



Local and Regional Competitiveness Project (P154263)

EUROPE AND CENTRAL ASIA | North Macedonia | Finance, Competitiveness and Innovation Global Practice | Recipient Executed Activities | Investment Project Financing | FY 2016 | Seq No: 7 | ARCHIVED on 06-Aug-2019 | ISR37786 |

Implementing Agencies: Cabinet of the Deputy Prime Minister for Economic Affairs, Delegation of the European Union, Government of the Former Yugoslav Republic of Macedonia

Key Dates

Key Project Dates

Bank Approval Date: 12-Jan-2016

Effectiveness Date: 28-Jul-2016

Planned Mid Term Review Date: 14-Nov-2018

Actual Mid-Term Review Date: 14-Nov-2018

Original Closing Date: 31-Dec-2019

Revised Closing Date: 31-Dec-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to enhance the contribution of tourism to local economic development and improve the capacity of the government and public entities to foster tourism growth and facilitate destination management.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Component 1: Technical assistance for tourism development (Bank executed):(Cost \$1.42 M)

Component 2: Strengthening destination management and enabling environment (Recipient executed):(Cost \$1.35 M)

Component 3: Investment in tourism-related infrastructure and linkages at destinations (Recipient executed):(Cost \$21.81 M)

Component 4: Strengthening project management (Recipient executed):(Cost \$1.50 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Unsatisfactory	● Moderately Unsatisfactory
Overall Implementation Progress (IP)	● Moderately Unsatisfactory	● Moderately Satisfactory
Overall Risk Rating	● Moderate	● Moderate

Implementation Status and Key Decisions

Progress with implementation has been noted in each of the recipient executed components since the last reporting period. While disbursement is still at the same level as during the midterm review (November 2018), implementation progress has been achieved with signing of sub-project agreements, engagement of the key national stakeholders in the sector (Ministry of Economy and Agency for Promotion and Support of Tourism), completion of the grievance process and the work on destination management. However, the likelihood of achieving the development objective is

highly contingent on the project timeframe and possibility of extension, subject to request from the Ministry of Finance and consideration by the World Bank and EU Delegation.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Moderate	● Moderate
Macroeconomic	● Moderate	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Moderate	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial	● Substantial
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Substantial	● Substantial	● Substantial
Other	--	--	--
Overall	● Moderate	● Moderate	● Moderate

Results

PDO Indicators by Objectives / Outcomes

Enhance the contribution of tourism to local economic development				
▶ Additional private investment generated in tourism-related activities at beneficiary destinations (US\$, cumulative) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	241,031.00	10,000,000.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:	As of May 30, 2019, the sub-project agreements with all 15 Associations and 12 of the Small or Micro Enterprises has financing is US\$ 1,423,497. According to the Q1 Reporting, out of this total contracted amount, US\$ 163,081 in co-financing. In addition, one Grant Beneficiary under the SME grantees (US\$ 68,930) and two Grant Beneficiaries under association grantees have generated additional private investment beyond the co-financing amount. No private investment by sub-contractors has been reported to be reported under the Q2 Reporting.			
▶ Increase in tourism-related jobs in beneficiary destinations (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target

Value	0.30	0.00	6.37	7.00
Date	31-Dec-2016	20-Dec-2018	31-Dec-2018	31-Dec-2019
Comments:	<p>According to the data provided by the Employment Agency by all 10 destinations respectively including all tourism related number of tourism related jobs across all destinations are:</p> <p>2015 – 14,311 (baseline)</p> <p>2016 – 14,264 (decline of 0.3% compared to 2015)</p> <p>2017 – 14,222 (decline of 0.3% compared to 2016)</p> <p>2018 - 15, 222 (increase of 7.0% compared to 2017)</p> <p>Between 2015 and 2018, the total numbers of jobs increased by 6.37%.</p> <p>The number of jobs increased in Destinations 1 (Ohrid, Struga, Prespa and surroundings), Destination 2 (Skopje, Ku region), Destination 7 (Gevgelija, Dojran and surroundings), Destination 8 (Polog region) and Destination 9 (Strumica destinations declined.</p> <p>According to the data from the Q1 Report (March 2019), four grant beneficiaries of associations reported 28 part-time 6 full-time and seasonal jobs.</p> <p>Three out of the 15 associations and 13 out of 15 SMEs reported specific numbers regarding the expected employment. This total number was 492. Not all applicants reported precise numbers in their forms so the total number of jobs created is higher.</p>			

Improve the capacity of the government and public entities to foster tourism growth and facilitate d				
►Reforms implemented that were identified through a consultative PPD destination management process (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	9.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:	<p>The team proposes to redefine this indicator as "Reforms enacted to improve tourism management of the country as a destination (Number, cumulative)". Given the recent progress of the destination management activities under Component 2.2 (Strengthening destination management and enabling environment), reforms are expected to be implemented during the remainder of LRCP timeframe. Proposed new target is 3.</p>			

Intermediate Results Indicators by Components

Component 3: Investment in tourism-related infrastructure and linkages at destinations (Recipient executed)	
►Grant beneficiaries who consider that supported activities are subject to consultation and reflect their views. (Percentage, Custom)	



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:	The Terms of Reference for a Consultant to conduct the surveys has been completed and the announcement and procurement process will start in June. Surveys are tentatively planned for July and November 2019.			
►Private enterprises that benefit from activities funded through the project's grants, owned or managed by a woman (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	18.50	15.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:	Five (5) out of 27 SME' s and associations (grant beneficiaries) are owned or managed by a woman. Data for the sub-contractors is not yet available.			
►Private enterprises that benefit from activities funded through the project's grants. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	48.00	100.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:	The Q1 Report shows that 48 private enterprises (27 grantees and 21 sub-contractors) benefit from activities funded through the project's grants. Most of the sub-contractors/partnerships are existing including service providers and suppliers. A few grantees established new partnerships for services and supplies from local partners.			
►Private stakeholders that participate in project-supported capacity-building activities (e.g. training, supplier development, others) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	26.00	300.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:	This indicator has been amended to refer to "private stakeholders", and include private professional associations, as compared to "private enterprises" in the indicator originally.			
►Increase in number of overnights by tourists in beneficiary destinations (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	32.70	12.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:				
►Number of tour packages offered by tour operators (local and foreign) that include the project-supported destinations as a new offering (Number, Custom)				

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	20.00	30.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:	Local tour operators have started offering new tour packages including adventure experiences, such as hiking, biking, off-roading, free ride, jeep safari, history and religious site visits. Many of these packages are offered in combination with gastronomy experiences including home hosted meals, cooking demos and other culinary features such as wine and food tastings. Other experiences include visiting local natural and cultural sites, agritourism experiences including bee keeping and honey tasting and experiencing stringing tobacco leaves with locals. Several of the sub-projects include developing new tourism experiences but these are not market-ready yet.			

Component 2: Strengthening destination management and enabling environment (Recipient executed)

►Public and private stakeholders trained in destination management and development (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	400.00	759.00	200.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:	In 2017, 240 public and private sector stakeholders participated in workshops on the destination plan prepared for each of the ten destinations. In 2018, 337 stakeholders participated in workshops on destination management. In 2019, ten one-day workshops on destination management were held in each of the destinations, for 182 representatives of regional tourism stakeholders - tourism related SMEs, tourism associations and clusters, municipalities, business support organizations, universities, Centres for Development of the Planning Regions and NGOs – who are expected to be involved in destination management process in their destinations. The public sector stakeholders represented 54% of the total number of participants, whereas the private sector stakeholders take 34%. The remainder (12%) belongs to educational institutions, NGOs and chambers. Some of the stakeholders have participated in different workshops and may have been counted multiple times.			

►Share of local residents that are satisfied with tourism development in the destinations that benefit from the activities in the project. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	70.00
Date	15-Jan-2016	20-Dec-2018	30-May-2019	31-Dec-2019
Comments:	The Terms of Reference for a Consultant to conduct the surveys has been completed and the procurement process will start in June. Surveys are tentatively planned for July and November.			

Overall Comments

The surveys to measure "Grant beneficiaries who consider that supported activities are subject to consultation and reflect their views" and "Share of local residents that are satisfied with tourism development in the destinations that benefit from the activities in the project" are being procured and have not yet been undertaken. Thus, the result is not 0 but N/A.

Data on Financial Performance

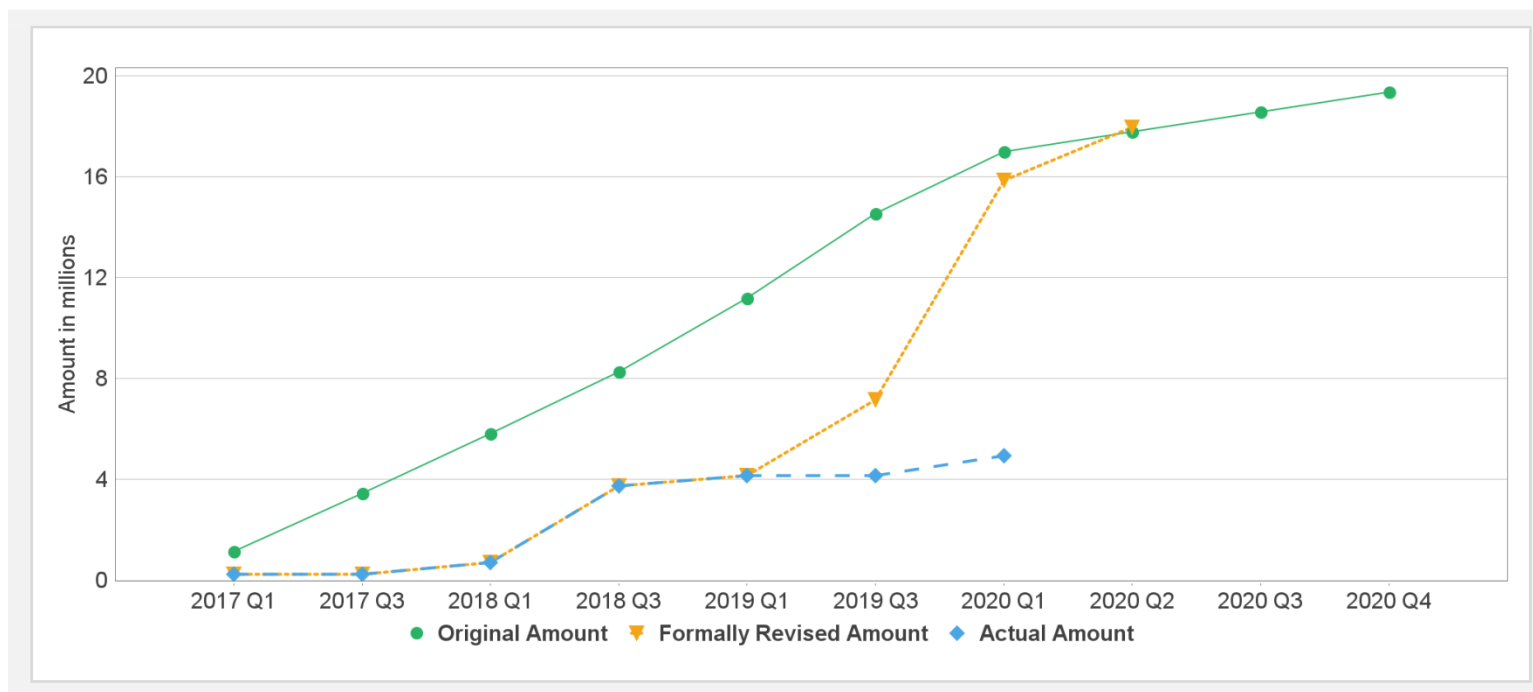
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P154263	TF-A1779	Effective	USD	17.93	17.93	0.00	4.94	13.10	28%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P154263	TF-A1779	Effective	14-Jan-2016	14-Jan-2016	28-Jul-2016	31-Dec-2019	31-Dec-2019

Cumulative Disbursements



Restructuring History

Level 2 Approved on 16-Feb-2017

Related Project(s)



There are no related projects.
