

# Final Evaluation of the Ghana Natural Resource and Historic Preservation (NRCHP) Project

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**Attachments:**

- Annex I: Organizational Chart of GHCT**
- Annex II: List of Interviews and Meetings**
- Annex III: Bibliography**

## **Executive Summary**

### **A. Focus and Purpose of the Evaluation**

Development Associates was contracted by the USAID Mission in Ghana to conduct a final evaluation of the Natural Resource Conservation and Historic Preservation project (NRCHP), to assess the accomplishments of the Consolidation Phase and its economic impact from initiation of the project in Phase I (1991-1998) until Phase II (1998-2001) ended.

Specifically, the evaluation team was also asked to determine if GHCT has the institutional capacity to carry out its mandate, which includes fund-raising, and if it is able to help sustain the conservation of Kakum National Park. The team was also to determine GHCT's capacity to sustain the preservation of the historic districts and structures within Cape Coast and Elmina towns.

In conducting the evaluation, the team was to focus on the economic impact of the project, and the project's success in demonstrating that there are linkages between conservation and heritage tourism, and economic development. A key objective of the evaluation was to estimate the direct economic benefits and costs of project-funded tourism development activities within the Central Region and nationwide, as well as the potential benefits and costs of tourism development in the future.

### **B. Major Findings**

#### **1. The Institutional Capacity of GHCT**

Interviews with staff at GHCT and a review of strategic and work plans revealed that while the roles and responsibilities of staff are clearly defined at the Secretariat, in some cases it is uncertain that the level of skill exists that is required to implement the Trust's programs and manage its assets appropriately. GHCT management and Board are aware of these shortcomings and are currently taking steps to identify staff with the capabilities and experience required to supplement or replace the current skill level within the Secretariat.

One of the key mandates of GHCT is to raise funds to increase the endowment for use in selected projects consistent with the Trust's mission. Unfortunately, there is little or no capacity for fund-raising at the Secretariat, and the Board readily admits that it has little capacity in this regard. This is an area for technical assistance and support from USAID.

In discussions with the Secretariat, it became apparent that there are large gaps in capacity relative to all aspects of financial management. Few documents were made available by the Secretariat relative to cash flow and most business enterprises, and the evaluation team was not confident in the data that was produced, and unable to accurately assess the overall financial viability of the Secretariat.

At present, GHCT is responsible for a number of non-endowment revenue generating assets, which unfortunately have proven to be liabilities inherited from CI during the

transition phase. With the exception of the Canopy Walkway and rent collected from one or more of the shops, the non-endowment revenue-generating assets have not been profitable. Many of the projects identified by the consortium and managed by CI prior to GHCT's stewardship were in various stages of dysfunction or non-performance at the time of transition. The Secretariat was not in a position during the transition phase to critically evaluate those assets to determine whether or not it made sense for GHCT to continue operating these enterprises. While creating new streams of revenue fulfills GHCT's overall mandate, it is not clear that any of the CI enterprises were properly designed or managed to allow for an easy handover to GHCT as revenue-generating assets.

## 2. GHCT's Partners and Stakeholders

There is a major gap in perception between GMMB's staff and its Chairman, concerning the role of GMMB and its relationship with GHCT. The organizations' senior managers have reached an understanding about the appropriate relationship between the two organizations, and there is currently a draft MOU that both appear ready to sign.

During the transition phase, there was substantial disagreement about the Fabrication Workshop and whether it was considered an asset of GMMB or an asset of GHCT. The staff had particularly strong feelings as several members of GMMB were trained by the Smithsonian Institution, and had traveled to the United States to receive this specialized training. The heart of the controversy appears to be that GMMB staff considered the Fabrication Workshop to be an asset of GMMB, while GHCT considered it to be a part of the Trust. Further, CI/GHCT felt that the Fabrication Workshop should be a revenue-generating asset, while GMMB felt it was a key component of GMMB's ongoing operational assets. This is one of several issues that both parties plan to resolve following the ratification of the proposed Memorandum of Understanding.

Despite GMMB staff concerns about GHCT, all GMMB staff members indicated that if the issues that arose during the transition phase could be resolved (many carrying over from the time of CI management) that GHCT would be able to fulfill its important mandate and make a major contribution to the preservation of GMMB's Historic Preservation Program. Strategically, GMMB is in a position to become a key partner of GHCT. The Executive Director of GHCT has been working hard to repair relationships and build a foundation for a strong partnership between the organizations.

✓ A Memorandum of Understanding has been concluded between the Wildlife Division and GHCT, to outline the commitments and obligations of both parties, in a spirit of cooperation. During interviews, WD raised concern on how the process of requesting funding for project or maintenance needs would be actualized, but planned to work on this with GHCT staff. WD staff expressed their willingness to uphold a spirit of cooperation, and recognize that GHCT is in its formative period. There was unanimous emphasis, however, on the hope that GHCT will not carry on in the footsteps of CI who was perceived as "wearing the implementation jacket" rather than serving as a facilitator and a resource. There was strong criticism by WD during the consolidation phase relative to CI's lack of transparency, poor communication and very little cooperation in community development activities.

Several villages were visited adjacent to Kakum National Park, where communities expressed frustration over the lack of benefits and improvements to their lives since the Project began. Complaints were largely focused on the loss of certain foods, agriculture damage and the availability of farming and household implements. The most serious matter, repeatedly addressed in every village, was the incidence of elephant crop raiding. Villagers have experienced very little support from CI or after the transition, GHCT. Community-based enterprise development activities, designed as alternative sources of income for communities whose livelihoods were altered with the changes to Kakum National Park, have been unsuccessful. Most have ceased to operate.

### 3. Economic Impact of the NRCHP

The region has been steadily developing the infrastructure needed to support tourism, while simultaneously capitalizing on the dedication of the area's conservationists to preserve its assets and on the tenacious entrepreneurship of its hoteliers to exploit them. Induced public investments in tourism-related infrastructure in the Central Region have taken place since inception of the Project.

One of the more visible signs of tourism development that can be linked to the NRCHP Project has been the steady increase in hotel investments. From nine hotels and 190 rooms in 1991, the Cape Coast/Elmina alone now has 42 hotels and some 718 rooms. For the same period, rooms in the three star international category increased from four to 174. Private investment worth \$40 million has gone into the development of new hotel properties since the inception of the project. An additional \$14 million is invested in seven properties that are under construction, including 78 rooms in the three and two star categories. These hotels are expected to be operational by 2003.

Tourism development in the Central Region, as elsewhere, translates readily into job and job training opportunities for local residents. For the year 2000, the hotel and restaurant industry employed 886 persons, as compared to 123 in 1991. In the fast-food industry, jobs increased from 12 in 1991 to 159 in 2000. For the same period, public sector jobs grew from 71 to 247. Overall, the project has resulted in direct employment for 1138 people in the Cape Coast/Elmina/Kakum area. Considering the employment multiplier of 3.5 for Ghana's tourism sector, total employment (direct and indirect) generated by tourism in the project area is estimated at 5,000. These relate to the handicraft, travel, transportation, commerce, fashion, construction and agricultural industries.

✓ One of the major benefits of the project has been its impact on agriculture. Our survey confirmed a clear trend of increasing food purchases by the tourism sector in the Central and other neighboring regions. Average expenditures of small hotels in Cape Coast ranged from approximately 400,000 cedis a month to over 1 million cedis per month, most of it from the local market. The Coconut Grove Hotel is spending approximately 60 million cedis a month or more, typically broken down to approximately 50 million cedis on fish, 5 million cedis on chicken and 3 million cedis on beef. It makes an effort to buy as much as it can locally. Golden Beach Resorts gets its chicken and eggs locally. The sale of local vegetables has increased dramatically. A supplier of fresh vegetables to the hotel sector reports a large increase in the sales over the last three years. She sells over 1200 kilos of fresh vegetables every month. Seafood is obtained from Axim, Dixcove and Takoradi in the Western Region. Seafood sales from one supplier in Takoradi – Cico Foods - to hotels in the Cape Coast/Elmina area has increased from a range of 100 to 200 kilos a month to 400 to 1000

kilos a month, over the last five years. At Panafest, Emancipation and other festivals, demand further increases. The Kumasi Abattoir also supplies the Golden Beach Resort with meat products, including beef fillet, minced meat, lamb cutlets and chops. Three years ago the Hotel purchased approximately 100 kilos a week, and today it purchases 225 to 250 kilos a week.

One focus of concern by both tour operators and hotels is the road from Accra to Cape Coast, as it is perceived that this road is quite dangerous. A trip that could be just over one hour is now extremely dangerous, and frequently takes three hours or more.

The economic impact of tourism development is a factor in improving the livelihood of residents of the region's rural areas. Thus far, however, it has not been a major factor.

The national government is benefiting from the increased tax revenues and foreign exchange earnings that are currently being collected from the Central Region and elsewhere mainly because of the success registered to date by the Central Region's tourism development program. Similarly, tourism-related businesses, banks and food wholesalers located outside of the region are benefiting from increased sales of their products and services. Both the national government and business firms are also benefiting from intangibles, such as the growing international status and bankable publicity that comes with having world heritage sites as tourism destinations

After ten years of support and even though tourism has become the leading economic growth sector in the Central Region, tourism development has not as yet had an appreciable economic impact in the region beyond the Cape Coast-Elmira-Kakum Forest area.

## **C. Lessons Learned**

### **1. The Institutional Capacity of GHCT**

The most effective way to develop the institutional capacity of GHCT would have been to hire staff at the beginning of the Consolidation Phase, and instill training and capacity in those employees from the first day of the transition phase. Instead, substantial capacity was built within CI to train other staff employed later for GHCT, with a short and insufficient transition phase. New employees were hired and trained who then lacked the necessary capacity to develop, operate and grow GHCT.

Clear and open communication is key to the success of the collaboration between GHCT and its partners, particularly GMMB, WD and the GTB. Regularly scheduled meetings should be instituted as part of an effort to implement the MOUs signed (including the MOU expected to be signed in the coming weeks with GMMB). Functioning information-sharing channels will be essential to the success of the delivery of technical assistance and related project funding to GMMB.

✓ Little to no rural assessment work was done before beginning community development activities. Repeatedly, the evaluation team found capacity in and around the villages surrounding the park that could be brought to bear on development, for example local agricultural training institutes, or the University of Cape Coast. Instead, too often outside

specialist were brought in who in some cases knew less than some of the villagers they were meant to be supporting.

For community based income-generating enterprises to succeed, more attention must be paid to the provision of technical assistance, close monitoring, and the method by which the TA is provided. It would make more sense to send villagers to a local agricultural institute directly, than to train either the staff of CI, GHCT or the Wildlife Division, to then train and work with communities.

## **2. Economic Impacts of the NRCHP**

Inducing desired spread effects from the tourism development program will require a variety of concerted actions, such as road improvements, promotional ventures, market development, creating and improving tourist attractions, and enhancing recreational facilities that will give visitors to the Cape Coast area good reason to extend their visit to other destinations within the Central region and beyond.

### **D. Conclusions and Recommendations**

#### *Concerning the institutional capacity of GHCT, the team recommends:*

1. Focused technical assistance should be provided to the GHCT Secretariat (and Board) to complete the transition phase with adequate fund-raising capacity, financial management capacity, and administrative structures in place. This technical assistance should include operational support, and improving partnerships and collaboration with stakeholders.

2. The human resource base of GHCT should be strengthened. In the short term, GHCT should recruit additional technical staff for program management and stronger administrative support. A more experienced and senior financial manager should be hired immediately. Consideration should be given to recruiting a staff person with fund-raising skills

3. The Strategic Plan of GHCT should be revised, and in some areas, its scope reduced, with considerably greater emphasis placed on fund-raising. The team recommends that GHCT realign its goals away from enterprise development, and focus more on its role as a Trust – fund-raising and supporting partner institutions. One possible option to explore is subcontracting a local professional organization to focus on fund-raising in the short run. The GHCT goal of countrywide assistance should be put on hold until GHCT has capacity to meet its stated mission for the Central Region.

5. Many of GHCT's partner institutions need support, reorganization and technical assistance. USAID should provide additional technical support in the area of training, capacity building, management, and organizational reforms. GHCT could serve as a facilitator to connect partner organizations with the USAID-provided technical assistance.

6. GHCT should not be engaged in the delivery of technical assistance or be working to build its own enterprise management capacity. The team recommends that

GHCT serve more as a link, working as a facilitator or matchmaker between other organizations/NGOs who specialize in technical areas (e.g. small and medium enterprise support, and agricultural methods) to deliver technical assistance and start-up support for village level income generating activities.

7. The GHCT Board of Trustees should recruit new board members with strengths in technical areas not currently present on the Board, most importantly, fund-raising. The Board should focus as much as possible on its fund-raising capacity and begin to engage in fund-raising in the short term

8. An impartial team or auditing firm should examine data collected on visitors to Kakum National Park, Cape Coast and Elmina Castles. An independent audit should be conducted to determine the extent of leakages, if any. Assistance should then be provided to set up systems to improve revenue collection, which will serve to better maintain and upgrade Ghana's historic sites and natural resources.

*To ensure continued economic growth and to maximize economic gains realized from the NRCHP project, the team recommends:*

The team recommends that attention be given to ensuring that a realistic and well-focused tourism marketing strategy is in place for the Cape Coast area and that it be effectively implemented. The strategy should take account of the need to set standards for improving sanitation in areas adjacent to hotels and guesthouses and provide incentives to residents and local businesses to beautify the areas around these facilities, as well as the areas around their own residences and places of business. The team also recommends that a well-managed tourism database and tracking system be developed and maintained to ensure that the tourism marketing strategy is effectively implemented.

The team recommends that a regional non-governmental organization (NGO) be designated to serve as a clearinghouse for tourism development proposals for the Central Region. Unfortunately, the team was not able to identify an existing regional NGO with the technical and managerial staff needed to manage such an operation. Thus the team recommends the establishment and support of a regional entity as a counterpart to the Ghana Tourist Board.

The team recognizes the concerns expressed by owners and managers of hotels and other accommodation facilities, for professionally trained, quality staff to deliver the required service standards in an increasingly competitive industry. Funding consideration should be given to the establishment of a national Hotel and Restaurant school, which takes advantage of the existing programs at the University of Cape Coast and the industry infrastructure available in the area for practical training.

The team also recommends that District Assemblies become more active in seeking investment funds needed to develop supporting infrastructure, such as access roads and utilities. In addition, the Assemblies should institute and enforce policies that require potential sites for hotels be identified in advance, and take steps to ensure that necessary access roads and utilities are improved prior to authorizing actual construction at the site.

## 1.0 An Overview of the Project

- 1.1 As part of its efforts to address the problems of economic decline, unemployment, poverty and out-migration, and following proposals from the regional office of the Ghana Tourist Board, in 1988 the Central Regional Coordinating Council (RCC) established the Tourism Development Scheme for the Central Region (TODSCER). The principal objective of TODSCER was to serve as a regional entity to formulate policy and to coordinate multi-sectoral activities required for developing the region into an internationally competitive tourism destination. Following discussions with the United Nations Development Program (UNDP) mission, which visited the Region in July 1988, the proposed tourism scheme was expanded into the Central Region Integrated Development Program (CERIDEP). CERIDEP was designed to conserve the natural, historic and cultural assets of the Region, and stimulate the region's economy by developing industries based on these assets, with tourism as the lead sector. In addition to tourism development, the need to attract investments was essential to support micro-enterprise development and agricultural production as a basis for medium and large-scale agro processing industries.
- 1.2 This Ghanaian and regional initiative received a major boost with a \$3.4 million funding and technical assistance grant from UNDP for the period 1990 – 1993. UNDP funds, matched with \$2.4 million in Government of Ghana counterpart funding, covered vehicles and equipment, international experts, training, promotional materials and institution building. One result included the creation of a private – public sector partnership institution, the Central Regional Development Commission (CEDECOM) to enhance the RCC's capacity to coordinate and integrate all regional development plans and activities and supervise implementation of the integrated development program. TODSCER (which is now the Tourism Unit of CEDECOM) was directly responsible to the Commission for capacity building and activities in the tourism sector. The UNDP's assistance also provided CEDECOM with the funding necessary to build the capacities of key Government of Ghana line agencies to undertake necessary planning, technical studies, pre-investment, project promotion and implementation activities.
- 1.3 In response to the Central Region's development initiatives and the need to leverage additional funding, in the fall of 1989 USAID sponsored a visit by three Project officials, led by the Regional Secretary (Minister) to the US to meet with and make presentations to officials of USAID in Washington, D.C. Ghanaian officials also met with a number of specialized not-for-profit institutions with strengths in the areas of project management; natural resource conservation; historic preservation; tourism promotion and marketing; museums and interpretive services and debt conversions. These technical areas had been identified by the RCC as key to the success of its plans to develop the region's economy, with tourism as the lead sector. Led by MUCIA, the US PVOs included a consortium comprising of Conservation International, the US Chapter of the International Committee on Monuments and Sites (US - ICOMOS), the University of Minnesota Tourism Center, the Smithsonian Institution and the Debt for Development Foundation.
- 1.4 In 1990 a Project Formulation Mission made up of representatives of these institutions visited Ghana and met with key Government officials and the UNDP. The mission worked with the RCC, CEDECOM and key line agencies including the Game and Wildlife Division (now the Wildlife Division of the Forestry Commission) the Ghana Museums and Monuments Board and the Ghana Tourist Board, to develop proposals for

funding by USAID. In July 1991, the technical assistance and funding proposal for a five-year Natural Resource Conservation and Historic Preservation Project (NRCHP) was approved by USAID. A grant of \$5.6 million was made to MUCIA with the other consortium members as sub-grantees. It was estimated at the time that this grant could be used to leverage an additional \$4 million in debt conversions. The overall goal of the NRCHP project was to provide the technical assistance and funding needed to support the Central Region's efforts to stimulate economic growth through the exploitation of the region's considerable potential for tourism development. The purpose of the project was to ensure that in addition to facilitating the process of capitalizing on Ghana's tourism potential, steps were also taken to protect and preserve several of Ghana's most important cultural and natural assets – namely the Cape Coast and Elmina Castles, Fort St. Jago, and the Kakum/Assin Attandanso National Park.

- 1.5 The primary goals of the NRCHP's technical assistance and funding were to support the Central Region to conserve its tourism resource base, assure their integrated and sustainable development, promote the region as a quality destination, and support and strengthen the nascent private sector businesses and investments in the hotel, travel, food and beverage and related sectors. This was to serve as a catalyst for the overall development of the region's economy.
- 1.6 Unlike UNDP's assistance, which was largely limited to capacity building, experts, training, equipment and vehicles for CEDECOM, the NRCHP's focus was on critical capital expenditures necessary for the conservation of the three key World Heritage Sites: St George's Castle (Elmina), Cape Coast Castle and Fort St. Jago (Elmina); and for the creation and protection of the Kakum National Park and Assin Attandanso Resource Reserve, (Kakum Conservation Area). Funding was also focused on the development of museums and interpretive services, and tourism promotion and marketing as it relates to the two key activities. The NRCHP's assistance in the areas of training, capacity and institution building were directed at national institutions responsible for monuments and biodiversity conservation, interpretation and tourism promotion. A principal and innovative element of the institution building assistance was support for the RCC in the establishment of a Trust to assure the flow of funds for future capital expenditure costs of historic preservation, biodiversity conservation and promotion.
- 1.7 Following a mid-term evaluation of the project in August and September 1994, it was noted that improvements in the Ghanaian economy resulted in the "scarcity" of debts for conversions. The resultant shortfall in expected resources for the project was thus covered with an additional grant of \$3 million from USAID, bringing total project funding to \$8.6 million. In addition to the funding provided by USAID, \$2 million was donated by the American participating institutions in the form of equipment, contribution of staff time, and reduced overhead rates.
- 1.8 On the recommendations of the mid-term evaluation and following a request from MUCIA to USAID, the project was extended after the conclusion of the five-year assistance in 1996, to March 1997. To consolidate the achievements of the preceding six-year period, a second phase of the project i.e. the "Consolidation Phase" was approved after the end of the one-year extension. With the termination of MUCIA's mandate, Conservation International, a sub-grantee under MUCIA, was appointed in 1998 to implement a two-year \$2.4 million technical assistance and funding project. The

Consolidation Phase was subsequently extended for an additional year and will terminate June 30, 2001.

## 2.0 Methodology

As cited in the Scope of Work, the main focus of this evaluation was to assess:

- (1) the capacity of the GHCT to assume the responsibilities of managing its endowment and programmatic activities and assets;
- (2) the results (successes and failures) of Consolidation Phase activities;
- (3) the economic impact and effects of the entire project, during the period of time covered by Phase I (1991-1998) until Phase II (1998-2001) ended; and
- (4) the economic growth impact of the NRCHP project within the broader context of results expected under the Ghana Trade and Investment Reform Program (TIRP).

In conducting the evaluation, the team utilized information from previous studies and project evaluations. These included the Mid-Term Evaluation of the NRCHP Project undertaken in September, 1994; the Ghana Economic Analysis, prepared by Weidman Associates, Inc. in June, 1997; and the report on the Provision of Technical Assistance to GHCT, prepared in April, 1998, by Price Waterhouse.

Various approaches were used to compile the information needed to conduct the evaluation. During its first week in Accra, team members collected relevant data from project documents and conducted interviews with USAID officials familiar with the project, including the current NRCHP Project Manager who is the Chief of the USAID Trade, Agriculture and Private Sector Office. The team also had meetings with government officials including the Deputy Minister of Tourism; the Executive Director of the Wildlife Division of the Forestry Commission; the Ghana Museums and Monuments Board; a Program Specialist at the UNDP who is intimately familiar with the Central Region's tourism development program; and the current Country Director and staff of Conservation International. A bibliography of documents consulted and a complete listing of team interviews, site visits, and meetings are contained in Attachments appended to the Evaluation Report.

The team then departed Accra and spent its next ten days in the Central Region, where members undertook site visits to the Elmina Castle, Cape Coast Castle, Fort St. Jago, and the Kakum National Park. Extensive meetings were held with the Ghana Conservation Heritage Trust (GHCT) Secretariat and Trustees, key staff of the Ghana Museums and Monuments Board, and the Wildlife Division. Interviews were conducted and meetings held with a number of Central Region tourism officials, including the Executive Director and members of the Regional Coordinating Council; the Minister of the Central Region; the Traditional Chief of Cape Coast; the Chief Economic Planning Officer and other members of CEDECOM; the Regional Manager of the Ghana Tourist Board; officials of the Business Advisory Center (BAC); staff of the Regional Ministry of Agriculture and the Agricultural Extension Service; the Regional Director of the Electricity Company of Ghana; the Project Engineer of the Ghana Water and Sewerage Corporation; the Regional Accountant for the Community Water and Sanitation Agency; and the Regional Head of Ghana Telecom.

Team members also conducted interviews with a number of hoteliers and merchants in Cape Coast and Elmina, and with village chiefs, elders and other inhabitants of communities

adjacent to the Kakum Conservation Area. Selected villages included Kruwa, Masomagor, Ahomaho, Abrafo-Odumase, and Mfuom.

Particular attention was given during the evaluation to the findings that emerged from a comprehensive survey of the hotel and restaurant industries in the Central Region, undertaken in October 1999 by the University of Cape Coast (UCC) in collaboration with CODECOM and UMES (the University of Maryland, Eastern Shore). The team discussed the results of the survey with the two professors from the Department of Geography and Tourism at the University of Cape Coast, who had been instrumental in designing and implementing the survey. The results of the survey were largely corroborated through interviews with hotel managers in the Cape Coast and Elmina areas.

The team returned to Accra after its field visit and spent the remainder of the five-week evaluation in Accra, where team members conducted additional interviews and follow-up meetings with USAID staff, Ministry of Tourism officials, SIGMA ONE, the Chairman of GMMB, and Conservation International staff. Following these meetings, a draft evaluation report was prepared and discussed with the USAID Project Manager and his staff. This was, in turn, followed by the preparation and submission of this Final Evaluation Report.

### **3.0 Summary of Project Implementation to Date**

#### **3.1 The First Phase of Project Activities (1991-1998)**

The first phase of the NRCHP project began in August 1991. The Final Project Review Report prepared for USAID and MUCIA in August 1996 by Messrs Rick Huntington and K. Young-Gyampoh noted that the project met and exceeded most of its stated objectives and targets. Project implementation in the first phase was a collaborative partnership in which a number of Ghanaian implementing agencies received technical assistance from relevant US partners in the following areas:

- Ghana Museums and Monuments Board (GMMB) *with* US ICOMOS – historic preservation.
- Game and Wildlife Division (now Wildlife Division of the Forestry Commission - WD) *with* Conservation International – natural resource conservation.
- Ghana Museums and Monuments Board *with* Smithsonian Institution – development of museums and interpretive services.
- Ghana Tourist Board (GTB) *with* University of Minnesota Tourism Center – tourism promotion and marketing.
- Regional Coordinating Council *with* Debt for Development Foundation – debt swaps.
- MUCIA – project management and establishment of an endowment

- 3.1.1 Historic Preservation.** Funding and technical assistance during the first phase had been expended on complete stabilization and start up of rehabilitation of three World Heritage Sites: Elmina and Cape Coast Castles and Fort St. Jago. Specifically, basic construction material, tools, supplies and architectural office equipment were procured for GMMB. Work was completed for each of the three monuments including stabilization of deteriorating structural elements, the replacement of missing elements, prefabrication and repairs of building components, refinishing of exterior surfaces and lime washing. The demolition of inappropriate and unsafe units and the reconstruction of roofs were also executed, under subcontracts to local construction companies. Technical studies and plans including Historic Structure Reports, management plans, working drawings and specifications for work elements, all archaeologically consistent, had been carried out on all three monuments. A workshop and fabrication center to support the carpentry work of the Monuments Division had been constructed, with the necessary woodworking machines installed and operational. Specialist training in post-graduate conservation studies was provided to two Ghanaian architects at the University of York, with study tours to the US and Jamaica. Technical, administrative and artisan staff were also provided with specialist training. Fuel and maintenance costs of the vehicle for the Monuments Division were provided.
- 3.1.2 Natural Resource Conservation.** The major achievement under this component was that a new 365 square kilometer national park (Kakum National Park) and a Resource Reserve (Assin Attandanso Resource Reserve) were created from two adjacent forest reserves and given the necessary national legislative backing. Technical assistance and funding were channeled into scientific studies and research, community outreach, protection, interpretation and development of park infrastructure. Secondary data collection on the natural resources of the Kakum Conservation Area was completed. Training, vertebrate and plant research on the abundance and distribution of major species, particularly of scientific, economic, and cultural value also commenced during the first phase. Hydrology studies, public education on the goals and benefits of conservation, assessment of the potential for alternative income generating activities, construction of nature trails and the first Canopy Walkway in Africa were also accomplished. Logistical support was given during this period, including a provision for fuel and maintenance for a fleet of vehicles and generators, procurement of field equipment and supplies such as boots, uniforms and tools as well as major investments on the development of Park Headquarters and visitor reception center buildings (under subcontracts to local construction firms). Collaboration with the Botany and Zoology Departments of the Universities of Ghana (Legon) and Cape Coast, the Institute of Renewable Natural Resources (Kwame Nkrumah University of Science and Technology, Kumasi) and the Water Resources Institute of the Council for Scientific and Industrial Research constitute major successes of the first phase.
- 3.1.3 Museums and Interpretive Services.** Also during the first phase, a cadre of Ghanaian museum professionals at the Smithsonian Institution were trained in the areas of exhibition design, fabrication, museum education and guiding, museum management and exhibition research. A Content Committee, comprised of leading Ghanaian academics and professionals, was formed to curate exhibitions. Other accomplishments included the development and mounting of two major museum exhibits in Cape Coast Castle (1994) and Elmina Castle (1996), the production of a documentary for the Cape Coast Castle exhibit, construction of a Fabrication Center

and Workshop housing the Exhibition Design Office, conservation laboratory, and a graphic design and photographic studio. Additionally, this component supported the design and installation of the first public natural history museum in Ghana at Kakum National Park. Other activities included the procurement of exhibition construction materials and supplies, fuel and vehicle maintenance, and the establishment of guidelines for professional management of museum shops.

- 3.1.4 Tourism Promotion and Marketing.** The principal focus of activities under this component was developing a strategy and an action plan for marketing and promoting the Central Region's tourism products. An assessment was made of promising target markets and their expressed product preferences. A tourism-marketing plan to guide marketing decisions was also developed. Training in marketing and promotion methods to enhance the capability of Ghana Tourist Board staff to access international markets, as well as familiarization tours for select local tour operators, were also carried out. Other activities under this component include the development and printing of brochures and other promotional materials, training of visitor contact personnel at Kakum National Park and preliminary assessment of the potential for establishing Cooperative Village Lodges to provide economic incentives for communities around the park. Under a subcontract to the University of Illinois, a National Tourism Management Information System was established and equipped to collect, analyze and manage visitor statistics and tourism trends. The Central Regional Branch of the Ghana Hoteliers Association was reactivated. Support was also provided for the establishment of the Ghana Tourism Federation (a grouping of major trade associations such as the Ghana Hoteliers Association) as a private sector industry lobby. An annual National Tourism Conference was planned, where industry leaders and policy makers could exchange views and fashion strategies for the development of the tourism industry.
- 3.1.5 Debt Swap.** With the support of the Regional Coordinating Council and the Debt Management Unit of the Ministry of Finance and Economic Planning, Debt for Development Foundation (DDF) was able to carry out one swap. The swap involved a blocked currency transaction under which \$1million of debt owed to Shell International Company by its local subsidiary was purchased for \$250,000 in return for a tax-deductible donation of \$750,000 by the latter. Thus, \$750,000 was leveraged and provided to the project by Shell Oil (Ghana).
- 3.1.6 Project Management.** Until the end of 1994, CEDECOM was responsible for in-country project management activities under the NRCHP. In-country financial management services were also provided by CEDECOM. Quarterly visits by the MUCIA Project Coordinator and Finance Manager from Columbus, Ohio, assured good project management and effective coordination with concurrent UNDP project activities. To enhance efficiency and timely delivery of outputs under the NRCHP, and after the mid term evaluation, MUCIA assumed direct control over its in-country project management activities. A Resident Advisor was appointed and stationed in Cape Coast. A Project Steering Committee comprised of the Regional Secretary, Executive Secretary of CEDECOM and the MUCIA Project Coordinator ensured effective monitoring and integration of the NRCHP activities with regional development plans.

**3.1.7 Endowment Establishment.** Since inception of the NRCHP project, the focus of donors had been on short-term funding and technical assistance for the tourism sector in the Central Region. Experience shows that termination of short-term assistance for projects with long-term goals and gestation periods has often meant collapse with no successful sustainability. In view of the long term and permanent nature of historic preservation and biodiversity conservation, and the fact that these activities underpin the Central Region's integrated economic development strategy, and noting the substantial capital expenditures involved, a major concern at project inception was how to assure sustainability and move the conservation efforts beyond the "aid trap" and dependency on donor assistance. As part of the NRCHP, it was decided that an endowment would be established to address the issue. The endowment was to be the capitalization of a fund, invested and managed by a group of Trustees, as a means of generating a guaranteed, indefinite and permanent source of income to maintain activities specified in the Trust Deed.

With the revision of the US Foreign Assistance Act (FAA) and the promulgation of the Foreign Operations, Export Financing and Related Programs Appropriation Act (PL 103-87) in 1994 by the US Congress, establishing endowments became a new programming tool for foreign assistance. Against this backdrop, USAID Ghana decided to support the establishment of an independent, not-for-profit and non-governmental Trust, and to endow it with \$2 million.

After wide consultations with key stakeholders, in June 1996 the RCC approved a list of 17 local and international Trustees. Two separate Trusts, the Castles and Forts Trust and the Kakum National Park Trust were subsequently registered under Ghanaian law on August 29, 1996. Sustainable funding "for the benefit of the conservation, protection and maintenance of the monuments and protected areas, their environs as well as the economic growth and well being of communities surrounding them," became the key objective and mission of the Ghana Heritage Conservation Trust. The major roles expected of the Trust are advocacy, generating public and philanthropic support, local and international fund-raising, providing grants that promote goals set forth in its mission, monitoring and evaluating activities for which it makes grants and managing its assets for good returns.

At their inaugural meeting held on August 31, Trustees elected its officers and decided on an action plan and identified the following priorities: a) Revision of the Trust Deed to reflect the decision of the two Boards of Trustees to unite in a Ghana Heritage Conservation Trust with two sub-committees on historic preservation and natural resource conservation, b) Establishment of an interim secretariat and arrangements for a permanent secretariat to support its work, c) Revision of the Administrative and Accounting Manual prepared for the Trust prepared by the MUCIA Consultant, and d) Forming Program Committees to develop strategy and activities of the Trust.

Key institutions GHCT is to partner with in carrying out its mandate are:

**The Regional Coordinating Council:** As major national assets, control of the monuments and national park rests with the Government of Ghana. Under the decentralization laws of Ghana, the RCC has planning, coordination, budgetary

allocation and monitoring functions over development plans of all Ministries, Departments and Government Agencies in the Region.

**Ghana Museums and Monuments Board:** Established under the National Museums Decree 1969 (NLCD 387), the GMMB is the statutory agency responsible for preservation and protection of Ghana's cultural properties made up of monuments, archaeological sites, buildings, streets, spaces, town and landscapes, movable and immovable artifacts, art forms of historic, scientific, ethnographic or aesthetic interests as well as the presentation and interpretation of these cultural properties to the public.

**The Wildlife Division (Forestry Commission):** The Wildlife Division is the statutory agency charged with the responsibility for protection and management of protected areas of all categories in Ghana.

**District Assemblies:** The District Assembly is the constitutional body responsible for the formulation and execution of plans, programs and strategies for effective mobilization of resources necessary for the overall development of the 110 Districts that make up Ghana. The assemblies have executive, legislative and deliberative powers, in their respective areas of jurisdiction. They also have committees in each community and provide the institutional medium for dealing with communities in the project area.

### **3.2 The Second (Consolidation) Phase (1998-2001)**

The Second Phase of the project was initiated in 1998 to consolidate the achievements of the first phase. The specific consolidation activities to be undertaken were to be based on the findings and recommendations contained in a report prepared April 1998 by Price Waterhouse regarding the Provision of Technical Assistance to the Ghana Heritage and Conservation Trust (GHCT).

The principal objective of the second phase, implemented by Conservation International (CI), was to strengthen GHCT's management capacity to conserve the region's natural and cultural resources, and to ensure that GHCT had the ability to serve as a permanent mechanism to insure the maintenance of facilities that were restored and preserved during the first phase. Implementation of the second phase also called for activities to sustain the preservation of the historic districts and structures within Cape Coast and Elmina. Finally, the second phase also intended to promote outreach to communities and advocacy for growth through tourism, to sustain the conservation efforts of the Kakum National Park through the development of park infrastructure; resource protection; community relations and awareness; and tour guide training.

## **4.0 Major Findings: An Institutional Assessment of GHCT and its Capacity to Manage its Operations, Programmatic Activities, Endowment and Assets**

### **4.1 The Mission and Strategic Vision of GHCT**

In an effort to consolidate and sustain the successful conservation and preservation of Cape Coast Castle, Elmina Castle, Fort St. Jago, and Kakum National Park accomplished under the Natural Resources Conservation and Historic Preservation Project (NRCHP), the Ghana Heritage Conservation Trust (GHCT) was established on August 31, 1996. Together, the Trustees and supporters of GHCT formed a mission statement for the Trust:

*“The immediate and medium term mission of the Trust, in collaboration with statutory bodies is the conservation, protection, maintenance of Kakum Conservation Area, Cape Coast and Elmina Castles and Fort St. Jago, their environs as well as the economic growth and well being of the communities around them.*

*The long term mission is to extend conservation activities to other parts of Ghana after establishing sustainable programs in the initial areas.”* (Source: GHCT Strategic Plan)

In early 1998, Conservation International (CI) contracted with Price Waterhouse (PW) to conduct a detailed study and report on key areas where CI should focus its provision of technical assistance to the GHCT. One of many recommendations made by PW was for GHCT to “operationalize the recently articulated Mission Statement and Strategic Objectives, by translating these into prioritized actions over the short and medium term.” In late 1999, with the assistance of consultants provided by CI, GHCT compiled a Five-Year Strategic Plan with specific outputs and activities designed to implement its Mission, presented in the form of a work plan. Most of the anticipated delivery dates for the work plan activities begin in the second quarter of 2001 and continue through 2004, hence no specific benchmark evaluation of the activities is necessary at this time.

The Strategic Plan has developed five goals, as detailed below. Throughout this evaluation report, activities (or the absence of activities) will be highlighted that correspond with these goals where appropriate.

*Goal 1:* To facilitate and promote conservation of historic, cultural and natural heritage through grant-making, demonstration projects, education and awareness, and assessment and evaluation initiatives in communities in and around the heritage sites.

*Goal 2:* To leverage additional resources to grow the endowment to \$4 million by the year 2002.

*Goal 3:* To advocate policy initiatives that support the development and maintenance of Ghana’s cultural and natural heritage.

*Goal 4:* To catalyze agencies and institutions to initiate and/or expand on historic preservations and natural resource conservation throughout Ghana.

*Goal 5:* To encourage research initiatives that enhance the state of knowledge about Ghana’s historic, cultural and natural resources.

## **Appropriateness of Goals to the Trust Mission**

Currently, GHCT's Executive Committee is assessing the goals of the Strategic Plan, and will be meeting in the coming weeks to determine if parts of the Plan should be modified or reduced in scope. Overall, it has taken GHCT somewhat longer than initially hoped to operationalize its Mission through the goals described. As will be addressed in later sections, progress in the Secretariat's financial management capacity, institutional development, fund-raising and other key operational areas have taken longer than anticipated and have slowed the active implementation of its Mission.

### **The Trust Mission: Meeting the Economic, Conservation and Historic Needs of the Central Region**

The five goals presented in the Strategic Plan, if implemented in the coming years, adequately address the objectives expressed in the GHCT Mission to meet the economic, conservation and historic needs of Ghana's Central Region. Addressed throughout the evaluation are specific concerns as to the capacity of GHCT in key areas, and the capacity of its partner organizations. There are also sections of the scope of the GHCT mission that should be reduced or removed, to increase its effectiveness in priority areas. However the key objectives set forth in the Strategic Plan are consistent with the Trust's stated Mission.

The **First Goal** aims to undertake activities that will promote education and awareness; support alternative sources of income generation for communities by working with partners engaged in micro-enterprise and micro-finance programs; and engage in projects which will address conservation and restoration objectives. One area of potential conflict within the First Goal is the overlap between the activities GHCT details in its strategy, and the mandate of GMMB concerning its work-plans for restoration, maintenance and development of interpretive materials for historic sites. This will be explained in further detail in Section 4.5.

The task of identifying organizations to link with local communities so as to assist them with the start-up, operations and marketing of income generating activities has also been unsuccessful. In many cases difficult issues were present prior to the time when GHCT inherited these responsibilities during the transition from CI. This will also be addressed in Section 4.5.

The purpose of the **Second Goal** is to strengthen the GHCT fund-raising capacity to increase the endowment, and generate revenue to support its operational costs. As will be discussed in Section 4.3, there is no evidence that progress has been made with respect to the GHCT fund-raising strategy. Continuing the operations of income generating enterprises passed on by Conservation International has been problematic and has enjoyed little to no success. Questions have been raised as to the appropriateness of GHCT involvement in such enterprises, and whether or not they should become concession operations.

**Goal Three** is envisioned as a future looking objective, where GHCT will work with partner organizations, both traditional and statutory, to promote policies that will support the mission of conservation and preservation of Ghana's natural and cultural heritage.

One particular area of concern is the breadth of **Goal Four**, where GHCT hopes to expand its mission “throughout Ghana”, drawing on experiences in the Central Region. It does not appear that the Secretariat is institutionally prepared to extend its efforts beyond the Central Region in the near or medium term. The Board of Trustees may reconsider this objective as it evaluates the appropriateness of its Strategic Plan.

The **Fifth Goal** of the Strategic Plan aims to “increase knowledge of the resources and make available to the public research reports and primary documents which enhance preservation and conservation efforts.” Again, this is a forward-looking objective. While important to adequately address the conservation and preservation needs of the Central Region, these activities are projected to begin in late 2001 and are secondary to other priority goals of the Trust.

The following three sections summarize the major findings as related to the Trust Mission, from field interviews and documents collected concerning the Institutional Capacity and Operations of GHCT, the GHCT Board of Trustees and the NRCHP Stakeholders and Partner Organizations.

## **4.2 Institutional and Administrative Arrangements of the GHCT Secretariat**

### **Management and Secretariat Staff**

During several meetings with the GHCT Secretariat the evaluation team met with most staff members, but principally interacted with the Executive Director, the Deputy Director for Operations and the Program Officer. As detailed in the Endowment Proposal for GHCT, the role of the Secretariat can be described as having several functions: 1) administratively supporting the Board of Trustees; 2) carrying out the implementation of all Board decisions and mandates; 3) monitoring and managing financial and management systems, both operationally and for grant making; 4) developing and maintaining relationships with statutory agencies (GMMB, WD, CEDECOM, GTB, and others) for cooperation in activity implementation; and 5) maintaining public and community relations.

Before assessing the capacity of the Secretariat personnel, it is important to explain the daily functioning of Conservation International and the GHCT Secretariat during the Consolidation Phase from 1998 to the present. Beginning in mid-1998, the staff of Conservation International effectively functioned *as the Secretariat* to the Board of Trustees. CI had been carrying out programmatic, financial and administrative functions that later were to be passed to the GHCT Secretariat during the Transition Phase. This created a situation where program choices, relationships with key partners, stakeholders and communities were built on the work engaged in by Conservation International, for better or worse, which now are to be taken over and maintained by the Secretariat.

To begin the Transition process, during the period of late 1998 through the present, with the coordination assistance of CI, the Board of Trustees identified, interviewed and hired key staff for the operations of the Secretariat. Terms of reference were designed for each position, and the evaluation team was able to obtain and review the job descriptions for the Executive Director, Deputy Director, and Program Officer.

The position of **Executive Director (ED)** is as the senior manager of the Secretariat, responsible to the Board of Trustees. The ED's mandate covers overall program management, fund-raising, official representation of GHCT with all stakeholders, statutory partners, NGOs and the public at large. The ED is to work closely with the Board of Trustees to ensure that their decisions and directives are carried out. Overall day-to-day operations and management of personnel, financial and management, are also the responsibility of the ED.

The current Executive Director had been in place since February 2000, and from all accounts, has been able to fulfill his mandate as described above. The ED inherited a variety of issues that evolved before his arrival, including deteriorated community relations, misunderstandings with statutory agencies (GMMB, WD, CEDECOM and others), programmatic failures such as the management of non-endowment assets, and internal staffing capacity matters. Management and personnel of nearly all statutory agencies interviewed indicated that relationships were improving, and communications with the ED were more frequent and transparent. In most cases, Memorandums of Understanding and Cooperation Agreements were either recently negotiated and signed or are due to be signed shortly. *(Further discussion on these items can be found in Section 4.5)*

Several problem areas that the ED identified in operations, concern the capacity for financial and asset management, and the Trust's fund-raising strategy. In consultation with the Board of Trustees, the ED has plans to improve the financial management systems of the Secretariat – when funding permits, to hire a more specialized and experienced Financial Manager to better monitor issues from bookkeeping to endowment management. Other operational staffing changes, including improvement of administrative support capacity, are planned in the near future.

Regarding fund-raising capacity, the ED expressed the seriousness of the GHCT need for technical assistance and expert support to build up his own skills and those of the Secretariat staff to begin a meaningful fund-raising campaign at all levels.

The expected role of the **Deputy Director for Operations and Policy (DD)**, according to the Trust's job description, is to serve as the "second tier of management" under the Executive Director. The Deputy Director is responsible for supporting the ED in networking and stakeholder management, developing a grant-making finance program, programmatic responsibilities for the Transition Phase, supporting the Board of Trustees, and oversight for day-to-day operations of Secretariat staff (e.g. administrative staff and drivers).

The DD, originally the Executive Secretary, has been with GHCT since the spring of 1998. The evaluation team has found that the mandate outlined for this position is broad and difficult for one person to implement. It appears that in recent months, the focus of the DD has been largely on the management of non-endowment revenue generating assets (Walkway, Rainforest Café, Mineral Water bottling, others) and not programmatic initiatives needing attention in the Transition Phase from CI. Matters that require attention in the near term include: negotiating detailed concession terms for Kakum and Castle gift shops; preparing a concession for the Rainforest Café; design plans to improve and then concession operations of Kakum Mineral Water; negotiating agreements with the Association of Tour Guides for walking tours; and improving community relations and securing agreements – especially with Masomagor for its tree platform, bamboo orchestra, and destination promotion.

The evaluation team did not conclude that the Deputy Director had a strong understanding of the financial operations of the Secretariat (cash flow statements, investments, etc.), although there were suggestions that computer software problems had complicated the presentation of data. Also, the Deputy Director, under the guidance of the Board of Trustees, is currently responsible for managing both the local investment funds (government T-bills) and the endowment fund (through Merrill Lynch.) Later discussions with the Board of Trustees suggest that it is aware of the financial management shortfalls of the Secretariat and has plans to remedy this problem by identifying and hiring appropriate experienced staff. *(please see Section 4.3 for further discussion)*

Also reporting to the Executive Director is the **Business Manager** (BM) who has overall responsibility for the Business Management Unit at GHCT. Intended to be a distinct position from that of the Deputy Director, the Business Manager has direct responsibility for operations of the business management unit and all enterprises. This includes the Kakum Visitors Center, with its Canopy Walkway, Restaurant, Campsites, Trails and Gift Shop. The BM should also be working on the development and implementation of business strategies for Kakum Mineral Water and the Design and Fabrication Center.

At the community level, the BM focused on marketing and promotion of community tourism products and identifying new community-based tourism products. In interviews with various stakeholders and the Board of Trustees, there was some discussion as to the level to which the Business Management Unit should engage in enterprise development, whether most enterprise should be concessioned to private operators, and whether the Unit should be working on community enterprise development or rather creating linkages with organization (NGOs, other specialized agencies) and the communities. *(these issues will be discussed in greater detail in the following sections.)* The evaluation team did not spend sufficient time with the Business Manager to assess his skills and capabilities. However the Business Management Unit is only now beginning to clarify its mandate and objectives as aligned with the Strategic Plan under review by the Board of Trustees.

Responsible to the Deputy Director, is the **Program Officer** (PO), who is responsible for overseeing key program areas including community relations and field projects, tourism enterprise, and business asset education and awareness strengthening. Like the Deputy Director, it appears that during the evaluation interviews, a large percentage of the PO's time is being spent on problems around the management of non-endowment revenue generating assets, nearly all of which are unprofitable at present and were inherited during the Transition from CI.

Interviews with principal community leaders and representatives of several villages around Kakum National Park suggest that there has been little interaction and almost no success from small income generating activities set up during earlier periods of the project. It is unclear whether the capacity at GHCT is absent to work more effectively at the community level, and if so, whether it is a result of insufficient technical assistance or too expansive a mandate for Secretariat staff to implement.

The position of **Accounts Manager** is currently one that straddles both the daily operational financial management of the Trust, and programmatic and enterprise accounting. This role has proven to be far more demanding than anticipated by the Board, and as previously mentioned, a more experienced Financial Manager will be identified and hired as soon as the operational budget permits.

In conclusion, while the roles and responsibilities of staff are clearly defined at the Secretariat, in some cases it is uncertain that the level of skill exists that is required to implement the Trusts programs and manage the assets appropriately. Both the Executive Director and the Board of Trustees have indicated that they are aware of these shortcomings and are currently taking steps to identify staff with the capabilities and experience required to supplement or replace the current skill level within the Secretariat. All have expressed a concern as to the salary demands of more talented and skilled staff, but recognize that at minimum an experienced Financial Manager is imperative.

Consistent with recommendations made by Price Waterhouse in its April 1998 report to design concrete work plans by activity, staff responsibility and time frame for deliverables, a detailed activity plan for the transition phase was created. It is unclear, however, if most of the tasks were completed during the time specified. The team could not obtain updated status benchmarks from counterparts interviewed. Many administrative and programmatic activities remain underway and some are contingent on the revisions to the Strategic Plan which the Executive Committee is due to take up at its next meeting.

### **4.3 Financial and Asset Management of GHCT**

#### **The Financial Viability of GHCT**

In discussions with the Secretariat, it became apparent that there are large gaps in capacity relative to all aspects of financial management. Despite repeated requests, documents were not made available by the Secretariat relative to cash flow and most business enterprises. The evaluation team was not confident in the data that was produced, and was unable to accurately assess the overall financial viability of the Secretariat. Further, in reviewing some of the documents relative to the endowment investment statements, conflicting financial documents came to light. The Secretariat was unable to satisfactorily explain the conflicting data, but the matter was under review with the Board.

A minimal analysis was conducted of available documentation relative to financial projections. The accompanying explanation about the projections seemed to imply that much of the substantial revenues captured in the projections were counted twice, as they were apparently deposited in 90-day T-bills, yet still counted as ongoing operational funds. Similarly, other financial data was not forthcoming. In attempting to look at revenues for micro-enterprise projects, the team was unable to obtain balance sheets, profit and loss, or cash flow documents. Thus, analysis of any of the financial aspects of the Trust or its assets (including the restaurant, gift shops, or mineral water operations) was limited and inconclusive.

#### **Endowment Investment Management**

Upon review of documentation explaining the period preceding the endowment transfer to GHCT, it is apparent that the necessary knowledge and competence to manage, oversee or run the endowment is not currently in the Secretariat. The team reviewed statements indicating that some stock purchases had taken place that did not seem consistent with the overall management plan for the endowment. In addition, an initial statement from Merrill Lynch was reviewed that was inconsistent with the status of the endowment, as it has been

described. There were management fees that had been incurred on an account worth over \$7 million that could not be explained by the Secretariat. The matter was raised with the Board, who had not had the chance to review the documents, as they had only arrived a few days earlier at the Secretariat. Trustees on the Finance Committee are clearly knowledgeable where financial management is concerned. However there remains a significant need for increased financial management capacity within the Secretariat.

An inquiry was made as to the choice of Merrill Lynch as trustees for the endowment, and while the team is aware that a US Trustee is required to manage the endowment, it is not clear that the fee structure is as low as it might be. Given that the interest from the endowment is the principal revenue flow the Trust has to distribute for its grant-making activities, it would be useful to research and identify more cost-effective fund-management alternatives.

### **Fund-Raising Skills**

One of the key mandates of GHCT is to raise funds, a matter discussed at length in most Board meetings. Goals have been set to increase the endowment, and specific targets listed in the CI transition documents. According to those targets, the endowment is projected to double by 2002. Unfortunately, there is little or no capacity for fund-raising at the Secretariat, and the Board readily admits that it has little capacity in this regard. When asked, the first on its list of support requests from USAID is technical assistance and guidance in the area of fund-raising.

Trustees have asked the Secretariat to prepare materials for its November 2001 board meeting, to allow it to become more actively engaged in fund-raising, both within Ghana and internationally. The Board currently feels that it does not have sufficient financial resources to hire a full-time fund-raiser within the Secretariat at this time.

Given the potential asset that GHCT has in goodwill and a mandate that many Ghanaians would support (conservation of the environment and Ghana's cultural and historic sites), a fund-raising campaign has the potential to raise a large amount of money domestically, as well as internationally. This could dramatically speed up the ability of GHCT to increase capacity, as well as to raise additional funds for conservation and development efforts. It is unfortunate, given CI's own success with fund-raising in the United States, that more was not done to create a fund-raising campaign during the transition phase, or at minimum, more substantial effort to increase the technical capacity at the Secretariat and Board level to engage effectively in fund-raising.

### **Non-Endowment Revenue Generating Assets**

The Inception Report on the Plans and Activities of the Ghana Heritage Conservation Trust Secretariat (November 1998) sets forth a mandate requiring that GHCT manage directly or as concessions a large number of income-generating enterprises and facilities developed by the project, funded by USAID-Ghana, and implemented by five US non-profit organizations and three Government of Ghana agencies.

This document envisaged that by 2000, a Secretariat for the Trust would be fully operational. The document describes how at that time, Conservation International managed most activities in isolation. It describes how project sites and facilities were "still controlled and managed

wholly by key leaders in the project”. At the same time, the Report points out that the Secretariat had not been given any clear cut “responsibility”. Several interviews confirmed that the non-endowment revenue generating assets were being created and managed by the CI Project Team as the Secretariat was being formed and given technical assistance. The capacity of GHCT was presumably to be built and enhanced during the Consolidation Phase.

The evaluation team reviewed a document produced March 3, 1999 entitled “GHCT Options for Enterprise Asset Management”, describing several options for enterprise asset management. The document set forth a number of strategies, and suggested an anticipated role for the assets once transferred to GHCT. This role included the need to maximize profit, financial and conservation performance. Also emphasized was the importance of sharing benefits with key stakeholders while maintaining operational and financial efficiency. The intention was to ensure a sustainable stream of revenue for GHCT, and a distribution of benefits to key stakeholders. In addition, the intent was to allow for appropriate management capacity, sound business decision-making, and control by the GHCT of the assets and protection of its mission.

With the exception of the Canopy Walkway, and rent collected from one or more of the shops, the non-endowment revenue-generating assets have not been profitable. Rather, most of these assets have in fact proven to be liabilities, inherited from CI during the transition phase. For example, the restaurant at Kakum Park is poorly designed and in need of repair. Prior to GHCT taking over management of the restaurant, it had already been operating at a loss. While there was a detailed plan describing steps to move the restaurant to profitability described in the 1999 document, it appears that few if any of the targets described therein have been reached. Two years after assuming management of the facility, it continues to operate at a loss.

This is typical of most of the non-endowment revenue-generating assets now with GHCT. Many of the projects identified by the consortium and managed by CI prior to GHCT’s stewardship were in various stages of dysfunction or non-performance at the time of transition. The Secretariat was not in a position during the transition phase to critically evaluate those assets to determine whether or not it made sense to continue with them as GHCT. It does not appear that there was any forethought by CI as to whether or not these activities would be in a state to turn over to a newly formed NGO with little management capacity. While creating new enterprises seemed to fulfill GHCT’s overall mandate, it is not clear that any of the CI enterprises were properly designed or managed to allow for an easy handover to GHCT as revenue-generating assets.

Additionally, community-based enterprise development activities, designed as alternative sources of income for communities whose livelihoods were altered with the changes to Kakum National Park, are also unprofitable. Many have ceased to operate. This includes bee-keeping/honey production operations, grass cutter ranches, and snail farms. The Secretariat does not appear to be effectively monitoring performance or outcomes of any of these enterprises, and awaits the Board’s decisions on the future of most if not all of these enterprises.

Interviews have revealed that GHCT Trustees are keenly aware that the Secretariat needs to discontinue managing losing or distressed assets. It is not clear, however, that the Secretariat has the capacity or experience to lead an initiative to properly evaluate the performance of these assets, prepare them for concession where appropriate and divest GHCT. The Board of

Trustees is removed from day-to-day management and is not structured in such a way to be actively responsible for management or oversight of these enterprises. Thus it is not clear how quickly the Board can move to make final or interim decisions about these assets.

**Kakum Mineral Water** – The Trust was endowed with a Mineral Water Production Plant as one of its assets. Production began in November 1998, with an initial capital investment of 25 million cedis. Current reserves are estimated to support the production of 6,000 – 8,000 cubic feet of water, daily. This compares to 5,000 cubic feet per day for a major Ghanaian manufacturer that markets “Voltic”. The plant is able to produce 600 bottles of water daily, on average. Water is sold in Cape Coast and Elmina under the “Kakum” brand name, below market price. As at March 2001, the operations resulted in a loss of 3.4million cedis. Inventories were valued at 10.9 million cedis. Besides these losses, the project currently lacks the necessary government permits and standards certification to operate. It is an asset that should be leased to a commercial operator, with royalties payable to GHCT. The Board of Trustees is currently reviewing the matter.

**Demonstration Farm** – The farm is located on Trust lands adjoining the Visitor Center. It is planted with black pepper, white pepper, cinnamon, nutmeg, avocado and plantain, for the purposes of serving as a demonstration farm to local farmers as well as an attraction for visitors to the Park. Another rationale for this venture, which the Trust inherited, was to provide fresh foodstuff to the Rainforest Café. Serving as a production source to the Café, the Farm is placed in direct competition with local farmers, which the project is meant to support. Strictly as a demonstration farm, the Trust lacks the expertise to provide the extension service that is required for local farmers to undertake the cultivation of these crops on a commercial basis.

**Kakum Visitor Center Complex, including the Canopy Walkway, and the Outbuildings** - A detailed business plan was prepared in June of 1999 by CI, US/ICOMOS and GHCT, carefully analyzing streams of revenue for the visitor’s center and canopy walkway. A careful statement of mission and objectives was described, as was an overview of operations, the target market, technical assistance needs, and a summary of benefits. A comprehensive market analysis was produced, and a series of new product offerings detailed. A detailed marketing and sales campaign was laid out, with clear messages and vehicles for distribution. Various pricing strategies were analyzed, and visitor flows studied.

Evaluation interviews found that the Secretariat was not able to consistently describe the current number of visitors to the canopy walkway in relation to the revenue received from those visitors. While it is clear that there is great attention to the care and maintenance of the walkway, it is not clear that the walkway is being aggressively marketed or managed, in an effort to maximize its revenue potential. While detailed analysis and research studies were completed prior to the transition, it is not clear that the Secretariat is able to use the management tools envisioned in those documents and take control of those assets. The capacity to take over the detailed planning and management of the walkway has not occurred in the timetable anticipated.

The visit and inspection of the walkway indicated that there is a great deal of care taken by the rangers to ensure the safe operation of the facility. For example, one of the walkways is slowly having its cabling replaced, and the entire walkway is continually being upgraded. An explanation was provided as to how the trees were evaluated for strength relative to the viewing platforms, and it now appears that the original estimates were overly optimistic.

Staff at the walkway report that at times there can be a significant wait to use the walkway based on the number of visitors arriving at the facility simultaneously. Tour operators in Accra complain that while there is a shop, museum and restaurant, there were not enough chairs in a common area to take care of a large group should it need to wait for over an hour for a trip over the walkway.

The canopy walkway itself consists of six tree platforms for scenery and wildlife viewing and one thousand feet of swinging bridge. The walkway has been and will continue to be the main attraction for the Kakum Visitor Center Complex. The walkway currently produces about 300,000,000 cedis annually (about \$45,000), virtually all of the Trust's annual revenue. The Wildlife Division tracks visitation figures consistently and records indicate that there was a large increase in both visitors and revenue in Kakum National Park in 1999. The evaluation team was unable to obtain revenue figures for the same periods from the GHCT Secretariat. Records show that the vast majority of visitors to the park are Ghanaians, in the range of 70 percent annually. The park far exceeded initial expectations in terms of domestic visitors.

It should be noted that the evaluation team was unable to ascertain if gate fees collected were consistent with the number of visitors to Kakum, nor was it able to cross-check the data provided from the Wildlife Department and the Ghana Tourist Board for the period of 1992-1999, as the GHCT Secretariat did not provide statements of cash flow for this purpose. Figures were not available for 2000 from any of the sources interviewed.

A concern expressed by hoteliers and tour operators was the need to pay two different fees at Kakum, a fee to enter the park and a fee to use the canopy walkway. The explanation provided was that GHCT and the Wildlife Division each want to control their individual revenue flows. Yet clients complain about the need to stand in line and pay fees twice. In one case, the Golden Beach Resort was quite anxious to spend a fair amount of money to market a package tour to the site, and requested a facility to pre-pay one fee in advance so as to not bother clients with this concern. The management at CI did not feel it was necessary and did not see the advantages to pursuing such an option. The response of the hotelier was to drop the idea of marketing this special package for Kakum to its guests.

A brief visit indicated that the Visitor's Center has an interesting display, is participatory, and refreshingly oriented towards a Ghanaian perspective. It is open-air, though covered, and somewhat vulnerable to the elements. Maintenance and upkeep could be improved, and might become a problem over time, as there is quite heavy seasonal use and a difficult climatic situation. Similarly, the restrooms are clean and well run. While day-to-day maintenance appears to be passable, this is clearly an area that requires ongoing care and attention. In a 1999 briefing paper, it is noted that this is a key area to manage. While the Walkway itself is carefully overseen, it is not clear that this same attention is being paid to the museum, restaurant and outbuildings.

**Camp Sites** – Selected sites were recently constructed to offer more adventurous visitors an overnight stay inside the forest. It has basic shower and toilet facilities and a roofed and rustic platform for camping. It is hardly promoted and patronage has been minimal to date. The revenue potential of this asset could be maximized if it is leased out and linked to one of the good hotel operations.

**Rainforest Café** – This restaurant facility was constructed as part of the visitor reception facilities at the Park Headquarters and commenced operations in 1998. Its main business is

food and beverage service. It is directly managed by the Trust and provides jobs for six employees: a Manager, three cooks and two waiters. The staff comes from Abrafo and Mfuom, while the manager comes from Cape Coast. The restaurant is only busy on weekends when there are greater numbers of visitors. For much of the week, it is quiet. While it was not possible to review the financial statements of its operation, interviews with the Accountant of the Trust confirm that the Café was being operated at a loss. The fundamental and underlying cause is that the business of restaurant operation requires expertise and systems that neither CI (which formerly operated and managed the Café) nor GHCT possess. Compounding this problem is the high cost of maintenance of the structure. The wood used in its construction was not treated. The roof design did not allow for an overhang, and in a rain forest environment, non-treated wood deteriorates rapidly. As a loss-making enterprise, the Cafe defeats the objectives of the Trust. Instead of running this operation, the Trust could generate revenue by leasing the space to a professional restaurant management group.

**The Kakum Gift Shop** - The gift shop at Kakum National Park is run by Aid to Artisans, a local not-for-profit NGO, organized to support artists in the Cape Coast region. Aid to Artisans also has a concession at the Elmina Castle Gift Shop. The Kakum Gift Shop is attractive and well run, demonstrably showing concern for visitors, and having a wide selection of artifacts and gifts. The selection was varied and reflected choices that included environmental and educational gifts. It is not clear that the Wildlife Division has any input on selection, an area of concern expressed by the department. Interviews were not able to accurately determine the nature and financial efficiency of the concessionary arrangements between Aid To Artisans and GHCT, relative to the Kakum National Park gift shop.

**Elmina Castle Gift Shop** - The situation at Elmina is less clear, probably owing to the current state and structure of GMMB. There are currently two gifts shops at Elmina. The first is a poorly run and insufficiently stocked shop with little selection in a less desirable location on the Castle grounds. This store sells merchandise on behalf of GMMB. The second shop, much larger and inviting, is run by Aid to Artisans. The selection of crafts and artifacts in this shop do not reflect much about Elmina Castle or traditional Ghanaian culture. Rather, the artifacts seem more modern and oriented towards popular tastes, as opposed to historic or culturally significant events. This is a concern to GMMB staff, as they have no input into the choices of goods currently sold in the Aid to Artisans shop. The arrangement for this concession provides rent to GMMB, and it is unclear if GMMB obtains additional revenue from sales there. This may explain the presence of two shops at the Elmina Castle.

**Cape Coast Castle Gift Shop** - The Cape Coast Castle Gift Shop is well run, with a broad selection of desirable crafts and artifacts. GMMB had expressed dissatisfaction that it does not directly control this shop, as it is licensed to a woman in the community. This arrangement was controversial as there was a lease that had been signed and a disagreement as to whether or not a percentage of sales revenue would be paid to GMMB. The proprietor sued GMMB, and the outcome is that she was able to stay and pay rent. Upon resolution of outstanding differences between GHCT and GMMB, and the conclusion of a Memorandum of Understanding, a proper concession and management of the shop may become a source of revenue for the Trust. Discussions with the Chairman of GMMB suggest that intentions are to centralize this and similar revenue generating assets with the Trust, allowing revenue created to be used for projects designated by GMMB.

**Design and Fabrication Center** - The Center is currently closed down as a result of losses. The center was constructed during the first phase of the project to support the work of the

Ghana Museums and Monuments Board. It is located on the grounds of the Cape Coast Technical Institute. A second objective was to use it as a facility to train students of the institute. The Center houses the Design Offices of the GMMB that had to be moved out of the Cape Coast Castle because of the hostile maritime environment. It is comprised of a well-equipped Conservation Laboratory and Storeroom for artifacts in storage, a wood working shop, and graphics and photographic studios equipped by the Smithsonian Institution. The GMMB's capacity to design and mount world-class exhibitions depends on its ability to use the Center. Display materials required at the monuments, panels and cases for museum exhibitions were to be produced in-house from the Center. It was staffed with specialists of GMMB trained at the Smithsonian Institution. In 1998, it was envisioned that operations of the graphics unit and the woodworking shop could be commercialized. A Business Manager was hired by the Project to manage the commercial operations of the center, which has now been handed over to the Trust as a revenue-generating asset.

Following the take over by the Trust and the lack of revenues from its operations, the Center was closed down, and GMMB staff was ordered out of the property. This resulted in a serious conflict and poor relations with GMMB, who view the Center as part of the technical assistance provided to the institution during the first phase of the project. All GMMB staff interviewed share the opinion that commercialization should not supercede conservation requirements. Also and more importantly, the Conservation laboratory, storeroom and design studios are critical to the GMMB's day-to-day activities. Even though access to the facility is allowed to GMMB staff, there remains a strong feeling of frustration and resentment over the need to obtain the permission of the Trust Secretariat for use of the Center. The specialist nature of the Center and its importance to the GMMB makes it imperative for the Trust to review its approach to the management and use of the facility.

**Heritage Enterprise and Travel** - Business plans produced June 20 1999 by CI, USICOMOS and GHCT suggest that a Heritage Enterprise and Travel division was to be included as a part of GHCT. This was ostensibly to be the "primary marketing agency for the Kakum Visitor Center Attractions", as well as the Masomagor Tree Platform, Kruwa Tree Platform, Historic Walking Tours, the Rainforest Café, Kakum Mineral Water, and the Design and Fabrication Workshop. Management and flow charts in the business strategy document explain how most of the revenue from these operations would flow through this division for the Trust.

The business plan described target markets and products, and spoke about three primary functions: operations, marketing and sales, and business development. The intent was also to provide technical assistance through this vehicle to local communities, and to be a link to tour operators and the travel community. The plan went so far as to suggest that the opportunity might exist to become a tour operator, as there were no other tour operators in the Cape Coast region.

Currently, there is no separate Heritage Enterprise and Travel division. There are no revenue-producing enterprises, and GHCT has spent a great deal of time attempting to take ownership of the community projects that were started during CI's tenure. The concern expressed to the team by Board members was that there had to be a focal area for revenue from walking tours or revenue from tree platform stays. The bamboo orchestra also required a focal point, both to be paid and to be encouraged to develop more sources of revenue for GHCT.

While neither the Board nor the Secretariat appears to want to be in the business of running small enterprises, it does appear that organizationally there is a role that GHCT can play in the marketing of some of these enterprises. The Ghana Tourism Board has little or no capacity at this time, and travelers, tour operators and travel agencies need a way to create a link with the Tour Guides Association of Ghana's tours, run from Heritage House. Similarly, the Masomagor tree platform is in need of a marketing vehicle to attract tourists. Other village hotels also need support, both for marketing and booking clients.

There exists an opportunity for GHCT to play a role linking the referenced tourism enterprises with the Ghana Tourism Board, and as GTB remains under-funded, it would be appropriate for some support to be provided by GHCT to assist in the marketing of these assets and products. Capacity, however, does not currently exist to easily institute a Heritage Enterprise and Travel division within the Secretariat. This debate is underway with the Board's Executive Committee as it finalizes the Strategic Plan for GHCT.

**Masomagor Tree Platform** – In 1994, during the First Phase of the NRCHP, a tree platform was built outside the village of Masomagor to provide tourists with an overnight tropical experience, and to provide the villagers with a supplemental source of income. It was envisioned that over time, economic benefits would spill over to trained tour guides, porters and village women preparing food. The Bamboo Orchestra would also provide entertainment.

The target market was largely non-Ghanaian, and estimates for visitors in the first three years were 205, 320 and 400, respectively. Details provided in the Masomagor Tree Platform Business Plan (June 1999) suggest that CI would be responsible for marketing, promotion and sales, and related technical assistance. It was expected that by mid-2000, GHCT would take on the role initially played by CI. Prices were set for non-Ghanaians in the first year at 30,000 cedis to be increased in the second year to 40,000 cedis. In 2001, rates were increased to 50,000 cedis. The plan called for substantial funds to be allocated to platform maintenance, road repair, marketing and administrative expenses. The Masomagor Village Unit Committee would receive 2.5 percent of sales, a Guide Training Fund would receive 2.5 percent, and tour guides were initially to be paid 6,000 cedis per person per trip. Villagers reported, however, that the tour guides had been paid 3,000 cedis per person per trip.

The evaluation team visited the village of Masomagor, meeting with community leaders and staff of the Wildlife Division. Villagers reported that the tree platform has been in disrepair since 1999, and they were aware of no marketing plans or attempts to bring visitors to the platform. Figures were not known by the villagers for tourists visiting the platform during 1999 and 2000, although they reported that there had only been one tourist use the platform since the beginning of January 2001. This occurred in the last week of May 2001. The community originally had three tour guides trained to accompany visitors to the platform, a two-hour walk from the village. The infrequency of tourists has resulted in the resignation of two of the three tour guides.

The Masomagor Tree Platform now falls under the management of GHCT, following the transition from CI.

**Historic Walking Tours** - In mid-1999, a Business Plan for Historic Walking Tours in Cape Coast and Elmina was prepared by US/ICOMOS, CI and GHCT, to train tour guides and launch tours by December 1999. The Walking Tours were planned to broaden the scope of

historic and cultural interpretation of the Cape Coast and Elmina Castles, with the hope of expanding the distribution of economic impacts to local communities and generating greater educational awareness of the importance of preservation in those areas.

The 30 to 40 minute tours would include visiting 5-8 historic building and landscapes, concluding at a local restaurant or bar, for the initial price of 12,500 cedis per non-Ghanaian, 5,000 cedis per Ghanaian and 3,000 cedis per student. Conservative estimates of tours, based on 60,000 visitors to the Castles annually, hoped for 600 visitors in year one, 1800 in year two, and 2220 in year three.

No data was available detailing the frequency of walking tours, and the team was unable to conclusively determine if a marketing plan was underway to promote the use of the tour guides for walking tours around Cape Coast and Elmina. It is unlikely that such promotion has been ongoing.

#### **4.4 GHCT Board of Trustees**

The Board has a number of Program Committees responsible for certain activity areas. The Products Committee focuses on identification of income generating activities in local communities. The Grants Committee deals with grant requests, while the Fund Management Committee manages the assets. Proposals and recommendations come to the Board from these Committees. These are discussed and decided on by the Board. In the absence of the Board, the Executive Committee decides. There is no clear-cut document such as a Charter that spells out a code of ethics, principles, practices and standards that must be observed by Trustees. Even though the Grants Committee has laid down some procedures, these are not very clear. The Trust is yet to put in place documented procedures and processes by which grantees, particularly key line agencies apply to it for support. Application deadline, grant selection criteria, eligible projects, eligible applicants, matching requirements, scoring criteria and geographical spread of projects need to be clarified and documented. Criteria for investment and types of investment the Trust Fund can make are yet to be documented. These are essential by-laws that must be put in place to assure grantee and donor confidence.

#### **4.5 NRCHP Stakeholders: GHCT's Partner Organizations and Impacted Local Communities**

##### **Ghana Museums and Monuments Board**

Established under the National Museums Decree 1969 (NLCD 387) the Ghana Museums and Monuments Board (GMMB) is the statutory agency responsible for preservation and protection of Ghana's cultural properties made up of monuments, archaeological sites, buildings, streets, spaces, town and landscapes, movable and immovable artifacts, art forms of historic, scientific, ethnographic or aesthetic interests as well as the presentation and interpretation of these cultural properties to the public.

The team met with members of the GMMB staff in Accra, Cape Coast and Elmina, and later with the Chairman of the Board of Trustees of GMMB in Accra. The breadth of interviews suggest that a major gap in perception exists between staff and GMMB's Chairman, concerning the role of and relationship with GHCT. Because the Executive Director of

GHCT sits on the Board of GMMB, there are good relations between the two senior officers of these organizations. They have reached an understanding about the appropriate relationship between the two organizations, and there is currently a draft MOU that both appear ready to sign.

The team reviewed and discussed the draft MOU with the Chairman of the Board of GMMB, who indicated that an agreement had been reached in principle, and there is every reason to believe that relations between the staff at GMMB and GHCT will continue to improve. The Board of GMMB, however, may be in transition with the new government, resulting in some technical delays in the signing of the final document.

During the transition phase, there was substantial disagreement about the Fabrication Workshop and whether it was considered an asset of GMMB or an asset of GHCT. The staff had particularly strong feelings as several members of GMMB were trained by Smithsonian and had traveled to the United States to receive this specialized training. The skills needed to operate the equipment at the fabrication workshop were invested in GMMB staff, and the Fabrication Workshop was used to make equipment for displays at the museums as well as to store fragile drawings and artifacts from the historic sites. The heart of the controversy appears to be that GMMB staff considered the Fabrication Workshop to be an asset of GMMB, while GHCT considered it to be a part of the Trust.

A few years ago, CI hired a manager for the workshop, to attempt to turn the enterprise into a revenue-generating asset of GHCT. Great controversy ensued when the Chairman of GMMB and the Executive Director of GHCT agreed to suspend the operations and shut down the Fabrication Workshop. Following these events, staff at GMMB developed a great deal of suspicion about GHCT. Both sides have conflicting claims as to the status of the workshop at the time of shut-down, and the subsequent theft of expensive equipment. This conflict has apparently created mistrust and unwillingness by GMMB staff to work with GHCT. It is hoped that the draft MOU will be signed shortly, which will serve as a framework towards ending the mistrust that currently exists.

Because of this conflict, little technical assistance went to GMMB during the transition phase, and minimal work was done on maintaining the Castles and Forts. GHCT had some funds to spend on training for GMMB, but because of the major dispute over the workshop, GMMB chose not to take advantage of these funds. They remain available for GMMB's use at future date.

From most accounts, GMMB has great organizational weaknesses. Communication does not appear to be good, as GMMB staff's perceptions are completely at odds with the perceptions of the Chairman of the Board. Both complain of miscommunication by the other, and a clear dichotomy exists on attitudes about many issues.

Institutionally, the Chairman of GMMB intimated that there was no legal capacity at GMMB to interpret the status of the sites or review agreements on behalf of the organization. This view extends to the feeling that there was not likely to be the strength at GMMB in the near future to properly manage and maintain the Castles and Forts in Cape Coast, Elmina and Fort St. Jago. An alternative suggestion was for GHCT to take over management of the Fabrication Workshop and Fort St. Jago, and to have the freedom to make appropriate changes and improvements to the Castles and Fort with the approval of GMMB. The MOU is thus written to give GHCT control of these two assets, and the freedom to chose which

projects to fund, as well as to manage those projects on site. In the long run, the hope was shared that most revenue could be channeled through GHCT from both castle entrance fees and gift shops, as an efficient vehicle to recycle the revenue towards maintenance of the historic sites, rather than more traditionally centralized revenue collection and distribution methods.

At present, GMMB staff working at the entry point of each location collects admission fees to Cape Coast and Elmina Castles. Data was provided to the team for the period of 1990 – 2000, for both visitors and admission fees generated. Data analyzed suggests that from the period of 1991 to 1995, there was a 285 percent increase in the number of visitors to the Castles, and a 229 percent increase from 1995 to 2000. Data provided from GMMB supports a continuous increase in revenue generated from fees at the two Castles in the last five years as follows:

1995	51,081,300
1996	66,389,650
1997	137,387,650
1998	172,670,200
1999	181,195,400
2000	442,207,756

Source: GMMB, Cape Coast Regional Office

Similar to data collected for the Kakum Canopy Walkway, the evaluation team was unable to confirm or verify the accuracy of the information with other data sources.

Despite GMMB staff concerns about GHCT, all staff members questioned indicated that if the issues that arose during the transition phase could be resolved, many carrying over from the time of CI management, that GHCT would be able to fulfill its important mandate and make a major contribution to GMMB. Strategically, GMMB is in a position to become a key partner of GHCT, and the Executive Director of GHCT has been working hard to repair relationships and build a foundation for a strong partnership between the organizations.

### **The Wildlife Division of the Forestry Commission**

As the statutory agency charged with the responsibility for protection, conservation and sustainable management of all protected areas in Ghana, the Wildlife Division has been a key counterpart since the inception of the NRCHP, and remains so with GHCT.

During the first phase of the NRCHP, the Kakum Canopy Walkway, restaurant, gift shop, interactive exhibition and facilities were built and became operational. The revenue arrangements have been a collection of an entrance fee of 500 cedis at the gate of the park area which was payable to CI and is now payable to GHCT. For visitors choosing to walk on the canopy above the forest, a separated fee is charged, also now payable to GHCT, currently the principle source of non-endowment revenue for the Trust. A tour guide fee is also collected from visitors, but is payable directly to the Wildlife Division.

Staff of WD explained that the transition phase from CI to GHCT began in June 2000. Since then, a Memorandum of Understanding has been concluded between WD and GHCT, to outline the commitments and obligations of both parties, in a spirit of cooperation. The WD

raised concern on how the process of requesting funding for project or maintenance needs would be actualized, but planned to work on this with GHCT staff.

While WD staff plan to uphold this spirit of cooperation, and recognize that GHCT is in its formative period, there was unanimous emphasis on the hope that GHCT will not carry on in the footsteps of CI which was perceived as “wearing the implementation jacket” rather than serving as a facilitator and a resource. There was strong criticism for performance during the consolidation phase, beginning with a lack of transparency, poor communication and very little cooperation in community development activities.

Wildlife Officers interviewed stated that while they understood from CI that the consolidation phase would have a far more reduced budget than expected, certain commitments that were promised within the reduced budget were not upheld. These included training for Sr. Officers on managing national parks, counterpart experts to work with at Kakum, and study tours or short courses. None were provided. Training was organized however, by the Ghana Tour Guide Association and funded by CI, to provide training to 17 local guides and 10 park guides.

Once or twice during the consolidation phase, CI did send expatriate consultants to work with the Wildlife Division. However the need, selection and decision to send these specialists was done solely at the discretion of CI and without the consultation of WD.

According to Wildlife staff, CI informed WD that due to overspending in Phase I, and the repayment requirements coming from the consolidation phase, there would not be funds for replacement boots, goggles, tents, or vehicle fuel. Most of the handheld radios provided in Phase I have not been operational since 1998, and none of the original batteries are now capable of holding a charge. At present, the Wildlife Division has no means of communicating from the park to Cape Coast or elsewhere, short of driving or passing messages through intermediaries from village to village until it reaches the intended recipient. This process is known as the bush telephone.

Wildlife Officers expressed concern that the community development aspect of the consolidation phase had been neglected and hardly functional at this time. Two village tree platforms built in Masomagor and Kruwa are in need of repair and access roads to the sights are in poor condition. Income generating activities within several villages had failed and most if not all have been shut down. The view of the WD is that CI took on several community outreach activities on their own, serving as an implementer, rather than using Wildlife staff to interface with the communities. Several specific reports of failures were told, including CI's choice of an “expert” for grasscutter farming, who knew nothing of the matter and was reportedly paid 11 cedis million for a community enterprise activity that completely failed. *(See Section 4.5 below discussing major findings in Kakum Park villages)*

In conclusion, Wildlife Division staff seemed despondent and disappointed about the results of the consolidation phase. They expressed reserved enthusiasm, however, about starting anew with GHCT and were hopeful that the next period would be an improvement on the last several years.

## **Regional Government**

Ghana operates a decentralized system of local administration. There are 10 regions under this system, which are divided into a total of 110 districts. The Central Region has 12 districts. These districts of local government are the highest political authority at the local level. Their activities are coordinated at the regional level by a Regional Coordinating Council, headed by a Regional Minister appointed by the President with the approval of Parliament. Under the decentralization law, various Ministries, Departments and Government Agencies (MDAs) in the region report to the RCC, which is meant to coordinate all programs at the Regional level. The Central Regional Integrated Development Program (CERIDEP) and the tourism development scheme are initiatives taken by the RCC to address problems of lack of investments, socio-economic decline and low incomes in the Region. The RCC and District Assemblies therefore remain the principal stakeholder in the NRCHP.

To address the interest of key stakeholders such as the Regional Coordinating Council and District Assemblies, it is essential that the decisions and programs of the Trust, are focused on generating funds required to support the capital expenditure of line agencies needed to transform the Central Region's tourism products into world class attractions. The impact of the Trust in the local communities will depend on its ability to provide funding and grants for private sector and community development. Rather than direct interventions, grants can be provided to NGOs involved in enterprise development, community initiatives and advocacy directed at rural banks to support small business development in communities around the park and the castles.

## **CEDECOM**

CEDECOM was created by the RCC as the institution for regional planning, investment promotion, monitoring and evaluation, and a clearinghouse for programs of MDAs, NGOs and the private sector. Coordination and management of CERIDEP is the principal activity of CEDECOM. It was directly responsible for the implementation of UNDP's technical assistance and funding program. This program, during the period of 1990–1993, provided supplementary support for tourism development activities. The institution has moved beyond its mandate and is currently directly involved in micro-enterprise development, mobile credit and training activities for which other institutions were set up. It also manages Brenu Beach in association with the local community, has developed a teak plantation at Abrafo and is currently investing in the construction of a Handicrafts Training Center to train youths in handicrafts production at Abrafo. Its relations with CI and also with the Trust have been difficult. There are issues over CEDECOM trespassing on Trust lands at Abrafo.

As an agency of the RCC, CEDECOM's interest and ability to impact and relate effectively to the project and objectives of the Trust will depend on how it is re-engineered to pursue its original mandate. It currently lacks the resources and the staff to carry out its mission, a situation that adversely impacts RCC's capacity to assure integrated development of the Region.

## **Ghana Tourist Board**

The Ghana Tourist Board is a statutory agency and the implementing arm of the Ministry of Tourism. Its major functions are domestic and international marketing of tourism, regulation of the industry including classification, registration and licensing of hotels and catering

enterprises, and travel and tour companies. GTB is also responsible for policy formulation, and collection and publication of tourism statistics. Within the framework of the NRCHP, the Central Regional office of the GTB is responsible for tourism promotion and marketing, industry standards and a regional tourism management information system. During the first phase of the NRCHP, the University of Minnesota Tourism Center provided technical assistance to the Ghana Tourist Board. As part of this assistance, a marketing plan, promotional brochures and action to promote domestic and international tours commenced during this phase.

Under the Consolidation Phase, no funding or backup support was provided for these activities. The institutional capacity of the Board was whittled down as relations with CI worsened. With the exception of training tour guides (with its own resources), GTB has very little to show in tourism promotion over the last three years. The Board has an excellent core of dedicated and knowledgeable professional staff. They view the Trust as a source of funding to supplement inadequate budgetary allocations in the area of tourism marketing, disseminating information on the Region and its attractions, and in developing the human resource base required by the hotel and catering industry.

### **Communities of Kakum National Park**

In the First Phase of the NRCHP, the conservation and protection of Kakum National Park and the development of the Canopy Walkway directly impacted the lives and livelihood of villagers surrounding the park. Recognizing the inevitability of these changes, the formation of the GHCT Mission statement addressed the importance of promoting and supporting the economic growth of the communities surrounding Kakum. Prior to the transition phase from CI to GHCT, CI had engaged in community networking and community enterprise support activities, recently handing that responsibility over to GHCT. The results and status of these activities are presented below.

The evaluation team visited and interviewed key community leaders, women opinion and cooperative leaders and local Wildlife Division staff stationed in five villages surrounding the eastern and western sides of Kakum National Park. These villages included Kruwa, Masomagor, Ahomaho, Abrafo-Odumase and Mfuom.

When asked what had changed in their relationship with and use of the forest since the project began, consistent responses were given from nearly all villages. Complaints were largely focused on the loss of certain foods, agriculture damage and the availability of farming and household implements. Traditionally, most villages hunted for bush meat (grasscutters, duikers, others), and extracted mushrooms and snails from the forest. Villagers formerly relied on cane to make baskets, raffia leaves for roofing, pestles for pounding fufu, incense as a protection from certain bugs, and sponges and chewing sticks to sell at local markets – the sale of which formed a substantial part of family income, in some cases, the largest part. The collection of wood for fuel has not been a problem, as this was and is still done around the outskirts of the Park. Several villages did complain, however, that royalties previously paid by the timber companies to the village chief have ceased with the restrictions on logging.

✓ The most serious matter, repeatedly addressed in every village, was the incidence of elephant crop raiding. Farmland adjacent to Kakum Park is regularly subject to crop destruction,

forcing farmers in many cases to abandon their family land and rent lands further north, for which they had to share 50 percent of the yield with the landowners.

Although stories of direct and indirect benefits and costs from the NRCHP Project and the Consolidation Phase had similar themes, the specific incidents differed by village and should be noted, especially those relating to the activities of CI and GHCT.

In the village of **Kruwa**, electrification has reached the area with 312 homes now wired for access to electricity, with only 34 homes having meters and the ability to pay for service at this time. Also a result of the project development at Kakum, the Wildlife Division improved the local road to Asuansi Junction and periodically maintains it. This provides an easier route for villagers to transport vegetables to the local market.

More than most villages visited, Kruwa now has five of its citizens employed as a result of the project: one with GHCT, three with the Wildlife Division and one as a grasscutter attendant for the CI demonstration project at Kakum.

Sometime during 1999, through a linkage created with the help of CI, the Kuapa Cocoa Company was introduced to the village cocoa farmers. Kuapa Cocoa now purchases cocoa on a wholesale basis from Kruwa, at slightly higher prices than the previous intermediary. Kuapa Cocoa also agreed to make a contribution to a community fund, but has yet to provide any financial support.

*J* Unfortunately all income-generating enterprises started with the assistance of CI and jointly implemented with the WD, have failed. Prior to the engagement of CI, a villager had begun his own bee-keeping business after receiving technical assistance at the nearby Asuansi Agric Institute. After meeting him, CI identified nine other villagers who would be interested in bee-keeping/honey production and provided the necessary boxes, hives and protective clothing through the Wildlife Division. CI provided WD staff with training so that they could train the villagers and monitor their work, but provided no direct training to the community. The nine villagers looked to the established beekeeper for training and guidance. There were a few harvests of the honey, with some dispute over payments received from CI and some still outstanding. Villagers complained of no technical assistance or follow-up, and most of the hives have since collapsed due to the inferior quality of the wood used for boxes, which were unable to withstand the elements. The original beekeeper has continued his activities, although he is extremely ill at present.

The same beekeeper had also received training on snail farming from the Asuansi Agric Institute and successfully ran this enterprise as well. Other villagers have expressed an interest in receiving technical assistance and start-up loans to begin snail farming.

The other CI supported village enterprise was the introduction of grasscutter farming. One community member was sent to the Ebenezer grasscutter farm in Accra for training, and upon returning to Kruwa, CI /WD provided grasscutters for starting up the community enterprise. There was a misperception early on that the activity was an employment opportunity and not an entrepreneurial venture to be owned by the community. Nevertheless, as the grasscutters were fed and grew, it appeared that they were not reproducing and it was determined that all but two or three of the grasscutters provided were male. A four-to-one ratio of female to male grasscutters is necessary for successful reproduction. In this case, the community was provided a one-to-four ratio of female to male. The story was complex and lengthy, but

ultimately the farm was removed from the village and taken to Kakum National Park as a demonstration farm. It is hoped that once more females are introduced and reproduction is successful, it will be moved back to Kruwa.

Women in the village of Kruwa are traditionally traders and previously relied on sponges and chewing sticks brought from the forest to take to market. They now have no substitute commodities, other than small amounts of vegetables farmed largely for subsistence. The women made the suggestion that if loans could be provided to purchase refrigeration, they would be able to travel to the coast and purchase larger amounts of fish, store them in refrigeration, and the volume of their trade would increase.

The evaluation team visited the village of **Masomagor**, which had similar experiences to most other communities, although some had benefited from the development of a performance stage at Kakum National Park for the Kuchyakuchyakoo Bamboo Orchestra. The Orchestra had received technical assistance and start-up funding several years before from the Center for International Learning and Advancement (CILTAD). Locally, CILTAD is known as AGORO. The arrangement to perform at Kakum continues with GHCT, where the 22-person orchestra receives 510,000 cedis for each performance, usually every Saturday in high season and every other Saturday in low season. From this fee, the Orchestra must pay for its transportation (190,000 cedis), food for the day (100,000 cedis), and 10 percent to the community and leadership from the remaining revenue. The Orchestra expressed some frustration with the process of collecting its fees from GHCT, as once the site manager sends a letter to Cape Coast approving the number of performances, and a check is issued, a representative of the Orchestra must often travel to Cape Coast several times to determine if the check is ready and then to cash it at a bank. Additionally, the cost of transportation is rising, and there has not been a commensurate increase in the performance fee.

The balance of revenue earned from their performances is being used by the Orchestra to build a guesthouse in the village, which they hope will attract tourists and students and be used as an interim stop before proceeding to the tree platform. The guesthouse construction has been a slow process over many years, dependent on income from performances, and is in need of marketing and promotional assistance.

The Masomagor Tree platform, built in the first phase of the project, remains in need of repair and has not experienced significant use by tourists nor has it created any meaningful economic benefits to the community. *(please see Section 4.3 for further discussion on the Masomagor Tree Platform)*

8. The community has not been involved in any other income-generating activities, such as snail farming, grasscutter farming or honey production. The top priority activity they would request technical and start-up assistance for, is for palm processing (oils and soap). Masomagor has suffered substantial losses due to elephant crop raiding, limiting the community's ability to farm. More than most villages, they reported high levels of out-migration, estimated at over 10 percent of their population in just the last eighteen months alone.

Community leaders and member in **Ahomaho** experienced similar indirect and direct benefits to those of Kruwa. Since the inception of the project, the government built a school for them. Like Kruwa, the Kuapa Cocoa Company has also created a wholesale relationship with community cocoa growers, with more favorable terms than previous buyers.

As a by-product of the palm oil and palm kernel oil production in the village, women have formed a cooperative to produce and sell soap. Production knowledge was gained by visiting and learning from a nearby village. Technoserve, a subcontractor to CI, originally arranged a fixed purchase price annually, which has proven to be less than ideal for the cooperative as production costs are variable with seasonal considerations. They currently rent a car or taxi and take the soap to Accra to sell. Production volume would be improved significantly if the women were able to apply new technology to replace some of the physical labor required in the processing.

Both the snail farming and bee-keeping/honey production enterprises that were created by CI and the Wildlife Division, failed for similar reasons to those experienced in Kruwa. Technoserve reportedly asked interested villagers to organize into a maize-producing cooperative, which they did, but no capital has materialized to begin operations. Production is only on a small scale at present. Ahomaho residents expressed interest in a grasscutter operation if they could receive sufficient technical and start-up assistance.

A more serious problem not expressed in other villages was that of periodic hunger and a food deficit in the surrounding community, largely caused by the continuing elephant crop raiding.

Like most of the other villages visited, **Abrafo-Odumase** had experienced a significant loss of resources with the restrictions on use of the forest. Traditional activities such as hunting, firewood collection, cane use for baskets and medicinal herbs retrieved from the forest, have all ceased. In the case of Abrafo-Odumase, 512 acres were taken from the village for areas creating a buffer around the forest. Despite promises of assistance for health and education services, nothing has been provided to the community.

Elders in the community reported on two successful business enterprises, however, which were expanded by a 35 million cedis loan received from the Catholic Church, in the form of a palm kernel mill, and from CEDECOM, to expand the operations of an existing snail farm. The palm kernel mill operation is run by a 14-person cooperative, who mill the palm and kernel seeds for oil, brought in by others in the community. The operation appears to be running well, and they hope to be able to expand in the near future and plan more trees for harvesting. Once the loan is repaid, the machinery will be fully owned by the cooperative, and future profits can go towards expansion.

The snail farmer received a loan from CEDECOM, whose loan repayment terms were unclear initially but have since been resolved. The funds provided the farmer an opportunity to attend a 3-week training course at the University of Cape Coast (UCC), and expand his operations in order to serve as a training facility for other villagers interested in snail farming. The farmer has received an award for being the top snail farmer, and has had follow up in-service training from the UCC Professors, who have visited his farm. The farmer informed the team that he had at no time received any assistance from Conservation International or the Wildlife Division.

Grasscutter farming is another income-generating opportunity that more villagers in Abrafo-Odumase wish to engage in. There is currently one farmer engaged in raising grasscutters. The community leaders shared with the team that this can be a profitable enterprise, however inputs -- food and supplies, and transporting them -- can be expensive.

Women in Abrafo-Odumase are prepared and quite interested in expanding their trading operations, producing soap, and cultivating cane, if small loans could be provided to them for starting up operations and initial training.

The final village visited by the evaluation team was **Mfuom**, where interviews were conducted with the village assemblyman and several elders. Mfuom appears to be in a particularly bad state, relative to most other villages visited. Elephant raiding has seriously impacted their agricultural activities. Staff of Conservation International advised farmers to plant bitter yams and ginger as elephants do not eat these crops, but villagers explained that they need other crops for sustenance – corn, cassava, and others.

Villagers at Mfuom complain of virtually no direct or indirect benefits from the development of Kakum National Park. Four members of the community have received jobs: 1 driver for the Wildlife Division, 1 part-time tour guide, and 2 employees at the park itself.

Mfuom lags behind several other villages in basic infrastructure. Roads connecting to surrounding villages are poor and make transport to markets difficult. The village has two small, structurally deficient classrooms for use by 58 students in one and 64 in the other. Class is routinely cancelled during rains, although Conservation International provided 2 packages of roofing sheets that has partially completed the roof repairs. National electrification did come to the village, as it was prioritized in order to electrify the common areas of Kakum National Park. The community is fortunate to have good spring water near the town, but no functioning boreholes exist.

Mfuom villagers reported no successful small enterprises in their community. In 1994, CEDECOM provided a few villagers with training for snail farming and grasscutter farming, but no start up capital was provided and the enterprises never began. Like Masomagor, Mfuom has experienced high levels of out-migration of their youth to urban areas in search of employment.

Women interviewed and other community elders note that Mfuom would be interested in financial support for processing machines for palm oil, cassava and gari; improved linkages to markets; protection from elephant raiding; and assistance to improve the state of the Mfuom school.

## **5.0 The Successes and Failures of Consolidation Phase Activities**

The British daily newspaper, The Times, reported in an October 30, 1999 article that in the “past eight years, an imaginative project backed by the US-based NGO Conservation International has combined the historical resources of the castles and the natural attractions of the Kakum forest to make a tourist destination which now draws more than 90,000 visitors a year, and which won British Airways’ prestigious Tourism for Tomorrow Award in 1998.” The article explains in detail the restoration efforts for Cape Coast and Elmina Castles, and describes the preservation work carried out at Kakum National Park and the construction of the canopy walkway.

Additionally, in 1997, USAID received an honorary award from the Ghana Tourist Board, for leadership in Donor Agency Support for Tourism Development. Clearly, both national and

international recognition has been achieved for the restoration and preservation activities performed under the NRCHP project during the last decade.

## 5.1 The GHCT Secretariat

From all accounts, the GHCT Executive Director has dedicated substantial time and effort and has succeeded in repairing relationships and restoring institutional communication and trust between major stakeholders and partners of the Trust.

In reviewing the many strategies, briefs and work plans of CI and GHCT through the transition phase, it is clear that expectations for GHCT were unrealistic. As a new NGO, it has neither the capacity nor the staff capable of pursuing virtually all of the strategies and work plans designed for it. CI assumed that there would either be a much larger staff or greater capacity than was reasonable to expect for a new NGO. Thus the institutional strength required to manage day-to-day administration and financial operations is lacking. Presuming that new staff of GHCT would be able to gain the management capability required in less than one year was ambitious. Separate from on-the-job periodic training, very little formal training occurred. The technical skills envisioned to be transferred might also have been difficult to achieve due to the capacity constraints of key employees to absorb the necessary skills.

Administratively, it appears that GHCT was not prepared to manage its documents and records system at the time of transition, and still does not have systems in place. Many files cannot be found at GHCT, and are assumed to be at CI's Accra office, and the converse. It appears that there was little preparation towards creating an administrative structure that would be easy for GHCT employees to take on and manage. Instead it appears that the administrative structure was left for GHCT to create after the transition.

Institutional memory is lacking at GHCT, as CI handled many of its affairs directly for most of the Consolidation phase, transferring administrative and financial management towards the end of the transition phase. The transition phase came quite late in the process.

Overall, it appears that CI developed the capacity of its own staff to serve effectively as the Secretariat to the Board of Trustees during the consolidation phase. GHCT staff were later hired and trained by CI staff after they received CI training. The Executive Director was only identified and hired in early 2000. A more appropriate scenario would have been for CI, as the project implementing agency, to hire employees at the beginning of the consolidation phase that would then *become* employees of the Secretariat and thus have the expertise to manage the operations and affairs of the Trust from the beginning of the transition phase.

## 5.2 Financial and Asset Management

A noteworthy success of the consolidation phase was securing the funding of GHCT's endowment. It is evident that this endeavor was far more complicated than any of the participants imagined it would be. At more than one point, participants were convinced that the endowment would never actually materialize. GHCT did what was required with the support of CI, and guidance of USAID, to complete its legal and institutional commitments such that the endowment could be transferred to the Trust.

Financial management is extremely weak at GHCT. Balance sheets were not readily accessible, and there appears to be a conflict between the type of software that is available at the Secretariat and the type of software that CI used during the consolidation phase.

CI's turnover of revenue generating assets and community development projects did not account sufficiently for the lack of capacity and technical knowledge of GHCT to manage these assets. Under CI's management, there was a failure to create any projects with a positive cash flow to provide to GHCT. A more appropriate decision would have been for CI to maintain management responsibility for the assets until such time that they were profitable or prepared to be concessioned.

There is currently no evidence of capacity being built during the consolidation phase for fund-raising at either the Secretariat or the Board.

### **5.3 The GHCT Board of Trustees**

GHCT Board of Trustees are extremely committed to the Trust, and it is a testament to their hard work that they were able to stand firm and work hard to overcome many of the obstacles that came up during the transition phase. Their meeting with Chiefs and other stakeholders in communities around the project area has no doubt resulted in a better understanding of the Trust by local leaders.

The reliance of the Trust on USAID seed money and revenue generating assets of the project and its inability to raise any other funds to date, no matter how small, must be seen as a major drawback. It is also clear that the Trust is yet to have made any major impact on policy makers with regards to reforms required in a key institution such as Ghana Museums and Monuments Board.

### **5.4 Key Stakeholders and Communities**

A readily apparent success of the NRCHP project is the increased business activity around Cape Coast Castle and Elmina Castle. For example, there are seven shops facing Cape Coast Castle, with a volume of business ranging from 100,000 cedis per month to 1.1 million cedis per month. It is evident that a great deal of economic activity supports these shops, from wood carving shops to sewing cooperatives. Traders also work with these shops, ensuring a continual supply of merchandise. With the leasing of space at Heritage House in Cape Coast, there are additional shops, including a snack shop at the base of the House and a souvenir shop inside the House.

Hans' Cottage has enjoyed increased business in the way of lunches taken en route to Kakum, and box lunches prepared for picnics on site. Other restaurants have also benefited, as there is a perception that the restaurant at Kakum is expensive or unreliable. With this business comes the selling of ancillary artifacts and souvenirs. In addition, there are many more snack shops and drink bars that have opened in Cape Coast in recent years, supporting the Ghanaian visitors who come to the area to see the Castles or Kakum National Park.

✓ / Interviews suggest that GMMB and GHCT will soon sign an MOU resolving a major conflict that had emerged between the two institutions.

An MOU was successfully concluded between the Wildlife Division and GHCT outlining the framework for its future cooperation. The Kakum Canopy Walkway continues to be a national success, and its reputation is growing throughout Africa. In one year, visitors to the Kakum National Park reportedly grew from 5,629 in 1998 to 65,274 in 1999.

✓ It appears that little to no rural assessment work was done before beginning community development activities. Repeatedly, the evaluation team found capacity in and around the villages surrounding the park that could be brought to bear on development, for example local agricultural training institutes. Ghanaians who lived in the region and had succeeded at enterprise development could have conducted training. Instead, too often outside specialists were brought in who in some cases knew less than some of the villagers they were meant to be supporting.

None of the village level income-generating enterprises that were started during the transition phase including snail farming, grasscutter farming, or honey production are generating revenue. Most have been shut down.

## 6.0 Lessons Learned

### 6.1 GHCT Institutional Development

To meet the objectives set out for the Institutional Development of GHCT, it would have been more effective to hire staff at the beginning of the Consolidation Phase, and instill training and capacity in those employees from the first day of the transition phase, rather than what occurred – which was to build capacity within CI to train other staff employed for GHCT.

A more accurate assessment of the financial viability of projects designed to be income-generating activities should have been performed early on, and an appropriate response developed, well before the Transition Phase.

The stated mission of the Trust is the conservation, protection and maintenance of the Kakum Conservation Area, Cape Coast and Elmina Castles, Fort St. Jago and their environs, as well as the economic growth of communities around them. This mission is in line with the objectives of the Central Region to conserve, develop and market its tourism assets on a sustainable basis. It however, explicitly missed on the critical ingredient for assuring sustainability, which is funding and fund-raising. A Trust is essentially capitalization of a Fund. While the Board of Trustees clearly understands the need to raise funds and have provided for this as an output in its strategic plan, its role and the thrust of its activities to date has been more in the direction of **project management** and sustaining project activities under the NRCHP, not fund-raising.

Comparatively, a lot of effort was spent on project activities and community initiatives inherited from Conservation International. These are areas in which the Trust lacks capacity and expertise and which could be best handled by line agencies, given the necessary support. Rather than promote historic tours of Cape Coast for example, the Trust should be strengthening the capacity of the Ghana Tourist Board to promote this attraction, while its staff concentrates on its core business.

## 6.2 Relationships with Key Stakeholders

Poor communication between GHCT and GMMB severely strained their relationship during the consolidation phase. Given the institutional weaknesses of GMMB that were known to CI, far more effort should have been made to provide the necessary technical assistance to strengthen GMMB as a key partner to GHCT. This was not done.

Clear and open communication is a key ingredient to the success of the collaboration between GHCT and GMMB. Regularly scheduled meetings should be instituted as part of the effort to implement the MOU expected to be signed in the coming weeks. Functioning information-sharing channels will be essential to the success of the delivery of technical assistance and related project funding to GMMB.

Concerning the decision to close the fabrication workshop, it appears that while the senior executives of both organizations agreed on this controversial decision, the rationale and future plans were not transmitted to the rank and file of GMMB. It is critical when one organization takes over an asset from another institution (even if only in appearance), that full disclosure is made. This apparently did not occur at the operational level.

The Chairman of GMMB currently holds a different vision of the relationship with GHCT, than does GMMB staff. This misperception should be resolved and GMMB staff should take ownership of this vision.

It appears that little to no rural assessment work was done before beginning community development activities. Repeatedly, the evaluation team found capacity in and around the villages surrounding the park that could be brought to bear on development, for example local agricultural training institutes. Ghanaians who lived in the region and had succeeded at enterprise development could have conducted training. Instead, too often outside specialists were brought in who in some cases knew less than some of the villagers they were meant to be supporting.

For community based income-generating enterprises to succeed, more attention must be paid to the provision of technical assistance, close monitoring and the method by which the TA is provided. It would make more sense to send villagers to a local agricultural institute directly, than to train either the staff of CI, GHCT or the Wildlife Division, to then train and work with communities. At present none of the enterprises that were started during the transition phase are generating revenue. Most have been shut down.

All communities interviewed expressed a strong sense of understanding of the importance of preservation and conservation of the natural resources of Kakum, a result of earlier phases of the projects work on education and awareness. Despite the economic difficulties, they are grateful for the increased rainfall, and appreciate the value of preserving flora and fauna for future generations.

## **7.0 The Economic Impact of the NRCHP**

A main focus of the evaluation involved assessing the economic impact and spread effects of the NRCHP Project, from initiation of the project in Phase I (1991-1998) until Phase II (1998-2001) ended. In making this assessment, the team found it useful to focus on compiling data that would enable it to: (1) measure the extent to which tourism development had, indeed, occurred in the Cape Coast/Elmina/Kakum Park area; (2) determine the main factors that had affected the development process, specifically the role played by public and private sector tourism-related investments, and by the NRCHP project itself; (3) assess the impact that tourism development has had on employment and income generation in both urban and rural communities in the project area, and on agriculture and related industries; (4) comment on the linkages that exist between heritage tourism and economic growth; and (5) identify those elements of the population that have most benefited from the process as well as those that are bearing the costs.

In its assessment, the team viewed the tourism industry in the Cape Coast area as basically a self-generating, hotelier-led, profit-motivated economic sector, which has had public sector resource conservation and heritage preservation components incorporated within it, and which was being developed with funding and technical assistance provided under the NRCHP Project within the context of the overall economic and geographic situation of the Central Region; and Ghana itself. The tourism industry in the Cape Coast area has and will continue to depend upon further development of the Region's road network; telecommunications networks; and electrical, water supply and sanitation systems to support its development efforts and prospects. The tourism industry has acquired a territorial identity of its own in terms of heritage and conservation sites, hotels, and other accommodation facilities and businesses, the development of which will eventually have significant economic and cultural impact in the region and throughout Ghana itself.

This approach provided a basis for tracing both the macro- and micro-economic impact of the project. It facilitated the team's efforts to demonstrate that there are linkages between conservation and heritage tourism, and economic development; provided a basis for estimating the direct economic benefits and costs within the Central Region; the indirect economic benefits and economic costs outside the Region; and the potential benefits and costs of tourism development in the future. It also enhanced the team's efforts to reconcile its own findings with those that had emerged from the mid-term evaluation of the project in 1994; the Weidemann Associates report on the economic impact of the project as of 1997; and a Cape Coast University hotel survey conducted in 1999.

### **7.1 The Extent to Which Tourism Development Has Occurred in the Cape Coast Area; the Role of the NRCHP Project in Supporting the Process**

#### **7.1.1 The Findings of the Final Report of the Mid-Term Evaluation of the Project, Undertaken in 1994**

In summarizing its findings, the final report of the mid-term evaluation noted that as of March 1994 the project had been successful in achieving its planned objectives. The report cited as major accomplishments of the project, the institutionalization of the Kakum Park and the Assin Attandanso Wildlife Production Area as a legal and functional entity; the extensive stabilization of the Cape Coast and Elmina Castles; and the creation of a cadre of trained tourism professionals who had the capacity to manage and maintain tourism institutions and

to market the Cape Coast/Elmina/Kakum Park area and the Central Region, as an international tourism destination. The report concluded that tourism in the Central Region had increased as a result of the project's marketing, promotion and planning activities, but also noted that the further achievement of project objectives would be enhanced if there were a functioning national database on tourism.

### **7.1.2 The Findings of the Weidemann Associates Report of 1997**

The Ghana Economic Analysis Report, prepared by *Weidemann Associates, Inc. and Deloitte and Touche Tohmatsu International* in May-June 1997, indicated that the first phase of the NRCHP project had far exceeded expectations at that point in time, enhancing Ghana's image as a tourism destination and stimulating significant growth in the Central Region's economy. It noted that the project had led to increased revenue generation, directly at the Kakum Park area and the heritage conservation sites, and indirectly through hotel construction, infrastructure development, taxes, and the provision of goods and services to the tourism industry. Between 1991 and 1996, visitation to the historic monuments in the Cape Coast/Elmina/Kakum Park area had more than doubled and revenues had tripled. Some \$25 million in private sector investments had been leveraged by USAID funding, as well as another \$100 million in Government of Ghana investments in related infrastructure.

In addition to these achievements, three of the most historically significant of the 32 trading fortifications built along Ghana's coast between the 15<sup>th</sup> and 18<sup>th</sup> centuries (all World Heritage Monuments) were preserved. In addition, 360 square kilometers of moist tropical forest had been conserved, representing a fragment of the Upper Guinea Forest zone and one of the most threatened hotspots of bio-diversity in the world.

With these accomplishments in hand, the report indicated that after five years of concerted efforts, an platform for tourism development had been put in place, including three major hotels, funding, technical and management skills, business know-how, and supporting infrastructure. The report noted that further institutional capacity building should be undertaken with respect to existing project implementing organizations like the Ghana Tourism Board, the Central Regional Development Commission and local District Assemblies. In addition, the management capacities within implementing and facilitating institutions, namely CEDECOM, the Ghana Tourist Board, and the Coordinating Office of the Regional Administration, should be strengthened to facilitate the coordination and promotion of tourism-related activities

The report also indicated that steps should be taken to promote more local (Ghanaian and West African) visits to the project sites, and better targeted niche marketing strategies developed and aimed at Europe, North America, and Africans in Diaspora, using specialists who know these markets well. In addition, available funding and technical support should be directed to business enterprises, private sector investment institutions and programs that stimulate economic growth and development, especially business concerns that encourage visitors to spend more tourist-nights at various attractions in the region. A comprehensive program focused on hygiene, sanitation, and environmental enhancement should be developed for the major project sites, particularly Cape Coast and Elmina.

### **7.1.3 The Results of a Survey of the Hotel and Restaurant Industries in the Central Region, Conducted by the University of Cape Coast in 1999**

Particular attention was given during the team's evaluation to the findings that had emerged from a comprehensive survey of the hotel and restaurant industries in the Central Region, conducted in May-June 1999 by the University of Cape Coast (UCC), in collaboration with CEDECOM and UMES (the University of Maryland, Eastern Shore). Having learned of the survey, the team made it a point to meet with two professors of the Department of Geography and Tourism UCC, who had been instrumental in designing and implementing the survey, to discuss its findings.

The team learned from the meeting that some of the owner-managers contacted to be respondents were hesitant to participate in the survey, coming as it did in the wake of the introduction of the Value Added Tax (VAT). A further deterrent was the complaint by several potential respondents that a number of surveys had been conducted on the tourism industry in recent years, but that they (the respondents) had not received any feedback concerning the results of the surveys. Notwithstanding these impediments, the survey report noted that of the 60 hotels that were operating in the Central Region in 1999, 53 were covered by the survey. Of these, 41 had been established in the 1990s, and 15 were located in the Cape Coast area.

Poor record keeping was cited in the survey as a major problem in compiling information on budget hotels and restaurants at the lower end of the tourism business spectrum. For some, this is due to the fact that family members constitute the working staff of these hotels and restaurants and owner-managers do not consider it important to compile information on family staff. As a result, there are gaps in data concerning the economic status of employees working in budget hotels and restaurants with respect to key variables such as age, wages, education and training.

The UCC survey report aptly noted that establishing a hotel is a capital-intensive undertaking. In fact, given the current cost of capital in Ghana it was not surprising to learn that of those private sector entrepreneurs currently making such investments, some three-fourths invest their own savings or capital funds. Only about one-sixth of them seek to obtain loans from banks or lending agencies, while the remainder look to family, friends or partners for assistance. Of the 41% of hoteliers who had sought additional funding for established facilities, nearly 60% looked to banks, one quarter looked to the Ghana Tourist Board, one-tenth went to moneylenders, and the remainder sought funding from CEDECOM or SSNIT.

#### **7.1.4 The Findings of the Evaluation Team Concerning the Extent to which Tourism Development has Indeed Occurred in the Cape Coast/Elmina/Kakum Park Conservation Area**

The team's findings basically confirm the observations made in the Final Review Report on the NRCHP Project undertaken in 1996, and the Weidemann Associates Report of 1997, that tourism development has indeed occurred in the Cape Coast/Elmina/Kakum Park Conservation area over the past decade. Secondly, the NRCHP project has played a key role in contributing to the success of the region's development efforts.

Major accomplishments of the project have included the institutionalization of Kakum Park and the Assin Attandanso Resource Reserve, as a legal and functional entity. As a result of the project, some 360 square kilometers of moist tropical forest, a fragment of the Upper Guinea Forest zone and one of the most threatened hotspots of bio-diversity in the world, will be effectively conserved. With the construction of Park Headquarters buildings, a visitor

center and Canopy Walkway, visitors can now have a truly unique and exhilarating experience. Communities around the Park are beginning to be positively impacted and involved in tourism. Basic research that will guide long-term management has been carried out. As a consequence, the ecological benefits of the Park, which include improved rainfall patterns (identified by all communities as a major benefit of the Park and a boost to their farming activities) and increased water resources for urban water systems, will be considerable.

In addition, as noted earlier, the Central region's three most historically significant tourism sites (the Cape Coast and Elmina Castles, and Fort St. Jago) are being preserved. Visitations to these sites and to the Kakum Park attractions have increased dramatically. The attractions are generating modest but substantial revenues. A stronger and more responsive private sector has developed and is investing in tourism. Ghana has been put on the international tourism map. Major US and European networks, newspapers and travel magazines continue to carry stories and to provide valuable international coverage of the project and its objectives. The number of international awards conferred on the project is evidence of increasing international interest in the Castles and the Park.

The creation of major exhibits and the development of a cadre of trained conservators, museum, interpretive service and tourism professionals, has been another significant success of the project. These professionals have the capacity to both manage and maintain tourism institutions and market the Central region as an international tourism destination. Stabilization of the region's historic sites has also meant direct employment for local artisans. Sub contracts to local contractors have meant additional jobs and incomes for the local communities.

## **7.2 The Main Factors Affecting the Region's Tourism Development Efforts**

The principal indicators used by the team to gauge the extent to which tourism has occurred during the ten-year term of the project included data concerning the number, type and location of hotels built during that period compared to those that had been operating at the onset of the project in 1991; the increased number of rooms that became available during the ten-year period; and related staff employment data. In addition, team members elicited information through interviews with the managers or owners of a select sample of six hotels regarding the total amount of funds they had invested; the owner's reason for investing; the amounts paid out monthly for staff salaries; the amounts spent monthly to purchase local food items for hotel catering purposes; the sources of similar food items purchased for the hotel's restaurants; and whether the hotel owner had invested or was currently engaged in other tourism-related businesses.

Another set of indicators that the team developed involved compiling data concerning tourism-related infrastructure development in the Cape Coast area, such as the extent of road construction; the condition of the roads; the percentage of the population being served by the region's electrical, water supply, and sewerage systems; and the level and kinds of telecommunications services being provided to subscribers living within the area. This was accomplished through a series of meetings with the staffs of CEDECOM, the Ghana Tourist Board, and the heads of the Region's private and public utilities and infrastructure development agencies. In addition, as indicated below, the team also compiled anecdotal information from other selected interviews. Between the two sources, the team felt that it had obtained a fairly reliable picture of the current status of tourism development in the region.

For reference and comparison purposes, the team also sought to obtain national and regional data compiled by the Ghana Tourist Board for the year 2000, including the number, country of origin, in-country destination, and average foreign exchange receipts contributed by international tourists arriving annually in Ghana. Unfortunately, 1996 was the last year for which reliable data from this source was available.

### **7.2.1 The Region's Historic Heritage and Natural Resource Endowment**

Clearly, among the major factors favoring and contributing to the success of tourism development efforts in the Cape Coast/Elmina/Kakum Forest area are the area's ocean beaches and tropical climate; the historic and cultural significance of the castles and fort; the slave trade heritage; and the Kakum rain forest.

### **7.2.2 Public Sector Investments Undertaken to Expand Infrastructure Needed to Support Tourism Development**

Moreover, the region has been steadily developing the infrastructure needed to support tourism. As noted in the UCC survey report, once established, hotels depend heavily on an uninterrupted supply of utilities such as water, electricity, and various telecommunications devices including telephones, fax transmitters, and internet e-mail connections. In 1998, the region went through a water supply crisis while also being subjected to the national rationing of electricity. This was not the region's first such water supply crisis. Similar problems had been experienced in previous years. Normally, only 4-5 of the region's hotels are hampered by an irregular water supply. Nevertheless, following the 1998 crisis, a number of hotels decided to install their own facilities for storing water. One-fifth of the hotels also decided to install their own electric generation units.

Notwithstanding occasional disruptions, significant public investments in tourism-related infrastructure in the Central Region have taken place since inception of the Project. These investments are continuing to be made. In 1990, the road network in the Central Region was relatively undeveloped. Apart from the Pan African Highway, which is the national road linking Cape Coast to Accra, inter regional, regional and feeder roads providing access to the tourism zone were not paved and were in deplorable states. Internal roads in Cape Coast and Elmina were also in a very poor state and lacked requisite drainage. With the exception of Cape Coast and Elmina, most communities along the tourism corridor lacked electricity and good drinking water. Sanitation in the key destinations of Cape Coast and Elmina was very poor. Telecommunications between Cape Coast and the rest of the country were problematic. Between 1991 and 2000, the Government of Ghana invested a total of \$7.4 million in tourism-related infrastructure.

#### **a. Road Improvements Accomplished Over the Past Decade**

The benefits of road improvements are shared by the transportation, commercial and agricultural sectors. In team interviews, improving access to major market centers for agricultural produce was cited by several communities around the Park as a major benefit of the NRCHP. As of 1996, the Central Region had a total road network of 1,384 kilometers classified into primary roads, major secondary roads, and minor secondary roads. About 1,125 kilometers were tarred and 259 kilometers were graveled. In terms of their condition, the Ghana Highways Authority classified the roads as good (25 percent), fair (45 percent) and

poor (30 percent). The important roads for tourism development are those that provide access to the Region and to the stopovers (hotels, historic sites, etc.). These include the following:

**Route 1** -- This route forms the Ghana link of the Trans West Africa Highway and connects the land gateways of Aflao and Elubo, with Accra, Cape Coast, and Sekondi-Takoradi. It serves all of the tourism zones located along the southern coast of the country. Although in good condition in places, other stretches of the road are only fair, with the Accra-Cape Coast link in particular requiring improvement. As of June 2001, the Accra-Cape Coast link was still in need of major improvements.

**Route 17** -- This route provides a direct connection between the major tourism zones of the Central and Ashanti Regions, linking Cape Coast and Kumasi. It also serves some tourism stopovers. In 1996, the route was considered to be in good condition, but requiring some improvements on a few sections including widening some sections to enable fast-moving cars to overtake slower-moving lorries. It has since been vastly improved.

These two roads between them serve the tourism center of Cape Coast and all of the designated tourist stopovers located in the Region. Kakum National Park can be accessed from Cape Coast via a secondary road that was used by the team in 2001 and seen to still be in good condition.

Under its public infrastructure investment program, the Regional Coordinating Council (RCC) of the Central Region has spent \$2.97 million recently on the rehabilitation of Elmina and Cape Coast town roads. The road which links Cape Coast to Twifo Praso, and which provides access to the western corridor and Park headquarters at Abrafo was reconstructed and improved to a bitumen surface. Several feeder roads linking the western and eastern corridor highways to protection camps and key settlements around the Park were also reconstructed. In addition, the 12-kilometer road which runs from Gyankobo to Antwikwae, where the main Park research center and a protection camp are sited, was paved, and USAID grants were used to pave the feeder roads which link the main Pan African Highway to the Elmina and Brenu Beach resorts, and various agricultural communities.

An additional \$300,000 was spent on routine maintenance of the Biriwa to Accra stretch of the Cape Coast-Accra highway. This road still has considerable segments that require major improvements. Improvements have already been made to the Yamoransa-Assin-Fosu-Kumasi highway, which provides access to the eastern corridor of the Park. The highway has been reconstructed and was given an asphalt surface under a grant from the Japanese Government. In 1990, it took five hours to travel from Kumasi, Ghana's second major city and a key tourism destination, to Cape Coast. It now takes only two hours. This particular road links Accra, Kumasi and Cape Coast in a triangle that presently constitutes Ghana's major tourism circuit.

#### **b. Improvements in the Region's Water Supply System**

The Region's water supply systems are under the administration of the Ghana Water and Sewerage Corporation (GWSC). The Corporation operates some 13 water supply systems in the Central Region. As of 1996, about 60 percent of the population of the region was being served by these systems. The systems are made up of four conventional treatment plants for Cape Coast, Kwanyaku, Winneba and Baifikrom. Five additional systems currently serve industrial sites; and three borehole systems serve other towns. One borehole system is

connected to the Cape Coast water supply system. Modern water facilities are currently located in almost all of the major settlements in the Central region and treated water is available to about two-thirds of the population.

**c. Improvements to the Region's Electrical Power Systems**

As of 1996, virtually all of the electric power distributed in Ghana was generated by hydroelectric facilities managed by the Volta River Authority (VRA). A thermal plant has been under construction in the Western Region, and a dam and generation plant are proposed to be developed on the Black Volta River in the northwestern part of the country. The Electricity Corporation of Ghana (ECG) is responsible for distributing electric power through a national power grid. Electric power distributed to the Central Region emanates from neighboring regions. However, the region has some hydroelectric generation potential at sites along the Pra River, which are being considered for future development.

Some \$2.3 million was spent directly by the RCC on extending electricity to the Kakum National Park and communities en route. Also, under the Government's National Electrification Program, all major settlements and the three District capitals around the Park now have electricity from the national grid. While it has not been possible for these communities to use the power for cottage and other industries, it provides the necessary infrastructure base to develop cottage industries and attract investments into otherwise depressed rural communities

**d. Telecommunication Services**

Efficient telecommunications systems are especially important to the tourism industry inasmuch as they constitute the main means by which tourism firms put their destination packages together and by which they book and confirm travel and touring arrangements. The maintenance of telephone facilities and services are the responsibility of Ghana Telecom.

At the time the NRCHP project was getting underway, the Ghana Posts & Telecommunications (P&T) Service was being housed in a dilapidated, sea ravaged structure by the Cape Coast Castle. The system hardly functioned and was using outdated analog technology. International communications for project staff had to be handled by M&J Services Company in Accra. To support the tourism development scheme, the RCC in 1992, acquired and relocated the offices of P&T into a new building. Investments were made in service improvements. Cape Coast, which was originally scheduled for Phase 3 of the national telecommunications improvements program, was moved up to Phase 2. New regional and engineering offices have been constructed. The system has now been upgraded to digital technology.

By 1999, Ghana Telecom had some six digital telephone exchanges in Cape Coast, Elmina, Agona Swedru, Dunkwa, Winneba and Saltpond. From a customer base of less than 1,200 in 1991, Ghana Telecom now provides 15,000 households and businesses in the Central Region with both domestic and international lines. Cape Coast and Elmina have a total of 6,000 lines in addition to 80 public pay phones. The Cape Coast and Elmina areas also now enjoy automatic telephone connections with International Direct Dialing (IDD) facilities. Ghana Telecom has just introduced a cellular phone service covering all major district capitals. Wireless coverage has been extended to Kakum National Park Headquarters and seven small communities en route. Three other communities on the eastern corridor also have wireless

coverage. Two other phone service providers, Millicom Ghana Limited and Scacom Ghana Limited, now provide mobile cellular telephone services in Cape Coast, Elmina, Agona Swedru and Winneba. Telecom officials are quick to note that the region's developing tourism sector provided a major impetus for these improvements.

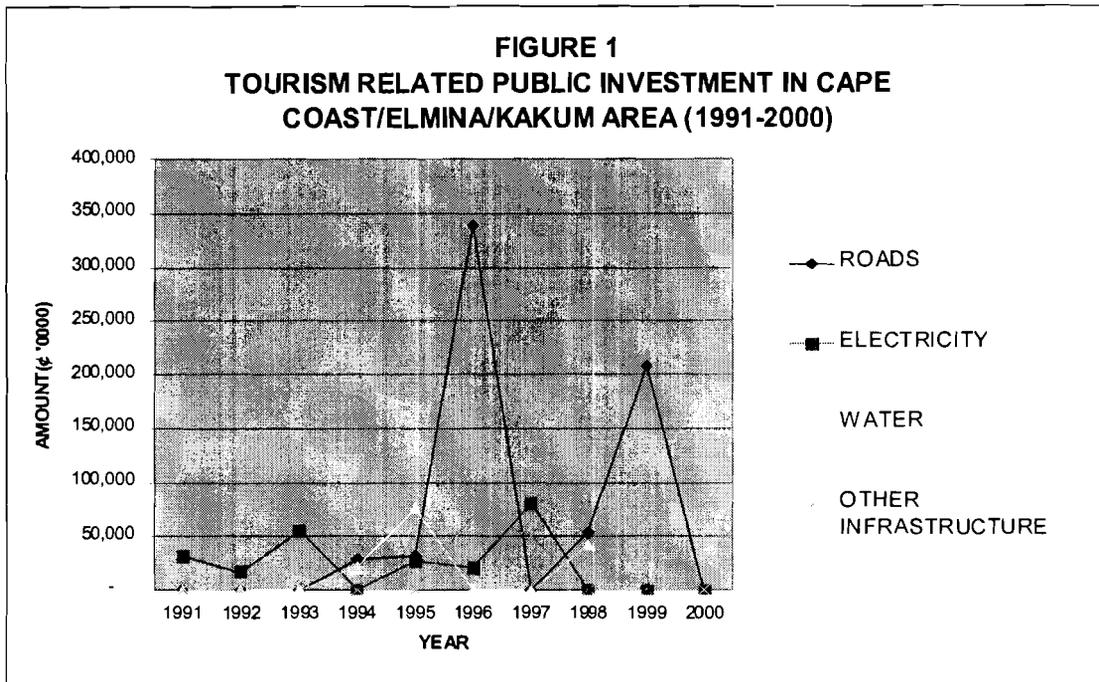
**e. Hospitals and Health Facilities**

To assure adequate health infrastructure to meet the requirements of international tourism, plans for the establishment of a Regional Specialist Hospital in Cape Coast were moved forward. Built at a cost of \$17.0 million and commissioned in 1998, the 150-bed hospital provides modern health care services and facilities to the populations of the Central and Western Regions. A Health Center financed by the US Embassy has been constructed at Abrafo, where the Park Headquarters are located. The facility (which currently lacks a qualified nurse) is supposed to cater to the immediate health needs of Park staff, visiting tourists, and the inhabitants of several small farming communities, which hitherto had to commute some 40 km. to Cape Coast or to Twifo Praso for modern health services.

**f. Other Regional Infrastructure**

Funds totaling \$703,000 were invested by CEDECOM in a Handicrafts and Vocational Training Center, to train rural youths in kente weaving, leatherworks, bead making, cane and wood carving. Establishment of the Center has been a major benefit of the project. The facility, which is currently 75 percent completed, will serve as a training school for rural youth in communities around the Park and for the region as whole. Skills for self-employable activities and for the production of handicrafts for the international and domestic tourism market will be acquired at the Center. A Regional Cultural Center and Theatre was also constructed by 1994 at an estimated cost of \$3.2 million for the hosting of the Pan African Historical Festival (PANAFEST). This festival is based on the history of the Forts and Castles, slavery and the African dispersion in the Diaspora.

Figure 1 below provides an illustration of the levels of public investments directly leveraged and made by the RCC as a result of the Project.



Source: Regional Coordinating Council/Ghana Highway Authority

### 7.2.3 Private Sector Investments in Hotels and other Tourism-Related Facilities

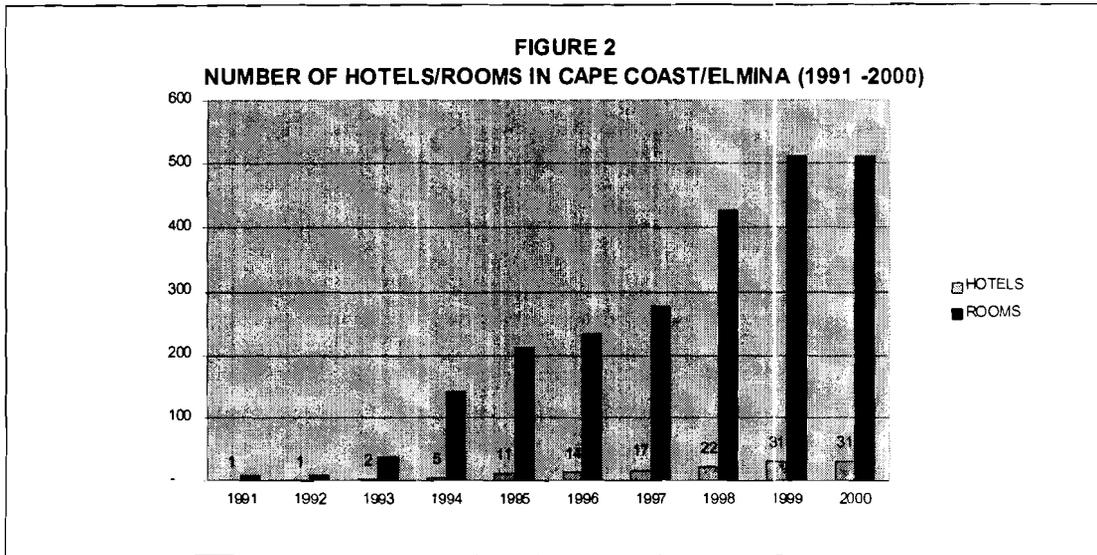
This section summarizes private sector investments that were directly leveraged in the hotel, food and beverage and handicraft industries, as a result of the NRCHP.

#### a. Hotel Construction

In 1991, there were only nine licensed hotels with 190 rooms in the Cape Coast/Elmina area. Only one of the hotels, which had four rooms, was rated as a 3-star hotel, i.e., one that offered an acceptable basic international standard of rooms and service. By 1995, three years into project implementation, the number of hotels in the area had increased to twenty, while the number of hotel rooms increased from 190 to 313. As of the end of May of this year, the number of hotels operating in the Cape Coast/Elmina area rose to 42, and included a total of 718 rooms. It is important to note that each of the nine hotels that were in business in 1990 are still operating, and have since added more rooms

In the village of Abrafo, which is located near Kakum Park, a resident has invested an estimated 50 million cedis in a 4-room budget hotel called the “Cool Cottage”. Two rooms are currently in use at a fee of 20,000 cedis per night. Budget tourists to the Park patronize it. The Bamboo Orchestra, which is located in the village of Masomagor and which performs at the park, has made a similar investment. This is intended to provide accommodations for researchers, students and visitors to the Tree Platform on the eastern corridor.

Figure 2 below shows the increase in hotel properties and rooms for the period 1991 – 2000.



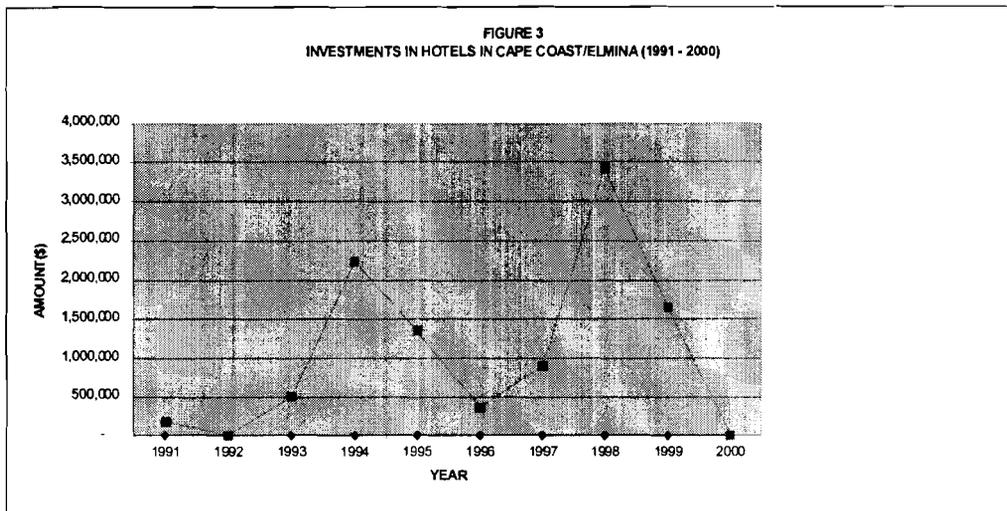
Source: Ghana Tourist Board

One of the more visible signs of tourism development that can be linked to the NRCHP Project has been the steady increase that has taken place over the past decade in the number of international quality hotel rooms that are now available in the Cape Coast area. Having had only one three-star rated hotel with 4 rooms in 1991, Cape Coast/Elmina now has three hotels with 174 rooms in this category. The number of hotels with a two-star rating increased from two in 1991 to nine at present. The number of rooms available rose from 27 to 155. There are now eight one-star hotels compared to two in 1991. Hotels in the budget category doubled from three to six. Since project inception, eight guesthouses have been constructed in Cape Coast. Guesthouses are classified as hotels with less than 10 rooms.

Golden Beach Hotels Limited invested \$26.1 million in the recent expansion of the Golden Beach Resort, increasing the number of rooms from 70 to 186. One hundred of the rooms are currently operational. The total investment in the Coconut Grove Hotel was \$1.8 million. From a sample survey and from data collected through interviews at hotels in Cape Coast and Elmina, the construction cost per room is estimated to have averaged \$25,000 for a three-star hotel, \$22,000 for a two-star, \$18,000 for a one-star, \$15,000 for a room in a budget hotel, and \$20,000 for a room in a guesthouse.

Based on these estimates, an additional investment of \$13 million has gone into new rooms since the inception of the NRCHP. Total private sector investments in hotels that have been licensed since 1991 amounts to an estimated \$40 million. An additional 114 rooms valued at an estimated \$14 million are currently under construction in seven on-going hotel expansion projects. Total private sector investments in hotels in Cape Coast and Elmina area, from project inception to date is estimated at \$54 million. (See Figure 3 below.)

Figure 3 - Hotel Rooms & Investments in Cape Coast & Elmina (1991-2000)



Source: Ghana Tourist Board/Central Region Hotel Association.

#### b. The Food and Beverage Sector

Restaurants and fast food operations registered by the Ghana Tourist Board in the Cape Coast/Elmina tourism zone increased from one in 1991 to five in 1995 and to 25 by the end of 2000. Seating capacity in these facilities increased six-fold from 200 to 1,250 over the same period. At an average estimated investment of \$2,000 per unit, investment in this segment of the tourism sector increased twenty-fold, from \$2,500 in 1991 to \$50,000 in 2000. Registered drinking bars that make up the membership of the Central Region's Branch of the Ghana Drinking Bar Operators Association, increased from 50 to 200 bars over the ten-year period 1990-2000. Data available from the Cape Coast Municipal and Elmina District Assemblies indicate that traditional catering facilities, popularly referred to as "Chop Bars", increased from 60 establishments in 1990 to 156 by 2000. Like the drinking bars, the chop bars cater mainly to the domestic tourist market. At an average estimated investment of \$800 per chop bar, investments in this category are estimated to have increased from \$48,000 in 1991 to \$124,800 in 2000.

#### c. Tour Operators and Car Rentals

At the inception of the project, no tour operating companies existed in the Cape Coast/Elmina area. Currently, there are three registered tour companies: African Nature Tours (Biriwa), Kasben Tours (Cape Coast) and One Africa Specialty Tours (Elmina). An interview with African Nature Tours confirmed an average monthly handling of 12-15 international tourists. The company offers adventure tours that take clientele through the Castles, Kakum National Park, Kumasi, and Mole National Park, using a combination of road and lake transport. Since the beginning of 2001, the company handled a total of 126 international tourists. The quality of brochures, website, ground handling and transportation are indicative of a growing level of professionalism and private sector response to opportunities created as a result of the Natural Resource Conservation and Historic Preservation Project. Two new car rental businesses also operate in Cape Coast and Elmina. Several of the companies have been successful in establishing their own local and international tourism promotion networks. One

major problem identified has been the lack of suitable tourist buses or coaches to transport visitors to Kakum Forest and the region's historic sites.

**d. Art Galleries, Souvenir and Curio Shops**

In 1991, no art gallery or curio shop existed in Cape Coast or Elmina. Besides the three concessions currently being operated in the Cape Coast and Elmina Castles and Kakum National Park, one art gallery and six curio shops have since opened in the project area. The team visited all six curio shops and the art gallery. Of particular note is Naku's Fashion Enterprise. This business started as a one-person "table top" operation in front of Cape Coast Castle 1994. The owner dealt mainly in woodcarvings bought from the Central Region and leather products from the Northern and Upper Regions.

Naku's Fashion has since grown into an operation employing 26 people in the production of batiks, embroidery and clothing. Craftsmen in the Central Region produce an estimated 50 percent of the handicrafts sold in the shop. As a result of the clientele base developed at this "Castle Shop", which now accepts major credit cards, the owner has built up an export market to the U.S. The shop also markets to tourists in the major Accra hotels. Capital invested in equipment by Naku's Fashion is estimated at 150 million cedis. The expansion was financed with a bank loan. Other curio shops in the area have reported average sales of between 600,000 and 1,500,000 cedis per month. Most of the shop owners attribute the low sales volume to the fact that tour operators do not allow visitors to spend enough time in Cape Coast to go shopping. Another possible reason for this is that rather than offering artifacts for sale that are unique to the Region, the shops sell the same handicrafts that most tourists can readily buy in Accra.

**7.3 The Team's Findings Regarding the Role of the NCRHP Project in Tourism Development**

As noted above, the NRCHP project has supported the restoration of historic sites and, in addition, has helped develop heritage institutions to maintain the sites. In doing so, it induced the construction of needed infrastructure. As noted earlier, community-based enterprise development activities which had been designed to provide alternative sources of income for the inhabitants of communities adjacent to the Kakum National Park did not emerge as profitable enterprises and many have ceased to operate

**7.3.1 Local Perceptions of the Assistance Provided Through the NRCHP Project**

One of the members of the team conducted a considerable number of interviews with Kakum Park attendants, hoteliers in the Cape Coast and Elmina area, tour operators and others. Following is a summary of their perceptions regarding the roles that the NRCHP project, and they on their own initiative, have played over the past ten years in efforts to promote tourism development in the Cape Coast/Elmina/Kakum Park area, as well as their comments as to the extent to which these efforts have been successful.

**a. Kakum Park Attendants**

Ghanaian ground operators say they are pleased with the investments USAID has made in the tourism attractions in Cape Coast, Elmina, and Kakum National Park. They report steady increases in the number of overseas visitors coming to Ghana, and increased demand from

overseas tour operators. They are pleased with the increased publicity the project has brought to the Central Region, and the perception of attractions that visitors want to see. Most of the operators claim that Kakum is the number one tourism attraction in the country; that virtually all international tourists have heard of it; and that between 95 and 99 percent of their clients want to see it.

**b. Hoteliers in the Cape Coast and Elmina Area**

Hoteliers in Cape Coast and Elmina report having selected the region to open hotels because of the investments USAID has made. As the demand for hotel rooms has increased, hotel investments have also increased. Given that there appears to have been little if any investment in the Central Region prior to 1990, the NRCHP project has made a substantial impact on the tourism industry in the region. Revenues from the tourism sector in Ghana have continued to climb annually since 1990, and more tour operators are aggressively pursuing the international marketplace. Hotel marketing associations in Cape Coast are joining forces and attempting to create a better presence on the Internet. Work is also underway to lobby the government for increased funding for marketing and training.

Hoteliers in the region complain of the difficulties of finding good construction firms in the area. Other complaints include problems accessing capital, training and consistent electricity and water supplies. Training is of great concern to all hoteliers and tour operators interviewed for this project. Many students are hired right out of the local Polytechnic in Cape Coast, and have never worked in hotels before. Many of the employees of the two largest hotels in Cape Coast and Elmina had received no training prior to working for their respective hotels. There is serious concern that once employees are trained, they will leave the Central Region.

**c. Tour operators in the Cape Coast area**

One focus of concern by both tour operators and hotels is the road from Accra to Cape Coast, as it is perceived that this road is quite dangerous. A trip that could be just over one hour is now extremely dangerous, and frequently takes three hours or more. Another concern is the lack of nightlife in the Central Coast Region. Hoteliers in Cape Coast and Elmina would prefer a longer stay, but have not had as much success as they would like packaging the region for stays longer than one or two nights. All of the hoteliers and tour operators were enthusiastic supporters of the NRCHP project, and all seem to have plans to expand their operations and investments to take advantage of the perceived increase in international tourism arrivals. Yet there is great concern that there are not more local attractions to keep tourists in the region longer.

One tour operator complained of a lack of central planning, as access roads that are relatively short could be expanded and open up much more of the country. Another tour operator mentioned that the proximity of the gate to Kakum National Park causes cars to block the road when there is a queue to enter. Many tour operators described how difficult it is to cater meals or have a proper lunch stop around the Castles or Kakum. There is concern that there is no appropriate place to wait for Cape Coast Castle tours or Elmina Castle tours when they are crowded. The perception is that the Rainforest Café at Kakum is unreliable, particularly relative to quality and speed of service. An additional concern of tour operators traveling to and from Cape Coast is the lack of a good restaurant by the roadside and the lack of quality restrooms.

One of the more interesting aspects of the industry is the community development activity of the hotels in Elmina. The Coconut Grove considers part of its mission to be about community development, and actively engages the private sector locally to obtain as much as possible from the region. Both the Coconut Grove Hotel and Golden Beach Resort in Elmina are making a concerted effort to buy more foods from the Central Region. Coconut Grove has made a point of encouraging local suppliers to become middlemen. The hotel also buys Kakum Bottled Water, and as there is an inconsistent supply, it frequently buys the labels and bottles on behalf of the bottler to use at Coconut Grove.

The hotel boasts that when the bottler runs out of water, it sometimes comes back to the hotel to purchase back some of the supply. Coconut Grove can only store a 3-4 day supply of water, and requires the services of a “water man” to deliver water. The hotel does not buy bottled juices, and has worked with local suppliers to purchase pineapples and oranges, rotating delivery days and suppliers to make the process work. It does not receive the quality or quantity of tomatoes desired from the local markets, so it has trained a tomato supplier to recognize what types of tomatoes are needed, set up a tiered-payment system based on the quality of the tomato, and effectively created a local middleman to purchase and supply tomatoes to the hotel. Finally, the hotel is attempting to introduce a Chinese cabbage to local farmers, as salad is difficult to obtain locally.

Similarly, Fredina Tours took the initiative to clean up the area around Cape Coast Castle prior to a large festival in 1998. While they received a tourism award for their effort, the initiative came from the tourism industry, and is a remarkable example of the potential cooperation of the industry, and the willingness to give something back to preserve important attractions, historical sites or regional attractions. Coconut Grove Hotel rents the parking lot of Elmina Castle on an annualized basis, even though they only use it occasionally, strictly to give the hotel the right to maintain the space. Their commitment is to continually upgrade the Castle. For example, the hotel wanted to host a high level Dutch delegation at the Castle and instead of paying a fee to the Castle, they replaced all the light bulbs, a capital improvement to the castle.

#### **d. Local Representatives of the Area’s Food Industry**

One of the major benefits of an expanding tourism industry is the impact that it can have on the agricultural sector of the economy. This impact is directly relative to the individual food suppliers in a given local region, and nationally. Introducing tourism to a region is generally with the expectation that it will stimulate growth in the economy, particularly the agriculture industry and, de facto, the food industry.

A brief survey was conducted to determine the amount of food being purchased from the local region and results showed that food is increasingly being sought from local suppliers. Average expenditures of several of the smaller hotels in Cape Coast ranged from approximately 400,000 cedis a month to over 1 million cedis per month, most from the local market. The Coconut Grove Hotel is spending approximately 60 million cedis a month or more, typically broken down to approximately 50 million cedis on fish, 5 million cedis on chicken, and 3 million cedis on beef. The hotel makes an effort to buy as much as it can locally.

The Golden Beach Resort explained that it purchased chicken and eggs locally, as opposed to buying them from its former suppliers located outside the region. In addition, the purchase of

local vegetables has increased dramatically. Naa Gyasie is a vegetable supplier who has been supplying fresh vegetables to the hotel over the past 3 years, and reports a large increase in the sale of all items. These days, she sells over 1200 kilos of fresh vegetables every month.

Unlike its vegetable purchases, the Golden Beach Resort in Elmina buys seafood from distant towns like Axim, Dixcove, Takoradi and Accra, due to the inability of local fishermen to provide the desired quantity of seafood. According to Cico Foods in Takoradi, seafood supplied to the hotel has increased considerably over the past five years. Five years ago, the volume of fresh seafood (including fish, octopus, prawns, and more) supplied to the hotel ranged from 100 to 200 kilos a month. Currently, deliveries are between 400 to 1000 kilos a month. At Panafest, Emancipation and other festivals, demand increases further.

Purchases from Accra still represent a large proportion of the Golden Beach Resort's food supply. Kwatsons Impex, a supermarket in Accra, imports most of its food items. It supplies cheese, milk, frozen chicken, pasta noodles, cereals, sauces, spices, and other goods to many of the leading hotels in Ghana. Sales made to Kwatsons' hotel and restaurant clients have seen a steady increase over the past seven years. For example, the Golden Beach Resort was purchasing approximately 7 to 10 cartons of dairy products a week three years ago, and now purchases between 50 to 70 cartons of dairy products every day. The Kumasi Abattoir also supplies the Golden Beach Resort with meat products, including beef fillet, minced meat, lamb cutlets and chops. Three years ago, the Hotel purchased approximately 100 kilos per week; today it purchases 225 to 250 kilos a week.

#### **7.4 The Team's Assessment of the Economic Impact of Project-Funded Activities**

##### **7.4.1 The Impact on Private and Public Sector Investments**

The Cape Coast University study aptly notes that establishing a hotel is a capital-intensive undertaking. In fact, given the current cost of capital in Ghana it is not surprising to learn from the survey that of those private sector entrepreneurs currently making such investments, some three-fourths invest their own savings or capital funds. Only one-sixth utilize loans from banks or lending agencies, while the remainder look to family, friends or partners. Of the 41 percent of hoteliers who sought additional funding for established facilities, nearly 60 percent looked to banks, one quarter looked to the Ghana Tourist Board, one-tenth looked to moneylenders, and the remainder sought funding from CEDECOM or SSNIT.

##### **7.4.2 Revenues from Tourism, the Impact on Small and Medium-Scale Enterprises, Employment Generation and Capacity Building (project related training)**

###### **a. Revenues Generated from Tourism**

Fundamental to economic impact analysis, is the amount of tourist expenditures. However, the team was precluded from a definitive analysis due to the current lack of a comprehensive database on visitor expenditures in the Central Region. Our analyses of tourist expenditures have therefore been limited to revenues from hotel accommodations and entrance fees to the Castles and the Kakum National Park.

**Hotel Accommodation** – Available statistics indicates average annual occupancy rates, room rates and total revenue as shown in Table 1 below for hotels in the Cape Coast/Elmina area.

Table 1 – Estimated Hotel Revenues (2000)

Table 1

	3-STAR	2-STAR	1-STAR	BUDGET	G/HOUSE
Average Percentage Occupancy Rate	35	40	30	35	55
Average Room Rate (\$)	70	40	15	9	40
Number of Rooms	174	155	139	172	47
Total Revenue (\$)	1,555,995	905,200	228,308	197,757	33,410

Ghana Tourist Source: Board/Central Region Hotel Association

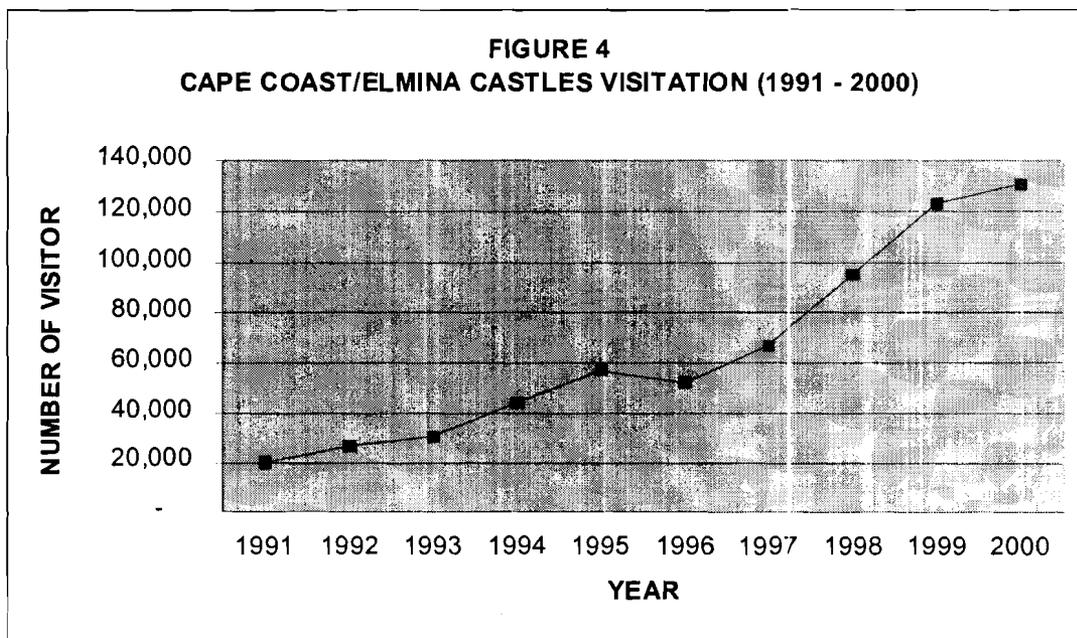
**Entrance Fees** – admission fees to Cape Coast Castle increased from 4,280,600 cedis (1991) to 22,911,960 cedis (1995) and 185,663,000 cedis (2000). Revenues for Elmina Castle, for the same period, were 5,450,300 cedis (1991), 28,169,340 cedis (1995) and 256,544,756 cedis (2000). Total revenues to both Castles increased from 9,730,900 cedis (1991) to 442,207,756 cedis (2000) i.e. by over four thousand percent. For Kakum Park, entrance fees increased nearly six thousand fold from 4,431,350 cedis (1994) to 21,276,600 cedis (1995) and 257,402,000 (2000). Revenues from the Canopy Walkway amounted to 52,020,000 cedis in 2000. See Table 2 – Admission Fees To Castles & Kakum Park (1991 – 2000) which follows. Recorded visitor arrivals at Cape Coast Castle were 7,881, 19,439 and 34,871 in 1991, 1995 and 2000, respectively. Comparative data on Elmina Castle is 7,977, 28,402 and 96,046. Visitations to both Castles increased by 262 percent and for Cape Coast, by 129 percent during the period under review. See Figure 4 – Cape Coast/Elmina Castle Visitation on the following page.

**Table 2 – Admission Fees To The Castles & Kakum Park (1991 –2000)**

YEAR	CAPE COAST CASTLE (¢)	ELMINA CASTLE (¢)	KAKUM PARK (¢)
1991	4,280,600	5,450,300	-
1992	4,625,100	5,150,200	-
1993	8,502,007	8,658,993	-
1994	11,609,325	8,814,325	4,431,350
1995	22,911,960	28,169,340	21,276,200
1996	27,400,850	38,988,800	-
1997	70,964,008	66,423,293	-
1998	96,300,402	76,369,798	42,801,800
1999	101,235,611	79,959,789	45,232,750
2000	185,663,000	256,544,756	257,402,000

Source: GMMB & Wildlife Division (Forestry Commission), Central Region

Figure 4 – Visitation to Cape Coast and Elmina Castles.



Source: Ghana Museums & Monuments Board – Central Region

Licensing fees collected by the Ghana Tourist Board from hotel and catering enterprises was 15.6 million cedis in 1990. Revenues to Government generated by the three Government line agencies from admission and license fees in the Cape Coast/Elmina/Kakum Conservation Area in 2000 were a total of 715.27 million cedis. This excludes municipal and district taxes including property, entertainment and copyright fees paid by the hotel, food and beverage industries to the District Assembly.

**b. Small and Medium-Scale Enterprise Development**

The team was informed at a meeting with the Central Region's Office of the National Board for Small Scale Industries (NBSSI), that NBSSI provides training, counseling and advisory services to small-scale entrepreneurs and also promotes small business associations. Most of their clientele are artisans, dressmakers and people with communication businesses. The Center also assists with business registration and training in bookkeeping, and works with the Ghana Export Promotion Council in providing marketing linkages.

Similar information was obtained from the staff of CEDECOM'S Empowerment and Micro-Finance Unit (Empomic). This unit operates a savings and loan program for small-scale entrepreneurs. Originally started as the CEDECOM Credit Program, the scheme involves a mobile banking unit and staff who go around to mobilize savings from clientele. The program is currently limited to Cape Coast area. There are plans to expand it to Elmina and communities around Kakum Park as well as other districts. This depends upon the success of the current scheme and expansion of its capital base. To qualify for a loan facility, one must have saved with the scheme for a period of six months.

Empomic lends funds at a rate of 52.5 percent, which is higher than the rate at the banks. Interest on savings is 20 percent as against 18 percent at the banks. The advantage to clients, however, is that no major collateral other than six months' savings is required. Most of the loans are taken for business expansion purposes. Initial start up capital comes mainly from family members. The clientele base mostly includes people in the food and beverage business, hair salons and barbershops. To date, over 120 million cedis have been mobilized under the credit scheme. 75 million cedis have been given out as loans. The scheme invests the savings in high yielding financial instruments.

**c. Employment and income generation**

In 2000, there were 886 employees in the Hotel, Food and Beverage industries in Cape Coast/Elmina as compared to 123 in 1990. This represents an increase of 620 percent. This comprises of 474 males (53 percent) and 412 females (47 percent). In the hotel sector, direct employment increased from 111 in 1991 to 727 in 2000 in the Cape Coast/Elmina area, comprising 429 males and 298 females. In the restaurant and fast food sector, direct jobs increased from 12 in 1991 to 159 in 2000. This is made up of 45 males and 114 females. Data was not available on Drinking Bars and "Chop Bars", which largely serve the domestic tourism traffic.

In the public sector, GMMB staff rolls increased from 66 in 1991 to 155 in 1996. It currently stands at 146. Park staff numbers also increased from 38 in 1991 to 96 in 2000. Ghana Tourist Board staff has remained at a constant of seven. Total employment directly generated by these offices is currently 247. Overall, the project has resulted in direct employment for 1,133 people.

Based on research conducted by the Ministry of Tourism, UNDP and the World Tourism Organization during the preparation of the National Tourism Development Plan for Ghana (1996 – 2000), it was established that direct employment in tourism results in a 3.5 multiplier related to indirect and induced employment in other sectors. Total employment (direct and indirect) generated by tourism in the project area is therefore estimated at 5,000. Indirect jobs relate mainly to handicrafts, travel and transportation, commerce, fashion, handicrafts, agriculture and construction industries.

Income received by employees represents the income generation of tourism. Direct payroll costs for staff of the three line agencies is a total of 896.40 million cedis in 2000. Based on an assumption of a 250,000 cedis average monthly salary for the hotel and food and beverage sector, it is estimated that tourism generated an additional 14.25 billion cedis (\$2.82) million in incomes in the Cape Coast/Elmina/Kakum Conservation areas. The income multiplier from tourism in Ghana is estimated at 3.4.

**d. Capacity Building (e.g., training)**

Tourism development in the Central Region, as elsewhere, translates readily into job and job training opportunities for local residents. For those already engaged in some facet of the industry, it can offer the opportunity for increased income and job promotion. Indirect job creation has also been realized, specifically in the lower-priced hotels and guesthouses that utilize family labor. The 1999 Cape Coast University survey revealed that over half of the hotel staff currently employed had had job training in the twelve months prior to the survey. Over 80 percent of the reported training was in management or management-related positions. Other major areas of training included client services, front desk positions, time management, catering, and the development of computer and Internet skills. Among staff employees who had not had any training, roughly one half had been recently hired as new entrants to hotel-based operations.

Hoteliers who participate in the UCC survey cited the need for training in general and financial management to be, perhaps, the most pressing need in the industry. One of the hoteliers consulted by the Evaluation Team suggested that in his view better training was even more important than implementing plans to upgrade the landing capacity of a nearby airport. Participating hoteliers also singled out the need for the development of more tourist attractions in the region, which they believe would translate into longer tourist stays in the region.

**7.4.3 The Impact on Agriculture, Fisheries and Livestock**

The agricultural industry in the Central Region consists mainly of private small-sized holdings along with scattered commercial holdings. As such, it provides the livelihood of some two-thirds of the region's population. Marine fishing and livestock are also significant industries, although large cold storage facilities for fish are generally non-existent in the region. A number of small-scale manufacturing plants are also operating. The economic impact of tourism development is a factor in improving the livelihood of residents of the region's rural areas. However, its impact on agriculture has been minimal.

Continued expansion of the tourism sector will inevitably result in a more favorable impact on the agricultural sector, especially for those farmers engaged in raising garden vegetables

and produce like citrus and pineapples. Many of these products are already being bought through local markets by the region's tourist hotels and restaurants. Poultry farmers will also likely begin to enjoy increased earnings from their operations. Steps will need to be taken by local farmers to improve the quality of their produce, if they are to realize substantially greater benefits from tourism development. They will also need to develop the capability of delivering goods to market on a more reliable basis than is the case at present.

The economic impact of alternative agro-based income generating projects linked to tourism development programs in the region, particularly to the Kakum Forest conservation program, is still minimal compared to what it could be with better planning, management, promotion, finance, and implementation. Projects being implemented include snail farming; grass-cutter farms; beekeeping for the production of honey and wax in commercial quantities; the expanded collection of certain types of leaves for commercial wrapping purposes; and commercial cane production. Plans are also being made to develop palm oil processing, cocoa, and medicinal gardens for commercial purposes.

#### **7.4.4 The Impact on Tourism regulations, policies, and institutional arrangements; and the tourism supply, demand and industry structure**

As the Central Region's successful Tourism Development Strategy grew, the Central Government and various regions decided to set up Tourism Development Committees in other key regions to replicate the work of the Central Region. Thus the overall project led to the setting up of regional Tourism Development Committees in the nine other regions of Ghana.

Further, with the demand for better tourism services in Cape Coast, Elmina and Kakum National Park, the need for national tourism training was brought to the fore. It was in part this immediate demand, as expressed in the Central Region's tourism development project, which demonstrated the compelling need for tourism training to be delivered on a national basis. The Ministry of Tourism then supported a regimen of training by creating and implementing HOTCATT, the Hotel, Catering and Tourism Training Institute.

In addition, the first discussions about revenue sharing and the establishment of a National Tourism Fund to support tourism development came during the course of this project. Revenue sharing is now a part of Ghana's National Tourism Policy, and is making its way forward towards a realized end. Thus because of this project, the overall concept of revenue sharing became a part of Ghana's National Tourism Development Policy. There is now a lively debate about implementing this strategy, not about whether or not it's a good idea to create a revenue sharing program.

Further, national tourism and environmental policies seem to be tracking the success of Kakum National Park, contributing to additional environmental conservation. The Wildlife Division is considering Kakum's success model to boost tourism attractions and earnings in other regions. This was notably publicized by the Tourism Department as an approach to Ankasa Resource Reserve in the Western Region. When asked about this development, the Director of Research, Statistics and Information of the Ministry of Tourism, Mr. A. S. Bekoe said that Kakum National Park had exceeded its capacity, and with its level of patronage, it made economic sense to establish another park to meet the demands of tourists. Thus the project's success in creating a national park and preserving it is leading to the preservation of other pristine ecosystems in Ghana.

Another major impact of the NRCHP has been the development of a Conservation and Tourism Development Plan for Cape Coast. Two valuable historic buildings, St Mary's Convent and Government House (now renamed Heritage House) were restored. The conservation of these old buildings, demonstrated the potential for rehabilitating and maintaining the old housing stock of Cape Coast. Many of these houses are in danger of collapse or being pulled down by the Municipal Assembly. Through a small grants program in the form of materials only, homeowners in Cape Coast and Elmina are offered assistance to maintain and restore their homes. Many homes otherwise in danger are now being restored for residential and commercial use. US ICOMOS and The New Media Center of the University of Virginia developed a digital inventory of cultural resources and a Municipal Geographic Information System (GIS). The GIS now serves as the official database for planning in Cape Coast. The model is to be adopted by all local and regional planning authorities.

Relative to environmental conservation issues, in a brief survey of beaches in Elmina, it became clear that there were a number of sea turtles coming to shore to lay their eggs that were not doing well. In the current uncontrolled environment, local communities usually kill those endangered sea turtles as a source of food. It is not clear that there is any coastal zone management at the present time, as it is rumored that over-fishing takes places regularly. As tourism demand increases, it makes sense that a structure should be put in place to protect these sea turtles, and to protect the marine zone around these protected World Heritage Sites. It is hoped that as the success of Kakum National Park grows, a good look will be taken at coastal zone management, and a decision will be made to preserve the environment for the favorable impact it will have on tourism.

Finally, as a result of this project CI has created a much larger presence in Ghana. Because of the perceived success of this project, it is creating conservation projects in other parts of Ghana, and throughout West Africa. It is taking the success it is ascribing to Kakum, and attempting to use its fame as a way to continue conservation education and practices throughout the world. It is likely that for years to come, the involvement of CI will continue to generate favorable publicity and partnerships for GHCT and other stakeholders in Ghana. This will likely cement the efforts of GHCT to preserve the ecosystems and communities around Kakum National Park. It may even compel CI to focus more on completing the various community development projects it started during the course of this project, and sustaining them.

## **7.5 The Economic Benefits/Economic Costs**

### **7.5.1 Direct Benefits/Costs to the Cape Coast Area and the Central Region**

The direct benefits to the Cape Coast area and the Central Region, generally appear in the form of increased earnings (in local currency or foreign exchange); increased job opportunities; increased training opportunities; pay raises linked to the completion of training programs; increased self-employment; greater incentives for family investments in tourism-related businesses; increased car rentals; lower user fees resulting from the broader spread of telecommunications transmissions; service charges; taxes (VAT); and the production and sales of higher value agricultural commodities, furniture, appliances and consumer goods.

The public and private sector investments that are being made to help conserve Ghana's natural resources are generally based on the assumption that the benefits that will result from these investments and the costs that will be incurred will accrue to both the overall economy of a region as well as to the individual institutions and entities that are located within that region. It is when the benefits of these ventures exceed the costs, that a program or project is deemed successful. Secondly, whereas the impact of some investments in eco-tourism and related private sector enterprises might be realized in the short to medium term, the benefits and impact from bio-diversity conservation activities will generally spread to well beyond the lifespan of the project

Regarding the extent to which farmers and fishermen within the region are benefiting from expansion of the tourist industry, about 60 percent of the hotels reported that they generally procured the food items used by them directly from markets located within the region. Most of the balance of their food requirements were purchased from markets or wholesalers located in and around Accra.

#### **7.5.2 The Indirect Economic Benefits/Economic Costs, Outside the Central Region; the Spread Effects of the Project**

The quantification of the economic benefits and economic costs of the Central Region's tourism development program, that accrue to agencies and businesses located outside of the Central Region is difficult to characterize at this time. Certainly, however, the national government is benefiting from the increased tax revenues and foreign exchange earnings that are currently being collected from the Central Region and elsewhere mainly because of the success registered to date by the Central Region's tourism development program. Similarly, tourism-related businesses, banks and food wholesalers located outside of the region are benefiting from increased sales of their products and services. Both the national government and business firms are also benefiting from intangibles, such as the growing international status and bankable publicity that comes with having world heritage sites as tourism destinations

#### **7.5.3 Potential or Future Benefits/Costs**

Team members relied heavily on the economic impact analysis contained in the project's two previous evaluation reports; on their review of the economic and financial data provided in these documents; and on information gathered directly through interviews with national and regional government officials, hotel managers, local tourist officials, merchants and community inhabitants to assess the benefit/cost components of the project in the near term. As for potential or future benefits and costs, we believe that the benefits will continue to increase if the tourism industry in the Cape Coast area were to continue to expand at roughly the same rate that it has over the past decade, primarily because of capitalization to date. Conversely, given that a significant share of the costs of the support infrastructure needed by the industry has already been put in place, costs can be expected to increase at a slower rate relative to benefits.

Tourism development is occurring in the Cape Coast area of the Central Region because the main prerequisites to such development are in place. Secondly, as noted earlier, the region has also been steadily developing the infrastructure needed to support tourism, while simultaneously capitalizing on the dedication of the area's conservationists to preserve its cultural sites and natural resource assets. Public investments in tourism-related infrastructure

have been taking place since inception of the Project. These investments are continuing to be made, as attested by team interviews with regional officials in the road construction, electricity, telecommunications, water and sanitation sectors.

To accelerate the process, however, requires that the process of developing the industry be adequately financed and effectively implemented. Given the considerable local revenues that are being generated and the foreign exchange earnings potential of tourism in Ghana, it remains for the Government, Central Region, and community officials to determine whether that potential will be fully exploited and at what rate that will occur. The team believes that whereas a lot is currently being done to sustain the tourism development process in the Cape Coast area, not enough is being done to fully capitalize on the opportunities at hand to derive substantially greater benefits.

To assist in helping Ghanaians with further development of the industry, particular attention should be given by USAID to continue its program to provide the technical assistance and training needed to improve the business development and tourism management skills of local entrepreneurs. Such training should be directed at increasing the ability of medium and small-scale enterprises to implement effective employment, training, procurement, promotion and marketing strategies, and include practical courses in bookkeeping, inventory control, credit management, customer relations, and service pricing. What is being proposed falls well within the scope of the USAID/Ghana Mission's ongoing efforts to promote tourism-led economic growth, which constitutes a key component of its strategy to promote sustainable increases in private sector enterprise production and marketing in Ghana.

#### **7.5.4 The Linkage between Heritage Tourism and Economic Growth**

The UCC survey report noted that of the 53 hotels that were currently operating in the Central Region in 1999, 41 of them had been established in the 1990s. Team interviews with hotel owners have indicated that the main attraction to them for locating in the Central Region has been the emphasis being given in the region to tourism development. Funds allocated under the project over the past ten years have been directed mainly towards the institution components of the project. Because of the leveraging effects of investments in hotels and tourism-related activities and the considerable geographic spread effects of tourism development, the linkage between heritage tourism and economic growth while strongest in the area in which the development process is occurring, the economic impact of the process can be far reaching, as discussed in some detail in Section 7.5 above,

### **8.0 Lessons Learned Relating to the Economic Impact of the Project**

#### **8.1 Recognition by the team that the economic impact of the project has been largely confined to the Cape Coast Area**

The overriding lesson learned from the Team's analysis of the economic impact of the Project is that even though tourism is indeed the leading economic growth sector in the Central Region and has registered rapid growth over the past decade, it has not been shown to have had an appreciable economic impact in the region beyond the Cape Coast-Elmira-Kakum Forest area. Measurable impact is indeed being felt in the area under development; and tourism has notably changed the economy in the Cape Coast-Kakum Forest area. But the effects of the tourism development experienced to date in the area have not yet extended much beyond the area and have had little effect on the Central Region, itself, and beyond.

The economic impact of the project would, of course, also be more extensive if hotel managers and restaurant owners found it profitable to buy fruits, vegetables, livestock, poultry products and other needed food items from outlying farms in the region. As noted earlier, however, steps will need to be taken by local farmers to improve the quality of their produce, and they will need to develop the capability to deliver their goods to market on a more reliable basis than is the case at present in order for them to realize substantially greater benefits.

**8.2 Recognition by the team that future progress in tourism development in the Central region and in the Cape Coast, Elmina and Kakum Forest area will require closer coordination of effort than has been exhibited to date.**

Inducing desired spread effects from the tourism development program will require a variety of concerted actions, such as road improvements, promotional ventures, market development, improving and increasing tourist attractions, and enhancing recreational facilities that will give visitors to the Cape Coast area good reason to extend their visit to other destinations within the Central region and beyond.

**8.3 Realization by the team that recommendations contained in previous evaluation reports have not been as effectively implemented as they might have been. This lassitude in implementation has forestalled more rapid and further development of the tourism industry in the region.**

To build on the development platform that had been developed, the Weidemann Associates Report published in 1997 made a number of recommendations that were implemented in the intervening years. It also made a number of recommendations that were not implemented. The team believes that greater progress on the project would have been achieved had the recommendations been effectively implemented.

**8.4 Poor record keeping was cited in the University of Cape Coast survey of hotels in the Central Region as a major problem in compiling information on budget hotels and restaurants at the lower end of the tourism business spectrum.**

For some, this is due to the fact that family members constitute the working staff of these hotels and restaurants and owner-managers do not consider it important to compile information on family staff. As a result, there are gaps in data concerning the economic status of employees working in budget hotels and restaurants with respect to key variables such as age, wages, education and training.

**8.5 The success of tourism development ultimately depends on how effectively tourism activities are linked with other sectors of the economy.**

Tourism development in the Central Region is part of an integrated regional development initiative. Effective regional planning, coordination, investment promotion and monitoring were the *raison d'être* for the Central Regional Development Commission (CEDECOM). As an agency of the Regional Coordinating Council, the Commission currently lacks the capacity to carry out its mandate. Data on the region's economy and the various sectors is not collated. The team had to visit several government institutions and offices for information. This can be extremely cumbersome for a potential investor. Tourism information

management systems that are in place to track investments, visitor statistics to the core tourism zone and to key attractions such as the Castles and the Park are rudimentary. CEDECOM and the key line agencies should be strengthened to facilitate their respective data collection, coordination and promotion of tourism-related activities.

There is the need to improve the quality of the sites and tourism townships. A comprehensive program focused on hygiene, sanitation, and environmental enhancement should be developed for the major project sites, particularly Cape Coast and Elmina. There is also very little involvement of District Assemblies, Traditional Councils and other civil society groups in implementation of tourism activities. A lot more needs to be done in this area to sensitize these institutions and groups, as partners in successful tourism development.

Private sector has effectively responded to opportunities and is investing in hotel and other infrastructure. Average occupancy rates at most hotels are below optimum. Average length of stay is one night. Nearly 70 percent of visitation is Ghanaian. Much of the current business in the area relates to conferences, meetings, funerals, and visiting family and relations (VFR). Very little leisure tourism traffic is coming to the region. An aggressive marketing strategy targeted at the domestic and sub regional (West African) market as well as targeted and niche-marketing strategies should be developed. Niche marketing should focus on Europe, North America, and Africans in Diaspora, using specialists who know these markets well. Funding and technical assistance should be directed at creating more activities and enhancing visitation experience at existing attractions as well as the creation of new ones that encourage visitors to spend more tourist-nights in the region.

Hotels obtain much of their food items from the local market. However, there is very little formal relationship between the agricultural and fishing industry and the hotels and restaurants. Meat, poultry, eggs and some categories of seafood are procured in Accra. The capacity of local farmers to meet the demands of hotels and restaurants on a sustainable basis is limited. Most producers are small businesses. Some hotels such as Coconut Grove have initiated actions to meet with farmers and encourage them to produce to quality specification and meet the hotel's full demand for local products. Available funding and technical support should be directed to stimulating supply side agricultural enterprises and private sector investment.

## **9.0 Conclusions and Recommendations**

### **9.1 Conclusions and Recommendations Related to the Institutional Capacity of GHCT .**

**1. Focused technical assistance should be provided to the GHCT Secretariat (and Board) to complete the transition phase with adequate fund-raising capacity, financial management capacity and administrative structures in place.** The team recommends that technical assistance should include operational support, and improving partnerships and collaboration with stakeholders.

**2. The human resource base of GHCT should be strengthened.** In the short term, the team recommends that GHCT recruit additional technical staff for program management and stronger administrative support. A more experienced and senior financial manager should be

hired immediately. Consideration should also be given to recruiting a staff person with fund-raising skills.

**3. The Strategic Plan of GHCT should be revised, and in some areas, its scope reduced, with considerably greater emphasis placed on fund-raising.** The team recommends that GHCT realign its goals *away* from enterprise development, and focus more on its role as a Trust – fund-raising and supporting partner institutions. One possible option to explore is subcontracting a local professional organization to focus on fund-raising in the short run. The GHCT goal of countrywide assistance should be put on hold until GHCT has capacity to meet its stated mission for the Central Region.

**4. To ensure the optimal performance of GHCT as an organization, many of its partner institutions need support, reorganization and technical assistance.** The team recommends that a USAID technical assistance facility be created for GHCT to call on for the delivery of training and technical assistance to supporting partner institutions, stakeholders, and communities. GHCT would serve as a facilitator to connect the organizations (e.g. GMMB, WD, stakeholders in the travel and tourism industry, etc.) with USAID-provided technical assistance.

✓ **5. GHCT should not be engaged in the delivery of technical assistance or be working to build its own enterprise management capacity.** The team recommends that GHCT serve more as a link, working as a facilitator or matchmaker between other organizations/NGOs who specialize in technical areas (e.g. small and medium enterprise support, and agricultural methods) to deliver technical assistance and start-up support for village level income generating activities. Attention to poverty alleviation and the overall economic needs of communities should be the focus of the relationship with communities. Villagers appear to have a strong understanding and commitment already to conservation, resulting from education and awareness programs in earlier phases of the project. Now these communities must be given hope and strong evidence that supplemental income can be created to replace their previous dependency on the forests (e.g. palm oil processing, soap processing, cocoa production, and access to markets for all products).

**6. The GHCT Board of Trustees should recruit new board members with strengths in technical areas not currently present on the Board, most importantly, fund-raising.** The Board is in the process of identifying additional board members, which will hopefully increase the active participation of the Board as a whole. The team recommends that the Board should focus as much as possible on its fund-raising capacity and begin to engage in fund-raising in the short term

**7. An impartial team or auditing firm should examine data collected on visitors to Kakum National Park, Cape Coast and Elmina Castles.** Data made available by GHCT, GMMB and WD concerning visitors to these sights and the revenue collected for entrance fees, was limited and incomplete. The team recommends that an independent audit be conducted to determine the magnitude of leakages, if any. Assistance should then be provided to set up systems to improve revenue collection, which will serve to better maintain and upgrade Ghana's historic sites and natural resources.

## **9.2 Conclusions and Recommendations Related to the Economic Impact of the Project**

- 1. Attention needs to be given to ensuring that a realistic and well-focused tourism marketing strategy is in place for the Cape Coast area and is being effectively implemented**

The team recommends that support be given to the Ghana Tourist support to effectively market the Central Region. Further, the team recommends that the Hoteliers Association in the Cape Coast area and in the Central Region, be encouraged to join with other community groups in working to develop and implement such a strategy. The strategy should take account of the need to set standards for improving sanitation in areas adjacent to hotels and guesthouses and provide incentives to residents and local businesses to beautify the areas around these facilities, as well as the areas around their own residences and places of business. The Association should also become more active in assisting with group activities such as advertising and tourism promotion.

The team also recommends that a well-managed tourism database and tracking system be developed and maintained to ensure that the tourism marketing strategy is being effectively implemented.

- 2. A regional non-governmental organization (NGO) with an office in the Cape Coast area should be designated to serve as a clearinghouse for tourism development proposals**

Unfortunately, the team was not able to identify an existing regional NGO with the technical and managerial staff needed to manage such an operation. The establishment regional private sector counterpart to the Ghana Tourist Board would be a suitable choice.

- 3. Increased public and private investment funds need to be mobilized to underwrite the cost of rehabilitating the area's historic sites as well as the cost of constructing the supporting infrastructure needed to facilitate access to the sites**

The team recommends that the District Assemblies become more active in seeking the investment funds needed to develop supporting infrastructure, such as access roads and utilities. Also, that the Assemblies institute and enforce policies that require potential sites for hotels be identified in advance, and take steps to ensure that the access roads and utilities needed are improved prior to authorizing actual construction at the site.

- 4. A follow-on program of technical assistance and training is needed to capitalize on the progress made to date in tourism development and to accelerate and broaden its economic impact.**

A follow-on program of technical assistance should be developed by the Ghana Tourist Board working closely with local groups and organizations interested and involved in tourism development in the region. The funding needed to support such efforts should be provided by USAID and other donor agencies.

- 5. In recognition of the need for human resource development in the hospitality and travel industry, consideration should be given to the establishment of a Hotel and Restaurant school.**

The team recognizes the concerns expressed by owners and managers of hotels and other accommodation facilities, for professionally trained, quality staff to deliver the required service standards in an increasingly competitive industry. Funding consideration should be given to the establishment of a national Hotel and Restaurant school, which takes advantage of the existing programs at the University of Cape Coast and the industry infrastructure available in the area for practical training.

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