

# OFFICIAL DOCUMENTS



**THE WORLD BANK**  
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8 March, 2018

Honourable Ken Ofori-Atta  
Minister  
Ministry of Finance  
Accra  
Republic of Ghana

Honourable Minister:

**Republic of Ghana: Advance Agreement for Preparation of Proposed  
Tourism Sector Improvement Project  
Preparation Advance No. IDA V173-GH**

In response to the request for financial assistance made on behalf of Republic of Ghana ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project Preparation Facility in an amount not to exceed three million Dollars (\$ 3,000,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to revitalize and modernize the tourism sector in collaboration with the private sector to improve service delivery within the sector, for the carrying out of which the Recipient has requested the World Bank's financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

8 MARCH, 2018

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,  
INTERNATIONAL DEVELOPMENT ASSOCIATION

By Henry Kerali  
Henry Kerali  
Country Director for Ghana  
Africa Region

AGREED:

REPUBLIC OF GHANA

By Ken Ofori-Atta  
Authorized Representative

Name KEN OFORI-ATTA

Title MINISTER FOR FINANCE

Date: 2<sup>ND</sup> APRIL, 2018

Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010; and
- (2) Disbursement Letter for the Advance of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017.

PPA No.  
ANNEX

**Article I**  
**Standard Conditions; Definitions**

- 1.01. **Standard Conditions.** The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 ("Standard Conditions"), constitute an integral part of this Agreement.
- 1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to this Agreement.

**Article II**  
**Execution of the Activities**

- 2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:
- a) Developing a National Tourism Strategic Action Plan;
  - b) Conducting a comprehensive study of the economic impact and cost structure of tourism in the Recipient's territory;
  - c) Carrying out a capacity building assessment and design of a program for public sector tourism stakeholders;
  - d) Reviewing the regulatory and cost structure of the international and domestic aviation sector in the Recipient's territory;
  - e) Conducting a study on the Recipient's visa fees and processes for tourists, including benchmarking, scenarios and recommendations for improving competitiveness;
  - f) Conducting a market study and designing marketing campaigns, including targets, products and packages to develop;
  - g) Carrying out a needs assessment and identifying geographic areas, circuits or clusters to focus project interventions;
  - h) Carrying out an economic and financial analysis of pre-selected sites, and determining the impact and feasibility of investing in upgrading selected sites;
  - i) Designing site Development Grants Program including criteria, selection procedures and its administrative mechanisms;
  - j) Developing Site Development Plans: management plan, designing of tourism infrastructure, and preparation of bidding documents for works at each selected site;
  - k) Designing business development services support including selected procedures and its administrative mechanisms;
  - l) Developing tourism enterprise diagnostics;
  - m) Carrying out safeguards studies and designing the instruments;
  - n) Designing a citizen engagement plan and a gender inclusion plan;
  - o) Developing a project communications and implementation plan;
  - p) Conducting baseline study for monitoring and evaluation indicators; and
  - q) Preparing a Project Implementation Manual including terms of reference.
- 2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through the Ministry of Tourism, Arts and Culture in accordance with the provisions

- 2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through the Ministry of Tourism, Arts and Culture in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
- 2.03. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.
- 2.04. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.
- (b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than month after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
- (c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.
- 2.05. **Procurement**
- All goods, works, and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 (“Procurement Regulations”) and the provisions of the Recipient’s Procurement Plan for the Activities.

**Article III**  
**Withdrawal of the Advance**

- 3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures inclusive of Taxes.

The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance ("Category"), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Advance Allocated (expressed in Dollars)	Percentage of Expenditures to be Financed inclusive of Taxes
(1) Goods, Consultant's services and studies, non-consulting services, training and Operating Costs	3,000,000	100%
<b>TOTAL AMOUNT</b>	3,000,000	

- 3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made prior to the date of countersignature of this Agreement by the Recipient.
- 3.03. **Refinancing Date.** The Refinancing Date is December 30, 2018.

**Article IV**  
**Terms of the Advance**

- 4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent ( $3/4$  of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.
- 4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:
- (a) *Refinancing under the Refinancing Agreement:* If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.
  - (b) *Repayment in the absence of a Refinancing Agreement:* If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then:
    - (i) if the amount of the Withdrawn Advance Balance does not exceed \$50,000, it shall be repaid by the Recipient to the World Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the World Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and
    - (ii) if the amount of the Withdrawn Advance Balance exceeds \$50,000, it (together with service charges accrued on the Withdrawn Advance Balance to the Notice Date) (the "Aggregate Balance") shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments, in the amounts and on the dates ("Payment Dates") which the World Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the date ("Notice Date") of dispatch of such notice. The Recipient shall pay a service charge on the Aggregate Balance at the rate of three-fourths of one percent ( $3/4$  of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.

**Article V**  
**Recipient's Representative; Addresses**

6.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is its Minister for Finance.

6.02. **Recipient's Address.** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Finance  
P.O. Box MB40  
Accra, Republic of Ghana

Telephone: 233-30-2665310

6.03. **World Bank's Address.** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

International Development Association Development]  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	(1)-202-477-6391

**APPENDIX****Section I. Definitions**

1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. "Development Grants Program" means a grant made or proposed to be made out of the proceeds of the Financing, for the purpose of financing reasonable costs of works, goods and services required to support identified infrastructure improvements to select tourism sites in recipient's country; and goods and services required to support improvements to the operations of select micro, small and medium enterprises operating in the leisure tourism sector.
3. "Environmental and Social Management Framework" or "ESMF" means a document to be prepared by the Recipient setting forth the modalities for environmental screening and procedures for the preparation and implementation of environmental assessments and management plans under the Project, and such term includes all schedules and annexes to the ESMF.
4. "Environmental Management Plan" or "EMP" means an environmental management plan, prepared for the purposes of a Subproject and acceptable to the Association, and giving details of the magnitude of the environmental impacts, as well as the specific actions, measures and policies designed to facilitate the achievement of the objective of the ESMF, including the budget and cost estimates, and sources of funding, along with the institutional and procedural measures needed to implement such actions, measures and policies.
5. "Environmental and Social Impact Assessment" or "ESIA" means any assessment to be prepared by the Recipient in accordance with the environmental and social screening guidelines, procedures and forms included in the ESMF, each such assessment in form and substance satisfactory to the Association, defining details of potential environmental and social risks and adverse impacts associated with the implementation of Project activities.
6. "MTAC" means the Recipient's Ministry of Tourism, Arts and Culture or its successor.
7. "National Tourism Strategic Action Plan" means the Recipient's national strategic document that provides a framework for the development of the tourism sector.
8. "Operating Costs" means the incremental operating costs incurred on account of the management and implementation of the activities, on the basis of approved work plans and budgets for the Project, and include vehicles, vehicle operation and maintenance, office equipment and supplies, communication costs, office administration costs, utilities, travel and *per diem*, excluding the salaries of the Recipient's civil servants.
9. "Procurement Regulations" means the "World Bank Procurement Regulations for Borrowers under Investment Project Financing", dated July 1, 2016.



10. "Procurement Plan" means the Recipient's procurement plan for the Project, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.
11. "Project Implementation Manual" means the Recipient's manual, in form and substance satisfactory to the Association, referred to in Article 2.0 Section 2.05 of this Agreement, and containing or referring to detailed arrangements and procedures for the implementation of the Project, including: (i) capacity building activities for sustained achievement of the Project's objectives; (ii) disbursement and financial management; (iii) institutional administration, coordination and day-to-day execution of activities of the Project; (iv) monitoring, evaluation, reporting, information, education and communication; (v) procurement; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as such manual may be amended and supplemented from time to time, with the prior written approval of the Association, and such term includes all schedules and annexes to said manual.
12. "Resettlement Action Plan" or "RAP" means a resettlement plan for such project prepared and implemented in accordance with the RPF and approved by the Association, such resettlement plan to include a program of actions, measures and policies for compensation and resettlement of the Affected Persons, and setting forth the magnitude of displacement, proposed compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements designed to ensure proper implementation of, and regular feedback on compliance with such plan.
13. "Resettlement Policy Framework" or "RPF" means the Resettlement Policy Framework of the Recipient, and updated and redisclosed, setting forth the modalities for resettlement and compensation of Affected Persons under the Project, as the same may be amended from time to time with the agreement of the Association.
14. "Subproject" means any project supported under the Credit through the provision of a grant for the purposes of procuring goods and equipment, services, small-sized and non-greenfield infrastructure and/or infrastructural services
15. "Training" means expenditures (other than those for consultants' services) incurred for Project-related study tours, training courses, seminars, workshops and other training activities, not included under goods or service providers' contracts, including costs of training materials, space and equipment rental, travel, accommodation and *per diem* costs of trainees and trainers and trainers' fees, and other training related miscellaneous costs, all based on an annual budget agreed with the Association.