



Tourism Development (P098132)

AFRICA | Ethiopia | Trade & Competitiveness Global Practice |
IBRD/IDA | Specific Investment Loan | FY 2009 | Seq No: 14 | ARCHIVED on 21-Dec-2015 | ISR20896 |

Implementing Agencies:

Key Dates

Key Project Dates

Bank Approval Date:30-Jun-2009

Effectiveness Date:25-Feb-2010

Planned Mid Term Review Date:23-Oct-2012

Actual Mid-Term Review Date:23-Oct-2012

Original Closing Date:30-Dec-2014

Revised Closing Date:30-Dec-2015

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed project development objective is to contribute to enhancement of the quality and variety of tourism products and services in targeted destinations so as to increase tourist visitation, foreign exchange earnings, and jobs. The implementation of the project will yield the following key outcomes, particularly in key destinations: (i) an increase of annual international visitors; (ii) increased average spending by visitors translating into higher foreign exchange earnings; and (iii) an increased number of direct and indirect tourism-related jobs.

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

No

Components

Name

Destination development:(Cost \$19.61 M)

Market development:(Cost \$5.20 M)

Institutional development and capacity building:(Cost \$4.36 M)

Implementation support:(Cost \$4.89 M)

Overall Ratings

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



Overall Risk Rating

● Substantial

● Moderate

Implementation Status and Key Decisions

The implementation of the project has progressed well particularly since the last implementation support mission conducted in June 2015. The remaining activities from the last implementation support mission, such as the walkways and plaza development, the construction of the visitor center and the refurbishing of the handicrafts center in Axum, have been completed and handed over to the local administration. The final key intervention in Lalibela for the landscaping and conservation of the heritage site is progressing well with remaining activities expected to be completed by December 23, 2015. The active engagement of key stakeholders at all levels and the hands-on support from the Steering Committee has facilitated the expedited implementation of the project in these final months.

The Project interventions were targeted to address binding constraints to tourism development in Ethiopia noted during project design, in particular, (i) the low level of private sector investment in the tourism sector due to inadequate infrastructure at the tourism sites (such as access roads, water and sanitation, etc.); (ii) lack of access to finance for the private sector to expand investments; and (iii) weak capacity of the tourism institutions and lack of participation of local communities. The Project has addressed most of these constraints, including provision of access roads, water and sanitation systems, and improvements on tourist products and destinations. The Matching Grants Scheme and the Community Involvement interventions provided access to finance and technical assistance to the private sector and the community to introduce new tourism products, expand investments and improve services and standards. Many capacity building interventions were implemented to strengthen the institutions supporting the tourism sector such as the federal, regional and local tourism bureaus, the Training institutions and key tourism sector stakeholders. The project also supported the establishment of the Tourism Transformation Council, the Tourism Board and the Ethiopian Tourism Organization, with high level policy making and strategic decision making power.

Based on information available to date from the project unit, the project has achieved results on its outcome indicators as follows:

- i) International annual visitation numbers on average achieved 8.5% and 11.5% growth in Axum and Lalibela respectively, based on 2012--2014 (the period after the restructuring and lifting of partial suspension and the last year for which we have full year actual data). Final growth rates are to be determined based upon actual 2015 data not yet available. International visitor arrivals for each of the destinations have fluctuated due to local factors (ie extended construction in destination centers and around attractions) and global developments (ie, perception of lack of security and safety by tourists). At the same time, domestic visitation has grown as overall economic conditions in the country improved and more Ethiopians have been able to travel to these sites treasured for their religious and historical significance;
- ii) The target for average expenditure per person per day expenditure has been exceeded with \$390 per day for Axum and \$515 per day for Lalibela against the target of average expenditure of \$350/day. The final combined average rate is pending the most recent data from Addis Ababa; and
- iii) Job creation targets have been far exceeded with 5,553 jobs created from 2012-2015, versus the set target of 1,440.

It is expected that the deeper impact of the project interventions will become more visible in the coming years as the investments to develop the tourism products and infrastructure, the support to the private sector to improve and expand services, and the capacity building interventions to public and private sector service providers will fuel a strengthened tourism value chain. These building blocks would enable the enhancement of the tourism experience in the supported destinations, attracting additional visitors, potentially higher expenditures and creation of more tourism sector related jobs going forward. To this end, the project has made significant contributions by addressing the critical constraints as indicated above, laying the ground for more investments and fostering opportunities for further sector development. Activities and results in the targeted destinations provide a demonstrable basis for the Government to further develop the country's many other destinations and realize the full economic potential of the tourism industry nationwide.



Risks

Systematic Operations Risk-rating Tool

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

Results

Project Development Objective Indicators



► Average annual increase of the number of international visitors in targeted destination of Axum. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	19.00	13.70	8.50	23.00
Date	31-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

The end target for Axum of 23% refers to an annual target for the 3-year period (post restructuring) developed during the mid-term review and prior to the project's extension. This was an ambitious target based on the baseline review which utilized projections as well as historical figures. Based on the results to date, the average annual increase is 8.5% for Axum and 11.5% for Lalibela for 2012-2014. Final rates of growth will be calculated with 2015 data to be provided after they year ends and full data becomes available.

These growth rates are impactful despite being under the ambitious target. Growth was achieved despite extensive works activities in the core zone of each of these destinations and significant external factors such as security and safety concerns negatively affecting traveler motivation. The previous actual figure (13.7%) refers to actual growth in number of visitors as of June 2015 based on preliminary survey results; this ISR is not able to include 2015 figures since the data is not yet complete or finalized. This indicator will be confirmed once 2015 figures are integrated, allowing average annual growth to be recalculated. An on-going terminal evaluation summary will further supplement or update these numbers by project closing.

▲ Average annual increase of international visitors to Lalibela (Percentage, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	27.00	23.60	11.50	33.00
Date	31-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

► Increase of average foreign currency spending per international tourist per day in all the three targeted destinations of Addis/ environs, Axum and Lalibela (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	310.00	438.00	393.00	350.00
Date	31-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

The Actual (current) figure is determined by a November 2015 Survey, averaging the daily expenditures in 3 destinations: US\$390 in Axum, US\$515 in Lalibela. Addis Ababa figures are yet to be finalized, however, by utilizing the previous conservative estimate of US\$274 in Addis, the average per day spend of US \$393 still exceeds the target of US\$350. This indicator is considered to be met, and the final combined level will be confirmed once the most recent Addis Ababa figures are made available by the end of December 2015.

The Actual (Previous) figures (and those in the Aide Memoire) were based on incomplete estimates calculated utilizing secondary data, and have been revised as the more comprehensive primary survey results are submitted. An ongoing terminal evaluation in-depth survey will supplement and update these figures by project closing.



► Number of jobs created in tourism related industries in the targeted destinations of Axum and Lalibela (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	440.00	4600.00	5553.00	1440.00
Date	31-Oct-2012	30-Sep-2014	30-Oct-2015	30-Dec-2015

Comments

This indicator reflects the number of new jobs created in the four tourism-related industries of accommodation/catering, tourist transportation, and tourist guides, in line with the baseline categories. It shows clear attribution links to project activities, such as the Matching Grants and Community Involvement investments directly creating almost 2,000 jobs.

This indicator has been met and exceeded. Proxy indicators confirm this, as in Axum, tourism-related jobs increased by 725% between 2010 and 2015; During the target period (2012-July 2015): Youth accounted for 42% of new jobs created; Women accounted for 55% of new jobs created; 59% of enterprises hire workers only from Axum. A total of 88% of recorded jobs created are Full-Time Equivalent jobs. In Lalibela, tourism-related jobs increased by 1,566% between 2010 and 2015; During the target period (2012-July 2015): Youth accounted for 27% of new jobs created; Women accounted for 50% of new jobs created; 79% of enterprises hire workers only from Lalibela. A total of 88% of recorded jobs in this area created are Full-Time Equivalent jobs.

▲ Number of jobs created in Lalibela (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	650.00	1635.00	3229.00	860.00
Date	30-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

Overall Comments

This indicator reflects the number of new jobs created in the four tourism-related industries of accommodation/catering, tourist transportation, and tourist guides, in line with the baseline categories for Lalibela, Ethiopia's most popular destination after Addis Ababa..

Intermediate Results Indicators



► Number of historic monuments/ sites rehabilitated in all the three targeted destinations (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	3.00	6.00
Date	31-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

Completion of works on additional sites, such as the Addis Ababa Museum, are anticipated by project end.

In addition, 3,614 people have been employed during construction of access roads and those rehabilitated, including 1,061 women. These temporary jobs are in addition to the number of jobs reported under PDO indicator 2.

▲ Kilometers of access/town roads rehabilitated (Kilometers, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	20.10	21.10	4.00

► Number of visitor service centers established and staffed in all the three targeted destinations (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	31-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

Only goods procurement remains for the visitor service centers, and these are aiming to be completed by project closing. These will serve as sites for further capacity building, fostering on-going tourism product diversification and as focal point for visitors.



► Number of tourism product development plans prepared in secondary destinations (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	3.00	3.00
Date	31-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

Product development plans for the Southern, Western and Eastern routes have been prepared with extensive consultation. This target is met. The preparation of these has enabled identification and planning for the sector to continue to expand beyond the targeted sites in this project.

► Number of marketing and promotion strategies adopted with at least 3 international tourism market segments (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	3.00	3.00
Date	31-Dec-2009	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

As of December 15, 2015 (based on progress report from PIU), the marketing development strategy and the branding strategy have been finalized. This target has been met. The development of the promotional materials is underway and is expected to be completed before project closing.

► Number of beneficiary firms utilized the matching grants financing (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	65.00	79.00	50.00
Date	14-Dec-2009	30-May-2015	15-Dec-2015	30-Dec-2015

Comments

The Matching Grant scheme implementation has been well-received with strong implementation in Lalibela, Axum and Addis and benefitting entities across the tourism value chain. It has far exceeded its target. The reported result of 79 Matching Grant beneficiaries is based on the progress update from PIU on December 15, 2015 reflecting the latest information on this intervention which has benefitted a variety of enterprises contributing to a stronger tourism value chain.



► Number of community based and tourism related business ventures established (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	46.00	56.00	45.00
Date	31-Dec-2009	30-May-2015	15-Dec-2015	30-Dec-2015

Comments

The Community Intervention support established 56 Business Ventures as of end of October 2015, based on the project progress update from the PIU on December 15, 2015. This intervention has enabled the communities in the three destinations to directly benefit from tourism industry activity.
This target is met.

► A strategy with a detailed 3-5 year action plan to support the implementation of the national tourism strategy developed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	1.00	1.00
Date	30-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

The national strategy was developed through extensive consultations and has guided Government (national, state and local level) in tourism development decision making.

► A lodging grading regime compatible to international standards developed and pilot tested (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	1.00
Date	31-Oct-2012	30-May-2015	15-Dec-2015	16-Dec-2015

Comments

At the time of the mission from Nov 2 to 10, 2015, the regime has been developed, 52 grading experts have been trained, and 337 Hotels in 7 regions have been assessed/graded. Two additional regions are finalizing the assessments, and some properties in Addis require re-assessments.

Based on the progress update received from PIU on December 15, this activity has been fully completed and the final workshop has been conducted. Accordingly, the result has been updated to reflect this progress as of December 15, 2015.



► An upgraded national tourism statistics system that is capable of capturing basic tourism indicators (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	1.00
Date	31-Dec-2009	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

The system is operational: it has been designed, users are trained and software has been migrated to the GoE's systems. This is a crucial intervention benefitting all areas in the country to better track and monitor tourism sector performance. The target has been met.

► Number of instructors/ trainers trained on training curricula developed under the project at vocational schools (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	44.00	40.00
Date	31-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

The project supported beneficiaries to partake in training in overseas programs which demonstrate good practices and international standards which is much needed in Ethiopia. Also, those trained were required to share the learned content with colleagues upon return to their training institutions.

► Number of people in the tourism industry trained in Addis/ environs, Axum and Lalibela (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1379.00	1661.00	200.00
Date	31-Dec-2009	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

Training enabled improved understanding of the sector and standards necessary for achieving a competitive product. Of those trained 834 are women. This target has been fully met.



► Direct project beneficiaries (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1899.00	3837.00	500.00
Date	31-Oct-2012	30-May-2015	30-Oct-2015	30-Dec-2015

Comments

An additional 26,738 have benefitted from improved access to water and sanitation in Lalibela which has suffered in the past from water shortages. Additionally, 8,316 workers have been employed as inputs to the project (mainly in construction).

▲ Female beneficiaries (Percentage, Core Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	760.00	1704.00	100.00

Overall Comments

The Project has hired a consultancy service to carry out a comprehensive terminal survey and evaluation which is expected to be completed by end of December 2015. The results reported here are expected to be validated by this survey and the results of some of the ongoing interventions will be provided once the survey is completed. Even though some of the indicators are reported as zero, all the interventions that contributed to the indicators are ongoing and are expected to be completed before December 30, 2015.

Data on Financial Performance

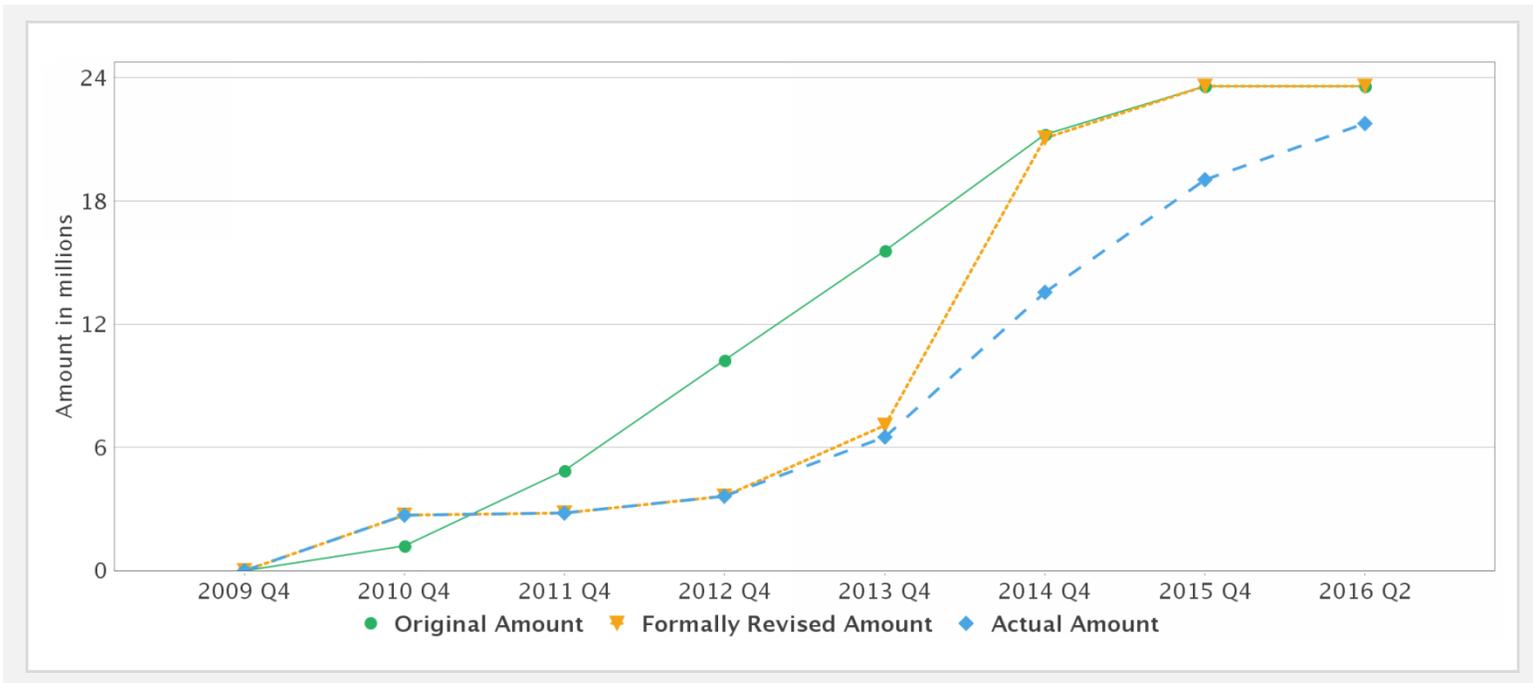
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P098132	IDA-46240	Effective	XDR	23.60	23.60	0.00	21.76	1.84	 92%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P098132	IDA-46240	Effective	30-Jun-2009	16-Sep-2009	25-Feb-2010	30-Dec-2014	30-Dec-2015

Cumulative Disbursements



Restructuring History

Level 1 Approved on 13-Mar-2013 ,Level 2 Approved on 27-Jun-2014

Related Project(s)

There are no related projects.