Local and Regional Competitiveness Project (P154263)

EUROPE AND CENTRAL ASIA | Macedonia, former Yugoslav Republic of | Finance, Competitiveness and Innovation Global Practice | Recipient Executed Activities | Investment Project Financing | FY 2016 | Seq No: 5 | ARCHIVED on 31-May-2018 | ISR32540 |

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: 24-Sep-2018
- Actual Mid-Term Review Date: --
- 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

- 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

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Substantial</td>
<td>Moderate</td>
</tr>
</tbody>
</table>
Implementation Status and Key Decisions

In the past six months, implementation of the project has progressed further compared to the previous reporting period. The first call for sub-project proposals under Component 3 (investment in tourism-related infrastructure and services at destinations) has been completed and a second call was launched in March. Four sub-projects on tourism related infrastructure proposed by municipalities from the first call will be funded. The response rate to the second call for expressions of interest is satisfactory. The documentary check is on track and the workshops for the full proposals are being planned for June. Implementation of activities under Component 2 (sector policy and coordination) has been initiated and needs to be advanced. Workshops on destination management were completed in March yet the PIU needs to hire a destination management facilitation firm as a matter of priority. The positions of Financial Management Specialist and Procurement Specialist were filled, but the positions of Monitoring and Evaluation Specialist and Cultural Heritage Specialist remain vacant. Overall implementation progress is Moderately Satisfactory.

Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Moderate</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>Moderate</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>Substantial</td>
<td>--</td>
</tr>
<tr>
<td>Overall</td>
<td>Moderate</td>
<td>Substantial</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Results

Project Development Objective Indicators

- Additional private investment generated in tourism-related activities at beneficiary destinations (US$, cumulative) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>10,000,000.00</td>
</tr>
<tr>
<td>Date</td>
<td>15-Jan-2016</td>
<td>--</td>
<td>--</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>
### Increase in tourism-related jobs in beneficiary destinations (Percentage, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>7.00</td>
</tr>
</tbody>
</table>

| Date    | 15-Jan-2016 | --                | --               | 31-Dec-2019 |

**Comments**
Baseline will be determined once a Monitoring and Evaluation Specialist is hired at the PIU.

### Reforms implemented that were identified through a consultative PPD destination management process (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>9.00</td>
</tr>
</tbody>
</table>

| Date    | 15-Jan-2016 | --                | --               | 31-Dec-2019 |

**Comments**
Baseline will be determined once a Monitoring and Evaluation Specialist is hired at the PIU.

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**Overall Comments**

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**Intermediate Results Indicators**
### Public and private stakeholders trained in destination management and development (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>11.00</td>
<td>11.00</td>
<td>200.00</td>
</tr>
<tr>
<td>Date</td>
<td>15-Jan-2016</td>
<td>23-Sep-2016</td>
<td>23-Sep-2016</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

### Increase in number of overnights by tourists in beneficiary destinations (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Date</td>
<td>15-Jan-2016</td>
<td>--</td>
<td>--</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

### New tour packages offered by tour operators (local and foreign) that include the project-supported destinations as a new offering (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>30.00</td>
</tr>
<tr>
<td>Date</td>
<td>15-Jan-2016</td>
<td>--</td>
<td>--</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

### Private enterprises that participate in project-supported capacity-building activities (e.g. training, supplier development, others) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
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<td>0.00</td>
<td>0.00</td>
<td>300.00</td>
</tr>
<tr>
<td>Date</td>
<td>15-Jan-2016</td>
<td>--</td>
<td>--</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>
### Private enterprises that benefit from activities funded through the project's grants (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Date</td>
<td>15-Jan-2016</td>
<td>--</td>
<td>--</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

### Private enterprises that benefit from activities funded through the project's grants, owned or managed by a woman (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
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<td>0.00</td>
<td>0.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Date</td>
<td>15-Jan-2016</td>
<td>--</td>
<td>--</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

### Grant beneficiaries who consider that supported activities are subject to consultation and reflect their views (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>80.00</td>
</tr>
<tr>
<td>Date</td>
<td>15-Jan-2016</td>
<td>--</td>
<td>--</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>70.00</td>
</tr>
<tr>
<td>Date</td>
<td>15-Jan-2016</td>
<td>--</td>
<td>--</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

**Overall Comments**
Baseline values will be determined once a Monitoring and Evaluation Specialist is hired at the PIU.
Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P154263</td>
<td>TF-A1779</td>
<td>Effective</td>
<td>USD</td>
<td>18.58</td>
<td>18.58</td>
<td>0.00</td>
<td>3.76</td>
<td>14.78</td>
<td>20%</td>
</tr>
</tbody>
</table>

Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>P154263</td>
<td>TF-A1779</td>
<td>Effective</td>
<td>14-Jan-2016</td>
<td>14-Jan-2016</td>
<td>28-Jul-2016</td>
<td>31-Dec-2019</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

Cumulative Disbursements

Restructuring History

Level 2 Approved on 16-Feb-2017

Related Project(s)
There are no related projects.