

**GHANA**  
**Implementation Support Mission**  
**Ghana: Forest Investment Program - Enhancing Natural Forests and Agroforest**  
**Landscapes (FIP-ENFAL, P148183)**  
**August 22-26, 2016**  
**AIDE MÉMOIRE**

**I. INTRODUCTION AND ACKNOWLEDGEMENTS**

1. This Aide Mémoire summarizes key findings, recommendations, and agreements reached with a World Bank mission<sup>1</sup> that worked in Accra, Ghana from August 22 to 26, 2016. The draft Aide Mémoire was reviewed at a wrap-up meeting held on August 26, 2016 chaired by the Technical Director, Forestry, at the Ministry of Lands and Natural Resources (MLNR).

2. The objectives of the mission were to: (i) review the progress of FIP ENFAL project implementation, including activities on the ground and safeguards, financial management, procurement; (ii) confirm plans and schedule for seeking additional financing from FIP, including for forest rehabilitation in sites degraded by mining and the potential for utilization of concessional finance previously allocated for private sector involvement; and (iii) explore opportunities for enhanced synergies with related projects, including the Natural Resources and Environmental Governance TA (NREG TA) project (P129769), the REDD+ Readiness Process and the Cocoa-Forest Landscape Emissions Reduction Program that is under design (funded from FCPF, P124060), the Dedicated Grant Mechanism for Local Communities (DGM) (P145316), and the African Development Bank (AfDB) FIP project<sup>2</sup>.

The mission team appreciated the participation from all the key implementing agencies. The team met with key officials from the Ministry of Finance (MoF), the Ministry of Lands and Natural Resources (MLNR), the Forestry Commission (FC), the Ghana Cocoa Board (COCOBOD), and the Forestry Research Institute of Ghana (FORIG). Representatives from SOLIDARIDAD, the selected National Executing Agency for the DGM, attended and contributed to the rich discussion. The Ministry of Environment, Science, Technology and Innovation (MESTI) was unable to join the mission. The Bank team sincerely thanks the Government of Ghana (GoG) ministries and agencies, and the partners and consultants involved in supporting the FIP processes, for their excellent collaboration, courtesies and support extended to the mission. The Bank also appreciated the opportunity to introduce Dr. Asferachew Abate who took over on July 15, 2016 as co-Task Team Leader from Mr. Martin Fodor who completed his assignment to Ghana. The list of officials met is in Annex 1. The agenda of the mission is in Annex 4.

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<sup>1</sup> The mission team was led by Timothy Brown (Senior Natural Resources Management Specialist, Co-Team Leader) and Asferachew Abate (Senior Environmental Specialist, Co-Team Leader) and included Lesya Verheijen (Senior Operations Officer, working remotely), Isabel Abreu (Environmental Specialist), Maclean Asamani Oyeh (Analyst), Franklin Gavu (Safeguards Specialist), Charles Ankisiba (Safeguards Specialist), Charlotte Hayfron (Financial Management Specialist), Charles Ashong (Senior Procurement Specialist), Lydia Sam (Procurement Assistant), Charity Bofo-Portuphy and Ayishetu Terewina (Program Assistants).

<sup>2</sup> “Engaging Local Communities in REDD+ / Enhancing Carbon Stocks”, approved by AfDB in September 2013, aimed at protecting and increasing carbon stocks while reducing poverty by engaging local communities in sustainable land management practices, through a jurisdictional REDD+ approach.

## II. CONTEXT

3. The project is financed by a Strategic Climate Funds (SCF) grant in the amount of US\$30 million (including a US\$0.5 million preparatory grant signed on July 16, 2013 and the main project approved by the World Bank Board on February 27, 2015) and US\$3 million in-kind co-financing by GoG. The project design is based on Ghana's Forest Investment Plan, which was approved by the FIP Sub-Committee in 2012 and which includes three projects (by the WB, AfDB, and the International Finance Corporation (IFC)). The FIP has a related facility, the DGM, which is envisioned to facilitate the engagement of local communities in FIP related activities at community level. Ghana's DGM (US\$5.5 million) is expected to be approved by the World Bank Board in October 2016 and aims at strengthening knowledge and practices of targeted local communities in REDD+ process and sustainable forest management.

4. **Objectives.** The overall Ghana FIP is aiming to reduce greenhouse gas emissions from deforestation and forest degradation while reducing poverty and conserving biodiversity. The Project Development Objective (PDO) of the FIP-ENFAL is to improve forest and tree management practices by cocoa farmers, CREMA (Community Resource Management Areas) communities and forest reserve managers to reduce forest loss and degradation in selected landscapes in Ghana's High Forest Zone.

5. **Components.** The FIP-ENFAL project has four components: Component 1 – Policy Reforms and Institutional Strengthening (US\$3 million); Component 2 – Pilot Investments for Improved Forest and Landscape Management with Communities (US\$22.93 million); Component 3 – Innovation, Capacity Building, and Communications (US\$2.8 million); and Project Management, Monitoring and Coordination (US\$3.76 million).

## III. KEY FINDINGS

6. **Integration / synergy across Ghana's REDD+ Agenda.** The mission notes that the FIP-ENFAL is one of the elements in the overall REDD+ agenda in Ghana that is helping Ghana to access and scale up financing for forest and climate related efforts to reduce drivers of deforestation, rehabilitate forest reserves, promote climate smart cocoa, and devolve greater management responsibility for natural resources to the community level. These include: the overall REDD+ readiness preparation support (financed by the Forest Carbon Partnership Facility (FCPF) Readiness Fund), the AfDB FIP project, the DGM project, and the proposed Emissions Reductions Program (ER-Program) under the FCPF Carbon Fund). Together, these initiatives represent over US\$100 million in grants, investments, and potential performance-based payments that can contribute to Ghana's sustainable development. This funding level reflects the economic importance of the forest and cocoa agroforestry landscape to the country and represents an important financial resource to contribute to Ghana's overall development efforts. Policy reforms and piloting efforts proposed under the FIP are built on the outputs of the Natural Resources and Environmental Governance Technical Assistance Project (NREG TA), particular in regard to tree tenure, wood procurement policy and CREMA regulation. In turn, piloting and demonstrations of improved policies and practices under FIP are expected to be replicated and scaled-up under the ER-Program. Thus, sustained effort by the various Government teams are needed to recognize these linkages and build synergies between the various funding sources to enhance results and achievements on the ground.

7. **Need to Accelerate Implementation.** While 1.5 years have elapsed since the project approval (including 15 months since grant effectiveness), the PMU and Implementing Agency have now set up implementation structures, put coordination systems in place and is now implementing actions in the field. The World Bank team also acknowledges the need for greater speed and responsiveness in clearing TORs and procurement actions. However, more effort and coordination appears to be needed by the project implementing agencies and the project management unit to accelerate implementation and activities on the ground. Disbursement is not the only indicator of success, but it is an important proxy indicator of progress. When the Bank considers Additional Financing requests, the ability to absorb and disburse funds is a major factor in the decision process.

8. **Transformation.** The main thrust of the FIP is on achieving transformation of the policies and practices that contribute to deforestation and forest degradation and to improve outcomes on the ground in terms of agroforestry landscapes, tree cover, and improved livelihoods. The mission noted that some of the basic policy studies have been completed, awareness programs have been initiated, and field activities have begun. The mission notes that the building blocks are in place for further action on the ground, but notes that continued acceleration and scale up of activities will be needed to achieve measurable impacts in the landscape, as well as the emission reductions that will lead to performance-based payments in the future.

9. **Community Engagement and Communication.** The project activities have various impacts on the livelihoods of communities in the target areas. While overall positive, some of the planned activities could have the effect of limiting access of local communities to forest resources (in protected areas / on reserve) or displacing some livelihood activities. This is an important concern for the future in rural landscapes where resource dependent communities make their living. All care must be taken moving forward to communicate fully and properly on the FIP activities and their intended outcomes, including expected core and co-benefits, to avoid negative perceptions and to nurture trust. The FIP-financed communication, outreach and community engagement activities are essential to the project's success and should be emphasized in future work plans. Strong stakeholder engagement and meaningful consultations are needed to ensure that key messages reach beneficiaries and targeted groups. The mission also notes the Process Framework as an essential safeguards instrument in cases of access restriction. Teams working with communities should be well briefed on the engagement procedures outlined there, which are designed to ensure that there is a documented due process in every case. This protects the implementing agencies from negative perceptions reducing the effectiveness of implementation. More information on safeguard issues can be found in Annex 5.

10. **Additional Financing Potential.** Three areas of additional finance are being explored to augment the work of the REDD+ and FIP program in Ghana. Ghana's request for US\$10 million for Reducing Degradation and Deforestation due to Mining in Forest landscapes was approved by the FIP Sub-Committee in October 2015. The FIP US\$10 million allocation to IFC is now in position to be reallocated to other uses by the GoG, with the FIP SC's approval. MLNR has expressed interest in accessing IDA resources for continuation and expansion of the ENFAL activities. Accessing any of these resources will depend on continued high performance and disbursement in the current project. It will also depend on decisions by the FIP SC, the Ministry of Finance and the Bank in the next IDA allocation. It was agreed that the FIP PCU will allocate project resources for consultants to develop a detailed project concept and the Bank team will begin initial internal processing. Additional financing is discussed in more detail in Annex 3.

11. **Institutional Coordination and Regular Communication.** Institutional coordination among all the implementing agencies working at different levels (national, regional, and district levels) is critical to success. Implementing agencies noted that institutional coordination and alignment of goals is progressing well, but that more effort is needed when it comes to extension services and visits to communities, where there is potential for misunderstanding or poor scheduling. This issue may be best addressed through coordination at the district level. The mission also appreciated the dynamic discussion during the meeting and the raising of issues for resolution. However, it appeared that more effort is needed by the PCU and the focal points in each IA to enhance routine communication channels and hold more regular informal meetings, so that issues can be raised and resolved readily through existing institutional channels. More regular coordination meetings and formal documentation of decisions may help to smooth implementation. We also note that Bank procurement, FM, safeguards and technical staff are available on a daily basis to discuss issues and provide guidance, if needed.

#### IV. DETAILED FINDINGS

12. **Progress towards Achievement of PDO.** Progress towards Achievement of PDO is rated *Satisfactory*. Some highlights of the G-FIP team's accomplishments include:

- Established systems and procedures to speed up accounting and expenditure, particularly including tracking and reporting spending from the IAs to the PMU at MLNR. This needs continuing attention to raise the disbursement rate.
- Put in place coordination and communication systems to enable development of work plans and monitoring of performance of activities. E.g., communication protocols and regular meetings of PMU / PCU (with IA focal persons). This “platform” of institutional collaboration should enable faster, more coordinated implementation going forward.
- Initiated work on the ground with CREMAs and cocoa farmers. Many have been registered according to their willingness to work with the project.
- Provided training to cocoa extension agents and developed communication and outreach materials (e.g. radio programs), some specifically focused on promoting shade cocoa and countering the “myth” of unshaded cocoa. Local training events and workshops were also attended by FC field and district staff.
- Established seed orchards with local farmers and used these as the basis for first rainy season tree planting for critical watershed areas. Seed purchases benefit local farmers and communities (some purchases were conducted under AfDB/ELCIR+).
- Made substantial progress on moving forward three major policy initiatives that are now with higher level approval bodies: Tree tenure, Wood procurement (and the need to facilitate the production and sale of legal timber), and Plantation strategy and guidance. FIP funds are now ready to assist in follow on implementation trials (pilots) plus consultation, communication and outreach.
- Continued progress on REDD+ effort and the Cocoa Landscapes Emission Reduction Program, which understands FIP as a precursor and leveraging investment in the HFZ to address drivers of deforestation and degradation. More progress can be made on ensuring that teams' schedules are aligned so that their activities and events can be better harmonized.
- Identified and surveyed large areas that may be eligible for plantation development.

13. **Implementation Progress (IP)** is rated *Moderately Satisfactory*, considering that procurement and commitments are in place and that disbursement will increase substantially by November.

14. **Disbursements and Reported Expenditures.** As of August 22, 2016, grant disbursements stood at US\$5,000,000 (16.95 percent of the grant total). Cumulative reported expenditure as of June 30, 2016 stood at US\$1,087,642 (3.7 percent of the grant total). An additional US\$2.3 million is reported as committed<sup>3</sup>. The low expenditure is a result of slow implementation progress; this is a significant concern and needs to be addressed. Overall disbursements and expenditures would need to show improvement to justify approval of an Additional Financing request.

15. **Work Plan for Next Period.** The original approved work plan for the first 18 months of project implementation is close to the end of its period. A new work plan is being prepared and will be submitted to the World Bank for review and clearance by September 30, 2016. Some additional considerations for the work planning process are included in Section V.

16. **Implementation Progress – Policy Work.** Several key studies and policy processes have been initiated in advance of the FIP financing and will contribute to the transformations of policy and practice expected under FIP ENFAL. These include a study on Tree tenure policy, development CREMA rules under new legislation, Wood procurement policy and Benefit sharing schemes (some financed by NREG TA), which have now been finalized. The mission appreciated the briefing on how the FC and MLNR now plan to follow up with FIP ENFAL resources to conduct additional consultations, communication and awareness efforts, and pilot demonstrations to determine and select the approaches that are most practicable for wider implementation. The Wildlife Resources Management Bill was prepared (by the MLNR with no FIP support) and submitted to Parliament. Once passed, the Bill will expand the legal framework for the CREMAs, recognizing management of plant resources, not just wildlife resources, as a basis for devolution of management responsibilities to community organizations. This will provide a more formal legislative backing for activities that are now undertaken administratively, through regulations. The NDF (an NGO) supported the MLNR in developing a wood procurement policy, with financing from the EU under the Voluntary Partnership Agreement. This policy is before cabinet and additional economic studies are planned to better understand the implications of the policy on implementation of government projects. The tree tenure policy study outlined several options for reform. Now, those options need to be consulted more widely and formed into practical implementation options that can be implemented under the G-FIP. The mission welcomes these developments and would like to see work plan elements that advance implementation and field testing of policy options.

17. **Implementation Progress – Forestry Commission.** Tree planting started in three sites, with restoration activities in degraded watersheds (13.4 hectares (ha) planted to date), in model plantations (59.52 ha), and on internal and external boundaries of forest reserves (91.2 km<sup>4</sup>). Enrichment planting of 1657 ha was completed in 12 compartments. Community sensitization on good tree planting practices was undertaken and a total of 92,404 seedlings were distributed to 952

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<sup>3</sup> US\$1,324,000 committed under contracts; US\$500,000 – for seedlings; US\$215,000 – for operating costs; and US\$200,000 for workshops and training.

<sup>4</sup> Asankrangwa (41.8km), Sunyani 5.95km in Tain II, Enchi 24km (Tano Anwia), Tarkwa 15.75km (6.6km Neung South, 1.15km Nkotoben, 3km Ndumfri, 5km Draw River), Goaso 22km (Goa Shelterbelt and Subim).

small holder farmers in Asankrangwa and Enchi. Implementation is constrained because the delivery of motorcycles and trucks will only be received in November, while the critical planting season coincides with the rains, which begin soon.

18. **Implementation Progress – COCOBOD.** COCOBOD, under the project, works largely with the Licensed Buying Companies (LBC) on integrating climate smart cocoa principles in the LBC training programs and in their certification processes. They are also working on integrating shade-cocoa techniques through the Farmer Business Schools, and 600 farmers have been trained on climate smart cocoa so far. The COCOBOD reports that the interest from cocoa farmers in incorporating trees in their cocoa farms is high, which is an encouraging sign. COCOBOD and the FC are working closely in the field – as an example, the FC staff are now always participating in the COCOBOD training events. Both FC and the COCOBOD note improved collaboration and dialogue at the institutional level, but recognize the need for more coordination of work with communities and farmers on the ground – in terms of locations of emphasis for activities and the potential for joint visits by extension staff, for example in priority CREMA areas.

19. **Implementation Progress – FORIG.** FORIG is undertaking a planting stock improvement program. Together with the Resource Management Support Center, FORIG carried out identification of plus trees<sup>5</sup>. FORIG is also conducting trials on production of seedlings of specific species (these are divided into two groups – “traditional” species, such as Terminalia, which have been tested before, and non-traditional species that have not been tested before, such as Baku). FORIG is also undertaking studies on propagation of various tree species. As part of the trial planting, FORIG undertook planting on 15 ha on admitted farms and 8 ha of enrichment planting in degraded forest reserves. Economic, biological, ecological and social assessments for introduction of farmer preferred tree species to enrich existing portfolio of tree species were conducted with 220 farmers.

20. **Execution of Project Activities Directly by Implementing Agencies.** The Forestry Commission noted that some activities in the work plan are better implemented by the FC than by consultants, because of their special skills, experience and equipment. It was suggested that such activities should be re-classified to be completed by the GOG teams, but this raises an administrative / perception issue that the Ministry of Finance, donors and external observers may perceive too high a level of “operating costs” as undesirable. The activities in question are: Survey and map selected degraded areas within the watershed; Survey, demarcate and map Admitted Farms; Survey and map identified suitable lands within forest reserves for commercial plantation development; Survey and map identified suitable lands off-reserve for commercial plantation development. Identification of the CREMA areas (which was omitted from the earlier work plan) is proposed to be undertaken by the FC directly. This issue will be resolved through further discussion with the Bank’s Senior Financial Management Specialist by September 30, 2016. This may involve modifications to the work and to the procurement plans, which would be undertaken with the routine update of these documents by the end of September.

21. **Proposed Activity on Sacred Grove Restoration in Tain II Forest Reserve.** The mission discussed an activity on restoration of a sacred grove in Tain II Forest Reserve, which is heavily degraded. This is the largest sacred grove inside a FR in Ghana and there is strong community support for its restoration, based on initial discussions as indicated by FC staff. The sacred grove

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<sup>5</sup> Trees unusually superior in some quality or quantity, which are selected for seed production / propagation.

has an area of 630 ha, with a core zone and good forest area totaling 164 ha. This is perceived as a good demonstration area by the project proponents. Several concerns about the activity were discussed during mission meetings, particularly related to safeguards and cost-effectiveness. The mission noted that the project has funds allocated for community engagement, consultations, awareness raising, and training (e.g., in fire prevention). The mission also noted that the Process Framework will apply and the FC staff and safeguards officials should be familiarized with those procedures and documentation requirements. It was agreed that the following actions would assist the FC and the MLNR to determine the best way to proceed: (i) commission a socio-economic study to the population and land uses around and inside the FR; (ii) conduct a social safeguards assessment in the area, including additional communities that may be affected or using the sacred grove; (iii) prepare a detailed cost breakdown for the activity and assess the cost effectiveness relative to other priorities; (iv) consider plans and activities that would be needed to learn from this demonstration and replicate its success to other similar areas; (v) develop an inventory of other sacred groves in FRs that might be able to benefit from related interventions (community engagement, awareness, training, etc). These steps can be considered as the next work plan and procurement plan are formulated in the coming weeks.

22. **DGM.** The mission appreciated the representation of Solidaridad in the mission meetings, in advance of signing a contract for implementation of activities under DGM. It was noted that project documentation is ready, including a work plan, a procurement plan, a project implementation manual, and a project appraisal document. Solidaridad (an international development organization with its West African office in Ghana) was selected by the National Steering Committee through a competitive process as the National Executing Agency. There are two core operational areas for the DGM – capacity building and management of dedicated grants for community activities; in both of these, the DGM will build upon and complement FIP activities. However, the mission also noted the need to improve formal communication with the DGM NSC, to ensure that representation in meetings is well structured. Solidaridad implements a project funded by the World Bank (as the NEA) and serves as the secretariat of the NSC. The NSC consists of representatives of CSOs and communities. The roles of the NSC and NEA should be clarified to the other FIP implementing agencies so that there is good understanding.

23. **AfDB FIP Project.** The mission had a joint session with the AfDB team so that all parties could be updated on the overall progress of G-FIP and to explore synergies. Implementation of the AfDB project started last year, progress has been achieved on setting up systems and platforms. Planting activities have been delayed but are planned to start in the second rainy season (September-October). Important synergies are created as the AfDB and WB FIP projects are managed by the MLNR and training and awareness creation activities are carried out uniformly. A firm retained to support the safeguards function (paid for by the AfDB FIP project) will serve the safeguards needs across the FIP portfolio. This is a good example of collaboration between the two projects.

24. **Financial Management (FM).** Financial Management performance will be assessed in the ISR to be filed after mission completion.

25. **Procurement.** Procurement performance is assessed as *Moderately Satisfactory*. More detail and recommendations are provided in Annex 6.

26. **Safeguards Implementation** is assessed as *Moderately Satisfactory*. The mission noted progress on implementation of safeguards systems and reporting, but also noted areas needing further improvement, as discussed in Annex 5.

## V. AGREEMENTS REACHED AND AGREED ACTIONS /NEXT STEPS

The agreed next steps and actions are summarized in the below table. The next mission is tentatively scheduled for first quarter of 2017, noting that Ghana's upcoming election may influence the appropriate timing of the mission.

Action	Responsibility	Due date
Submit a new Work plan and procurement plan for World Bank No Objection	PMU with IAs	Sept 30, 2016
Propose TORs for consultants to assist in preparing a project concept for the additional financing elements noted above	PMU	Sept 15, 2016
Produce useful products from the consultancies to use as inputs to the AF documentation and implementation plans	PMU	January 1, 2017
Initiate internal processing steps for AF.	WB	Oct 15, 2016
Continue to work within the Government and with the FIP SC to obtain the decisions needed to proceed with concessional loans as part of the Additional Financing	PMU	October 30, 2016
Accelerate disbursement by documenting and submitting existing expenditures, preparing TORs now for activities needed next year	PMU and IAs, FM staff and Procurement staff	Monthly or as needed
Proactive follow up with IAs and WB to ensure that TORs are prepared with quality and cleared in a timely manner	PMU and WB	Monthly or as needed
FIP PMU and IA reps meeting with WB Senior FM specialist to resolve issues identified above	PMU and WB	Sept 10, 2016
Begin follow up activities toward determination of the actions needed for the proposed sacred grove restoration activity in Tain II FR	FC through PMU	TBD in Work plan

Some other suggestions for the work planning process were discussed during the mission, but not enumerated during the wrap up session. These are noted here for follow up in future discussions.

- Use the approved work plan as the reporting format for progress and achievements. Provide narrative on accomplishments to explain how things fit together, where priority is being placed. Provide status of action on TORs already cleared by WB, indicating which are already in progress

- Recognize that PIM, Work plan, Procurement Plan – even safeguards documents – are living documents of the Government and should be revised and updated when needed. For example, after use in practice, the safeguards screening form could be updated, simplified and made more user friendly.
- Provide organogram with names, title, FIP Function, and contact info for PMU key staff. Include focal persons and key staff from Implementing Agencies. This to acknowledge changes in staffing and rotation of personnel in the last year.

## **VI. DISCLOSURE**

The Bank and Republic of Ghana confirm their understanding and agreement to publicly disclose this Aide-Memoire. The disclosure of this Aide Memoire was discussed and agreed to with project counterparts led by MLNR's Technical Director, Forestry, at the wrap-up meeting that took place on August 26, 2016 at MLNR's offices, Accra.

## **ANNEXES**

Annex 1. List of Persons Met by the Mission

Annex 2. Presentation on Project Progress from the Project Management Unit

Annex 3. FIP ENFAL Additional Financing Potential

Annex 4. Mission Agenda

Annex 5. Social and Environmental Safeguards

Annex 6. Procurement Assessment

## Annex 1. People Met by the Mission

<b>Name</b>	<b>Position</b>	<b>Institution</b>
Hon. Nii Osah Mills	Minister	Ministry of Lands and Natural Resources
Prof. Bruce k Banoeng Yakubo	Chief Director	Ministry of Lands and Natural Resources (not met)
Gifty Mahama Biyira	Director, Finance and Administration	Ministry of Lands and Natural Resources
Raphael Yeboah	Executive Director - FSD	Forestry Commission
Musah Abu-Juam	Technical Director, Forestry	Ministry of Lands and Natural Resources
Sauda Ahmed Seinu	Head of World Bank Unit	Ministry of Finance
Kwesi Asante	Senior Economic Officer	Ministry of Finance
Edward Obiaw	Director	RMSC-FC
Valerie Fumey Nassah	Representing the Director	RMSC-FC
Kwadwo Kissiedu Kwapong	Deputy Director, Research	COCOBOD
Eric D. Amengor	Deputy Research Manager, FIP Focal Point	COCOBOD
Paul Bosu	Officer Environment, Biodiversity and Landuse Unit	FORIG
Siham Mohamed Ahmed	Principal Natural Resources Management Specialist	African Development Bank
John Appah	Safeguards Focal Point	Forestry Commission
Oppon Sasu	Donor Liaison	Forestry Commission
Hugh Brown	Director, Plantations	Forestry Commission
Ben Ocansey	Project Officer	Forestry Commission
Kofi Frimpong	Project Officer	Forestry Commission
Michael Pentsil	Operations Manager (Plantation)	Forestry Commission

Kenneth Mbroh	Corporate Planning and Monitoring Officer	Forestry Commission
Mike Asaam	Finance Manager	Forestry Commission
Charles Sarpong Duah	Assistant Manager	Forestry Commission
Tabi Agyarko	Principal Planning Officer/ FIP Project Manager	Ministry of Lands and Natural Resources
Daniel Nsowah	Planning Officer	Ministry of Lands and Natural Resources
Macdana Yunus	Deputy to FIP Project Manager	Ministry of Lands and Natural Resources
Joseph Abbey	Procurement Officer	Ministry of Lands and Natural Resources
Joseph Osiakwan	Principal Planning Officer	Ministry of Lands and Natural Resources
J. W. Koomson	Financial Controller	Ministry of Lands and Natural Resources
Lily Adzedakor	Project Assistant	Ministry of Lands and Natural Resources
Stephen Frimpong	Project Accountant	Ministry of Lands and Natural Resources
Afari Kofi	Project Assistant	Ministry of Lands and Natural Resources
Andrew Kyei Agyare	Operations Manager	WD/FC
Irene Fafa Awuku	Accountant	COCOBOD
Winston Asante	Climate Smart and Land Use Coordinator (DGM Lead / Coordinator)	Solidaridad (DGM NEA)
Nicholas Jengre	Smart and Sustainable Land Use Coordinator	Solidaridad (DGM NEA)

## Annex 2. Presentation on Project Progress from the Project Management Unit



**ENHANCING NATURAL FORESTS AND  
AGROFORESTRY LANDSCAPES PROJECT (ENFAL)  
IMPLEMENTATION UPDATES  
GOG-WB JOINT MISSION**

23<sup>RD</sup> AUGUST 2016

PRESENTED BY TABI AGYARKO, PROJECT MANAGER (GFIP)  
MINISTRY OF LANDS AND NATURAL RESOURCES



**OUTLINE OF PRESENTATION**

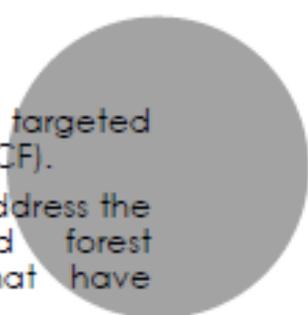
- ▶ INTRODUCTION
- ▶ BACKGROUND OF GFIP/ENFAL
- ▶ OBJECTIVES OF GFIP/ENFAL
- ▶ PROGRESS OF IMPLEMENTATION
- ▶ CHALLENGES
- ▶ WAY FORWARD

## INTRODUCTION



- ▶ Highlights of progress for the period of July 2015 to date.
- ▶ Based on planned activities/Workplan.

## BACKGROUND OF THE GFIP



- ▶ The Forest Investment Programme (FIP), is a targeted programme under the Strategic Climate Fund (SCF).
- ▶ The FIP is to finance country specific efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so.
- ▶ Ghana was among eight (8) countries in the world selected as a pilot country for the FIP in March 2010.
- ▶ Each pilot country was to develop a forest investment plan for the approval of the Climate Investment Fund Subcommittee.

## BACKGROUND OF THE FIP Cont'd

- ▶ The Ghana Forest Investment Plan outlined Three (3) projects and secured a total funding of 50Mill Dollars from the SCF to be disbursed through Multilateral Development Banks (WB, AfDB & IFC).
- ▶ Along the FIP funding is the Dedicated Grant Mechanism (DGM) of 5.5 Million Dollars Coordinated by the World Bank which seeks to build capacity of FIP project communities to effectively engage in the FIP process.

## OBJECTIVE OF THE GFIP

- ▶ 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, with the ultimate aim of reducing the emissions of GHG within the LULUCF sector in Ghana.
- ▶ The GFIP targets three (3) investment areas:
  1. Mitigation actions related to forests
  2. Investments outside the forest sector, primarily agriculture and cocoa sector, necessary to reduce the pressure on forests;
  3. Institutional capacity including forest management and information.

## ENHANCING NATURAL FOREST AND AGROFOREST LANDSCAPE PROJECT (ENFALP)

- ▶ The project “*Enhancing Natural Forests and Agro-forest Landscapes*” is one of the three projects of the Ghana Forest Investment Program financed by the Strategic Climate Fund through the World Bank.
- ▶ The project development objective is to improve forest and tree management practices by cocoa farmers, CREMA communities and forest reserve managers to reduce forest loss and degradation in selected landscapes in Ghana’s High Forest Zone.
- ▶ The project aims to reduce degradation in both forest reserves and off-reserve areas, which will also contribute to reducing emissions and enhancing carbon stocks.
- ▶ It seeks to enhance and increase social benefits and community empowerment by focusing on groups that depend on natural resources.
- ▶ Additionally, the project will finance the strengthening of government organizations in policy implementation, improvements in management practices in the field, capacity building, and communication

## KEY ACTIVITIES OF THE ENFALP

- (i) securing and enhancing trees in key landscapes/corridors with communities,
- (ii) enhancing trees and smart cocoa practices in admitted farms within forest reserves,
- (iii) supporting integrated landscape level planning in support of community-based resource use decisions
- (iv) Distribution of tree seedlings to farmers, communities, plantation developers, etc within ecological corridor by work gangs
- (v) Organise training for cocoa farmers on Good Agricultural Practices (Climate Smart Cocoa)
- (vi) Organize Radio Sensitization Programmes for Farmers on the Importance of Plant Shade Trees on Cocoa Farms
- (vii) Identify key species for genetic improvement program

## PROGRESS/ACHIEVEMENTS

- ▶ Submission of the final draft of the Tree tenure and benefit sharing studies
- ▶ Submission of the wildlife resource management bill to Parliament – CREMA awareness creation
- ▶ Wood Procurement Policy – Guidelines prepared and submitted to cabinet
- ▶ Stakeholder mapping -Procurement process initiated

## PROGRESS/ACHIEVEMENTS

- ▶ Plantation investor platform established
- ▶ Awareness creation
- ▶ Planting of seedlings
  - ❖ Degraded watersheds planted in Juaboso,Asankrangwa and Enchi
  - ❖ Forest reserve boundaries planted in kintampo, Dormaa, Draw River, Goaso, Ndumfri, Goashelterbelt, Tano Anwia and Subim.
  - ❖ Enrichment planting undertaken community workgangs in compartments around Asukese, Wiaso and Goaso
- ▶ A total of 92,404 seedlings distributed to farmers and communities within corridors around Juaboso and Enchi
- ▶ 217 admitted farm owners consulted to prevent expansion of farms and encroachment in forest reserves and other project interventions.

## PROGRESS/ACHIEVEMENT CONT'D

- ▶ 59.52H of model plantation established
- ▶ Plantation investor platform established
- ▶ 80 nursery operators in 13 districts in B/A and WR trained in raising high quality tree seedlings

## UPDATE - DISBURSEMENT

ITEM	FUNDS DRAWNDOWN(\$)	DISBURSED FUNDS(\$)	COMMITTED FUNDS FOR THE YR(\$)	EXPENDITURE DOCUMENTED(\$)
1.Funds Rec.	5,000,000.00	0	0	0
2.Funds released for various Activities		1,860,555.00	0	0
3.Expenditure documented with the Bank				1,087,000.00
4(a) Contracts			1,324,000.00	
4(b) Seedlings			500,000.00	
4(c) operating Cost			215,000.00	
4(d) workshop			200,000.00	
	5,000,000.00	1,860,555.00	2,239,000.00	1,087,000.00

## Implementation Challenges



- ▶ Delays in Submission of Technical/financial Reports by Implementation Agencies
  - ▶ Outstanding Consultancies which have affected the implementation of some project activities
- 

## WAY FORWARD



- ▶ Enforcing deadlines for report submissions/Reminders
  - ▶ Resolving all outstanding issues on the TORs within the Mission period
  - ▶ Reclassification - consultancies to operational activities
- 

### **Annex 3. FIP ENFAL Additional Financing Potential**

Three areas of additional finance are being explored to augment the work of the REDD+ and FIP program in Ghana. Ghana's request for US\$10 million for Reducing Degradation and Deforestation due to Mining in Forest landscapes was approved by the FIP Sub-Committee in October 2015. The FIP US\$10 million allocation to IFC is now in position to be reallocated to other uses by the GoG, with the FIP SC's approval. MLNR has expressed interest in accessing IDA resources for continuation and expansion of the ENFAL activities. This Annex provides more detail on each potential source of financing.

**Additional Financing – Strategic Climate Fund / FIP.** Ghana's request for US\$10 million Additional Financing (AF) from the FIP (Reducing Degradation and Deforestation due to Mining in Forest landscapes) was approved by the FIP Sub-Committee (SC) in October 2015. This proposed AF will allow deepening of the policy dialogue on forest, mining and livelihood issues and provide some resources to help address an important driver of land and forest degradation – artisanal and small scale mining (galamsey), which also causes contamination and public health risks. With AF support, the project proposes to pilot test land / forest rehabilitation in a few key mined out areas. The initial discussion on furthering the preparation of this AF took place during the mission. It was agreed that the FIP PCU team will allocate ENFAL project resources to hire consultants to develop a detailed project concept (beyond the level of detail included in the concept approved by the FIP SC) and submit it to the Bank by end of calendar year.

**Additional Financing – G-FIP allocation to IFC.** The objective of the IFC component of G-FIP is to build private sector engagement in REDD+ and climate compatible projects/investments, promoting sustainable agriculture, forestry and related industries and resulting in the reduction of greenhouse gas emissions, as well as economic growth. After thorough due diligence, IFC has been unable to identify suitable borrow clients for the US\$10 million<sup>6</sup> allocated under GFIP for private sector participation. It is proposed to release these funds for reallocation based on decisions to be made by the Government of Ghana and the FIP SC. These funds are in the form of concessional loans targeting private sector activities. This additional amount could be included as one part of an Additional Financing package under the FIP-ENFAL. For this to happen, several steps and conditions would have to be met: (i) the GoG would need to agree to accept this funding as low cost borrowing. That dialogue has been initiated with the Ministry of Finance. (ii) The GoG would need to request this reallocation formally by letter to the FIP Sub-Committee. The FIP SC would then have to act on this request in a positive manner. (iii) The GoG will need to plan a design for activities under this financing that are technically acceptable and consistent with the objectives of the ENFAL and the mandate of the World Bank in relation to the private sector.

**Additional Financing – IDA.** The MLNR has expressed interest in accessing IDA resources, in the amount of approximately US\$20 million largely for continuation and expansion of the ENFAL activities. IDA resources are not available now under IDA 17 until end of FY 17. After that, IDA allocations could be discussed pending the analytical and consultative steps in preparation of the Systematic Country Diagnostic and the revised Country Partnership Framework, where the Government and Bank agree on priorities for funding for the next several year period. These funds

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<sup>6</sup> IFC's allocation consists of US\$ 7 million of concessional finance and US\$ 3 million in grants. Of the grant amount, US\$ 250,000 was allocated for as project preparation grant (PPG). Of the PPG amount, US\$ 114,850 has been used for a market assessment of the role of private sector within the parameters of the FIP Investment Plan for Ghana.

would be in the form of concessional borrowing and the GoG would have to follow similar steps, as above: (i) GoG agree to take this funding as a loan; (ii) Ministry of Finance make a formal request, prioritizing this activity relative to other development activities; (iii) both parties prioritize this activity in the Country Partnership Framework; and (iv) GoG prepare a plan of activities technically acceptable to the Bank.

#### Annex 4. Mission Agenda

DAY	TIME	ACTIVITY	OBJECTIVE/ PURPOSE OF MEETING	PARTICIPANTS
Monday 22/8/16		Internal organizational meetings among WB team.	Briefing of all new members and follow up on prior actions.	World Bank Team
		Courtesy call to Hon. Minister	Discussing plans for the week	World Bank Team PMU Officials/Focal Group Members
		Meeting with the FIP core team /PCU	small focused discussion about the new financing sources	
Tuesday 23/8/16	9:00AM-4:00PM	General meeting	Review progress/achievement of implementation	World Bank Team, PMU Officials/Focal Group Members, DGM Reps, REDD/FCPF Coordinator, NREG Project Leader
Wednesday 24/8/16	9:00AM-4:00PM	Continue with general meeting ( Wider Group)	Key accomplishments and synergies.  Acceleration of activities and reach out to communities within the ENFALP components of the G-FIP.  Some discussion on how key studies are expected to influence policy, practice, guidance.	World Bank Team, PMU Officials/Focal Group Members, DGM Reps, REDD/FCPF Coordinator, NREG Project Leader
Thursday 25/8/16	9:00AM-12PM	Joint meeting with AfDB team.	This would look at ENFALP and broader FIP / REDD landscape.  Presentations of progress and actions across the G-FIP portfolio.  Discuss successes, bottlenecks and synergies.	World Bank Team, AfDB, PMU Officials/Focal Group Members, DGM Reps, REDD/FCPF Coordinator, NREG Project Leader
Friday 26/8/16	9:00AM-12PM	Debriefing,	Discussion of key issues with Hon. Minister, Deputy Minister, CEO FC.	World Bank Team, PMU Officials/Focal Group Members, DGM Reps, REDD/FCPF Coordinator, NREG Project Leader
	12:00pm	Field trip to Atewa FR or other site, tbd	Discuss Joint Aide Memoire	

## **Annex 5. Social and Environmental Safeguards**

The Mission received a report on the implementation of social and environmental safeguards from August 2015 to June 2016. The following brief report was prepared on the basis of this report and detailed discussions held with the project implementers.

### **Environmental Safeguards**

#### **Institutional Arrangement**

As described in the ESMF, MLNR has the overall responsibility to ensure that projects activities are carried out in compliance with safeguards. The responsibilities include periodic monitoring and supervision, capacity building, and providing reports on the implementation of safeguards to MDBs. A Consultancy Firm is being procured to support the Ministry to undertake its responsibilities. The Firm is expected to begin work in September 2016. Project Team needs to speed up the hiring of the Consultancy Firm given the advanced stage of implementation of activities and the need for additional safeguards capacity.

FC is responsible for the implementation of the safeguard instruments at the field level. The FC has designated Officers at the Head Office, Regional Office and District Offices responsible for the day to day implementation and monitoring of the safeguard instruments.

#### **Training on Safeguards**

The Project has provided two trainings on the project's safeguard instruments for the Focal Persons at MLNR, FC, COCOBOD and Forestry Research Institute, Regional and District safeguards focal persons. The National Safeguard Focal Persons (MLNR, FC) were also trained on Environmental Assessment by the Environmental Protection Agency. At the District Level, MLNR and FC provided training to selected Districts to the front desk staff in charge of grievance receipt and reporting. The Project Management Unit has also made available at all the Regional and District Offices copies of all the safeguard instruments, Grievance Complaint Forms and a Register.

The Client reported that there is inadequate capacity of regional and district officers to implement the safeguard instruments. Initial training for safeguards have concentrated on the focal persons and there is a need to provide training for more implementers at the local level. As soon as the consultancy firm is on board training should start. A training plan will be delivered by the 30<sup>th</sup> of September, 2016 and training should start immediately afterwards.

#### **Screening of sub-projects**

District Safeguards Focal Persons are responsible for screening sub-projects using the ESMF checklist. Regional Safeguards Focal Persons review and clear the checklists. The mission happily noted that screening has been conducted for many sub-projects categorized under: Enrichment planting On Reserve, Model Plantation on Reserve, Boundary Planting, Trees on Farms and Planting on Watershed. Project Team is waiting for the Safeguards Consultancy Firm to be on board to support in the Environmental Assessment needs for the on-going activities taking place in Forest Reserves. The MLNR has access to a database where the checklists are saved. The mission recommended that the screening form should be revised to avoid categorization of sub-

projects in A, B and C to avoid confusion. Further, the mission suggested that the sub-project site description section of the screening forms should be filled to provide sufficient information about site conditions and activities to be implemented.

It was noted that the EIA law requires that every activity to be implemented in Forest Reserve (FR) should pass through the EIA process. The Mission, however, noted the lack of Environmental Assessment for the ongoing activities in FR. It was strongly suggested that EPA should be engaged to: i) the need for registration with EPA for activities in and off FR, as well any further environmental and social assessment; ii) having an umbrella permit for all the activities as opposed to permit for each single activity; and iii) selection for plantation, watershed planting etc as per ESMF. These consultations need to be documented.

### **Social Safeguards**

The Mission reviewed progress of implementation of social safeguards with a view to assessing compliance with Bank policies and identifying any challenges that may have impacted on the project. Based on overall progress social safeguards is assessed at *moderately satisfactory*.

### **Progress Report on social safeguards compliance**

A summary report on safeguards was presented during the Mission. The report covered implementation of both environmental and social safeguards activities undertaken over the period August 2015 to June 2016. The report highlights the responsibilities of the implementation agencies, the safeguards focal persons and the challenges encountered and recommendations to ensure safeguards compliance. Attached to the report are copies of forms that were used for screening of subprojects. This mission noted that the report indicates that the safeguards system is in place, with responsible staff reporting upward in a hierarchical system. Beyond this achievement, more effort is needed to increase the capacity of safeguards staff, bring in more expertise and capacity (in progress), and provide additional training to ensure that safeguards instruments are well understood and followed, as these protect the implementing agencies, as well as the project beneficiaries.

During the Mission the following key challenges were identified as affecting compliance to social safeguards. Some recommendations have been made to address the challenges.

### **Key safeguards issues and recommendations**

- a) *Inadequate capacity for implementation of safeguards:* Overall, it is noted that improved capacity is needed for implementing safeguards standards in general, and social safeguards in particular. This is noted in the Government's safeguards report. As a result, the Government is in the process of appointing (under AFDB ELCIR+ funding) a specialized consulting firm to assist with training, backstopping and organizing safeguard reviews, though the Government remains responsible for safeguards implementation and compliance. This is expected to be finalized by mid-September. At the central level and at Regional and District offices, dedicated officers of the implementing agencies have been identified to serve as Focal Persons for the implementation of safeguards activities. The use of Focal Persons provides a base clientele for the services of the Consultant and to ensure availability of capacity for safeguards compliance within the implementing

agencies. One of the consultant's tasks will be to improve the skills and understanding of the focal persons to effectively implement safeguards policies. This should be undertaken in close collaboration with the safeguards team from the World Bank to ensure that the Focal Persons acquire the requisite skill and knowledge on the Bank's safeguards policies and relevant national laws.

The Mission also recommends that alternates to the main Focal Persons should also be trained to ensure that no capacity gaps are created whenever Focal Persons are transferred or promoted. The long term goal is to ensure adequate capacity is available in all the implementing agencies

- b) *Grievance Redress Mechanism (GRM)*: PMU and IA staff indicate that community members provide comments at consultation events and community gatherings – and complainants are willing to write letters to high Government officials, seeking response and redress. However, communities seem reluctant to use the existing GRM, which involves completing a form at the district forestry office. Although GRMs have been set up at the District offices of the FC in the project area, grievances have not been recorded. The Mission recommends that the Project should explore how to make the GRM process more flexible and accessible to community members and to facilitate their awareness and use of it. The Mission also notes that other avenues of expressing grievances and seeking redress (through community meetings, etc) should be documented and included in reports on GRM functioning. The PCU could also explore alternative local and easily accessible avenues, acceptable to the communities, for the recording of grievances such as the use of local Assemblymen/women, respected community elders, local teachers and local chiefs. It is crucial that the opportunity is created to record all potential grievances at the project communities and provide an avenue and reassurance to the people that their concerns are being noted and resolved.
- c) *Community engagement and communication strategy*: There is the need and overall benefit to be derived from continuous engagement with the communities in the project areas. This would ensure that the communities are well informed and up to date with project activities and also create opportunity for the community concerns to be considered in the design and implementation of project activities as appropriate. The Mission noted that a process to develop a communication strategy, which includes community engagement plan, has already begun. Action on this has to be expedited to ensure a systematic process of stakeholder engagement is in place early in the project. Related awareness raising activities are also critical to ensure that communities get the right information at the right time, know who is doing what, and know where to go for additional guidance.

## Action Plan

Action	By Who	Deadline
Include mitigation measures in Safeguards Report	PIU	30 <sup>th</sup> August 2016
Engaging EPA as the Regulator in dialogue about activities proposed, particularly in FRs	PIU	10 <sup>th</sup> September 2016
EPA's feedback on: <ul style="list-style-type: none"> <li>• Activities on and off Reserve that require registration with EPA</li> <li>• Activities on and off Reserve that require ESIA/ESMP</li> <li>• Site selection for plantations, watershed planting etc as per ESMF</li> <li>• Decision on umbrella permit/individuals permits</li> </ul>	PIU	20 <sup>th</sup> September 2016
Develop comprehensive Training Plan to ensure that focal persons and alternates are adequately capacitated	PMU working with Consultancy Firm	30 <sup>th</sup> September
Explore means to improve use and documentation of complaints under GRM and other venues	PMU and IAs	ongoing

## Annex 6. Procurement Assessment

The mission reviewed and evaluated status of procurement carried out by the project to date; noted and discussed procurement challenges with solutions; reviewed and discussed and agreed on outstanding procurements. The examination of the procurement documentation to ensure conformity with agreed Bank data management procedures were undertaken, in addition to prior review documentation sent to the Bank over the period. The aim is to support the Project to plan and deliver all the procurements under the Project in accordance with the legal agreement to achieve the PDO by Project closure.

1. **Procurement Progress:** From the current procurement plan submitted during the mission, which covers the first 18 months of the project, it is noted that 18 Goods procurement were planned of which 2 contracts have been completely executed; 3 are on-going contracts; 11 are at pre-contract stage; while 2 are yet to be initiated. Regarding Works, the 5 planned procurements have not been initiated as they are dependent on the output of consultancy contract implementation. Out of the 24 planned Consultancy procurements, few are signed or completed though no objections were provided as early as January 2016; 2 consultant procurements are in pre-contract stage. It is also noted that the procurement process of the 15 planned Non-consulting services have not been initiated. Overall, out of 62 planned procurements, 3.2% have been completely executed; 4.8% are ongoing (contracts); 21% are in the pre-contract procurement stages, while 71% of the planned procurements are yet to be initiated. This indicates a total commitment of approx. US\$1.5 Mil (18%) of the planned amount of approx. US\$8.2 Mil. This picture shows that there is no significant progress compared to previous, and the Project continues to be behind schedule in procurement/implementation. More effort is needed to improve Project implementation and subproject delivery.

2. **Procurement Planning:** The mission reviewed the submitted procurement plan and sent comments to the PMU to address. The comments are summarized as follows: All the consultancies are behind schedule – just at shortlist and most not initiated at all, and they are definitely going to affect delivery of the other procurement categories- i.e. Works, Goods, and Non-consulting services. The challenge is from preparation and finalization of TORs, and Technical Specification. Within a month, the procurement plan must be expanded beyond the 18 months preparation period, to cover the entire Project life so that efforts to achieve the PDO can be realistically monitored and evaluated. Additionally, since the time lines are behind schedule and unrealistic the project has been advised to revise the Procurement Plan and also the related Disbursement Projections, while ensuring that all missing dates (actual/plan) are provided accordingly. The mission advised that US\$ currency must be used in preparing the Procurement Plan. The mission also advised that the Procurement Progress Report should be holistic, covering the progress, achievements, challenges, lesson learnt and way forward. Similarly the Procurement Progress Summary Table should give information on all the 4 categories of procurement under the Project. The PMU informed the mission that they are addressing the comments and will revert with the revision by the 1<sup>st</sup> week of September 2016. The mission reiterated the advice that the project can engage the technical teams of the beneficiary agencies to work hand in hand with the user departments, and if needed external expertise, to write the TOR and Specifications; noting that TOR and Specifications are not procurement but technical issues. The mission advised that more effort and up front work is needed to ensure that TORs are of high quality and prepared well in advance of the need for the good or service. TOR writing meetings or workshops could be a way to increase collective effort.

### 3. **Other issues discussed:**

a) PMU and FC, in particular, noted that some activities require the use of the communities to deliver goods and services, and whether it was allowable. The mission informed the Project that it is possible per the Bank Procurement Guidelines Jan 2011, revised July 2014, para 3.19 - Community Participation in Procurement, provided the process is fair, transparent, economical and efficient with a simplified localized procurement process. The FC is already using suitable processes (e.g., under SLWMP, a Bank financed project), so it should be simple to document that process and system for use under FIP ENFAL. The Mission advised the PMU to submit the full rendition and specimen forms (covering pre-contract, contract and post contract activities) to the Bank for review and clearance, after which it must become an Appendix to the PIM. Community Participation in Procurement can be used for Works, Goods and Services that are provided by the community, and that the scope, the delivery and payment condition must be well spelled out and signed by both parties (individual or Gang leader). This is to increase transparency and accountability for the delivery of the activities.

(b) The Government team also indicated that there are some activities that are best done by FC and the Project intends to use in house capacity. The mission indicated that the Project would demand that the in house capacity gives the expected output in time, with the expertise and quality expected of consulting firm, as stated in the TOR. However the mission advised that the in-house capacity cannot be paid fees, but only incremental cost- e.g.- transport, boarding, per diem, per the going rate of the institution. The issue of whether it should be from a category other than Operating Cost, and definitely not from Procurement, was deferred to the FMS of the Bank and that meeting will be scheduled within a week.

(c) It was discussed that some of the Procurement descriptions on the Procurement Plan need to be well articulated and related to the expected activity, so that the procurement can be placed under the appropriate procurement category. The mission emphasized that survey work is generally a non-consulting services. The mission further advised the PMU to note that small discrete procurement activities come with a lot of technical, financial, supervision, managerial responsibility on the Project and the Implementing Agency, as against a compact procurement activity where such responsibilities and associated risks are taken care of by the Single Entity-firm. Efforts to combine small related activities into larger packages of activities suitable for a firm contract would yield dividends by reducing administrative and supervision costs associated with a lot of small, separate contracted activities.

(d) The mission advised that good quality documents must be sent to the Bank; and that quick responses from both the Bank and Borrower can help catch up with the delays. Proactive follow up from both sides will be appreciated.

4. **Procurement Process:** It is noted that the Project adheres to the general principles of procurement as outlined in the PAD and the procurement Guidelines. The PIM is also followed. All procurement done so far are in the approved Procurement Plan.

5. **Procurement Arrangements:** Project implementation is still mainstreamed and being implemented by Ministry of Lands and Natural Resources (MLNR). The mission reiterated that

need for the focal person of the various agencies, with their procurement person to provide the necessary input, such as TORs, Specifications, etc, to the Project team, in time and of good quality, to improve procurement and Project implementation.

6. **Record Keeping:** The project maintains good records and all appropriate records relevant to the activities are placed on the procurement files. The mission reiterates that the commercial aspects- copies of PV and invoices must be on the file as well. The Bank team advised the project to liaise with the Accounts department to collect copies of payment vouchers and place on the procurement files to tell the full story of the procurement.

7. **Contract Administration & Monitoring:** The mission noted that due to undue delays not many contract implementations are going on. The mission advised that with adherence to conditions of contracts, the Borrower should be able to handle the task, if they maintain an effective contract management system to handle contracts. The mission advised the Project to ensure quality, timeliness and within budget contract delivery while ensuring value for money. The mission also advised the need to have a structured approach to contract monitoring by the Implementing Agencies and report regularly and appropriately in order for the appropriate follow up on the planned actions in the report.

8. **Post Procurement Review (PPR).** The current PPR undertaken for the Project gave both Procurement Processes & Compliance and Contract Administration & Performance Moderate Risk rating- same as the overall risk rating, with comments on records keeping, publication, contract implementation, among others. The mission advises the Project to execute the recommended actions to improve procurement delivery and performance so as to reduce the risk rating

9. **Overall Procurement rating:** From the above, the overall procurement risk rating remains SUBSTANTIAL and the performance rating MODERATELY SATISFACTORY. The applicable Prior Review and Procurement Methods threshold in respect of Substantial Risk rating is shown below

RISK RATING	Prior Review Threshold						Procurement Method Threshold						All-National Shortlist of Consultants
				Consultants		Single Source & Direct Contract	ICB		NCB		Shopping		
	Works	Goods	IT Systems+ Non Con. Serv	Firms	Individuals		Works	Goods + Non Con. Serv	Works	Goods + Non Con. Serv	Works	Goods + Non Con. Serv	
<b>SUBSTANTIAL</b>	≥\$10 Mil	≥\$1 Mil	≥\$1 Mil	≥\$0.5 Mil	≥\$0.2 Mil	≥\$0.1 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)