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MULTILATERAL INVESTMENT FUND

ECUADOR

**JOB COMPETENCIES CERTIFICATION SYSTEM
IN THE TOURISM SECTOR**

(EC-M1002)

DONORS MEMORANDUM

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CONTENTS

EXECUTIVE SUMMARY

I.	BACKGROUND.....	1
II.	OBJECTIVES, COMPONENTS AND ACTIVITIES	3
III.	COST AND FINANCING	6
IV.	EXECUTION MECHANISM	7
V.	MONITORING AND EVALUATION.....	8
VI.	BENEFITS AND RISKS.....	9
VII.	SOCIAL AND ENVIRONMENTAL CONSIDERATIONS	10

ANNEXES

Annex I	Logical framework
Annex II	Budget and Gantt chart

INFORMATION AVAILABLE IN THE PROJECT TECHNICAL FILES

Document I	Operating Regulations
Document II	Terms of reference for the director, coordinators, and consultants
Document III	Executing agency financial statements and articles of association
Document IV	Project execution chart
Document V	Work plan
Document VI	UNDP and Monterrey Technological Institute studies
Document VII	Analysis of tourism in Ecuador

ABBREVIATIONS

CAPTUR	Cámara de Turismo Provincial [Provincial Chamber of Tourism]
CESI	Committee on Environment and Social Impact
CNCF	Consejo Nacional de Capacitación y Formación Profesional [National Vocational Training and Education Council]
CU	Coordinating unit
FENACAPTUR	Federación Nacional de Cámaras Provinciales de Turismo [National Federation of Provincial Chambers of Tourism]
GDP	Gross domestic product
HI	Hospitality Institute, Brazil
INEN	Ecuadorian Standards Institute
OAE	Organismo de Acreditación Ecuatoriano [Ecuadorian Accreditation Agency]
OR	Operating Regulations
MPPMR	MIF Project performance monitoring report

JOB COMPETENCIES CERTIFICATION SYSTEM IN THE TOURISM SECTOR

(EC-M1002)

EXECUTIVE SUMMARY

Executing agency:	Federación Nacional de Cámaras Provinciales de Turismo [National Federation of Provincial Chambers of Tourism] (FENACAPTUR)	
Beneficiaries:	Sixty instructor/evaluators will be trained on the standards developed under the project and the related evaluation and certification processes; 1,500 workers from three subsectors will receive training; 1,000 people including employees and self-employed individuals will be certified; and 5,000 people will be sensitized to the importance of the new standards adapted to local conditions in Ecuador. Participating education centers will also benefit.	
Financing:	Modality:	Nonreimbursable
	MIF (Facility II)	US\$ 778,385 (70%)
	Local counterpart:	US\$ 329,659 (30%)
	Total:	US\$1,108,044
Objectives:	<p>The general objective of the project is to promote higher quality tourism-sector products and services, in order to make Ecuador more competitive as a world class destination. The purpose is to adapt and validate a job competencies certification system for workers in the hospitality, food and beverage, and travel agency subsectors of the Ecuadorian tourism industry. The system will include standard setting, training of trainers, compliance evaluation, certification, and publicizing outcomes.</p> <p>The project has four components: (i) Customize standards; (ii) Train trainer-evaluators on the standards; (iii) Implement standards and certify workers; (iv) Raise awareness and publicize outcomes.</p>	
Execution timetable:	The project has a 36-month execution period and a 42-month disbursement period.	
Environmental and social review:	The Committee on Environment and Social Impact (CESI) reviewed this document on 26 September 2003. CESI's observations have been incorporated into the document (paragraph 7.1) and are described in the project technical files.	

Special contractual clauses:

As a condition precedent to the first disbursement, FENACAPTUR must provide evidence satisfactory to the Bank that: (1) the project coordinating unit has been set up, and the project manager selected; (2) the executing agency has implemented the Operating Regulations based on the Bank-approved draft; and (3) the subexecution agreement between FENACAPTUR and the Pichincha and Guayas Provincial Chambers of Tourism (CAPTURs) has been approved.

Exceptions to Bank policy:

None.

Coordination with other official development agencies:

At present, there are no similar projects financed by development agencies in Ecuador.

I. BACKGROUND

- 1.1 Ecuador's tourism industry occupies a relatively low place in South American inbound tourism rankings. In 2001 it attracted about 4% of the 14.5 million international travelers to the region, and 4% of the nearly 11 million dollars in revenue. The industry generated some 4% of GDP in 1999-2001. Of that, 21% came from outbound travel, 23% from inbound tourism, and 56% from domestic tourism. It is worth noting that Ecuador is one of the few countries with positive growth rates in 2001 and 2002, despite the global tourism crisis triggered by the events of September 11, 2001.
- 1.2 Ecuador's tourism offerings revolve around nature and business travel, centering on: (i) cultural tourism; (ii) adventure travel; (iii) nature tourism; (iv) sun and beaches; and (v) business travel. These tourism offerings break down into five distinct geographic areas or clusters, shaped by international demand: (i) North-Central Andes with the Quito microcluster; (ii) Coastal with the Guayaquil microcluster; (iii) South with the Cuenca microcluster; (iv) Amazon; and (v) Galapagos.
- 1.3 Tourism services are distributed in five main subsectors: (i) accommodation; (ii) food and beverage; (iii) international transport; (iv) outbound and inbound travel agencies; and (v) recreation services. The 2001 official records show 10,703 businesses offering tourism services, broken down as follows: (i) 2,449 hospitality industry companies; (ii) 6,102 food service companies; (iii) 669 outbound travel agencies; (iv) 650 inbound tour operators; and (v) 883 companies offering other services, such as air and ground transportation, and recreation.
- 1.4 Detailed market information is provided in the tourism sector analysis available in the project technical files. The analysis shows the following activities are concentrated in Quito and Guayaquil: (i) conventional business travel; (ii) operators of services to other parts of the country; and (iii) tourist reception, connection, and communications infrastructure.
- 1.5 In 2001, the tourism sector generated 60,215 direct jobs distributed as follows: 30% (17,820 jobs) in the hospitality industry, 49% (29,696 jobs) in food and beverages, 7% (4,311 jobs) in outbound travel agencies, 3% (1,887 jobs) in inbound tour operators, 6% (3,967 jobs) in recreation, 4% (2,534 jobs) in other services.
- 1.6 **Tourism sector training.** Education centers in Ecuador cover a range of fields including hotel management, marketing, travel and transportation, designing package tours and tourism products, tourist guide, and food service. Universities and vocational training centers are key participants providing comprehensive technical training and education for tourism-sector human resources. At the national level the National Vocational Training and Education Council (CNCF), established by executive order in 2001, is the regulatory body promoting and supporting vocational training and education activities in Ecuador. The CNCF may finance up

to 80% of tuition costs for students enrolled at centers accredited under the “Regulations on Vocational Training and Education Center Accreditation.” As yet, the CNCF has accredited only one hospitality management and tourism training center.

- 1.7 **Problem.** Competitiveness of the tourism industry is hampered essentially by structural supply problems such as design and operation of tourism products, marketing channels, and the quality of the services themselves. Dollarization of the monetary system further exacerbated the existing problems by making Ecuadorian tourism products more expensive in relation to international standards. In particular, higher prices for tourism products and services tend to amplify quality problems as the ratio of price to quality received or perceived becomes a critical factor for demand.
- 1.8 Products must be competitive over the entire value chain, because tourists take them as a whole. This means quality improvement programs and tools must extend along the entire chain. Key programs focus on human resources as the most important producer of quality in the tourism industry.
- 1.9 The tourism industry is showing signs of structural problems. This is especially true in the hospitality subsector with an employee-to-room ratio of 0.37 (17,820 employees/48,310 rooms), less than the usual and customary ratio ranging from 0.6 employees per room at small hotels (20 rooms, two or three stars), to one or more employees per room at large hotels. In the food and beverage subsector, although the ratio is above the usual and customary optimum of four tables per employee, the historical growth in number of tables has surpassed jobs created in this subsector. In 1997-2001 the number of tables in the food service industry grew by 3.19%, whereas employment lagged behind at 2.54%. The same is true of travel agencies, where 19.03% growth in number of agencies outpaced employment growth of 11.11%.
- 1.10 The behavior of these indicators and the prevailing national training situation may be indicative of at least four types of **structural problems** relating to human resources in the tourism industry: (i) many companies operate with fewer staff than necessary to provide adequate service; (ii) companies’ actual human resource requirements are unknown; (iii) workers with the right skills for these sectors are in short supply; (iv) income and profit margins are low, precluding sector companies from hiring the necessary staff; and (v) the emergence of informal service providers (homestay accommodations, etc.) operating without quality standards.
- 1.11 In more general terms, these problems combine with other **constraints** that impact tourism industry quality factors: (i) some entrepreneurs lack management skills to operate at high quality levels; (ii) a high proportion of tourism sector workers are trained on the job without formal recognition of their professional skills; and (iii) training centers do not provide enough practical education.

- 1.12 **Proposed solution.** The **additionality** or **innovation** this project offers for addressing the prevailing situation is to develop a job competencies certification system for Ecuador's tourism sector. The system will set standards, train trainers, and conduct evaluation and certification as tools to promote capacity-building and improve skills and attitudes among sector workers.
- 1.13 **The Bank's strategy and experience.** The proposed project is consistent with the IDB country strategy with Ecuador to support sustained growth and increased productivity. In 1998 the MIF granted Brazil's Hospitality Institute (HI) US\$2.5 million to finance a project to improve service quality and enhance competitiveness by developing a national standards and skills certification system for sector workers. The project, which concluded in December 2001, surpassed all its goals. This proposal adapts the experience and **lessons learned** from the HI project to Ecuador. The design will also take into account lessons learned from other job skills projects, including:¹ (i) the need to strike the right balance between entrepreneur and worker participation; (ii) the methodology must be responsive to market needs; (iii) projects must be demand-driven and reflect industry commitment; (iv) financial sustainability needs to be built into certification systems.
- 1.14 The project will work on the standards-setting, training, and job competencies certification system in three key subsectors of the country's tourism industry: (i) hospitality; (ii) food and beverage services; and (iii) inbound tour operators. These three subsectors encompass 89% of tourism sector companies and 63% of the active workforce.

II. OBJECTIVES, COMPONENTS AND ACTIVITIES

- 2.1 The general objective of the program is to promote higher quality tourism-sector products and services, in order to make Ecuador more competitive as a world class tourist destination. The specific objective is to adapt and validate a job competencies certification system for workers in the *hospitality, food and beverage, and inbound tour operator* subsectors of the Ecuadorian tourism industry. The system will cover standard setting, training of trainers, compliance evaluation, certification, and publicizing outcomes through four components: (i) Customize standards; (ii) Train *trainer/evaluators* on the standards; (iii) Implement standards and certify workers; and (iv) Raise awareness and publicize outcomes.

¹ "The Role of the Multilateral Investment Fund in Skills Standards and Certification," Christina Kappaz, October 2002.

Component I: Customize standards (MIF US\$158,000/FENACAPTUR US\$57,450)

- 2.2 This component will design and implement a process to customize existing international standards in the hospitality, food and beverage, and inbound tour operator subsectors to the actual conditions of the Ecuadorian tourism industry. The component includes the following activities: (i) establish an advisory council to guide, monitor, and validate project phases; (ii) design a methodology and customize standards to meet Ecuador's needs; (iii) organize workshops to validate and adjust certification procedures (testing of theory and practice); and (iv) publish the standards.
- 2.3 Customizing standards will begin with a review of existing standards, emphasizing the model developed by HI, but also focusing on standards models developed in other countries. The process will, at all times, comply with the guidelines issued by the Ecuadorian Standards Institute (INEN), to ensure the resulting standards will become national standards. Likewise, the procedures to adapt and design the certification process will be such as to help FENACAPTUR become accredited later as the program certifying body by the Ecuadorian Accreditation Agency (OAE).²
- 2.4 As a result, at least 40 standards between the three sectors will be validated and published, with all relevant documents and procedures for their interpretation, evaluation and certification. There will also be a standardized procedure to adapt and incorporate new competency-based standards into the certification system. In addition, six workshops will be held to validate the standards, and 5,000 booklets will publicize the standards evaluation and certification documents and procedures.

Component II: Train *trainer/evaluators* on the standards (MIF US\$150,350/FENACAPTUR US\$78,250)

- 2.5 This component has two goals: (1) train *trainer/evaluators*³ to implement the technical standards; and (2) encourage educational institutions to gear their curriculum to the competency standards. The component will include the following activities: (i) prepare teaching material and design training curricula; (ii) train *trainer/evaluators* on the standards and the evaluation processes; and (iii) adapt the training modules at teaching centers in Ecuador.
- 2.6 The output of this component will be a method to train *trainer/evaluators*, and the courses and/or training modules in the 40 standards offered to 60 *trainer/evaluators*, who will then be qualified to teach at education centers,

² For continuity and to ensure that the program is broad-based, other institutions will be encouraged at a later stage to become accredited as certifying bodies for competency standards in Ecuador.

³ *Trainer/evaluators* are practitioners who can train others and administer evaluation tests for certification.

companies, or directly to groups of workers. These *trainer/evaluators* will also be qualified to administer the standards evaluation process leading to certification, following established procedures. Agreements will be entered into initially with at least two education centers (universities or vocational schools), to help develop new programs and training modules, or gear existing curricula to the new competency standards. These activities will be supplemented with teaching materials for vocational training and 3,000 worker handbooks.

Component III: Implement the standards and certify workers
(MIF US\$206,000 / FENACAPTUR US\$21,000)

- 2.7 The purpose of this component is to certify workers in order to improve service quality. This first round of certifications will also serve as a pilot for the system. The component will include the following activities: (i) train workers; (ii) certify workers (pilot); (iii) analysis and results of the certification process. The program is not designed to train workers directly. That will be left to education centers that enter into an agreement with FENACAPTUR or a participating Provincial Chamber of Tourism (CAPTUR) to do so, and therefore must develop standards-based training modules. The project will support worker training by financing part of the cost and providing for specially designed teaching material and worker handbooks. Upon satisfactory completion of the evaluation process, workers will earn a credential certifying competency up to a given standard.
- 2.8 Some 1,500 workers are expected to receive training, and 1,000 of them should become certified in one or more of the 40 competency standards developed under the project. This trial run will also look at the certification procedures, to ensure that the system functions smoothly and identify areas for improvement.

Component IV: Raise awareness and publicize outcomes (MIF US\$63,500/
FENACAPTUR US\$115,200)

- 2.9 This component is intended to generate greater demand, publicize the outcome of the pilot project to all tourism sector workers and businesses through the 22 CAPTURs. It will demonstrate the merits of certification in competency-based standards. The component will include the following activities: (i) raise awareness among national and provincial stakeholders; (ii) develop a general communications strategy and prepare promotional material; (iii) promote training programs at education centers; (iv) raise awareness among companies and workers; and (v) organize events to publicize program outcomes.
- 2.10 The expected output is a broad communications strategy to strengthen the program, showing how the process will enhance overall quality in the tourism industry. It should also raise demand for certification and increase the number of training programs relating to the standards.

III. COST AND FINANCING

- 3.1 The project cost will be US\$1,108,044, broken down as follows: US\$778,385 in nonreimbursable funding from the MIF, and US\$329,659 in local counterpart contributions from FENACAPTUR and the subexecuting agencies, the Pichincha and Guayas CAPTURs, with more than one-half of such amount in cash. The table below presents the consolidated budget; the itemized budget is attached as Annex II.

(in U.S. dollars)

Budget headings	MIF	Local	TOTAL
Coordinating unit	105,000	23,100	128,100
Equipment and logistics	17,520	21,980	39,500
Component I	158,000	57,450	215,450
Component II	150,350	78,250	228,600
Component III	206,000	21,000	227,000
Component IV	63,500	115,200	178,700
Midterm and final evaluation	40,000	0	40,000
Audit	10,000	0	10,000
Contingencies 4%	28,015	12,679	40,694
TOTAL	778,385	329,659	1,108,044
Percentages	70%	30%	

- 3.2 **Sustainability.** Project sustainability is interpreted and approached from two angles: (i) the ability to approach the problem “systematically”⁴ and deliver solutions to companies in the three selected subsectors; and (ii) the availability of economic resources to continue funding activities of strategic value to these subsectors. The first item will be accomplished by training trainers and evaluators in direct relation to demand increase in the three subsectors as a result of the project. The second item, economic and financial sustainability, will be secured by the growth in revenues from training and certification. Additional revenues will be generated through the sale of training material associated with the certification system.
- 3.3 Under component III, the program will cofinance 50% of training costs for companies, and 70% for individual workers. The program will cofinance 60% of the certification cost up to the maximum stated in the Operating Regulations (OR). To request the cofinancing, a worker must first enroll with FENACAPTUR as a candidate for the certification evaluation tests. *Trainer/evaluators* administering the

⁴ Such an approach involves systematically stressing the importance of standards, training trainers, coordinating participants, and providing funding and support for such activities as a way of raising service quality.

tests will be paid up to 50% of the evaluation cost per worker evaluated from project funds; the other half will be funded by FENACAPTUR.

IV. EXECUTION MECHANISM

- 4.1 **Executing agency.** The executing agency for the project will be FENACAPTUR, a private nonprofit institution established by law in 1997, comprising 22 CAPTURs, which are also private nonprofits, and trade associations. FENACAPTUR has a rotating chairman and legal representative; the present incumbent is the chairman of the Guayas CAPTUR. It operates with a permanent Technical Secretariat in Guayaquil, and a permanent Executive Secretariat with offices in Quito. FENACAPTUR's revenues derive mainly from contributions equal to 5% of the dues paid by some 14,000 members of the 22 CAPTURs, for US\$80,000 a year. The revenues of the two CAPTURs that will sign subexecution agreements with FENACAPTUR total approximately US\$1.4 million. FENACAPTUR has administered projects funded by the European Union and by the World Bank. The chairman of FENACAPTUR, who is the current chairman of the Guayas CAPTUR, is strongly committed to national leadership for the execution this project.
- 4.2 **Coordinating unit.** FENACAPTUR will host the coordinating unit (CU). The CU is tasked with technical coordination for overall project execution, and for submitting nonobjection requests for procurements under the program. The CU will consist of: (i) a project manager; (ii) an administrative assistant; and (iii) an accountant. The duties of the CU and the terms of reference for its members are detailed in the OR.
- 4.3 **Subexecuting agencies.** The executing agency will enter into subsidiary agreements with two CAPTURs where the pilot can have the greatest impact: the Pichincha and the Guayas CAPTURs. Each CAPTUR will appoint a technical coordinator to do the in-house work of organizing and executing its share of activities under each component. The technical coordinators will report to the project manager. FENACAPTUR and the CAPTURs will perform the activities under each component using the CU capacity and external technical assistance, as assigned in the breakdown available in the project technical files.
- 4.4 **Advisory council.** The council will serve as the project advisory body with one representative and one alternate in equitable proportion from each of the following: (i) FENACAPTUR; (ii) Pichincha CAPTUR; (iii) Guayas CAPTUR; (iv) Ministry of Tourism; (v) higher education centers; (vi) technical education centers; (vii) one representative for each trade association/organization in the hospitality, food service, and travel agency sectors; and (viii) one representative from the Ecuadorian Standards Institute (INEN).

- 4.5 **Execution period and disbursements.** The project will have a 36-month execution period and a 42-month disbursement period, running from the entry into force of the technical cooperation agreement.
- 4.6 **Project readiness.** In coordination with the project team, FENACAPTUR has: (i) prepared a first draft of the Operating Regulations; (ii) drafted the proposed subsidiary agreement to be entered into with the two subexecuting agencies; (iii) drafted the terms of reference for all CU members and lead consultants; and (iv) met with government, hoteliers, and teaching centers, which confirmed the project is needed and their willingness to participate.
- 4.7 **Procurement.** The selection and hiring of consulting services and the procurement of equipment and materials for the project will comply with Bank procedures. The CU will procure goods and consulting services.
- 4.8 **Financial supervision.** The CU will ask the Bank to deposit project funds in a special account administered by FENACAPTUR. FENACAPTUR will ensure the subexecuting agencies—Pichincha CAPTUR and Guayas CAPTUR—open separate bank accounts specifically to administer the MIF contribution. Worker training and certification will be financed partially with MIF funds. Beneficiaries may submit applications to the CAPTUR on a rolling basis. The advisory council will expeditiously evaluate applications and determine whether cofinancing is appropriate under the criteria of the Operating Regulations.
- 4.9 The first disbursement of MIF funds is based on estimates prepared by the executing and subexecuting agencies for the first three months of the project; this revolving fund is not to exceed 10% of the total aggregate MIF contribution. Additional disbursements will be made when the project has progressed to the point of needing the funds allotted to cofinance Component IV, mindful that the revolving fund is not to exceed 10% of the total aggregate MIF contribution. These disbursements will be made upon presentation of four-month funding estimates submitted by FENACAPTUR and the subexecuting agencies. FENACAPTUR will ensure that activities are performed in accordance with the approved Donors Memorandum, and that exact records are kept in accordance with Bank procedures. Such practices will be verified by the IDB and by external auditors.

V. MONITORING AND EVALUATION

- 5.1 The Bank's Country Office in Ecuador will be responsible for project supervision and control, monitoring compliance with contractual clauses, processing disbursement requests, and receiving audited financial statements. FENACAPTUR will submit semiannual progress reports in conformity with the Bank's standard reporting requirements.

- 5.2 In coordination with FENACAPTUR, the IDB/MIF will contract individual consultants to perform a midterm review and final evaluation based on the Donors Memorandum and the indicators listed in the logical framework and MIF project performance monitoring report (MPPMR). Two annual audits and one final audit will be performed. The executing agency will give the auditors access to all such information and documentation as they may require.

VI. BENEFITS AND RISKS

- 6.1 **Benefits.** The proposed project will help improve service quality by ensuring workers have the right skills, and raise awareness among the public about the importance of tourism and the human resources dedicated to this activity. Through standards and certification, the project will foster effective relations among teaching centers, workers, and entrepreneurs in the tourism sector. The new competency standards that emerge from a combined vision will enable: (i) entrepreneurs to improve the quality of service by employing skilled and better trained human resources; (ii) workers to understand exactly what knowledge, skills, and attitude are needed for successful employment in the tourism sector; and (iii) education centers to make the training course content more pertinent and relevant, optimizing their efforts for the good of society. Once the project has proved its worth, the Ecuadorian tourism sector can replicate the model among other tourism industry subsectors to improve the entire chain of services.
- 6.2 **Beneficiaries.** The beneficiaries will be 60 instructor/evaluators trained on the new standards and the evaluation and certification processes; 1,500 workers from three subsectors, who will receive training; 1,000 people including employees and self-employed individuals who will be certified; and 5,000 people who will be sensitized to the importance of the new standards adapted to local conditions in Ecuador. Participating education centers will also benefit.
- 6.3 **Risks.** One risk will be the project's ability to generate interest in certification. This risk will be mitigated through the outreach actions undertaken as part of the program. As a pilot program, the project seeks to certify 1,000 of Ecuador's 60,215 tourism industry workers. The risk of ongoing demand once the program has concluded will be mitigated precisely by the demonstration effect of the benefits of certification to all involved. The third risk has to do with gearing training courses to the new standards. Clearly, the program requires that education centers develop relevant and effective training modules for interested workers. This risk will be mitigated through awareness-raising activities and agreements with the schools for such purpose. Having the schools represented on the advisory council will further diminish this risk.

VII. SOCIAL AND ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Committee on Environment and Social Impact (CESI) recommended inclusion of sociocultural considerations, environmental protection, and the potential impact of tourism on the ecosystem. In response, the new standards will be modified so as to comply with these requirements. Furthermore, as part of the trainer and worker awareness-raising and training activities, CESI's recommendations will be reflected in handbooks, workshops, and other outreach, dissemination, and teaching tools.

JOB COMPETENCIES CERTIFICATION SYSTEM IN THE TOURISM SECTOR (EC-M1002)

LOGICAL FRAMEWORK SUMMARY

Objectives	Indicators	Means of Verification	Assumptions
Goal			
To promote higher quality tourism-sector products and services, in order to make Ecuador more competitive as a world class destination.	<ul style="list-style-type: none"> Percentage increase in number of tourists and in operational performance, in excess of current sector growth. 	<ul style="list-style-type: none"> Statistically representative ex post survey of the hospitality, food and beverage, and inbound tour operator subsectors. Ex post evaluation to be conducted by the executing agency. 	<ul style="list-style-type: none"> The current pace of growth in the tourism sector remains steady; no extreme events negatively impact Ecuador's tourism industry.
Purpose			
Adapt and validate a job competencies certification system for the hospitality, food and beverage, and inbound tour operators subsectors of the tourism industry, including standard setting, training of trainers, compliance evaluation, certification, and publicizing outcomes.	<ul style="list-style-type: none"> The certification model¹ is up and running sustainably by project completion, including education centers offering formal training focused on standards compliance and certification. 	<ul style="list-style-type: none"> Project final report; audit of the registry of persons who have earned job competencies certifications; and audit of the record of training courses and modules at educational centers. Project completion report. 	<ul style="list-style-type: none"> The public and private sectors are increasingly aware of the importance of implementing the standards.
Components and activities			
Component 1: Customize standards	International standard is identified and adapted to Ecuador's standards system (by month 12).	<ul style="list-style-type: none"> Standard as published. Project report. 	<ul style="list-style-type: none"> The benchmark international standard is accepted and adapted.
Activities 1.1 Design a methodology and adapt the standards to Ecuador's needs (\$67,000). 1.2 Workshops to validate and adjust certification procedures, tests of theory and practice (\$42,450).	<ul style="list-style-type: none"> 3 standards programs (hospitality, food and beverage, and inbound tour operators subsectors), with at least 40 standards published at project completion. 6 workshops organized during year 1 to validate the standards for each thematic area: hospitality, food and beverage, and inbound tour operators. 	<ul style="list-style-type: none"> Audit of published documents on standards, and evaluation and certification procedures. Validation workshop reports, including audited number of participants per subsector. 	<ul style="list-style-type: none"> Key stakeholders continue to be interested in the project, and to feel involved.

¹ Such an approach involves systematically stressing the importance of standards, training trainers, coordinating participants, and providing funding and support for such activities as a way of raising service quality.

Objectives	Indicators	Means of Verification	Assumptions
1.3 Publication of Ecuadorian standard (\$64,000).	<ul style="list-style-type: none"> 5,000 booklets are published in year 1 with the standards evaluation and certification documents and procedures. 		
Component 2: Train <i>trainer/evaluators</i> on the standard	Trainers are trained (month 24).	<ul style="list-style-type: none"> Project report. Certificates issued to trainers. 	<ul style="list-style-type: none"> Suitable candidates are interested in the training.
Activities 1.1 Develop teaching material and training courses (\$92,000). 1.2 Train <i>trainer/evaluators</i> on the standards and evaluation processes (\$94,600).	<ul style="list-style-type: none"> One training course (modules, teaching material, and evaluation) designed to train <i>trainer/evaluators</i> on the 40 standards in the second half of year 1 and first half of year 2. 60 instructor/evaluators are trained in year 2. 3,000 worker handbooks on the 40 existing standards written and published in year 2. At least two cooperation agreements are entered into with education centers to develop training programs in year 1. 	<ul style="list-style-type: none"> Course descriptions for the trainer/evaluator course. Number of instructors trained. Handbooks published. Cooperation agreements signed. 	<ul style="list-style-type: none"> Trainers are able to assimilate the standards, so as to effectively communicate them to the workers.
Component 3: Implement standards and certify workers	Standards are implemented and worker job skills certified (at project completion).	<ul style="list-style-type: none"> Attendance records of worker training sessions. Certificates issued to workers. 	<ul style="list-style-type: none"> Workers are keen to excel in their jobs, and so improve service quality.
Activities Worker training (\$170,000) Worker certification pilot (\$15,000)	<ul style="list-style-type: none"> 1,500 workers have received some form of training by project completion. 1,000 workers certified during project lifetime. 	<ul style="list-style-type: none"> List of attendees. Number of people certified in one or more of the 40 credentials granted. 	<ul style="list-style-type: none"> Companies and workers remain interested in implementing the new standards.

Objectives	Indicators	Means of Verification	Assumptions
		<ul style="list-style-type: none"> Progress report. Midterm review and final evaluation 	
Component 4: Raise awareness and publicize outcomes	The majority of tourism sector workers and companies are sensitized to the substantial benefits of adopting standards and certifying job skills (during project lifetime).	<ul style="list-style-type: none"> Project report. 	<ul style="list-style-type: none"> Workers and employers in the proposed sectors come to realize the importance of improving service quality to increase competitiveness.
Activities 1.1 Raise awareness among stakeholders at the national and provincial levels (\$24,900). 1.2 Develop a general communications strategy and prepare promotional material (\$65,000). 1.3 Raise awareness among companies and workers (\$30,950). 1.4 Events to publicize program outcomes (\$15,850).	<ul style="list-style-type: none"> 2 national events in Quito and Guayaquil to officially launch the program in year 1. 20 events at Provincial Chambers of Tourism to raise awareness about the program in year 1. Communications and public relations plan is implemented in year 1. Design and publish promotional graphic materials (inserts, flyers, printed matter, etc.) in year 2. 25 events (press conferences, meetings, seminars, etc.) to publicize the project and drive demand during project lifetime. 5,000 workers (500 companies) have been sensitized by project completion. 	<ul style="list-style-type: none"> Record of events organized and lists of participants. Communications plan, as implemented. Promotional material produced Events held to publicize the project. Progress report Midterm review and final evaluation. 	<ul style="list-style-type: none"> The media in Ecuador are supportive.

Annex II
(EC-M1002)

ITEM	MIF US\$	Local counterp. US\$	TOTAL US\$
Coordinating unit (total)	\$122,520	\$45,080	\$167,600
Personnel			
<i>Personnel</i>	\$105,000	\$23,100	\$128,100
<i>Project manager</i>	\$105,000		\$105,000
<i>Accountant (part-time)</i>		\$10,500	\$10,500
<i>Administrative assistant</i>		\$12,600	\$12,600
Logistics	\$17,520	\$21,980	\$39,500
<i>Office space (US\$250 x month)</i>		\$10,500	\$10,500
<i>Furniture</i>		\$5,000	\$5,000
<i>Supplies (US\$200 x month x 3.5 years)</i>	\$5,040	\$3,360	\$8,400
<i>Communications (US\$200/month)</i>	\$6,720	\$1,680	\$8,400
<i>Messenger services 100 items a month x US\$2</i>	\$5,760	\$1,440	\$7,200
Component 1: Customize standards	\$158,000	\$57,450	\$215,450
<i>1.2 Design the methodology and customize standards</i>	\$51,000	\$16,000	\$67,000
<i>1.3 Validation workshops</i>	\$32,000	\$10,450	\$42,450
<i>1.4 Publication of Ecuadorian standard</i>	\$54,000	\$10,000	\$64,000
Component 2: Train practitioners on the standards	\$150,350	\$78,250	\$228,600
<i>2.1 Develop teaching material and training courses</i>	\$80,750	\$11,250	\$92,000
<i>2.3 Training for trainer-evaluators (two 2-month courses)</i>	\$48,600	\$46,000	\$94,600
Component 3: Implementation and certification	\$206,000	\$21,000	\$227,000
<i>3.1 Worker training</i>	\$170,000		\$170,000
<i>3.2 Worker certification</i>	\$15,000		\$15,000
Component 4: Generate demand and publicize outcomes	\$63,500	\$115,200	\$178,700
<i>4.1 Raise awareness among stakeholders at the national and regional levels</i>		\$24,900	\$24,900
<i>4.2 Develop communication strategy</i>	\$40,000	\$25,000	\$65,000
<i>4.3 Raise awareness at education centers</i>		\$3,500	\$3,500
<i>4.4 Raise awareness among companies and workers</i>		\$27,450	\$27,450
<i>4.5 Publicize outcomes</i>	\$2,500	\$13,350	\$15,850
SUB TOTAL	\$700,370	\$316,980	\$1,017,350
Contingencies 4%	\$28,015	\$12,679	\$40,694
Midterm review and final evaluation	\$40,000		\$40,000
Audits	\$10,000		\$10,000
TOTAL	\$778,385	\$329,659	\$1,108,044
<i>MIF and Counterpart percentages</i>	70.2%	29.8%	

MIF PROJECTS IN ECUADOR
JOB SKILLS CERTIFICATION SYSTEM IN THE TOURISM SECTOR
EC-M1002

A. Similar or related MIF projects

Project number and date approved	Project name, sector, executing agency and amount	Signing date and disbursement period in months	Amount disbursed	Comments
ATN/MH-5024-TT Trinidad and Tobago 27 September 1995	Training for the tourism sector Hospitality and Tourism Association	13 October 1995 39 months	88.70%	Positive performance, but slow execution (33-month extension)
ATN/MH-5945-RG (BA) Regional Caribbean 6 May 1998	Support for the development of a regional credentialing system for the hospitality and tourism industry Caribbean Hotel Association	14 September 1998 42 months	91.63%	Positive performance, but slow execution (24-month extension)

B. Similar or related Bank projects.

None.

C. Projects related to the same sector or beneficiaries

See A.