

Internal Ex-Post Evaluation for Technical Cooperation Project

conducted by Middle East and Europe Department : November, 2013

Country Name	The Kazanlak Area Revitalization Project
Bulgaria	

I. Project Outline

Project Cost	378 million yen	
Project Period	Original: November, 2004 - September, 2007 Extended Period: October 2007 - March 2008	
Implementing Agency	Kazanlak Municipality, Ministry of Economy (name changed to Ministry of Economy and Energy during the project)	
Cooperation Agency in Japan	None	
Related Projects (if any)	[Japan's Cooperation] - Acceptance of technical training participants for "Community based approach for regional development" (2003-2005)	
Background	It was one of the most important and urgent issues for the Government of Bulgaria to be admitted to the European Union in the year 2007. The government established six priority programs including "Sustainable Development of Economy and Improvement of Business Climate" which places importance on the regional economic development through promotion of tourism, agriculture and forestry. As 16% of population was concentrated in Sofia and economy was heavily concentrated, regional disparity between urban and rural areas was expanded and it was considered that the unemployment rate reached up to 30% in the rural areas. The Government of Bulgaria saw the situation as a serious problem since this regional disparity may hinder the economic growth. Under these circumstances, the Government of Bulgaria requested the Government of Japan the technical cooperation aiming at transferring knowledge and skills concerning participatory regional promotion and extension of these knowledge and skills nationwide with the model of Kazanlak area which is famous for Rose Valley and rose oil industry.	
Inputs	Japanese Side	Bulgarian Side
	<ol style="list-style-type: none"> 1. Experts: 11 persons (60.47 MM, 7 fields) 2. Trainees Received: 6 persons 3. Equipments 108 million yen 4. Local Cost 57 million yen 	<ol style="list-style-type: none"> 1. Counterpart Personnel: 6 persons 2. Facilities: Project office (Kazanlak) 3. Local Cost: facilities (excavation, restoration and exhibition of tomb, access road, re-pavement and beautification of Kazanlak central square, extension and repairs of information center, improvement of the rose park, improvement of railway station and bus terminal, etc.
Project Objectives	Overall goal	
	<ol style="list-style-type: none"> 1. Economy is enhanced by the regional development mainly through tourism development and the living standards of the Kazanlak Municipality are improved. 2. A regional development model is established and contributes to development promotion in less developed areas in Bulgaria. 	
	Project Objective(s)	
The number of tourists to Kazanlak increases throughout the year through the synergy effect of five (5) tourism development strategies (i) Tourism Area Development Strategy, ii) Tourism Event Development Strategy, iii) Special Product Development Strategy, iv) Human Resource Development in Tourism (service and hospitality) Strategy, and v) Tourism Infrastructure Strategy and the tourism season is prolonged..		
Output(s)		
<ul style="list-style-type: none"> • Organizations in charge of regional development are established and managed mainly through tourism development. • Human resource is developed to promote regional/tourism development in Kazanlak as well as to provide services to satisfy tourist needs. • Various infrastructures are developed and improved for visiting, staying and sightseeing in Kazanlak. • Tourism area development is promoted based on the regional characteristics of Kazanlak. • Tourism promotion events are planned and managed and many people come to Kazanlak in various seasons. • Special products are produced by making the most of Kazanlak's nature, tradition, history, etc. and satisfy tourist needs. • Employees in the tourism industry become guest-oriented and service and hospitality are improved. 		

II. Result of the Evaluation

Summary of the Evaluation

In Bulgaria, before the inception of the project, the government established “Sustainable Development of Economy and Improvement of Business Climate” as one of the most prioritized program, which places importance on the regional economic development through promotion of tourism, agriculture and forestry. The project’s target area of Kazanlak suffered from the decrease in population and inactive economy even though it has resources for tourism such as rose valley and historical heritage such as Thracian Tomb.

Relevance is “high” since the project has been highly relevant with Bulgaria’s development policy, development needs, as well as Japan’s ODA policy at the time of both ex-ante evaluation and project completion. As regards effectiveness, this project has achieved “the increase in the number of tourists throughout the year and prolonged tourism season” since the number of tourists was doubled compared to before the project in 2003 despite some fluctuations. Overall Goal has been also achieved to a certain extent as it is inferred that the living standard of the people in the Kazanlak area has been improved because of the enhanced income with a larger number of tourists. Also the Kazanlak model for tourism promotion consisting of special products development, private lodgings, etc. was incorporated into “the National Strategy for Sustainable Tourism Development 2007-2013”. In this way, the expected effects have mostly been observed.

On the other hand, efficiency is “fair”, as project cost was significantly higher than that of the plan and the project period was slightly longer than the plan due to 6-months extension of the project for strengthening of implementation system. Sustainability is also “fair”. In terms of policy and technical aspect of the implementing agency, there was no problem observed because regional promotion is still important in Bulgaria and activities initiated by the project and related to comprehensive approach consisting of five (5) strategies (i) Tourism Area Development Strategy, ii) Tourism Event Development Strategy, iii) Special Product Development Strategy, iv) Human Resource Development in Tourism (service and hospitality) Strategy, and v) Tourism Infrastructure Strategy) have been continued and enhanced. As to institutional aspect, Kazanlak Sustainable Tourism Association (KSTA), a participatory organization that runs the information center and lodgings, has scaled down its activity, however, Kazanlak municipality largely maintains the structure/system as an implementing agency and has actively conducted activities such as joint projects in the field of tourism marketing with neighboring local governments. The budget of the Kazanlak municipality for the tourism sector has been decreasing and support from EC that supplements current budgetary deficiency may be discontinued. Thus, some problems have been observed in implementing agency’s institutional and financial aspects and overall sustainability is considered to be “fair”.

In short, i) relevance of the project is “high” since the project was consistent with policies and development needs of both Bulgaria and Japan, ii) the project purpose “the increase in the number of tourists” has been achieved and some impacts, such as better living standard of the local residents as well as incorporation of Kazanlak model for tourism promotion into the national strategy, have been observed, and iii) there have remained some problems in terms of efficiency and sustainability. In the light of above, this project is evaluated to be “satisfactory” despite some problems.

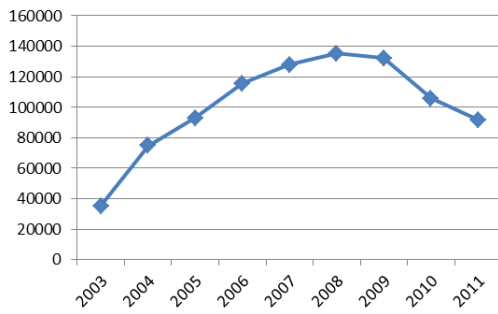
1 Relevance

This project has been highly relevant with Bulgaria’s development policy “reduction of regional economic disparities” specified in “Regional Development Law” enacted in February 2004 and “promotion of cultural and agricultural village tourism” included in “the National Strategy for Sustainable Tourism Development 2007-2013”, development needs “activation of economy of Kazanlak, which is a local city with the population of less than 100 thousand and has been suffering from the decrease in the population and inactive economy, through regional revitalization” by utilizing regional resources (natural environment and historical heritage), as well as Japan’s ODA policy “JICA’s Cooperation Policy for Bulgaria” that places importance on “market economy and agriculture” and “narrowing of regional disparity between urban and rural areas”, which were identified as important fields in Policy Discussion 2003, at the time of both ex-ante evaluation and project completion. Therefore, relevance of this project is “high”.

2 Effectiveness/Impact

This project has largely achieved its project purpose, “the increase in the number of tourists throughout the year and prolonged tourism season”. i) Establishment of the information center and website, ii) construction of access road to Thracian Tomb and square, iii) implementation of Thracian event, and iv) production and sale of trial products, which were conducted based on the five strategies, (i) Tourism Area Development Strategy, ii) Tourism Event Development Strategy, iii) Special Product Development Strategy, iv) Human Resource Development in Tourism (service and hospitality) Strategy, and v) Tourism Infrastructure Strategy), contributed to “the increase in the number of tourists and prolonged tourism season”. In addition, the number of tourists was doubled compared to before the project in 2003 despite some annual fluctuations. As for the overall goal, despite incomplete official data, according to the head of a ward in Kazanlak municipality, income of the residents has been increased as a result of the enhanced land for rose cultivation and the establishment of new lodgings following the increase in the number of tourists, and it can be inferred that living standards in the Kazanlak region have been improved. In addition, the comprehensive tourism promotion approach introduced by the project consisting of special products development, private lodgings, etc. was incorporated into “the National Strategy for Sustainable Tourism Development 2007-2013”, as “Model of Rural Tourism” and it is considered that the Kazanlak model has been recognized to some extent as an effective tool.

In the light of above, it can be judged that the project purpose has largely been achieved and the overall goal has been achieved to some extent. Therefore, effectiveness/impact of this project is “high”.

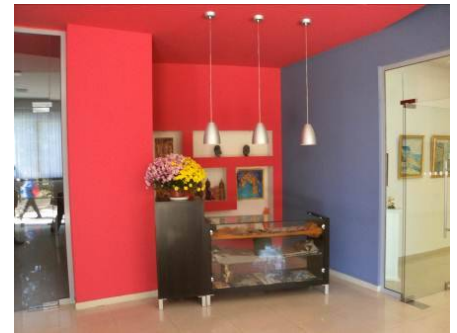


Number of Tourists

Source: Kazanlak Municipality



Outside of Tourist Information Center



Inside of Tourist Information Center

3 Efficiency

The inputs were appropriate for producing the outputs of the project. The project cost was significantly higher than the plan (ratio against the plan: 189%), because of the increase in the physical input as a result of the extension of the project period for 6 months, especially in terms of the activities for establishment of implementation system. KSTA, which is in charge of regional tourism promotion and extension, was established in June 2007. In order to ensure the continuous utilization of know-how regarding regional development so far transferred through the project, it was judged appropriate to add activities that are required for 6 months for the firm establishment of implementing system, such as strengthening of KSTA, through cooperation between the public and private sectors. As a result, the project period was slightly longer than the plan (ratio against the plan: 117%) and therefore, efficiency of this project is "fair".

4 Sustainability

This project is consistent with "the National Strategy for Sustainable Tourism Development 2007-2013", which incorporates the Kazanlak model as "Model of Rural Tourism", and also regional development is still one of the prioritized policies in Bulgaria. As for technical aspect, activities concerning the comprehensive approach consisting of 5 strategies introduced by the project have been continued and enhanced. Therefore, the project has no problem in policy background and technical aspects. As to institutional aspect of the implementing agency, despite the reduction of KSTA's activities, Kazanlak municipality largely maintains the structure/system that had been established during the project and has actively conducted activities such as joint projects in the field of tourism marketing with neighboring local governments. In other words, participatory organization of KSTA, which was established to manage the information center, lodgings, events, special products, etc. has reduced its activity (while still regularly holding board meetings and general meetings) and new implementing system (consisting of Kazanlak municipality, the Kazanlak Regional Development Council: KRDC, KSTA, Rose Foundation, etc.) has not yet been established. Nevertheless, relevant organizations have co-operated with each other in organizing events or other activities on adhoc basis under the strong leadership of Kazanlak municipality. As for financial aspect, the budget of the Kazanlak municipality has been decreasing (33,446Lv in 2007, 24,910Lv in 2011) and some infrastructures have not been completed due to this insufficient budget. In addition, support from EC that supplements current budgetary deficiency may be discontinued.

Since above issues were observed, this project has some problems in institutional and financial aspects of the implementing agency. Therefore, sustainability of this project is "fair".

III. Recommendations & Lessons Learned

Recommendations for Implementing agency

- The new implementing system (consisting of Kazanlak municipality, the Kazanlak Regional Development Council: KRDC, KSTA Rose Foundation, etc.) officially has not yet been established. In reality, however, the municipality has actively carried out activities for tourism development whenever required such as Rose Festival in cooperation with Rose Foundation and other organizations (museums, galleries, cultural center, etc.). It is desirable to establish a permanent implementation system to ensure the involvement of the entire relevant regional agencies/personnel.

Lessons learned for JICA

- Activities related to establishment of implementation system were enhanced and the project period was extended for 6 months, and accordingly the project cost exceeded the planned amount because of the increase in the physical input. It is necessary to examine more concrete activities and corresponding inputs at the stage of the project formulation.

- PDM (Project Design Matrix) was not prepared before the commencement of the project and PDM for evaluation (PDMe) was prepared at the stage of the Terminal Evaluation. However, some indicators of PDMe were not appropriate for evaluation. It is necessary that PDM with concrete and clear indicators be elaborated before the commencement of the project in order to secure the logics among Outputs, Project Purpose and Overall Goal and to accurately assess the degree of achievement.