



|   |                              |                                 |               |
|---|------------------------------|---------------------------------|---------------|
| <b>1. Project Data:</b>   |                              | <b>Date Posted :</b> 04/16/2004 |               |
| <b>PROJ ID:</b> P000946   |                              | <b>Appraisal</b>                | <b>Actual</b> |
| <b>Project Name:</b> Ghana:Natural Resource Management Project  | <b>Project Costs (US\$M)</b> | 25.7                            | 22.55         |
| <b>Country:</b> Ghana   | <b>Loan/Credit (US\$M)</b>   | 9.3                             | 8.77          |
| <b>Sector(s):</b> Board: ENV - Forestry (46%), Other social services (38%), Central government administration (9%), Sub-national government administration (7%) | <b>Cofinancing (US\$M)</b>   | 14.2                            | na            |
| <b>L/C Number:</b> C3091; CQ014   |                              |                                 |               |
|   | <b>Board Approval (FY)</b>   |                                 | 98            |
| <b>Partners involved :</b> DFID, DANIDA, AfDB, GEF  | <b>Closing Date</b>          | 09/30/2000                      | 06/30/2003    |

|                      |                      |                        |               |
|----------------------|----------------------|------------------------|---------------|
| <b>Prepared by :</b> | <b>Reviewed by :</b> | <b>Group Manager :</b> | <b>Group:</b> |
| Nalini B. Kumar      | Roy Gilbert          | Alain A. Barbu         | OEDST         |

**2. Project Objectives and Components**

**a. Objectives**

The development objective of the Natural Resource Management Program (NRMP) was to protect, rehabilitate and sustainably manage national land, forest and wildlife resources and to sustainably increase the income of rural communities who own these resources. The program was to be supported under an Adaptable Program Loan (APL) approach over a period of ten years and included three implementation phases. The first phase, covering the project under review, was to focus on (a) restructuring and strengthening sector institutions; (b) finalizing policy reforms and enacting legislation related to resource pricing; (c) forest concession allocation and management; and (d) piloting collaborative resource management programs.

The second phase was to support the initial implementation of the collaborative resource management programs, focusing on selected sites considered priorities from environmental, economic or social view points. The third phase was to complete implementation of the program country-wide and ensure that the system of collaborative management with local communities was properly institutionalized at national, regional and district levels.

The global environment objective for the GEF portion of the project was to increase the ecological security of globally significant biological resources, especially within threatened tropical moist forest ecosystems.

**b. Components**

The first phase project reviewed here included five components (with appraisal estimates and actual costs in parenthesis): (a) High Forest Management (app. US\$14.2 m, act. US\$14.55 m); (b) Savanna Resource Management (app. US\$4.5 m, act. US\$3.9 m); (c) Wildlife Resource Management (app. US\$3.2 m, act. US\$ 1.35 m); (iv) Environmental Management Coordination (app.US\$1.5 m, act. US\$0.81 m); and (v) Biodiversity Conservation (GEF funded component app. US\$ 9.4 m for a six year program, component not yet completed).

The components were not revised during project implementation.

**c. Comments on Project Cost, Financing and Dates**

Government contributions were well below the amount expected at appraisal --US \$0.66 million compared to US\$2.2 million expected at appraisal. Of the total project cost of US\$ 25.7 million almost half came from 6 co-financiers through 14 different technical assistance and investment projects. The actual amounts for co-financing are not available since several donors managed their own funds not reporting all expenditures to the Bank. The closing date of the project was extended twice. The project closed after a delay of 2 years and 9 months.

**3. Achievement of Relevant Objectives:**

The project was an extremely complex and demanding operation. It did succeed in making several changes in the policy and institutional framework, albeit with significant shortcomings (see section 5 below). The achievement on the

4 focus areas was as follows:

a) **Partially achieved** . The Forestry Commission (FC) was established with four new departments . Adoption and implementation of the Institutional Restructuring Plan for the Ghana Wildlife Department, including the recruitment and redeployment of staff has not been completed . The Wildlife education resources facility is not operational .

b) **Achieved** .Legislation enacted includes the Forestry Plantation Fund Act (2000), the Customs and Excise Duties Amendment Act (2000), the Forest Protection Amendment Act (2002) and Amendments to the Timber Resources Management Act (1997) and the Timber Resources Management Regulations (1998). The National Action Plan to Combat Desertification has been completed and endorsed .

c) **Partially achieved** . Two Forestry Acts noted above have paved the way for competitive bidding in the allocation of timber resources and the adoption of social responsibility agreements between communities and timber contractors . However implementation of recommendations on the full -scale introduction of market-based competitive bidding and timber auctioning has been very slow and have negatively affected some businesses .

d) **Achieved** .12 final collaborative plans were completed for 6 reserves in the high forest zone and surveys and planning were completed for 6 priority off-reserve watersheds. Management plans for 12 communities were also completed in the savannah zone . Different methods of engaging communities were piloted in 12 communities and community members engaged in a number of activities including agroforestry, beekeeping, nursery establishment, composting, small ruminant production, soya bean planting .

#### 4. Significant Outcomes/Impacts:

- Several vital pieces of legislation were adopted to establish the legal framework for NRMP management in Ghana. Among other things, the new forestry regulations led to an increase in the collection of outstanding royalties from 25 to 95 percent. The legislative reforms were also successful at redressing the underpricing of timber resources. Both these factors have resulted in a significant increase in revenues to the sector;
- Establishment and staffing of the FC and the Savannah Resource Management Center were key to managing reform in the sector. Among other things, the establishment of FC has helped improve corporate efficiency and performance and provided opportunity for the establishment of partnerships between public, private and civil society organizations.
- The pilot community participation program of the project worked well and was successful in involving communities in the formation of management plans .
- There has been a significant increase in visitors to several wildlife and nature reserves in the country resulting in increased revenue to the Wildlife Department, the District Assemblies and the communities .
- Regional Environmental Information Systems were successfully installed in 10 regions and 6 pilot districts and the National Framework for Geospatial Information Management was successfully set up and participating institutions have begun contributing data;

#### 5. Significant Shortcomings (including non-compliance with safeguard policies):

Several of the shortcomings arose because either the co -financing did not materialize or came too late .

- The restructuring of the Wildlife Department was significantly delayed primarily due to late arrival of donor funding resulting in non achievement of key outputs for the component; The component could not complete the process of improving the institutional, administrative and technical capacity for managing Parks and Reserves in Ghana. Neither were infrastructure improvements at wildlife and national parks completed .
- The private sector plantation sub -component was unsuccessful in establishing long term involvement of the private sector largely because the proposed funding mechanism was never established;
- There has been slow and unsatisfactory progress to date in identifying, documenting, demarcating and legally establishing areas of high importance for global biodiversity within the high forest zone;
- Monitoring and Evaluation (M&E) was weak: baseline studies were not done, there was no M&E system in place at appraisal and the M&E team operated on an ad hoc basis and had weak links with the project implementing agencies. Only after the MTR the key position for a Director for Policy and Planning, Monitoring and Evaluation was filled.

| 6. Ratings:     | ICR          | OED Review              | Reason for Disagreement /Comments  |
|-----------------|--------------|-------------------------|--|
| <b>Outcome:</b> | Satisfactory | Moderately Satisfactory | The ICR itself considers overall achievement of objectives and outputs as moderately satisfactory (page 5). The option of rating a project moderately satisfactory is not available under the ICR four point rating scale.<br>OED rates a project as moderately satisfactory when it achieves most of its major relevant objectives but with significant shortcomings. |

|                             |                |                |   |
|-----------------------------|----------------|----------------|---|
|                             |                |                | The shortcomings noted under section 5 above are significant.   |
| <b>Institutional Dev .:</b> | Modest         | Modest         |   |
| <b>Sustainability :</b>     | Likely         | Non-evaluable  | The project was the first phase of a long term support program. Though several important legislations have been passed, several reforms measures still remain to be completed. However there is no follow on phase. It is too early to tell whether the project benefits will be sustainable without the follow on phase. The Borrower's comments clearly note "Without an immediate successor project, all the achievements made under the project are gradually being eroded." (page 42). |
| <b>Bank Performance :</b>   | Satisfactory   | Unsatisfactory | For several reasons among them the very unsatisfactory quality at entry and weak M&E. Further, the decision not to support the second phase even when the project achieved 90 percent of its triggers for initiation of Phase II of the Program reduces the credibility of the APL as a lending instrument.   |
| <b>Borrower Perf .:</b>     | Unsatisfactory | Unsatisfactory |   |
| <b>Quality of ICR :</b>     |                | Satisfactory   |   |

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

#### 7. Lessons of Broad Applicability:

Building on the ICR the main lessons are:

- Very close attention to ensuring quality at entry can help avoid several implementation problems down the road .
- Project design should avoid being unnecessarily complex and must be tailored to the skills and institutional short and medium term implementation capacities of the implementing agency .
- While co-financing can increase the availability of resources and provide opportunity for synergy among donors in a particular sector of intervention, there are huge transaction costs in terms of the time spent on coordination which have to be adequately budgeted for .
- Not all the challenges in implementing a project that has significant community participation can be visualized upfront. Hence the importance of an efficient monitoring and evaluation system to report on progress and make mid course corrections if required .
- Legislative procedures and creation of by-laws is a slow process and it may be necessary to ensure that some of the critical legislation is passed prior to project effectiveness to ensure that this does not delay project implementation.

**8. Assessment Recommended?**  Yes  No

#### 9. Comments on Quality of ICR:

The ICR is satisfactory but for two shortcomings : first, since the project was rated an environment category A, the ICR should have provided information on mitigation measures that were to be incorporated in the project to address possible negative environmental impacts; second, it does not explain what is the impact of the decision by the Bank not to go ahead with a second phase on the GEF component whose implementation was to cover the first two phases of Bank support.