

Government of Papua New Guinea

United Nations Development Programme (UNDP)



Community Based Eco-Tourism Development Preparatory Assistance Project Document

Preparatory Assistance Project Purpose:

As Project Partners, UNDP PNG and the Tourism Promotion Authority (TPA) of the Papua New Guinea Government will conduct a 12 month Preparatory Assistance Project for the implementation of a subsequent 4-5 year Community Based Eco-Tourism (CBET) Development Project. The design of the CBET implementation project will be based on the vision of conducting a pilot project in selected communities and provinces of PNG to achieve the following results

- § Improving existing and developing new nature and culture based tourist activities and services that are owned and operated by local communities and micro-enterprises;
- § To provide such services and activities to the customers of existing tourist accommodation and tour operator businesses,
- § To market these CBET services through existing, improved and new mechanisms.

The principle deliverable of the Preparatory Assistance Project will be a Project Document for the Implementation Phase of a 4-5 year CBET Development Pilot Project in selected communities and provinces.

Preparatory Assistance Budget: USD 275,000

Preparatory Assistance Duration: 12 months

Preparatory Assistance Location: Eastern Highlands, Milne Bay, and the Autonomous Region of Bougainville

Signature Page

Country: Papua New Guinea

UNCP Outcome(s)/Indicator(s): 3. By 2012, rural communities in selected provinces of each region use improved sustainable livelihoods practices¹

Expected Outcome(s)/Indicator (s): 3.1.2 Training on more sustainable use of community resources; selected communities have the capacity to access funding and manage small grants projects

Expected Output(s)/Annual Targets: Increased capacity for community participation of environmental programmes

Executing Entity: **Government of Papua New Guinea
(Department of National Planning and Monitoring)**

Implementing agency **PNG Tourism Promotion Authority**

Narrative

This is a 12 month Preparatory Assistance Project for a 4-5 year Community Based Eco-Tourism (CBET) Development Project.

Programme Period:	2008-2012
Programme Component:	Sustainable Livelihoods- Environment
Project Title:	Community Based Eco-Tourism Development – Preparatory Assistance Project
Project ID:	_____
Project Duration:	One Year

Total Budget	USD \$ 275,000
Allocated resources:	_____
• Government	_____
• Regular	_____
• Other:	_____
UNDP PNG	USD \$ 197,000
• In kind contributions	_____
TPA	USD \$78,000
• Unfunded budget:	0.0

Agreed by (Government of PNG, DNPM):

Name: _____ Date: _____ Signature: _____

Agreed by (Tourism Promotion Authority):'

Name: _____ Date: _____ Signature: _____

Agreed by (UNDP):

Name: _____ Date: _____ Signature: _____

¹ United Nations Country Programme will be rolled out on 1 January 2008

TABLE OF CONTENTS

Signature Page	2
List of Acronyms	4
Executive Summary	5
I. Situation Analysis	7
A. Community Based Eco-Tourism (CBET) in PNG.....	7
B. Government Plans for CBET Development	8
1. Tourism and the MTDS	8
2. CBET Development Strategies	8
C. Project Geographic Location	9
D. The Crucial Need to Engage CSOs.....	11
II. Strategy: UNDP's Comparative Advantage as a Project Partner for CBET Development .	13
A. UNDP Global Best Practices in CBET Development and Marketing	14
B. GEF Small Grants Programme	17
C. United Nations Volunteers (UNVs)	17
III. Project Vision	18
The Need to Match CBET Supply and Demand.....	19
IV. Project Phases.....	21
A. Preparatory Assistance Phase	21
Preparatory Assistance Phase Components and Objectives:	23
Preparatory Assistance Phase Schedule & Cost of Components	24
B. Project Implementation Phase	25
V. Project Results, Resources Framework and Annual Work Plan and Budget	26
VIII. Project Management Arrangements	27
A. Project Management Structure	27
B. Project Management Components	28
1. Project Board	28
2. Project Manager	28
3. Project Assurance:	29
4. Technical Backstopping and Project Support	29
5. Project Risk Log.....	29
C. Management and Execution Modalities	33
D. Financial Management Arrangements	33
UNDP Country Office Support Services.....	33
Micro-Assessment	33
VII. Legal Context.....	33
VIII. Monitoring and Evaluation	35
Project Communication and Monitoring Plan	36
X. Annexes	37

List of Acronyms

CB – Community Based
CBET – Community Based Eco-Tourism
CBO – Community Based Organization
CSO – Civil Society Organization
PM – Project Manager (for the Project)
DEC – Department of Environment and Conservation of the PNG National Government
DNPM – Department of National Planning and Management, of the PNG National Government
FBO – Faith Based Organization
GDP – Gross Domestic Product
GEF – Global Environment Facility
HF – High Frequency
MTDS – Medium Term Development Strategies
NGO – Non-Government Organization
PGK – The currency of Papua New Guinea (Kina)
PNG – Papua New Guinea
PSC – Project Steering Committee
SGP – GEF Small Grants Programme
TA – Technical Assistance
TPA – Tourism Promotion Authority of the PNG National Government
UNDP – United Nations Development Programme
UNV – United Nations Volunteer
UNWTO – United Nations World Tourism Organization
USD – Currency of the United States of America (dollars)

Executive Summary

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- § Improving existing and developing new nature and culture based tourist activities and services that are owned and operated by local communities and micro-enterprises;
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Duration: 12 months

Location: Eastern Highlands, Milne Bay, and the Autonomous Region of Bougainville

Project Vision:

The vision of what Community Based Eco-Tourism (CBET) should in PNG is based on the successful integration of the following complementary aspects of nature and culture based tourist services and businesses:

1. Existing accommodation facilities, such as hotels, lodges and guest houses with varying degrees of conventional creature comforts, and existing tour operators, will both work in close collaboration with surrounding communities to provide such businesses' customers with:
 - Community based nature and culture based services (birding and fishing activities with local guides, rustic locally owned and operated guest houses, traditional arts and crafts activities, trekking, and other nature and culture based activities conducted by local, community based service providers)
2. Developing and utilizing marketing mechanisms to jointly market the complementary services of conventional accommodations, tour operators, and community based services and activities.

Partner Roles

UNDP and TPA will have the following roles as Partner in this project:

- UNDP Financial Contribution: \$197,000 USD.
- TPA In-kind Contribution: \$ 78,000 USD

- Technical Backstopping – UNDP and TPA will both provide technical backstopping, coordination and monitoring of the project by designated UNDP and TPA staff members.
- Finance and Procurement – Pursuant to the applicable UNDP rules and regulations, and with the support of the UNDP Country Office, UNDP will collaborate with TPA to manage and implement all project logistics including procurements of equipment, personnel and consultant contracts, and general project operational and administrative backstopping.
- In-kind contribution: TPA will provide the project with the in-kind contribution of office space and furniture for 2 project personnel, including access to and use of phones and internet.

I. Situation Analysis

A. Community Based Eco-Tourism (CBET) in PNG

Tourism development can involve many different types of businesses, projects, and targeted markets, but CBET is not only the area of highest growth in this global industry, but it is also becoming recognized and utilized as the most effective way to harness the tourism business in a way that directs its economic benefits toward the generation of equitable and sustainable livelihood opportunities.

In PNG, the National Government Tourism Policy seeks to increase PNG's tourism market by 50% by the year 2009 in order to contribute an estimated half a billion Kina annually to the country's GDP. To reach this goal, the National Policy specifically seeks to achieve the sustainable development of social and environmental resources in the communities to assist in improving standards of living and to enhance personal ambitions, pride, and self worth.

While it poses many opportunities, CBET development is not going to be a panacea that can solve all of PNG's economic, social and environmental challenges since these issues are complex and their solutions are neither obvious nor easy to determine. However, CBET, if planned and implemented as an integral complement to other crucial development issues such as promoting gender equality, population, combating HIV/AIDS, and good governance, can play an important role in helping to ensure that the benefits of this country's development will be equitably distributed in a lasting manner.

In a study recently conducted by the United Nations World Tourism Organization (UNWTO), it was recommended that the successful development of tourism in PNG should utilize a bottom-up approach for the development of unique tourist attractions and services at the provincial level. These community based services would then need to be coordinated with top-down marketing mechanisms to connect them with their international targeted markets. To accomplish these goals, the UNWTO recommended that a team of international experts should work with national counterparts in order to improve and expand upon the current, limited market that is based on special interests, adventure, and backpacker tourist segments. Since these three segments come to PNG to primarily engage in off-the-beaten-path nature and cultural based activities, they are also particularly well suited as targeted clients for development of CBET projects and services.

For the purposes of this project, and in contrast to large, capital-intensive tourism businesses and projects, CBET is characterized by the following:

- Equitable distribution of benefits
- Local ownership and control of small businesses that are owned by local residents, cooperatives and associations, in contrast to businesses where such residents are low paid wage earners in their own communities.
- Supplementing families' incomes and thus improving their livelihoods by providing nature and culture based tourist services that include accommodation, meals, tours, activities, demonstrations, and lessons.
- Sustainable business practices that are in harmony with people's well being and their environment.

Last, while CBET is distinct from capital intensive projects such as higher end hotels, restaurants, and tour operators, many tourists may prefer to utilize such existing tourist businesses as a base from which to enjoy CBET services, either in the form of day-trips or overnight outings. Accordingly, existing tourist accommodation and tour operators businesses can be an excellent source of customers for CBET service providers. CBET development projects should thus be designed to maximize collaboration between these businesses and CBET enterprises.

B. Government Plans for CBET Development

1. Tourism and the MTDS

The Medium Term Development Strategy (MTDS) 2005-2010, released by the National Government in November 2004, identified the potential for the tourism industry to contribute significantly to the economic, social, cultural and environmental well being of PNG. With regard to tourism, and CBET in particular, the MTDS state:

“...the service industry should develop to be a significant driver of the economy, particularly in relation to tourism....In a number of niche markets, such as diving, trekking, and village based tourism, Papua New Guinea has the potential to be a world leader. As well as those directly employed in the industry, tourism will also generate considerable opportunities for PNG’s world-renowned artisans, and for smallholders supplying produce to motels and guest houses....As yet, Papua New Guinea has not exploited the opportunities that tourism has to offer.” (MTDS, Chapter 2, Key Objectives, p. 14)

The PNG Tourism Promotion Authority (TPA) has determined that the nation’s tourism development efforts should include focused interventions in each of the nation’s three regions: the Highlands, Islands & Coastal areas. TPA seeks to focus tourism development in each of these regions so that pilot programs can be conducted with the aim of then extending and adapting the best practices from them to the other provinces across the country.

2. CBET Development Strategies

TPA’s statistics of visitors to PNG show that the targeted markets for CBET in PNG are as follows:

- By Geographic Origin, over 70% of tourists in PNG come from Japan, Australia, and USA.
- By tourism thematic areas, these same tourists generally come to PNG for trekking, WW II heritage, bird watching, surfing, culture & events, mountaineering, canoeing/ kayaking, flora/fauna tours, diving, caving, white water rafting, snorkeling, and visiting of conservation and protected areas.

To capture these targeted markets, and in addition to other tourism development measures, TPA has determined that each of PNG’s regions should develop and market its own unique offering of natural and cultural experiences through community based tourist services by utilizing the following strategies/activities:

- Develop Model Village Projects based on Nature and Cultural Experiences for locally bundled tours to include:
 - Authentic village home-stays with suitable standards for lodging and meals
 - Marine/culture/nature based activities
 - Guides/interpretation
- Town/village tourism awareness, education and pride programs
- Targeted marketing of the province's tourist services/products
- Development/improvement of locally owned tourist assets
- Development of multiplier effect business (those that indirectly benefit from tourism, such as local farmers to provide tourists' food, etc.)

C. Project Geographic Location

In order to design the most effective pilot project for the implementation phase, UNDP and TPA are in agreement that the Preparatory Assistance Project should be geographically focused in those provinces that meet both of the following two criteria:

1. Criteria One: Provinces where tourism development is a recognized priority of government -
 - These include: Milne Bay, Eastern Highlands, East New Britain, New Ireland, Madang (these are TPA's Model Provinces for Tourism Development); and the Autonomous Region of Bougainville (as ARB has identified tourism as a priority area of the peace and reconciliation development process)
2. Criteria Two: Provinces where UN agencies will have an active presence during the project implementation phase -
 - This is deemed necessary because UNDP has found that it is able to provide more cost effective delivery on projects that are geographically clustered with other UN interventions.
 - These provinces include (other than the NCD): Milne Bay, Eastern Highlands, and the Autonomous Region of Bougainville (ARB)

As the three provinces that meet both of the above criteria, the Preparatory Assistance Project will thus focus the design of the implementation phase in:

- Milne Bay,
- Eastern Highlands, and
- The Autonomous Region of Bougainville (ARB)

To varying degrees, these three provinces are also well suited for CBET development given the following advantages that they offer:

- Excellent potential to develop and market a unique offering of natural and cultural experiences through CBET services;
- A demonstrated interest at the community level to development CBET micro-enterprises as a means of improving livelihoods;
- Initial eco-tourism activities and services that include guesthouses, tours for bird watching, flora & fauna, game fishing, trekking, cultural experiences, local crafts;

While these provinces do offer the above potential for CBET development, there are also a number of ways that their nascent CBET businesses could use the assistance of a well

designed and implemented CBET development and marketing project. These areas of improvement include:

- Matching CBET products and markets – This requires researching target market(s) to ensure that the provinces' CBET services meet their customers' expectations for:
 - Types of products, service and activities,
 - Product quality, and
 - Prices.
- Competing with similar tourism destinations - Since PNG generally can not compete on the basis of price with similar destinations, its products and marketing should likely focus on PNG's positive image as a "last frontier" of vibrant indigenous cultures and biodiversity;
- Marketing – Local systems and mechanisms need to be established to connect CBET service providers to the worldwide tourism market via tour wholesalers, international and local tour agents and operators, travel books, the internet, and existing accommodation facilities;
- Increasing the tourist numbers – While the land area of PNG is significantly larger than that of the Fiji Islands, PNG as a whole only attracts a tiny fraction of the three-quarters of a million tourists that Fiji receives each year. There is therefore a great potential to significantly increase the number of tourist visitors in order for CBET to make a much larger contribution to the economic and social development of PNG.
- Increasing the amount spent by each tourist – Because PNG is an expensive destination not only to get to, but to enjoy services and activities within country as well, in the short and medium term, it will generally attract higher-end tourists who are looking for the most memorable and enjoyable experience for their money. As a result, PNG should capitalize on this target market by offering them a variety of quality services that will encourage them to spend more during their time here, and thus create a larger pie of income to be distributed for the benefit of PNG's communities.

Within each of these three selected provinces, the Preparatory Assistance Project will seek to identify one or two "best bet" communities or focus areas that will receive technical assistance for CBET development and marketing during the 4-5 year project implementation phase. As such, during the Preparatory Assistance Project the following criteria will be utilized to identify the "best bet" communities and focus areas:

- The potential, interest and capacity of the community or focus area to develop and offer the appropriate type and quality of CBET services to the targeted market/customers;
- Existing and appropriate accommodation facilities and tour operators that have the interest and capacity to offer their customers CBET services that are provided from the selected communities and focus areas;
- A proven track record of intra and/or inter community cooperation in economic or other development projects to not only enable CBET development but to reduce intra and inter community tensions and conflict;
- The opportunity to distribute the economic and other benefits of CBET equitably;
- The sustainable utilization of natural resources and culture to offer CBET services in ways that can provide lasting, concrete improvements to people's livelihoods;
- Direct and indirect tourism related micro-business opportunities that require a minimum of capital investment and are thus accessible to nearly everyone;

- An appropriate base of existing CBET services that the project can improve and/or expand as well as the opportunity to development and market some new CBET services.
- Appropriate, existing infrastructure to provide reliable, secure access for the targeted market/customers.
- The potential to offer CBET services that have a unique, competitive advantage for the targeted market/customers, as compared to similar or competing destinations and products.
- A willingness and ability to incorporate gender mainstreaming and women empowerment into the above development activities.
- Favourable law & order, and landowner context.
- Projects that promote sustainable environmental conservation.

D. The Crucial Need to Engage CSOs

The government, CSOs, CBOs, NGOs, FBOs, volunteer organizations and development partners each have a role to play in the development of PNG; and while partnerships between these sectors are evident, more of them are needed. Although government agencies play an important role, civil society is often a key participant for conducting effective initiatives at the community level. One of the main reasons for this is that their networks and leadership of countrywide activities generally have the potential to reach a greater number of target populations. As such, CSOs, CBOs, NGOs and FBOs (hereafter referred to collectively as CSOs) are very influential in Papua New Guinea communities and are essential partners in any projects that seek to achieve concrete results that truly impact people's lives. Also, because the role of the state with regard to service delivery has weakened, (at least partly because of the inefficiencies introduced by the Organic Law), many development partners support service delivery by using non-state actors such as CSOs.

There are currently a large number of CSOs that utilize both separate and overlapping networks to conduct grass roots development in PNG. The project of this document is designed to empower and coordinate one or more CSOs in order to raise their collective capacity for delivery at the provincial, district, and community levels. By so empowering these CSOs, the project realistically seeks to provide effective, community level technical support to the inhabitants of the project's provinces.

Given the current strengths and the challenges of CSOs, various international development agencies such as voluntary sending organizations (like the United Nations Volunteers), development partners, and UN agencies have a common interest to build the capacity of CSOs. Even so, much attention has often been directed solely at strengthening the capacity of regional or government bodies. The time is therefore ripe for partnerships among these development agencies to provide resources and model initiatives that can strengthen CSO capacities and facilitate their improved collaboration with communities and government partners.

This project will establish such a partnership between the project and the CSOs and communities of the selected provinces, together with local level government partners. As such, this partnership will improve the ability of CSOs to assist CBOs to develop CBET in order to contribute to the improvement of the livelihoods of the communities there.

Capacity Building during the Implementation Phase

Given the above observations, the Project's Implementation Phase staff will act as trainers-of-trainers (TOTs) in their specialized areas of CBET development in order to pass their skills and knowledge onto their local CSO counterparts, who will, in turn, provide direct training and technical assistance in CBET development and marketing to the targeted CBOs and communities in the project implementation phase.

By working as TOTs, the project's experts will thereby empower CSOs at the provincial level to provide CBET technical assistance, training and coordination in a sustainable manner to the provinces' CBOs both during the project's implementation and after its completion. By this means, it will also ensure that the knowledge and skills of the project's experts will be instilled within local CSO institutions and personnel, so that the continued development of CBET will no longer need to depend on external assistance.

II. Strategy: UNDP's Comparative Advantage as a Project Partner for CBET Development

UNDP's Mission is to act as a development partner to work toward enhanced nation building and the achievement of the Millennium Development Goals, which in the context of tourism, include the development of environmentally sustainable small business practices. Since UNDP is regarded in PNG as a neutral, honest and reliable development partner, it is in a unique position to forge new relationships between development partners and CSOs. Further, UNDP's current programme practice areas of Sustainable Livelihoods and Gender Equality are specifically designed to create partnerships with CSOs in order to produce real-world results at the provincial and community levels. As such, UNDP is particularly well positioned to facilitate CSO capacity building in CBET development projects that incorporate gender issues to create sustainable livelihoods.

UNDP further seeks to use its comparative advantages to develop CBET as one means by which it can assist PNG to conduct a form of sustainable development that seeks to improve people's lives in way that is in harmony with the environment. This is in contrast to the past belief that environmental sustainability has to be at odds with development and people's needs. Rather, UNDP bases its work on the paradigm of facilitating win-win development strategies that help people to improve their livelihoods in ways that make use of their natural and cultural resources through renewable and thus sustainable methods of development.

Another crucial aspect of UNDP's Mission is that in the years ahead, it seeks an increased focus in its activities to not only facilitate these harmonies among business, people and the environment, but to also achieve concrete results that positively affect people's lives at the community level. UNDP recognizes that the CBET niche is particularly well suited to capture the positive opportunities that a well planned and managed tourism sector can provide to the people of this nation. These opportunities include:

- The empowerment of communities to utilize their natural resources in ways that can provide lasting, concrete improvements to people's livelihoods;
- Direct and indirect tourism related micro-business opportunities that require a minimum of capital investment and are thus accessible to nearly everyone;
- Through the above measures, relieving the pressure that people currently face to produce cash income from non-sustainable land and marine resources extraction practices.

Through its worldwide experiences in development, UNDP offers an array of expertise in many key areas of technical assistance that are critical to CBET development, which include community participation & empowerment, micro-enterprise development, conservation and management of land and marine resources, protected areas management, small grants and micro-credit. From this array, UNDP has developed the following three key methodologies and modalities that, when applied together, are particularly effective at developing sustainable CBET:

- UNDP Global Best Practices
- United Nations Volunteers
- The Global Environment Facility (GEF) Small Grants Programme

While each of these methodologies will be explained in more detail below, the unique effectiveness that their combination can achieve will be explained first.

With regard to its Global Best Practices, UNDP has amassed a vast amount of lessons learned from its world-wide participation in CBET development. This enables UNDP to have a proven and comprehensive understanding of what cultural, environmental, and economic challenges and problems a project should be prepared to encounter in CBET development projects. In response to this knowledge, UNDP's global experiences have also enabled it to develop a "tool kit" of corresponding training and technical assistance solutions that can be effectively utilized to resolve these challenges.

UNDP has also found that the most cost effective means of empowering local development partners and communities with these Global Best Practices is to do so with UN Volunteers (UNVs). UNVs are world class professionals that utilize UNDP's Global Best Practices to strengthen the capacity of CSOs in order to empower them to, in turn, provide CBET technical training and assistance to CBOs at the provincial and community level.

Once a CBO has obtained the globally proven skills and knowledge for CBET development from the UNVs, they can then apply for a GEF Small Grant, which can provide much needed start-up capital to CBET micro-enterprises.

In sum, the combination of the above three methodologies is a powerful, proven and effective one because the UNVs provide communities with the globally developed skills and knowledge that they need to successfully utilize capital investment grants in order to successfully and sustainably run CBET micro-enterprises for the improvement of their livelihoods. By contrast, projects and CBET development approaches that provide communities with either the training they need, or the start-up capital, but not both, tend to have very limited success. Each of these three methodologies is explained in more detail below:

A. UNDP Global Best Practices in CBET Development and Marketing

Through its global experiences in working with diverse communities and cultures from many nations, UNDP has compiled lessons learned from a wide range of CBET development projects into its Global Best Practices for CBET Development and Marketing. These best practices represent the collective skills and knowledge that have proven to be most successful at developing sustainable CBET in order to improve the livelihoods of many people around the world.

In contrast to other development projects that are generally limited to the technical training of local participants, UNDP has found that the overriding key to the successful development and marketing of CBET is that the training involved is largely cultural in nature. With this in mind, the best means of assisting communities to develop CBET can essentially be understood as a process of establishing sustainable businesses that bridge two cultures. This is because an essential part of the development of CBET is to assist a local culture to understand the following two matters that are generally foreign to their own cultural context:

- 1) What is the 'culture' or concept of tourism in general; and,
- 2) What are the expectations, likes, and dislikes of tourists from other cultures?

To explain, many of the communities that wish to be CBET services providers and entrepreneurs have not been tourists themselves and thus have no cultural reference to intuitively understand what a tourist wants to experience during their travels. In other words, taking vacations to visit and get to know other ways of life and natural habitats is not something that they have experience with or can relate to. This is why CBET projects must provide specific training to allow local residents to understand the culture or concept of tourism in general.

Compounding this challenge is the fact that local residents usually have not had an opportunity to get to know and understand people from other cultures, and in particular, what those other cultures want and expect from their travels.

As mentioned above, the primary tool that is used in building this cultural bridge is the training or capacity development provided by UN Volunteers, working as trainers-of-trainers of local professionals from NGOs and CSOs. While UNDP's Global Best Practices offer the advantage of effectively building this bridge by addressing the cultural challenges of CBET development with a corresponding tool kit of training solutions, it has been UNDP's experience that a key pitfall of many CBET development projects is their failure to sufficiently provide such solutions for addressing the local culture's lack of perspective or understanding about both tourism in general and other culture's tourism related expectations and preferences. This critical failure usually has its source in a fundamental misunderstanding about the role that local residents need to play as CBET service providers. While it is true that, on the one hand, residents often have hundreds if not thousands of years of extensive expertise with building local accommodation, cultivating and processing local foods, and exploring the local flora and fauna; on the other hand, they do not have experience in running small, cash based businesses that showcase their local culture and environment to foreign visitors as a leisure activity. Many projects thus fail to effectively address the fact that while local persons certainly do not need any training to conduct the former activities, which are their historical livelihoods, those skills are nonetheless quite distinct from the latter activities, which do require an understanding and training of many foreign cultural concepts and practices.

While successful CBET development requires a development partner that can not only address the many cultural challenges with appropriate training solutions, it is essential that these matters are addressed by a project in an integrated fashion. To underline this point, the interdependency of the challenges and training solutions of CBET can be compared to links in a chain, such that if any one of them is not properly connected and functioning with the others, the businesses of CBET that bridges two cultures will not succeed.

Some of the more critical links in this chain which are addressed by UNDP's Global Best Practices are the following:

CULTURAL CHALLENGE	CORRESPONDING TRAINING SOLUTION
<ul style="list-style-type: none"> Understanding the culture and concept of tourism in general 	<ul style="list-style-type: none"> "Seeing is believing": Practice tourist visits are utilized to expose local residents to tourists' enjoyment of local customs, livelihoods, and even daily chores; and, their willingness to pay for that enjoyment.

CULTURAL CHALLENGE	CORRESPONDING TRAINING SOLUTION
<ul style="list-style-type: none"> • Difficulty in perceiving the likes/dislikes of other cultures for food, lodging, tours, etc.; and the corresponding challenge of training locals to satisfy such preferences that they cannot easily perceive. 	<ul style="list-style-type: none"> • Repeated, detailed, on-the-job training to understand/ perceive other culture's preferences for lodging, meals, tours and other CBET services; and, how to offer appropriate CBET services that meet those preferences.
<ul style="list-style-type: none"> • How to explain the local residents' customs, livelihoods, and chores to foreign tourist is not intuitive since such information and its details are often assumed to be known or not interesting. 	<ul style="list-style-type: none"> • Training that involves CBET services development which includes the specific details and etiquette that foreign tourists expect during meals, tours, activities and demonstrations.
<ul style="list-style-type: none"> • Setting prices of CBET services to maximize the local residents' profits: the tendency is to charge prices that are too low or too high since local residents are not aware of the value that CBET customers place on their services. 	<ul style="list-style-type: none"> • Pricing research from competing market destinations and corresponding price setting advice for CBET service providers.
<ul style="list-style-type: none"> • Marketing: Successfully attracting foreign tourist customers can be a cultural and technological mystery to local residents. 	<ul style="list-style-type: none"> • Market research of the different target markets (Europe, Japan, Australia, North America, etc.) • Establish marketing mechanisms/systems that connect world markets to CBET enterprises
<ul style="list-style-type: none"> • Families/clans not participating in CBET can be envious of the financial rewards of those families that are, resulting in interference or security problems for tourists. 	<ul style="list-style-type: none"> • Establish locally appropriate institutions or organizations that channel a proportion of CBET profits to development projects that benefit the entire community.
<ul style="list-style-type: none"> • Many others, such as: Product/market match, language barriers, hygiene for food & lodging, garbage disposal and recycling. 	<ul style="list-style-type: none"> • Integrating technical training and public education/outreach into the project to address these and other related challenges.

While the above matrix of cultural challenges and the corresponding training solutions are critical to the successful development of CBET, it is essential that they also be accompanied in an integrated manner with technical and other training in order to assist NGO and CBO project partners and participants to acquire skills and knowledge of the following:

- Basic accounting and business management skills
- ICT skills (fax, HF radio, computers, etc.)
- Fund administration, management and disbursement
- HIV prevention and community mobilization for behaviour change
- Gender equity and equality

B. GEF Small Grants Programme

The Global Environment Facility (GEF) Small Grants Programme (SGP) can provide financial and technical support to projects in developing countries that conserve and restore the natural world while enhancing well-being and livelihoods. The SGP demonstrates that community action can maintain the fine balance between human needs and environmental imperatives. SGP strengthens the synergy between the global, national and local levels through a transparent, participatory and country-driven approach in project planning, design and implementation.

The principle objectives of the Small Grants Programme are to:

- Demonstrate community-level strategies, activities and technologies that could reduce threats to the global environment if they are replicated over time;
- Draw learned lessons from community-level experience, and support the spread of successful community-level strategies and innovations among CSOs, host governments, development aid agencies, the GEF, and others working on a larger scale; and
- Provide small grants up to a maximum of \$50,000 USD per grant, to help environmentally sustainable micro-enterprises with their capital start-up costs.

C. United Nations Volunteers (UNVs)

The third critical, comparative advantage that UNDP offers for effective CBET development is UN Volunteers as the modality through which UNDP empowers CSOs and thus CBOs with its Global Best Practices for CBET Development. UNVs offer a unique advantage over the experts of other development partners because they offer the best of best worlds between world class, international consultants and volunteer community workers.

- World class, cost effective expertise: As world class mid-career professionals that are experts in their field, UNVs offer the same level of expertise in CBET development as international consultants that generally cost twice as much.
- Longer term, community based assistance: Unlike similarly qualified international consultants that may prefer to be based in large cities and/or require a different level of living accommodations than can be provided in the field or in the provinces, UNVs routinely work in long term assignments at the provincial level where they can make more direct impacts in their project work.
- Hand picked, with global recruitment: UNVs' advantage over other community level volunteers is that instead of the project being assigned a volunteer, project partners can advertise for each UNV position globally and participate in the recruitment and interviewing of the candidates in order to hand pick the best candidate for the project.
- South-South cooperation: As nationals of developing countries, many UNVs offer an effective form of south-south cooperation when such qualifications are deemed advantageous to a project.
- High level of dedication: UNVs are specially selected professionals that demonstrate a volunteer spirit for achieving high results.

III. Project Vision

Developing CBET

The vision of what CBET should be in PNG is based on the successful integration of the following complementary aspects of nature and culture based tourist services and businesses:

1. Existing accommodation facilities, such as hotels, lodges and guest houses with varying degrees of conventional creature comforts, and existing tour operators, will both work in close collaboration with surrounding communities to provide such businesses' customers with:
 - o Community based nature and culture based services (birding and fishing activities with local guides, rustic locally owned and operated guest houses, traditional arts and crafts activities, trekking, and other nature and culture based activities conducted by local, community based service providers)
2. Developing and utilizing marketing mechanisms to jointly market the complementary services of conventional accommodations, tour operators, and community based services and activities.

UNDP and TPA agree that the above, integrated vision is an effective way to attract and satisfy higher-end and thus higher spending eco-tourists who seek to enjoy quality nature and culture based (eco-tourism) activities, in remote destinations like PNG. The existing accommodation facilities and tour operators can serve as bases from which such tourists can enjoy day-trips or overnight adventures of community level culture and nature based services, given that these services and adventures are the heart of their traveling experience. As such, the integrated development and marketing of such existing businesses with CBET services is based on an interdependent relationship such that each needs the other in order to make eco-tourism function as a sustainable business.

By contrast, eco-tourism business models that are not based on the above, integrated synthesis tend to suffer from the following problems:

- CBET services that try to operate in isolation and without some connection to more capital intensive hotel and lodge facilities usually have a very difficult time satisfying their customers' quality and comfort expectations, and the CBET services often lack the necessary marketing mechanisms to attract customers.
- Hotels and lodges, on the other hand, that operate in isolation from their surrounding communities, may face the increased likelihood of land ownership and other disputes with the surrounding communities especially when the hotels do not work with the communities to make an equitable distribution of the financial benefits of CBET services.

In the end, by designing and operating nature and culture based tourism businesses that utilize this model of cooperation and integration, the parties involved will benefit in the following ways:

- Communities will benefit by having a more reliable source and volume of higher-end customers to whom they can sell their tourist services and products, thus increasing the financial benefits to the participating communities;
- Existing accommodation facilities and tour operators will benefit in several ways:
 1. They avoid disputes with traditional land and resource owners and as such maintain secure access to the nature and culture based attractions that their customer come to enjoy;
 2. By connecting their customers to CB services, they can usually offer more genuine, more diverse, and thus more enjoyable cultural activities to their customers.
- The customer (tourists) will benefit by enjoying the best of both worlds of eco-tourism:
 - a. Reliability and comfort in lodging, transportation and other logistics that communities can not usually provide; and
 - b. Secure, exotic, and satisfying nature and culture based activities that are of the genuine, "off-the-beaten-track" variety which higher-end eco-tourist want.

The Need to Match CBET Supply and Demand

Since CBET is a business that depends like any other on the successful linking of product supply (tourist service providers) with demand (tourist customers), before any successful product development can take place, it is essential to understand what products and services the customers will demand and be satisfied with. By simple analogy, before undertaking to build and sell a new vehicle, a successful auto manufacturer will first investigate the market to determine what kind of vehicle consumers want in terms of features, price, and quality in order to ensure a match between what the market demands and what the suppliers provide. The same principle applies with equal force to nature and culture based eco-tourism enterprises and businesses. This is particularly true for expensive, niche destinations like PNG which require eco-tourists to spend a lot of money to arrive from their homes and enjoy their desired activities at the destination. These high costs, in turn, carry with them not only the benefit of higher-end tourist that are willing to pay more for their services and activities, but the corresponding responsibility of tourist service providers to meet their tourists' high and specific expectations about the level of quality that they will receive.

In other words, for CBET to be successful and thus sustainable, it is essential that the kind, quality, and price of tourist services match the expectations of the tourist customers. For example, if the kinds of tourists that would likely come to PNG would want and expect to stay in a Five Star Hotel, a project that failed to properly understand and cater to this market reality from its beginning and instead offered Three and Two Star facilities would inevitably disappoint and thus lose its customer base. Similar matches between CBET services and customer expectations are essential with regard to food services, tours and activities, guides, etc.

With the above considerations in mind, prior to starting the development of the above integrated vision for CBET in the Implementation Phase, it is essential during the

Preparatory Assistance Project to first conduct a top quality, thorough investigation that will address the following two matters:

- DEMAND SIDE RESEARCH -- What is the target market and what does it want?
An internationally respected eco-tourism, market research consultant that is familiar with PNG will need to determine:
 - What kinds of tourists would want to come to the project's selected three provinces (Milne Bay, Eastern Highlands, and ARB) for nature and culture based activities and tourist services?
 - What kinds of activities would they want to engage in there?
 - What level of quality would they expect, from lodging, tours, food, etc?
 - What prices would they be willing to pay?
 - What are their countries of origin?
 - What specific marketing methods, mechanisms and activities can best reach them?
 - With regard to all of the above, how can the three provinces' CBET products and services offer a unique, comparative advantage to those that are available to the target market in competing destinations ; or, how can the CBET products and services of the three provinces best compete for tourists who wish to visit similar travel destinations in the world?

- SUPPLY SIDE RESEARCH -- What is the product potential for the three provinces , and how could it be developed/improved? With regard to this, research must also be conducted to make an assessment of:

Communities

- What nature and culture based CBET attractions and activities could communities offer to match the expectations of the targeted market?
- What communities or focus areas would be willing and capable to provide the desired CBET services to the target market?
- What training and other support would those communities need to successfully develop and market such CBET services?

Existing Facilities

- What are the current service providers (hotels, guest houses, airlines, tour operators, etc.) that would be willing and capable to provide their customers with CBET services from the surrounding communities?
- What existing infrastructure and local government support is there to make CBET development feasible?

IV. Project Phases

The development of the above vision for CBET will involve the following two Phases:

1. 12-month Preparatory Assistance Phase
 - This is the phase that is explain in this document.
 - The principal devliverable of this phase is a Project Document that sets out the plans and designs for the Implementation Phase
2. 4-5 year Implementation Phase
 - To be conducted as set forth in the Project Document deliverable from the Preparatory Assistance Phase.

A. Preparatory Assistance Phase

Partner Roles

To summarize, the Project Partners Roles during the Preparatory Assistance Phase are as follows:

- Financial Funding - UNDP
- Executing/Implementing Agency - TPA
- Project Finance, Procurement, Logistics, and Monitoring - UNDP

Accordingly, during the 12-month Preparatory Assistance Phase, TPA and UNDP will jointly act as Project Managers and Implementers. Further, in conjunction with TPA counterparts, UNDP will utilize its Global Best Practices in CBET Development to assess and research communities, existing tourism facilities, and project partners in connection with its overall role of coordination, management and implementation of the Preparatory Assistance Phase with TPA.

In-Kind Contributions

In addition to UNDP's financial contribution, the partneres will also provide the following In-Kind Contributions to the Preparatory Assistance Phase:

TPA

- Office space and furniture for 2 Project Personnel, including access to and use of phones and internet; Technical backstopping and coordination to project personnel by designated TPA counterpart staff.

UNDP

- Technical assistance and project backstopping from UNDP Sustainable Livelihoods Programme Officers.

Value of Partner Contributions:

UNDP Financial Contribution	USD \$197,000
TPA - In-Kind Contribution (value).....	USD \$78,000 (2 project personnel, access to and use phones and internet)
Total Value of Project:	USD \$ 275,000

Preparatory Assistance Phase Components and Objectives:

The Preparatory Assistance Phase will involve the following Components, Objectives and Persons Responsible:

Component	Objectives	Persons Responsible
1. Assessment of Communities and Current Tourist Facilities as Project Implementation Phase Partners and Participants	<ul style="list-style-type: none"> Identify which communities have the best potential, interest and capacity to participate in Project Implementation Phase to develop and market CBET services in conjunction with existing accommodation facilities and tour operators. 	<ul style="list-style-type: none"> United Nations Volunteer (UNV) CBET Development Specialist, as Project Manager (PM), working closely with designated TPA PNG National Counterpart Staff.
2. Market Research Study	<ul style="list-style-type: none"> Assess what is the comparative advantage of current and potential nature and culture based tourism products in the selected provinces for the target markets. Identify corresponding target markets and their expectations Recommend corresponding marketing methods, strategies, and mechanisms for the target markets 	<ul style="list-style-type: none"> Consultant
3. On Site Research: Field Based Trips	<ul style="list-style-type: none"> Provide Preparatory Assistance Project participants with hand-on, on-site access to products, communities, tourist facilities, and stakeholders By making such field visits jointly for components 1 and 2, the Preparatory Assistance Project participants will incorporate each others' diverse, interdisciplinary expertise into each others' assessments. 	<ul style="list-style-type: none"> Preparatory Assistance Project Participants (UNV, TPA counterpart, Market Research Consultant)
4. Consultation with Stakeholders, and Assessment of Project Implementation Phase Partners	<ul style="list-style-type: none"> Incorporate feedback, expertise and best practices from diverse stakeholders into Project Implementation Design Establish project partnerships for Project Implementation Phase Support PNG Government MTDS review process for tourism 	<ul style="list-style-type: none"> PM and UNDP Sustainable Livelihoods Programme Staff in coordination with TPA and UNDP.
5. CBT Marketing Mechanism	<ul style="list-style-type: none"> Develop and launch (or improve an existing) marketing mechanism for CBT services in PNG (as by adapting/expanding PNG Surf Assoc. best practice, or other best practices 	<ul style="list-style-type: none"> Market Consultant, UNV, and TPA and other possible partners
6. Production of Project Document for Project Implementation Phase	<ul style="list-style-type: none"> Combine results from above components to draft Project Document for Implementation Phase 	<ul style="list-style-type: none"> PM

Preparatory Assistance Phase Schedule & Cost of Components

Components	Months						Cost USD (Kina)
	1	2	3	4	5	6	
1. UNV CBET Specialist, Project Manager (PM) Components:							\$70,000
• Preparatory Assistance Phase Management and Coordination							
• Assessment of communities and current tourist facilities as Project Implementation Phase Partners and Participants							
• Consultation with Stakeholders, and Assessment of Implementation Phase Partners							
• Production of Project Document for CBET Development							
2. Develop and launch CBT Marketing Mechanism							Included in other costs
3. Market Research Study							\$50,000
4. On-Site Research and Project Monitoring							\$50,000
5. Project Operations Assistant							\$12,000
6. Office Equipment for project staff							\$5,000
7. Miscellaneous							\$10,000
Total							\$197,000

B. Project Implementation Phase

For the Implementation Phase, UNDP can fulfill these roles:

- § Project Management, Implementation, and Backstopping
- § Utilize Global Best Practice in CBET Development
- § Assisting with resource mobilization and project partnering

- Project Management, Implementation and Backstopping

UNDP, with government civil society partners, can function as the overall Project Manager and Implementer to assist with the delivery of training and support for sustainable CBET development and marketing.

- Utilize Global Best Practices in CBET Development

Through a combination of UN Volunteers (UNVs) and National staff, and in conjunction with other project partners, UNDP can provide technical assistance based on its Global Best Practices in CBET Development for product and service development and marketing.

- Resource Mobilization

UNDP can assist the Project to mobilize resources from two distinct resources from the Global Environmental Fund (GEF):

- GEF Small Grants

The Global Environment Facility (GEF) Small Grants Programme (SGP) provides financial support to projects in developing countries that conserve and restore the natural world while enhancing well-being and livelihoods. As such, CBOs of the CBET Project could apply for small grants of up to \$50,000 USD per grant to help environmentally sustainable CBET micro-enterprises with their capital start-up costs.

- GEF Project Funds

In addition to the above GEF Small Grants, certain funds have been specifically earmarked by GEF for large scale conservation projects in PNG, which projects can include CBET components. UNDP is working with other development partners to continue the process of mobilizing GEF resources for use in a large scale conservation project that could include a CBET development component.

With the above Project Partner roles, and as determined in the Project Document from the Preparatory Assistance Phase, the Implementation Phase will develop and establish marketing mechanisms for CBET products and services in selected areas. While the details of the Implementation Phase will, of course, be determined in the Preparatory Assistance Phase, it is likely that the Implementation Phase will include the following two Stages:

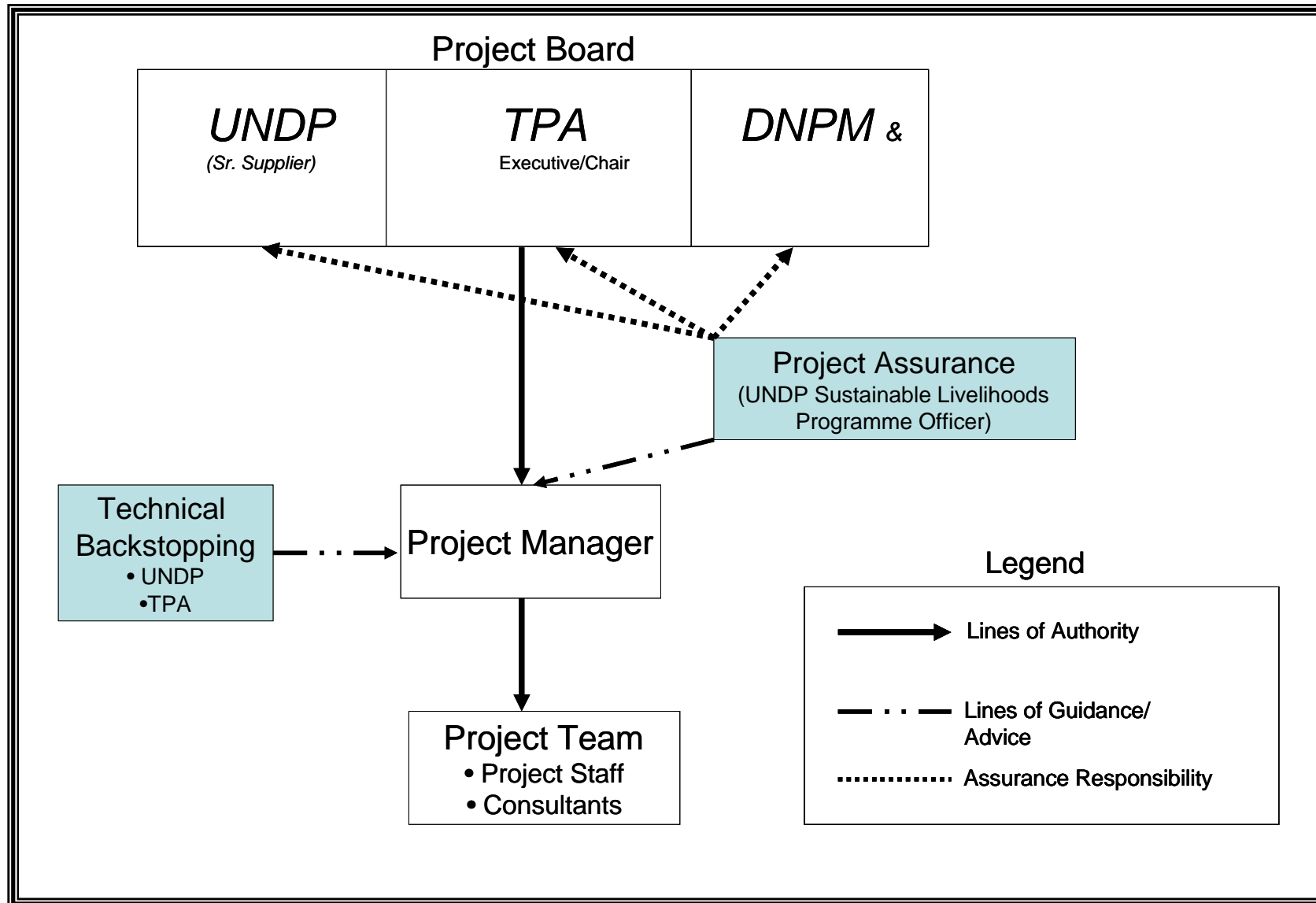
V. Project Results, Resources Framework and Annual Work Plan and Budget

Intended Outcome as stated in the Country/ Regional/ Global Programme Results and Resource Framework: By 2012, rural communities in selected provinces of each region use improved sustainable livelihoods practices
Outcome indicators as stated in the Country/ Regional/ Global Programme Results and Resources Framework, including baseline and targets: Training on more sustainable use of community resources; selected communities have the capacity to access funding and manage small grants projects
Partnership Strategy – NEX with CO Assistance by UNDP
Project title and ID (ATLAS Award ID): CBET Development - Preparatory Phase

EXPECTED OUTPUTS	INDICATIVE & PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount USD (PNG K)
1. CBET Market Research Study	Based on joint field visits to the selected provinces with the other project staff, conduct supply side assessment of potential and current CBET products/service for the target markets/customers.					Consultant	UNDP		\$65,000
	Conduct demand side analysis of the potential CBET tourist profile for the selected provinces					Consultant			
	Based on the above, and in consultant with the project s taff, produce a report with recommendations about the detailed nature of the CBET products/services that the selected provinces should develop that will offer unique products with a comparative advantage for their target markets, and, what specific marketi ng methods and mechanisms should be utilized to reach those markets.					Consultant			
	Colaborate with other project staff to develop and launch CBET Marketing Mechanism								
2. CBET Development Project Document	Based on joint field visits to the sel ected provinces with the Market Research Cosultant, conduct field based trips in the selected PNG provinces to determine supply side potential and feasibility, demand side match, and what specific forms of assistance (capacity building, financial, and others) would be needed in the implementation phase.					UNV PM & TPA Counpterpart			\$105,000
	Consultation with Stakeholders, and Assessment of Project Implementation Phase Partners including resource mobilization					UNV PM & TPA Counpterpart			
	Production of Project Document for CBET Development in the selected Provinces					UNV PM			
	Colaborate with othe project staff to develop and launch CB ET Marketing Mechanism								
TOTAL	Including other associated costs with the above outputs and activities (ofice supplies, ICT equipment and services, project operational assistant, project monitoring, and miscellaneous expenses)								\$197,000

VIII. Project Management Arrangements

A. Project Management Structure



B. Project Management Components

1. Project Board

The Project Board will be the overall coordinating body and will consist of the following members:

- Executive Member/Chair - TPA
- Senior Supplier - UNDP
- Senior User – DNPM

Roles of the Board Members:

Executive Member – The Executive Board Member represents the organization that has the ultimate accountability for the success for the project; and in a UNDP NEX Modality Project, that is the Government Agency that acts as the Executing/Implementing Partners for the Project. The Executive Board Member thus ensures that the project represents value for money and follows a cost-conscious approach while balancing the needs of the users and suppliers.

Senior Supplier – The role represents the resources that provide for the development, facilitation and implementation of the project.

Senior Users – The Senior User role is accountable for ensuring that requirements are fully and accurately specified, making sure that what is delivered is fit for the purpose and that the solution meets the user's needs within the constraints of the Project design and purpose.

Function of the Project Board

The role of the Project Board (PB) is to offer guidance on overall project implementation and direction, review progress (via reports and work plans submitted to the PB), request and provide reporting information and solve problems.

The Project Manager (PM) is responsible for the day-to-day implementation of the project. The PM will coordinate on a daily basis with the TPA staff Project Coordinators, and report to the PB on a quarterly basis. During project initiation and set-up more frequent meetings of the PB, or specific technical meetings between may be required.

The PM will develop an inception report and work plan of the project, prior to the project implementation, and submit to the PB for review and appraisal. Any amendment of the work plan will be discussed at the PB meetings, and will be up-dated accordingly..

2. Project Manager

The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

3. Project Assurance:

The Project Assurance role is the responsibility of each Project Board member. However, the role can be delegated. The project assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. During Project implementation, this role ensures appropriate project management milestones are managed and completed, UNDP designates a person to provide this oversight, which is mandatory for all projects. The Project Manager and Project Assurance roles should never be held by the same individual for the same project. A UNDP Programme Officer typically holds the Project Assurance role and the project board will be assigning this role during its first meeting.

4. Technical Backstopping and Project Support

The UNDP Environment Unit will provide technical and managerial assistance throughout the project including project monitoring and assurance. The team will backstop all technical aspects of the projects and will also ensure that sufficient and effective logistical support services will be provided to the project team placed in the TPA premises.

5. Project Risk Log

The purpose of the Risk Log is to provide a repository to the Project Board and the Project Team of information about any risks to the project, their analysis, countermeasures and status.

The Risk Log is included in the Project Document. Afterward, the Project Board approves the initial draft of the Risk Log and every new risk that recorded for duration of the project. Once a consensus on the risks has been reached by the Board and the project award has been created in Atlas, the risks will be recorded in UNDP's project management software (Atlas). As such, the Risk Log will be maintained in Atlas for the duration of the project; and the information entered will be reflected in the Atlas Project Quarterly Progress Report. New risks will be recorded into Atlas with the Project Board approval only.

While it is the responsibility of the Project Manager to maintain and update the Risk Log and ensure that risks are identified, communicated, managed effectively and that the Board is informed of new risks; the Board alone has final authority over the selection of the project risks to be recorded in Atlas. The Project Board also has the responsibility to continually check external events for external risks, and to keep the Project Manager apprised of such developments.

Risk Log –

#	Risk	Category of Risk	Impact & Probability ²	Countermeasures / Management response ³	Owner	Author	Date Identified	Last Update	Status
1	Delayed Recruitment of Project Staff	Operational	Impact: Delay of project work plan P = 4 (likely)	Reduction: Due diligence in hiring process Contingency/Response: Adjust project schedule as needed	UNDP	UNDP	4 / 2007	4 / 2007	Future possibility
2	External Impacts	Environmental, Political, Regulatory, Security, or Strategic.	Impact: Project Could be delayed or terminated P = 1 (low)	Contingency: Project Board to keep appraised of external factors that may effect project, and advise Project Manager of appropriate responsive actions.	Project Board	UNDP	4 / 2007	4 / 2007	Future possibility
3	Tourism Market Demand Changes	Political, Cultural, or Security.	Impact: Project justification and strategy could change P = 1 (low)	Contingency: Author to keep appraised of the risk, and advise the Project Manager of any contingent or responses actions for changes in the Project.	Market Research Consultant	UNDP	4 / 2007	4 / 2007	Future possibility
4	Increase Project Costs (from those projected in Project Document Budget)	Financial	Impact: Decrease or cancellation of certain project activities	Contingency: Project Manager and Board to decrease or change Project Activities as needed.	Project Manager	UNDP	4 / 2007	4 / 2007	Future possibility

² Probability: Ranges from 1 to 5: 1 (low probability); 2 (fairly low probability); 3 (fairly likely); 4 (likely); 5 (very likely).

³ Possible counter measures include: Prevention; Reduction; Transference; Acceptance; Contingency/Response.

#	Risk	Category of Risk	Impact & Probability ²	Countermeasures / Management response ³	Owner	Author	Date Identified	Last Update	Status
			P = 1 (low)						
5	Misinterpretation of Prep. Phase purpose/ expectations at the provincial & community levels	Cultural	Impact: Frustration or lack of cooperation at community level P = 4 (likely)	Prevention/Reduction: Project Staff to utilize culturally appropriate strategies and methodologies to prevent/reduce confusion.	Project Manager	UNDP	4 / 2007	4 / 2007	Future possibility
6	Lack of interest / Capacity for CBET Dev at the community level	Cultural	P= 3 (fairly likely)	Contingency: Implementation Phase will include strategies to address lack of capacity or interest.	Project Manager	UNDP	4 / 2007	4 / 2007	Future possibility
7	Lack of CSO partner availability/ capacity/ Interest to participate in Implementation Phase	Strategic	Impact: Strategic changes in, or cancellation of Implementation Phase P= 3 (fairly likely)	Contingency: Implementation Phase will include strategies to address lack of capacity or availability.	Project Manager	UNDP		4 / 2007	Future possibility
8	Provincial Government Support	Political, Strategic	Impact: Interference with Project Activities P= 2 (fairly low)	Contingency: Implementation Phase will include strategies to address any lack of support or cooperation.	Project Manager	UNDP		4 / 2007	Future possibility
9	Donor Support for Implementation Phase	Strategic	Impact: Reduced budget or cancellation of Implementation	Contingency: Implementation Phase budget will be adjusted according to actual donor support.	Project Manager, Project Board, &	UNDP		4 / 2007	Future possibility

#	Risk	Category of Risk	Impact & Probability ²	Countermeasures / Management response ³	Owner	Author	Date Identified	Last Update	Status
			n Phase P = 2 (fairly low)		UNDP				
1	Cultural Impediments to CBET Development at Intra and Inter Community Levels	Cultural	Impact: Decreased or Lack of product development potential P= 3 (fairly likely)	Reduction: Culturally appropriate methodologies employed to reduce and prevent such cultural impediments Contingency: Implementation Phase will concentrate in those areas where such impediments are minimal.	Project Manager	UNDP		4 / 2007	Future possibility

C. Management and Execution Modalities

The project will be nationally executed (NEX) by the Tourism Promotion Authority (TPA) as the Executing Agency (Implementing Partner). The NEX execution modality shall be subject to the rules and regulations as laid out in the UNDP User Guide. The day-to-day project implementation will be carried out by the project team which will be located in the TPA premises and which will be headed by a Project Manager.

Overall responsibility for project implementation and reporting shall lie with the Executing Agency, TPA. A senior TPA staff member will be designated to act as focal point and National project Director (NPD) for the project. The Project Manager will be directly reporting to the National Project Director who will ensure that the project is being implemented according to the Project Document and work plan. The NPD will be the main focal point responsible for the project and will be responsible for ensuring coordination among the project partners. The PM of the project shall be responsible for the day-to-day management of the project supporting the role of the NPD.

D. Financial Management Arrangements

UNDP Country Office Support Services

The UNDP PNG Country Office will provide support services for the project as described in the attached 'Standard Letter of Agreement for Provision of Support Services' (Annex 1). These support services will be provided by UNDP throughout the project for all project disbursements (direct payments), procurement of goods and services, recruitment of project staff or sub-contractors of any of the project deliverables.

Micro-Assessment

As a standard procedure and requirement for all UNDP NEX projects that involve National Government Executing/Implementing Partners, UNDP will assist TPA during the Preparatory Assistance to assess, and if need be strengthen, TPA's financial and administrative delivery capacity to act as the Executing/Implementing Partner for the project's 5-6 year Main Implementation Phase of CBET Development. This approach is in line with UNDP's strategy to develop and support national capacities and systems through which development assistance shall be channeled. Before an Executing Agency can fully take over administrative and financial delivery of project resources a so-called micro assessment will be carried out during the course of the preparatory assistance phase of the project. However, such an assessment is not carried out to establish conditionality but a review of the executing partner's financial management capacity. An outline of the Micro-Assessment purpose and process is attached in Annex II

VII. Legal Context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of Papua New Guinea and the United Nations Development Programme, signed by the parties on 7 April 1981. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement. UN Volunteers participating in the project shall, consistent with and to the extent provided in the Standard Basic Agreement, be deemed to be 'persons providing services on behalf of UNDP'.

The following types of revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided he or she is assured that the other signatories of the project document have no objections to the proposed changes:

- (a) Revisions in, or addition of, any of the annexes of the project document (with the exception of the Standard Legal Text for non-SBAA countries which may not be altered and the agreement to which is a precondition for UNV/UNDP assistance);
- (b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by rearrangement of inputs agreed to or by cost increases due to inflation; and
- (c) Mandatory annual revisions, which rephrase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

All signatories to the Project Document must sign the budget revision when it involves a change in the project objectives or outputs. In other cases, the Resident Representative alone may sign, provided that the other signatories have no objections.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the implementing partner.

The executing agency shall:

- d) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried out;
- e) Assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

VIII. Monitoring and Evaluation

During the implementation of the project, the PM will furnish quarterly progress reports to the Project Board, describing the progress of the project activities, financial statement, obstacles encountered against the workplan and how they are solved and/ or to be solved, and lesson learned. In addition, the PM will develop monthly work plans and monthly brief progress reports, and submit to designated representatives of the Project Board and Project Assurance. Lastly, the PM will develop a final report or project terminal report with recommendations, and submit to the related stakeholders at the end of the project implementation. In support of and in conjunction with the above, the Project Board will delegate the Project Assuror to undertake at least quarterly visits to continuously monitor the project activities at the local level.

Monitoring will be carried out as per the project communication and monitoring plan.

Project Communication and Monitoring Plan

Date: August, 2007

Award ID: _____

Description: Project Communication and Monitoring Plan for the CBET Development Preparatory Assistance Phase Project

Type of Action	Responsible Party	Due by	Completed on	Status
Press Events <ul style="list-style-type: none"> • Pro Doc Signing • Other events as needed 	Project Manager and Board	Event Drive		
Monthly Quality Assurance Meetings <ul style="list-style-type: none"> • UNDP Sust. Liv PO to meet with Project Manager to assess project progress • Product of meeting is Highlight Report to Project Board 	UNDP	End of the Month		
Quarterly Project Monitoring Visits/Trips <ul style="list-style-type: none"> • Representatives from UNDP, TPA to make quarterly visits to monitor field based work of project, and report findings to Board 	Representatives of UNDP, TPA,	Every 3 months		
Project Highlight Reports <ul style="list-style-type: none"> • Deliverable from Monthly Quality Assurance Meetings 	Project Manager	Monthly		
Exception Reports <ul style="list-style-type: none"> • Project Manager to submit Exception Reports to the Board as soon as a deviation in project plans, quality or tolerance is forecast. 	Project Manager	Event Driven		
Explanation of PA to Communities & Provincial Governments <ul style="list-style-type: none"> • Project staff and consultants to engage provincial governments and communities during PA in a manner that avoids confusion and does not create unrealistic expectations. 	Project Manager	Throughout the PA		

X. Annexes

Annex 1:
Micro-Assessment of UN Project Partners

Annex 2:
Standard Letter of Agreement for Provision of Support Services

Annex 3:
Annual Workplan of Project