

Document of  
The World Bank

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Report No: 92519-GH

**PROJECT PAPER**

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF US\$5.2 MILLION

TO THE

REPUBLIC OF GHANA  
FROM

THE FOREST CARBON PARTNERSHIP FACILITY

FOR

ADDITIONAL REDD+ READINESS PREPARATION SUPPORT  
FEBRUARY 23, 2015

Environment and Natural Resources (GENDR)  
Western Africa 1 (AFCW1)  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective February 23, 2015)

Currency Unit = Ghana Cedi  
Ghana Cedi 3.40 = US\$1

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

CPS	Country Partnership Strategy
CREMA	Community Resource Management Area
DGM	Dedicated Grant Mechanism for Local Communities
ENRAC	Environment and Natural Resources Advisory Council
ESMF	Environmental and Social Management Framework
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FGRM	Feedback and Grievance Redress Mechanism
FLEGT	Forest Law and Enforcement Governance and Trade
FORIG	Forestry Research Institute of Ghana
FPP	Forest Preservation Programme
GoG	Government of Ghana
MLNR	Ministry of Lands And Natural Resources
MRV	Measurement, Reporting and Verification
NREG	Natural Resources and Environmental Governance (Program)
NRS	National REDD+ Secretariat
PC	Participants Committee
REDD+	Reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks in developing countries
REL	Reference Emission Level
RMSC	Resource Management Support Centre (of the FC)
R-PP	Readiness Preparation Proposal
SESA	Strategic Environmental and Social Assessment
TCC/TCC+	Technical Coordination Committee

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**REPUBLIC OF GHANA**  
**ADDITIONAL REDD+ READINESS PREPARATION SUPPORT**

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## DATA SHEET

*REPUBLIC OF GHANA*

*ADDITIONAL REDD+ READINESS PREPARATION SUPPORT*

*AFR*

*GENDR*

<b>Date:</b> [February 23, 201] <b>Project ID:</b> P124060 <b>Lending Instrument:</b> Grant	<b>Risk Rating:</b> Moderate <b>Sectors:</b> Forestry <b>Themes:</b> Climate Change	
Date of country selection into FCPF: July 10, 2008 Date of Participation Agreement signed by Country: August 11, 2008 Date of Participation Agreement signed by Bank: August 11, 2008 Date of R-PP Formulation Grant Agreement signature: April 1, 2009 Date of Readiness Preparation Grant Agreement signature: October 17, 2011 Expected date of Additional Readiness Preparation Grant Agreement signature: February 24, 2015		
<b>Project Financing Data:</b>		
<input type="checkbox"/> Loan <input type="checkbox"/> Credit	<input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee	<input type="checkbox"/> Other, explain:
For Loans/Credits/Others: N/A Total Project Cost (US\$M): US\$5.2 million Cofinancing: N/A Total Bank Financing (US\$M): N/A		
Source	Total Amount (US\$)	
Recipient	N/A	
IBRD	N/A	
IDA	N/A	
New	N/A	

Recommitted	N/A
Others (FCPF)	US\$ 5.2 million
<b>Systematic Operations Risk- Rating Tool (SORT)</b>	
<b>Risk Category</b>	<b>Rating</b>
1. Political and Governance	Substantial
2. Macroeconomic	Low
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Low
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	Moderate
7. Environment and Social	Moderate
8. Stakeholders	Substantial
9. Other	
<b>OVERALL</b>	Moderate
Regional FCPF Trust Fund Number: TF093599	
FCPF Country Child Trust Fund Number: TF018292	
Recipient: Republic of Ghana	
Responsible Agency: Forestry Commission, Ministry of Lands and Natural Resources	
Contact Person: Mr. Robert Bamfo Telephone No.: +233 (0)208237777	Fax No.: N/A Email: bamforobert@yahoo.com
Project Implementation Period: January 2015 to December 31, 2017	

**REPUBLIC OF GHANA**  
**ADDITIONAL REDD+ READINESS PREPARATION SUPPORT**

**I. Introduction**

1. This Project Paper seeks management approval to provide an Additional Funding (AF) Grant in an amount of US\$5.2 million from the Forest Carbon Partnership Facility (FCPF) to the Republic of Ghana in support of its ongoing REDD+ Readiness Preparation process. This Additional Funding Grant complements the US\$3.4 million<sup>1,2</sup> Readiness Preparation Grant Agreement (signed on October 17, 2011). All activities under the original Readiness Preparation Grant (original grant) were satisfactorily completed by the original Grant Closing Date of November 3, 2014. As of February 20, 2015, the original grant is at a 99.68 percent disbursement level..

2. Ghana's Request for Additional Funding in the amount of US\$5 million was earlier approved by the FCPF Participants' Committee, the Governing Body of the FCPF<sup>3</sup>. Additionally, Ghana is eligible to receive US\$200,000 from the FCPF to strengthen national feedback and grievance redress mechanisms<sup>4</sup>. The total amount of Additional Funding is US\$5.2 million.

3. Ghana is among the most advanced FCPF REDD+ country participants. Drawing on an independent mid-term evaluation of the REDD+ process in April 2014, Ghana self-assessed its REDD+ Readiness progress and identified the remaining technical gaps vis-à-vis Ghana's roadmap for REDD+ Readiness (Readiness Preparation Proposal (R-PP)) and associated financial needs. Detailed information on progress achieved under the original grant and the rationale for additional funds are contained in Ghana's Mid Term Progress Report<sup>5</sup> (MTR) and Request for Additional Funding, ref. Annex 1. The proposed additional activities seek to complete the REDD+ Readiness process within a three-year period, with the Closing Date of December 31, 2017.

4. The proposed FCPF AF Grant has the same Project Development Objective (PDO) as the original Readiness Preparation Grant. The activities will fall under three components: (i) Support to National REDD+ Readiness Management Arrangements; (ii) Establishment of a Measurement, Reporting and Verification (MRV) System; and (iii) Project Preparation Support for Emission Reduction Program and testing of REDD+ readiness arrangements through ongoing pilots.

5. The institutional arrangements for the implementation of the Additional Funding Grant remain the same, with implementation managed by the national REDD+ Secretariat hosted by the Forestry Commission (FC) of the Ministry of Lands and Natural Resources (MLNR). There are no new

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<sup>1</sup> All dollar amounts are U.S. dollars unless otherwise indicated.

<sup>2</sup> The US\$3.4 million Readiness Grant Agreement signed on October 17, 2011 supplemented a first US\$200,000 Readiness Grant Agreement signed on April 1, 2009 for formulating Ghana's Readiness Preparation Proposal (R-PP). The Formulation Grant was fully disbursed and closed on July 31, 2010. For the original Readiness Preparation Grant, as of September 1, 2014, US\$1,982,184 was disbursed, with an undisbursed balance amounting to US\$1,417,815.

<sup>3</sup> Ref. Resolution PC/17/2014/2

<sup>4</sup> Ref. Resolution PC/Electronic/2012/1

<sup>5</sup> As per Section 6.3(b) of the FCPF Charter and Resolution PC/7/2010/3, during implementation of a Readiness Preparation Grant Agreement, a REDD Country Participant must submit a mid-term progress report to the FCPF Participants' Committee. The objective of the mid-term progress report is to report on the progress made in activities funded by the FCPF Readiness Preparation Grant, while also providing an overview of the overall progress in the implementation of the R-PP.

safeguards policies triggered and the Environmental Assessment (EA) Category remains B (partial assessment).

6. It should be noted that the activities to be financed by the FCPF in support of the REDD+ Readiness Program in Ghana do not include the implementation of REDD+ programs on the ground. The FCPF support is limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels. Through the Readiness Program, the Government of Ghana (GoG) is expected to identify priority investment needs to achieve the goals of REDD+. These investment needs will be financed by public and private donors and investors and the Government itself, and not by the FCPF Readiness Grant.

## **II. Background and Rationale for Additional Funding**

7. **Links to Country Partnership Strategy.** Ghana REDD+ Program delivers on the commitments of the WBG 2013 – 2016 Ghana Country Partnership Strategy (CPS) where it is included under Pillar 2 on Improving Competitiveness and Job Creation and helps address Ghana priorities in the area of forest and landscape management. It also contributes to achievement of the World Bank Group's Twin Goals – to end extreme poverty and to promote shared prosperity with environmental, social, and fiscal sustainability, by addressing the problems of costs of natural resource degradation and the developmental threat of climate change.

8. **Links to National Programmatic Documents.** The proposed Additional Readiness Preparation Activities are also in line with Ghana's Medium Term National Development Policy Framework: "Ghana Shared Growth and Development Agenda" (GSGDA), 2011- 2013. The GSGDA is structured around seven thematic pillars, the most relevant of which is (3) "Accelerated Agricultural Modernization and Sustainable Natural Resources Management". The Additional Readiness Preparation Activities further contribute to the country's National Climate Change Policy Framework (NCCPF) whose objectives are: (i) adaptation to and reduction of vulnerability to impacts of climate change; (ii) mitigation of the impacts of climate change; and (iii) low carbon growth. The NCCPF targets reductions in carbon emissions and enhancement of carbon stocks through Land Use and Land Use Change and Forestry (LULUCF) interventions.

9. **Ghana's REDD+ Program.** The Bank has supported Ghana's REDD+ program (promoting Reduced Emissions from Deforestation and Degradation<sup>6</sup>) since 2008 through a three phase process: (1) readiness preparation being implemented through the FCPF Readiness Fund (providing financing for the Formulation and Preparation stages); (2) investment – being prepared through the Forest Investment Program (FIP) and the related Dedicated Grant Mechanism for Local Communities (DGM); and (3) potentially a performance-based payment program – being identified through the FCPF Carbon Fund. These phases integrally reinforce each other: national policies and strategies developed with FCPF readiness support and investments under FIP can help to lay the groundwork for later emissions reductions and ultimately facilitate performance based natural resource finance for Ghana. Ghana's REDD+ Readiness program is a key feature of the Government's response to climate change and contributes to its efforts to access and apply global climate finance to development challenges (with support of the Bank and other partners).

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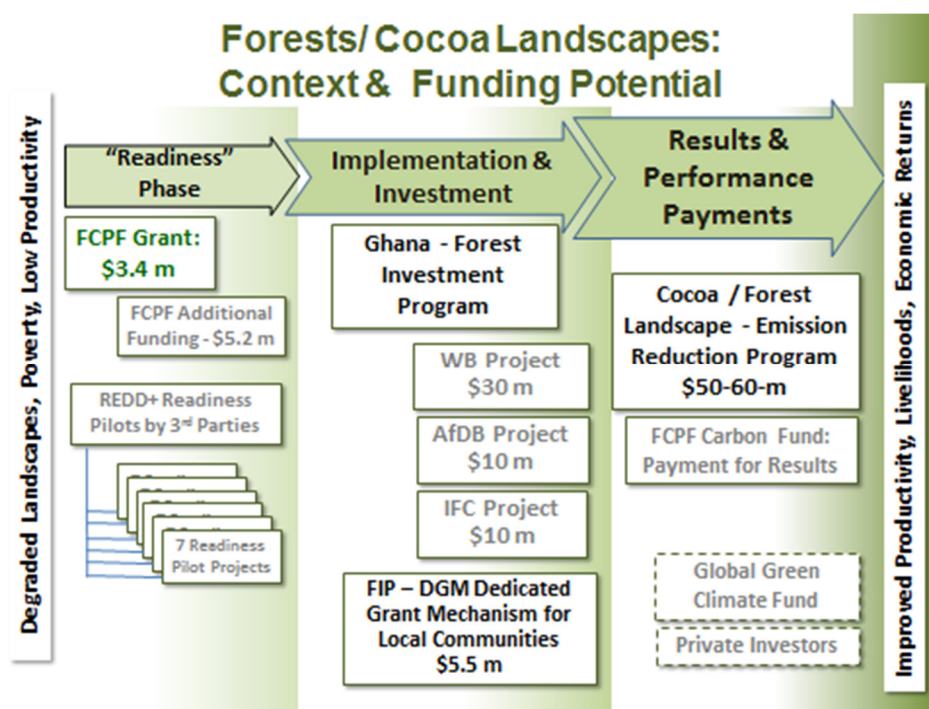
<sup>6</sup> REDD+ means reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, the sustainable management of forests, and enhancement of forest carbon stocks. REDD+ is an effort to create a system of financial incentives for developing countries to reduce emissions from forest lands.

10. **Intersectoral Coordination.** Given the multisectoral nature of the drivers of forest degradation and deforestation, there is a strong emphasis on involvement of stakeholders from different sectors in the REDD+ process. This is ensured at the *policy formulation and coordination* level as the TCC+, which, in its extended composition, steers the REDD+ agenda in Ghana<sup>7</sup>. At the *technical oversight* level, the National REDD+ Working Group and its task forces include representatives of all relevant sectors.

11. The original FCPF Readiness Preparation Grant (P124060, US\$3.4 million, effective in December 2011) aims 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. These activities will contribute to effective governance and operating environment, including for the ER Program, FIP investments and later investments.

12. Information on other Bank and donor-funded related projects is in Annex 3.

**Figure 1:** Ghana is implementing several initiatives for promotion of REDD+ with support from the Bank and other partners. The three phase process: readiness preparation, investment and implementation, and results-based payments, reinforce each other and partly overlap in time. Together they help address Ghana priorities in the area of forest and landscape management.



13. **Key Achievements under the Original Grant.** The activities under the original financing are moving steadily towards achieving their objectives, with Ghana increasingly mobilized for engaging

<sup>7</sup> TCC was established in 2007 to facilitate the implementation of all natural resources and environment donor funded programs. The TCC is chaired by Ministry of Finance (Chief Director) and consists of the NREG MDAs. For the REDD+ agenda coordination, TCC is expanded to include other players.



in REDD+ through progress in formulating the national environmentally and socially sound REDD+ strategy and reference scenario. Overall progress is Satisfactory. The original preparation activities delivered major consulting assignments producing key outputs, particularly (i) Strategic Environmental and Social Assessment (SESA) and preparation of an Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF), and stakeholder engagements/outreach strategy; (ii) preparation of REDD+ Strategy; and (iii) design of a Reference Scenario and development of a MRV system for Ghana. Final deliverables were delivered by the original closing date (November 3, 2014).

14. Reflecting integration and synergies across the various parts of the Ghana REDD+ Program, the outputs of the original FCPF Readiness Grant included the safeguards instruments, particularly the ESMF and Process Framework, for the FIP.

15. The improved pace of implementation and progress in 2013-2014 shows that GoG is committed to continuing its REDD+ efforts. However, technical capacity within National REDD+ secretariat and at decentralized levels on principles and concept of climate finance and performance based payments within national development context require further strengthening.

16. **The proposed activities under AF** aim at generating a Readiness Package (R-Package)<sup>8</sup> by November 2015. As described in section III, activities after completion of the R-Package will focus on support to National REDD+ Readiness management arrangements; operationalization of the MRV system; and testing of National REDD+ readiness arrangements through ongoing projects. In summary, the AF Grant supports REDD+ Readiness, which provides a foundation for improving governance and preparing a strategy that will facilitate Ghana's access to much larger sources of climate finance that promote investment and livelihood improvements. The Additional Funding for readiness activities is thus a critical component in a much larger program.

17. The Government of Ghana requested:

**A. Additional funding: US\$5 million**

Ghana presented a request for additional funding for assessment by the FCPF Participants Committee (PC) at its 17th meeting held in July, 2014 in Lima, Peru. At this meeting, the PC adopted resolution PC/17/2014/2 and allocated funding to Ghana up to an additional US\$5 million to continue with its preparation for Readiness<sup>9</sup>. Reference to the PC Resolution is in Annex 1.

**B. Feedback and grievance redress mechanisms: US\$0.2 million**

The PC adopted electronic resolution PC/Electronic/2012/1 allocating additional funds up to US\$200,000 to strengthen national feedback and grievance redress mechanisms for REDD+ Country Participants.

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<sup>8</sup> The Readiness Package (R-Package) is completed at the end of the readiness preparation phase, at a stage when activities proposed in the R-PP are well-advanced or completed. The R-Package consists of a national multi-stakeholder self-assessment by the country, using the Readiness Package Assessment Framework as guidelines. The Readiness Package Assessment Framework was formally endorsed (resolution PC/14/2013/1) by the FCPF PC at the 14<sup>th</sup> PC Meeting, March 19-21, 2013, Washington, DC.

<sup>9</sup> During readiness preparations, Ghana was encouraged to take into account the issues raised by the PC, as recorded in the Co-Chairs' Summary of this PC meeting.

18. This Project Paper assesses Additional Readiness Preparation Activities relative to both funding allocations amounting to US\$5.2 million. In accordance with the PC Resolution, the World Bank, as the Delivery Partner for Ghana, conducted its due diligence in order to provide the Additional Funding of up to US\$5.2 million.

### **III. Proposed changes**

#### **A. Project Development Objective (unchanged)**

19. The Project Development Objective is to design a socially and environmentally sound national strategy to reduce emissions from deforestation and forest degradation and to develop a reference scenario of emissions from deforestation and degradation that takes into account national circumstances.

#### **B. Key Results**

20. The key results of this Additional Funding are:

- (i) Ghana will be REDD+ Ready (based on the assessment criteria of the Readiness package);
- (ii) ER Program will be designed for the Cocoa Forest Landscape to pilot the REDD+ Strategy and other elements of REDD+ Readiness (MRV, REL, safeguards, benefit-sharing, etc.).

#### **C. Project Beneficiaries**

21. REDD+ is a multi-stakeholder process, since it involves the interests of a multitude of actors. The REDD+ Readiness process in Ghana places a strong emphasis on consultations and on the creation of participatory mechanisms to ensure multi-stakeholder engagement. Key beneficiaries include farmers, local communities, traditional authorities, and local authorities (including District Assemblies).

#### **D. Additional Funding Activities**

##### **1. Description**

22. The structure and implementation arrangements of the AF activities will remain as under the original grant. The AF activities are organized into three components as follows:

<b>Component</b>	<b>Budget (US\$ m)</b>
1. Support to National REDD+ Readiness Management Arrangements	1.23
2. Establishment of a Measurement, Reporting and Verification System	1.72
3. Project preparation support for Emission Reduction Program, and testing of REDD+ readiness arrangements through ongoing pilots	1.73

Contingency (10%)	0.52
<b>TOTAL</b>	<b>5.2</b>

## **Component 1: Support to National REDD+ Readiness Management Arrangements (US\$1,230,000)**

23. Under original grant, substantial efforts have been invested in developing national institutional infrastructure and management arrangements needed for the implementation of a multi-faceted mechanism such as REDD+. The capacity of the various identified entities to engage and function appropriately in the readiness process was strengthened with grant support. A new sub-website on REDD+ under the FC official website was developed and is functioning. The component also supported development of the National Communication Strategy for REDD+ and its implementation.

24. With AF, activities under this component will support the National REDD+ Readiness Management Arrangements with the aim of creating a robust system for managing and coordinating Ghana's REDD+ readiness process. The Component will finance (i) costs of the REDD+ Secretariat and Working Groups for coordinating readiness activities, consultative and validation workshops for stakeholders, and annual Roadshow programs, (ii) establishment of arrangements for the flow of REDD+ funds in Ghana, and (iii) setting up of the Feedback and Grievance Redress Mechanism.

### **1.1 Coordination of the REDD+ Readiness Process and Program Management Support (US\$970,000)**

#### Operational Expenditure of the National REDD+ Secretariat (US\$590,000)

25. The National REDD+ Secretariat (NRS) will continue to utilize a lean coordination model with clear roles and functions, drawing on external expertise (consultants or other government agencies) for specific support (with grant support in the short term and mainstreaming the processes in the long term). As a result, the FC will need to ensure that there are sufficient staff numbers in the NRS to effectively implement the FCPF grant activities and coordinate them efficiently with other Government programs. The National REDD+ Secretariat will engage two additional technical professionals and a GIS / MRV specialist. The additional staff cost will be funded by the Government. Their capacity building will be funded by the AF (GIS training is included under Component 2). The AF will also fund a Technical Advisor<sup>10</sup> and a part-time accountant consultancy<sup>11</sup>. One vehicle for the NRS will also be procured using AF funds<sup>12</sup>. The AF will also finance office space improvements<sup>13</sup> to accommodate Technical Advisor and 2 staff of the NRS. In addition, participation of two NRS staff

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<sup>10</sup> The Technical Advisor (TA) will have responsibility for provision of guidance and backstopping on key technical elements of the REDD+ readiness process. S/he will be extremely conversant with the REDD+ process as well as the peculiarities of Ghana's local conditions. The TA will identify capacity needs and initiate capacity building sessions for staff of the NRS and assist the NRS to effectively monitor, coordinate and undertake its reporting obligations on the Readiness process.

<sup>11</sup> It is envisaged that the FC will recruit a full time accountant as a consultant, to equally cover the FCPF and the FIP projects.

<sup>12</sup> The NRS currently has one vehicle. Procurement of an additional vehicle will enable the NRS to effectively coordinate and monitor the multiple field activities envisaged under the Additional Funding phase for testing of frameworks at the pilot sites and ER program area as well as data collection for setting up the MRV system.

<sup>13</sup> Rearrange and improve the existing office space arrangements to accommodate expanded team and foster closer collaboration. Includes no civil works.

at up to three (3) international climate change and REDD+ meetings per year will be funded through the grant. This sub-component will also cover costs of the mandatory external audits.

#### Operations of the National REDD+ Working Group and sub-working Groups (US\$80,000)

26. This Sub-Component will support activities (workshops and operational costs) of the National REDD+ Working Group and the Technical sub-working groups.

#### Consultative and Validation Workshops for stakeholders (US\$200,000)

27. Under the original grant, the consultative platforms for REDD+ were established; these platforms were used to prepare key outputs including REDD+ Strategy, Communication Strategy, SESA/ ESMF and RPF, Benefit Sharing, and FGRM reports.

28. Under the AF phase, targeted stakeholder consultations and discussions will happen within the context of the preparation of the REDD+ Readiness Package<sup>14</sup>. These will include: (i) Consultations on benefit sharing; (ii) high level discussions with Judiciary Service, Parliament and the Environmental and Natural Resources Advisory Council (ENRAC) seeking high-level endorsement of Ghana's REDD+ Strategy and a pursuit of policy changes stemming from the Strategy; and (iii) consultations with private sector actors to ensure private sector engagement in the REDD Readiness.

29. In addition, the NRS will organize stakeholder validation workshop(s) for the key planned AF outputs such as (i) arrangement for channeling and management of REDD+ funds; (ii) updated National REDD+ Strategy; (iii) REDD+ registry; (iv) MRV system; and (v) Feedback and Grievance Redress Mechanism.

#### Annual REDD+ Roadshows (US\$100,000)

30. The REDD+ Roadshow was initiated by the NRS in 2014, as part of the Communications Strategy implementation, using proceeds from the original grant, in order to galvanize public support for actions and measures targeted at addressing the drivers of deforestation and forest degradation in Ghana. The 2014 Roadshow targets four regions (Northern, Brong-Ahafo, Western, and Volta Regions).

31. During the AF phase, there will be one Roadshow undertaken through outsourcing, in 2015-2016, under the oversight of the Consultation and Participation Sub-Working Group and the NRS, with priority focus on Ashanti and Central regions. The Roadshow will target the general public (farmers, students, Community Resource Management Areas (CREMAs), Government staff, NGOs, politicians and landowners. The aim of this activity is to educate the target audience on REDD+ and the ER program, while carefully managing their expectations on benefits from REDD+.

32. Proposed activities for the Roadshow may include discussions on REDD+ at community radio stations; holding of REDD+ durbars; school outreaches; creation and airing of documentaries on the REDD+ process in Ghana; and newspaper articles by seasoned journalists on REDD+.

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<sup>14</sup> Consultations related to development of ER-Program Document will be included under Component 3.

## **1.2 Establishment of arrangements for the flow of REDD+ funds in the country (US\$60,000)**

### Development of arrangements for channeling and management of REDD+ funds (US\$30,000)

33. This component will finance high-level discussions (involving the FC, MLNR and likely led by MoF) to further explore options for channeling and management of REDD+ funds. This discussion will build on the benefit-sharing work done under the original grant and an options paper to be supported by AF to help inform the national discussion on channeling and managing climate funds in Ghana.

### Operationalization of Arrangements for Management of REDD+ funds (US\$30,000.<sup>15</sup>)

34. Depending on the outcomes of the activity above, the Government of Ghana may establish and operationalize new arrangements for receiving, management and channeling of REDD+ funds in Ghana. If the high-level discussions establish that channeling and management of REDD+ funds will not require creating new arrangements, this activity will be cancelled and funds reallocated.

## **1.3 Operationalization of the Feedback and Grievance Redress Mechanism (FGRM) (US\$200,000)**

35. Under the original grant, a design for the FGRM was identified and validated. This FGRM will be capable of dealing with feedback and grievances related to the national REDD+ program and ER Program.

36. Under the AF, this component will finance the operationalization of the FGRM building on the SESA and the options identified in the consultancy reports financed under the original grant.

37. The AF grant will finance the following activities:

- i) Operationalization of the Feedback and Grievance Redress Mechanism (putting in place the institutional arrangements), beginning with the ER Program area and eventually building it up to the national level (US\$160,000); and
- ii) Review and amendment of the Alternative Dispute Resolution (ADR) Act to facilitate handling of disputes related to REDD+ (US\$40,000). This work will be led by the MLNR in collaboration with the Parliament of Ghana and the Attorney General's Office, supported by a consultancy<sup>16</sup>.

## **Component 2: Establishment of a Measurement, Reporting and Verification (MRV) System (US\$1,720,000)**

38. The first stage of the readiness process, under original grant funding, resulted in an initial estimate of the Reference Level for deforestation for the various ecozones and Standard Operating Procedures (SOPs) for data collection and analysis. The SOPs form the basis to improve the Reference Level and to perform the monitoring going forward.

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<sup>15</sup> Funds will be reallocated if activity is cancelled. In case more work is required under this sub-component, contingency funds will be allocated for this purpose.

<sup>16</sup> The ToRs for this assignment need to specify that the consultant supporting the ADR Act review will have the necessary legal expertise.

39. Activities under this AF component will provide support for addressing gaps in establishment and operationalization of Ghana's MRV system. This will entail improvements to the reference level, including assessing the cost effectiveness of using remote sensing for estimating emissions from degradation, and support the strengthening of the FC's Resource Management Support Centre (RMSC) and Climate Change Unit (CCU) to perform their designated roles. The overall outcome of this Component is a fully established MRV system with the equipment in place and with the capacity established to implement the SOPs. A REDD+ Registry and associated Information System for Multiple Benefits and a Safeguards Information System will also be established.

40. Final costing of some activities under Component 2 cannot be determined at this point in project preparation. The activity costs will be reviewed after one year of implementation and adjustments (reallocations within the component) may be made within the costs under Component 2.

## **2.1 Refinement of Reference Level (US\$1,060,000)**

41. The collection and analysis of data will build upon and make use of the analytical work, SOPs and other guidelines presented in Ghana's MRV consultancy work completed under the original Grant. During the development of the Reference Level with original grant support, limitations in data were identified. The AF will, therefore, implement the SOPs to further refine the Reference Level.

42. Proposed activities for this component are:

- Field data collection and ground truthing, starting with the ER Program area and expanding to the national level, funding allowing;
- Re-classification of satellite data create Landuse/ Landuse change map for the country covering the years 2000, one intervening year between 2000 and 2010 as well as the most recent available data, preferably for year 2012,
- Determination of a cost-effective accuracy level (trade-off between increasing data accuracy against increasing costs); and
- Strengthening of RMSC capacity to implement the SOPs.

43. RMSC and the Centre for Remote Sensing and GIS, University of Ghana will lead this activity with coordination from the Climate Change Unit of the Forestry Commission. Final outputs of this activity will be subject to peer review.

## **2.2 Assessment of cost effectiveness of the use of remote sensing for estimating emissions from forest degradation (US\$200,000)**

44. Emissions from degradation have not yet been quantified for the Reference Level. It is estimated from canopy cover analysis previously prepared (2010) that approximately 3.1 million hectares or 67 per cent of the forest land is subject to gradual carbon stock loss. The SOP developed under the original grant presents approaches for the determination of emissions from forest degradation through indirect methods using data on timber harvest and fuelwood consumption. This approach may lead to the underestimation of emission from degradation due to the high rate of illegal harvesting in Ghana. In order to assess whether more accurate determination of degradation using remote sensing data is cost effective in the long term, the AF will be used to conduct an analysis of high resolution Radar and Optical Images to determine whether the use of this data provides a better

determination of emissions from degradation and if the use of these images is cost effective for future monitoring.

45. In order to assess whether more accurate determination of degradation using remote sensing data is cost effective in the long term, the AF will support the following activities:

- Acquisition and analysis of high resolution Radar and Optical Images to determine and map degradation trends in Ghana from 2000 – 2014 for selected degradation hot spots, starting with the ER Program area (US\$100,000)
- Ground truthing of selected degradation hot spots (US\$100,000) to supplement the ground truthing under Component 2.1

46. RMSC and the Centre for Remote Sensing and GIS, University of Ghana will lead this activity with coordination from the Climate Change Unit of the Forestry Commission. Final outputs of this activity will be subject to peer review.

### **2.3 Operationalization of the MRV system (US\$260,000)**

47. This Sub-Component will support strengthening of FC's capacity to perform their designated role in the MRV System. The MRV report developed under the original grant and the Forest Preservation Programme (FPP) report recommend a structure for a National Forest Monitoring system wherein RMSC would perform the data collection and processing functions, with the Climate Change Unit serving a role of receiving the RMSC products, and undertaking clearing before reporting to the Environmental Protection Agency (EPA). The Forestry Commission will also be a user of the data, maps, etc. produced by RMSC for internal planning and management of forest resources. The independent mid-term evaluation of Ghana's REDD+ readiness confirmed that in order for the NRS and the Forestry Commission to perform the above role effectively, there is a need for NRS to augment its staff strength by recruiting a GIS/ MRV specialist and for the decentralized offices of the FC to be able to access the data.

48. Building on the achievements of the FPP and findings of the MRV report funded under the original grant, the AF will support:

#### Capacity Strengthening of a GIS Specialist (US\$20,000)

49. The GIS specialist would have postgraduate qualification in GIS. However, the NRS will allocate US\$20,000 under the AF grant to train the GIS Specialist over a three month period in approaches for MRV/ GIS for REDD+ implementation to ensure that the recruited staff is fully abreast with the REDD+ MRV process.

#### Procurement of Hardware and Software (US\$240,000)

50. Under the FPP, the RMSC was provided with GIS hardware and software. In order to ensure that the MRV system is decentralized, the GIS hardware (computers, printers, scanners and hand-held GPS units) and software (ArcGIS suites, etc.) will be procured for the FC headquarters, regional and district offices with priority (in case of limited funds) given to FC offices in the ER Program area. Access to this equipment will enable staff of the FC to use and add GPS information to data products derived from remote sensing data (e.g. maps).

## **2.4 Establishment and Operationalization of Ghana's REDD+ registry, Including Design and Implementation of the Information System for Co-benefits and Safeguards (US\$200,000)**

51. Under the original Readiness Preparation Grant, a technical Working Group was commissioned to develop a concept note for Ghana's REDD+ Registry. The AF will finance the establishment of a REDD+ data information hub or platform to provide geo-referenced data on projects, funding, benefits, and transactions, including:

- identifying institutional arrangements (an Administrator, a System Operator and a forest M/E entity) for the REDD+ registry;
- Designing of a system(s) capable of reporting on the following elements: (i) carbon (projects/ programs database including emissions/ removals data); (ii) co-benefits (information systems for multiple benefits and safeguards); and (iii) tracking of carbon transactions (emissions reduction payments). This activity will be coordinated through the Registry Technical Group and the NRS with the registry work undertaken by the EPA;
- Establishment of the program database and information system for co-benefits and design and development of the Safeguards Information System<sup>17</sup>.

## **Component 3: Project Preparation Support for Emission Reduction Program and Testing of REDD+ Readiness Arrangements through Ongoing Pilots (US\$1,730,000)**

52. This component aims to leverage AF to enable Ghana to develop and complete an Emissions Reduction Program Document (ER-PD), finalize and test benefit sharing mechanism/s. Activities under this component include support for project preparations for Ghana's Emission Reduction Program for piloting REDD strategy implementation, technical assistance for pilots testing REDD+ readiness arrangements, and the selection and operationalization of benefit sharing mechanism/s. It will also support any updates to the national strategy, as required.

### **3.1. Preparation Support for Ghana's ER-Program in Cocoa Mosaic Forest Landscape under Consideration by the FCPF Carbon Fund (US\$1,130,000)**

53. Ghana has been selected into the pipeline of the FCPF Carbon Fund for possible receipt of performance based payments for its Emissions Reduction (ER) Program. Ghana's ER Program will target the cocoa and forests mosaic landscape within the High Forest Zone, with a vision to reduce carbon emissions driven by cocoa farming practices and other drivers, while enhancing farmers' productivity and fostering a multi-stakeholder public-private sector, collaborative effort across the program area. Some areas of the of ER Program, such prioritized interventions in the landscape, stakeholder consultations, and co-benefits from the program, will also be informed by the FIP Project. Funds from the AF phase will be supplemented by the Bank-implemented support to the ER Program preparation<sup>18</sup>.

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<sup>17</sup> If the transactions register needs to be operationalized by the Project Closing Date, contingency funds will be utilized to support this activity.

<sup>18</sup> While the details of the Bank-implemented support are yet to be finalized between the GoG and the World Bank, these may include a private sector dialogue; development of 'business models' including feasibility assessment and sustainability of proposed interventions in cocoa landscape, development of risk management and mitigation mechanism/s; and the hiring of a program coordinator (to manage day to day operations, including overseeing the various consultancies, coordination and keeping the development of ER-PD on track). The Bank-implemented support will also include Bank due diligence, e.g. on safeguards.



54. The following key outputs required for preparation of the ER-Program will be funded under AF:  
(i) defined and prioritized interventions and incentives; (ii) a benefit sharing plan; (iii) stakeholder consultations for ER Program; (iv) a risk assessment for leakages and reversals; (v) a cost assessment; (vi) safeguards instruments (as required and to be determined during the ER-Program preparation); (vii) non-carbon benefits; (viii) a financing plan; and (ix) description of Institutional Arrangements.

55. All of these will feed into the preparation of the ER Program Document, which is a final output of this sub-Component.

### **3.2. Testing of REDD+ Readiness Arrangements through ongoing pilots (US\$300,000)**

#### Support to Testing of REDD+ Readiness arrangements (US\$250,000)

56. Seven pilot sites were selected under the original grant<sup>19</sup>. Early actions on the ground have been taken at some of the pilot sites (i. e. under implementation by IUCN, CRIG, and Permian Ghana).

57. The AF Grant will enable the NRS, and related Government Agencies, to engage with proponents of pilot activities, to compare and synthesize lessons across different operating environments. This information and lesson gathering will cover the three ongoing pilots, and will engage and inform FIP supported field activities (after that project begins operating), so that lessons learned can contribute to further development and operationalization of the REDD+ Strategy, and be shared through national consultation processes. The AF support will be limited to providing technical assistance to the practitioners to assess and compare benefit sharing arrangements in different sites and pilots, including both carbon and non-carbon benefits, and land and tree tenure arrangements that result in improved security of benefit streams. The AF will not finance the implementation of pilots on the ground.

#### Documentation, sharing of lessons and support for replication/ scaling-up (US\$50,000)

58. Lessons learned from the testing as per above will be documented and widely disseminated to all stakeholders.

### **3.3 Selection of benefit sharing options and operationalization of benefit sharing mechanisms (US\$200,000)**

59. The original grant supported the preparation of an options paper for potential benefit sharing mechanisms. The next steps include the consultation, incorporation of feedback and selection of options that could be operationalized. The AF grant can support the first steps to operationalization of the selected options, for example by the creation or strengthening of the required institutions and approaches. This process would be considered in conjunction with the agreed structures for fund management [see component 1].

60. Activities to be supported include:

#### Selection and validation of benefit sharing mechanisms for Ghana (US\$60,000)

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<sup>19</sup> Not all of these pilots are REDD+ pilots

61. This proposed activity consists of the engagement of a consultant to suggest appropriate benefit sharing mechanisms for Ghana. The selection of the benefit sharing mechanisms will be based on the benefit sharing report from the original grant phase and the stakeholder consultations and consolidation of lessons during the AF Phase. The benefit sharing mechanisms will be validated [under Component 1].

#### Operationalization of benefit sharing mechanisms (US\$ 140,000)

62. Activities to be supported under the AF phase include: setting up of governance structures and distribution channels to ensure transparency and equity in benefit sharing; and study, review and adoption of recommendations from the above consultancy. This activity will be implemented in conjunction with the Fund Management Arrangements under component 1, beginning in the ER Program area.

### **3.4 Publication and dissemination of updated Strategy documents (US\$ 100,000)**

63. The national REDD+ Strategy, drafted by October 2014, with original grant financing, will need to be updated to incorporate the outcomes of the work financed under the Additional Funding, for example, outcomes from the testing of REDD+ readiness arrangement from the pilot sites; operationalization of the FGRM and setting up of the REDD+ registry. The updated strategy will be published and disseminated to all relevant stakeholders.

#### **E. Implementation Arrangements**

64. The Additional Funding will be implemented over a period of three years by existing implementation structures, with no change to the implementing arrangements. The REDD+ Secretariat at the Forestry Commission will have overall responsibility for managing the Grant<sup>20</sup>. Annex 2 provides an organizational chart of the institutional arrangements for the REDD+ Readiness process in Ghana.

#### **F. Overall Risk Rating and Explanation of Key Risks**

65. The overall risk rating for the project is **Moderate**.

66. **Key risks** are linked to:

**a. Stakeholder Expectations Management.** While consultations and awareness raising on REDD+ are an integral part of the REDD+ process, their messaging needs to be carefully balanced against the risk of raising unrealistic expectations of stakeholders.

**Mitigation measures include:** Emphasis on robust process of information sharing and stakeholder consultations during REDD+ Strategy formulation. Particularly important will be that the stakeholder

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<sup>20</sup> Responsibility for day-to-day management and coordination of the overall REDD+ readiness process will lie with the National REDD+ Technical Working Group (NRWG) under the institutional structure of the Forestry Commission. The NRWG, was formerly known as the National REDD+ Steering Committee<sup>20</sup> and reports to the NREG Technical Coordination Committee (TCC+). The NRWG is supported by the REDD+ Secretariat (housed in the Climate Change Unit of the Forestry Commission), and is comprises sub-Working Groups with multi-stakeholder composition that were formed to support development of the different components of the R-PP (i.e. the Consultation & Participation WG).

involvement processes of the FCPF and FIP work in sync in order to manage expectations and to ensure that information flow is continuous and consistent. In particular, since stakeholder expectations for receipt of large near-term payments from REDD+ are high and may not be realistic. The participatory and consultative approach will thus need to be maintained throughout the REDD+ Readiness process and when key decisions on REDD+ strategy development are made; but especially, when benefit sharing mechanisms, FGRM, or title to ER reductions are discussed.

**b. Lack of Coordination between Different Parts of REDD+ Program.** Although coordination and information sharing among different parts of the REDD+ program improved, there is a risk that different parts of the REDD+ program will be implemented along the institutional silos and insufficiently coordinated, missing out on synergies.

*Mitigation measures include:* This risk has already been mitigated to some extent with the general revision of institutional arrangements for REDD+ implementation as per the recommendations provided as part of the R-PP review. This included the establishment of a national level Technical Coordination Committee (TCC+) with extended representation responsible for providing oversight to the REDD+ agenda, including the FCPF and FIP.

**c. Governance for an effective REDD+ mechanism.** There is a risk to success of REDD+ in the context of poor governance, e.g. where national rules for carbon transactions are insufficiently transparent, revenue sharing schemes are not known to stakeholders or not respected and funds are inadequately managed.

*Mitigation measures include:* The REDD+ Readiness support to be provided by the FCPF places emphasis on strengthening the capacity of the relevant government institutions and provides for critical analytical work (i.e. on benefit sharing mechanism, social impact, etc.) to ensure that governance aspects are included in the final REDD+ Strategy.

**d. Land and Tree Tenure Risk.** Land and tree tenure systems in Ghana where traditional and formal tenure arrangements may overlap create complexity and risks to accurately understanding and devising incentives for project implementation.

*Mitigation measures include:* Risk is being managed through participatory approach to planning and implementation of project activities and close engagement of all stakeholders, including local communities, Government entities and traditional authorities. An assessment of land and resource (tree) tenure will be conducted in the course of preparation of the ER Program, with AF Grant support<sup>21</sup>. Additionally, under the AF, technical assistance support will be provided to pilots documenting land and tree tenure issues for agroforestry systems.

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<sup>21</sup> During the preparation of the ER PD, ER Program specific benefit sharing arrangements will be identified. This work will build on the design work undertaken by the benefit sharing consultancy under the Original Grant, and lead to the preparation of a Benefit Sharing Plan/s by the client. In doing so the GoG will review the assessment of land and resource tenure regimes carried out during the readiness phase at the national level (i.e., SESA) and supplement, as necessary, to cover any additional land and resource tenure arrangements present in accounting area.

**e. Safeguards.** Adequate oversight on the safeguards issues needs to be ensured throughout implementation.

***Mitigation measures include:*** The Forestry Commission assigned a dedicated safeguards specialist to oversee the safeguards implementation for the overall REDD+ agenda. Provision of safeguards training for the dedicated staff and key stakeholders (especially on Bank safeguards) will be included in the budget of Additional Readiness Preparation Activities. A Strategic Environmental and Social Assessment (SESA), ESMF, and RPF were completed under the original grant to ensure that proper safeguards provisions will be applied across the REDD+ program.

#### **IV. Appraisal summary**

##### **A. Technical**

67. The activities to be financed by the FCPF have been selected after technical discussions with the REDD+ Secretariat and the Ministry of Lands and Natural Resources, taking into consideration the technical and financial needs of Ghana's REDD+ Readiness process, the World Bank's comparative advantage as well as support provided by other partners (mainly FIP and DGM). Many technical activities to be supported by the AF Grant will directly inform and be coordinated with others institutions. The Project team clearly identifies critical interfaces between components and proposes activities that are complementary and mutually enhancing. Still, careful coordination and timing of multiple donor activities during the Grant implementation phase will be crucial.

##### **B. Financial Management**

68. **Financial Management Arrangements.** As part of preparation for the Additional Funding it has been discussed and agreed that there will be no significant changes to the exiting financial management arrangements. As part of the original grant facility, in line with the use of some aspects of the country systems, the overall financial management responsibility of the Preparation Activities has been under the direct supervision of the Director of Finance and Administration (Dir. F&A) of the Forestry Commission (FC). The responsibility of the Director has been to ensure that throughout implementation there are adequate financial management systems in place which can report adequately on the use of project funds. Under this arrangement, as envisaged under the implementation arrangement, the routine transactional processing, accounting recording and reporting has been handled by the Project Accountant, who ensures that all fiduciary aspects of the project are complied with in accordance with GoG regulations and IDA policies and procedures.

69. Since under the AF there will not be any changes in the implementation arrangement or the Preparation Activities' objectives and components, it proposed that the existing financial management arrangements in place will be used to support implementation. Consistent with the use of country systems, and based on the satisfactory experiences of previous projects within Forestry Commission (FC), the financial management arrangement will to the extent feasible be mainstreamed within the FC.

70. The policies guidelines and operational procedures required to support implementation will be consistent with the Government of Ghana's financial procedures and also in line with IDA policies, and complimented. The Forestry Commission is a governmental agency and has appropriate internal control arrangements to govern its fiduciary functions. Generally financial management arrangements

in all Ministry Departments and Agencies (MDA) are regulated by the Financial Administration Act, 2003 (Act 654), Financial Administration Regulations, 2004 (LI 1802) and the Public Procurement Act, 2003 (Act 663).

71. From the FM perspective, the key strength of the Additional Readiness Preparation Activities is that they are being implemented by the same set of staff who are currently managing the original FCPF Trust Fund. Accounts staffs of the FC have over the years gained a good understanding of the IDA financial management and disbursement guidelines and as such the risk of non-compliance is minimal. Possible fiduciary weaknesses could arise from the inherent risk associated with donor projects not being made an integral part of the FC strategic and operation activities; resulting in situations where projects are managed as a sub unit and quasi-independent of the FC. This can results in weak financial management oversight, blurring of approval, authorization and reporting lines and an environment of sub optimization.

72. To mitigate this risk it is important that the Bank engages and dialogues with the FC at the highest management level and all reports, clearances and correspondence should originate from a single source. Specifically for financial management, it has been agreed that periodic financial reports should be an essential part of every Progress Report submitted officially by FC.

73. The most recent FM Review conducted on the original Readiness Preparation Activities in April 2014, rated the FM performance as Moderately Satisfactory (MS). This rating implies that there are shortcomings in FM arrangements which limit the capacity to provide timely and reliable information (quality, content and details of their reports) required in managing and monitoring the implementation of the Additional Readiness Preparation Activities. In terms of financial management performance, generally the Readiness Preparation Activities had challenges particularly with regards to the quality of financial reporting and this has adversely affected the risk rating.

74. With regards to compliance with the financial covenants including regular submission of acceptable interim financial statements and annual audited financial reports, the FC has satisfactory complied with the financial covenants as per the Financing Agreement, albeit, regular delays in meeting the stated timelines. Reviews of the audit reports have not highlighted any adverse opinions or significant lapses in internal controls. To help address these systemic challenges, the Bank should continuously provide support through a series of training and capacity building programs for fiduciary staff (Procurement, internal audit and accounts) of the Forestry Commission.

75. Based on reviews of financial reports, withdrawal applications, annual audit reports and periodic supervision results, the conclusion reached is that the Accounts Department of Forestry Commission has maintained adequate financial management arrangements necessary to ensure that Bank proceeds are used for the purposes intended in an economical and efficient manner and existing systems meets the Bank's minimum requirement as per OP/BP 10.02.

76. **Disbursement Arrangements.** The proposed additional funding is for an amount of US\$5,200,000 to be disbursed over a three year period. The proposed arrangement is to use a single segregated designated account (DA) (denominated in US dollars) under the direct responsibility of the Director F&A. Based on the assessment of financial management systems, the proceeds of the Grant will be administered using Report Based Disbursement for reporting on the uses of project funds and also for requesting for subsequent funds. Subsequent replenishments and withdrawals will be made

on submission of satisfactory interim unaudited financial reports. In terms of categories, to ensure flexibility, it has been proposed to use three separate categories in line with the component allocation.

**Table 1: Allocation of the proceeds of the Grant by disbursement category**

<b>Category</b>	<b>Amount (in US\$ million)</b>	<b>Percentage of Expenditures to be Financed (incl. Taxes)</b>
(1) Goods, consultants' services, non-consultancy services, trainings and workshops, and operating costs under Part One	1.367	100%
(2) Goods, consultants' services, non-consultancy services, trainings and workshops, and operating costs under Part Two	1.911	100%
(3) Goods, consultants' services, non-consultancy services, trainings and workshops, and operating costs under Part Three	1.922	100%
<b>TOTAL</b>	<b>5.2</b>	

77. The initial disbursement will be based on the aggregate expenditure forecast for the first six months of each year's Annual Work Plan and budgeted estimates. Subsequent withdrawals will be made on submission of satisfactory IUFs plus a forecast of expenditure and cash flow needs for the next six months. Supporting documentation will be requested along with withdrawal applications as specified in the disbursement letter. This will comprise summary reports – Interim Financial Reports for payments made by Borrower from the Designated Account and requests for reimbursements for eligible expenditure. Copies of original documents or records shall be requested only for certain categories of expenditures above financial thresholds i.e. prior review contracts and direct payments.

78. **Additional instructions for disbursements** will be provided in a Disbursement Letter issued for the Additional Readiness Preparation Activities.

### **C. Procurement**

79. **Procurement arrangements.** Procurement will be carried out in accordance with World Bank's: (i) "Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, revised July 2014; (ii) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, revised July 2014, and the provisions stipulated in the Grant Agreement; and (iii) "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, as revised in January 2011 and the provisions stipulated in the Grant Agreement. In undertaking procurement activities under the project, the following key objectives of procurement enumerated below and in line with Bank's procurement guidelines should be adhered to at all times: (i) economy; (ii) efficiency; (iii) non-discrimination; (iv) transparency; (v) reliability; (vi) fairness; and (vii)

accountability. Thus, the most preferred procurement method is one that guarantees and enhances competition to get value for money.

80. The Forestry Commission (FC) Procurement Unit, headed by the General Services Manager (GSM), operating under Director, Finance and Administration, will have sole responsibility for procurement management and oversight, including coordinating, consolidating and reviewing implementation plans, budget & reports; ensuring procurement complies with national and World Bank procurement guidelines. All beneficiary agencies/divisions will provide inputs for preparation of relevant procurement documents for procurement related to their own activities and manage execution of contracts for those. FC currently has a two Procurement officers working with the GSM, and have been part of the original Readiness Preparation Activities and had gained some knowledge and experience in Bank procurement by doing and learning, coupled with attendance of trainings on Bank procurement

81. **Procurement Plan.** For each contract to be financed by the Grant, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Client and the Bank in the Procurement Plan. In preparing the Procurement plan the current prior review and methods threshold for the original Readiness Preparation Activities, as shown below, is applicable. The Procurement Plan for the AF Grant was prepared, reviewed and cleared by the Bank. It will be updated at least annually or as required to reflect the actual project implementation needs.

82. **Thresholds for Procurement Methods and Review** are presented below. All Direct Contracting and Single Source Selection shall be subject to prior review by the Bank.

	Prior Review Threshold					Procurement Method Threshold						All-National Shortlist of Consultants
				Consultants		ICB		NCB		Shopping		
RISK RATING	Works	Goods	IT Systems+ Non Con. Serv	Firms	Individuals	Works	Goods + Non Con. Serv	Works	Goods + Non Con. Serv	Works	Goods + Non Con. Serv	
MODERATE	≥\$15 Mil	≥\$3 Mil	≥\$3 Mil	≥\$1 Mil	≥\$0.3 Mil	≥\$15 Mil	≥\$3 Mil	<\$15 Mil	<\$3 Mil	<\$0.2 Mil	<\$0.1 Mil	≤\$0.3 Mil (All) ≤\$0.5 Mil (Engr+ Contract Spn)

#### Additional Notes:

- (i) Based on Specific needs and circumstances, shopping thresholds for the purchase of vehicles and fuel may be increased up to US\$500,000 equivalent.
- (ii) The threshold for shopping is defined under para. 3.5 of the Guidelines and should normally not exceed US\$ 100,000 equivalent for off-the-shelf goods and commodities.
- (iii) CQS Threshold: The threshold for the use of CQS is determined on a case by case basis taking into account the nature and complexity of the assignment but shall not exceed US\$ 300,000 equivalent other than in exceptional situations in accordance with para. 3.7 of the Guidelines: Selection and Employment of Consultants.
- (iv) Operating expenditures are neither subject to the Procurement and Consultant Guidelines nor prior or post reviews. Operating expenditures are normally verified by TTLs and FM Specialists.
- (v) Irrespective of the thresholds and category of risk, the selection of all consultants (firms or individuals) hired for legal work or for procurement activities are respectively cleared by

the LEG VPU unit with the relevant expertise and the designated PS/PAS or RPM as required.

- (vi) Prior Review Contracts for the Hiring of Individual Consultants: Apart from legal work and procurement assignments, irrespective of the thresholds and category of risk, which shall respectively be reviewed by LEG VPU Unit with the relevant expertise and the designated PS/PAS or RPM as required, review of the selection process for all other individual consultants (Technical Experts) shall be solely be reviewed by the TTL.
- (vii) Contracts below the threshold but falling within an exception as defined in clause 5.4 of the Guidelines: Selection and Employment of Consultants are also subject to prior review or require the Bank's prior no objection.
- (viii) Special cases beyond the defined thresholds are allowed based on applicable market conditions.
- (ix) Thresholds for which a shortlist may comprise only national consultants and the Borrower does not publish in UNDB online.

**83. Procurement of Works.** There shall be no Works Procurement under this Grant.

**84. Procurement of Goods.** Goods orders shall be grouped into larger contracts wherever possible to achieve greater economy. The procurement will be done using the Bank's Standard Bidding Documents (SBD) for all International Competitive Bidding (ICB) and National SBD under National Competitive Bidding agreed with or satisfactory to the Bank. Per the thresholds guidelines above shopping procedures may be used in accordance with Ghana Public Procurement Act 663 of 2003 and based on a model to be developed in the PPA procurement manual. Contracts for goods, including NCB goods contracts that are deemed complex and/or have significant risk levels, agreed with Bank, will be prior-reviewed. Such contracts will be identified in the procurement plans. All other contracts are subject to post review.

**85. Procurement of Non-consulting Services.** Procurement of non-consulting services will follow procurement procedures similar to those stipulated for the procurement of goods, depending on their nature. The applicable methods shall include NCB and shopping. The World Bank's Standard Bidding Document to use for bidding is "Procurement of Non-Consulting Services & User Guide, December 2002 revised April 2007 found at the World Bank website [www.worldbank.org/procure](http://www.worldbank.org/procure).

**86. Selection of Consultants:** Consultancy services would be provided under the Additional Readiness Preparation Activities, and the selection method will employ all the various methods in the guidelines in accordance with the thresholds and the particular situation. In accordance with the threshold, methods of procurement will include Quality and Cost-Based Selection (QCBS); Selection Based on Consultants' Qualifications (CQS); while selection under Quality Based (QBS); Selections under Fixed Budget (FBS) and Least Cost Selection (LCS) methods will be applied in the circumstances as respectively described under paragraphs 3.5 and 3.6 of the Consultants Guidelines. For all contracts to be awarded following QCBS, LCS and FBS the Bank's Standard Request for Proposals will be used. Procedures of Selection of Individual Consultants (IC) would be followed for assignments that meet the requirements of paragraph 5.1 and 5.3 of the Consultant Guidelines. LCS procedures would be used for assignments for selecting the auditors. Single-Source Selection (SSS)



procedures would be followed for assignments that meet the requirements of paragraphs 3.10-3.12 of the Consultant Guidelines and will always require the Bank's prior review regardless of the amount.

87. Assignments estimated to cost the equivalent of US\$300,000 or more would be advertised for expressions of interest (EOI) in Development Business (UNDB), in DgMarket and in at least one newspaper of wide national circulation. In addition, EOI for specialized assignments may be advertised in an international newspaper or magazine. Foreign consultants who wish to participate in national section should not be excluded from consideration.

88. Regardless of the need for prior or post procurement review, **all consultant TORs will be cleared by the World Bank.**

89. **Exceptions to NCB:** For National Competitive Bidding (NCB) for goods and works and the selection of consultants, national procedures that are governed by the Ghana Public Procurement Act 663 of 2003, may be followed, with the following exceptions: (a) foreign bidders shall be allowed to participate in National Competitive Bidding procedures; (b) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (c) no domestic preference shall be given for domestic bidders and for works; and (d) in accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Credit shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines, as well as adhering to the Bank Policy on Fraud and Corruption.

90. **Capacity Building and Training Programs, Seminars, Conferences, Workshops, etc.:** All training and workshops will be carried out on the basis of the Annual Work Plans and Budget which will have been approved by the Bank on a yearly basis, and which will inter alia, identify: (i) the envisaged training and workshops; (ii) the personnel to be trained; (iii) the institutions which will conduct the training and selection methods of institutions or individuals conducting such training; (iv) the justification for the training, how it would lead to effective performance and implementation of the Additional Readiness Preparation Activities and or sector; and (v) the duration of the proposed training; (vi) the cost estimate of the training. Report by the trainee upon completion of training would be required.

91. **Operating Costs:** Procurement for operating costs will use the implementing agency's administrative procedures, which have been reviewed and found acceptable to the Bank.

92. **Procurement Capacity Assessment of FC:** As part of the Bank's fiduciary requirements to ensure that implementing agencies continue to have systems, structures and capacity to administer procurement in compliance with the Bank's Procurement and Consultants' Guidelines under the original Readiness Preparation Activities and consequently the AF, a procurement assessment was conducted on the FC. It concludes that FC is in compliance with the procurement law, has experience in implementing World Bank-financed projects, and gained particular experience from the currently

ongoing World Bank funded Readiness Preparation Activities since 2011. It continues to have an entity tender committee and review board in its permanent organization as final decision making authorities in addition to adequate internal technical and administrative controls and anticorruption procedures. The review also notes the existence of satisfactory appeals mechanisms for bidders. It is also noted that the procurements undertaken are in the approved procurement plans, but these must be regularly updated. It was also noted that records keeping and procurement filing will need some attention and improvement.

93. The head of Procurement Unit (General Services Manager) assisted by two Procurement Officers have implemented the original Readiness Preparation Activities to date. The GSM has a BSc; has degrees in Law; short courses on Procurement at Crown Agents- UK and Royal, with over 8 years' experience in procurement. He is a member of CIPS, works on World Bank, DFID, as well as Ghana procurement, and has some knowledge about and experience in Bank Procurement Policies and Guidelines. The Procurement officers also have a higher degree in Procurement, Logistics and Supply, with 2 – 3 years' experience in the Procurement unit. The team has also attended the World Bank Procurement training at Ghana Institute of Management and Public Administration in 2012, 2013. Although the procurement arrangement is satisfactory, the mission advised that the procurement team must endeavour to assimilate the details and requirements of the latest Bank Procurement policies and Guidelines, in order to ensure that all procurements, including the AF are done in full accordance with the Grant Agreement and the procurement guidelines. Given the nature, volume and complexity of the AF activities, which are similar to the Original activities, procurement may not pose serious challenges.

94. Thus, the **overall procurement risk assessment** is rated **Moderate**. The key risks for procurement are (i) lack of comprehensive information on procurement delivery in an Operation Manual regarding procurement within the Agency; (ii) possible delays in preparation of technical inputs to procurement documents, evaluation of bids and technical proposals, and (iii) Procurement documentation coupled with Contract management/administration.

95. To address the above risk areas, the following actions are envisaged: (i) FC to adapt the Ghana Public Procurement Manual in preparing an Agency-specific Procurement Manual to guide procurement delivery in the agency, (ii) all effort must be made to include the specialized agencies/divisions in the preparation of relevant procurement documents and activities – TOR, Specifications, technical inputs, bid evaluations, etc., and (iii) Close monitoring of procurement plans and assure quality on all aspects of the procurement process, including evaluation, selection and award, and monitoring of Contract implementation to completion, and continuous updating of the procurement plan at all times.

96. **Monitoring of Contract Implementation to Successful Completion.** While the respective beneficiary divisions are managing contract execution and implementation, with backstopping from FC, the FC procurement unit will monitor all contract implementations to ensure that the timelines as indicated in the procurement plan are adhered to so the procurement can be complete to achieve the expected results. NB: Procurement Officers shall not be tasked with contract management and supervision because of the specialized nature of the contracts. Contract Management and Supervision requires multifaceted discipline and therefore the FC shall work together with the various divisions

and form a team with the requisite qualification, experience, including user and beneficiary agencies and relevant stakeholders to manage, supervise and monitor actual contract execution and delivery.

97. **Contract management and Expenditure Reports.** As part of the Procurement Management Report (PMR), FC will submit contract management and expenditure information in quarterly reports to the Bank. The procurement management report will consist of information on procurement of goods and consultants' services and compliance with agreed procurement methods. The report will compare procurement performance against the plan agreed at negotiation and as appropriately updated at the end of each quarter. The report will also provide information on complaints by bidders, unsatisfactory performance by contractors and suppliers, and any information on contractual disputes.

98. **Fraud and Corruption.** All procuring entities as well as bidders and service providers, that is, suppliers, contractors, and consultants shall observe the highest standard of ethics during the procurement and execution of contracts financed under the Additional Readiness Preparation Activities in accordance with paragraphs 1.14 of the Procurement Guidelines and paragraphs 1.22 of the Consultants Guidelines. The Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006, as revised in January 2011, shall apply to the Additional Readiness Preparation Activities, in addition to the relevant Articles of the Ghana Public Procurement Act and other national legislation which refers to corrupt practices.

99. **Documentation and Filing System.** FC procurement unit shall keep and maintain full records of procurement including minutes of any evaluations or negotiations, copies of invoices, PVs, stores receipts, way bills, etc., documentation and a competent filing system that delivers a complete audit trail in their procurement activities. The Bank's annual post procurement reviews of the Additional Readiness Preparation Activities shall be a combination of both documentary and physical procurement auditing. The records of procurement activities and associated filing system are expected to facilitate the performance the post procurement review.

#### **D. Social and Environment (including Consultation, Participation, Disclosure and Safeguards)**

100. AF activities trigger no new safeguards policies; the EA Category remains B (partial assessment).

101. The AF activities are limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels and do not include the implementation of site specific REDD+ programs on the ground.

102. **Strategic Environmental and Social Assessment.** The FCPF is using a Strategic Environmental and Social Assessment (SESA) to integrate key environmental and social considerations into REDD+ Readiness by combining analytical and participatory approaches. Figure 2 below illustrates the steps involved in the SESA and their integration with the development of the national REDD+ strategy. The SESA ensures (i) integration of social and environmental considerations into the REDD+ Readiness process, in particular into the REDD+ strategy; (ii) stakeholder participation in identifying and prioritizing key issues; (iii) assessment of policy,

institutional and capacity gaps to manage these priorities and recommendations; and (iv) disclosure of findings in the REDD Country's progress reports on Readiness preparation. In addition, the ESMF and RPF are developed to manage environmental and social risks and impacts related to future investments and carbon finance transactions.

103. The SESA for the National REDD+ Readiness process has been led by the National REDD+ Secretariat and the SESA Sub-Working Group. SESA was carried out through inclusive consultations. The NRS was in charge of ensuring that the SESA process and the National REDD+ Strategy Options work are well aligned. Capacity for implementation of the SESA report recommendations was strengthened through a series of three regional two-day workshops, organized by the SESA consultants and the EPA, targeting 40-50 participants in each workshop.

104. A SESA report, an ESMF and RPF were prepared. The safeguards instruments were validated through a national level stakeholder workshop on September 30, 2014. These safeguards instruments may evolve and be updated over time if needed.

105. Over the AF Grant implementation period, the Safeguards Information System will be developed and operationalized, under Component 2. Safeguards due diligence and preparation of safeguards instruments for the ER Program will also be supported under Component 3.

106. National institutional capacity for the implementation of safeguards at the level required for REDD+ readiness will continue to be strengthened. The Environmental Protection Agency (EPA) in Ghana has experience of conducting sector and project specific assessments, and monitoring of social and environmental impacts. A SESA Sub-Working group made up of government and civil society representatives has been set up under the National REDD+ Technical WG to steer the SESA process in the readiness phase. A national consultancy firm assisted the Government in conducting the SESA and ensuring that the SESA feeds back into the national REDD+ strategy development process. A staff from the Environment Protection Agency in Ghana, which is experienced in application of national environmental safeguards, is represented on the SESA Sub-Working Group. The Forestry Commission assigned a dedicated staff to work on safeguards. The AF Grant will support additional safeguards training for this staff. Broader safeguards capacity building activities for a wider range of personnel may also be supported as needed, in coordination with capacity building efforts under the Forest Investment Program (FIP) and the Dedicated Grant Mechanism (DGM), and other parallel Bank funded operations such as Natural Resources and Environmental Governance Technical Assistance Project (NREG TA).

## **1. Social (including Safeguards)**

107. OP 4.12 on Involuntary Resettlement is triggered for the Additional Readiness Preparation Activities.

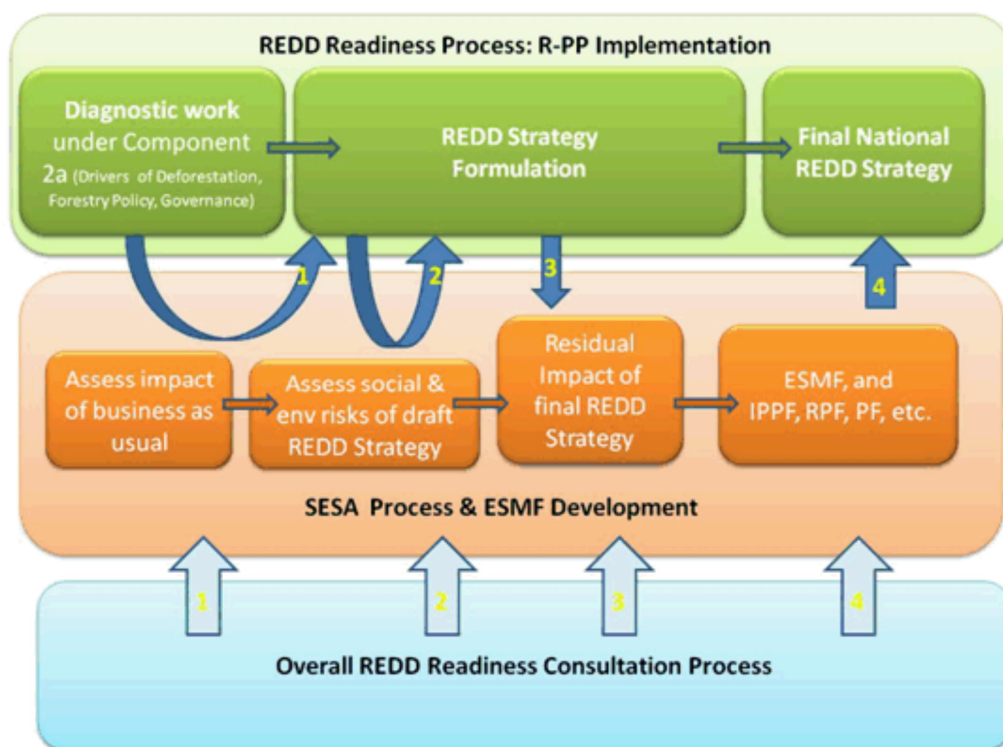
108. The RPF prepared under original grant to ensure compliance with OP 4.12 may be updated as part of the Readiness Package preparation; it will be disclosed by the time of Readiness Package submission and assessment.

## **2. Environmental (including Safeguards)**

109. The following policies are triggered: OP 4.01 Environmental Assessment, OP 4.04 Natural Habitats, OP 4.36 Forests, and OP 4.09 Pest Management; triggering of OP 4.11 is to be determined.

110. The SESA and ESMF were prepared as part of the original grant to ensure compliance with these policies. These will be disclosed by the time of Readiness Package submission and assessment.

**Figure 2: SESA Process and Its Relation to the National REDD+ Strategy Development**



## V. Proposed Team Composition

111. The team composition for the REDD+ Readiness Preparation Stage includes:

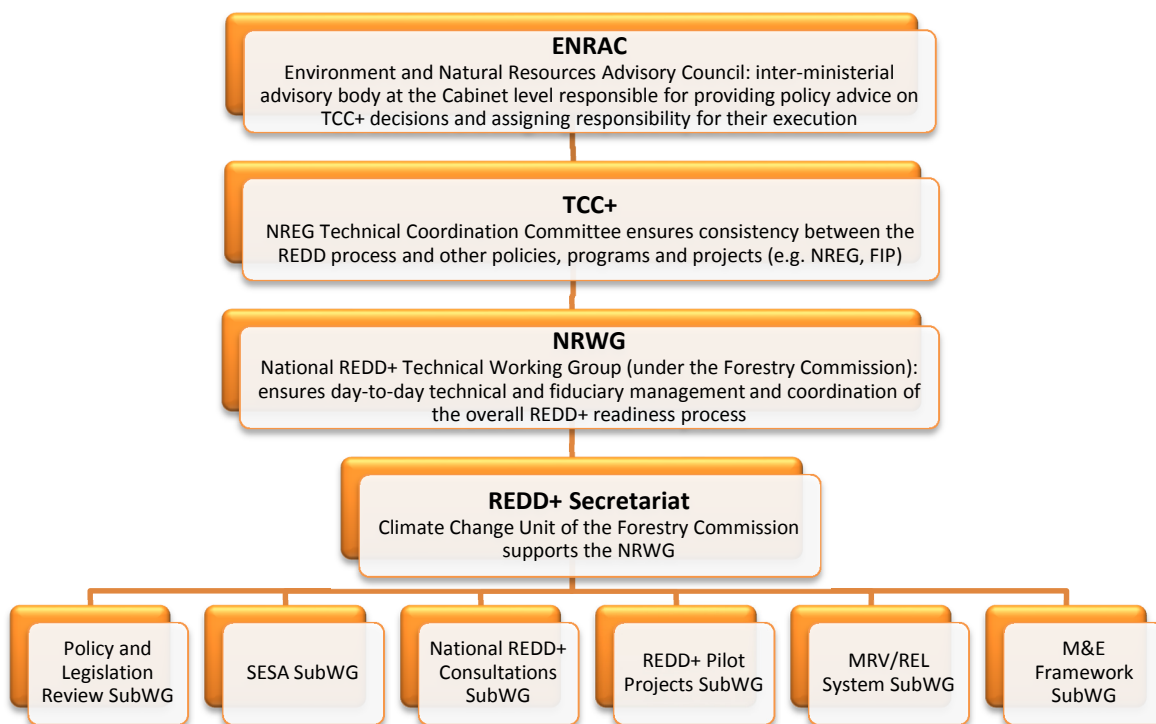
Name	Title	Unit
Martin Fodor	Senior Environment Specialist, TTL	GENDR
Neeta Hooda	Senior Carbon Finance Specialist	GCCGT
Marco van der Linden	Carbon Finance Specialist	GCCGT
Kate Cecys	Carbon Finance Specialist, Consultant	GCCGT
Lesya Verheijen	Operations Officer – Consultant	GENDR
Isabel Abreu	Environmental Specialist – Consultant	GENDR
Sachiko Morita	Counsel	LEGEN
Robert deGraft-Hanson	Senior Financial Management Specialist	GGODR
Maiada Mahmoud Abdel Fattah Kassem	Finance Officer	CTRLA

Charles Ashong	Procurement Specialist	GGODR
Kenneth Green	Environmental Safeguards Specialist - Consultant	OPSOR
Paula Lytle	Social Safeguards Specialist	GURDR
Charity Bofo-Portuphy	Program Assistant	AFCW1
Yesmeana Butler	Program Assistant	GENDR

## **Annex 1. Key Reference Documents**

- The Readiness Preparation Proposal and Annexes:  
[https://forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Jan2011/Revised\\_Ghana\\_R-PP\\_2\\_Dec-2010.pdf](https://forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Jan2011/Revised_Ghana_R-PP_2_Dec-2010.pdf)  
[https://forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Jan2011/Revised\\_Ghana\\_Annexes\\_Dec\\_2010.pdf](https://forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Jan2011/Revised_Ghana_Annexes_Dec_2010.pdf)
- The Readiness Preparation Proposal Assessment Note:  
<https://forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Oct2012/R-PP%20AN%20Ghana%20October%202011.pdf>
- Mid Term Progress Report with Annexes containing request for additional funding to the FCPF Participants Committee (PC) at its 17<sup>th</sup> meeting held in July, 2014 in Lima, Peru:  
[http://forestcarbonpartnership.org/sites/fcp/files/2014/May/MTR\\_Final.pdf](http://forestcarbonpartnership.org/sites/fcp/files/2014/May/MTR_Final.pdf)  
[http://forestcarbonpartnership.org/sites/fcp/files/2014/May/MTR\\_Annexes\\_Final.pdf](http://forestcarbonpartnership.org/sites/fcp/files/2014/May/MTR_Annexes_Final.pdf)
- Resolution PC/17/2014/2 adopted by the PC at the 17<sup>th</sup> meeting held in July 2014 in Lima, Peru:  
<https://www.forestcarbonpartnership.org/sites/fcp/files/2014/July/Final%20Resolution%20%20Ghana%20mid%20term%20and%20additional%20funding.pdf>
- Resolution PC/Electronic/2012/1 allocating additional funds up to US\$200,000 to strengthen national feedback and grievance redress mechanisms for REDD Country Participants  
[http://www.forestcarbonpartnership.org/sites/fcp/files/2013/PC\\_Resolution\\_Approved\\_02-20-12.pdf](http://www.forestcarbonpartnership.org/sites/fcp/files/2013/PC_Resolution_Approved_02-20-12.pdf)
- Current information on the REDD+ Readiness Process in Ghana can be found at the National REDD+ Secretariat website at: <http://www.fcghana.org/nrs/>

## Annex 2. Mandate of Key Bodies of Ghana's REDD+ Readiness Process



### Annex 3. Programs Supporting Forestry and REDD+ Agenda in Ghana

1. This Annex provides additional background on the several programs that support Ghana's overall Forestry and REDD+ agenda.

2. Ghana's REDD+ agenda is supported by the World Bank through several important financing instruments, including, in addition to the FCPF Readiness Fund, the FIP and the DGM, and potentially by payments for performance under the FCPF Carbon Fund. Each of these instruments is described briefly below:

- **Forest Investment Program.** The Forest Investment Program, one of the Climate Investment Funds, finances three inter-related projects in Ghana, implemented by the World Bank, the African Development Bank (AfDB) and the International Finance Corporation. The overall goal of FIP-financed activities in Ghana is to reduce GHG emissions from deforestation and forest degradation, while reducing poverty and conserving biodiversity. The World Bank component of Ghana's FIP program is for "Enhancing Natural Forests and Agroforest Landscapes" (P148183, US\$ 29.5 million). The project aims to reduce forest loss and land degradation and contribute to sustainable livelihoods through participatory planning, improved practices and incentives in selected landscape corridors in Ghana's High Forest Zone. The GoG is executing a Project Preparation Grant of US\$0.5 million for design and baseline activities.
- **FIP Dedicated Grant Mechanism (DGM).** The Bank is assisting Ghana to gain access to resources under the Dedicated Grant Mechanism (DGM) for Local Communities (P145316, US\$5.5 million). The DGM is a component of the global FIP, which was designed specifically to promote the inclusion of communities reliant on forests in policy formulation and initiatives that seek to reduce deforestation and degradation. The aim of the DGM in Ghana is to improve capacity of local communities in Ghana, with focus on the High Forest Zone in the Western and Brong Ahafo Regions, to engage in FIP and other REDD+ activities. Key results will be to develop Forest Management Plans/Landscape plans in Western and Brong Ahafo Regions in an inclusive and participatory way; provide training and awareness raising activities; and support pilot activities completed with the intention to reach key beneficiary groups. The proposed project will finance the demand-driven provision of grants to community organizations through a National Executing Agency, which remains to be selected with input from representatives of involved communities. This approach complements and contributes to Ghana's ongoing efforts to engage non-state actors and local communities in sustainable natural resource management. The DGM Ghana follows these principles: (a) ownership and joint decision-making by local communities; (b) transparency and accountability in selection of implementing partners, members of governing bodies and beneficiaries; (c) flexibility, efficiency and administrative simplicity to enable easy and streamlined access of grants by local communities; and, (d) social inclusion and equity to ensure the participation and the protection of women, children, elders, and others vulnerable to exclusion. DGM may include communication efforts and grant windows targeted at women and youth. Identification of specific areas and communities for participation in DGM will be based on the target zones selected for FIP interventions.
- Under the FCPF Carbon Fund, the Bank is providing technical assistance to Ghana for the preparation of an Emissions Reduction (ER) Program. In line with Ghana's emerging national strategy options and building on FIP piloting, the ER program targets long-term emission reductions primarily through sustainable production of cocoa in Western and Eastern region



in the High Forest Zone. The ER Program was recently (April 2014) selected into the pipeline of the FCPF Carbon Fund, and allocated US\$650,000 for preparation of full program document. A Letter of Intent was signed in September 2014. If Ghana is successfully selected to sign an Emission Reduction Payment Agreement (ERPA), Ghana could potentially receive up to US\$70 million in performance-based payments.

## **A.2 Coordination with Related Programs and Development Partners**

3. The World Bank participates in the Development Partners' Group (DPG) on Environment, Natural Resources and Climate; similar DPGs exist for all sectors. The group does not always have a regular meeting schedule yet it serves as a useful venue for exchanging information, discussing issues and gaps in current programs and harmonizing dialogue with the Government. Bank staff and missions participate in these discussions and provide information on activities and investments, noting that many Bank-financed activities are supported through global trust funds, including FCPF, FIP, Global Environmental Facility (GEF) and others. The DPG summarizes information from development partners programs in a coordination matrix, which informs this section (from the update in June 2014).

4. The FCPF preparation process and selection of activities and field locations is also building on national dialogue processes, technical assessments and stakeholder engagements initiated and supported under other initiatives and programs supported by development partners, including Natural Resource and Environmental Governance set of investments and technical assistance, the Forest Law Enforcement, Governance and Trade process and associated Voluntary Partnership Agreement (VPA), Cocoa sector engagements and certification processes.

- **The Ghana-European Union Voluntary Partnership Agreement on Forest Law Enforcement Governance and Trade (Ghana-EU VPA FLEGT).** In November 2009, Ghana signed a FLEGT VPA with the EU. A principle aim is to develop a Timber Legality Assurance System that would pave the way for issuing licenses for export to the EU. The TLAS consists of a definition of legally produced timber, a chain of custody system that tracks timber from harvested to point of export, verification procedures that assure that legality requirements have been met, FLEGT licenses that validate the results of verification and allow for customs clearance of the timber products in the EU, and an independent audit, which guarantees the credibility of the functioning of the TLAS. The VPA process has contributed to some achievements and milestones that help Ghana improve legality, monitoring and verification systems. Ghana has established governance structures like the Multi-Stakeholder Implementation Committee (M-SIC) to oversee implementation and a Joint Monitoring and Review Mechanism with EU participation. The Forestry Commission has set up a Timber Validation Department which will serve as an internal auditor in the forestry sector responsible for the verification of compliance with the supply chain controls. A multi-stakeholder Timber Validation Committee also oversees compliance verification and processing of licenses by the Timber Industry Development Division. Policy and legal reforms have been put in place (e.g., new Domestic Market Policy and the Public Procurement Policy), as well as the FLEGT Legislative Instrument (LI 2184) which allows for the issuance of FLEGT license and establishment of the TVD. The VPA process has also supported training, development of procedures, field testing of protocols, development of an electronic Wood Tracking System, appointment of an Independent Monitor and joint evaluations. Although there are some issues

still to work through (conversion of old leases and concessions, addressing imported and transit timber, revision of forest management plans and logging manuals, acceleration of deployment of the WTS, etc), the hard work in the last year should result in issuance of the first FLEGT licenses by mid-2015. This program works in Ghana with GoG, FAO, International NGOs and domestic CSOs to contribute to implementation of the FLEGT licensing process at community level for both domestic and export markets. The program runs to 2015 with support from the EU and DfID. These systems, procedures and legal instruments will help Ghana to address illegal logging and associated incentives which contribute to deforestation and degradation.

- **Ghana - Natural Resource and Environmental Governance (NREG)** Sector Support is implemented by the Ministry of Finance with financing from the EU through 2015. The aim is to contribute to the implementation of the sector strategy and address issues in the inter-related sub-sectors of forestry and wildlife, mining and environmental protection.
- **Netherlands Cocoa Rehabilitation and Intensification Programme for Ghana (2013-2017) (CORIP)**. Funded both by the Netherlands Embassy in Ghana through a 7 million Euro grant and by the private sector through an expected co-funding of up to 14 million Euros, CORIP aims to develop the economic, social and environmental sustainability of cocoa farming in Ghana. It addresses the institutional challenges of the cocoa supply chain in finding efficient ways of providing support services to cocoa growers. Most of Ghana's cocoa and cocoa products are exported to the Netherlands. The program aims to address challenges to Ghana's cocoa sector competitiveness, including declining soil fertility, low yields and returns to farmers, aging rootstock, access to technology, skills and modern inputs, and environmental challenges, leading to an uncompetitive sector. Under this funding, Solidaridad is working with farmers, cocoa and chocolate companies, service providers, consumers and government to achieve market transformation toward long term environmental sustainability, economic viability, and with good returns to farmers. CORIP will help Ghanaian cocoa farmers to implement best agronomic and farm management practices through services through the establishment and operation of Rural Service Centers, privately run hubs for knowledge, information and input hubs in cocoa farming communities. The program aims to establish 20 RSCs over four years, each catering for 2,000 farmers. Six initial private sector cocoa companies are participating in CORIP, including Cargill, Olam, Mondelez, Armajaro, Touton and ADM. Other collaborating partners include the International Fertilizer Development Center, Ghana COCOBOD/Cocoa Research Institute of Ghana and The Dutch Sustainable Trade Initiative.
- **Forest Preservation Program (FPP)**, funded by Japan. To assist Ghana in developing a Reference Emission Level/Reference Level (REL/ RL) the Japanese Government, through the Forest Preservation Programme (FPP), provided US\$7.8million to procure satellite imagery and remote sensing hardware and complete a carbon estimation study. Under the FPP high-resolution imagery (LiDAR imagery, LANDSAT/ DMC and ALOS satellite imagery) were procured. After ground verification, the satellite imagery were analyzed and processed into wall-to-wall- land use land use, change and forestry (LULUCF) maps for Ghana for three dates: 1990, 2000 and 2010. Remote sensing hardware (such as servers, workstations and printers), software (such as ArcGIS and ERDAS) and survey equipment (GPS, tree measurement tools etc.) were procured and installed primarily at the Resource Support Management Centre (RMSC) of the Forestry Commission. Two weeks of training in GIS/image processing and LiDAR/forest inventory and biomass estimation was also undertaken for 38 staff of the Forestry Commission in April, 2012. The project was completed in April 2013.

- **Ghana Cocoa Platform.** United Nations Development Program (UNDP) also provides Support for Development and Operation of COCOBOD's Ghana Cocoa Platform, a US\$1.2 million project through 2015. The Platform aims to enhance public-private dialogue and joint action planning to support the scale up of sustainable production in the sector. The Platform consists of long term facilitated dialogues for stakeholders involved with the Ghanaian cocoa supply chain, with support from private sector interests. The Cocoa platform includes as partners MLNR, MOF, and private enterprises. The Ghana Cocoa Platform, through dialogue, aims to address the root of the problems, such as land tenure system, policy and institutional capacity for national technical support, access to crop inputs, access to finance and markets. The Cocoa Platform will complement current on-the-ground efforts by enhancing exchange and coordination among stakeholders. The platform will also contribute to technical papers and technical committees, organized around specific intervention areas, including productivity, extension, access to finance, labor, deforestation and land tenure.
- **Environmental Sustainability and Policy for Cocoa Production in Ghana.** UNDP also supports this initiative implemented with COCOBOD (US\$1.7 million) through 2015. This activity aims to create institutional systems, tools and policies to rehabilitate cocoa landscapes; conserve and expand forests, forest buffer zones and corridors; and incentivize cocoa farmers to adopt environmentally friendly best practices. The FIP effort will draw on lessons from this program.
- **Switzerland' State Secretariat for Economic Affairs (SECO)** aims to strengthen competitiveness and inclusiveness with efforts to develop sustainable, integrated value chains mainly in agricultural and forestry products, including support to REDD strategy development and implementation. SECO also has a substantial program to promote good economic governance and strong institutions, which supports public financial management reforms, including improved natural resource taxation. SECO has committed to provide support to seven REDD+ pilots selected by the National REDD+ Secretariat from 17 submitted proposals. SECO also financed a study on economic viability of REDD+ pilots that will inform future decisions for the REDD+ program.
- **The Coastal Sustainable Landscapes Project (CSLP),** launched in 2013, promotes coastal landscape conservation in Ghana's Western Region and is supported by the US Forest Service (USFS) and the US Agency for International Development (USAID) working with the Government of Ghana to design and implement a coastal landscape conservation project in the six coastal Districts of the Western Region. The project will contribute to strengthening the enabling environment, awareness and coordination capacity; reinforcing applied research for improved ecosystem services delivery reinforced, and improving livelihoods through enhanced natural resources management in targeted areas.

## A.2 Related Projects in the World Bank Portfolio

5. The REDD+ process can also learn from and collaborate with other Bank has other investments in the agriculture, environmental and natural resources sectors, including NREG TA, the Sustainable Land and Water Management Project, the Land Administration Project, the Commercial Agriculture Project and others.

- **Natural Resources and Environmental Governance Technical Assistance** (P129769, SDR3.4 million (US\$5 million equivalent) is supported by a grant from World Bank (IDA), runs through 2016 and is implemented by the Ministry of Finance. The project aims to improve institutional capacity of key ministries, departments and agencies in natural resource and environmental management. Intended as support for coordination and foundational policy studies, the project has only become effective in 2014.
- **Land Administration Project - 2** (P120636, US\$55 million equivalent) runs to 2016 and aims to consolidate and strengthen land administration and management systems for efficient and transparent land services delivery.
- **Ghana Commercial Agriculture Project** (P114264, US\$100 million) runs to 2017 and is implemented by the Ministry of Food and Agriculture. The project aims to increase access to land, private sector finance, input- and output-markets by smallholder farms from private-public partnerships in commercial agriculture in Accra Plains and SADA zone.

#### Annex 4. Costed Implementation Plan

Component / Activity	Total	2015	2016	2017
<b>Component 1. Support to National REDD+ Readiness Management Arrangements</b>				
1.1: Coordination of the REDD+ Readiness process and program management support	970,000	386,000	258,000	326,000
Operations of the REDD+ Secretariat, including Project Management	100,000	40,000	30,000	30,000
Project audit	30,000			30,000
Capacity building for NRS staff	20,000	10,000	6,000	4,000
Participation of two NRS staff at up to 3 international CC and REDD+ meetings per year	90,000	30,000	30,000	30,000
Procurement of one station-wagon vehicle	80,000	80,000		
Recruitment of Technical Advisor (36 months at US\$5,000 pm)	180,000	60,000	60,000	60,000
Recruitment of Accountant (part time)	50,000	16,000	17,000	17,000
Office space improvements to accommodate Technical Advisor and staff of the NRS	40,000	40,000		
Operations of the National REDD+ Working Group and Sub-Working Groups	80,000	30,000	25,000	25,000
Consultative and validation workshops for stakeholders	200,000	50,000	60,000	90,000
Annual REDD+ Roadshow programs	100,000	30,000	30,000	40,000
1.2 Establishment of arrangements for the flow of REDD+ funds in the country	60,000	20,000	20,000	20,000
Development of arrangements for channeling and management of REDD+ funds	30,000	20,000	10,000	
Operationalization of arrangements for management of REDD+ funds	30,000		10,000	20,000
1.3 Operationalization of the Feedback and Grievance Redress Mechanism	200,000	80,000	70,000	50,000
Operationalization of FGRM	160,000	70,000	50,000	40,000
Review and amendment of ADR Act	40,000	10,000	20,000	10,000

<b>Total for Component 1</b>	<b>1,230,000</b>	<b>486,000</b>	<b>348,000</b>	<b>396,000</b>
<b>Component 2. Establishment of MRV system</b>				
2.1 Refinement of Reference Level	1,060,000	700,000	300,000	60,000
Data collection and analysis	1,060,000	700,000	300,000	60,000
2.2: Assessment of cost effectiveness of the use of remote sensing for estimating emissions from degradation	200,000	170,000	30,000	
Acquisition of radar and optical images	100,000	100,000		
Ground truthing of hotspots	100,000	70,000	30,000	
2.3 Operationalization of the MRV system	260,000	120,000	100,000	40,000
Capacity strengthening for a GIS specialist	20,000	20,000		
Hardware and software	240,000	100,000	100,000	40,000
2.4 Establishment and operationalization of Ghana's REDD+ registry, including design and implementation of the Information System for co-benefits and safeguards	200,000	40,000	120,000	40,000
Design and testing of system	200,000	40,000	120,000	40,000
<b>Total for Component 2</b>	<b>1,720,000</b>	<b>1,030,000</b>	<b>550,000</b>	<b>140,000</b>
<b>Component 3. Project preparation support for ER-Program and testing of REDD+ readiness arrangements through ongoing pilots</b>				
3.1 Preparation support for Ghana's ER-Program in cocoa-forest mosaic landscape under consideration of the FCPF Carbon Fund	1,130,000	1,130,000	0	0
	1,130,000	1,130,000	0	0
3.2 Testing of REDD+ readiness arrangements through ongoing pilots	300,000	50,000	140,000	110,000
Testing of arrangements (benefit sharing, non-carbon benefits, tenure and title to ER reductions (carbon rights))	250,000	50,000	120,000	80,000
Documentation and sharing of lessons	50,000		20,000	30,000
3.3 Selection of benefit sharing options and operationalization of benefit sharing mechanisms	200,000	70,000	80,000	50,000
Selection and validation of benefit sharing mechanisms	60,000	30,000	30,000	

Operationalization of benefit sharing mechanisms	140,000	40,000	50,000	50,000
3.4 Publication and dissemination of updated Strategy documents	100,000			100,000
Publication and dissemination of updated Strategy documents	100,000			100,000
<b>Total for Component 3</b>	<b>1,730,000</b>	<b>1,250,000</b>	<b>220,000</b>	<b>260,000</b>
<b>TOTAL ALL COMPONENTS</b>	<b>4,680,000</b>	<b>2,766,000</b>	<b>1,118,000</b>	<b>796,000</b>
<b>Contingency</b>	<b>520,000</b>			
<b>Grand Total</b>	<b>5,200,000</b>			

**Annex 5. Updated Financing Plan for the Overall Readiness Preparation Activities, Including Funds Pledged by Other Development Partners (September 1, 2014), US\$ '000**

<b>Uses of Funds (in US\$ '000) under FCPF as of September 1, 2014</b>							
<b>R-PP Component</b>	<b>Total needed (A)</b>	<b>Funds pledged (B)</b>	<b>Funds used</b>		<b>Funds available (= B – C)</b>	<b>Financing gap (=A – B)</b>	<b>Request to (FCPF) (if any)</b>
			<b>Funds Committed (C)</b>	<b>Funds Disbursed</b>			
1a. National REDD+ Management Arrangements	1,150.94	350.94	350.39	229.22	0	800.00	800.000
1b. Consultation, Participation, and Outreach	607.06	407.06	407.06	407.06	0	200.00	200.00
1c. Monitoring and Evaluation	50.00	50.00	50.00	50.00	0		-
<b>sub-total</b>	<b>1,808.00</b>	<b>808.00</b>	<b>808.00</b>	<b>686.28</b>	<b>0</b>	<b>1,000.00</b>	<b>1,000.00</b>
2a. Assessment of Land Use, Land-Use Change Drivers, Forest Law, Policy and Governance	111.28	111.28	111.28	100.86	0	-	-
2b. REDD+ Strategy Options	773.74	773.74	773.74	382.86	273.74	-	-
2c. Implementation Framework	1,909.62	209.62	209.62	60.052	0	1,700.00	1,700.00



2d. Social and Environmental Impacts	98.86	98.86	98.86	65.00	0	-	-
<b>sub-total</b>	<b>2,893.50</b>	<b>1193.50</b>	<b>1193.50</b>	<b>608.772</b>	<b>0</b>	<b>1,700.00</b>	<b>1,700.00</b>
3.Reference Emissions Level/Reference Level	1,245.00	1,245.00	1,245.00	291.127	0	-	-
<b>sub-total</b>	<b>1,245.00</b>	<b>1,245.00</b>	<b>1,245.00</b>	<b>291.127</b>	<b>0</b>	<b>-</b>	<b>-</b>
4a. National Forest Monitoring System	2,653.50	153.50	153.50	37.86	-	2,500.00	2,500.00
4b.Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards	-	-	-	-	-	-	-
<b>sub-total</b>	<b>2,653.50</b>	<b>153.50</b>	<b>153.50</b>	<b>37.86</b>	<b>-</b>	<b>2,500.00</b>	<b>2,500.000</b>
<b>TOTAL</b>	<b>8,600.00</b>	<b>3,400.00</b>	<b>3,400.00</b>	<b>1,624.039</b>	<b>-</b>	<b>5,200.00</b>	<b>5,200.00</b>

<b>Sources of Funds for key REDD+ related initiatives in Ghana (in US\$ thousands)<sup>22</sup></b>					
	<b>Funds pledged (B)</b>	<b>Funds used</b>		<b>Funds available (= B – C)</b>	<b>Remarks</b>
		<b>Funds committed (C)</b>	<b>Funds disbursed</b>		
UN-REDD Programme	40.00	40.00	-	40.00	Focused on promoting synergy between REDD+ and VPA
Other Development Partner 1 (Japanese Funded Forest Preservation Programme(FPP))	7,800.00	7,800.00	7,800.00	-	Technology Transfer and Support for trend analysis of forest land change, Forest resource map, biomass and C-Stock estimation and Capacity building. Project completed in April, 2013.
Other Development Partner 2 (GIZ)	654.00	654.00	654.00	-	Supported Ghana in Forest Monitoring based on German Remote Sensing Technology. Project completed in September, 2013.
Other Development Partner 3 (SECO)	4,000.00	400.00	400.00	3,600.00	Planned SWISS State Secretariat of Economic Affairs (SECO) Support for five (5) off-reserve REDD+ Pilots in Ghana. Analytical work has been completed at the pilot sites under the ITTO REDDES programme.
Forest Investment Programme (FIP)	50,000.00	50,000.00	250.00	49,750.00	The aim of the Forest Investment Plan (FIP) for Ghana is to address the underlying drivers of deforestation and catalyse transformational change by providing upfront investment to support the implementation of the REDD+ strategy, and generate information and experience for policy and regulatory changes.FIP Project document has been designed.
Gordon and Betty Moore foundation	148.06	148.06	148.06	-	Utilised for stakeholder consultations and production of biomass map for Ghana. Project completed in 2010.
<b>TOTAL</b>	<b>62,642.06</b>	<b>59,042.06</b>	<b>9,252.06</b>	<b>53,390.00</b>	

<sup>22</sup> These are key REDD+ related initiatives in Ghana. The REDDX initiative captured total funds earmarked for all REDD+ related initiatives in Ghana. A diagram outlining the total funds earmarked for all REDD+ related initiatives in Ghana and a link to the REDDX document are provided in Annex 1.

## Annex 6. Procurement Plan<sup>23</sup> Information

### Goods:

Component No	Description	Package Number	Lot Number	Estimated Amount in US \$	Procurement Method	Pre-or Post Qualification	Prior or Post Review
1.1	Vehicle (one 4*4 station wagon)	WB/FC/FCPF/AF/1		80,000.00	Shopping	post Qual	Post review
2.3	Hardware & software (GIS software, printers, computers, Image processing & analysis software, 2- Handled GPS - trimble Geoexplorer)	WB/FC/FCPF/AF/2		240,000.00	NCB	post Qual	Post review
2.2	Acquisition of radar and optical images	WB/FC/FCPF/AF/6		100,000.00	NCB	post Qual	Post review
3.4	Publication and dissemination of updated REDD+ Strategy documents	WB/FC/FCPF/AF/7		100,000.00	NCB	post Qual	Post review
	<b>Total Cost</b>			<b>520,000.00</b>			

<sup>23</sup> A complete approved Procurement Plan is in Project files

### Consultancy Services:

Component No	Description*	Selecti on Metho d	Lumpsum or Time- Based	Estimated Amount in US\$	Prior/Po st Review	Plan vs. Actu al
1.1a	Engagement of Technical Advisor	CQS	Lumpsum	180,000.00	Post review	Plan
2.4	Establish and Operationalize Ghana's REDD+ Registry, including design and testing of the information system for co-benefits and safeguards	CQS	Lumpsum	200,000	Post review	Plan
1.2	Development of arrangements for channeling and management of REDD+ funds	IC		30,000.00	Post review	Plan
1.3	Review and amendment of ADR Act under the Feedback Grievance Redress Mechanism(FGRM)	IC	Lumpsum	40,000.00	Post review	Plan
3.1a	Engage a consultant to define and prioritize interventions and incentives ; institutional arrangements and financing plan for ER-Program	CQS	Lumpsum	230,000.00	Post review	Plan
3.1b	Engage a consultant to develop a risk assessment for leakages and reversals;	CQS	Lumpsum	160,000.00	Post review	Plan
3.1c	Consultant to develop carbon and non-carbon benefit sharing plan for the ER-Program	CQS	Lumpsum	240,000.00	Post review	Plan
3.1d	Engage a consult to undertake a cost assessment of the ER-Program	LCS	Lumpsum	70,000.00	Post review	Plan
3.1e	Engage a consultant to mainstream World Bank safeguards instruments into the ER-Program	CQS	Lumpsum	70,000.00	Post review	Plan

3.2	Testing of REDD+ Readiness arrangements through on-going pilots( documentation and sharing of lessons)	IC	Lumpsum	50,000.00	Post review	Plan
3.3	Selection and validation of of benefit sharing mechanisms	CQS	Lumpsum	60,000.00	Post review	Plan
1.1c	Recruitment of Project Accountant	IC		50,000.00	Post review	Plan
1.1d	Recruitment of consultant for external auditing	LCS	Lumpsum	30,000.00	Post review	Plan
	<b>Total Cost</b>			<b>1,410,000.00</b>		Plan

**Non-Consulting:**

Component	Implementing Agency	Description*	Package Number	Lot Number	Estimated Amount in US \$	Procurement Method	Pre-or Post Qualification	Prior or Post Review
2.1	FC-CCU	Refinement of Reference Level(data collection and analysis)			1,060,000	Shopping	Post Qualification	Post Review
1.1	FC-CCU	Outsourcing of annual REDD+ Roadshow programs			100,000	Shopping	Post Qualification	post review
		<b>Total Cost</b>			<b>1,160,000.00</b>			