

TO DO!2004
Contest for Socially Responsible Tourism

Award Winner

FINCA ESPERANZA VERDE

**A Tourist Community Project
of the Durham and San Ramón Sister Communities
in
San Ramón, Matagalpa, Nicaragua
and
Durham, North Carolina, USA**

represented by:

**Mrs. Yelba Valenzuela, Project Manager
San Ramón, Nicaragua**

Rationale for the Award

by

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1. INTRODUCTION

The author travelled to San Ramón, Nicaragua on behalf of Institute for Tourism and Development (Studienkreis für Tourismus und Entwicklung e.V.) from 25th October to 2nd November, 2004 in order to assess on location the application of FINCA ESPERANZA VERDE.

The assessor recommends that the community project FINCA ESPERANZA VERDE be awarded the TO DO ! prize during the ITB 2005 in appreciation of the goals, the concept and the implementation of the measure.

2. BACKGROUND

Today, Nicaragua is still suffering from the consequences of the civil war in the eighties and ranks as the second poorest country of Latin America after Haiti. According to the German Foreign Office (Auswärtiges Amt), the economy of the country is at a level that is clearly under that of the late Seventies. During that period, the Somoza regime was toppled in 1979, followed by the seizure of power by a broad alliance of civil and Sandinista forces, which collapsed "due to the Sandinistas' efforts to play a dominant role in Nicaragua's political life" (German Foreign Office). After the onset of the armed resistance of anti-Sandinist forces, the so-called "Contras" who operated with financial support from the USA (1982), the country was plunged into a civil war until 1987, when the Sandinistas agreed to permit free elections under international observation in the spring of 1990. In this three-year period Nicaragua came to "an almost complete economic collapse" (Source: Country information of the German Foreign Office).

The largest country of Central America is inhabited by approximately 5.5 million people. The average per-capita income is 600 Euros per year. The national currency is called the Cordoba; 16 Cordobas correspond to 1 Euro. In Nicaragua, there are minimum wages for nearly all branches. Thus, the monthly minimum income of a shop assistant is 65 Euros, while a shoemaker makes approximately 44 Euros. The minimum wages are the lowest in agriculture, at approximately 35 Euros per month. A litre of milk costs approximately 42 Euro cents, and a kilogramme of bread costs about 54 Euro cents. Traditional food such as maize, rice and black beans is cheaper (Source: Frankfurter Rundschau, Nov. 11, 2004).

Nicaragua is a strongly agrarian country. The most important branch of trade is agriculture (meat, coffee, sugar), but it is indeed dependent on the strong fluctuations in world prices. The industrial sector is poorly developed. In recent years, only the so-called foreign trade zones ("Zona Francas"), which operate in an extraterritorial area but can exploit the significant wage advantage of local cheap labour, have gained in importance. Nearly 50 percent of the population lives in poverty.

Nicaragua has put great hopes into the tourism industry, which is already among its most important sources of foreign currency. At present about 500,000 tourists visit the country each year. Destination points are Managua, Granada and the Solentiname – the archipelago in the Nicaragua Lake. Along with boat trips on the Rio San Juan (border river to Costa Rica), visits to the Masaya volcanic national park and trips along the "volcanic route" on the Pacific coast are also part of the programme. Approximately seventeen percent of the country's land mass is under natural protection, allocated over 76 different protected areas, biosphere reservations, nature preserves, and national parks. Beyond this, since 1999 the German Society for Technical Cooperation (GTZ) has been supporting a transnational project for the "promotion of development through tourism in central America" (FODESTUR). The main idea is "to unite all forces in order to come forth to the world as a unique regional tourism destination."

The concept also includes initiatives such as the "Ruta del Maiz" or the "Iniciativa Centroamerica Verde" (ICV), which are aimed particularly at the network formation of ecotourism destination and ecologically oriented accommodations in Central America.

In the context of these activities, FINCA ESPERANZA VERDE (translated: Farm of Green Hope) was declared as the "best eco-lodge of Nicaragua" by GTZ/ICV and Nicaraguan Institute for Tourism (INTUR) in the past year. Moreover, after the conclusion of the appraisal research activities of the Institute (Studienkreis), FINCA ESPERANZA VERDE was also awarded the "Sustainable Tourism Award for Conservation" by the prestigious US-American "Smithsonian Magazine" in cooperation with the "Travelers Conservation Foundation." In the view of the appraiser, the resulting accumulation of prizes and honours is easy to explain: FINCA ESPERANZA VERDE has taken many years for developing, organizing, and implementing projects (see 3.1.). The efforts to draw attention to the project in a professional way at national and international level were initiated only after it had already matured.

3. COMMUNITY PROJECT FINCA ESPERANZA VERDE

3.1 History

The founding and development of this tourism project are primarily attributable to the initiative of one woman. It is the US American Lonna Harkrader (main occupation: real estate agent), who together with her husband Richard Harkrader (architect), came to San Ramón in the late eighties and early nineties. In view of the desolate economic situation and poverty following the civil war in Nicaragua, Lonna Harkrader was moved by a very simple personal and yet politically shaped reflection. For her it was an infamy "that a strong country, such as the USA, would fight a weak country like Nicaragua until it was almost destroyed by poverty and misery."

The Harkraders made frequent visits to Nicaragua and, gradually, a friendship developed between the community of citizens of Durham, North Carolina (the Harkraders' place of residence) and the citizens of San Ramón in Nicaragua. There, Lonna Harkrader quickly found a congenial and reliable partner in Yelba Valenzuela, the project manager of FINCA ESPERANZA VERDE, who at the time managed the local library.

This constellation led to the establishment of the Non-Profit-Organization "Durham San Ramón Sister Communities" (DSRSC) in 1993, which defined itself - without any involvement from politicians - as a "Sister Parish Project" created by private individuals in order to support the social and economic development in the region of San Ramón. Subsequently, in Durham, as well as in San Ramón, different committees of voluntary workers were formed, who brought in their knowledge and their commitment to the advancement of projects such as the development of eco- and homestay tourism, fair coffee trade, clean drinking water, reforestation, education and training, medical supply and strengthening of the indigenous culture. In the meantime, "Durham San Ramón Sister Communities" has been registered as a NGO both in the USA and Nicaragua.

In the years between 1993 and 2000, the Harkraders focused their efforts on collecting funds and donations and on convincing the existing network of church organizations, civilian groups and individual donors in the USA of the idea for this community project.

According to the self-appointed Mission Statement: „We seek to strengthen our partnership of awareness, friendship, and cooperation between San Ramón, Nicaragua and Durham and other areas of North Carolina through people-to-people exchanges and through social economic development projects which support justice and our belief in an interdependent, one-world family.“

Among one of the first activities was the search for a coffee roaster in the USA, which was willing to purchase the entire harvest of the 32-member cooperative of organic coffee farmers in San Ramón. The search was successful. "Café San Ramon" is "fair trade" certified, and is sold with the quality criterion "shade-grown" (see page 10, criterion: Environment). Meanwhile, "Café San Ramon" has become a protected trademark, and is sold in the USA through the "Counter Culture Coffee" coffee roasting company.

This also applies to the development of capacities-conformant tourism to San Ramón. The tours which were initially designed as "cultural immersion trips" now also regularly attract visitors from the USA by way of the "Durham San Ramón Sister Communities" (DSRSC). Furthermore, in the meantime a Nature Journey Organizer from North America (Eco-Quest) also brings groups of travelling tourists to San Ramón, for instance for bird watching.

3.2 Conception and structural Organization

All of this became possible after the development of a tourist infrastructure, which did not exist previously. This includes mainly the lodgings at the present Eco-Lodge FINCA ESPERANZA VERDE, which is beautifully nested in the mountains (18 kilometres outside of San Ramón). A stay there is always linked with the homestay with different families in San Ramón, which was set up almost at the same time. However, the host families were able to provide rooms with personal contact to the family only after receiving appropriate training, US donations and/or small loans (e.g. for beds, mattresses, showers, toilets etc.).

The remote farm FINCA ESPERANZA VERDE acquired in 1997 had no buildings; it only consisted of a four-hectare area without any road connections. Today, it is a small tourist enterprise with picturesque views located at an elevation of 1,200 m/ 4,000 feet, with a restaurant, three small overnight bungalows with solar panels and a total of 18 beds, showers, and toilets. In addition, there is a very simple hut in the forest with 8 beds. In the meantime FINCA ESPERANZA VERDE covers a surface of 67 hectares, operates a coffee plantation in accordance with ecological criteria ("Bio Latina" certified) and is officially registered as "Reserva Silvestre Privada" because of the large area of the surrounding protected forest (a nationally recognized private protected forest area).

Independently of this: In the forest-rich area of the FINCA ESPERANZA VERDE there are seven wells, which are crucial for the supply of clean drinking water to the population living below and are therefore handled as "protected". (Coffee plantations, which are not operated according to ecological criteria, contribute significantly to water pollution during the harvesting, to the point of rendering the water undrinkable).

3.3 Economic significance

The people in and around San Ramón make their living in agriculture or by hiring themselves out as day labourers, mainly on coffee plantations, which provide jobs only between November and February. Nearly 4,000 people live in the centre of San Ramón, while the scattered villages in the surrounding area are inhabited by an additional 26,000 people. Together they form the municipality of San Ramón.

If everything runs normally, a *campesino* can get two maize harvests per year: one, which he needs for the subsistence of his family and one, which he can sell in order to obtain cash. With a lot of luck, in the most favourable case, a monthly income between US\$ 100 to 110 is possible. Jobs are in short supply. It is very important to know that on average one job/ one individual income usually secures the existence of six family members on average.

Under these framework conditions, a small undertaking such as FINCA ESPERANZA VERDE (which is owned by the bi-nationally led NGO "Durham San Ramón Sister Communities") has become an important factor because it offers paid work. Moreover, as described later on, it functions as a small fund (a kind of "Funding SOURCE") for the support of various local, social and cultural tasks in San Ramón.

On average, the portion of income retained in the country from one of the above mentioned visitors organised by the NGO amounts to approximately US\$ 750. The transport, accommodation and food supply for an average one-week stay in San Ramón are paid out of this amount. The direct expenses and proceeds are allocated among the staff of FINCA ESPERANZA VERDE (13 full-time employees, and approximately 15 seasonal employees) and among the seven families in San Ramón, which currently operate a "casa huespedes" ("el huesped" means: guest, and "casa huespedes" is thus a house with guestroom[s]).

The local craftsmen, cooks, artisans, traders and at least two groups of musicians (in San Ramón and in one village near the FINCA) also benefit indirectly from the tourists. In addition, a group of young people who work according to specified quota three to four months also earn income as local guides. They have organized themselves in the local "Tourist Guide Club", and thus get the opportunity to earn up to 30 or 40 US\$ during these three-to four-month terms of work. This is a lot of money for young people in Nicaragua. It is sufficient to pay the school fees, to purchase learning aids, or to save for later studies.

Since the opening of FINCA ESPERANZA VERDE, the number of annual visitors has risen continuously to over 450 guests. In addition, for the first time, after receiving the award as "best Eco-Lodge of Nicaragua" in the previous year, nearly 200 (better earning) Nicaraguan guests spent their holidays there. From this perspective, FINCA ESPERANZA VERDE could also gradually become a model for the development of sustainable tourism in the rural areas within Nicaragua itself (see also: Evaluation - criterion on sharing in the positive economic effects).

3.4 Tourism offers

The project is based on the principle which aims at retaining the nature and beauty in the region of and around San Ramón on the one hand, while also respecting, appreciating and honouring the warm-hearted hospitality of the people. All further steps and measures resulted from this and are essentially built on what the local population has been able to and wanted to offer. Thus, there are no "artificially" created tourist activities. On the contrary: Things that were and are available have been made accessible (or also: made marketable).

A classic example is provided by the now demarcated hiking trails up and around FINCA ESPERANZA VERDE, which make use of the long existing network of paths and trails. The charted trails enable FINCA guests to walk and explore the surroundings alone if they so desire. In addition, they can embark on guided trips (on foot or by horse) for bird- and animal watching (toucans, sloth, howler monkeys, eagles) or for visits to the butterfly breeding station. They also get a chance to dive into the world of labour-intensive coffee farming, its harvesting or processing (with the consequence that one will never again drink a cup coffee light-mindedly). Or, visitors can also simply enjoy the relaxed stay on the very beautifully designed and maintained FINCA ESPERANZA VERDE, surrounded by orange trees, banana trees, geraniums, poinsettias, ferns, hydrangeas, tiger lilies and roses. At night there is an impressive starlit sky to admire and a myriad of fireflies seems to glow and flicker from the forest.

The usual three-day stay with the host families in the centre of San Ramón is of a completely different kind. It is a "meet-the-people-programme" par excellence, which also allows visitors to dive into the everyday world of the population (knowledge of Spanish is an advantage here). These stays are characterized by particularly warm-hearted hospitality. However, one can also learn about the concerns, hopes and joys of the respective hosts, if one so desires. Meanwhile, this part of the programme has become very popular among all involved, and real friendships have developed over the years. At the same time, one can also take up the services of the young guides (some of whom speak English), who can lead the visitors through the town, advise them on making their purchases or accompany them on a daily trip into the capital of the province, Matagalpa. Last but not least, there are joint visits to sporting events (in Nicaragua baseball is extremely popular) and each time a group of visitors leaves, the hosts organize a community celebration with live music and the traditional local cuisine.

4. EVALUATION

Comparison of the activities of FINCA ESPERANZA VERDE with the TO DO! criteria for socially responsible tourism leads to the following assessment:

Contest criterion:

Involving of the different interests and requirements of the local people through participation

The goal of all activities coming from the joint project of FINCA ESPERANZA VERDE is to improve the livelihood situation of the people of San Ramón, and, in the longer term, to stabilize their incomes. With the setting up of committees (in both San Ramón and Durham), the needs and objectives have been defined that impact nearly all aspects of life in San Ramón: health, ecotourism, education/training/library, economic and community development. To achieve success in all these areas one day, ways and means must be secured, beyond the commitment of all the actors involved, to generate income and operate at a profit. Precisely in this situation, the conception to develop the FINCA ESPERANZA VERDE project is playing an important dual role.

On the one hand, over the years it has become a model farm for organically grown coffee, and on the other it has assumed a key role in the region for holistically conceived socially responsible eco- and culture tourism.

There was a time in the past, when San Ramón only favoured conventional (bulk) coffee production, even as the world market price of coffee was progressively being eroded and ultimately even dropped below production cost in Nicaragua. Many local farmers were forced to quit at the time while those of them who had set up a local cooperative and joined forces with FINCA ESPERANZA VERDE's organic production methods secured prices four times higher for their crop. 100 pounds of conventional coffee currently sells in Nicaragua for about US\$ 60. The 'Durham-San Ramón Sister Communities' NGO, however, used to pay up to \$ 250 for 100 pounds of genuine organic grown coffee, exports the crop to the USA and have it roasted by 'Counter Culture Coffee'. Then, the coffee was sold on to universities, churches and other public or charitable organizations where it fetched premium prices, selling at \$ 10 a pound. (Meanwhile 'Counter Culture Coffee' has turned into a confirmed trade partner of San Ramón's biological farmers, trading their coffee under its own steam – cf. www.counterulturecoffee.com).

The profits thus secured were then transferred back to Nicaragua in order to build up the FINCA ESPERANZA VERDE of today, to create a fund for micro-credits, and not least to ensure, as was stated before, that the brand of 'Café San Ramón' is a protected trademark and recognized as coffee for gourmets.

The eco-coffee business laid the very foundations for the eco-tourism business and the resultant diversification of income. In this process, it was a matter of course for all involved that FINCA ESPERANZA VERDE should operate under local management and administration, that the staff should (and must) be recruited from San Ramón and be adequately trained, and that the buildings on the finca should be erected exclusively by local labour using materials procured locally.

For the ensuing homestay tourism, a search was conducted in San Ramón for potential host families from among those who had before signalled their willingness to learn something new and to be prepared to engage in something new. Led primarily by their women members, such families later on linked up to form an organization of '*casas huéspedes*'. Before, they joined together in workshops to learn the necessary skills for receiving and looking after the wellbeing of their foreign guests. They were instructed (by Yelba Valenzuela) how to communicate with visitors who have only a rudimentary knowledge of Spanish. Equally, they came to realize that they had to be able to serve their full-board guests meals which are both digestible and varied (and definitely not consisting invariably of 'gallo pinto', i.e. the national dish of 'pied chicken' with rice and beans), that impeccably clean water was a must for washing lettuces, as were fresh juice, skipping fatty foods, providing for vegetarians, and so on and so forth.

As stated before, the successful 'graduates' would then also were supplied with micro-credits from the NGO to pay for the refurbishment and fitting out of their guest accommodation (with mattresses, showers etc.). Such credits are being paid back with a commission charge to the NGO. As a rule, a tourist will pay \$15 per day for full board and accommodation. Of a three-day stay's total of \$45, a little over 10% (usually \$5) is used to pay back the micro-credit.

During only a few years, San Ramón has thus seen developing a form of tourism that is anchored to the place from which it arises and that has given rise to notable pride and self-confidence. It cannot be denied, however, that this would hardly have been possible without the initial know-how and capital from outside.

Contest criterion:

Strengthening the awareness among the local people with regard to the chances and risks of tourism development in their everyday economic, social and cultural life

In essence, this criterion rather addresses the classical types of tourism destination with potentially large-scale development measures, which might result in negative outcomes unless the local people are catered for and their needs are considered. Nevertheless, such considerations were also the subject of debate by the San Ramón local ecotourism committee.

In general, the view there is that as long as the prevailing practice of tourism remains tangible and subject to control (as small-scale projects), negative consequences are unlikely to arise.

As a rule, the size of incoming groups of visitors from the USA is limited to a maximum of 22 people. More could not be accommodated at FINCA ESPERANZA VERDE anyway. The same holds true for the homestay visits: not lasting longer than 3 days generally, they do not impose a strain

on the small town. On the contrary, as this expert assessor learnt when questioning *casa huéspedes* operators, the groups of visitors booking through the NGO (Durham-San Ramón Sister Communities) were seen as really 'good tourists' as they 'showed respect'. The so-called 'independent travellers', however, were viewed more critically by the local operators, who said they were not really sure who was coming and why. Given a choice, they would prefer those individual travellers who were recommended, either by the NGO or by one-time group visitors who had also 'come as strangers and left as friends'.

In terms of culture, organized ecotourism tours to San Ramón have not given rise so far to negative influences. On the contrary. They support and invigorate the local culture by creating a demand for what the people are good at and can offer, for example, giving cooking lessons, preparing traditional dishes in the loam oven (*horno*), or – given that San Ramón boasts its own 10-person 'big band', playing traditional folk music, mostly at the joint farewell evening parties.

Contest criterion:

Participation of a broad local population strata regarding the positive economic, social and cultural effects of tourism

The proceeds resulting from FINCA ESPERANZA VERDE are almost completely returned to the local economy or invested in it. As a rule, this means at least ten per cent is earmarked for communal, social or cultural spending (in addition to donations from the USA), with past and present priorities being:

Last year, \$ 5,000 was spent on building materials alone for the construction of *La Chispa* primary school (in the vicinity of FINCA ESPERANZA VERDE), enabling all pupils (first to third grades) at long last to attend school at a reasonable walking distance within a 3 km radius. Before, even the first graders had to cover 7 km (one way) to the nearest school every day.

Around \$ 2,500 was provided for school supplies and writing utensils in other schools. In addition, allowances (\$ 75) are paid to supplement the low monthly pay of teachers willing to be posted to small and isolated schools which are only accessible on foot.

Almost \$ 14,000 went on a water supply project for 40 families of *La Pita* (a secondary valley off San Ramón) where the locals had long been suffering from many disorders caused by contaminated drinking water. As an analysis brought to light, the spring supplying the water was contaminated with lead from a gold mine that had been worked in the fifties.

The money earned by FINCA ESPERANZA VERDE pays for maintaining San Ramón's local health centre as well as care of the aged and persons with disabilities, which also includes one year's salary of a physiotherapist. There is also spending on prevention of teenage pregnancies, the local library, sports provision for the youth, reforestation measures, and micro-credits, even for the purchase of dustbins for central San Ramón, and much more.

This short list of examples highlights three aspects: first, how widespread shortages still are in all areas; second, how important it is to have reliable and trustworthy partners on the ground; and third, that tourism applied with social responsibility may be regarded as a stepping stone to overcoming poverty. That so many tasks were and are included here that are absent from the conventional tourism approach is also due to the fact that the Nicaraguan state finds itself hardly able to supply the amount of funding necessary, considering how many places in the country suffer the same problems and have similar needs.

Contest criterion:

Guarantee of the attractiveness of jobs in tourism for the local people by improving working conditions in relation to payment, social security, working hours, education and training

By the typical standards of the country, all tourism jobs related to the FINCA ESPERANZA VERDE joint project pay well above average. While a well-paid driver in Nicaragua normally earns \$ 80 a month, the same job at the FINCA will pay some \$ 50. The other staff (service personnel, cooks, nature guides) are similarly well paid. Added to this is a 13th and – business returns permitting – even a 14th monthly pay. The permanent staff are entitled to 15 days' paid holidays for each half year (including weekends) and health insurance.

Regular hours worked at FINCA ESPERANZA VERDE are eight per day, but most of the staff work longer. They appear to be highly motivated, with a high degree of identification with the project. As says Yelba Valenzuela, the reasons for the good, or rather fair, payment are that 'we acknowledge quality, honesty, job experience, and readiness to work'. And she adds she wants to avoid unnecessary staff turnover ('I won't forever train new people.'). but most of all she wants to work with a team that 'takes the initiative and works independently'.

The seasonal workers at the coffee plantation are also paid more than the average. Typically in Nicaragua, a coffee picker gets six *córdobas* (some 40 Euro cents) for each basketful of beans, and a free meal. The agreed procedure at FINCA ESPERANZA VERDE is a different one: According to the wishes of the pickers, they bring their own food and are in turn paid more – 15 *córdobas* (almost € 1) for each basketful. The coffee pickers and field workers are paid every two weeks (for 12 days of working and two days off work).

Compared with a teacher's monthly earnings (\$ 75-90), those seven families in San Ramón offering homestays also enjoy above-average incomes. The group visits booked through the Durham-San Ramón Sister Communities NGO (commonly consisting of a 3- to 4-day stay at FINCA ESPERANZA VERDE followed by another 3 days in homestay with a family) yield their hosts an income of \$ 90 in only three days because as a rule two tourists will stay with one family. Still, occupancy rates are not 100 per cent all the year round, with most groups coming between December and April.

The youngsters (aged 14 to 23) who are organized in the local tourist guide club are playing an increasingly important role for the future. These youthful but very knowledgeable guides (male and female) of San Ramón take turns escorting, guiding and taking care of visiting groups and individual travellers. They get paid \$ 10 a day, and as each of the twelve is typically on duty once a month, this works out at between \$ 30 and 40 during the four peak months from January to April. As mentioned, this is a lot of income for these young people. However, what the visitor doesn't appreciate or learn at first sight is that they are the ones who all year round do voluntary work in the community, taking part in reforestation programmes, health campaigns (for the prevention of malaria and dengue), but also cleaning up the place (waste collection). In the words of 23-year-old Johaida: 'I've learnt to take responsibility. The tourists have made me do.' Says 22-year-old Elicia: 'My greatest personal success – I don't throw away litter anymore. My dearest wish: I want to start a project around here myself, recycling glass and plastics.'

Contest criterion:

Reinforcement of the local culture as well as the cultural identity of those living in tourism destination areas

As mentioned earlier (for the criterion of ‘chances and risks’) there is essentially an unbroken groundswell of confidence and pride in the people’s own culture and also in the place’s local history (with strong links to the Sandinist revolution). This lends a special quality to the interpersonal encounter between the tourists and the local people that is characterized by a meeting between equals rather than the graciously condescending to be received with gratitude by an ‘impoverished rural population’. Surely much of this must also be owed to the degree of political education in Nicaragua.

Contest Criterion:

Avoidance or minimisation of social and cultural damage caused by tourism in destination areas

This criterion is largely unchallenged as well, because the type and structure of tourism practised in San Ramón so far have taken that into consideration from the outset. What is more, the groups visiting (as yet predominantly) from the USA are very well briefed before and during their trip, both with information from their travel brochures (‘respect the local environment, customs and culture’) and by their tour guides, who will discuss with them such questions as: What does it mean to be a responsible tourist? There are, for example, constant reminders not to make gifts of money to children or adults in order to nip any incipient culture of begging off tourists in the germ. No such thing has taken root in San Ramón yet.

On the whole, visitors are required – even called upon if you will – to be guided by the spirit of solidarity, who are able to approach the mission statement of the Durham-San Ramón Sister Communities (‘... our belief in an interdependent, one-world family’). Any other approach or attitude adopted by the visitor could quickly be shown to be naïve, given that it would probably fail utterly to comprehend the realities in Central America and especially in Nicaragua.

Contest criterion:

Projects and measures entered for the contest must be in line with the principles of environmental compatibility

FINCA ESPERANZA VERDE’s role as a model farm and organic coffee grower has been covered in detail already. The quality label of ‘shade grown coffee’ mentioned initially means more than one might presume. It stands for a method of farming that protects the soil and does not wear it out, creating at the same time a protective habitat for birds and small animals.

In addition, coffee processing at FINCA ESPERANZA VERDE is conducted in a way that does not pollute the streams and rivers in the vicinity, and organic waste from the processing (hulls etc.) is composted. The buildings and visitors’ accommodations at FINCA ESPERANZA VERDE are equipped with solar panels producing a total of 500 watts, providing power for the lights, the radiotelephony equipment maintaining communications, as well as two freezers. (The nearest power transmission line is to be found at a distance of 2 km.) Most of the food used at the finca is produced or procured locally, part of it from organic farms (vegetables, fruit, eggs, meat). Hot

water for the showers comes from large, portable hose bags heated by the sun. Clean drinking water is provided from a protected mountain spring above the finca. The waste water is collected in septic tanks before being passed through an underground filter bed.

Reforestation of a tract of FINCA ESPERANZA VERDE's lands, which was nearly completely cleared of forest by its previous owner, is only completed by half at present and will probably take another three years. Special reference is made again at this point to the awards mentioned earlier, particularly to its special status of '*reserva silvestre privada*' conferred by the Nicaraguan authorities after extensive evaluation.

Contest criterion:

Securing the future - Which measures or mechanisms can guarantee the economical and institutional sustainability of the project?

It appears that the economic sustainability of the FINCA ESPERANZA VERDE joint project, though not yet finally secured, is well set on its way there. Revenue from coffee sales and ecotourism covers the costs (and partly funds many aid projects that are/were frequently also financed from donations), but does not allow it yet to build up sufficient equity capital. This may also stem from the still inadequate rate of occupancy and excessive concentration of visitors on the months from January to April (leaving May to November virtually as the dull period). The current rate of overnight stays is 35-40 a month (counting 18 beds distributed among three visitors' huts), the aim probably being 60 such overnight stays. This aim appears to be realistic since the number of domestic (Nicaraguan) guests has increased rapidly from originally 38 to nearly 200 as a result of receiving the 'best eco-lodge of Nicaragua' award. Additionally, the University of St. Louis, Missouri, is planning to set up on the premises of FINCA ESPERANZA VERDE a 'tropical forest centre', which would appear to promise higher occupancy rates from students and faculty from the USA and Nicaragua. What FINCA ESPERANZA VERDE has been missing so far, with very few exceptions, are visitors from Europe.

This might change in the wake of the FODESTUR activities planned by GTZ as mentioned earlier, provided medium-sized tour operators based in Europe can be persuaded to join in the proven and well-balanced conception of Durham-San Ramón Sister Communities.

This expert assessor holds that the project's institutional sustainability is ensured for the time being, given the fact that at both ends of the sister communities there exist the relevant committees or a board of directors for taking the decisions rather than this happening at an individual's discretion. As a positive aspect it should be mentioned that with every passing year more and more responsibility has been transferred to the Nicaraguan project management. Should it prove feasible there to continue to promote domestic tourism from inside Nicaragua to San Ramón, this could be instrumental again in achieving the right balance in the structure of visitors.

5. CONCLUSIONS

The FINCA ESPERANZA VERDE joint project is a clearly conceived and professionally implemented tourism project, taking into account the conditions existing in Nicaragua, producing socio-political effects, affording opportunities, and allowing self-directed development. Making use of FINCA ESPERANZA VERDE's programme, people can encounter each other in an authentic way, as hosts and guests, even if they come from completely different life worlds. Ultimately, both sides will benefit.