### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Ghana</td>
<td>P164211</td>
<td>Tourism Development Project</td>
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<td>13-Jul-2018</td>
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<th>Implementing Agency</th>
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<tr>
<td>Investment Project Financing</td>
<td>Republic of Ghana</td>
<td>Ministry of Tourism, Arts and Culture</td>
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#### Proposed Development Objective(s)

The project development objective is to improve the performance of tourism in targeted destinations in Ghana.

#### Components

- Strengthening the tourism enabling environment
- Developing tourism sites and destinations
- Tourism enterprise support program
- Project management and institutional strengthening

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

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#### DETAILS

**World Bank Group Financing**

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<td>IDA Credit</td>
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B. Introduction and Context

Country Context

Ghana is a stable democracy in West Africa, with a population estimated at 28 million. It experienced robust economic growth at the turn of the millennium which propelled it into the middle income group of countries. Since 1992, Ghana has held seven consecutive free and fair elections and three smooth and peaceful transitions of power from one political party to another. Under this banner of political stability, gross domestic product (GDP) growth accelerated after the year 2000, averaging 6 percent per year, and reaching 14 percent in 2011—one of the fastest growing economies in Sub-Saharan Africa that year. As economic growth outpaced population growth, per capita income rose four-fold from $340 in 2000 to $1,400 by 2011, launching Ghana into the middle-income class. The rapid growth, combined with the ongoing structural transformation, changed Ghana’s economic landscape. The services sector, led by transportation, banking, and retail, increased its contribution to the country’s GDP from 32 percent in 2000 to about 57 percent in 2016. The industry sector (including mining and quarrying) accounts for the second largest share of GDP with 24.3 percent in 2016.¹ The agriculture sector, which was the largest sector in 2000, constituted only about 19 percent of GDP in 2016.

The strong economic performance also resulted in some progress in poverty reduction and job creation. According to the 2015 World Development Indicators, Ghana’s national poverty headcount fell from 31.9 percent of the population in 2005 to 24.2 percent in 2012. Job creation accelerated as total labor productivity increased, with employment growing at nearly 4 percent per year between 2005 and 2012. As the focus of economic activity shifted, the agriculture sector’s share in total employment across most of southern and central Ghana also fell from 75 percent in 1991 to less than 55 percent in 2013. However, the agricultural sector continues to be a major source of livelihoods for the country’s poorest households, especially in the remote northern regions. Although most jobs are informal, the unemployment rate was still low at 5.5 percent in 2016, though youth unemployment stood higher at 11 percent. Small and medium enterprises (SMEs) provided most jobs, which account for about 85 percent of total employment and contribute about 70 percent of Ghana’s GDP.

However, the pace of economic growth has slowed recently because Ghana faced serious macroeconomic shocks that exacerbated fiscal imbalances and adversely affected the real sector. On the external front, lower prices for key exports persisted, with gold prices falling from $1,600 per ounce in 2012 to $1,073 in 2015 before some recovery in mid-2016. Similarly, oil prices declined from $91 per barrel in 2012 to $35 per barrel in 2015 before recovering in 2016. On the domestic front, energy rationing due to the shortage of electricity generating capacity relative to demand weighed heavily on both the supply and demand sides of the economy. Thus, GDP growth slowed from 7.3 percent in 2013 to about 4 percent on average between 2014 and 2016. The resulting

¹ At its peak in 2012, the Industry sector contributed 28 percent of Ghana’s GDP. The recent decline in its contribution to GDP is largely due to the downturn in the oil sector.
fiscal challenges prompted the government to adopt a multiyear fiscal stabilization plan in 2015 with support from the International Monetary Fund (IMF), the World Bank, and other development partners, which brought the fiscal deficit down to 6.4 percent in 2015 from 10.1 percent in 2013. After initial successes, however, Ghana missed its 2016 fiscal target by a large margin because of revenue shortfall and overspending before the December 2016 elections. The fiscal deficit rose to 9.3 percent, significantly higher than the target of 5.2 percent. This slippage has exacerbated the debt situation and has moved Ghana into debt distress, with public debt stock at $29,227 million, or 73.1 percent of GDP in 2016.

Amid the economic malaise, the general elections of December 2016 led to another peaceful transition of political power to a new government that is keen to diversify the economy. Ghana’s medium-term economic prospect is expected to improve if there are no major shocks. Considering the acceleration of growth in the natural resources sector, GDP growth has rebounded to 8.5 percent in 2017\(^2\) is projected at 6.8 percent in 2018, driven by new oil production at the Sankofa, Tweneboah, Enyenra, Ntomme (TEN) fields, and Offshore Cape Three Points Fields. Also, gold output will likely remain high, while cocoa production is expected to grow to more than 900,000 tons. The new government is also developing a program of cross-cutting policy and regulatory reforms aimed at diversifying the economy away from reliance on commodities to create a conducive business environment and facilitate job creation. In line with these efforts, the government has set priorities for the tourism sector as a potential catalyst for economic diversification and job creation, especially for women and youth in the rural areas.

\(^2\) This is based on provisional GDP data for 2017 from the Ghana Statistical Service.
Sectoral and Institutional Context

Tourism receipts provide an important source of foreign exchange, contributing to the government’s tax revenues and enabling economic growth. According to the Ghana Tourism Authority (GTA), international tourist arrivals rose from 580,000 in 2007 to 980,141 in 2017, though driven primarily by the growth of business tourism. International tourism receipts also increased from $879 million in 2007 to $1,800 million in 2017 (table 1), with tourists spending on average $1,892 per visit in 2017. Tourism, especially high-end leisure and ecotourism, is already having a positive impact on jobs and community income around the parks (such as Kakum and Mole), and has demonstrated economic benefits for Ghana’s coastal areas, such as Elmina and Takoradi. The World Travel and Tourism Council (WTTC) reports that tourism directly contributed 3 percent ($1,000.3 million) of Ghana’s GDP in 2016 and directly employs 287,900 people (or 2.4 percent of total employment) and indirectly employs two to three times this many. Furthermore, because tourism depends on good environmental health and sanitation, the sector has provided positive externalities for communities living in destination areas currently challenged by sanitation issues.

Ghana is well endowed with parks, protected areas, and cultural attractions, and can attract high-spending environmentally conscious travelers. International demand for nature-based adventure tourism, ecotourism, and cultural experiences is increasing at a higher rate than business, wellness, or cruise tourism both globally and in Africa. These tourists have been found to stay longer and spend more than the average tourist. Nature-based tourism is estimated to account for 20 percent of international travel, or about 240 million trips per year. The Adventure Travel Trade Association noted that ecotourism had the highest level of demand of all travel activities in 2017—about 35 percent of all travel booked in 2016. These global trends are also evident in Ghana thanks to the forward-looking policies of the Forestry Commission of Ghana. Ghana’s first Eco lodge, Zaina, is operational in Mole, and expansion is planned for Shia Hills, which shows confidence in this market. The international diaspora market for tourism is also important to Ghana because of the high number of forts associated with the transatlantic slave trade.

Domestic tourism is also expected to show significant growth in the next decade as middle-class Ghanaians start to travel regularly on weekends and holidays to coastal and park locations. Private-sector operators expect much of the growth in leisure tourism to come from the domestic sector in the short term. The GTA reports domestic tourist numbers increased from 522,608 in 2015 to 577,273 in 2016.

Despite its assets and potential demand, a series of critical challenges confronting Ghana’s tourism industry were identified in the 2017 World Bank Ghana Tourism Scoping Diagnostic Report. A near absence of public sector strategic intervention and resources have collectively contributed to the sector’s low competitiveness, even though the government of Ghana has a National Tourism Development Plan (2013–27) that was developed with support from the United Nations Development Programme (UNDP), the UN Economic Commission for Africa, and the World Trade Organization. The plan aims to place tourism within the national development agenda and to promote investment and development of infrastructure, marketing, and supply-chain links. However, the plan is overambitious in its development suggestions, and implementation has been weak. The weak capacity of key tourism institutions and a lack of coordination with the private sector have impeded efficiency and accuracy of tourism data collection, promotion, and development. Consequently, the sector remains marginalized, and the regulatory and developing agencies—the Ministry of Tourism, Arts and Culture (MoTAC), GTA, and Ghana Tourism Development Company—receive minimal budgets and lack the qualified capacities required to develop the sector. The tourism levy, a 1 percent tourism tax applied to all
registered tourism enterprises, has been the major source of funding—it generated about US$2.5 million in 2017 and funded the entire operating budget of the GTA.

Other major constraints facing the development of the tourism sector include the following:

- **The high cost of doing business**, particularly the high cost of credit and high energy tariffs—which are above the regional average.

- **The multiplicity of government regulations on tourism**. More than 15 different taxes, permits, and levies must be paid to various government agencies every year, such as fire services, the health department, environment, the GTA, the food and hygiene department, and so on. Some operators noted that they were inspected two or three times a month, opening opportunities for potential rent-seeking behavior.

- **A high cost of access**, including expensive airline tickets, high landing fees, aviation fuel costs, and airport taxes), undermines Ghana’s ability to attract price-sensitive international travelers. Despite a significant increase in the number of air carriers within the last decade and the construction of a new airport terminal, air access remains a binding constraint, especially because of a lack of competition on many routes.

- **Burdensome visa requirements**. Studies show that visa facilitation can increase international tourist arrivals of affected markets by 5 to 25 percent (WTTC 2012). Senegal does not charge for visas, and 125 countries do not require a visa. The Gambia exempts 104 countries from visa requirements. Kenya exempts 39 countries and charges $51 for visas. Ghana charges $60 for single entry and $100 for multiple entry visas and ranks 122 of 136 countries on the World Economic Forum’s 2017 visa requirements ranking, because of long processing times (3–5 business days), burdensome documentation for tourist visas (including copies of bank statements and name of employer), the lack of an e-visa system (unlike most tourist-friendly destinations), and a visa-on-arrival” policy limited to nationals of African Union member states.

- **Poor domestic air transport**. Only one domestic carrier currently serves Ghana, and seats are often fully booked, which limits tourist visitation outside of Accra. Domestic air service is constrained by restrictive policies on operational issues such as the size of airline needed and the type of runway.

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4 According to the GTA, the share of business travelers to Ghana was 46 percent in 2016, and leisure tourists made up just 13 percent. Business tourist refers to those tourists whose primary purpose of visit to Ghana is business. Often business travelers use the same facilities, services and engage in leisure tourism during their trip.

5 The direct contribution of travel and tourism to GDP reflects the internal spending on travel and tourism (total spending within a country on travel and tourism by residents and nonresidents for business and leisure purposes), as well as government individual spending, which is spending by government on travel and tourism services directly linked to visitors, such as cultural (museums, for example) or recreational (such as national parks). However, the total contribution, including the indirect and induced impacts (for example, investment spending such as hotels construction, government spending on marketing and promotion, and so on) on the economy was GHC15,000.5 million (7.1 percent of GDP) in 2015 and is forecast to rise by 5.3 percent per year to GHC18,000 million by 2026. Similarly, total contribution to employment is 693,200 (or 5.9 percent of total employment).


• **A dearth of skilled workers in the tourism sector.** The Hotel, Catering, and Tourism Training Institute was established in 1991 with funding from UNDP and the International Labour Organization, but it closed because of low budgets, outdated training equipment, and poor management and non-standardized curriculum offerings. The government is still trying to revive the institute, but as of May 2018, training was yet to start. Many private training institutes have been established and have started to help fill the gap, but education in tourism and hospitality still lack common standards. The preliminary results from a feasibility study on tourism skills confirmed that existing institutions do not have the capacity, knowhow, or funds to fill the growing skills gap in the sector.

• **The lack of a comprehensive marketing brand and promotion strategy.** GTA lacks the modern tools and targeting to ensure the effective communication of its brand proposition of heritage, rich living culture, and diverse nature. Even though GTA aimed at outperforming Senegal and differentiating Ghana from neighboring countries, it has only a small marketing budget ($275,000 annually) compared with Senegal’s $3.5 million.

• **The exemption of tourism SMEs from the incentive package under the Investment Promotion Act 865.** The package includes a five-year tax break, reduced value added tax, and duty exemptions for some equipment like refrigerators and air-conditioners, but tourism projects are currently disqualified from incentives except for projects of more than $50 million, which still qualify for incentives as strategic investments.

Furthermore, the quality of tourism assets is low. Most tourism sites are poorly packaged or developed as destinations and are underfunded, poorly maintained, and lacking in visitor management facilities. The country has a network of historically significant slave forts, along with important national parks and reserves, beaches, vibrant cultural events, and high-quality traditional crafts. More than 64 forts, lodges, and castles were built between 1480 and 1760, but only about 32 are left, and only 18 of those are relatively intact. There is very little renovation of the forts, castles, and parks, and for those with UNESCO status, there is no signage indicating this status. Additionally, there has been little attempt to capture revenue or add to the tourist experience at these sites, and many have inadequate parking spaces, poor sanitation, limited food, and low-quality souvenir shops. Ghana’s beaches suffer from severe sanitation issues and require investment in cleanup and community awareness raising. The national parks have also been underused for tourism, but the Forestry Commission’s forward-looking approach to partnerships is beginning to address this in Kakum, Mole, and Shai Hills. Overall, tourism service infrastructure is substandard, limiting the expansion of leisure tourism.

Other challenges limiting the development of leisure tourism must be addressed. Generally, standards of lodgings outside the capital city, Accra, are comparatively low quality. In Accra, 49 percent of rooms rate 3-star and above. International hotels outside Accra and Kumasi are limited. Regarding inbound tour operators, they are largely inactive in Ghana, yet they are a critical link for running leisure tourism packages. Furthermore, a low-quality visitor experience arises from a lack of value added to degrading tourism sites and attractions.

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8 There are several reasons for this. First, the low volume of visitors in general, which limits attraction revenue and funds for maintenance and innovation. Second, most are publicly owned, and revenues from entrance fees are returned to central coffers rather than being used for upkeep. Third, most site managers do not have the capacity or resources to maintain world-class attractions. Finally, most product development has been done at a site-level rather than a destination-level. There has been very little action on tourism circuits, gateways, or to the packaging of experiences.
There is a dearth of leisure activity providers, and those that exist are not linked to travel trade networks. There is also poor integration with the creative industries, which limits business opportunities for local suppliers.

**Ghana’s ability to transform the leisure tourism segment depends on its ability to create an enabling environment to crowd-in private sector investment, and thus maximize finance for development.** This can ensure that scarce public resources are used efficiently on priorities for which private sector finance is unreachable. Many of the required destination-level investments are public goods, which single, private investors could not justify without additional support or financing. Creating an enabling environment will also include generating a skilled workforce, promoting the country as a tourism destination, and improving basic access, safety, and sanitation. Currently, adverse visa and aviation policy, weak branding and market promotion, and degrading tourism assets and poor infrastructure are holding back private investment in the leisure segment. This project is expected to catalyze private sector engagement in tourism. The goal is to de-risk the sector by addressing major constraints in tourism’s enabling environment (under component 1); improving the quality of sites and destinations and enabling private development, management, and financing of these sites through matching grants (under component 2); and supporting private solutions to innovation and creativity within the sector (under component 3).

**International tourism in Ghana demonstrated strong growth from 2007 to 2014, but slowed following the Ebola crisis and has not fully recovered.** The Ghana Tourism Authority (GTA) reports international tourist arrivals grew from 580,000 in 2007 to 980,141 in 2017 primarily driven by the growth of business tourism.\(^9\) International tourism receipts rose from US$879 million in 2007 to US$1,800 million in 2017 with tourists spending on average US$1,892 per visit in 2017. The share of business travelers to Ghana was 46 percent in 2016, while leisure tourists made up just 13 percent. The low international leisure numbers are attributed to poor competitiveness of this segment. Ghana is ranked 120\(^{th}\) out of 136 countries on the World Economic Forum’s (WEF) *Travel and Tourism Competitiveness Index* 2017, lagging West African competitors like Cape Verde (83\(^{rd}\)), Cote D’Ivoire (109\(^{th}\)), Senegal (111\(^{th}\)), The Gambia (112\(^{th}\)), and other African competitors like Kenya (80\(^{th}\)), Tanzania (91\(^{st}\)), Gabon (119\(^{th}\)).\(^{10}\)

**A series of critical challenges confronting Ghana’s tourism industry were identified in the 2017 WBG Ghana Tourism Scoping Diagnostic Report.** First, is the near absence of public sector focus and resources that have collectively contributed to the sector’s low competitiveness. The GoG has a National Tourism Development Plan (2013-27) that was developed with support from UNDP, UNECA, and WTO. The plan was prepared with the aim of placing tourism within the national development agenda and promoting investment and development of infrastructure, marketing, and supply–chain linkages. While the plan does an excellent job of detailing the context and situation of tourism in Ghana, it was overly ambitious in its development suggestions and implementation has been weak. The weak capacity of key tourism institutions, and lack of coordination and transparency between the Ministry of Tourism, Arts & Culture and other government agencies have impeded efficiency and accuracy of tourism data collection, promotion and development. As a result, the sector remains marginalized, with the regulatory and implementing agencies (MoTAC, GTA, GTDC) receiving minimal budgets and lacking the qualified capacities required to develop the sector.

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\(^9\) GTA International arrival numbers do not include land entry (only those that arrive through the international airport)

\(^{10}\) Ghana’s poor ranking on several dimensions, particularly air transport infrastructure (107\(^{th}\) of 136), health and hygiene (122\(^{nd}\)), international openness (122\(^{nd}\)), prioritization of tourism (119\(^{th}\)), price competitiveness (114\(^{th}\)), and tourism service infrastructure (122\(^{nd}\)) is largely responsible for the low overall ranking.
C. Project Development Objective(s)

The project development objective is to improve the performance of tourism in targeted destinations in Ghana. Performance in this context relates to the ability of the sector to trigger economic transformation through jobs, local enterprise, and investment, all of which depend on how many tourists visit, how much time they are in the country, how much money they spend, and what they do in the destination.

Key Results

Achievement of the PDO will be measured by the following outcome indicators:

(i) Number of international arrivals identifying tourism as the main purpose of their visit
(ii) Average length of stay in targeted destination areas
(iii) Annual growth rates in international and domestic tourists at targeted attraction sites
(iv) Additional private investment in tourism-related activities within project target areas

D. Project Description

The project addresses the government of Ghana’s goal to promote the tourism sector, especially the leisure segment, which has been rated uncompetitive because of coordination failures, the high costs of doing business, relatively high transaction costs, low diversification, weak links to the local economy, low capacities, difficult access to finance, and a high-risk perception for investing in the sector. The project will seek to remove constraints and sustain improvements to the business enabling environment to help both domestic and international firms grow their operations. It will also seek to enhance the tourism sector’s offerings, diversify its impact, and enable wider participation in the tourism value chain. Expected outcomes include greater private sector investment, an increase in leisure visitors, longer lengths of stay, increased domestic benefits from tourism, and increased visitor satisfaction with the quality and diversity of products. Finally, it will support the SME sector and women-led enterprises to provide demand-driven services for tourism.

Component 1: Strengthening Tourism Enabling Environment (US$15 million)

This component aims to address the following constraints most likely to have transformative impact on tourism sector in Ghana: training/skills development of the industry; aviation and entry-Visa policy; and branding, and marketing.

1.1 Tourism Skills Development

a) Identify and implement a suitable business model for tourism training facility(ies) that guarantees experienced management and sustainable funding;

b) Provide support for the development of the necessary curriculum, standards, assessments, accreditation processes for tourism, and other public goods, and the training and upskilling of tourism and hospitality teachers and trainers

1.2 Aviation and Visa Policy

a) Support the government of Ghana in attracting domestic and international air travel operators;

b) Develop and implement streamlined competitive visa systems that are conducive to the development of leisure and business tourism including a review and cost-benefit analysis of aviation and entry-visa policies.

1.3 Tourism Branding and Marketing

a) Develop a comprehensive National Marketing, Promotion, and Branding Strategy and Action Plan
which will include an innovative and cost-effective digital component; and clearly identified tactics for key segments and product packages – for example, weekend getaways, cultural tours, and safaris;

b) Support the implementation and monitoring of the strategy.

**Component 2: Developing Tourism Sites and Destinations (US$15 million)**

Sites and destinations are the draw-power for leisure tourism. This component seeks to diversify the leisure tourism offering in Ghana by identifying and upgrading the most promising destination areas. These are sites that show significant public goods requirements and circuit-tourism potential, and can draw increased demand from both domestic and international visitors. The component will support destination planning, access and safety upgrades, and quality upgrades through the following activities.

a) Identify and screen priority destination areas and develop detailed destination and management planning with stakeholder consultation and awareness campaigns;

b) Establish a site upgrades program to (i) provide quality, access and safety upgrades to a minimum of five public-owned sites within the identified destination areas. The support will include small works, signage, fencing and railings, last-mile water and electricity provision, sewage, drainage, street lights, toilets, solid waste management, jetties, and walkways for primary public sites; and (ii) provide nonpublicly-owned sites, matching grants to support quality upgrades

c) All selected sites will be required to receive training on site management and maintenance and will undergo an assessment of their ownership structures, management interest, safeguards screening, and other requirements. A grants manual will detail the selection criteria, other conditions, and information to provide in the application and management of proposals.

**Component 3: Tourism Enterprise Support (US$5 million)**

SMEs form the backbone of the economy in Ghana but often struggle with market knowledge and links, formalization, technology, and other skills. This component’s objective is to provide tourism SMEs with the opportunity to improve their business planning, formalize their businesses, and apply for matching grants to upgrade their tourism products and services. This program will also target women-owned SMEs.

This component will finance the costs of tourism enterprise matching grants and business development services training. Qualified enterprises will be invited to submit proposals that will be evaluated for viability. Two tracks of applicants will be identified. Existing viable businesses will be fast tracked for a matching grant. New businesses with viable proposals will first be recommended for the relevant project-supported training program before applying for a matching grant through a business plan competition. The matching grants program will be managed by a competitively selected grants management team supervised by the technical committee financial experts.

**Component 4: Project Management (US$5 million)**

This component will provide support to MoTAC to manage and coordinate the project. It will finance the cost of the following activities:

a) develop a Tourism Sector Action Plan;

b) operate the public-private dialog (PPD) mechanism for the sector;
c) undertake a capacity assessment study and select training for allied agencies such as Ghana Immigration Service, Ministry of Foreign Affairs, Ministry of Aviation, and the Forestry Commission;

d) strengthen the capacity of staff of the MoTAC, its departments and agencies on tourism policy and planning, fiduciary areas, environmental and social safeguards management, monitoring and evaluation through the provision of relevant advisory services;

e) project operating costs; including environmental and social safeguards, and tourism awareness campaigns.

f) Financing of a competitively selected Grants Management entity;

g) improve existing statistical and information systems, including technical assistance to the GTA Tourism Satellite Account process and the collection of baseline information on visitor demographics for project monitoring.

E. Implementation

Institutional and Implementation Arrangements

The project will be implemented over five years. The implementing institution responsible for the overall project will be MoTAC, while there are other beneficiary ministries, departments, and agencies. Project completion is expected by September 30, 2023, and a midterm review would be conducted by January 2021 or within 24 months after project effectiveness. Given the project’s multiagency nature, high-level guidance is required to ensure consistency of interventions and the removal of occasional bureaucratic delays, and to assure continued resonance of the project objectives with the client’s development objectives. This implies (i) establishment and operationalization of a fully functioning high-level National Steering Committee (NSC) with agreed terms of reference satisfactory to IDA to, among others, provide strategic advice, clear the project’s annual work program; and oversee project progress. Members of the NSC will be required to sign an memorandum of understanding with the MoTAC; (ii) setup and provision of the required support to assure a fully functioning Project Coordination Unit (PCU) within MoTAC; (iii) establishment of a technical committee to resolve technical and implementation challenges; (iv) ensuring proper and professional management of the grants windows; (v) ensuring legal and proper structures are in place to assure strict adherence to all World Bank Group fiduciary and safeguards guidelines.

Project Coordination Unit (PCU). The overall responsibility for project execution will be delegated to a PCU to be set up within MoTAC under the direct supervision of a designated and experienced project coordinator. The PCU will have administrative structures, processes, and staffing to allow efficient project administration. The PCU will include a project coordinator (who should be a tourism specialist), procurement expert, a public relations specialist, a finance and accounting expert, environmental safeguards specialist, social safeguards specialist, and M&E specialist. The PCU will not have final decision-making responsibility for project activities implemented by other beneficiary agencies. The PCU will be required to engage just-in-time technical advisers to support beneficiary agencies identified as lacking the requisite capacity. Beneficiary agencies will be individually responsible for decisions that affect their respective components—that is, they will have primary responsibility for their component or subcomponent’s implementation. The PCU will be responsible for the collation and preparation of monitoring reports and other documents required by and agreed to with the World Bank. It will ensure that budgetary, procurement, disbursement, accounting, auditing, safeguards oversight, and reporting arrangements are conducted in accordance with agreed procedures. The PCU will be the secretariat to the NSC and would oversee the following: (i) organization of the NSC meetings; (ii) providing all necessary information on project performance and monitoring to the NSC and the World Bank, and (iii)
developing and implementing the overall project communication and awareness policy, in addition to being the lead agency in implementing all MoTAC-assigned activities. The PCU will engage a grants management team that will be selected competitively with agreed Terms of Reference and responsibilities acceptable to IDA.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Specific sub-projects and their locations are yet to be determined and confirmed during implementation. Though these sub-projects and sites are yet to be determined and confirmed, these sub-projects will however be selected from a broad range of existing tourist attractions sites spread across the Central and Western regions of Ghana. Western Region has about 75% of its vegetation within the high forest zone of Ghana. South-western areas of the region are noted for their rain forest, interspersed with patches of mangrove forest along coast and coastal wetlands, while a large expanse of high tropical forest and semi-deciduous forest is also found in northern part of region. Western Region has 24 forest reserves, which account for about 40% of the forest reserves in the country. Prominent among them are Bia Reserve, Cape Three Points National Park, and Ankasa / Nini Suhyien Forest and Game Reserve. Region lies in equatorial climatic zone that is characterized by moderate temperatures, ranging from 22°C at nightfall to 34°C during the day. Region is wettest part of Ghana, with a double maxima rainfall pattern averaging 1,600 mm per annum. Two rainfall peaks fall between May-July and September/October. In addition to two major rainy seasons, region also experiences intermittent minor rains all year round. This high rainfall regime creates much moisture culminating in high relative humidity, ranging from 70 to 90 per cent in most parts of region.

Central Region has broadly two physical characteristics made up of coast and hinterland. Coast, which consists of undulating plains with isolated hills and occasional cliffs characterized by sandy beaches and marsh in certain areas and hinterland, where land rises between 250 m and 300 m above sea level. Region lies within dry equatorial zone and moist semi-equatorial zone. Annual rainfall ranges from 1,000mm along coast to about 2000mm in interior. Wettest months are May-June and Sep.-Oct. while drier periods occur in Dec.-Feb. and a brief period in August. Mean monthly temperature ranges from 24° C in coolest month (August) to about 30° C in hottest months (March-April). Environmental and social risks and impacts of the proposed sub-projects are anticipated to be minimal, manageable, and, in most cases, reversible. Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) prepared for project is expected address any potential environmental and social risks and impacts.

G. Environmental and Social Safeguards Specialists on the Team

Anita Bimunka Takura Tingbani, Environmental Safeguards Specialist
Akhilesh Ranjan, Social Safeguards Specialist
<table>
<thead>
<tr>
<th>Safeguard Policies</th>
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<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>The proposed category for this project is a “B”. OP 4.01 was triggered to address expected risk and impacts from the rehabilitation and development of small infrastructure and services such as last-mile road access, electricity hookups, potable water, drainage and sanitation facilities in strategically selected sites. An ESMF has been prepared to provide guidance for the implementation of such sub-projects. The World Bank Group EHS guidelines have also been incorporated in the ESMF to provide guidance for health and safety issues during the construction phase of the project.</td>
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<td>Performance Standards for Private Sector Activities OP/BP 4.03</td>
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<td>OP 4.04 (Natural Habitats) was triggered to address expected risk and impacts from the development of lodging and visitor’s facilities in National Parks and protected areas. The ESMF prepared for the project includes a screening checklist which will provide guidance for the implementation of such sub-projects.</td>
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<td>Yes</td>
<td>OP 4.36 (Forests) has been triggered as a precaution per chance any sub-project is undertaken within projected forest reserves.</td>
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<td>Forests OP/BP 4.36</td>
<td>Yes</td>
<td>The project will not support any activities involving the use or procurement of pesticides.</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>No</td>
<td>OP 4.11 (Physical Cultural Resources) was triggered to address expected risk and impacts from sub-project activities which will involve upgrading several smaller forts and castles along the coast and cultural heritage sites in strategic sites in the country. A Physical Cultural Resources Plan has been prepared (as part of the ESMF) to provide guidance for a chance find during the implementation phase of the project.</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>No</td>
<td>The policy is not triggered as there are no indigenous people as defined by the Bank in Ghana.</td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>Yes</td>
<td>OP 4.12 is triggered because the project will support small works. Some of the physical activities will include road upgrade and rehabilitation of tourist infrastructure. These activities could potentially</td>
</tr>
</tbody>
</table>
result in land acquisition and impact on properties and livelihoods. The project locations and extent of impacts are currently undetermined as such the project has prepared Resettlement Policy Framework (RPF) which was disclosed on May 11, 2018. Site specific Abbreviated or full Resettlement Action Plans (A/RAPs) will be prepared, once unavoidable site selection decided, and as and when required during implementation preparation. These RAPs will also be disclosed and implemented before civil works commences.

<table>
<thead>
<tr>
<th>Safety of Dams OP/BP 4.37</th>
<th>No</th>
<th>The project activities do not involve Dams.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>No</td>
<td>The project will not occur on international waterways.</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
<td>The project will not occur in disputed areas.</td>
</tr>
</tbody>
</table>

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The proposed project is classified as Category B (partial assessment) and will involve rehabilitation and development of small infrastructure and services such as last-mile road access, car parks, signage, fencing and railings, water and electricity provision, sewage, drainage, street lights, toilets, solid waste management, jetties, and walkways in strategically selected sites. Potential environmental safeguard issues are likely to include water resources usage and pollution, loss of fauna and flora, soil disturbance and erosion, air quality pollution, vibration and noise nuisance, visual intrusion, generation and disposal of solid waste, public health and safety, and traffic issues. Potential social safeguard issues are likely to include land and compensation issues, maintaining livelihoods, cultural heritage, resource access and possible restriction. As a result, several environmental and social policies have been triggered (Environmental Assessment OP/BP 4.01, Natural Habitats OP/BP 4.04, Physical Cultural Resources OP/BP 4.11, and Involuntary Resettlement OP/BP 4.12) to make the appropriate guidelines available for project implementation.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The proposed project activities may not have any indirect and/or long-term impacts because the environmental and social screening process as outlined in the ESMF will enable sub-project implementers to identify, assess, mitigate and monitor potential adverse environmental and social impacts.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Analysis of alternatives will be conducted as part of the sub-project environmental and social impact screening during project implementation. The project’s approach will always seek to prevent, avoid, minimize and mitigate any adverse impacts. The alternatives to be considered will avoid impacts on dwellings and livelihoods through identification of alternative site and other technical considerations. Alternate site locations, access routes, designs, energy and water
sources will be considered during project design and implementation.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

To ensure that future tourism investments are implemented in an environmentally and socially sustainable manner, the borrower has prepared and disclosed ESMF and RPF to address and provide guidance for environmental and social due diligence, impact assessments and mitigation planning once the project intervention areas are identified during implementation. The ESMF and RPF has made provision for social and environmental screening for each sub-project. The borrower is required to prepare, publicly disclose and implement sub-project level ESIAs, ESMPs, RAPs as needed prior to commencement of any civil works.

To ensure efficient implementation of both the RPF and the ESMF, the Project Coordination Unit will recruit among the other expertise, substantive environmental safeguards specialist and social safeguards specialist to be supported by safeguards focal persons at GTA level, GMMB, GHCT, GWS, MMDAs level as well as the sub-project level. The project will also benefit from the Ghana EPA with offices in Accra, 10 regional capitals and some district offices such as the Tarkwa district office in the Western region.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The ESMF and RPF were prepared in compliance with both the national regulations and Bank safeguard policies with broad participatory consultation process with all relevant stakeholder groups including government entities (MoTAC, GTA, GTDC, GMMB, NBSSI, GHCT, FC, GWS, MMDAs, EPA). Community consultations included Chiefs, Chief’s representatives, linguist, Stool secretary, fisher folks, drinking pub owner, school proprietress and tour guides. Because public consultation and participation is an interactive process, the project will put in place a CE mechanism including a GRM to ensure consultation occurs throughout the project phase planning, implementation, supervision and evaluation. The ESMF and RPF were disclosed in Ghana on May 11, 2018.

B. Disclosure Requirements

<table>
<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
<th>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30-Mar-2018</td>
<td>08-May-2018</td>
<td></td>
</tr>
</tbody>
</table>

“In country” Disclosure

Ghana

11-May-2018

Comments
Resettlement Action Plan/Framework/Policy Process

<table>
<thead>
<tr>
<th>Date of receipt by the Bank</th>
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</thead>
<tbody>
<tr>
<td>30-Mar-2018</td>
<td>08-May-2018</td>
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</table>

"In country" Disclosure
Ghana
11-May-2018

Comments

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?
Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?
Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?
Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?
No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?
NA

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?
Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?
Yes

OP/BP 4.12 - Involuntary Resettlement
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?
Yes
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?
Yes
Does the project design include satisfactory measures to overcome these constraints?
Yes
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?
No

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?
Yes
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?
Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
Yes
Have costs related to safeguard policy measures been included in the project cost?
Yes
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
Yes
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
Yes

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**APPROVAL**  

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Olasupo Olusi  |
|----------------------|-------------------|

Approved By  

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09-May-2018  |
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| Practice Manager/Manager: | Douglas Pearce  
09-May-2018  |
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19-Jun-2018  |