



MINISTRY OF
CULTURE AND TOURISM



*Empowered lives.
Resilient nations.*

STRENGTHENING INSTITUTIONAL CAPACITY FOR SUSTAINABLE TOURISM DEVELOPMENT PROGRAM

TERMINAL EVALUATION REPORT

December 28, 2018

By

Abera Gayesa National Consultant

EXECUTIVE SUMMARY

Despite Ethiopia possesses vast tourism potential and concerted efforts being made to develop the tourism sector, the country continued to face challenges in a context where there are shortfalls in destination and product development, market promotion, and expansion of infrastructure and tourist facilities. There were overall capacity limitations among tourism stakeholders, both public and private, and coordination efforts have not been strengthened. The sector also faces constraints in terms of preparation and implementation of sound policy, rules and regulations.

It was in light of the above, that the project entitled “*Strengthening Institutional Capacity for Sustainable Tourism Development*” was designed and supported by UNDP to build national capacities for tourism development and contribute to the attainment of development goals set in the GTP. Specifically, the project was designed and implemented to strengthen technical and policy advisory capacity of Ethiopian Tourism Organization (ETO) as well as facilitate the creation, acquisition, and use of proven knowledge and technologies in sustainable tourism development.

In accordance with its corporate guidelines, which require terminal evaluation of its projects in the final year of implementation, UNDP commissioned the evaluation of the project “*Strengthening Institutional capacity for sustainable tourism development*”. The main objective of the terminal evaluation was to review the implementation of the project activities and achievements of results starting from its initial period to date so as to (1) measure the performance the project, (2) draw lessons to facilitate decision on future operation of the program, and (3) produce practical recommendations to inform the design, implementation, and coordination of upcoming programs and other initiatives.

The evaluation was undertaken by an independent national consultant and the evaluation timeframe was for a period of 30 working days from 20 August 2018 to 28 September 2018 with no cost extension until 31 October 2018. The methods employed in the evaluation process included desk review of project documents, consultation and interview of key stakeholders, and analysis and rating of achievements using criteria of relevance, effectiveness, efficiency, sustainability and impacts.

The terminal evaluation covered interventions of the project planned to be implemented during the period from July 2015 to date (August 2018) to deliver following planned outputs:-

Output 1: Tourism policy regulatory and institutional capacity strengthened;

Output 2: Destination and product development enhanced;

Output 3: Ethiopia’s tourism sector effectively branded and promoted;

Output 4: Inclusive and sustainable private sector tourism development strengthened; and

Major Findings

The project entitled “*strengthening institutional capacity for sustainable tourism development*” was mainly focused on institutional capacity development of ETO and tourism destination and products development as well as tourism marketing promotion and development. The findings of the evaluation was based on the evaluation criteria of relevance, effectiveness, efficiency, sustainability and impacts and is presented as follows.

1. Relevance

The project was found is highly relevant in all dimensions. It was found well aligned to national priorities, needs of targeted beneficiary (ETO), and well informed with UNDP Strategic Plan, 2014 – 2017 and aligned with the United Nations Development Assistance Framework (UNDAF), 2016 – 2020.

2. Effectiveness

The contribution of the project to the overall objective of the project entitled “*strengthening institutional capacity for sustainable tourism development*” was found *satisfactory*. The institutional and organizational capacity development of ETO in terms professional skill development, equipping ETO by modern ICT and office furniture, development of national tourism development strategy, and production of investment incentive package, and engagement SMEs in tourism business development services (BDS) have contributed the most to the achievement of the overall objective of the project.

The project was instrumental and *immensely* contributed to *strengthen tourism policy regulatory and institutional capacity* (output 1) of ETO through revising regulation and guideline on its mandate towards tourism sector transformation, providing technical advisory services, equipping ETO with IT equipment and systems, provided functional office premise, skill development training of ETO and stakeholder government frontline operational staff. The project provided on job and customer service training to 400 staffs drawn from ETO, Government offices, and hotels based in Addis Ababa including 125 Chefs. It has been confirmed from consulted stakeholders (former ETO CEO, Tour Operators and Addis Hotels Association) that the customer service training has improved the customer service delivery process at the targeted institutions.

The contribution of the project towards achieving “*strengthened inclusive and sustainable private sector tourism development (output 4)*” has been assessed as as has been rated as highly satisfactory (92.5%). It is evident that the SMEs and other private sector business engagement given the opportunity were being obtaining increased income from the sector as well as contribute to improved business services provision in the tourism sector. The draft investment promotion

incentive package produced on destination development and private sector engagement has to be endorsed and operationalized.

The achievements towards ensuring *enhanced destination and product development* (output 2) has been rated as *highly satisfactory* (85%). From this achievement, it can be concluded that the objective intended under this output has been achieved. Although the intervention is too early to bring impacts, it has ultimately enhanced visitor's length of stay as well as tourism products and services provided at required level of standard. ETO's capacity has been strengthened to key geographic and ethnic tourist destinations and ensure effective use and preservation of natural, cultural, and historical resources. This has been confirmed by the stakeholders consulted during the assessment.

The overall achievement of *output 5: strong partnership and stakeholder engagement put in place* has been rated as highly satisfactory (88%), which shows achievement of the desired objective compared to the situation under baseline. The project supported ETO to undertake rigorous stakeholder mapping, expand bilateral and multilateral partnership agreements, and create new partnership with relevant domestic and international organizations. Towards this end, it has been confirmed that identification and mapping of donor stakeholders like WB, EU, UNDP, including domestic stakeholders has been carried out and documented (90% achievement). With the supported the project, multi consultative meetings with multiple stakeholders like WB, UNDP, EU, AU, Hotels, Lodgers, Resot owners, EIC, and NGOs (85% achievement) have been conducted. Furthermore, public private partnership with Hotels, Resorts, EIC, MoCT, etc has been conducted (90% achievement).

The achievement of *output 3: branding and promotion of tourism sector effectively* has been estimated as acceptable with 67% achievement. The project supported interventions like development of market research plan and joint strategy (ETO, ET-A, etc.) on market prioritized products by destination (65%). Furthermore, it has been assessed that the targeted tourism branding and marketing strategy development has been conducted by major tourism destination regions and documented (65%). In addition, it has been confirmed that tourism branding has been developed in the major tourism destination areas (70% achievement).

3. Efficiency

The evaluator has the opinion that the project resources were targeted on appropriate interventions to achieve the intended results and were implemented efficiently. The project used the funds with satisfactory efficiency as project resources were utilized for targeted activities that contributed to its overall objective. Furthermore, comparing the overall project effectiveness versus project funds spent, the project effectiveness per unit of cost/ expenditure has been calculated to be 1.08, which shows cost effectiveness of the project. Furthermore, it has been confirmed from project implementers that most of the interventions were implemented timely as per planned, particularly during the periods of 2016 and 2017. This factor also contributed to the efficiency of the project.

However, there exist inefficiencies to utilize the available funded resources as there have been unutilized funds mainly due to government change in 2018.

4. Sustainability

There is a high likelihood that the project processes and results will be *institutionally and financially sustainable* as all have ownership by ETO and key operational stakeholders (particularly hotels and tour operators), although sustainability issues and how to resolve them were not included in the project design. However, stakeholders like Tour Operators and Addis Ababa Hotels Associations as well as Officials of MoCT and former CEO of ETO consulted during the assessment have the opinion that the achievement of the project are at initial stage and haven't reached the level of sustainability. Some of the outputs and indicators targeted to be achieved were not completed and needs further support to reach the required level.

5. Impact

The interventions supported by the project have high potential to bring *positive impact* on capacitating institutional execution level and increased income from tourism. The evaluator has the opinion that the project brought improved execution and competitiveness capacity of ETO as well as improved quality of customer services, although interventions are at initial stage and needs further support to bring sustainable impacts. Furthermore, the interventions have contributed to increased tourist arrivals and foreign exchange earnings at targeted destinations. The project has contributed to the economic activity of the country in terms of GDP, foreign exchange earnings, and direct employment creation. In this regard, the contribution of the travel and tourism sector to GDP has grown from the level of ETB 40,130.3 million in 2014 to ETB 49,144.2 million in 2017 (World Travel & Tourism Council, 2015 – 2018). Similarly, the contribution the sector to foreign exchange earnings has grown from the level of ETB 45,878.5 million in 2014 to ETB 50,447.7 million.

6. Integration of Gender Equality and Environment

It was assessed that the project did not integrate gender equality and environmental factor into planned outputs during project design and monitoring phases. It was only the capacity development intervention that was integrated into project activities.

Furthermore, it has been assessed that the management arrangement designed for project implementation was appropriate to achieve the desired outputs.

Good Practices and Lessons Learned

The evaluator noticed the following as best practices obtained from the project implementation process:

- The support of the project contributed to the development of incentive packages that encourage private sector investment in destinations like Ere Tale, Axum, Semen Mountains, and Lalibela through partnership of ETO, EIA, and USAID. This support should be finalized and taken as best practices to be scaled up to other key and potential tourism destinations.
- In order to best develop performance management systems, the project supported development of SMART periodic action plans (, i.e. annual, quarterly) and improved performance tracking tools (eg. Monthly progress update and project planning template).
- The project developed joint action plan and resource sharing mechanism through partnership between stakeholders such as Ethiopian Airlines, Tour Operators Association and Hotel Owners Association towards product development and marketing promotion, which can be best practice to be taken in other tourism infrastructure facilities.

The evaluation also highlighted the following key lessons learned:

- It has been learned that the project implementation was primarily attached to top management of the ETO, viz. CEO and D/CEO. This lagged back the project implementation process as the CEO's are reappointed frequently. Project implementation process and progress towards results can be achieved if the project interventions and activities are assigned to and executed by relevant departments, *destination and marketing departments*, so that interventions and results will have direct ownership and any turnover of top management will not affect project operations.
- It has also been learned that the *Project Coordinator* needs to be permanent throughout the project life to channel project outputs to relevant departments, regularly prepare reports and submit to funding agency. The project coordinator can alternatively be head of planning department if the ETO has this structure.

Recommendations

In view of the terminal evaluation findings, gaps identified and lessons learned, the following recommendations are produced:

Recommendation 1: The execution and ownership of the project should be assigned to relevant ETO departmental structures, viz. destination and marketing development departments so as to create commitment and ownership of project implementation and sustaining the results to be achieved. If so, any change in top management of ETO will not hinder implementation of any project.

Recommendation 2: The project needs to be designed in the next phase should assign *Project Coordinator* on permanent basis throughout the project life to channel project resources and outputs to relevant departments, regularly prepare reports and submit to funding agency, liaise

project implementation and monitoring between CEOs, UNDP and functional departments. The project coordinator can alternatively be head of planning department of ETO if the organization has this structure.

Recommendation 3: The project should give focused attention create strong public-private partnership (PPP) in which investment, resource and experience sharing will be committed towards tourism destination and product development and marketing promotion and development there by realizing sustainable tourism sector development. UNDP and relevant donors should support the realization of this effort.

Recommendation 4: The project should have been given attention to tourism destination branding, promotion, and image building, which need to be focused in the next phase of project interventions.

Recommendation 5: Gender equality and environmental factors were not considered right from project design as well as during project progress reporting process. As all UNDP country - based interventions needs to integrate gender equality and environmental factors, the project should incorporate gender equality and environment into the project cycles, particularly during design, monitoring and evaluation during the next phase.

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	ii
TABLE OF CONTENTS	viii
LIST OF TABLES	ix
LIST OF FIGURES	Error! Bookmark not defined.
ACRONYMS.....	x
CHAPTER 1: INTRODUCTION	1
1.1 Context and Background	1
1.2 Purpose and Objective of the terminal evaluation.....	2
1.3 Evaluation Methodology	3
1.3.1 Desk Review of Relevant Documents	3
1.3.2 Consultation and Interview of Stakeholders.....	3
1.3.3 Data Consolidation and Analysis	3
1.3.4 Synthesis, Drafting, Validation and Reporting.....	4
1.4 Limitations of the Terminal Evaluation	4
1.5 Structure of the Terminal Evaluation Report	5
CHAPTER 2: PROJECT DESCRIPTION AND DEVELOPMENT CONTEXT	6
2.1 Project Context and Background.....	6
2.2 Description of UNDP Intervention.....	7
2.3 Project Outcomes and Outputs	8
2.4 Project Partners, Management Arrangements and Monitoring and Evaluation Framework	9
CHAPTER 3: EVALUATION FINDINGS	11
3.1 Relevance	11
3.2 Effectiveness	13
3.3 Efficiency	20
3.4 Sustainability	21
3.4.1 Institutional and organizational sustainability.....	22
3.4.2 Economic and financial sustainability	22
3.5 Impact.....	23
3.6 Cross-Cutting Themes	25

3.6.1	Integration of Gender Equality	25
3.6.2	Integration of Environment	25
3.6.3	Capacity Development	26
3.7	Assessment of Management Arrangements and Monitoring and Evaluation Framework	26
CHAPTER 4: IMPLEMENTATION GAPS AND LESSONS LEARNED.....		29
4.1	Implementation Gaps Identified	29
4.2	Best Practices and Lessons Learned.....	30
CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS		32
5.1	Conclusions.....	32
5.2	Recommendations	34
ANNEXES.....		35
Annex 1: List of documents Reviewed		36
Annex 2: List of persons contacted and/or interviewed		38
Annex 3: Evaluation Terms of Reference		39

LIST OF TABLES

Table 1: Performance assessment of achievements of <i>output 1: tourism policy regulation and institutional capacity strengthened</i>	14
Table 2: Performance assessment of achievements of <i>Output2 (Destination and product development enhanced)</i>	16
Table 3: Performance assessment of achievements of <i>output 3 (Ethiopia's tourism sector effectively branded and promoted)</i>	17
Table 4: Performance assessment of achievements of <i>output 4 (inclusive and sustainable private sector tourism development strengthened)</i>	18
Table 5: Performance assessment of achievements of <i>output 5: Strong partnership and stakeholder engagement in place</i>	19
Table 6: Budget utilization of the project; awarded, budgeted, and expenditures by year.....	21
Table 7: Direct Contribution of Travel & Tourism Sector to Economic Activities in Ethiopia.....	24

ACRONYMS

BDS	Business Development Services
CO	Country Office, UNDP
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee
DfID	Department for International Development
EU	European Union
ETO	Ethiopian Tourism Organization
FDI	Foreign Direct Investment
GNI	Gross National Income
GoE	Government of Ethiopia
GTP	Growth and Transformation Plan
IP	Implementing Partner
IT	Information Technology
MoCT	Ministry of Culture and Tourism
MoFEC	Ministry of Finance and Economic Cooperation
MoFED	Ministry of Finance and Economic Development
MSMEs	Medium, Small, and Micro Enterprises
NTDP	National Tourism Development Policy
PIM	Project Implementation Manual
OECD	Organization for Economic Cooperation and Development
RP	Responsible Party
SMEs	Small and Micro Enterprises
TTC	Tourism Transformation Council
UNDP	United Nations Development Program
UNDAF	United Nations Development Assistance Framework
UNESCO	United Nations Educational, Scientific and Cultural Organization

CHAPTER 1: INTRODUCTION

1.1 Context and Background

Tourism sector's economic, social, and political contributions to Ethiopia's economy are immense. Development of the sector improves the country's image to the outside world with a strong multiplier effect on Gross National Income (GNI), foreign exchange earnings, export receipts, and creation of employment including opportunities for SME's that otherwise will not have the opportunity of being part of the export sector. It attracts foreign direct investment, stimulates local investment, and provides a means for enhanced entrepreneurial skills. Tourism promotes social inclusion and supports the development of community facilities and services, it can bring higher living standards to rural areas through upgraded transport, communication infrastructure, improved health care, and transportation system.

Acknowledging the untapped potential of the sector, the Government of Ethiopia's (GoE's) strategic intent is to make Ethiopia one of the top 5 destinations in Africa by 2020, while attracting low-impact high-value tourists. The Ethiopian Government's Growth and Transformation Plan (GTP), country's medium term development plan, provides an overarching policy direction while the tourism development policy provides strategic intent in building a modern and productive sector. The GTP envisages Ethiopia becoming one of Africa's most successful tourism destinations with the aspiration of being within the top five in terms of tourism receipts by 2020.

The tourism sector in Ethiopia is, however, faced with a number of challenges. The fundamental limitations of the sector are broadly shortfalls in destination development, products and services offered, and expansion of infrastructure and tourist facilities. Although the country possesses vast potential, it has not been adequately developed, protected, and marketed. Overcoming the shortcomings of the industry is, therefore, essential to achieve the envisioned transformation of the tourism sector on sustainable basis. There were overall capacity limitations among tourism stakeholders, both public and private, and coordination efforts have not been strengthened. The sector also faces constraints in terms of preparation and implementation of sound policy, rules and regulations which may lessen Foreign Direct Investment (FDI) to the industry.

It was in light of this that UNDP in partner with GoE designed the project entitled '*Strengthening Institutional Capacity for Sustainable Tourism Development*'. UNDP was being investing the development of tourism sector because of the sector's potential to transform the economy, create local employment, enhance the conservation and promotion of natural resources as well as generate wealth particularly through increased foreign

exchange earnings. Support areas include promoting interventions that create inclusive tourism business models through promoting stakeholder partnerships and the inclusion of local producers and service providers into tourism supply chains.

1.2 Purpose and Objective of the terminal evaluation

Having reached the end of the first phase of the program, UNDP planned to conduct an evaluation of the overall program, in collaboration with government partners, donors, and stakeholders, so that it remains relevant to the national context, to ensure improvements in performance and results going forward by identifying implementation challenges and ways to overcome them; and to provide lessons learned which can support the preparation of the next program document.

The main objective of the terminal evaluation is therefore to review the implementation of the project activities and achievement of results starting from its initial period so as to:-

- (1) Measure the performance of the project for each of the outputs designed,
- (2) Draw lessons to facilitate decision on future orientation of the program, and
- (3) Bring practical recommendations to inform the design, implementation, management and coordination of upcoming programs and other initiatives.

The evaluation demands review of overall progress of the project with focus on each of the project pillars. It also demands that the evaluation should independently assess the criteria of: *relevance*, effectiveness, efficiency, sustainability and impact for each of the five outputs.

In its scope, the terminal evaluation covered all interventions of the project to be implemented during the period **July 2015 to date**. The evaluation demands to assess the integration of gender equality, environment and capacity development as cross-cutting themes as well as evaluate the partnership and result of the sub-grant contract administration and management among the different stakeholders. The evaluation also demands to identify key lessons and propose recommendations to enhance technical and financial performance during the remaining period of the project and provide key recommendations for future orientation of the program.

The evaluator (national consultant) is expected to follow a participatory and consultative approach ensuring close engagement with all government counterparts and development partners.

1.3 Evaluation Methodology

The terminal evaluation was based on a participatory and consultative approach, including close engagement with key stakeholders, in particular Ethiopian Tourism Organization, Ministry of Culture and Tourism, UNDP Project Team, as well as the Tourism Board members (Ethiopian Tour Operators Association, Addis Ababa Hotel Owners Association, and Kuriftu Resort).

In order to provide evidence-based information that is credible, reliable, and useful, the evaluation has been conducted in four phases as set out below.

1.3.1 Desk Review of Relevant Documents

An extensive review of relevant sources of information such as the project document, project progress reports, project monitoring reports, project budget revisions, and national strategic and legal documents was undertaken at the beginning and throughout the process. The document review informed the Inception Report which was agreed to by the UNDP Project team and became the main point of reference for the terminal evaluation. The list of documents reviewed is contained in Annex 1.

1.3.2 Consultation and Interview of Stakeholders

Individual and/or group consultation and interviews were undertaken with UNDP project team, officials of MoCT, and selected tourism sector stakeholders and board members. The interviews with MoCT officials and tourism stakeholder staff /officials were focused on performance of project outputs, appropriateness of management and monitoring arrangements, challenges faced during implementation, the lessons learned from the implementation process which can be used in future design of projects. The consultation with senior officials of ETO has not been conducted for the reasons explained under limitations of the terminal evaluation.

The list of individuals and stakeholder institutions consulted and interviewed during the evaluation assessment is at Annex 2.

1.3.3 Data Consolidation and Analysis

Quantitative and qualitative data analysis methods have been utilized to make objective assessment and conclusions regarding the status of project implementation and achievement of results. Consolidation and triangulation of the quantitative and qualitative data collected through desk review of project documents and interview of key stakeholders have been carried out to verify their validity and reliability.

After consolidation of the information and data, rating of performances and progresses towards project results has been done using the evaluation criteria of: relevance, effectiveness, efficiency, sustainability, and impact, which followed the *UNDP Guideline for conducting terminal evaluation of projects*.

The evaluation used an output rating tool to measure the progress made on each output based on indicators and information obtained from the interviews and desk review of project documents. The rating scale was based on both quantitative (if available) and qualitative assessment of successful achievement of the project's interventions based on the following scale: Highly unsatisfactory if below 30%; Unsatisfactory for 30 – 49.9%; Acceptable for 50 – 69.9%; Satisfactory for 70 – 84.9%; Highly satisfactory for 85 - 90% achievements.

1.3.4 Synthesis, Drafting, Validation and Reporting

Following the completion of consolidation and triangulation of data as well as rating of project results, the evaluator conducted synthesis, drafting and validation of the findings. As part of participatory and use-focused evaluation process, further triangulation of information was undertaken through the following mechanisms:

- A draft report was submitted to UNDP and key stakeholders for their review and comments.
- A stakeholder validation workshop was conducted after circulation of the draft report to obtain stakeholder feedback as part of the participatory approach.

The final version of the terminal evaluation report incorporated the UNDP and stakeholder comments from both the validation workshop and draft report.

1.4 Limitations of the Terminal Evaluation

The Ethiopian Tourism Organization (ETO) was the responsible institution for implementation of the project. The project was mainly focused on strengthening institutional capacity of ETO. However, ETO as owner of the project has not directly participated in the consultation interview with the evaluator due to the fact that all higher management of the organization were busy with other duties during the consultation. The evaluator visited ETO office three times, the first on Sept. 05, 2018, second on Sept. 17, 2018 (when the evaluator personally contacted the CEO), and third on Oct. 09, 2018.

The evaluator overcame the drawback by consulting the former CEO of ETO, officials of MoCT, UNDP project team, and key informant of project stakeholders (Addis Ababa Hotels and Tour Operator Associations) as well as intensive desk review of the data and information obtained from project documents (project quarterly reports, annual reports,

financial reports, PIM, etc). Data and information obtained through these approaches have been seriously cross-checked and triangulated to produce reliable evaluation report.

1.5 Structure of the Terminal Evaluation Report

The present terminal evaluation report is presented in six sections. It initially presents an *executive summary* of the terminal evaluation, giving a brief background of the project, a summary of the terminal evaluation findings related to the project outputs, and conclusions and recommendations for future actions and programming.

Next comes an *introduction*, which describes context and background of the terminal evaluation and gives brief description of the purpose and scope of the evaluation, the evaluation methodology used and the structure of the report. The next section presents *description of the project* evaluated, including project context and background, description of UNDP intervention, description of project outputs, project partners and management arrangements.

The *evaluation findings* section is dedicated to the results achieved towards project outputs, including detailed analysis of the results achieved based on the evaluation criteria of relevance, effectiveness, efficiency and sustainability. The final section considers the *conclusions* of the evaluation and *recommendations* for future action and programming.

CHAPTER 2: PROJECT DESCRIPTION AND DEVELOPMENT CONTEXT

2.1 Project Context and Background

The Ethiopian Tourism Sector has been confronted with a number of challenges and constraints. These include: shortfalls in destination development, products and services offered, and infrastructure and tourist facilities. Branding and market promotion have not been extensively used. There was also lack of highly trained manpower that is crucial to the development of the sector. Human resources already deployed in the sector were limited in terms of number and required specialized skill. There were overall capacity limitations among tourism stakeholders, public and private; and coordination of efforts among them have not been strengthened. The sector also faces constraints in terms of preparation and implementation of sound policy, rules and regulations which may lessen Foreign Direct Investment (FDI) to the industry.

Overcoming these shortcomings becomes essential to achieve the envisioned transformation of the tourism sector on sustainable basis. In light of this, the project entitled ***“Strengthening Institutional Capacity for Sustainable Tourism Development”*** was designed to build national capacities for tourism development and contribution to the attainment of development goals set in the GTP.

The overall objective of the project is to generate a fundamental transformational change in the scale, quality, diversity and socio-economic benefit of the nation’s tourism sector. The socio-economic purpose underpinning this transformation is to generate wealth and increased foreign earnings, local employment creation, and diversification of local economies. The project is catalytic in building the national capacities for tourism sector development and contribution to the attainment of development goals set in the Growth and Transformation Plan (GTP) with specific focus on development of sustainable and economically viable tourism sector. The project outputs will contribute to the optimization of the sector’s potential through product development, investment promotion, employment creation, foreign exchange earnings and broadening of the country’s revenue base. In this regard, the project is expected to strengthen technical and policy advisory capacity of **Ethiopian Tourism Organization (ETO)** as well as to facilitate the creation, acquisition and use of proven knowledge and technologies in tourism development. The ETO was established with Council of Minister’s Regulation No. 294/2013 on 27th August 2013, which needs support on capacity building and strengthening.

The ETO was established as an autonomous federal government organ having its own legal personality. It bestowed the mandates to promote country’s tourism resources domestically

and abroad by organizing and coordinating tourism marketing initiatives of stakeholders; setup, coordinate and direct gateways in-country tourism attractions and facilities information centers; originate and put into effect tourism attraction, product and service brands and update the timely; identify, collect, analyze, organize and communicate data and study types suitable for conducting marketing operations; establish collaboration and partnership with tourism actors; identify existing and new tourist destinations development gaps and facilitate their development, and promote participation of private sector in development of the same; conduct studies and research that enable its objectives to attain the designed goals; and establish alliance with overseas similar institutions. Structurally, it is accountable to Ministry of Culture and Tourism and led by Tourism Board.

Having all these tasks to accomplish, ETO as newly established organization has limitations of skilled and experienced manpower, modern equipment and office furniture, ICT infrastructure, office premise, financial resources that necessitated the support of the project.

The project is also designed to be collaborative and inclusive involving federal and regional public institutions working in partnership with the private sector and local communities leading to creation of tourism products and enhanced destination management in priority centers throughout the country.

2.2 Description of UNDP Intervention

The above described contexts and challenges called for strategic alliance and partnership with domestic as well as international stakeholders. The intervention of UNDP Ethiopia Country Office (CO) as well as possible development partners' financial and technical support to tourism sector in Ethiopia emerged from these contexts, which formed the foundation for ETO's three year programmatic interventions.

The program was informed by the UNDP Strategic Plan, 2014 – 2017 and aligned with **UNDAF Outcome 2:** By 2020, private sector driven manufacturing and service industry growth is inclusive, sustainable, competitive and job rich, and UNDAF **output(s)** were defined as:

Output 2.3: Private sector enterprises have improved skills, knowledge, knowledge and technical capacity for for increased productivity and competitiveness,
Output 2.4: Improved services and and products and enabling environment for an expanded and sustainable tourism sector.

xxx

2.3 Project Outcomes and Outputs

The ETO-UNDP project entitled “**Strengthening Institutional Capacity for Sustainable Tourism Development**” was designed to achieve five outputs, which included the following:

Output 1: Tourism policy regulatory and institutional capacity strengthened,

Output 2: Destination and product development enhanced,

Output 3: Ethiopia’s tourism sector effectively branded and promoted,

Output 4: Inclusive and sustainable private sector tourism development strengthened, and

Output 5: Strong partnership and stakeholder engagement in place.

Output 1: Tourism policy regulatory and institutional capacity strengthened

As ETO is expected to provide strategic guidance to effectively lead and implement government’s tourism transformation agenda, the project gave particular focus on *strengthening the capacity of ETO* to assess the performance of the tourism sector and identify policy, institutional, and regulatory constraints that hinder the competitiveness of the Ethiopian tourism sector.

Focus of this pillar was, therefore, given to identify and undertake tourism diagnostic studies, needs assessment surveys, mapping of relevant actors, and benchmarking analysis that contribute to competitiveness of the sector. Interventions were planned to develop policy interventions and efficient institutional framework, mainstreaming tourism development in other economic sectors, and provide technical and advisory services for ETO and regional stakeholders.

Output 2: Destination and product development enhanced

This output needs to create fully functioning tourism offers covering facilities, products, services and infrastructure of broad appeal. It was planned to provide support to enable the organization to identify and make them accessible as well as enjoyable by fulfilling basic needs at all destinations. It was also planned to avail assistance for regular new product identification and development along the way.

Within this framework, it was planned to strengthen ETO’s capacity in terms of defining Ethiopia’s key geographic and ethnic tourist destinations and ensure effective use and preservation of natural, cultural, and historic resources. It was also planned to support

mapping of tourist destinations and products, develop integrated sustainable tourism development plans, articulate and promote attractive and competitive routes/products, endorse regional cooperation agreements, and identify/create 5 – 10 new tourism destination/products.

Output 3: Ethiopia's tourism sector effectively branded and promoted

In this regard, it was planned to enable ETO to promote brand management of the country's destination, profiling individual tourist sites and their effective presentation and marketing at global markets. Specifically, it was planned to facilitate ETO to update and implement destination and product based marketing strategies, devise and implement detailed promotional plans, and to undertake market intelligence and market research. Developing nationwide destination brand, branding 3 - 5 regional specific brands, and establishment of 3 – 5 tourist information centre were also given attention.

Output 4: Inclusive and sustainable private sector tourism development strengthened

Under this output, it was planned ETO to develop comprehensive value chain, engage key SMEs in provision of innovative tourism products and services, issue at least 10 new investment licenses, promote 5 corporate social responsibility (CSR) initiatives, hold 10 sensitization campaigns on tourism, and 100 tourism specific businesses gain knowledge on competitive and sustainable tourism.

Output 5: Strong partnership and stakeholder engagement in place

This output focuses on creating and strengthening engagement and participation of stakeholders and forge public-private, public-public, as well as public-civil society engagements. It would build on bilateral as well as multilateral partnership with regional and/or international key tourism development bodies and initiatives. In general, it was planned to undertake stakeholder mapping and maintain database, develop and implement partnership strategy, and create bilateral and multilateral regional partnership agreements.

2.4 Project Partners, Management Arrangements and Monitoring and Evaluation Framework

Project Partners: Ministry of Finance and Economic Development (MoFED) was Government Coordinating Agency, while Ministry of Culture and Tourism (MoCT) was implementing partner and Ethiopian Tourism Organization (ETO) was responsible party.

Management Arrangements: The UNDP Country Office in partnership with MoCT as implementing partner (IP) and ETO as responsible party (RP) were being implementing the project entitled “Capacity Strengthening for Ethiopian Tourism Organization”. MoFED (now MoFEC) was responsible for an overall oversight while agreed rules and procedures were being applicable in pursuing agreed activities of the project. The project was also subject to UNDP’s national implementation project audit.

Monitoring and Evaluation Framework: The program document states that the program was designed to be monitored in accordance with programming policies procedures outlined in the UNDP User Guide and Program Implementation Manual (PIM) in order to ensure that the project activities are implemented and effectively and efficiently. The concerned implementing partner (MoCT) and responsible party (ETO) have the responsibility of monitoring ongoing activities on a regular basis (at least quarterly). In this regard: the program document demands that monitoring plan must be developed and implemented during project cycle (encompassing baseline, set targets, indicators and estimated duration); monitoring reports needs to be documented (electronic and hard copies); program progress must be reviewed quarterly and annually; and communication engagements shall be guided by a strong M & E system.

The program implementation and evaluation framework further demands that *Quality Assessment* shall record progress towards completion of key results (based on *Quality Management Criteria and Methods* framed) on Quarterly basis, Quarterly Progress Report (QPR) shall be submitted to UNDP by ETO – Director – transmitted through MoCT; an issue log shall be activated in Atlas and updated on timely manner; a risk log shall be activated in Atlas and regularly updated; a project lesson-learned log shall be activated and regularly updated; a monitoring schedule plan shall be activated and updated to track key management actions; and an annual project review shall be conducted during the fourth quarter of the year to assess performance of the project and prepare comprehensive annual report.

The UNDP Program Officer assigned shall prepare an annual narrative and financial report on the supported activities, which shall be shared with the government and contributing development partners.

CHAPTER 3: EVALUATION FINDINGS

This chapter presents the evaluation findings based on information collected from multiple sources. The analysis includes detailed analysis and findings based on the evaluation criteria of relevance, effectiveness, efficiency, sustainability and impacts.

3.1 Relevance

The evaluation approach was to assess the project's relevance in terms of the extent to which its interventions were aligned with national development policies and priorities, and whether or not they addressed target beneficiary community needs, and policy of development partner and donors.

3.1.1 Alignment with National Policies and Priorities

The project is found to be well aligned with the national tourism policy and strategic priorities. The Ethiopian Tourism Policy of 2009 gives priority to institutional capacity development of the sector, develop existing and new tourist destination variety, scale and quality, and undertake promotional ties through creation of market ties in order to become competitive on international market. The project “***output 1: tourism policy regulatory and institutional capacity strengthened***” is well aligned with these national policies and strategic priorities and designed to address the multi-year challenges in the tourism sector by reviewing and updating policies and strategies periodically so as to ensure required programmatic changes are reflected.

The project “***Output 2: Destination and product development enhanced***”, in particular is also well aligned with ETO's 2010 strategy which identified *destination development* and *marketing and promotion* as major activities to reach targets envisaged by 2020.

The GTP, further, identifies the tourism industry as one of the key cross-cutting sectors that could facilitate the achievement of the key objectives. The GTP's tourism sector objectives are generally geared towards sustaining the country's tourism resource-base and enhancing the country's destination competitiveness as identified in the GTP strategic direction for the tourism sector.

The prioritization of the tourism sector have been demonstrated with significant institutional developments taken place in the sector, which included establishment of the Ministry of Culture and Tourism (MoCT) in 2005; formulation of the National Tourism Development Policy (NTDP) in 2009; formation of the Tourism Transformation Council (TTC) and the Ethiopia Tourism Organization (ETO) in 2014.

The “***Output 3: Ethiopia’s tourism sector effectively branded and promoted***” is another key component of the project that is consistent with the mandates of ETO and MoCT as well in fostering country’s tourism image building and market promotion. The project was intended to support ETO to promote brand management of the country’s destination, profiling individual tourist sites and their effective presentation and marketing at global markets.

The “***Output 4: inclusive and sustainable private sector tourism development strengthened***” is also important output consistent with ETO and MoCT responsibilities. It is customary that private sector, particularly small and medium sized enterprises engagement in tourism business and investment is limited. The project supported the tasks of ETO to create conducive environment for potential investors in terms of availing land, finance, investment opportunities including FDI, and access to markets and commercial channels, and promote innovation and innovative SMEs within the sector, which are consistent with the responsibilities of ETO.

3.1.2 Consistency with needs of beneficiary

The major beneficiary of the project outputs and interventions was the Ethiopian Tourism Organization. ETO is a newly established organization that has constraints of skilled manpower, office equipment and furniture, ICT infrastructure and functional office premise. ETO partners to whom the ETO provides supportive services were also in need of the support of the project through ETO. Therefore, the support of the project was consistent with meeting the needs and priorities of beneficiary, i.e, ETO. On these grounds, the evaluator confirmed that the project was focused on the needs of the beneficiaries. During the consultations made with former CEO of ETO and officials of MoCT, it has been confirmed that the project has been designed based on the need and request of ETO so as to strengthen its institutional capacity.

3.1.3 Alignment with policy of development partner and donors

The project was well informed with UNDP Strategic Plan, 2014 – 2017 and aligned with the United Nations Development Assistance Framework (UNDAF), 2016 – 2020. The UNDAF has taken full cognizance of the national context, the national development priorities as specified in GTP II, 2016-2020 and the Sustainable Development Goals. The Sustainable Development Goals (SDGs) was a 2030 development agenda adopted by Heads of State and Government and High Representatives, meeting at UN Headquarter from 25 to 27 September 2015, which encompasses 17 SDGs and 169 associated targets that are people-centered, transformative, universal and integrated. Tourism has the potential to contribute, directly or indirectly to all of the goals. In particular, it has been included as targets in Goals 8 (promote sustained, inclusive and sustainable economic

growth, full and productive employment and decent work for all), 12 (ensure sustainable consumption and production patterns) and 14 (conserve and sustainably use the oceans, seas, and marine resources).

In view of the above assessment and elaboration, it is concluded that the project is highly relevant in all dimensions.

3.2 Effectiveness

The assessment of effectiveness focused primarily on determining the extent to which the expected results of the project were achieved at the output level, and where available, based on objectively verifiable indicators and targets.

The overall objective of the project was to generate a fundamental transformational change in the scale, quality, diversity, and socio-economic benefit of the nation's tourism sector thereby generating wealth, increased foreign exchange earnings, and local employment creation. As described in chapter 2, five outputs were designed to achieve the overall objective of the project. This performance assessment was based on whether each of the output level indicators set forth in the project results log framework have been achieved. The assessment towards the set indicators and targets set under each output has been elaborated in the following sub-sections.

Output 1: Tourism policy regulatory and institutional capacity strengthened:- With the support of UNDP, it was planned to establish a technical advisory unit that provide technical advisory to ETO. This target has been 100% achieved by recruiting senior specialists (Strategist, Investment, IT, Project Coordinator) for six months and delivered their inputs to the organization.

The project also targeted to equip ETO with adequate human resources, IT equipment and systems to fully operational the organization as it was newly established and faced with office, IT equipment, human resources limitations. Towards this target, it has been confirmed through document review and observation that the project equipped ETO with IT equipment and systems as well as office furniture, and provided functional office premise on rent, which was 100% achievement.

Furthermore, the project targeted to enhance the skill capacity of staff in ETO (9 women & 21 men); ETO information centre officers, front line service providers and government

experts serving at air ports through on job and customer service training. Towards this, the project provided on job and customer service training to 400 staffs drawn from ETO, Government offices, and hotels based in Addis Ababa including 125 Chefs. The performance achievements of this indicator/activity against the planned target were 100%. It has been confirmed from consulted stakeholders (former ETO CEO, Tour Operators and Addis Hotels Association) that the customer service training has improved the customer service delivery process at the targeted institutions.

In order to achieve the indicator of availing regulations and guidelines that promote quality in tourism sector, the project targeted review a set of strategies that support ETO discharges its mandate towards tourism transformation. In this regard, ETO's regulation and guideline on its mandate towards tourism transformation was internally reviewed, revised, inputs provided, and made ready for endorsement, which is 90% achievement.

On the other hand, the project has targeted to avail reviewed and revised policies and strategies that support local investment /FDI to tourism sector (indicator 1.1 in Table 1) for endorsement. The achievement in this regard was unsatisfactory (35%). It has been confirmed that some internal review has been done at Ministry level. The planned training and study tour intended to support completion of revised policy document for endorsement has not been accomplished.

In summary, the overall performance of *output 1* has been rated as highly satisfactory¹ (85% performance). It can be concluded that the intended objective towards *output 1* has been achieved. ETO has been equipped with required equipment, functional office premise, strategic advisory unit established, key personnel (ETO, Government, Private stakeholders) obtained customer service training, and ETO's regulation and guideline on its mandate reviewed, revised and made ready for endorsement. For details, see Table 1 below.

Table 1: Performance assessment of achievements of output 1: tourism policy regulation and institutional capacity strengthened

Indicator	Baseline	Target	Achievements	%age of achievements
<i>Output 1: Tourism policy regulatory and institutional capacity strengthened</i>				
<i>Indicator 1.1: Availability of policies and strategies that</i>	Limited institutional	Endorsed set of policies and strategies that support	Policies reviewed internally; but not completed for endorsement; planned	35

¹ Highly Satisfactory (85 – 100%); Satisfactory (70 – 84.9%); Acceptable (50 – 69.9%), Unsatisfactory (30 – 49.9%); and Highly Unsatisfactory (below 30%).

support local investment/FDI to tourism sector	governance/ policies/ strategies that foster sustainable & competitive tourism development	local investment/FDI on tourism	training and study tour has not been conducted	
<i>Indicator 1.2:</i> Availability of regulations and guidelines that promote quality in tourism sector		Endorsed set of strategies that support ETO discharge its mandate towards tourism transformation	ETO's regulation and guideline on its mandate reviewed, revised, inputs provided, and ready for endorsement	90
<i>Indicator 1.3:</i> Availability of tourism advisory services		Technical advisory services provided to strengthen sector's contribution	Strategic advisory unit established, senior specialists (strategist, IT, investment, P. Coordinator) recruited and put in place to serve for six months	100
<i>Indicator 1.4:</i> Existence of operational ETO		Fully operational ETO equipped with adequate human resources, IT equipment and systems	Provided functional office premises (rent), intermediate staff placement, and office equipment and ICT	100
<i>Indicator 1.5:</i> Number of staff (Gov. & private stakeholders) provided with on job training/coaching		30 ETO staff (9 women & 21 men); ETO information centres, front line service providers and government experts serving at air ports provided with on job and customer service training	2 ETO officers trained on financial management, 400 tourism personnel (ETO, Government and Hotel staffs including 125 Chefs) obtained skills development training in customer services provision	100
Aggregate performance				85

Output 2: Destination and product development enhanced: Under this output, the project has targeted to develop national tourism destination development strategy. Towards this end, the national tourism destination strategy was developed by consultant and validated by stakeholders meeting, which is 100% achievement against the the set indicator.

The other targeted intervention against the indicator set forth was articulation and promotion of attractive and competitive tourism routes/products. To this end, it has been confirmed that tourism products were budgeted and conducted during 2017 and 2018 (70% achievement).

Identification and mapping of existing and potential activity based tourism products was another targeted interventions against the indicator set. In this respect, existing and potential tourism products were mapped along Rift Valley, Ethio-Djibouti Railway, Ertale, Coffee Route, South Route (Konso & Omo Valley), and North Route and joint action plan and resource sharing mechanism have been developed (100% achievement). Furthermore, the project has targeted to identify/create 5 – 10 new tourism destinations and products. In this context, new tourism product and marketing plan along Ethio-Djibouti Railway, Rift Valley, Ertale, South and North routes were selected for enhance in joint cooperation with Ethiopian Railway Corporation and Airlines (70% achievement). This achievement has contributed towards widening tourism destinations and products for enhancing the tourism sector in the country. Details of the achievements of output 2 can be seen from Table 2.

In summary, the overall achievement of *output 2* has been rated highly satisfactory (85% achievement). From this achievement, it can be concluded that the objective intended under

this output has been achieved. Although the intervention is too early to bring impacts, it has ultimately enhanced visitor's length of stay as well as tourism products and services provided at required level of standard. ETO's capacity has been strengthened to key geographic and ethnic tourist destinations and ensure effective use and and preservation of natural, cultural, and historical resources.this has been confirmed by the stakeholders consulted during the assessment.

Table 2: Performance assessment of achievements of Output2 (Destination and product development enhanced)

Indicators	Baseline	Targets	Achievements	%age achievement
Output 2: Destination and product development enhanced				
Indicator 2.1: Existence of mapped tourist destinations and products	Limited tourism destinations and products to fully utilize existing tourism potential; lack of diversified products offered to tourists	Identification and mapping of existing and potential activity based tourism products	Joint action plan and resource sharing mechanism developed; Rift Valley, Ethio-Djibouti Railway, Ertale, Coffee Route, South Route (Konso & Omo Valley), and North Route were identified and mapped	100
Indicator 2.2: Existence of integrated sustainable tourism destination development strategy		National tourism destination development strategy developed	National tourism destination development strategy developed by consultant and validated	100
Indicator 2.3: Existence of new, attractive and competitive tourism products		Attractive and competitive routes/products articulated and promoted	Confirmed that tourism products development budgeted and conducted during 2017 & 2018.	70%
Indicator 2.4: Number of new/enhanced tourism destinations and products		5 - 10 new tourism destinations and products identified/created	In collaboration with airlines and railway corporation, new tourism product and marketing plan along Ethio-Djibouti Railway, Rift Valley, Ertale, South (Konso & Omo Valley), and North Routes were selected for enhancement	70%
Aggregate achievement				85%

Output 3: Ethiopia's tourism sector effectively branded and promoted:- Another component of this project would be to effectively market and brand the massive potential of the country domestically and abroad. With the support of this project, it has been targeted to develop market research plan, prepare and implement operational market promotion strategy, develop and implement branding and marketing strategy. Against these targeted interventions, it has been confirmed that market research plan and joint strategy (ETO, ET-A, etc.) on market prioritized products by destination have been developed (65%). Furthermore, it has been assessed that the targeted tourism branding and marketing strategy development has been conducted by major tourism destination regions and documented (65%). In addition, it has been confirmed that tourism branding has been developed in the major tourism destination areas (70% achievement).

In conclusion, the overall achievement of *output 3* has been estimated as acceptable with 67% achievement.

Table 3: Performance assessment of achievements of output 3 (Ethiopia's tourism sector effectively branded and promoted)

Indicators	Baseline	Target	Achievements	%age achievement
Output 3: Ethiopia's tourism sector effectively branded and promoted				
Indicator 3.1: Availability of plan for market research	Absence of comprehensive marketing and branding strategies/ mechanism on tourism destinations and products	Market research plan developed	Market research plan developed by short-term specialists	65
Indicator 3.2: Availability of operational marketing promotion strategy		Operational marketing promotion strategy prepared and implemented	Joint (ETO, ET-A, etc.) strategy developed on marketing for prioritized products by destination	65
Indicator 3.3: Existence of endorsed nationwide tourism brand		Branding and marketing strategy developed and implemented	Branding and market strategy developed and documented	70
		3 - 5 region specific tourism brand developed	Tourism branding developed in major tourism destination regions	
Aggregate achievement				67

Output 4: Inclusive and sustainable private sector tourism development strengthened:-

There has been limited private sector investment in tourism sector due to complexity of doing business in the sector and lack of incentives and finance given to potential investors in the tourism sector. In order to reduce these challenges and limitations, the project targeted to provide investment facilitation support to potential investors; develop investment incentive package and conduct public-private partnership dialogue; engage SMEs in provision of tourism business development services; and conduct knowledge sharing platforms on competitive and sustainable tourism. Towards these targeted interventions against each indicator set forth, it has been confirmed that investment facilitation support was given to 20 investors and one (1) investor licensed, the achievement of which is 85%. In order to encourage investors to engage in tourism businesses, a draft investment promotion and incentive package on destination development has been developed and produced (85% achievement) which needs to be approved and operationalized soon. In terms of engaging SMEs in provision of tourism business development services (BDS), 100 entrepreneurs were provided with knowledge skill and BDS building training in Axum (100% achievement). However, these SMEs need further support to effectively deliver their services.

Furthermore, 10 EDP clients producing tourism products were given business access at Ethiopian Tourism Village (100% achievement).

In summary, the achievements against the planned targets under *output 4* have been rated as highly satisfactory (92.5%). It is evident that the SMEs and other private sector business engagement given the opportunity were being obtaining increased income from the sector as well as contribute to improved business services provision in the tourism sector. The draft investment promotion incentive package produced on destination development and private sector engagement has to be endorsed and operationalized. For details, see Table 4 below.

Table 4: Performance assessment of achievements of *output 4* (inclusive and sustainable private sector tourism development strengthened)

Indicators	Baseline	Targets	Achievement	%age achievement
<i>Output 4: Inclusive and Sustainable private sector tourism development strengthened</i>				
<i>Indicator 4.1:</i> Number of new tourism investment license issued	Limited destination specific investment plan; no comprehensive value chains developed in tourism sector	At least 10 new investment licenses issued	Investment facilitation support given to 20 investors and one (1) investor licensed	85
<i>Indicator 4.2:</i> Investors incentive package and public private partnership enhanced		Develop investment incentive package and conduct public - private partnership dialogue	Produced draft investment promotion incentive package on destination development	85
<i>Indicator 4.3:</i> No. of SMEs provided with business development services (BDS)		At least 10 SMEs successfully engage in provision of tourism business development services	10 EDP clients producing tourism products get business access at Ethiopian Tourism Village	100
<i>Indicator 4.4:</i> No. of knowledge sharing platforms (BDS) created on sustainable tourism		100 tourism specific businesses gain knowledge on competitive and sustainable tourism	100 Entrepreneurs attended skill, knowledge and BDS building training in Axum	100
<i>Aggregate achievement</i>				92.5

Output 5: Strong partnership and stakeholder engagement in place:- The current level of public and private sector partnership in tourism industry in Ethiopia is not at desired level compared to other destinations in the region. In order to enhance partnership and stakeholder engagement in tourism sector and make Ethiopia a competitive destination, the project targeted to support ETO to undertake rigorous stakeholder mapping, expand bilateral and multilateral partnership agreements, and create new partnership with relevant domestic and international organizations.

It has been confirmed from documents reviewed and stakeholders interviewed that identification and mapping of donor stakeholders like WB, EU, UNDP, including domestic stakeholders has been carried out and documented (90% achievement). With the supported the project, multi consultative meetings with multiple stakeholders like WB, UNDP, EU, AU, Hotels, Lodgers, Resot owners, EIC, and NGOs (85% achievement) have also been conducted. Furthermore, public private partnership with Hotels, Resorts, EIC, MoCT, etc has been conducted, which is 90% achievement.

The overall achievement of this output is rated as highly satisfactory (88%), which shows achievement of the desired objective compared to the situation under baseline. See Table 5 for details of output 5 achievements.

Table 5: Performance assessment of achievements of output 5: Strong partnership and stakeholder engagement in place

Indicators	Baseline	Targets	Achiements	%age achievement
<i>Output 5: Strong partnership and stakeholder engagement in place</i>				
<i>Indicator 5.1:</i> Existence of stakeholders map	Limited partnership on sustainable tourism development	Undertake stakeholder mapping and maintain stakeholder database	Identification and mapping of donor stakeholders like WB, EU, UNDP, Foreign Embassies, and domestic stakeholders conducted	90
<i>Indicator 5.2:</i> Existence of partnership created with stakeholders		New partnership with relevant partners created (domestic & international)	Conducted public private partnership with Hotels, Resorts, EIC, MoCT, WB, AU,etc, and created partnership,	90
<i>Indicator 5.3:</i> Number of bilateral and multi-lateral partnership implemented		Conduct multiple consultative meeting with multiple private sector stakeholders and create partnership	Conducted multi consultative meetings with multiple stakeholders like UNDP, WB, EU, AU, Hotel, Lodger, Resorts, NGOs, EIC, MoCT, etc),	85
<i>Aggregate achievement</i>				88

Based on OECD/DAC standard rating criteria, the overall achievement of the project is rated as satisfactory performance (see Fig. 1 for details). This overall rating of achievements of the project shows that the overall objective of the project has been achieved satisfactorily. The institutional capacity development of ETO in terms professional skill development, equipping ETO by modern ICT and office furniture, development of national tourism development strategy, and production of investment incentive package, and engagement SMEs in tourism business development services (BDS) have contributed the most to the achievement of the overall objective of the project.

Figure 1: Summary of overall project achievement ratings

Outputs	Achievements against target	Ratings
<i>Output 1</i>	85%	Highly Satisfactory
<i>Output 2</i>	85%	Highly Satisfactory
<i>Output 3</i>	67%	Acceptable
<i>Output 4</i>	92.5%	Highly Satisfactory
<i>Output 5</i>	88%	Highly Satisfactory
Overall Ratings	83.5%	Satisfactory

Source: Evaluators' Rating, Dec. 2018

3.3 Efficiency

This section presents the evaluation findings on projects' implementation efficiency, which measures how economically resources (inputs, funds, expertise, time, etc) are converted into results/outputs. Efficiency is used to assess the extent to which programs or projects used the least cost resources or inputs possible in order to achieve the planned results or outputs.

In this assignment, efficiency has been assessed in terms of (i) management, coordination and facilitation put in place during implementation process; (ii) whether the interventions were implemented within the planned budget/ costs, and (iii) the time it took to deliver the required outputs as compared to original plan, whether the required resources were actually provided within timely framework.

3.3.1 Management, Coordination and Facilitation

With regards to management, coordination and facilitation, the project document and progress reports indicate that regular monitoring and follow up was being done by UNDP program specialist (later on by Project Manager). At ETO level, the CEO and Project Coordinator were responsible to monitor implementation process, identify issues and take timely corrective action. The Tourism Board also oversee the overall operations of the organization, review and approve the organization's work programs and budgets prior to their submission to the Ministry, evaluate performance of the organization including key projects, and approves the organization's operational directives. In view of these, the evaluator believes that such monitoring, follow up and guidance have contributed to efficiency of the project.

3.3.2 Utilization of Budget as Compared to Planned Budget

Regarding budget utilization, the project utilized 77 percent of the total awarded budget of US\$ 852,012.20 over the period 2015/16 to February 2018. The performance of budget utilization was much better in initial year (2015/16) with performance utilization of 98 percents (see Table 1). This also indicates efficiency of the project.

It has been confirmed from financial and budget revision reports that the allocated budget has been awarded almost each quarter based on the annual work and budget plans, provided 80% of previously advanced budget is settled. This confirms timely delivery of required inputs and financial resources, which indicates efficiency of the project to convert inputs and funds into results. This has also been confirmed from conversation made with former ETO CEO and project coordinator that there was timely delivery of funds as per AWP's and Annual Budget Plans.

Furthermore, efficiency of the project can be measured by comparing outputs' effectiveness to cost ratios the project. In this context, the overall project effectiveness to project cost ratio /financial utilization rate of the project has been calculated to be 1.08. This value represents effectiveness per unit of cost/expenditure of the project which shows effectiveness per unit of cost. The effectiveness –cost ratio is nearly above 1 and positive which shows that benefits/outcomes exceed the costs implying cost-effectiveness of the project.

However, it has been found that some budgeted interventions were not financed in full. ;About US\$ 404,351.27 was unfunded or non-utilized, which may be due to implementation inefficiency. It has been confirmed form the Former CEO that the execution of the project was disrupted during 2018 which was due to change in government leadership.

Table 6: Budget utilization of the project; awarded, budgeted, and expenditures by year

Budget Period	Project Budget US\$				Unprogramed/ Unfunded	Budget Source/ Donor
	Awarded	Budgeted	Expenditure	%		UNDP
2015/16	365,827.00	467,231.00	358,153.00	97.9	262,966.19	467,231.00
2016/17	486,185.20	283,447.00	131,312.38	27.0	(153,280.18)	283,447.00
2017/18	-	500,000.00	166,045.28	-	-514,037.28	500,000.00
Total	852,012.20	1,250,678.00	655,510.66	76.9	(404,351.27)	1,250,678.00

Source: UNDP Project financial and budget revision reports, August 2018

3.3.3 Timely Implementation of Planned Interventions

The consultations made with CEO of ETO and project manager revealed that most of the interventions were implemented timely as per the plans, particularly during the periods 2016 and 2017. This factor also contributes to the efficiency of the project. However, it has been indicated that timely implementation of the project has been affected during the first half of 2018 due to changes in government and turnover of ETO key officials.

In view of the above elaborations, the efficiency of the project has been rated as satisfactory.

3.4 Sustainability

This section explores the extent to which the project's processes and results of the interventions are likely to continue after external support has been withdrawn/ completed, particularly its ability to continue delivering benefits for an extended period of time after completion. In this terminal evaluation assignment, sustainability of the processes and results of the project has been assessed in terms of institutional and financial sustainability.

3.4.1 Institutional and organizational sustainability

The owners of the results of the project are primarily ETO and the players of tourism sector engaged in tourism customer services provision sub-sector such as Government Offices (Airlines, Immigration, Customs Clearance, etc), Hotels, and Tours Operators.

It has been assessed that ETO has been institutionally strengthened through equipping with ICT equipments and office furniture; technical advisory services unit, and skill development of officers and experts. The evaluator has the opinion that these outputs put in place will contribute to institutional and organizational sustainability, with the government budget allocated per annum. The institutional and organizational base of ETO has been capacitated and strengthened with the support of the project so that it can sustain the outcomes of the project. The customer services practical skill training provided to relevant Government staffs engaged on tourism function and facilitation as well as staff of customer service provider hotels would contribute to improved and sustainable tourism customer service provisions. The improvements or changes in tourism customer service provision are institutionally owned by the participated government and private sector stakeholders, which contribute to institutional sustainability.

However, key stakeholders particularly MoCT, Addis Ababa Hotel Owners Association and Sunrise Tours Ethiopia have the opinion that the outputs of the intervention particularly technical advisory services in form of short-term deployment of operational staff and the services of expatriate have limited contribution to institutional sustainability. The support provided and expertise created in this form has limited possibility to be transferred to permanent sector staff of ETO as the short-term staff left the organization after six months service. In order to be sustainable, the interventions should focus on sustainable training platform of sector permanent experts as well as ensuring sustainable funding sources.

3.4.2 Economic and financial sustainability

The Ethiopian Tourism Organization (ETO) was established with Council of Ministers Regulation No. 294/2013 as an autonomous federal government organ mandated to operationalize strategic guidance given by the Tourism Transformation Council (TTC) to enhance benefits of the tourism sector by mobilizing tourism sector actors and stakeholders towards development of the sector.

ETO's budget was being allocated by government upon approval and endorsement of its annual work programs and budget by the Tourism Board and the MoCT respectively. With these budget resources, the ETO can sustain the processes and results achieved beyond the completion of the project. Other government stakeholders such as Airlines, Immigration, etc can also sustain the improved processes and results with their own annual budget allocations.

The tourism players such as hotels and tours operators shall generate income from the services they provide to tourists. The financial income generated from the services can further sustain the improved customer services put in place by the support of the project.

However, stakeholders like Tour Operators and Hotels Associations as well as Officials of MoCT and former CEO of ETO consulted during the assessment have the opinion that the achievement of the project are at initial stage and haven't reached the level of sustainability. Some outputs and indicators targeted to be achieved were not completed and needs further support to reach the required level. It has been emphasized that ETO has limited budget allocations by government and would not match with duties bestowed upon it. The huge duties given in destination and product development, market promotion and development, value chain development, private sector development, and public-private partnership creation cannot be realized and bring change and sustain achieved results with these limited budgetary allocations.

In view of the above analysis, it can be concluded that project results are moderately sustainable, as project interventions are at initial stage and not completed as planned.

3.5 Impact

Impact measures the extent to which the project is achieving impacts or progressing towards the achievement of impacts as well as examines how interventions of the project impacted the socio-economic life of the targeted beneficiaries at all levels.

In this assignment, impact of the project has been assessed in terms direct institutional and organization capacity development of ETO and the likely economic impacts seen in the travel and tourism sector.

3.5.1 Impact on Institutional and Organization Capacity Development

It has been found that the UNDP supported project has strengthened technical and policy advisory capacities of ETO's through establishing strategic advisory unit, equipped with IT equipment, provided modern office furniture creating functional office premise, recruiting senior specialists in IT, investment and strategy development, and conducted on

job and customer service trainings. It is hoped that this capacity building intervention have improved execution capacity and competitiveness of the Organization.

The skill and knowledge development trainings provided on customer service delivery to government and private organization staffs including chefs have improved quality of customer services provided to tourists at different tourism destinations. Some of the stakeholders like hotel owners and tour operator association officials consulted during the assessment have confirmed existence these improvements/impacts. They, however, noted that the interventions carried out are at their initial stage and impacts are expected in the future. They also noted that the support of UNDP is at initial stage and not sufficient to bring improvements/ impacts in quality of service delivery at tourism information centre and destinations. They have the opinion that the project support should continue interventions that strengthen tourism destination and product development, marketing promotion, and related activities.

This primarily increased the economic activities generated by industries such as hotels, travel agents, airlines and other passenger transportation services. The impact achieved in this regard has to be studied and quantified in near future.

3.5.2 Impact on Economic Contribution of Tourism Sector

Although it is difficult to segregate the attribution of othe tourism projects like the Ethiopian Sustainable Development Project funded by World Bank, this project has also contributed to the economic activity of the country in terms of GDP, foreign exchange earnings, and direct employment creation. In this regard, the contribution of travel and tourism sector to GDP has changed or grown from the level of ETB 40,130.3 million in 2014 to ETB 49,144.2 million in 2017 (World Travel & Tourism Council, 2015 – 2018). Similarly, the contribution the sector to foreign exchange earnings has grown from the level of ETB 45,878.5 million in 2014 to ETB 50,447.7 million. These improved achievements in the contribution of tourism sector to the economic activity coincides with the establishment of ETO in 2014 and the launch of UNDP supported institutional and organizational enhancement project which partly enhanced the contribution of the tourism sector to the achievements and improvements recorded in the economic activities. The direct contribution of the travel and tourism sector to economic activities in Ethiopia is presented in Table 7 below.

Table 7: Direct Contribution of Travel & Tourism Sector to Economic Activities in Ethiopia

Economic Activity	2014	2015	2016	2017
Direct Contribution to GDP (mln ETB)	40,130.30	51,335.60	30,476.20	49,144.20
Contribution to Visitor Exports (mln ETB)	45,878.50	57,757.60	23,322.60	50,447.70
Direct Contribution to Employment (No. of Jobs)	979,000	1,014,00	466,000.00	604,000

Source: Travel & Tourism Economic Impact Ethiopia, World Travel & Tourism Council 2015 – 2018 Reports.

In summary, the project has contributed to improved execution and competitiveness capacity of ETO as well as improved quality of customer service provision, although interventions are at initial stage and needs further support to bring impacts. Furthermore, the project and enhancement in institutional and organizational capacity of ETO in return have contributed to changes and improvements recorded in the economic activity by the travel and tourism sector over the period 2015 to 2017.

3.6 Cross-Cutting Themes

This section presents assessments towards cross-cutting themes like integration of gender equality, environment, and capacity development.

3.6.1 Integration of Gender Equality

It has been assessed that the issue of gender equality has not been integrated in the project interventions during design phase. This has been confirmed by former CEO of ETO and MoCT officials that integration of gender equality has not been planned during project design.

It has been assessed that the achievement of the project has not been disaggregated by gender. It has only been indicated in one of the progress reports that 30 ETO staff obtained on job skill training, out of which 30% were women. This needs to be focused in the future to integrate gender equality during project design and progress report preparation phases.

3.6.2 Integration of Environment

Although it is normal to consider environmental issues at each levels of tourism destination and products development such as hotels, resorts, and visiting sites, it has been assessed that environmental issues were not integrated into the project during design phase. This has been confirmed by former CEO of ETO.

However, the evaluator has the opinion that environment cannot be seen as risk since project interventions were mostly focused on strengthening institutional capacities in the form of sector staff knowledge and skill development. This opinion has also been reflected by stakeholders consulted during the assessment, particularly by MoCT, ETO and key stakeholders.

However, environmental issues should be considered during project design and implementation phases in the future and should be climate SMART enough to carry out interventions on tourism destination and marketing developments.

3.6.3 Capacity Development

As described under section 3.2, the project supported capacity development of ETO, Government institutions involved in tourism facilitation, and private business organizations like Hotel Owners and Tour Operators Associations.

The capacity development interventions undertaken in the form of skill and knowledge trainings of professionals and operators engaged in the sector is part of capacity development activity integrated into the project. Institutional equipping of ETO with modern IT equipment, provision of office furniture that creates functional office premise were the main targets of the project in capacity development. This has been confirmed by key stakeholders, mainly UNDP Project Team, MoCT, ETO, Sunrise Tours Ethiopia, and Addis Ababa Hotel Owners Association during the consultation and interview assessments.

In conclusion, it has been assessed that the project did not integrate gender equality and environmental factor into planned outputs during project design, monitoring and evaluation phases. It was only capacity development theme that was integrated.

3.7 Assessment of Management Arrangements and Monitoring and Evaluation Framework

The project was designed in a manner that the UNDP Country Office in partnership with MoCT as implementing partner (IP) and ETO as responsible party (RP) will implement the project entitled “*strengthening institutional capacity for sustainable tourism development*”. MoFEC (formerly MoFED) shall be responsible for an overall oversight while project implementation manual (PIM) (as revised by United Nations Assistance programs in Ethiopia) agreed rules and procedures shall be applicable in pursuing agreed activities of the project. The project was also subject to UNDP’s national implementation project audit.

Structurally, it was agreed to establish project steering committee that provide overall guidance and address issues requiring high level decision in the projects life and also responsible for validating and monitoring whether project outputs were met set targets outlined within the scope of the project. Under the steering committee, ETO assigned focal person/project coordinator shall run the project on a day-to-day day basis while UNDP supports project steering committee in oversight, monitoring and quality functions.

The monitoring and evaluation framework was designed in a manner that the implementing partner (MoCT) and responsible party (ETO) have responsibility of monitoring ongoing activities on regular basis, particularly developing monitoring plan, documenting monitoring reports, and review project progress quarterly and annually. The UNDP program officer assigned prepares an annual narrative and financial reports on the supported activities.

It has been assessed that the management and implementation arrangements designed was appropriate and simple to achieve the desired five (5) outputs. Monitoring and Evaluation plan was developed appropriately, reporting and quality assurance management system were well planned. This has been confirmed by stakeholders consulted during the assessment, particularly the CEO and MoCT tourism advisor.

However, the evaluator has identified the following shortcomings in the process of management of implementation:-

- It has been confirmed that even if the steering committee has was established as planned, it failed to guide the implementation of the project. The evaluator was unable to see any of the minutes of the steering committee. The TOR prepared for the steering committee is the only evidence documented.
- It has been found that the quarterly and progress report are incomplete. Reports are available for annual report 2016, Quarter 1 & 2 reports for 2017, and progress reports for 2017. AWP's and budget revisions are complete. Quarterly monitoring reports are documented for only 2016.
- The incompleteness project reports were related to turnover of the staff of ETO including CEO. The project focal person/coordinator and short-term recruited project staff have already left, ETO CEO's were changing over the project period and ETO's management body are now all new.

In summary, it has been assessed that the management and implementation arrangement designed is appropriate and simple to achieve results.

CHAPTER 4: IMPLEMENTATION GAPS AND LESSONS LEARNED

4.1 Implementation Gaps Identified

The major implementation gaps and challenges identified during the assessment are the following:

Human skill capacity limitation: The evaluator has the opinion that lack of well qualified and trained manpower in both public and private sector is still being impeded the development and implementation of projects with, which needs to be focused in future initiatives. This has been confirmed by the former CEO of ETO and MoCT senior staff.

Regulation Gap and Absence of Clear Strategy: Stakeholders consulted during the assessment reflected that there still exists regulation gap for tourism destination and marketing development which need to be supported by the project. The stakeholders including MoCT and ETO senior management indicated absence of clear strategy that augment the development of tourism destinations and market promotion, private sector engagement, and strengthen strategic partnership between public and private sector in the tourism sector.

High manpower turnover: It has been assessed that there was frequent turnover of manpower in ETO, particularly higher management (CEO and D/CEO), senior staff and Project Coordinator during 2017 and 2018. The turnover in higher management and project staff has affected effectiveness of implementation and proper monitoring and reporting process of the UNDP funded project.

Poor Private Sector Engagement: The assessment revealed that there is poor commitment to bring public private partnership framework in the tourism sector covering tourism investment financing and national tourism trust fund.

Absence of Fund: Project implementation assessment reports and studies reveal that absence of National Tourism Trust Fund impeded the facilitation of joint intervention, networking, collaboration and partnership among the public and private tourism actors in all aspects of tourism transformation efforts of the country.

Limitation to mainstream Gender and Environmental Issues: Gender equality and environmental issues were not considered right from project design as well as during project progress reporting process. As all UNDP country - based interventions needs to

integrate gender equality and environmental factors, the project should incorporate gender equality and environment into the project cycles, particularly during design, monitoring and evaluation during the next phase.

4.2 Best Practices and Lessons Learned

The evaluator noticed the following as best practices obtained from the project implementation process:

- The support of the project contributed to the development of incentive packages for private sector investment in destinations like Ere Tale, Axum, Semen Mountains, and Lalibela through partnership of ETO, EIA, and USAID. This support should be finalized and taken as best practices to be scaled up to other key and potential tourism destinations.
- In order to best develop performance management systems, the project supported development of SMART periodic action plans (, i.e. annual, quarterly) and improved performance tracking tools (eg. Monthly progress update and project planning template).
- The project developed joint action plan and resource sharing mechanism through partnership between stakeholders such as Ethiopian Airlines, Tour Operators Association and Hotel Owners Association towards product development and marketing promotion, which can be best practice to be taken in other tourism infrastructure facilities.

The evaluation also highlighted the following key lessons learned:

- It has been learned that the project implementation was primarily attached to top management of ETO, viz. CEO and D/CEO. This lagged back the project implementation process as the CEO's are reappointed frequently. Project implementation process and progress towards results can be better achieved if the project interventions and activities are assigned to and executed by relevant departments, *destination and marketing departments*, so that interventions and results will have direct ownership and any turnover of top management will not affect project operations.
- It has also been learned that the *Project Coordinator* needs to be permanent throughout the project life to channel project outputs to relevant departments, regularly prepare reports and submit to funding agency. The project coordinator can alternatively be head of planning department if the ETO has this structure.

- It has also been learned that the right people, vision and strategy will result in achieving desired outcomes and outputs.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The project “*strengthening institutional capacity for sustainable tourism development*” which is mainly focused on institutional capacity development of ETO and tourism destination and products development as well as tourism marketing promotion and development was well aligned to national priorities, needs and priorities of the targeted beneficiary (ETO), and well informed with UNDP Strategic Plan, 2014 – 2017 and aligned with the United Nations Development Assistance Framework (UNDAF), 2016 – 2020.

The overall objective of the project was to build the national capacities for tourism sector development and contribution to the attainment of development goals set in the Growth and Transformation Plan (GTP) thereby contributing to generate a fundamental transformational change in the scale, quality, diversity and socio-economic benefit of the nation’s tourism sector. Towards this objective, overall contribution of the project was found satisfactory. The institutional and organizational capacity development of ETO in terms professional skill development, equipping ETO by modern ICT and office furniture, development of national tourism development strategy, and production of investment incentive package, and engagement SMEs in tourism business development services (BDS) have contributed the most to the achievement of the overall objective of the project.

Output wise, the project was instrumental and *immensely* contributed to *strengthen tourism policy regulatory and institutional capacity* (output 1) of ETO through reviewing and revising regulation and guideline on its mandate towards tourism sector transformation, providing technical advisory services, equipping ETO with ICT equipment and systems, providing functional office premise, skill development training of ETO and stakeholder government frontline operational staff. It also capacitated skill of customer service providers particularly engaged in tourist oriented hotel services.

The contribution of the project towards *output 4 (strengthened inclusive and sustainable private sector tourism development)* has been rated as highly satisfactory (92.5%) while achievements of *output 2 (enhanced destination and product development)* and *output 5 (strong partnership and stakeholder engagement in place)* have both been assessed as highly satisfactory (85% and 88% respectively). Furthermore, the achievement of *output 3 (Ethiopia's tourism sector effectively branded and promoted)* has been rated as acceptable (67%),

The evaluator has the opinion that the project resources were targeted on appropriate interventions to achieve the intended results and were implemented efficiently. The project used the funds with satisfactory efficiency as project resources were utilized for targeted activities that contributed to its overall objective. Comparing the overall project effectiveness vs project funds spent, the project effectiveness per unit of cost/ expenditure has been calculated to be 1.08, which shows cost effectiveness of the project. Furthermore, it has been confirmed from project implementers that most of the interventions were implemented timely as per planned, particularly during the periods 2016 and 2017. This factor also contributes to the efficiency of the project. However, there exist inefficiencies to utilize the available funded resources as there have been unutilized funds due to changes in management of ETO in 2018.

There is a high likelihood that the project processes and results will be *institutionally and financially sustainable* as all the results have ownership by ETO and key operational stakeholders (particularly hotels and tour operators), although sustainability issues and how to resolve them were not included in the project design. However, stakeholders like Tour Operators and Addis Ababa Hotels Associations as well as Officials of MoCT and former CEO of ETO consulted during the assessment have the opinion that the achievement of the project are at initial stage and haven't reached the level of sustainability. Some of the outputs and indicators targeted to be achieved were not completed and needs further support to reach the required level.

The interventions supported by the project have high potential to bring *positive impacts* on capacitating institutional execution level and increased income from tourism. The evaluator have the opinion that the project brought improved execution and competitiveness capacity of ETO as well as improved quality of customer services, although interventions are at initial stage and needs further support to bring sustainable impacts. Furthermore, the interventions have contributed to increased tourist arrivals and foreign exchange earnings at targeted destinations. The project has also contributed to the economic activity of the country in terms of GDP, foreign exchange earnings, and direct employment creation. In this regard, the contribution of the travel and tourism sector to GDP has grown from the level of ETB 40,130.3 million in 2014 to ETB 49,144.2 million in 2017 (World Travel & Tourism Council, 2015 – 2018). Similarly, the contribution the sector to foreign exchange earnings has grown from the level of ETB 45,878.5 million in 2014 to ETB 50,447.7 million.

It was assessed that the project did not integrate gender equality and environmental factor into planned outputs during project design and monitoring phases. It was only the capacity development intervention that was integrated into project activities.

It has been assessed that the management arrangement designed for project implementation was appropriate and simple to achieve results, although there is incomplete quarterly and progress reports.

5.2 Recommendations

Recommendation 1: The execution and ownership of the project should be assigned to relevant ETO departmental structures, viz. destination and marketing development departments so as to create commitment and ownership of project implementation and sustaining the results to be achieved. If so, any change in top management of ETO will not hinder implementation of any project.

Recommendation 2: The project needs to be designed in the next phase should assign *Project Coordinator* on permanent basis throughout the project life to channel project resources and outputs to relevant departments, regularly prepare reports and submit to funding agency, liaise project implementation and monitoring between CEOs, UNDP and functional departments. The project coordinator can alternatively be head of planning department of ETO if the organization has this structure.

Recommendation 3: The project should give focused attention to create strong public-private partnership (PPP) in which investment, resource and experience sharing will be committed towards tourism destination and product development and marketing promotion and development there by realizing sustainable tourism sector development. UNDP and relevant donors should support the realization of this effort.

Recommendation 4: The project should have been given attention to tourism destination branding, promotion, and image building, which need to be focused in the next phase of project interventions.

Recommendation 5: Gender equality and environmental factors were not considered right from project design as well as during project progress reporting process. As all UNDP country - based interventions needs to integrate gender equality and environmental factors, the project should incorporate gender equality and environment into the project cycles, particularly during design, monitoring and evaluation during the next phase.

ANNEXES

Annex 1: List of documents Reviewed

1. Ethiopian Tourism Development Policy, MoCT, 2009
2. FDRE: Sustainable Tourism Development Master Plan 2015 – 2025: UNECA, 2015
3. Country Program Document for Ethiopia (2016 – 2020); UNDP, UNPF and UNOPS, Nov. 2015
4. Annual Report: UNDP-ETHIOPIA, 2014
5. ETO Sustainable Tourism Development Program, July – Dec. 2017
6. ETO Overview and 2010 Annual Plan
7. Project Document: Strengthening Institutional Capacity for Sustainable Tourism Development; Oct. 2015
8. Project Implementation Manual (PIM) for United Nations Agencies Assisted Programs in Ethiopia, April 2017
9. Annual Work Plan, EFY 2008 (July 2015 – June 2016)
10. Annual Work Plan, EFY 2009 (July 2016 – June 2017)
11. Annual Work Plan, EFY 2010 (July 2017 – June 2018)
12. Annual Progress Report 2016, ETO
13. Project Progress Report, ETO, July – Dec. 2017
14. Project Progress Report, ETO, Quarter 2, April – June 2017
15. Project Progress Report, ETO, Quarter 1, January – March 2017
16. Monitoring Reports 2016
17. Chianca, T., 2008; The OECD/DAC Criteria for International Development Evaluations, Journal of Multi-Disciplinary Evaluation, Vol. 5; <http://evaluation.wmich.edu/jmde/>
18. National Action Plan for Energy Efficiency (2008); Understanding Cost-Effectiveness of Energy Efficiency Programs: Best Practices, Technical Methods, and Emerging Issues for Policy Makers. <http://www.epa.gov/eeactionplan>
19. World Travel & Tourism Council (2018); Ethiopia - Travel and Tourism Economic Impact 2018
20. World Travel & Tourism Council (2017): Ethiopia - Travel and Tourism Economic Impact 2017
21. World Travel & Tourism Council (2016): Ethiopia - Travel and Tourism Economic Impact 2016
22. World Travel & Tourism Council (2015): Ethiopia – Travel and Tourism Economic Impact 2015

Annex 2: List of persons contacted and/or interviewed

1. Bethalihem Tamene, Project Manager, UNDP, bethelihem.tamene@undp.org
2. Yigyeong Oh, Project Staff, UNDP, yigyeong.oh@undp.org
3. Kasech Woldekidan, Project Staff, UNDP, kasech.w.kidan@undp.org
4. Yacob Melaku, Managing Director, Sunrise Tours Ethiopia, sunrisetoursethiopia@gmail.com ; Mob. +251 911 223246
5. Benyam Bisrat, Chairman, Addis Ababa Hotel Owners Association, benyam@jupiterinternationalhotel.com
6. Lude Abiy, General Manager, Addis Ababa Hotel Owners Association, hotelsassociation@gmail.com , Mob. +251 91146 3153
7. Engidawork Demeke, Training Coordinator, Addis Ababa Hotel Owners Association,
8. Tadewos Belete, Owner of Kuriftu Resort, Tel. 011 818 4360, Addis Ababa Office,
9. Lensa Mekonnen, CEO, Ethiopian Tourism Organization, lensm@ethiopia.travel , Mob. +251 911 24 85 59/ +251 944 30 54 61,
10. Sileshi Girma, Tourism Development Advisor, Ministry of Culture and Tourism, sgsintouch@gmail.com, Mobile: 09118 14407,
11. Meselech Tesfaye, Policy Plan, Monitoring and Evaluation Directorate, Ministry of Culture and Tourism, Mobile: 09116 88596,
12. Ahmed Mohamed, Bureau Head, Ministry of Culture and Tourism, Tel. 0941 54 17 54, email: deanis98@yahoo.com,
13. Nitsuh Ayele, Director of Tourism Stakeholder Relation Directorate, Ministry of Culture and Tourism, Tel. 0911 35 51 76,
14. Yohannes Tilahun, Former CEO of ETO, Ministry of Culture and Tourism, Tel. +251 929 906 891, email: ytilahun@me.com,
15. Selamawit Alebachew, Former Project Manager, UNDP, Tel. +251 11 544 4215, selamawit.alebachew@undp.org
16. Berhanu Alemu, Monitoring & Evaluation Specialist, UNDP Partnership Unit, email: berhanu.alemu@undp.org,
17. W/o Meseret Moges, UNDP Partnership Unit, email: meseret.moges@undp.org .

Annex 3: Evaluation Terms of Reference



Empowering people.
Resilient nations.

SECTION 3: TERMS OF REFERENCE (TOR)

Procurement Notice Ref. No.: ETH

Services/Work Description: Recruitment of consultant for Consultancy service to undertake terminal evaluation on the Sustainable Tourism Development Project

Project/Program Title: Strengthening Institutional Capacity for Sustainable Tourism Development

Post Title: National Consultant

Consultant Level: Level C (Senior Specialist)

Duty Station: Addis Ababa

Duration: 30 days

Expected Start Date: Immediately after concluding Contract Agreement

I. BACKGROUND AND RATIONALE

Tourism sector's economic, socio-cultural, environmental and political contributions to the Ethiopian economy are immense. Ethiopia acquires varied historical, cultural, and natural attractions. It is the possessor of nine world heritage sites, four UNESCO biosphere Reserves, 52 protected areas and origin of human kind.

The Government of Ethiopia has identified tourism as one of the priority sectors for transformation agenda given the sector's potential to contribute to the national economy. The GoE's strategy is to make Ethiopia one of the top 5 destinations in Africa by 2020, while attracting low-impact high-value tourists.

The overall objective of the project is to generate a fundamental transformational change in the scale, quality, diversity and socio-economic benefit of the nation's tourism sector. The socio-economic purpose underpinning this transformation is to generate wealth and increased foreign exchange earnings, local employment creation, and diversification of local economies. The project is catalytic in building national capacities for tourism sector development and contribution to the attainment of development goals set in the Growth and Transformational Plan (GTP) with specific focus on development of a sustainable and economically viable tourism sector. The project outputs will contribute to the optimization of the sector's potential through product development, investment promotion, employment creation, foreign exchange earnings and broadening of the country's revenue base. The project is also designed to be collaborative and inclusive involving federal and regional public institutions working in partnership with the private sector and

local communities leading to creation of tourism products and enhanced destination management in priority centers throughout the country.

The program aims to achieve the following major goals:

1. Tourism policy regulatory and institutional capacity strengthened
2. Destination and product development enhanced
3. Ethiopia's tourism sector effectively branded and promoted
4. Inclusive and sustainable private sector tourism development strengthened
5. Strong partnership and stakeholder engagement in place

II. Objective of the Study

Having reached the end of the first phase of the program, UNDP would like to conduct an evaluation of the overall program, in collaboration with government partners, donors and stakeholders, so that it remains relevant to the national context; to ensure improvements in performance and results going forward by identifying implementation challenges and ways to overcome them; and to provide lessons learned which can support the preparation of the next program document.

The main objective of the terminal evaluation is therefore to review the implementation of the project activities and achievements of results starting from its initial period so as to: (1) measure the performance of the project; and, (2) draw lessons to facilitate decision on future orientation of the program. Overall progress of the project should be reviewed with a focus on each of the project pillars. (3) practical recommendations to inform the design, implementation, management and coordination of upcoming programs and other initiatives. The evaluation should independently assess the criteria of: relevance, effectiveness, efficiency, sustainability and impact. Specifically:

Evaluation criteria and key questions

Relevance refers to:

- To what extent is the intervention relevant to the needs and priorities as defined by beneficiaries? Are they aligned to national priorities?
- How does the project relate to the main objectives of the project, and to the development priorities at the local, regional and national levels?

Effectiveness refers to:

- To what extent have the expected outcomes and objectives of the project been achieved?
- Whether the project intervention achieved the expected output and made progress towards the intermediate outcomes and outcomes
- Whether there are any unintended results, either positive or negative observed
- How have stakeholders been involved in the programme implementation?

Efficiency refers to:

- How economically are resources/inputs (funds, expertise, time, etc.) converted to outputs

- Whether outputs achieved on time and on budget
- Have programme funds and activities been delivered in a timely manner? If not, what were the bottlenecks encountered?

Sustainability refers to:

- What is the likelihood that results/benefits will continue after the closure of the project?
- Are there committed financial and human resources to maintain benefits and results?
- Is the external environment conducive to the maintenance of results?

Impact refers to

- Extent to which the project is achieving impacts or progressing towards the achievement of impacts
- How did the interventions of this programme impact the socio-economic life of target beneficiaries at all levels?

III. SCOPE OF THE WORK

The terminal evaluation will cover all interventions of the project planned to be implemented during the period July 2015 to date. In doing so, the evaluation should assess the integration of gender equality, environment and capacity development as cross-cutting themes as well as evaluate the partnership and result of the sub-grant contract administration and management among the different stakeholders. The evaluation should also identify key lessons and propose recommendations to enhance technical and financial performance during the remaining period of the project and provide key recommendations for future orientation of the programme. The evaluator is expected to follow a participatory and consultative approach ensuring close engagement with all government counterparts, in particular Ministry of Culture and Tourism (MoCT), Ethiopian Tourism Organization (ETO), UNDP Country Office, project team, as well as the Tourism Board. The terminal evaluation will be undertaken by a national consultant.

IV. Methodology

The evaluation must provide evidence-based information that is credible, reliable and useful. The consultant should come up with appropriate evaluation approach and method to adequately meet the objective and fits to the scope of the terminal evaluation. The approach to be followed should be participatory to make use of input from all relevant stakeholders. The evaluator will review all relevant sources of information, such as the project document, project reports – including annual progress reports, project budget revisions, national strategic and legal documents, and any other materials that the evaluator considers useful for this evidence-based assessment. The evaluator should take measures to ensure data quality, reliability and validity of data collection tools and methods.

The overall framework of the evaluation exercise is supposed to pass the following four major phases: (1) preparatory phase (desk phase); (2) data collection phase; (3) consolidation of information and report writing and (4) validation of findings through stakeholder workshop.

V. EXPECTED OUTPUTS AND DELIVERABLES

The consultancy assignment shall be completed in a total of 30 working days as per the following time frame and outputs.

- Inception report
- Draft report
- Validation workshop
- Final report

No.	Main Deliverables	Working Days Assigned
1.	Preparation of work plan, outline and submission of inception report	3
2.	Review of all project documents, annual work plans, and reports	5
3.	Interview and consultations with all stakeholders in Addis Ababa	5
4.	Organizing and analyzing data, preparation and submission of draft evaluation report	7
6	Review of the first draft report	5
7	Organize validation workshop	1
8.	Incorporate comments and submit final evaluation report	4

VI. INSTITUTIONAL ARRANGEMENT / REPORTING RELATIONSHIPS

- The Consultant will work in close collaboration with UNDP CO, particularly the Team Leader and Project manager and the implementing partner, the Ethiopian Tourism Organization.
- The Consultant will be given access to relevant information necessary for execution of the tasks under this assignment;
- The consultant is expected to conduct interviews and consultations with key stakeholders of the project.
- Given the sensitive nature of pipelining before the report is approved, the consultant shall not communicate to any person, government, or other entity external to UNDP Country office any unpublished information made known to the incumbent by reason of his or her candidacy or association with UNDP except as required by these TORs or upon written authorization from the UNDP CO.

VII. LOGISTICS AND ADMINISTRATIVE SUPPORT TO PROSPECT IC

The Consultant will be responsible for providing her/his own working station (i.e. laptop, internet, phone, scanner/printer, etc.) and must have access to a reliable internet connection. The consultant will organize own transportation.

VIII. DURATION OF THE WORK¹

¹

The assignment is for **30** working days. The work will commence immediately after signing of the contract.

IX. QUALIFICATIONS OF THE SUCCESSFUL INDIVIDUAL CONTRACTOR (IC)

A. Education

Advanced Degree MSc (MA) and above in **Economics, Business or related Social Science fields.**

B. Experience:

At least **ten** years working experience in in the above filed of specialization having practical experience and proven track record. Knowledge and proven experience in value chain development, private investment framework and tourism sector development. Experience in conducting terminal evaluations.

C. Language and other skills:

- Excellent knowledge of English, including the ability to write reports clearly and concisely and to set out a coherent argument in presentation and group interactions
- Capacity to facilitate and communicate with different stakeholders

D. Functional skills

- Outstanding communication skills
- Positive and constructive approaches to work with energy
- Demonstrate openness to change and ability to receive and integrate feedback
- Excellent written and verbal communication skills
- Strong time management and meet established time lines.

E. Computer skills:

Full command of Microsoft applications (word, excel, PowerPoint) and common internet applications will be required.

F. Compliance of the UN Core Values:

- Demonstrates integrity by modelling the UN's values and ethical standards;
- Promotes the vision, mission, and strategic goals of UNDP;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;
- Treats all people fairly without favoritism;
- Fulfils all obligations to gender sensitivity and zero tolerance for sexual harassment.

Important Note:

The Consultant is required to have the following professional and technical qualifications. **Only the applicants who hold these qualifications** will be shortlisted and contacted.

X. CRITERIA FOR SELECTING THE BEST OFFER

From the existing roster, Individual Consultants will be evaluated based on Cumulative Analysis as per the following scenario:

- Responsive/compliant/acceptable, and
- Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. In this regard, the respective weight of the proposals are:
 - a. Technical Criteria weight is **70%**
 - b. Financial Criteria weight is **30%**

Criteria	Weight	Max. Point
Technical Competence (based on CV, Proposal and interview (if required))	70%	100%
▪ Criteria a. Understanding the Scope of Work (SoW); comprehensiveness of the methodology/approach; and organization & completeness of the proposal;	40	57.14
▪ Criteria b. Educational background as specified above;	10	14.229
▪ Criteria c. At least ten years Practical experience in pastoral areas with pastoral landscape management;	20	28.58
Financial (Lower Offer/Offer*100)	30%	
Total Score	Technical Score * 70% + Financial Score * 30%	

Evaluation legend:

Weight per Technical Competence	
Weak: below 70%	The individual consultant/contractor has demonstrated a WEAK capacity for the analyzed competence
Satisfactory: 70-75%	The individual consultant/contractor has demonstrated a SATISFACTORY capacity for the analyzed competence
Good: 76-85%	The individual consultant/contractor has demonstrated a GOOD capacity for the analyzed competence
Very Good: 86-95%	The individual consultant/contractor has demonstrated a VERY GOOD capacity for the analyzed competence
Outstanding: 96-100%	The individual consultant/contractor has demonstrated an OUTSTANDING capacity for the analyzed competence.

* It is mandatory criteria and shall have a minimum of 70 points out of 100 points

****Regarding the rest criteria, you may select from the following or include which is/are relevant evaluation criteria as per the ToR and fix allocated weightage corresponding to each criterion.**

Examples:

- a. Minimum educational background as per the requirement in the ToR;
- b. Minimum 10 years of experience in similar consultancy projects and/or IC contracts;
- c. Ability to discharge the consultancy service within the timeframe as per the ToR;
- d. **In case of Interview** - individual competencies in terms of language proficiency; analytical and comprehension skills; presentation skills; confidence; . . .
- e. Other criteria that help to objectively evaluate the required knowledge, skills, behaviors, . . . of prospective consultants;

XI. PAYMENT MILESTONES AND AUTHORITY

Payment Schedule (Payment trenches)	Deliverables or Documents to be Delivered	Approval should be obtained from:	Percentage of Payment
1 st Installment	up on submission of inception report	UNDP	20%
2 nd and final Installment	up on submission approved final report	"	80%
Grand Total			100%

XII. RECOMMENDED PRESENTATION OF TECHNICAL PROPOSAL

For purposes of generating proposals whose contents are uniformly presented and to facilitate their comparative review, you are hereby given a template of the Table of Content. Accordingly; your Technical Proposal document must have at least the following preferred content and shall follow its respective format/sequencing as follows.

Proposed Table of Contents	Page
----------------------------	------

SECTION I. TECHNICAL PROPOSAL COVER PAGES

- Cover Page (use the template hereto)
- Cover Letter (use the template hereto)
- Statement of Declaration (use the template hereto)

SECTION I. TECHNICAL PROPOSAL SUBMISSION FORM

- 1.1 Letter of Motivation
- 1.2 Proposed Methodology
- 1.3 Past Experience in Similar Consultancy and/or Projects
- 1.4 Implementation Timelines
- 1.5 List of Personal Referees
- 1.6 Bank Reference

SECTION II. ANNEXES

Annex a. Duly Signed Offer's Letter to UNDP Confirming Interest and Availability (use the template hereto)

Annex b. Duly Signed Personal CV's

Documentation Checklist (please refer to the checklist attached hereto)

FINANCIAL PROPOSAL

Alternative 1. LUMP-SUM CONTRACTS

The Financial Proposal shall specify a total lump-sum amount **all-inclusive**², and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in installments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump-sum amount (including travel, per diems, and number of anticipated working days) in **Ethiopian Birr Only. Financial proposal submitted in any currency rather than Ethiopian Birr will not be considered for further Evaluation.**

XIII. CONFIDENTIALITY AND PROPRIETARY INTERESTS

The Individual Consultant shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the consultancy service without prior written consent. Proprietary interests on all materials and documents prepared by the consultants under the assignment shall become and remain properties of UNDP.