



Competitiveness for Tourism Development (P146666)

AFRICA WEST | Cabo Verde | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 9 | ARCHIVED on 28-Jan-2021 | ISR45372 |

Implementing Agencies: Ministério das Finanças, Unidade de Gestao de Projectos Especiais (UGPE)

Key Dates

Key Project Dates

Bank Approval Date: 10-May-2016

Effectiveness Date: 15-Nov-2016

Planned Mid Term Review Date: 10-Dec-2019

Actual Mid-Term Review Date: 31-Oct-2019

Original Closing Date: 31-May-2021

Revised Closing Date: 31-May-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to create the conditions necessary to increase investment into and diversification of the tourism sector.

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

No

Components Table

Name

Component 1: Enhancing governance framework of the tourism sector:(Cost \$2.27 M)

Component 2: Diversify tourism sector and increase inclusiveness of tourism-led growth by strengthening the competitiveness of local MSMEs:(Cost \$2.24 M)

Component 3: Project implementation:(Cost \$0.49 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

The Competitiveness for Tourism Development Project is performing well with " Satisfactory" and "Moderately Satisfactory" ratings in the (PDO) and overall implementation progress (IP) respectively. The Bank team considers that the remaining schedule for implementation may not be enough for the implementation of all planned activities, achievement of key project indicators, and disbursement of available funds.

The possibility of extending the end of the project until December 2021 (about 7 additional months compared to the current date of May 31) has been discussed with the government. Government authorities intend to formalize the request in the short term, justified by the need to complete activities that have been delayed and also to allow the framing and termination of the COVID-19 response activities that the project has supported in the meantime. Once the official request has been received, the authorities and the World Bank will discuss this possibility.

Progress per component can be summarized as follows



Component 1: Strengthen the governance framework for the tourism sector

- Institutional Support to the Tourism Institute (ITCV): The process of purchasing office and communications equipment was completed in time for the official inauguration ceremony of the headquarters, held on December 19, 2020. Since the reporting period, additional activities were submitted by the ITCV for approval including development of a destination marketing plan and a training course for local travel agencies.
- Development of a Unified Tourism Code: The draft of the White Paper of the Tourism Code still needs revisions and improvements, in addition to dissemination and consultation with stakeholders in the sector. According to DGTT, this is a process that may still take a few months and may be included in the remaining uncommitted funds of the project.
- Institutional support to the Chamber of Tourism (CTCV): CTCV has strengthened its partnership with the Ministry of Tourism to promote two activities, namely: (i) georeferencing of Cape Verde's tourist assets and attractions; and (ii) CapeSafety II Program. Details of both activities are provided below, in the section on Component 2.

Component 2: Diversify the tourism sector and increase the inclusion of tourism growth, strengthening the competitiveness of local MSMEs

- Development of a Quality Label Program for Small Accommodations: The Institute for Quality Management and Intellectual Property (IGQPI) confirmed that 43 establishments expressed interest in participating in the program. The Institute has provided technical assistance to 26 of these, including a recently added module on safety and hygiene standards related to COVID-19. With the support of the project, IGQPI is currently in the process of selecting and hiring two national consultants to support the implementation of the program as a whole, in addition to these, seven more consultants will provide technical assistance to participating establishments, and seven auditors will conduct evaluations to obtain the seal. Two additional activities were discussed as part of the project's support for the program: the development of a web portal (evaluations of selected companies are currently being carried out), and support for the acquisition of communication materials (the ToRs were submitted to the UGPE).
- Support to the Chamber of Tourism (CTCV): The Chamber of Tourism continued to prepare the two activities that had been proposed with the support of MTT. The first activity is the georeferencing of national tourist assets online - the process of selecting a firm that will perform this service is already being concluded and the contract is expected to be signed in January 2021. The second activity is the development of a program called CapeSafety II. This activity, recently introduced in the plan of the project's activities, aims to improve the safety and quality of selected restaurants in tourist areas, and is also considered as a response activity to COVID-19 in terms of improving sanitary practices.
- Reforms to Improve the Business Environment: The main activity led by the Competitiveness Unit is the establishment of a digital collateral registry for the purpose of guaranteeing credit. This reform follows the necessary legislative review, also supported by the project and approved in the meantime. The development of the online registration, which was initially scheduled to start in September 2020, was slightly delayed, with the acquisition process almost completed and the information technology company selected should start work by early 2021.
- Tourism Planning Plans (POTs): Through the National Institute for Territorial Management, the project financed six Tourism Planning Plans - three on the island of Sal (Morrinho Branco, Santa Maria and Ponta Serena) and three on the island São Vicente (Praia Grande, São Pedro and Baía das Gatas). The POTs of Baía das Gatas and São Pedro were already approved and published in an official bulletin at the end of October 2020, and it is expected that the Praia Grande POT may also be approved and published in the short term.
- Strategic Marketing Plan: as mentioned above, the process of acquiring this activity is close to being concluded and awarded. MTT / DGTT activities in response to COVID-19: the five activities to respond to COVID-19 have progressed well since the previous mission, namely:
 1. Expansion of the Clean and Safe Certification Program to the Islands beyond Sal and Boa Vista - the contract for the extension of mostly online training actions, on good health practices in the context of COVID-19, is already being implemented and is expected to conclude in March;
 2. Training of Local Consultants to Provide Continuous Support to the Safe & Clean Program - ongoing under the previous activity contract, with expected completion in March;
 3. Promotional Video for the Clean and Safe Certification Program - video already prepared, about to be disseminated;
 4. Taxi Driver Training Course - ongoing, expected to be completed in the first quarter of 2021 - expects the training to cover about 600 taxi drivers (300 on Santiago Island and 300 on Sal Island)
 5. Tourist Guide Training Course - courses in Sal and Santiago already concluded through partnerships with IEFP and EHTCV, about 70 tourist guides received training on the islands of São Vicente, Sal and Santiago. The ceremony to hand over the diplomas to the class in Santiago took place on December 17, 2020, with the presence of the Minister of Tourism and Transport.

Risks



Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Increased investment generated				
► Value of Investment catalyzed (disaggregated by islands and type of investors) (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	136.00	273.00	35.00
Date	25-Apr-2016	26-Jun-2020	20-Jan-2021	31-May-2021
Comments:	<p>These are the following investments catalyzed currently being accounted for:</p> <ol style="list-style-type: none"> 1. ROBINSON Club de Cabo Verde (SM/Sal, € 49.500.000) Verification Source: Resolução nº 110/2019 - Establishment Agreement celebrated between CV and CLUB HOTEL CV, S.A. (https://kiosk.incv.cv/V/2019/9/6/1.1.94.2908/p1518); 2. Hotel Ilha Sal Palace (SM/Sal, € 72.000.000) Verification Source: Resolução Nº 111/2019 - Establishment Agreement celebrated between CV and Arco Verde - Hotelaria e Turismo, S.A (https://kiosk.incv.cv/V/2019/9/6/1.1.94.2908/p1518); 3. Royal Horizon Ponta do Sino (SM/Sal, € 130.000 M) Verification Sources: Resolução nº 102/2020 - Establishment Agreement celebrated between CV and Decameron New Horizons Ponta Sino S.A (https://kiosk.incv.cv/V/2020/7/27/1.1.87.3360/p1858). 			
► Number of MSMES certified (with Quality Seal or ISO/HACCP or Safe & Clean) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	116.00	40.00
Date	25-Apr-2016	26-Jun-2020	20-Jan-2021	31-May-2021



Comments:	Indicator is well beyond target:			
	<ul style="list-style-type: none"> • 11 SMEs certified ISO/HACCP from Technical Qualification for Tourism (CERTIFIC I • 105 certified with Sanitary Seal (Safe&Clean) under Sanitary Seal Extension Program, representing 290% of the target 			
<input type="checkbox"/> of which, owned or managed by women (%) (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	45.50	45.00	33.00

Overall Comments

The project is progressing very well in terms of achievement of PDO indicators. Based on latest data received by PIU after mission in December 2020, both PDO level indicators have been achieved and are well beyond achievement of targets. The first indicator, value of the catalyzed investment, is already beyond the target, standing at around US \$ 273 million compared to the US \$ 35 million target. The second PDO level indicator is also way beyond target (116 actual number of MSMEs certified versus 40 MSMEs certified as target), this is primarily thanks to the considerable number of training associated with the COVID-19 response currently underway. However, the risk of not reaching the target number of MSMEs with the certification of the quality seal as planned in the project design should be noted.

Intermediate Results Indicators by Components

Component 1: Enhancing governance framework of the tourism sector				
▶ Start-up of operations of the Tourism Institute (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	10-May-2016	26-Jun-2020	20-Jan-2021	01-Mar-2021
Comments:	Was rephrased during the restructuring level 2 conducted in 2020 to update the M&E framework, using the new nomenclature "Tourism Institute" or Instituto do Turismo, to reflect the new name used by the Govt for the agency in charge of tourism development.			
▶ Development of a national tourism strategy (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	10-May-2016	26-Jun-2020	20-Jan-2021	01-Mar-2021
Comments:	The Govt has adopted the GoPEDS-Turismo (Grandes Opções do Plano Estratégico de Desenvolvimento Sustentável do Turismo no horizonte 2030), which constitutes the Govt's strategy for the development of the tourism sector.			
▶ Number of Tourism Master Plans adopted (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	7.00	7.00	7.00
Date	25-Apr-2016	26-Jun-2020	20-Jan-2021	31-May-2021
Comments:	The Ministry of Tourism has adopted the Master Plans/TMP. In fact, based on each TMP, the Ministry has developed the "Master Plan Integrado do Turismo de Cabo Verde - Programa Operacional do Turismo 2021 a 2026" which was discussed and approved during the National Tourism Council meeting, promoted by the MTT on December 26, 2020.			
► Number of Tourism Zoning Plans (POTs) adopted (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6.00	6.00	6.00
Date	25-Apr-2016	26-Jun-2020	20-Jan-2021	31-May-2021
Comments:	POT S. Pedro S. Vicente and POT Baia das Gatas S. Vicente, both have been approved and published in the Official Gazette (https://kiosk.incv.cv/V/2020/10/30/1.1.123.3471/). POT Praia Grande S.Vicente has gone through minor changes and it is the the process of approval. All 3 POT of Sal have been elaborated, but their approval is conditioned to changes proposed after public consultations.			
► Tourism Code enacted by the Government (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	25-Apr-2016	26-Jun-2020	20-Jan-2021	31-May-2021
Comments:	Supported on the legal guidelines and recommendations from the TCWP, the Ministry of Tourism has prepared 3 pieces of legislation which will integrate the Tourism Code. They are: 1- Regime Jurídico de Instalação, Gestão e Funcionamento dos Estabelecimentos Turísticos de Alojamento; 2- Projeto de Diploma que define o Regime Jurídico do Exercício do Turismo no Espaço Rural; and 3- Diploma que Regula o Acesso e Exercício da Atividade dos Prestadores de Serviços.			
► Number of Investment Forums Organized (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	3.00
Date	25-Apr-2016	26-Jun-2020	20-Jan-2021	31-May-2021
Comments:	Two Investment Forums organized up to Dec. 2020. A third Forum was supposed to be supported/funded by CTD in 2020. However, due to COVID-19 restraints, this event became unfeasible. The outlook of the pandemic leads us to conclude that the 3rd. Forum projected may not take place within project duration.			

Component 2: Diversify tourism sector and increase inclusiveness of tourism-led growth by strengthening the competitiveness of local MSMEs

► Number of small accommodations that benefited from technical assistance under the project (Number, Custom)

Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	0.00	28.00	53.00	50.00
Date	10-May-2016	26-Jun-2020	20-Jan-2021	31-May-2021
Comments:	26 small accommodations from QL; Plus 25 from Certific I and II; Plus 2 from Clip One Platform for the CC. This total of 53 MSMEs represents 106% of the target.			
► Number of MSME representatives who benefited from training activities supported by the Project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	55.00	235.00	100.00
Date	10-May-2016	26-Jun-2020	20-Jan-2021	31-May-2021
Comments:	25 from CERTIFIC I & II; Plus 210 from QL.			
□ Of which women (%) (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	47.30	25.00	35.00
► National Certification Company established (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	25-Apr-2016	26-Jun-2020	20-Jan-2021	31-May-2021
Comments:	Creation of the Certification Entity is still conditioned by funding that the Chambers of Commerce/CC haven't been able to mobilize yet. Considering latest developments shared by the CC, we do not expect the Entity to be established by project closure.			
► Technical and Feasibility Study of Mindelo's Oceanarium approved (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	25-Apr-2016	26-Jun-2020	20-Jan-2021	31-May-2021
► Legal Framework for Insolvency and Collateral Registry approved (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	25-Apr-2016	26-Jun-2020	20-Jan-2021	31-May-2021



► Establishment of a moveable collateral registry (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	10-May-2016	26-Jun-2020	20-Jan-2021	01-Mar-2021

Overall Comments


The PIU continued to implement the monitoring and evaluation (M&E) system and the respective data collection during this reporting period. Most of the project intermediary targets have been achieved and that task team expects satisfactory achievement of these indicators by the end of the project, with the exception perhaps for the promulgation of the tourism code, investment forums and the creation of the national certification company.

In component 1, four of the six indicators have already been achieved, except for the promulgation of the tourism code and the number of investment forums organized (two instead of three) not achieved. In component 2, progress is also satisfactory with four out of six indicators achieved. The indicator related to the establishment of a mobile guarantee register has not yet been achieved, however it is expected to be achieved by project's closing stage. The national certification company has not yet been established. It is not clear whether the latter indicator will be achieved by the end of the project.

Performance-Based Conditions

Data on Financial Performance

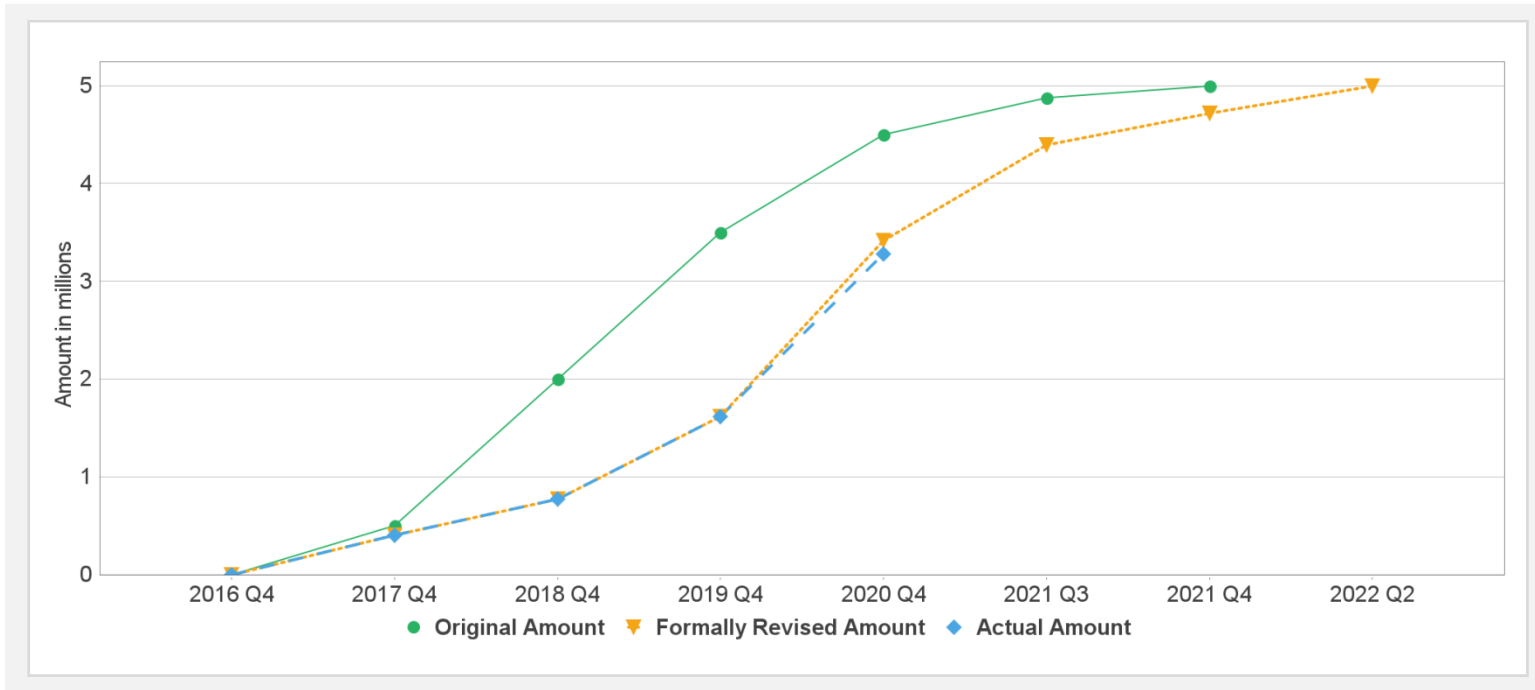
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P146666	IDA-58010	Effective	USD	5.00	5.00	0.00	3.64	1.55	 70%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P146666	IDA-58010	Effective	10-May-2016	17-Jun-2016	15-Nov-2016	31-May-2021	31-May-2021

Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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Restructuring History

Level 2 Approved on 29-Nov-2018 ,Level 2 Approved on 11-Jun-2020

Related Project(s)

There are no related projects.