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Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 28-Dec-2017 | Report No: PIDISDSC22352



BASIC INFORMATION

A. Basic Project Data

Country Sierra Leone	Project ID P164212	Parent Project ID (if any)	Project Name Sierra Leone Sustainable Development Tourism Project (P164212)
Region AFRICA	Estimated Appraisal Date May 28, 2018	Estimated Board Date Sep 20, 2018	Practice Area (Lead) Finance, Competitiveness and Innovation
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Tourism & Cultural Affairs	

Proposed Development Objective(s)

To improve the tourism business environment, enhance market access, and improve tourism products and services in Sierra Leone.

Financing (in USD Million)

Financing Source	Amount
International Development Association (IDA)	10.00
Total Project Cost	10.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)



B. Introduction and Context

Country Context

1. Sierra Leone is a low income country with a population of 7 million people in the West Coast of Africa with tropical climate and a diverse topography. The country is bordered by Guinea to the north-east, Liberia to the south-east and the Atlantic Ocean to the south-west. The country has vast natural endowments in land (75% of which is arable); mineral resources including rutile, diamonds and iron ore; water (marine resources) and tourism resources.
2. Agriculture including forestry and fisheries accounts for the largest GDP share but that share has been declining from 57% in 2012 to 41% in 2013. The mining sector's contribution to GDP increased substantially from 8.5 percent in 2011 to 16.8 percent in 2012 and on to 27.2 percent in 2013 due to the expansion in existing large scale iron ore operations. The service sector, which is led by banking, retail, transport and tourism, had a 28.8 % share of GDP in 2013, down from 35.5 percent in 2011. The manufacturing sector, mainly driven by cement and light manufacturing accounts for only 2% of GDP due to limitations in energy supply, weak infrastructure and poorly developed markets.¹
3. In spite of the impressive economic growth in post-war era prior to the twin shock, poverty levels remained high with a per capita GDP of US\$373 and over half of the population living under the poverty line in 2011. The Sierra Leone Integrated Survey 2011 shows that 52.9% of the population still lives in poverty, a decline from 66.4% in 2003. Post-Ebola, poverty patterns are expected to remain broadly unchanged. The slight recovery in economic activities and per capita income is expected to gradually reduce poverty though with important disparities between urban and rural areas.² The medium-term outlook is somewhat positive but highly uncertain, with growth projected to recover gradually to around 6.5 percent in 2020, driven primarily by non-iron ore growth.³
4. The Government passed the third generation Poverty Reduction Strategy (the Agenda for Prosperity-A4P), 2013-2018. The A4P is part of the Government's vision to become a middle income country by 2035 with a private sector led economy, generating wide employment opportunities. The A4P identifies 8 priority areas (pillars) for interventions including 2 pillars related to the proposed project: Economic Diversification (pillar 1) to give priority to non-extractive sectors with long term potential for inclusive growth such as tourism and agriculture; and Pillar 4 of the A4P that aims at improving Sierra Leone's international competitiveness by developing a supportive business environment, improve coordination within Government and address binding constraints to competitiveness. The 'twin shock' has served to strengthen the case for economic diversification. As such, focus has been put on alternative growth sectors such as tourism and agriculture.

¹ Statistics Sierra Leone: Report on 2013 Real GDP Figures, October, 2014

² World Bank Sierra Leone Macroeconomic Framework

³ IMF Sierra Leone Country Report, July 2016



Sectoral and Institutional Context

- 1. Sierra Leone's tourism sector remains in a pre-emergent stage, with promising post-war growth in visitor arrivals and investment cut short by the Ebola crisis.** The country's tourism sector growth of the 1980s and early 90s was interrupted by its civil war, prior to which the government's heavy investment in hotels, its tourism policy and planning frameworks was yielded positive results as a beach and island-based discovery destination, mainly attracting the French market.
- 2. Despite recent setbacks, Sierra Leone's tourism sector has substantial potential to be a key economic driver.** The country possesses pristine beaches and islands, mountains and rich biodiversity, interesting wildlife, friendliness and rich cultural capital among people and its special place in the world history of anti-slavery movement as 'the land of the free.' All the major preconditions to restarting tourism, such as security, safety, local price competitiveness, political stability, documented prioritization and sectoral institutions are present in Sierra Leone. Prior to the global financial crisis, the World Bank Diagnostic Trade and Integration Study (2006), estimated that the tourism industry in Sierra Leone had the potential of growing up to US\$ 150-200 million by 2015, given the effective structuring and development of the destination. This potential remains within reach as the sector is re-emerging. Investor interest is high, with a new 200+ room Hilton set to open in early 2018 and hundreds of new rooms and tables in the final stages of construction along the successful Lumley beach redevelopment, linking Aberdeen and Freetown, which is set to become the country's leading city leisure and tourism zone. The country's current flagship hotel, the Radisson Blu opened recently as did its premier beach resort, *The Place*, in Tokeh, in 2014.
- 3. Key issues facing the recovery of the sector are:** i) a poorly developed and difficult enabling environment, with weak institutional capacity in policy development and planning as well as critical capacity shortages and binding constraints of air access costs and visa procedures; ii) poor image that requires proactive marketing planning and private sector partnerships; and iii) an uncompetitive and unfocused product, which should capitalize on select affinity groups and adventure tourism for relaunch.
- 4. Sierra Leone's tourism assets, particularly its natural heritage have high potential compared to the sub-region, but their lack of facilities and services is critically inhibiting the sector's growth.** Sierra Leone has excellent natural endowments, but when it comes to financial and human capital necessary for exploiting these resources to move up the ladder, it has several binding constraints. Particularly in areas with ecotourism potential, electricity, water, last-mile roads, signage, toilets, solid waste and parking facilities are poor or inexistent. Systematically removing this bottleneck will entail long-term destination development planning; however, given the relatively compact and accessible locations of many of the country's key tourism assets within the Western Peninsula, there is substantial potential to develop 'quick wins' priority products in an efficient and cost-effective manner by investing in light, targeted tourism infrastructure improvements, and working with communities and local operators to manage and develop the sites. The National



Ecotourism Policy of 2017 outlines a set of guiding principles that the GoSL is looking for each major ecotourism site to adhere to by 2020 (GoSL, 2017).

5. **The opportunity exists for the tourism sector to reinvent itself and emerge from crisis with the frameworks and processes to enable the sustainable and inclusive development of the sector**, as has been shown by international success stories such as Rwanda, Laos, El Salvador and Georgia. The sector is motivated to recover, and has attracted substantial private sector interest and investment, however faces low demand levels and lacks the funding, enabling environment and market linkages required to effectively recover from the crisis. Without targeted reforms, upgraded products and increased visibility, the sector's recovery will lag and the GoSL will risk losing out on an important source of potential jobs and revenues.

Relationship to CPF

1. **The proposed project is aligned with Pillar 1 of the World Bank Group Africa Region Strategy which focuses on competitiveness and employment.** It is also consistent with the pillars on diversified economic growth and international competitiveness identified in the government of Sierra Leone's Poverty Reduction Strategy (the Agenda for Prosperity-A4P), 2013-2018 and the National Tourism Policy and Ecotourism Policy and Action Plan developed in 2017.
2. **The operation is consistent with the Joint Country Assistance Strategy (JCAS) 2010-2013 Pillar 1 on promoting inclusive growth.** The 2012 Country Assistance Strategy Progress Report (CASPR) recognized the potential of agriculture, tourism and fisheries, in driving an inclusive growth strategy. It also identified the need for attracting quality investors and allowing the private sector to be the big driver of growth, economic diversification, and job creation.
3. **The proposed project will contribute to achievement of the WBG twin goals of ending extreme poverty and boosting shared prosperity**, given the role that tourism plays in providing jobs and income for the bottom 40 percent of the population, with a greater proportion of women and youth employed than most sectors. Project interventions aim at structuring and strengthening the sectoral enabling environment, streamlining access bottlenecks, improving the destination image to visitors and investors, building capabilities to improve firm productivity and to promote, retain, and expand investments in tourism facilities and infrastructure. These interventions will create an enabling environment for the growth of eco-tourism, and contribute to repositioning of the tourism sector in Sierra Leone for sustained growth. The project support for policy and regulatory reform will address market inefficiencies and other policy constraints that expand market opportunities in a sector with tremendous potential to create more and better jobs. This project is therefore an integral part of World Bank engagement with GoSL's strategic policy objective to foster economic diversification, enhance the competitiveness of non-mineral tradable sectors, and generate more and better job opportunities.



C. Proposed Development Objective(s)

Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

The project development objective is to improve the tourism business environment, enhance market access, and improve tourism products and services in Sierra Leone.

Key Results (From PCN)

1. The proposed PDO indicators are as follows:
 - An improved regulatory framework for tourism sector is implementation with a clear government direction
 - An increase in the total value of visitor expenditures in tourism products and services
 - Direct project beneficiaries of which 30% of women.
2. Intermediate indicators:
 1. Upgraded Strategic Tourism Action Plan and policy
 2. Reduction in cost of access in select tourism sites
 3. Number of firms with increased market access
 4. Number of firms with enhanced capacity
 5. Number of workers trained in tourism services delivery
 6. Volume of investment in tourism products and services of which % in eco-tourism
 7. Increase in the number of jobs in the tourism sector
 8. Number of sites that have been upgraded

D. Concept Description

The proposed project will take an integrated destination approach to improving the performance of Sierra Leone's tourism sector. This will include facilitating the reduction of barriers to business success, assisting existing tourism providers with market access, and improving the quality of selected tourism products in order to place the country's tourism sector on a sustainable and inclusive growth trajectory. This will be achieved through a mix of institutional, and policy reforms, market development and national re-branding as well as building B2B linkages and strategically developing tourism products in selected areas.

Component 1: Strengthening the tourism enabling environment and its institutions (\$1.5m)

Given the emerging stage of tourism in Sierra Leone, the effective structuring of the sector is an important prerequisite to developing tourism in a sustainable and inclusive manner. This component aims to improve the policy, institutional and enabling environment for tourism by updating the tourism legal framework, building institutional capacities to improve the sector's management and development and reducing access constraints.

Component 2: Market Development (\$3m)

After its civil war and Ebola epidemic, Sierra Leone's image remains badly tarnished, with negative



perceptions being one of the largest roadblocks to effectively developing the country's tourism sector. Studies have shown the importance of carrying out timely and sustained rebranding, communications and B2B campaigns in order to remove the stigma and re-position the country's tourism sector in-line with its competitive advantages. There are two subcomponents - the first subcomponent will support i) the creation of a national tourism marketing strategy, ii) the rebranding of the destination, including new logo, website, social media and promotional collateral, iii) highly targeted PR and promotional campaigns towards visitors, and iv) re-engaging the domestic and regional travel trade. The second subcomponent will provide technical assistance to build capacity and linkages between local tour operators, specialized activity providers, car rental companies, and lodging establishments through seminars, trainings on digital marketing, contract management and distribution linkages.

Component 3: Product Development (\$4.7m)

The country has a clear strength in three product categories of 1) Heritage, 2) Ecotourism, and 3) Island and marine-based tourism. The project aims to support the development of key niches and priority products in select geographical areas within the Western Peninsula and surrounding islands, utilizing a hub-and-spoke approach given the current clustering of services and lodging facilities around the Freetown area, and the lack of suitable facilities upcountry. There are two subcomponents - the first subcomponent will focus on circuits within which these sites fall that can be operationalized rapidly and effectively, namely the Western Peninsula and Freetown circuits, as outlined in the National Ecotourism Policy (2017). The project will also use an approach to support the development of a select number of ecotourism products and/or services by firms in the sector with a challenge fund that will partially cover the costs of developing the ecotourism product or service. The second subcomponent will engage communities in developing and managing tourism products.

Component 4: Project Management (\$0.8m)

The project will be managed through a Project Implementation Unit (PIU). The placement and reporting of the PIU will be determined during project preparation by an institutional assessment, taking into account lessons learnt from the recent EIF tourism project and related development partner experiences.

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SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project target area is within the Western Peninsula and surrounding islands as well as suitable locations country wide

B. Borrower's Institutional Capacity for Safeguard Policies



In order to assess and incorporate the various interactions from the environment, social, cultural and economic aspects at play from the start of the project a strategic environmental and social assessment (SESA), which will include a screening checklist and a grievance redress mechanism (GRM) to address project-related conflicts will be prepared by the borrower to support the strategic development of the sector. The screening checklist to be developed as part of the SESA will be used to determine additional instruments that may be required based on the nature and level of risk and impact of agreed sub-projects. The screening process will also identify potential adverse social impacts due to land acquisition. In the event that a sub-project involves land acquisition, the appropriate instrument will be prepared and implemented.

To ensure efficient and effective implementation of SESA, ESMF, ESMP, RPF, RAP/ARAP or any other instruments, the Ministry of Tourism & Cultural Affairs will (i) recruit a qualified Resettlement Specialist; (ii) hire a qualified Environmental specialist who will coordinate the requisite environmental management activities; and (iii) provide training in safeguards issues to relevant stakeholders.

The borrower will be supported by the National EPA set up by the Environment Protection Agency Act, 2008 with functions to ensure compliance with any laid down environmental impact assessment procedures in the planning and execution of development projects, including compliance in respect of existing projects among others. The SL EPA operating under the Office of The President has a national office in Freetown and three other regional offices in Makeni, Kono and Bo and the agency has received capacity building and logistical support from partners such as the UNEP, UNDP, EU, JICA and WB. The SL EPA has been supporting a number on-going WB projects namely the DSDPII and SCADeP with environmental permitting. Despite the strong legal backing and acquired capacity, enforcement is generally weak especially in the tourism sector for which the Project will have to strengthen the enforcement unit of the SL EPA to carry out their mandate of enforcement.

C. Environmental and Social Safeguards Specialists on the Team

- Alexandra C. Bezeredi, Social Safeguards Specialist
- Asferachew Abate Abebe, Environmental Safeguards Specialist
- Franklin Kuma Kwasi Gavu, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	OP/BP 4.01 is triggered since the project seeks to support the development of key niches and priority products in selected geographical areas within the Western Peninsula and surrounding islands for three product categories such as 1) Heritage, 2) Ecotourism, and 3) Island and marine-based tourism. The specific location of the sub-projects have not been identified yet but envisaged to be located within the Freetown area and surrounding islands as well as suitable locations country wide. It is recommended that a strategic environmental and social assessment (SESA) be prepared and disclosed in-country and at the website to provide guidance for the implementation of the project.



Natural Habitats OP/BP 4.04	Yes	The project triggers OP/BP 4.04 because of the proposed activities of Ecotourism, island and marine – based tourism in the Western Peninsula and surrounding islands, which may lead to potential degradation of the natural habitat.
Forests OP/BP 4.36	No	OP 4.36 is not triggered since project activities are not likely to significantly impact the natural forest.
Pest Management OP 4.09	No	The project has not triggered OP 4.09 since project activities will not involve the use or procurement of pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	The project has also triggered OP 4.11 since some of the project activities will involve activities related to heritage and cultural practices.
Indigenous Peoples OP/BP 4.10	No	This policy is not triggered since no indigenous peoples as defined in OP 4.10 are present in the project area of influence.
Involuntary Resettlement OP/BP 4.12	Yes	OP 4.12 is triggered to support any activities that will result in resettlement of people and to ensure that an appropriate Resettlement Policy Framework is put in place to guard against any unexpected effects on people or their livelihoods as a result of the project.
Safety of Dams OP/BP 4.37	No	This policy is not triggered since the project does not involve the development of dams.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered since the project is not likely to impact any international waterways.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered since project activities are not located on lands in dispute as defined in OP 7.60

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Feb 07, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

During the formulation of the SESA and other instruments a number of stakeholders will be consulted and will include relevant ministries, institutions and associations, namely the EPA, Ministry of Tourism & Cultural Affairs, Ministry of Finance, Ministry of Works, Housing and Infrastructure, Ministry of Trade and Industry, the Hotel & Tourism Association, Association of Guest Houses, Sierra Leone Association of Hospitality and Tourism Professionals (SLAHTOP), the Association of Small Scale Enterprises in Tourism (ASSET), the Hotel Taxi Drivers Association, Number Two River Development Association, maritime transport operators, the Big Market, major hotels and tour operators. .



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APPROVAL

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Approved By

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Country Director:	Laura Kullenberg	26-Jan-2018



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II. 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 Environmental Category assigned for the project is B, since it is expected that environmental and social impacts on the natural habitat will be generally moderate, which could be managed with the application of the appropriate mitigation measures. The impacts associated with the project may include depletion of natural resources such as water and energy, increased pollution from air emissions and noise, solid waste and sewage, as well as discharges into the sea, natural habitat loss and increased pressure on endangered species. The detailed strategic environmental and social assessment (SESA) which will be prepared will incorporate the likely impacts and the corresponding mitigation measures. The SESA will make provision for screening of sub-projects and the procedures for further assessment and the development of mitigation measures as may be required. The project has triggered the following environmental and social safeguard policies: OP4.01 (Environmental Assessment); OP4.04 (Natural Habitats), OP4.11 (Physical Cultural Resources) and OP4.12 (Involuntary Resettlement) in order to put in place the appropriate Safeguards Instrument for implementing the project. Even though the project will not support any activities that will result in resettlement of people, OP4.12 has been triggered to ensure that an appropriate Resettlement Policy Framework is put in place to guard against any unexpected effects on people or their livelihoods because of the project. A Grievance Redress Mechanism (GRM) will also be incorporated in the RPF to provide an avenue for grievances redress arising as a result of the project implementation.

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

The long-term benefits of tourism for the Sierra Leone would be enormous since it will contribute to the GDP of the country as well as provide the financial means and incentive to preserve cultural histories, local heritage sites, and customs. The improved tourism industry will stimulate a spillover effect in local traditional activities also open the country to the global world.

Although cultural tourism provides opportunities for understanding and education, there are serious impacts that may arise from violation of customs by the tourist, disrespect for culturally sensitive locations and the potential rise of illicit activities, such as prostitution, drug use, and crime.

The various subsequent Safeguards instruments to be prepared during the project implementation will enable sub-project implementers to identify, assess, mitigate and monitor potential adverse environmental and social impacts of the project.

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



minimize adverse impacts.
The alternative is to gradually develop the tourism industry to avoid the negative socio-economic and potential degradation of the environment.
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.
<p>In order to assess and incorporate the various interactions from the environment, social, cultural and economic aspects at play from the start of the project a strategic environmental and social assessment (SESA), which will include a screening checklist and a grievance redress mechanism (GRM) to address project-related conflicts will be prepared by the borrower to support the strategic development of the sector. The screening checklist to be developed as part of the SESA will be used to determine additional instruments that may be required based on the nature and level of risk and impact of agreed sub-projects. The screening process will also identify potential adverse social impacts due to land acquisition. In the event that a sub-project involves land acquisition, the appropriate instrument will be prepared and implemented.</p> <p>To ensure efficient and effective implementation of SESA, ESMF, ESMP, RPF, RAP/ARAP or any other instruments, the Ministry of Tourism & Cultural Affairs will (i) recruit a qualified Resettlement Specialist; (ii) hire a qualified Environmental specialist who will coordinate the requisite environmental management activities; and (iii) provide training in safeguards issues to relevant stakeholders.</p> <p>The borrower will be supported by the National EPA set up by the Environment Protection Agency Act, 2008 with functions to ensure compliance with any laid down environmental impact assessment procedures in the planning and execution of development projects, including compliance in respect of existing projects among others. The SL EPA operating under the Office of The President has a national office in Freetown and three other regional offices in Makeni, Kono and Bo and the agency has received capacity building and logistical support from partners such as the UNEP, UNDP, EU, JICA and WB. The SL EPA has been supporting a number on-going WB projects namely the DSDPII and SCADeP with environmental permitting. Despite the strong legal backing and acquired capacity, enforcement is generally weak especially in the tourism sector for which the Project will have to strengthen the enforcement unit of the SL EPA to carry out their mandate of enforcement.</p>
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
<p>During the formulation of the SESA and other instruments a number of stakeholders will be consulted and will include relevant ministries, institutions and associations, namely the EPA, Ministry of Tourism & Cultural Affairs, Ministry of Finance, Ministry of Works, Housing and Infrastructure, Ministry of Trade and Industry, the Hotel & Tourism Association, Association of Guest Houses, Sierra Leone Association of Hospitality and Tourism Professionals (SLAHTOP), the Association of Small Scale Enterprises in</p>



Tourism (ASSET), the Hotel Taxi Drivers Association, Number Two River Development Association, maritime transport operators, the Big Market, major hotels and tour operators. .