Assignment: TF010903

GHANA - FCPF READINESS GRANT

FCPFR - FOREST CARBON PARTNERSHIP FACILITY

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Approving Manager: 00000086248  - Magdolna Lovei

### Summary Information

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This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program(FCPFR), Disbursements.
OVERVIEW

Overall Assessments
Grant Objectives:
The Project Development Objective is to support Ghana in preparing itself to engage in an international REDD+ mechanism through the design of a socially and environmentally sound national REDD+ strategy and the development of a reference scenario that takes into account national circumstances.

Overall progress from 07/01/2013 to 06/30/2014 with regard to Achieving Grant Objectives:
Comment:

Project is moving steadily towards achieving its objectives, with Ghana increasingly mobilized for engaging in REDD+ through progress in formulating the national environmentally and socially sound REDD+ strategy and reference scenario.

Overall progress from 07/01/2013 to 06/30/2014 with regard to Implementation of Grant Financed Activities:
Comment:

Overall progress over the reporting period is moderately satisfactory. Project finalized selection and contracting for major consulting assignments producing key outputs, particularly (i) Strategic Environmental and Social Assessment (SESA) and preparation of an ESMF and stakeholder engagements/outreach strategy; (ii) preparation of REDD+ Strategy using all relevant inputs in coordination with relevant agencies including stakeholder engagement/outreach, map institutional and legal framework for REDD+ implementation; and (iii) establishment of a Reference Scenario and development of a Monitoring, Reporting and Verification (MRV) system for Ghana. Work on these key deliverables is advancing satisfactorily with final deliverables on reference level for deforestation, draft REDD strategy scheduled to be delivered by the original closing date (early November 2014). The progress on the major consultancies to some extent offsets the initial delays in preparation of the terms of reference and bidding documents for launching the project's core activities, and undue emphasis on small consultancies that burdened the procurement and contracting capacity of the implementing agency (the Forest Commission Climate Change Unit).

The Forest Commission Climate Unit has more recently also continued to engage stakeholders for developing the national REDD strategy and REDD readiness. The Forestry Commission has improved co-ordination with the Ministry of Lands and Natural Resources which is responsible for the Forest Investment Program (FIP) although yet greater coordination in this area will be needed as Ghana advances with the preparation of the ER program Document. The Forest Commission Climate Unit has demonstrated significant commitment and drive in the course of preparation ER-PIN for a potential program in the High Forest Zone mosaic forest landscape. The Forestry Commission also effectively engaged stakeholders including private sector in the course of preparation of ER-PIN. This activity aligns to the preparation of REDD+ strategy and will serve to pilot interventions in areas where cocoa expansion is one of the main drivers of deforestation. Thanks to these efforts, Ghana has been selected into the Carbon Fund pipeline, and the Bank team will continue to closely support preparation of the program for presentation to the FCPF Carbon Fund next calendar year.

Grant follow-up and structure
Description and context of Grant:
The current grant of $3.6 million is expected to close in early November 2014. During the mission in February client has confirmed the need for additional financing and intention to request for it.

Expected follow up (if any): Follow up Bank project/loan/credit/grant

Comment on follow up:
There are funding-related gaps in achieving the REDD readiness as envisaged in the original R-PP. Several follow up activities are envisaged. First, Ghana indicated plans to make a request for additional grant financing of up to $5 million to the FCPF to complete amongst others, the (i) operationalization of the monitoring, verification and reporting system, (ii) a national
registry, and (iii) support to complete preparation of pilot projects so lessons from the ground can inform the readiness and REDD strategy. These activities could link to the preparation of a ER-PIN. Second, Forest Investment Program (FIP) with funding of $50 million ($40 of which through the World Bank Group) is being prepared. Third, Ghana put forth ideas for for emission reduction programs for mosaic forest landscapes with emphasis on sustainable cocoa production, given that cocoa expansion is a key driver of deforestation in this region. Ghana ER-PIN based on these was successfully selected for the pipeline of the FCPF Carbon Fund.

End Date of Last Site Visit:

Restructuring of Grant:
N/A

OUTCOME

Comments on outcome achieved from 07/01/2013 to 06/30/2014
The REDD strategy preparation, SESA and the Reference Scenario, the key components supported by the FCPF readiness grant, is progressing well. The inception reports and intermediate findings and recommendations are being discussed by stakeholders. There will be great impetus on finalizing and validating these deliverables in the next 5 months, and beyond that once additional financing is received to address readiness gaps as identified in Ghana's Mid Term Progress Report. On the technical side a functional MRV system (including for co-benefits), REL for degradation (the current work is focused on REL for deforestation only) and approach to land tenure are key gaps that need to advance substantially for piloting REDD+. The improved pace of implementation and progress in 2013-2014 shows that GoG is committed to continuing its REDD efforts. However, technical capacity within REDD secretariat and at decentralized levels on principles and concept of climate finance and performance based payments within national development context require further strengthening.

Grant Outcome Indicators
No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component
Support to Coordination of the REDD+ Readiness Process and Readiness Preparation Activities Management, M&E for Project Performance

Status: Under Implementation
Planned Output: Functional REDD+ Secretariat, and REDD+ Technical Working Group with capacity with coordination and communication of REDD+
Actual Output: see detailed comments under section "Comment on implementation progress by component”.

Contribute to the design of the national REDD+ strategy for Ghana including strategic environmental and social assessment

Status: Under Implementation
Planned Output: Analytical work in support of design of National REDD+ strategy + SESA; Support Information Sharing and Multi-stakeholder Consultation Process
Actual Output: see detailed comments under section "Comment on implementation progress by component”.


Preparation of National Reference Scenario for REDD+

Status: Under Implementation
Planned Output: Quantification of historic emissions/removals from deforestation, degradation, and enhancement of C stocks at a national scale, building from sub national scale
Actual Output: see detailed comments under section “Comment on implementation progress by component”.

Support mapping and planning of institutional and technical needs for monitoring, reporting and verification systems for REDD+

Status: Under Implementation
Planned Output: Blueprint for MRV system.
Actual Output: see detailed comments under section “Comment on implementation progress by component”.

Comment on planned and actual Output
The components described here are those identified in the R-PP Assessment Note

Comment on component implementation progress
Component 1: Support to the Coordination of the REDD+ Readiness Process and Readiness Preparation Activities Management, Monitoring and Evaluation for project Performance:
Actual Outputs: Capacity building and training activities for staff managing national REDD+ coordination have been completed. REDD Secretariat effectively managing the national co-ordination of REDD+ and implementation of activities planned under the readiness grant including procurement and financial aspects. Communciation strategy has been prepared. National REDD website is functional. A draft Monitoring and Evaluation Framework to monitor implementation progress of the REDD+ readiness process has been prepared. Financial audits have been conducted. In addition the architecture for national REDD Readiness management at various levels (technical and policy and terms of reference) has been agreed.

Component 2: Contribute to the design of the national REDD+ strategy for Ghana including strategic environmental and social assessment
Actual Outputs: With some delay the recruitment of consultant team to support analysis of REDD strategy options, and for the SESA work was commissioned in 2013. Both teams have submitted inception reports that clearly lay out the steps to completion of the deliverables. The prioritization of 7 candidate REDD Strategies is based on robust criteria. Land tenure is emerging as key area where policy decisions will be required for a successful REDD implementation. The World Bank mission in February 2014 took stock of the progress. Work in on track and close coordination amongst the two teams is being ensured by the REDD secretariat. Although in the months ahead considerable effort will be required by the REDD secretariat to consult with stakeholders and validate the REDD strategy. The outcomes of the SESA process will provide inputs into the design of the national REDD+ strategy. The ESMF which outlines interventions to address anticipated social and environmental impacts of REDD strategy options will be one of the outputs from the SESA process. The SESA report will be ready by August, 2014, and ESMF will be ready by September 2014. Final framework strategy is expected in October 2014. This component also supports the consultations with stakeholders on SESA and REDD strategy according to the consultation and participation plan, and the communication strategy. As the draft reports become available the consultations specific to the REDD strategy are expected to begin. Consultations so far on the readiness process have been satisfactory, although better communication and political buy in at the ministerial level is required.

The national level REDD implementation framework, assessment of legal framework and setting standards for REDD programs requires further work. An institutional mapping exercise has been undertaken and many operational guidelines and standards for national and sub-national REDD+ programs have been developed. GoG also developed initial criteria and made a call for proposals for REDD projects. But implementation (the support for which had to come from sources other than FCPF) was not available and implementation of pilots has been delayed. The legal assessment and land tenure is being analysed by other initiatives and better coordination is required.
In addition, final reports for the Communications Plan and M&E framework, have been delivered by the consultants. Consultancies presenting option for the design of benefit sharing arrangements and a conflict resolution mechanism have also concluded (although additional work on implementation has been highlighted for additional financing). Work is being
undertaken on the design of a national REDD+ Registry (including Information System for monitoring multiple benefits) and additional finance will be sought for operationalization of these systems. Ghana has moved away from establishing a national fund under the oversight of the Forest Research Institute of Ghana, but has flagged need for setting up a framework for management of REDD+ funds as an item for additional funding.

Component 3: Preparation of National Reference Scenario for REDD+
Actual Output: Recruitment of international consultant team (Indufor Oy) was completed in 2013. Inception report was submitted and the work is well advanced.

Data for 3 periods in time between 2000 and 2010 is being analysed to establish historical deforestation trends. The Govt of Ghana, Forestry Commission and relevant units including the MRV group has been working closely to agree to the approach for national level Reference Scenario. The development of a REL/ RL is building on earlier works in this field, and hardware and initial data sets have been procured. Work has included mapping existing capacities and identifying capacity building needs in the Forestry Commission and relevant institutions for establishing Reference Scenario and the provision of training to staff. Development of methods and approaches appear to following established international protocols. Ghana’s approach to Reference levels envisages starting with sub national reference levels for ecozones as there are differences in drivers of deforestation between ecozones, and then building the national reference levels. Some technical challenges such as use of land use, and land classification (conducted previously with JICA support) for the reference levels may require reanalysis. Additional gaps in the context of REDD strategy implementation such as methodology for degradation (discerning high and medium shade cocoa) have been identified. The team is expected to complete the work by October 2014.

Component 4: Support mapping and planning of institutional and technical needs for monitoring, reporting and verification systems for REDD+:
Actual Output: A functional MRV system is a prerequisite to participate in a future REDD+ mechanism, and its development will be guided by ongoing international discussions under the UNFCCC and will be aligned with the IPCC framework. The consultant team working on Reference Scenario is also helping to prepare a blueprint for for a MRV system for Ghana capable of tracking all activities (deforestation, degradation, reforestation and enhancement of carbon stock). The bulk of work for a fully functional MRV system and additional gaps identified in the reference scenario will be supported through the request for additional readiness funds.

EXECUTION

Bank project related to the grant

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Implementing agency and contact details

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<td>Address:</td>
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1. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by

In relation to the climate finance program, in particular under FCPF and FIP, the Government of Ghana has made significant efforts to align the activities. For example the SESA and ESMF preparation for the FCPF will also provide information for FIP. The scope of work was discussed by the teams during the joint FCPF-FIP mission in February 2014. The REDD+ Secretariat should be complemented for its efforts in the past few months for stepping up coordination with FIP and realize synergies for the FIP, Readiness and the proposed ER Program under the Carbon Fund. For example the SESA and ESMF preparation for the FCPF will also provide information for FIP. Likewise it is proposed that some of the enabling activities to be supported by the FIP (World Bank component) are implemented in the ER-Program area proposed as a pilot for FCPF Carbon Fund. The FIP FCPF and DGM teams exchange work plans to ensure there is no duplication and that activities are complementary. This close coordination is required more so as common focus area of these initiatives is on cocoa as driver of deforestation. The REDD readiness process also builds on FLEGT and the VPA to inform the REDD strategy preparation (such as illegal logging) and the use of VPA consultation platforms.

2. Describe any important changes in the technical design or approach related to the Grant activities.

Project is being implemented as originally designed. However recognizing that the REDD readiness process has evolved considerably with clearer criteria for what a country needs to achieve under each of the readiness pillars. In this context, the workplan on some of the activities has been adapted to ensure consistency with the emerging guidelines (such as the FCPF, UNFCCC). Moving forward, Ghana will need to continue to manage expectations of stakeholders with regards to monetary benefits from REDD+.

3. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant.

The capacity within the Climate Change Unit has improved and a team of 5 members actively supports the project implementation. With the request for additional financing of $5 million and with a view to timely implementation the capacity within the Climate Change Unit should be further strengthened specially on project management, monitoring and outreach communication.

4. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach?

The SESA work is being led by an experienced nationally based consultant team with good understanding and experience on safeguards issues in Ghana. The REDD secretariat is coordinating with stakeholders and consultant team. The consultative process for SESA and REDD Strategy options are closely linked and will therefore need to be closely coordinated. This need for oversight on various consultancies to ensure that results are well integrated was discussed with GoG during the missions.

5. Is the ESMF prepared in accordance with the Common Approach?

Yes. Preparation of ESMF is combined with SESA consultancy.

6. Describe progress in stakeholder consultation, participation and disclosure related to this Grant.

Stakeholder consultations are a fundamental and central element of implementing this grant, and are integrated with the key activities and consultancies (REDD Strategy, SESA etc.). At the same time, improved communication and outreach is considered necessary to keep the broad public better informed of progress of Ghana REDD. The independent assessment at mid-term commissioned by the Government of Ghana acknowledges the inclusive stakeholder engagement processs thus far.
### DISBURSEMENTS

**Disbursements Summary in USD**

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