mentioned previously, should be clarified to the participants as well as to the public to avoid confusion.

c. Social framework

Even though one of the main objectives for the ecotourism certification system is related to social responsibilities, inclusion of social components is still confused and presents one of the main problems for sustainability due to high levels of unemployment and poverty, and the lack of government resources, which result in poor control of protected areas.

A successful experience of ecotourism certification is the "Silver Thistle of Kleinwalsertal" in Austria, which started as a local initiative, and developed gradually to spread to the whole region. This system is based on local participation and adopts simple measures for contributing to a healthy environment. Management and Control

The golden rule to start a certification system is to keep it simple and keep in mind that its purpose is to initiate a process and actions to achieve a healthier environment. One of the critical problems that have caused failure of certification programs is the creation of excessive management structures. In this sense, it is important to operate the program phases by phase, which would gradually develop the organization and the system.

d. General guidelines

A Guatemalan certification system should consider the following aspects of efforts towards conservation, social development, and visitor experiences

Table 3.20 Guidelines for ecotourism certification

Environment (natural and cultural resources)	Social considerations	Visitor experiences
<ul style="list-style-type: none"> • Use of water and energy (traditional and alternative) • Waste management • Development of adequate infrastructure • Participation in conservation programs • Rescue and conservation of cultural assets • Tourism awareness and visitor management systems 	<ul style="list-style-type: none"> • Integration with local communities • Programs to spread tourism benefits • Training and awareness programs for employees • Use and promotion of local products and handicrafts 	<ul style="list-style-type: none"> • Training and awareness programs for tourists and tour operators • Creation of tourism activities that enhance cultural and natural assets • Participation in security and hygiene programs • Development of adequate infrastructure

Source: JICA Study Team

e. Objectives

Certification systems should have two general objectives:

- To transform current tourism products to a more socially and environmentally friendly ones that simultaneously increase tourists' satisfaction
- To stimulate the creation of specialized tourism services oriented towards environmental and social development for market segments that seek for specific ecotourism experiences.

Particular objectives for the certification system are as follows:

- Minimize negative environmental impacts to tourism resources,
- Maximize benefits to local communities by assuring their participation,
- Maximize tourists satisfaction and participation, and
- Maximize long-term sustainability: profitability and conservation.

f. Stakeholders

To implement the certification program, it is recommended to create a co-management program using existing institutions and instruments:

INGUAT

INGUAT should play the central role for this program, coordinating among all other stakeholders. Since there are no clearly defined parameters to select participants in INGUAT programs, INGUAT should use this instrument to select beneficiaries of its programs and support in order to give more transparency to their actions.

Other National Governmental Institutions

The program should get technical support from governmental institutions related to natural and cultural conservation, and social development programs related to tourism and the resources used for tourism development. More specifically, Ministry of Environment and Natural Resources (MARN), Ministry of Culture and Sports (MICUDE), and National Council of Protected Areas (CONAP) should be involved in the program.

Local Tourism Committees

Local Tourism Committees should be in charge of adjusting parameters to local reality, and to motivate local society, authorities and the private sector to participate in the program. Their involvement will help to making a certification program operative in their influence regions.

Applicants

An adequate certification system should be developed, which is applicable to different levels:

- Ecotourism certification for parks, reserves and archeological sites,
- Ecotourism certification for municipalities with tourism potential,
- Ecotourism certification for communities with tourism potential, and
- Ecotourism certification for tourism services.

g. Certification Levels

Certification system should not lose the point that the quality - in services and environment conservation -- is a process rather than a goal. The certification system should have different levels in accordance with different conditions in Guatemala's tourism sector.

- **Initiating Members.** Since certification is a voluntary achievement, all initiated members should sign a commitment to develop measures that will increase their contributions to create an environmentally friendly tourism sector in Guatemala,
- **Continuing Members.** Participants who are already implementing measures and achieving results that contribute to conservation and sustainability of Guatemala's tourism sector,

- **Achievers.** Participants who can be recognized as conservation and social development agents, and have a proven record of tourism satisfaction..

h. Major advantages of the level scheme

Motivation

Certification system will motivate the tourist sector and other stakeholders to recognize the importance of developing alternative measures to satisfy tourists, and of the relationship of their products and services to environmental and social health.

Transparency

A co-managed program that includes authorities, civil society, and the private sector based on Local Tourism Committees, will assure the transparency of the certification system among participants.

Image

The correct use and spread of an adequate certification system will strengthen the image of Guatemala as a tourist destination with environmentally and socially responsible services.

(2) Joint venture with international certification systems

As has been mentioned, inadequate ecotourism certification systems have eroded consumers' confidence. Nevertheless, there are successful certification programs with worldwide recognition such as Blue Flag, Green Bag, la Golondrina Estilizada, and el Prado Plateado. Making joint ventures with these programs would be useful to uplift the standards of Guatemala's ecotourism, and to facilitate the marketing of products.

Many of the international certification systems are designed for particular types of tourism products or services. It is recommended for INGUAT to develop a database containing the information of major ecotourism certification systems and their requirements, with which they could advise interested tourism businesses in Guatemala about a suitable program to participate. The database would facilitate the selection of an adequate certification system for individual projects with different interests and services. Participation in different programs, which usually have members' directories, would increase the presence of Guatemala's tourism sector through different promotional materials.

Current efforts at creating a Central American ecotourism certification system based on Costa Rica's model could be also appropriate for Guatemala. It would also encourage the whole region to work together in strengthening its ecotourism.

(3) Certification Program of Community Tourism

The certification program of Community Tourism is proposed as a national level certification program. JICA Study Team, however, hopes that the Guatemalan certification program would gain international recognition in the long-term, and would be

adopted in other countries as an international certification program for community-based tourism development.

This section describes and recommends possible ways to promote the concept of Community Tourism as a development program of INGUAT.

a. Needs and Utility of Community Tourism Certification Program

Why a certification program for Community Tourism is needed?

Unlike countries in Europe and Asia, Community Tourism did not develop by itself in Guatemala. Therefore, there is a need in Guatemala to publicize the concept of Community Tourism.

It may be easy for local people to understand the idea of satellite facilities in the concept of Community Tourism, but would not be very easy for them to understand that Community Tourism is like an open-air museum, and real attractions are outside of the facilities. Guests are encouraged to walk around the host community visiting satellite facilities, during which guests would encounter something new or interesting to them. Community Tourism is a system to facilitate interaction between hosts and guests; It would stimulate and strengthen local people's identity, and function as a tool for community integration, while visitors would have more profound understanding about their hosts.

The certification system is expected to help diffuse the real concept, contents and procedures to develop Community Tourism. Since Community Tourism is a type of community-based tourism development, the certification system should be designed not to interfere with community's initiative and inventiveness.

Expected effects from the certification program

Introduction of the Community Tourism certification program would achieve the following effects:

- The certification program boosts morale among people who get together and make efforts at obtaining the certification.
- The certification program creates a "brand" of Community Tourism, which facilitates the travel trade to promote the product,
- The certification program helps government agencies concerned with Community Tourism to select projects for their support.
- The certification program guides tourism development, in particular, ethnic tourism and village tourism, to desirable directions.

Benefits from the Certification

The following benefits should be given to the certified communities:

- Technical and financial supports for developing Community Tourism, and

- Tourism promotion supports.

b. Criteria for Certifying Community Tourism

The following three types of criteria are needed for well-balanced certification of Community Tourism:

- Criteria concerning the concept of Community Tourism,
- Criteria concerning the contents of Community Tourism, and
- Criteria concerning the procedure of developing Community Tourism.

Certification of Community Tourism would be only granted to the communities that satisfy all of the three criteria.

Criteria concerning the concept of Community Tourism

Community Tourism should be a community activation movement that adopts an integrated approach of economic, social, and cultural development. Therefore, the following four aspects should be included in the development concept:

- Efforts at promoting cultural exchange through tourism,
- Efforts at creating awareness of cultural and social identity among community members,
- Efforts at developing and promoting local products, and
- Efforts at improving living environment of the target community.

Criteria concerning the contents of Community Tourism

The contents of Community Tourism should satisfy the following two conditions:

- Being based on the traditions and characteristics of the target community such as living cultures, history, restoration/ revival of those existed in the past, and
- Being attractive as tourism products for visitors from outside the community.

Criteria concerning the procedure of developing Community Tourism

The procedure of developing Community Tourism is as important as its contents. The followings aspects are indispensable:

- Efforts at developing Community Tourism with community initiative and participation,
- Efforts at receiving, and providing interpretation to visitors from outside the community,
- Cooperation between governments (central and municipal) and local people, and

- Efforts at distributing economic benefits widely among local people and stakeholders.

c. Actions to Be Taken for Initiating the Community Tourism Program

The following actions should be taken to initiate the Community Tourism Program including its certification program. The actions are described both at the central government and community levels.

Central government level

First stage: initialization of the Community Tourism program within INGUAT

- To appoint an advisor or an department head of INGUAT as an officer in charge of the Community Tourism Program, and assign technical personnel to the officer,
- To organize a task force team under the INGUAT officer, which consists of INGUAT officers in charge and foreign experts who have expertise in this field,
- To organize a series of workshops on the topics related to Community Tourism such as concept of Community Tourism, case studies in other countries, candidate sites in Guatemala, and Community Tourism certification program,
- To present the results of workshops to the Director of INGUAT, and
- Official approval of the Community Tourism Program by INGUAT.

Second Stage: Preparation for the Community Tourism program within and outside of INGUAT

- To organize a steering committee for the Community Tourism program, which consists of the following members:
 - Representative of INGUAT
 - Representative of INFOM,
 - Representative of Ministry of Culture and Sports,
 - Representatives of travel trade organizations,
 - Academics of related fields such as anthropology and community development, and
 - Tourism planners.
- To appoint technical advisors on Community Tourism at the central government level³
- To select the site for a pilot project⁴
- To conduct the cost estimation of the pilot project⁵

³ The central technical advisors are about five members, who are anthropologists, sociologists and experts on tourism.

⁴ JICA Study Team would technically assist the selection of sites for pilot projects.

- To prepare budgets for implementing the pilot project,
- To issue a press release for the Community Tourism program.

Third stage: initial activities and coordination at the community level and establishment of the certification program

- To appoint technical advisors on Community Tourism at the local level, and to conduct initial training to them⁶
- For the INGUAT officers in charge of Community Tourism, central technical advisors and regional technical advisors, to host the initial coordination meetings for starting up the Community Tourism project by involving department officers, municipal officers, community members and other stakeholders, such as NGOs and local tourism businesses,
- To start the process of planning Community Tourism at the community level,
- For the INGUAT officers in charge of Community Tourism and central technical advisors on Community Tourism, to conduct detailed design of the Community Tourism certification program and to propose it to the director of INGUAT.
- For INGUAT, to establish the Community Tourism certification program and set up a special committee for the certification, which consists of the same members as the steering committee, and
- To start the operation firstly by producing brochures and developing a website for promoting the program.

Community level

First stage: initialization of activities for Developing Community Tourism

- For INGUAT officers in charge, central technical advisors and regional technical advisors, to host seminars on the concept of Community Tourism and the procedure of its development for community people and local governments,
- Among key stakeholders (INGUAT officers, central technical advisors, regional technical advisors and community leaders and community people), to discuss how to organize a group responsible for the development of Community Tourism
- To establish the process of developing Community Tourism among stakeholders, paying attention to encouraging community members to participate in the process⁷

⁵ JICA Study Team would technically assist the cost estimate for pilot projects.

⁶ Regional technical advisors are mostly selected from local university professors and local NGO workers.

⁷ Participants, place of meetings, frequency of meetings and secretarial for taking care of the process would be decided.

- To set up the management board of Community Tourism⁸

Second Stage: Planning and Implementation of Developing Community Tourism

- For representatives of Community Tourism operators, regional technical advisors and INGUAT officers, to initiate the process of participatory planning about physical aspects, soft contents and activities for developing Community Tourism
- For representatives of Community Tourism operators, regional technical advisors and INGUAT officers, to conduct cost estimate of necessary assistance for developing Community Tourism and to submit proposals for financial assistance to INGUAT
- To design a tariff system for Community Tourism covering core and satellite facilities
- For representatives of Community Tourism operators, regional technical advisors and INGUAT officers, to contract out some physical development components of Community Tourism projects

Third stage: Promotion of activities by local actors and community members

- To formulate and implement a plan of various activities for developing Community Tourism through community participation

d. Required external input for promoting the Community Tourism Program

At the central government level, the promotion of the Community Tourism Program needs an expatriate expert⁹ who can perform as a program officer and technical advisor to INGUAT. The expert shall coordinate within INGUAT and with other government organizations and the travel trade at the central level. At the same time, the expert shall coordinate with regional technical advisors, community groups, and local entrepreneurs, as well as municipal governments.

At the site level some volunteer workers might be needed for technically assisting planning and project implementation.

e. Naming of the Community Tourism Program

It is advisable that the program itself and tourism products developed by the program should have a unique and proper name for differentiation from competitors. Hosting a public event to choose a name for Community Tourism would be an idea to publicize the concept, and to increase the public awareness of INGUAT activities.

⁸ Operators of Community Tourism would be, in some cases, municipal governments and in other cases, community organizations or newly organized committees.

⁹ Experts of Community Tourism could be found in European countries and Japan.

3.3.2. SME and Investment Promotion

Guatemala's national level tourism development strategy refers to the creation of an investment fund (FODETUR) that is to be utilized in support of micro, small and medium tourism-related enterprises. Problems to obtain financing in Guatemala's formal financial sector or, in other words creditworthiness-related obstacles, are stated in the document as a justification for the need to establish such a special sub-sector specific fund. However, no detailed economic and structural data of the tourism-related sub-sector is available, and an official definition of what constitutes "micro, small and medium enterprises" is not at hand.

What follows, therefore, is a brief discussion of the principles as well as the "pros & cons" of tourism sub-sector-related SME promotion as it may be applicable in Guatemala. Many countries, including industrialized ones, have non-sector specific SME support schemes, though the characteristics of and obstacles faced by SMEs differ from country to country. In most cases, only the "size" parameter measured in number of employees is used to demarcate SMEs from large enterprises. Other countries add "size" measured as annual turnover in their classification system. It is possible, in principle, in the case of the tourism-specific sub-sectors to add a third parameter, namely "number of rooms" to the criteria list. Table 3.21 summarizes selected "pro & con" arguments on meaningful and proper criteria for a SME definition. Such a definition constitutes a prerequisite for establishing proper eligibility criteria.

Table 3.21 Potential criteria for SME definition in the tourism-related sub-sector

Classification criteria	Considerations	Likely sub-sector
Size by number of employees	Most commonly used criteria to define SMEs. In the "hotel" sub-sector it is closely related to the number of rooms, ranging in Guatemala between 0.7 to 2 persons per room.	This criterion can be used across all tourism-related enterprises, such as hotels, restaurants, travel agencies, and so on.
Size by annual turnover	This criteria is, in combination with a given cost-structure, a powerful indicator for the self-financing capacity of an establishment.	This criterion can be used across all tourism-related enterprises, such as hotels, restaurants, travel agencies, and so on.
Size by number of rooms	The application of this criteria is obviously limited to hotels. However, used alone, the indicative power of this criteria is quite limited, since there are very high value market segments for very small hotels & lodges (for example for bird-watching at US \$ 250 per night.)	Limited to the hotel sub-sector only.

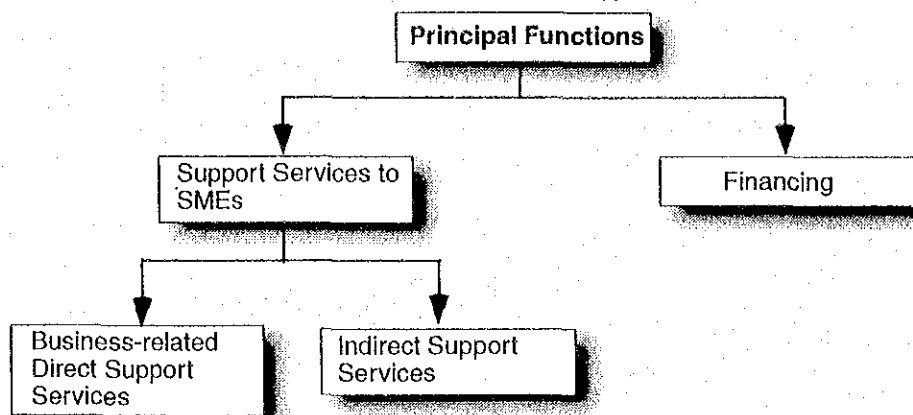
Source: JICA Study Team

It is recommended, based on a proper structural and economic performance analysis of existing tourism-related SMEs, to employ a combination of all three criteria to delineate SMEs from large-size enterprises.

It is necessary after having established proper eligibility criteria to decide on the principal functions of the SME support instrument. Figure 3.8 illustrates the two main functions and related support activities. SMEs in most countries and across all sectors typically tend to lack general business-related expertise in such areas as marketing, accounting and so

on, and they face, due to their small size, problems in obtaining financing for either start-up, working capital requirements and/or additional net-investments.

Figure 3.8 Principal Functions of Tourism-related SME Supports



Source: JICA Study Team

Financing of private sector enterprises should, in principle, be left to the financing sector with the assessment of individual investment projects being based on an individual project's merits. However, if the GOG feels strongly about the need for a tourism-related SME fund, it is recommended to consider such a facility within a broader context of a basket of SME support measures. The two functions in such a basket of support measures to SMEs could be:

- An "SME Enterprise Assistance Unit" at INGUAT with a function to provide typical SME consultancy services for a nominal fee. The nominal fee should not be a business tool, since INGUAT revenues are basically tax revenues. Also, such a unit should in close cooperation with the relevant association(s) provide cost-free training and orientation seminars on such topics, such as tourism product development, general marketing, IT for marketing purposes, and so on
- A financial support fund, if deemed absolutely necessary, for financing net-investments (start-up; rehabilitation/renovation; enlargement) and working capital requirements. This fund should be administered by a professional financing institution that has the banking expertise to assess individual loan projects. INGUAT's role should be limited to (a) function as a guarantor of the loan in cases of good projects, where the borrower lacks sufficient assets (in case of asset-based lending), and/or (b) the provision of consultancy services that support general business performance (in cases of either asset-based or cash-flow based lending). The question of whether such a fund should finance on an interest-subsidized basis should not be decided theoretically, but based on in-depth empirical evidence about the existing situation and requirements of the tourism-related SMEs. However, such empirical database is currently not readily available.

Table 3.22 identifies and summarizes individual key functions that INGUAT could consider to execute through the implementation of SME support packages. In any event, as is the case for the question of whether to subsidize or not subsidize interest rates, the exact individual functions should be decided upon based on the results of a comprehensive "needs survey" conducted among established tourism-related SMEs, rather than on some model or theoretical consideration.

Table 3.22 Selected functions for the support of tourism-related SMEs

Principal Function	Principal Objective(s)	Observations
<u>Direct Business Support Services</u>		
1) General Management Principles	• To strengthen business performance	• Direct support services are always "case-specific" with a strong and direct impact on individual enterprise performance. • This service should be provided on a "nominal fee" basis.
2) Marketing & Product Development	• To support growth of the enterprise	
3) Economic Performance Monitoring & Control	• To increase efficiency & profitability	
4) Project Evaluation	• To increase efficiency & profitability	
<u>Indirect Support Services</u>		
1) Seminars	• The principal objective is HRD, which is to increase knowledge in specific areas with a view to enable participants to improve and apply improved knowledge and techniques.	• Such services would typically address a group of companies, rather than individual enterprises. • Such services should be provided free of charge.
2) Demonstrations		
3) Technical workshops		
4) Study Tours		
<u>Financial Support Scheme</u>		
1) Start-up	• To address SME specific financing needs. • To support a viable SME structure among tourism-related SMEs	INGUAT to function as a guarantor & facilitator only. • Such scheme must be administered on a completely impartial basis. • Such fund should be administered by a professional financing/ banking institution.
2) Rehabilitation & Renovation		
3) Enlargement		
4) Working-capital		

Note: The above list of functions is not comprehensive.

Source: JICA Study Team

3.3.3. Visitor Facilitation

Visitor facilitation refers to services and facilities that enable visitors to travel smoothly without any hustles. It is especially important for independent tourists that constitute some 40% of the whole visitors to Guatemala according to the results of JICA Study Team's visitor survey. This section discusses recommendations to improve visitor facilitation in Guatemala.

(1) Recommendations to improve visitor services

a. Tourist information offices

Taking into account the importance of Guatemala City as a major gateway to Mundo Maya, it is worth a consideration to operate Tourist Information Center at the INGUAT head office seven days a week to offer tourism information about whole Guatemala and Mundo Maya. If it is difficult, placing information materials at a certain place on weekends so that visitors would be able to pick up necessary brochures and maps may be an idea to improve tourism information provision.

It is also recommended to establish more “local tourist offices” in the downtown of major tourism-oriented towns, which provide tourism information at the local level. Although it is desirable that municipalities would manage regional tourism offices, they are not always very skilled in this aspect. Therefore, it would be necessary for INGUAT to set up and manage local tourism offices directly at the initial stage, and gradually transfer the management to local governments as they learn skills and know-how.

b. Airport transportation

It is necessary in the Aurora International Airport to install more distinct signs to guide arriving passengers to the location where transportation to downtown is provided. As for the taxi service, official fare should be established and shown to the passengers so that they would not be overcharged. It is also recommendable to consider introducing shuttle bus services visiting major hotels in Guatemala City and Antigua.

c. Signs and interpretation boards

INGUAT should help municipalities to install systematic signs and interpretation boards to encourage tourists to explore by themselves and obtain on-site interpretation. It is recommended to install signs to formulate a walking trail that facilitate visiting important tourism sites efficiently.

d. Wayside amenity

Roadside restaurants and drive inns operated by private companies do not meet the standard of international visitors in many cases. Lack of clean toilets makes a serious constraint to promote tourism in rural areas. To cope with these problems, it is recommended for INGUAT, municipalities, and the private sector to develop/ improve wayside amenities such as car parks, restaurants, shops, lavatories, and public telephones to ensure comfortable overland trip. Improvement of wayside amenities would be greatly appreciated by women travelers.

(2) Improvement of museums and archaeological sites

a. Improvement of museums

Museums play an important role for tourism in Guatemala since many of Guatemala’s tourism attractions need interpretation. Therefore there is a strong need for improving Guatemala’s museums from the viewpoint of visitor facilitation. Recommendations for improvement are the followings:

- To install a guidance board or device at the entrance, which provides the whole picture of the museum,
- To provide informative interpretation, at least, in Spanish and English,
- To beautify the interior of museums,
- To use modern display equipments such as color photographs, videos, computer graphics, exquisite models, etc.,

- To operate museum shops selling quality museum goods such as official replicas of artifacts, accessories based on prehispanic designs, and scholarly books.

b. Improvement of archaeological sites

Signs and interpretation boards in archaeological sites need to be written, at least, in Spanish and English. Some archaeological sites such as Aguateca and Ceibal need installations for safety such as fence, handrail, and steps. It is recommended for IDAEH to set up these installations with cooperation from INGUAT.

(3) Improvement of the impressions of Guatemala

a. Beautification of tourist sites

Illegal dumping of garbage seriously hampers destination images. Development of an adequate waste disposal system and education of local people are typical measures to cope with this problem.

Dirty lavatory also gives negative impacts on destination image. It would be worth a consideration that tourist information offices would provide clean lavatory for tourists. It is also recommended to provide information about the hotels that provide clean toilettes for tourists by showing their locations on tourist map.

The only measure in the short term to avoid graffiti covering the walls of archaeological sites is to keep watch on tourists. However, educating local people to respect their historical heritage will be a long-term solution. From this point of view, school excursion trips to archaeological sites are highly recommended as an opportunity to educate students about the significance of their cultural heritage.

b. Creation of a "sense of arrival"

The Aurora International Airport is the main entrance to Guatemala, and many people start their trip from the airport. Therefore, the airport needs installations to give arriving visitors a "sense of arrival" to Guatemala. The followings could be possible measures.

- To welcome people by playing marimba music when international flights arrive. (live performance would be preferred but recorded music might be acceptable),
- To assign a certain number of staff dressed in typical Guatemalan costumes, and
- To display pictures of Guatemalan tourism symbols including Quetzal birds.

3.3.4. Improvement of Tourism Promotion

(1) Recommendations for Improving Tourism Destination Image

a. Use of TV

Although advertising on television is very effective to create awareness of Guatemala as a tourism destination, it requires huge cost. The huge cost, however, would be covered if INGUAT would persuade neighboring countries to conduct joint promotion campaigns of Mundo Maya.

Another possible measure is to promote film shooting in Guatemala. Provision of supports would exert influence on the mass media such as location hunting, negotiation with other organizations for permission, advice and assistance to pass the custom procedure to bring in film-shooting equipments into Guatemala. It is necessary not only to provide these support, but also to publicize through Embassies and tourist offices that INGUAT provides these supports along with the information of contact address and responsible person.

b. Refutation against negative publicity

Mass media has a tendency to exaggerate or even distort negative news such as political strife, violent crimes, and escape of prisoners. It is necessary to refute against negative publicities in case they are exaggerated. As a general rule, lack of information would lead to exaggeration; therefore constant provision of precise information is essential to cope with the negative publicity. It is recommended for INGUAT to hire or assign staff, preferably educated in US or Europe, in charge of this matter.

It is also effective for INGUAT to publicize Guatemala's positive news and events through its news releases that are already issued toward the foreign media and the travel trade.

c. Emphasis on the improving situation

It is a good idea, as a way to publicize positive images of Guatemala, to place emphasis on the improving security conditions with the following measures:

- To provide statistical information that proves the reduction in crimes and violence against tourists, and
- To stress adequate equipments of tour operators for adventure tourism, and enough medical service and back-up system in case of emergency even in rural areas, after confirming tour operators and municipalities with the current situation.

d. International exchange programs

Sister city program is one of the popular international exchange programs. The program would be also useful to improve Guatemala's country image. It is recommended for INGUAT to assist Guatemalan municipalities to conclude sister city treaties by supporting and mediating them to find sister cities.

It is important not only to conclude sister city treaty, but also to promote the exchange of people and information. In this regard, INGUAT's supports are also crucial. These sister cities should be registered at INGUAT so that INGUAT would be able to use the information for their promotion activities.

"Home visit system" is another popular program that provides opportunities to visit typical family in foreign countries. Although it aims at promoting mutual understandings between different countries, it would also contribute to tourism promotion. Since

Guatemala is a cultural destination, the travel trade may welcome the introduction of the program. It is recommended for INGUAT to introduce the program with cooperation from local governments.

(2) Recommendations for Institutional Setup for Tourism Promotion

a. Coordination mechanism for tourism promotion

It is recommended to create an institutional mechanism in order to coordinate among the tourism promotion efforts of government entities and the private sector, and to maximize their results. Possible measures would be to create a new committee with members from the public and private sectors or to attach this task to an existing committee or organization. More discussions would be necessary as to the manner how this mechanism would be introduced to INGUAT.

The committee or the board should have periodical meetings to build a consensus among the members on the strategy and action plan for tourism promotion. INGUAT should present the followings for the meeting.

- Medium-term strategy for tourism promotion,
- Action plan for the next year,
- Report on promotion activities in the former year, and
- Proposals for the demarcation of tourism promotion activities.

b. Introduction of a project-based accounting system

It is important to have a system to analyze the cost versus benefit of respective tourism promotion projects. INGUAT's current computerized accounting system only provides information on expenses by accounting category such as transportation, per diem, and printing fee, and does not calculate expenses for respective promotion projects such as fam-trip for Italian tour operators, tourism seminar in Japan, etc.

Without such information, evaluation of promotion projects is not possible. Analysis of actual result is important to develop a future strategy. Therefore, it is strongly recommended to improve the existing accounting system to be equipped with a project-based accounting function.

c. Strengthening of overseas promotion activities

Guatemalan embassies are in charge of overseas promotion activities at present. It is probably the most inexpensive way to promote Guatemala, and it would be sufficient when tourist volumes are not very large. The results of the promotion, however, are not always satisfactory, and depend largely on embassy staff's enthusiasm and interest.

Taking this into account, it is recommended to set up alternative institutional arrangements for overseas promotion as follows, and apply the most appropriate one for respective country considering its market and other conditions.

- Alternative 1: to delegate INGUAT staffs to Embassies:
- Alternative 2: to set up overseas representative office and delegate INGUAT staffs:
- Alternative 3: to hire advertising agency or individual on a contract basis

The first alternative would deal with the existing issue that embassy staff is not always familiar with tourism promotion.

The second alternative is the best arrangement for meticulous service, frequent contact with concerned entities, and understanding the needs of the market, although it requires considerable initial cost. It would be suitable for countries that generate a large number of tourists to Guatemala.

The third alternative assumes the availability of services to undertake tourism promotion activities of national tourist offices. If the services are available, it may achieve better result than the second alternative because the contractor knows its market better than Guatemalans. Although initial cost is less than the second alternative, running cost could be more expensive, and there is little opportunity for INGUAT to acquire know-how of tourism promotion in foreign countries.

It is recommended for INGUAT to evaluate respective countries from the viewpoint of market potentials, suitability of INGUAT staff for promotion activities in foreign countries, and availability of tourism promotion services. Existing arrangement is suitable for countries that are less important as tourism market. Alternative 1 and 2 may be suitable for Spanish speaking countries like El Salvador and Mexico, and Alternative 2 and 3 are for countries that generate large volumes of visitors. Alternative 3 would be suitable for the USA due to the availability of such services.

(3) Other Recommendations on Tourism Promotion Techniques

a. Production of basic promotional tools

Brochure

There are two types of tourism brochure, namely, motivation brochures and on-site information brochures as summarized in Table 3.23.

Table 3.23 Two types of tourism promotion brochures

	Motivation brochure	On-site information brochure
Purpose	<ul style="list-style-type: none"> Motivate potential tourists to visit a destination 	<ul style="list-style-type: none"> Give actual tourists know-how to travel a destination
Provision sites	<ul style="list-style-type: none"> Potential market side Gateway city Overseas and Central tourist offices 	<ul style="list-style-type: none"> Destination side Gateway city Regional tourist offices Hotels
Type of provided information	<ul style="list-style-type: none"> Favorable image of a destination Color photos 	<ul style="list-style-type: none"> Know-how to travel (public transportation, accommodation, restaurant) Accurate map
Others	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Priority of availability over quality and visual

Source: JICA Study Team

The former is produced to motivate consumers to visit a destination, while the latter is to provide visitors with practical information and know-how to explore a certain tourism destination. The two types are often mixed up, but it is better to produce them separately. INGUAT's role is relatively important to produce motivation brochures because it requires expertise and information to understand international visitors, while on-site information brochures could be produced locally.

It is recommended for INGUAT to produce different motivation brochures for respective geographic clusters. It is because the visitor survey revealed a considerable difference in visitors' expectations for Guatemala: El Salvadorians expect the nature, while Americans and Europeans seek for archaeological sites and indigenous cultures, and South Americans relatively interested in colonial cities.

Tourism promotion slogans would be collected from the public, which could be an event to nurture public awareness and ownership in tourism promotion.

Video

It would be necessary to produce different videos in languages of major market countries to cater for different market needs rather than translating the Spanish version.

CD-Rom

CD-ROM is expected to be the principal tool for public relations in the near future. Therefore, production of CD-ROM should be given much emphasis. Existing "Guatemala" contains too many photos that are displayed randomly. They should be presented in categories such as nature, people, event, etc. It is also recommended to add a page of "Best 20 sights in Guatemala." Issuing date need to be printed on the case of any CD-Roms.

Sales manual for the travel trade

INGUAT should provide the foreign travel trade with comprehensive and up-to-date information covering all necessary aspects of arranging trip in Guatemala, such as attractions, facilities and amenities, in order to facilitate them to promote the sale of

products to make a trip to Guatemala. Table 3.24 shows the possible contents of the sales manual.

Table 3.24 An example of agent sales manual

1. General Information Geography, language, population, capital, weather, society, history	5. Local Affairs Foods, tip, credit cards, voltage & shape of outlet, business hours, days-off
2. What to do Festivals, typical foods, shopping, night life, entertainments	6. Immigration Procedures Air port, passport control, exchange, baggage, customs, transport to downtown
3. Travel Information Passport, visa, air routes, seasons	7. Domestic Transportation Air, railway, buses, highways, rental cars, city transportation
4. Hotels Class, charges, reservation	8. Others Emergencies, medical services, tourists services, telephone, Fax, mails, lost & found

Source: JICA Study Team

Photograph and slide

Photographs in brochures, newspapers, and travel magazines play vital roles to attract visitors. Hence, it is recommended for INGUAT to develop an extensive slide library not only for the use for promotion activities but also for rent to the travel trade and the mass media.

As a way to procure good quality photos, hosting of annual photo contest could be a good idea. As a side effect, the event would attract photograph enthusiasts to Guatemala, and the event itself makes a good advertisement being covered by the mass media.

Web-site

Internet is increasing its importance as a tool for *promote tourism destinations*. It is necessary for INGUAT to build a system to reply inquiries by email promptly.

It is noted that Internet is an ideal tool to provide information on niche tourism products such as bird-watching, volunteers for archaeological excavation, and caving. Community-based tourism products planned in this Study are also suitable for promotion through Internet.

b. Approach to the travel trade

Familiarization trip

INGUAT should keep inviting tour operators and travel agents to persuade them into selling Guatemala. However, more emphasis should be placed on travel agents whose knowledge about Guatemala tends to be limited compared with tour operators who are often specialized in destinations.

It is recommended to ask in the questionnaire to participants whether or not their perception of Guatemala has changed after the trip. This would help evaluate the effects of the trip and obtain feedbacks for future improvements.

Workshop

INGUAT should continue to organize workshops in cooperation with airlines, hoteliers and tour operators not only in primary market countries but also in countries INGUAT regards as potential markets. Like the case of familiarization trip, questionnaire survey to participants for evaluation purpose is necessary.

Travel trade show

INGUAT should continue to attend all major trade shows in Europe and USA as before. It is important that participation at these events should be fully planned and coordinated, involving the private sector. On the other hand, in order to promote special interest tourism such as ecotourism, bird-watching, and adventure tours, and, etc, INGUAT should also attend "alternative" trade shows like "MOSTRA MERCATO INTERNAZIONALE ARTIGIANATO."

c. Public relations

Public relations activities aim at providing precise information and, as a result, to create favorable tourism destination images. Assistance and supports for the mass media such as newspapers, magazines, film crews for TV and movies are very important. Their effects are extensive and this is one of the most cost effective measures to influence consumers. Major activities for public relations are as follows:

- Assistance to journalists (arrangements of appointments, accommodation, transportation etc.),
- Press tours,
- Issuance of news release, and
- Assistance to TV and movie shooting.

d. Event

Events would be covered by the mass media, which often becomes free advertisement. Photo contest and tourism slogan contest, as mentioned previously, are the examples of events. Additionally, the followings are proposed.

Spanish speech contest

It is recommended for INGUAT to host a Speech contest in Spanish in cooperation with embassy, airlines serving to Guatemala, and the mass media, etc. Participants would be invited from non-Spanish speaking countries that are considered to be important as tourism market.

Travel week

Travel week is an event to introduce Guatemalan culture such as traditional folkloric dance, marimba music, foods, and handicrafts. It is recommended that press tours organized for the event would multiply the effects of the event.

Community Tourism

As mentioned in “3.3.1 Certification Programs for Sustainable Tourism,” a unique and proper name should be given to the Community Tourism by hosting a public event.

e. Approach to various markets

Special interest groups

Special interest tourism (SIT) refers to tourism that has a focus on a specific theme of interest. Themes for SIT are often related to academic interests, and the market is a typical of “low volume – high spending” markets. Guatemala abounds in market opportunities for special interest tourism such as bird watching, archaeology, caving, mountaineering, volcanoes, orchids, and ethnology.

Since the size of each segment of SIT is small, advertisement to the general public is not recommended. In stead, overseas tourism offices staff should approach directly to potential organizers such as clubs, academic circles, and associations. Production of brochures focusing on SIT opportunities in Guatemala is also recommended. Use of internet is also important as a way to reach consumers who are interested in specific themes.

MICE (meeting, incentive, convention, and event)

Being the “capital” of Central America, Guatemala has potential as a convention destination at least at the regional level. Guatemala City, which is the largest city in Central America and southern part of Mexico, is an important business destination with many headquarters of multi-national companies. It is noted that attendants in convention tend to be influential in their home countries, and promoting convention would help spread favorable images about Guatemala. In this context, INGUAT should continue its efforts at promoting convention tourism cooperating with the private sector. Like SIT tourism, organizers play important roles to choose a destination. Therefore direct approaches to convention organizers are effective.

The lack of resort destination images, however, may constrain development of incentive tourism although efforts to attract this lucrative market segment should be continued together with the improvement of tourism destinations that tend to lack in resort amenities. Use of professional promoters specialize in incentive tourism in market countries would be an effective way to develop incentive tourism. Domestic market would be the primary target for promoting incentive tourism in the short-term.

Approach to domestic market

Although domestic tourism has been relatively ignored in the past, it is estimated that 40% of the hotel occupancy in Guatemala is by domestic visitors. Development of domestic tourism does not only contribute to the national economy, but also to create among Guatemalans the awareness of their natural and cultural heritage. Domestic market is also important to offset the seasonal fluctuation of tourism demands.

Domestic tourism would be promoted by the following measures:

- To promote convention and incentive tours within the country
- To influence the travel trade to provide discounted tour packages during the low seasons, and
- To publicize the necessity to organize school excursion trips.

3.3.5. Institutional Building for Tourism Development

(1) Strengthening of the Local Tourism Committee (LTC)

a. Present situation

The creation of the Local Tourism Committee (LTC) is based on Agreement No.435-2000-D of INGUAT of November 2000. Eleven committees already have been established under the initiative of INGUAT in tourist sites such as the following:

- Quetzaltenango,
- Antigua Guatemala,
- Chichicastenango,
- Peten,
- Sayaxche,
- Salama,
- Coban,
- Puerto San Jose,
- Rio Dulce,
- Volcan de Pacaya,
- Lago de Atitlan and its surroundings

LTC consists of members from local key sectors with the purposes to promote decentralization and to coordinate among tourism activities. Its main functions are as follows:

- To formulate tourism development plans at local levels
- To identify, give priority, and formulate tourism projects through local participation and consensus building, and
- To obtain technical and financial cooperation from INGUAT for carrying out programs and projects.

LTC is expected to play an important role in regional tourism development. However, most LTCs including those in the 3 PTDA's have not formulated local tourism development plan due mainly to insufficient time since their official establishment on

July 10, 2001. Whether they will be able to fulfill their expected responsibilities depends on the further efforts of INGUAT and LTC members.

b. Recommendations to improve the management of LTC

The followings are possible problems related with managing LTCs, and recommendations to cope with the problems.

Evaluation mechanism of projects priority

Identification, prioritization, and formulation of tourism-related projects are made based on local participation and consensus. They, however, are not made by voting, since the committee does not have a decision-making organ like board of directors. Depending on the project, there may be difficulties in building a consensus among the LTC members due to conflicting interests. To avoid this situation, the following arrangements should be arranged by INGUAT.

- Local tourism development plan should give the criteria for choosing pilot projects in the locality.
- INGUAT should provide LTC with opportunities that their proposed projects would be evaluated technically by a third party.

Supports for small- and medium-scale public sector projects

High-priority and large-scale tourism development projects and plans other than those adopted by LTC are proposed to the National Tourism Committee for implementation at the national level. Special funds are used to give financial support to small- and medium-sized private enterprises.

However, there are no systems to support small- and medium - scale public sector projects to be implemented by local government. It is recommended for INGUAT to establish a financial and technical support system for this type of tourism projects with LTC as a coordinator between INGUAT and local government.

Classification of proposed projects

Proposed projects to LTC often contain components that are implemented by the private sector, and those by the public sectors. These projects should be classified into those to be carried out by entrepreneurs or private enterprises, those to be implemented jointly by entrepreneurs and private enterprises, and those to implemented by the public sector.

Supports for private projects

It is recommended for LTC to take the following measures to support private sector projects.

- Provision of information on various funds the private sector can apply for, and
- Provision of assistance for the private sector to apply for relevant funds.

Maintenance of the mixed composition of LTC members

The Agreement mentioned above stipulates that LTC should be composed of representatives from local governments, local enterprises, community groups, national institutions, international organizations, and NGOs. It is essential that LTC members would continue to be from different groups such as those interested in tourism businesses, those interested in conservation, and those interested in community development.

Core committee and sub-committee

Establishing various tourism committees in the same department may lead to short-sighted policies for local benefit. To avoid this situation, a coordination mechanism should be introduced, in which the LTC of core municipality would be tasked to coordinate among other LTCs in the same department or Tourism Region.

Capacity building of INGUAT staff at regional offices

In Tourism Regions where INGUAT operates regional office, INGUAT staffs of the regional office should participate in LTC as a member. INGUAT's regional offices basically function as tourist information center at present. The staff in the regional offices should be provided with adequate training opportunities so that they could be coordinators between INGUAT and LTC.

c. Spatial Tourism Structure and INGUAT's Local Tourism Administration

Introduction of a hierarchical system for local tourism administration

As has been pointed out, it will be difficult for INGUAT to support all the Local Tourism Committees directly if their number continues to increase. Therefore it is recommended that INGUAT would support them through its regional tourism offices by strengthening their functions, in particular, that of planning, and also establishing new offices according to INGUAT's Theme Regions, which JICA Study Team's spatial tourism structure is based on.

The spatial structure of the JICA Study has a hierarchical system of 3 levels, namely, Tourism Center, Tourism Sub-Center, and Tourism Site. This hierarchical system could be applied to INGUAT's local administration. It is proposed that each Tourism Region would have, at least, one INGUAT regional office located in the Tourism Center of the Tourism Region. This arrangement makes it possible for respective INGUAT regional offices to support LTCs in their Tourism Region thus alleviating the INGUAT central office from the burden of traveling all around Guatemala. It is also recommended that LTCs should be established at the Tourism Sub-Center and Tourism Site levels to supplement INGUAT regional offices.

Requirements of INGUAT regional offices and LTCs

The followings are the proposed Tourism Centers and Sub-Centers in relation with the seven Tourism Regions.

- Guatemala - Antigua: Modern and Colonial Guatemala

- Panajachel - Quetzaltenango, (Chichicastenango, Huehuetenango): Living Indigenous Highlands
- Flores, (Sayaxche, Yaxha, Poptun, Uaxactun): Adventure in Mundo Maya
- Río Dulce, (Livingston): A Different Caribbean
- Coban, (Salama): Nature Paradise
- Esquipulas: Guatemala for Discovery
- Puerto San Jose, (Retalhuleu, Monterrico): Pacific Coast

9 Tourism Centers and 10 Tourism Sub-Centers (placed in bracket) are identified by considering the accumulation of accommodation, distance from nearby Tourism Center, and potential for future tourism growth..

Table 3.25 summarizes the locations of INGUAT offices, LTCs, Tourism Center, and Tourism Sub-Centers.

Table 3.25 Comparison of INGUAT offices, LTCs and tourism structure

	INGUAT office	Local Tourism Committee (LTC)	Tourism Center	Tourism Sub-Center
Tourism Region (Inter-department)	Quetzaltenango		Quetzaltenango Coban Puerto San Jose Esquipulas	
Department	Guatemala Antigua Flores Panajachel	Peten Lake Atitlan	Guatemala Antigua Flores Panajachel Rio Dulce	Livingston Retalhuleu Huhuetenango Chichi. Salama Monterrico
Municipality		Chichi. Sayaxche Coban Salama Puerto San Jose Rio Dulce Volcan Pacaya		Sayaxche Uaxactun Poptun Yaxha

Source: INGUAT, compiled by JICA Study Team

The above table recommends to establish INGUAT regional offices in the following tourism destinations:

- Río Dulce,
- Coban,
- Esquipulas, and
- Puerto San Jose.

Tourism Sub-Centers are important, in particular, from the viewpoint of formulating Tourism Corridors. The following Tourism Sub-Centers, which do not have LTC as present, should have one:

- Retalhuleu,
- Monterrico
- Huehuetenango,
- Poptun,
- Uaxactun, and
- Livingston

It is also recommended that the Peten LTC would cover the surrounding area of Peten Itza rather than El Peten department as a whole to avoid overlapping of territory with that of Sayaxche LTC.

Co-management and LTC

LTC is an organization that is ideal for playing the central role to introduce a co-management system to a tourism site. It could even function as the co-management board of co-managed tourist site if local conditions allow it. Therefore, establishment of LTCs should be supported by INGUAT as a way to promote local participation and co-management. It does not mean, however, that all the co-managed tourism sites should have an LTC and be managed by it.

INGUAT should provide supports to establish LTCs through its regional office when there is no adequate organization that could manage a co-management system. However, it needs to respect existing organizations regardless of their names, which could be Grupo Gestor, Camara de Turismo, or Casa de Cultura. It is also noted that any co-management organizations should be autonomous to function on a "co-responsibility" basis.

(2) Mechanism to Assure the Continuity of INGUAT's Tourism Policies

a. Basic directions

The role of the government agency in charge of tourism is to establish and implement short-, medium- and long-term tourism plans for promoting and protecting the benefits of tourists. It is natural that changes in the situation, under which the original plans are formulated, may necessitate modification of plans in order to meet a new situation. However, unnecessary modifications should be carefully avoided. There is a need for INGUAT to have a mechanism to ensure the continuity of its tourism policies.

b. Development measures

Organization Law

Many people have pointed out that the present INGUAT Organization Law (Decree 1,701 of the Congress) is outdated and should be modified. Most of all, the inconsistency of

INGUAT policies was caused by the lack of Board of Directors. Under the current system, the director is the single highest authority of the institution, which results in the change of policy when new one is assigned.

In order to solve this problem, institutional mechanisms should be created so that the tourism policy can be maintained irrespective of changes in the administration. At the same time, consideration should be given to enhance efficiency in establishing the directions of development.

Establishment of a Board of Directors (BOD) for INGUAT

INGUAT should maintain its current status as the superior authority of tourism. However, a Board of Directors should be established to direct and administer INGUAT.

Main functions

The main functions of the BOD should be as follows:

- To define the guidelines and general framework for efficient direction and administration of INGUAT,
- To approve marketing and tourist products development plans,
- To approve finance and expenditure policies,
- To approve the policies, strategies and action plans as well as fundamental guidelines for their implementation,
- To approve tourism projects, and
- To carry out other functions derived from its functions for direction and administration.

BOD members

BOD should be composed of representatives of ministries and the private sector related with tourism.

The number of directors should be kept minimum for the efficiency of management and the capability for quick decision making to deal with unexpected situations. Some 10 directors would be adequate.

BOD meetings

Ordinarily, a BOD meeting should be held once a month.

Manual of standard operation

When INGUAT staff is replaced, there is not sufficient communication between outgoing and incoming staff. Therefore, new staff often has to start their task from the scratch. It may be one of the reasons for the discontinuity of INGUAT policies.

To cope with this situation, it is recommended to prepare a standard operation manual to secure the continuity and to improve the efficiency. Newly assigned staff would be able to start their tasks with the manual before they start improving the existing system.

(3) Disclosure of INGUAT Activities

a. Basic directions

It is needless to say that the private sector's role is important for tourism. Meanwhile, one of the key roles of the public sector is to provide an enabling environment where the private sectors' tourism activities would be carried out smoothly, and to direct the private sector so that their activities are not based on a short-sighted viewpoint. Hence, communication between both sectors should be maintained so that they could cooperate with each other based on mutual trust. Tourism Advisory Conference is recommended in this context.

b. Establishing "Tourism Advisory Conference"

Establishing a Board of Directors for INGUAT with representative from the private sector would be the first step to effect the cooperation between the private and public sectors. Further, it is important to have an official organ for publicizing the activities of INGUAT, and collecting opinions and requests from a wide range of people. If INGUAT would host "Tourism Advisory Conference," it would be an great opportunity for dialogue between the private and public sectors. Details of the conference are as follows:

- Promoter of the conference: INGUAT
- Participants: as many persons as possible who are engaged in tourism activities of the private sector,
- Main function: communication between private and public sectors and publicizing of INGUAT's activities.
- Frequency of the conference: once a year

(4) Inter-Agency Coordination

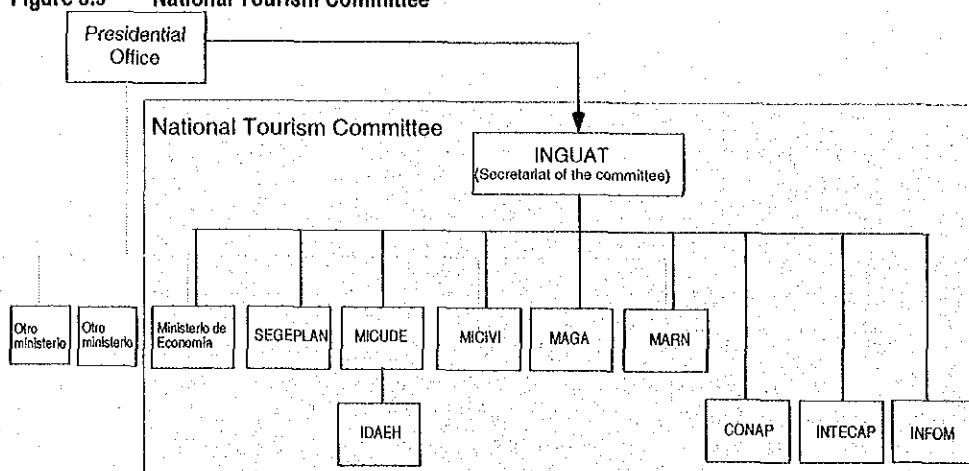
a. Basic directions

To effect tourism policies and plans, government agency in charge of tourism administration need to keep a close relationship with ministries and government bodies related to tourism development such as tourism infrastructure, tourism facilities, conservation and preservation of tourism resources, safety of tourists, and other tourism-related matters. In most cases, those organizations are superior or equal to INGUAT, and maintain their own policies. Therefore, in order to promote tourism, a mechanism should be established at a high level of the Government of Guatemala, which coordinates among tourism-related government agencies and organization so that they would cooperate with the government agency in charge of tourism administration.

b. Establishment of the National Tourism Committee

For the purpose as mentioned above, it is recommendable to establish a committee consisting of representatives of the ministries and government bodies related to tourism development as shown in Figure 3.9.

Figure 3.9 National Tourism Committee



Source: JICA Study Team

Coordination by the Presidential Office

The committee should be coordinated by the Presidential Office.

Secretariat by INGUAT

INGUAT should serve as the secretariat of the committee. INGUAT should obtain information on tourism projects mainly through LTCs and other organizations, and recommend them to the committee to seek for cooperation from other ministries.

Members of the committee

The following ministries and government organizations related with tourism development should be involved in the committee.

Function of the committee

The function of the committee should be to coordinate the implementation of the programs and projects proposed by INGUAT.

(5) Project Implementation Setup

a. Basic directions

The project implementation setup should comply with the following conditions in order to ensure the implementation of projects and programs proposed by the JICA Study.

- Compliance with the requirements of donor agencies that would finance the projects and programs,
- Capability to coordinate among stakeholders such as different government agencies, local government, NGO, and local people, and
- Capability to manage and monitor physical construction works.

b. Basic requirements

Financing

The borrower of the soft loan should be the Government of Guatemala. Ministry of Public Finance should finance respective pilot project components, which are implemented by different government agencies such as INGUAT, Ministry of Communication & Public Works, Ministry of Culture & Sports, Institute of Anthropology & History (Idea).

Supervising Organization

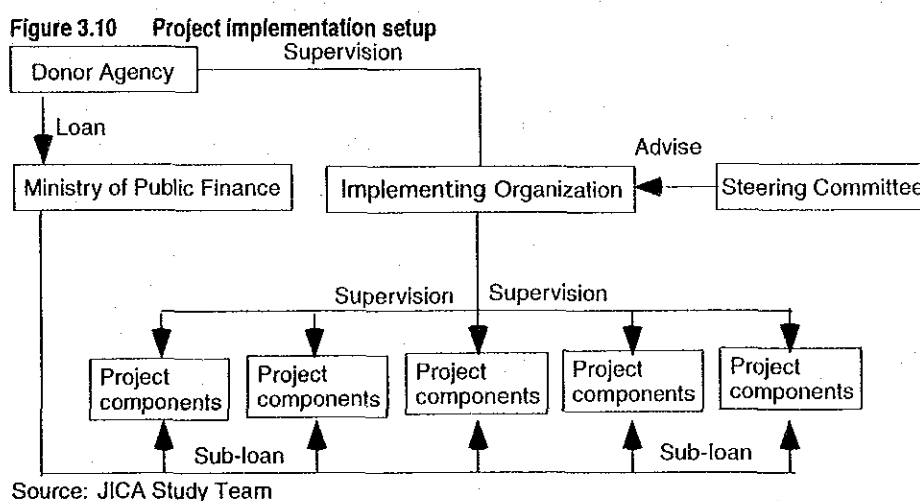
The Government should specify a government agency as the Supervising Organization. The Supervising Organization should function as the contact organization with the donor agency, and supervise respective project components and coordinate among relevant government agencies and other stakeholders so that the respective projects may be implemented effectively and consistently with the tourism policy of Guatemala.

Steering Committee

Steering Committee should be set up, to provide advices to the Implementing Organization, and to coordinate among relevant government agencies. Members of the Steering Committee should be from government agencies in charge of implementing project components.

Establishment of this committee is desirable for the donor agency, but is not a condition for providing loans. Therefore the borrower should examine the necessity of this committee.

Figure 3.10 shows an organization chart for project implementation to summarize the above-mentioned institutional arrangements.



(6) Possibility of project implementation with INGUAT's own budget

It is, however, possible for INGUAT to implement, at least, some of the pilot projects with its own budget. Table 3.26 estimates the revenue and expenditure stream of INGUAT in case INGUAT implements the pilot projects in Las Verapaces and the

Southwestern Highlands with its own budget. Thanks to the increase of visitor arrivals, it is possible for INGUAT to invest in the two PTDA's without reducing the budget for tourism promotion and operation.

Table 3.26 INGUAT revenue and expenditure

		(Unit: Million Quetzales)									
Year		1996	1997	1998	1999	2000	2001*	2002*	2003*	2004*	2005*
INGUAT Revenue	Revenue from tax	38.56	39.18	70.83	87.91	94.69	96.63	100.97	105.50	110.24	115.20
	Budget	38.56	39.18	70.83	87.91	94.69	96.63	100.97	105.50	110.24	115.20
INGUAT expenditure	Tourism Investment	1.58	2.94	4.20	2.79	3.08	4.56	9.49	21.53	31.89	20.68
		4.3%	6.8%	6.3%	3.4%	4.7%	4.7%	9.4%	20.4%	28.9%	18.0%
	Tourism promotion	14.64	19.77	19.64	50.21	36.33	53.78	53.43	49.05	45.77	55.21
		40.2%	45.6%	29.5%	61.6%	55.7%	55.7%	52.9%	46.5%	41.5%	47.9%
	Operation	20.18	20.62	42.72	28.45	25.87	38.29	38.05	34.93	32.59	39.31
		55.4%	47.6%	64.2%	34.9%	39.6%	39.6%	37.7%	33.1%	29.6%	34.1%
	Total	36.40	43.33	66.56	81.45	65.28	96.63	100.97	105.50	110.24	115.20
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Pilot Project costs	El Petén (IDAEH)							3.05	35.51	35.51	5.67
	Las Verapaces							1.57	13.98	13.98	0.00
	SW Highlands							3.39	3.39	14.03	16.00
	Total							4.96	17.37	28.01	16.00

Note: *; Estimation based on the development framework.

For details of the Pilot Projects, please refer to the chapter 4 to 6.

Source: JICA Study Team