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Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 04-Apr-2018 | Report No: PIDISDSC23934



BASIC INFORMATION

A. Basic Project Data

| | | | |
|--|--|---|---|
| Country Ghana | Project ID P164603 | Parent Project ID (if any) | Project Name Ghana Productive Safety Net Project (P164603) |
| Region AFRICA | Estimated Appraisal Date Apr 16, 2018 | Estimated Board Date Jul 13, 2018 | Practice Area (Lead) Social Protection & Labor |
| Financing Instrument Investment Project Financing | Borrower(s) Ministry of Finance | Implementing Agency Ministry of Local Government and Rural Development, Ministry of Gender, Children and Social Protection | |

Proposed Development Objective(s)

To support the Government to increase access to livelihood and income earning opportunities through a strengthened Safety Net system for extremely poor households.

Financing (in USD Million)

| Financing Source | Amount |
|---|---------------|
| Borrower | 156.00 |
| UK: British Department for International Development (DFID) | 14.00 |
| International Development Association (IDA) | 60.00 |
| Total Project Cost | 230.00 |

| | |
|---|---|
| Environmental Assessment Category B-Partial Assessment | Concept Review Decision Track I-The review did authorize the preparation to continue |
|---|---|

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Other Decision (as needed)

B. Introduction and Context

Country Context

Ghana has experienced strong economic growth in recent years with significant reductions in poverty. Ghana experienced significant economic growth for over a decade with Gross Domestic Product (GDP) growth rates ranging from 4.0 to 15 percent between 2005 and 2013. Between 1991 and 2012, the national poverty rate declined to less than half, from 52.7 to 21.4 percent. The country thus achieved the first Millennium Development Goal target. At the same time, the rate of extreme poverty fell from 18.2 to 8.4 percent. Yet, the strongest gains in poverty reduction were registered in the last decade and there are signs that trends towards poverty reduction may have stalled, given the sharp decline in economic growth after 2012¹.

Despite these gains, economic growth has not benefited the population equally. Alongside the gains in poverty reduction, Ghana's relatively high level of income inequality continued to rise. The Gini coefficient increased from 0.38 in 1991 to 0.41 in 2012. Regional disparities also persist. The poverty rate in the northern part of the country declined at a slower rate than the rest of the country, largely reflecting the region's much higher rate of subsistence farming and much lower rate of urbanization. More than one-third of the nation's poverty is concentrated in the three northern regions, which house only 17 percent of the population. Poverty rates also vary widely across districts within regions, with changes in the geographic distribution of poverty over time. These inequalities are reflected in disparities in access to basic health and education services between north and south and across income levels.

A significant proportion of the population remains vulnerable to falling back into poverty. Households remain vulnerable to the negative impacts of shocks, which include (i) economic shocks and consequent variations in income and consumption; (ii) change in labor demand; (iii) man-made and natural disasters, mostly drought, floods, fire outbreaks, and accidents; and (iv) household conditions that expose the poorest families to a series of adverse situations and make them vulnerable. The extent of this vulnerability is seen in the results of a 2012 food security assessment, which found that 5 percent of the Ghanaian population, or 1.2 million people, could be classified as chronically hungry and, an additional 2 million people, or nearly 10 percent of the population, were at risk of hunger in the event of shocks².

Sectoral and Institutional Context

The Government has adopted several policies aimed at improving social protection in the country as part of its poverty reduction strategy. The Ghana *Shared Growth and Development Agenda II* (GSGDA-II) covering 2014-2017 and the *National Transformation Agenda* for 2014-2020 are two key policy documents that guide the implementation of social protection in Ghana. The Medium-Term Development Plan also acknowledges that traditional support systems are weakening and that the scope of benefits and extent of coverage of current social protection programs are inadequate. In 2017, the Government launched the *Coordinated Programme of Economic and Social Development Policies 2017-2024* (CPESDP), which outlines the Government's vision for the country and offers approaches to addressing key challenges. The CPESDP sets-out social protection as a key focus areas with a main goal of strengthening social protection, especially for children, women, persons with disability and the elderly by (i) expanding coverage and (ii) ensuring that the system

¹ World Bank. *Ghana Priorities for Ending Poverty and Boosting Shared Prosperity: Systemic Country Diagnostic*. Draft Concept Note. Washington DC: World Bank, 2017

² World Food Programme. *Ghana - Comprehensive Food Security and Vulnerability Analysis (CFSVA)*, April 2013



provides opportunities for beneficiaries to exit from interventions, as they are lifted out of poverty.

The Government has put in place a strong policy foundation for social protection, with dedicated institutional arrangements. The Ministry of Gender, Children and Social Protection (MoGCSP) was created in 2013 to strengthen the coordination of social protection and promote policy development. The MoGCSP, with support from the World Bank and other development partners, launched the National Social Protection Policy in 2016. The Policy, which built on the 2007 National Social Protection Strategy, has the overall goal of eradicating extreme poverty and vulnerability among the 8.4 percent extreme poor households in Ghana by 2030. This will be achieved by expanding programs, increasing coordination among social protection interventions, as well as improving management systems of interventions.

The central objective of the social protection policy is to reduce fragmentation in the sector and strengthen core operational systems. The social protection policy defines a basket of five flagship social protection interventions to reduce fragmentation in the social protection (SP) system and features the establishment of Ghana National Household Registry (GNHR), as a catalyst to improve the integration of these programs through improved targeting. The five flagship programs are: Livelihood Empowerment Against Poverty (LEAP) cash transfers program; Labor-Intensive Public Works (LIPW) program; Ghana School Feeding Program; National Health Insurance Scheme (NHIS); and Education Capitation Grant. Focusing on these five programs is anticipated to improve their coverage and effectiveness, which together is anticipated to alleviate poverty for the extreme poor and vulnerable population.

In addition to strengthening the policy context for social protection, the Government has invested in the design and delivery of its core social protection programs. The LEAP cash transfers, initiated by the Government in 2008, are provided to beneficiaries every two months to reduce poverty and enable investments in human capital. The coverage of the program has grown significantly, from an initial pilot of 1,654 beneficiaries in 21 districts in 2008 to 212,484 beneficiary household in all 216 districts. Currently, 59 percent of beneficiaries are female. As the program expanded, the Government invested in the management information system and electronic payments to increase the program's effectiveness and transparency. The LIPW project aims to increase access to temporary employment and cash-earning opportunities and improve the productive capacities of rural social infrastructure and other community assets. A total of 802 subprojects have been completed since inception. Out of these, 13,339,502 person-days of employment have been provided for 166,875 unskilled people. Approximately 62 percent of beneficiaries are female. Additionally, the GNHR, launched in October 2015, involves the registry of households and collection of basic information on their socio-economic status. So far, data on 132,000 households in the Upper West Region has been collected. Once completed, the GNHR, will be a resource for social protection and poverty alleviation programs in terms of common data and identification of beneficiaries. The World Bank, together with other development partners, has supported these efforts of the Government (see box 1).

Box 1: World Bank support to social protection in Ghana.

The Ghana Social Opportunities Project (GSOP) initiated in 2011 has contributed towards improving the social protection system in Ghana. The GSOP, an IDA USD 138.6 million project, has the objective to improve the targeting of social protection programs and provide income support to poor households through LEAP cash grants and the LIPW infrastructure in targeted districts. GSOP was also a positive case study for promoting inter-ministerial collaboration for the SP agenda as implementation of the project was supervised by the MoGCSP and the Ministry of Local Government and Rural Development (MLGRD).

Building on these gains, the Government intends to scale up and improve the integration of its flagship social protection programs to better support extremely poor households to move out of poverty. Despite the important gains in social protection, further efforts are required to continue to progress towards the Government's objectives. First, the coverage of the Government's safety nets remains low in relation to the population in need. Thus, the Government intends to scale up the two flagship safety net programs, with plans to expand LEAP to all extremely poor



households in Ghana – representing about 450,000 households in all 216 districts nationwide – and increase coverage of LIPW to an estimated 120 districts. Second, while there is evidence of strong targeting performance of the LIPW program and improvements in LEAP’s targeting over time, there is limited harmonization of eligibility criteria, as LEAP continues to rely heavily on categorical targeting. Increasing harmonization of the targeting system through the Ghana National Household Registry (GNHR) and shifting the focus of LEAP from categorical targeting toward extreme poverty could reduce duplication, increase accuracy, and improve impacts but more importantly can enable provision of a comprehensive package of support to extremely poor households, thereby contributing to Government’s goal of lifting the poorest out of poverty. Third, the SP Secretariat within the MoGCSP, which is responsible for coordinating the SP sector still has very limited capacity to carry-out its role, and the capacity of front-line staff to delivery services to beneficiaries remains weak. Fourth, there is a need to incorporate more responsive citizen feedback mechanisms and continue to build on the investments that have been made in core operational systems that promote efficiency and transparency. Finally, there is a need to introduce more explicit support to promote productive activities among extremely poor households to allow targeted household to move to more productive and sustainable income generating activities. Promising evidence from across the world shows that a package of interventions, when properly sequenced and well-targeted (i.e. basic cash transfer, coaching or skills development, and productive grant), may increase the productive impacts of cash transfer programs.³

Relationship to CPF

The proposed operation is firmly aligned with the Ghana Country Partnership Strategy. Pillar II of the Ghana Country Partnership Strategy (2013-2018; CPS)⁴ has a key focus on expanding social protection programs, particularly LEAP and LIPW. The proposed operation will thus contribute directly to this pillar of the CPS, while also contributing to the aim of the CPS to strengthen government institutions to increase the efficient use of resources for social protection, given that pro-poor programs in Ghana are fragmented and weakly targeted to the poor. In addition to its alignment with the CPS, the proposed operation will contribute to the World Bank’s aim of reducing extreme poverty and enhancing shared prosperity in Ghana. Cash transfers targeted to the poorest people enable these people to meet their basic needs and help improve productivity and create better conditions for growth and shared prosperity. Evidence increasing demonstrates that the provision of predictable cash transfers can enable poor households to engage in higher risk-higher return activities, which offer an opportunity for these households to move out of poverty. When complemented with investments in the productive capabilities of the poor, these benefits can be enhanced. These aims, however, require coordination between social protection and the provision of basic services, including agricultural extension. In this way, the proposed operation will contribute towards the aim of the CPS to support Ghana’s drive for shared prosperity through enhancing the productivity of rural Ghanaians.

C. Proposed Development Objective(s)

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To support the Government in consolidating Ghana’s safety net system and increasing access to productive opportunities for extremely poor households.

³ For example Bastagli et al. 2016, and Mostesquiou, et al. 2014.

⁴ The Ghana country Partnership Strategy (CPS) was from 2013-2016, but was extended through 2018.



Key Results (From PCN)

The key results for the proposed operation are the achievements that are most necessary to consolidate the safety net system and increase access to productive opportunities for the extremely poor in Ghana. These are:

- *Indicator 1:* Direct project beneficiaries – this indicator aims to measure the aim of extending the coverage of the programs.
- *Indicator 2:* Number of beneficiaries of both LEAP and LIPW grants – this indicator aims to measure the consolidation of the programs.
- *Indicator 3:* Proportion of households receiving productive grants with improved productive capacity⁵ - this indicator aims to measure the progress made in introducing productive inclusion activities to the target beneficiaries.
- *Indicator 4:* Percentage of project beneficiary households from the bottom two expenditure quintiles – this indicator aims to assess the accuracy of targeting of the programs to reflect the Government’s aim of reaching the extreme poor with its safety nets.
- *Indicator 5:* Percentage of safety net transfers delivered on time – this indicator aims to assess the effectiveness of the LEAP in delivering robust safety net support to beneficiaries.

D. Concept Description

The proposed project will support the Government to deliver a package of services through its social protection system to extremely poor households. To achieve the aim of moving extremely poor households out of poverty, the proposed operation will support the Government to consolidate its safety net programs in a manner that enables it to deliver a set of services, which are sequenced and tailored to meet the needs and capabilities of different households. The proposed project builds on lessons learnt from GSOP and the growing evidence that shows how sequenced, well-targeted multi-faceted interventions may increase productive impacts. These activities would thus include a basic grant for all eligible extremely poor households to be provided through LEAP. These households would also be eligible for subsidized access to the national health insurance scheme.⁶ For a sub-set of households, the LEAP grant will be complemented with (i) income earning opportunities to be provided through LIPW for able-bodied members of the extremely poor households; (ii) productive inclusion activities to strengthen household skills, assets and savings for those households; and (iii) linkages to a set of a complementary services (to improve the access of such households to basic health and education services and productive services, such as agriculture extension and livelihood activities). It is expected that households linked (and receiving) complementary services will have a strong potential for exit out of the program.

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⁵ Improved productive capacity can be defined as a positive change in one or more of the following among beneficiary household members: increase in employment, hours worked, earnings, or accumulation of agricultural assets, inputs, or non-farm household enterprise assets, or profits from livelihood activities, diversification into new activities or expansion of existing activities

⁶ This subsidized access is not financed through the project, as this access is provided through a memorandum of understanding between the MGCSD and the national health insurance scheme.



SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The safety net programs consist of the LEAP, which is an unconditional cash transfer program, and the Labor Intensive Public Works (LIPW). The LIPW is the component with safeguards implication as it involves infrastructural interventions including small earth dams/ dugouts with accompanying irrigation facilities, climate change mitigation interventions (mainly fruit trees and wood lots); feeder and access roads, and other new sub-project types (models) such as communal farming, among others. The environmental risks and impacts of the proposed sub-projects, particularly under LIPW, are likely to be minimal, manageable, and, in most cases, reversible. The Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) to be prepared for the project will address all potential environmental and social risks and impacts.

The Labor-Intensive Public Works (LIPW) program will take place in 120 districts of Ghana. Sub-projects are very dispersed which will require strong monitoring system at the local level. The project targets extremely poor households mostly located in Guinea and Sudan savanna agro-ecological zones. These areas are highly degraded and vulnerable to further degradation and desertification due to increasing aridity. The soils are generally very low in fertility and productivity and the area is more susceptible to greater climatic variability.

B. Borrower's Institutional Capacity for Safeguard Policies

(i) The existing environmental and social assessment framework of Ghana is predicated on the Environmental Protection Agency (EPA) of 1994, Act 490 and Environmental Assessment Regulation of 1999, LI 1652. The Fees and Charges Amendment Instrument of 2015, LI 2228 is in place to provide guidance and regulate the issuing of appropriate fees and charges for environmental permits and certificates.

(ii) The EPA ensures environmental compliance of all development activities undertaken in the country.

(iii) The EPA has supported the GSOP 1 by screening sub-projects and issuing environmental permits but have not monitored the sub-projects during the construction and operational phase as mandated by the law.

(iv) Safeguards under the current GSOP 1 was managed at the PIU by the National Safeguards and Climate Change Specialist (NSCCS) operated based in Accra. The NSCCS was supported at the regional level by 5 Regional Coordinators and 5 Case management officers. The participating District assemblies appointed focal persons to support the project at the district level while at the community level community facilitators were recruited to support the project. The institutional and implementation arrangements remain the same as in GSOP 1. A safeguards audit report of the current GSOP 1 conducted in 2017, assessed among other issues the capacity and effectiveness of safeguards implementation. It was revealed that, the district and community levels structure for monitoring and implementation of safeguards requirement is relatively weak. In view of this, the project will include provisions to strengthen the capacity for the district and local staff and clarify roles and coordination among the various actors supporting safeguards implementation. GSOP 1 also worked closely with the EPA staff from the Regional Offices (as well as the Head office in Accra) for screening of sub-projects and issuance of permits with compliance requirements.

The Ghana Productive Safety Net Project will also appoint and train Safeguard focal persons within the two participating ministries (Ministry of Local Government and Rural Development and Ministry of Gender, Children and Social Protection). Safeguards implementation under GSOP 1 was rated satisfactory.

C. Environmental and Social Safeguards Specialists on the Team



Gloria Malia Mahama, Social Safeguards Specialist
 Anita Bimunka Takura Tingbani, Environmental Safeguards Specialist

D. Policies that might apply

| Safeguard Policies | Triggered? | Explanation (Optional) |
|--|------------|---|
| Environmental Assessment OP/BP 4.01 | Yes | This policy is triggered because of the potential adverse risk and impacts that may be generated from the public works sub-projects, such as rehabilitation of small earth dams and dugouts, rehabilitation of feeder roads, model communal farming and rehabilitation of tourism sites. These potential impacts are however specific and may include erosion and siltation, dust generation, road safety issues, health related and water borne diseases, and worker and community safety. An ESMF will be prepared to assist the project team to avoid where possible or mitigate any residual impacts during project implementation. The ESMF will include an E&S screening checklist for screening all sub-project as a requirement for sub-project approval. |
| Natural Habitats OP/BP 4.04 | No | The project activities do not involve natural habitats |
| Forests OP/BP 4.36 | No | The project activities do not involve forests |
| Pest Management OP 4.09 | No | Project activities do not involve pesticides |
| Physical Cultural Resources OP/BP 4.11 | No | The possibility of finding evidence of physical cultural resources is unlikely in this project |
| Indigenous Peoples OP/BP 4.10 | No | No indigenous people will be impacted under this project |
| Involuntary Resettlement OP/BP 4.12 | Yes | LIPW is the component with safeguards implication as it will involve public works sub-projects, including earth dams/dugouts, feeder and access roads rehabilitation, communal farming, among others. This could result in land acquisition and induce restrictions to land resources and livelihood. Based on the risk profile, OP 4.12 is triggered. In line with this policy, the borrower will prepare a Resettlement Policy Framework (RPF) and disclose it prior to appraisal. An RPF is prepared because site location for the sub-projects cannot be determined until at implementation. |
| Safety of Dams OP/BP 4.37 | No | The project does not involve the construction of Dams as applicable to this policy. Project activities are limited to small earth dams and dug outs as part of |



the LIPW none of which fit the definition of a Dam requiring this policy.

Projects on International Waterways
OP/BP 7.50

No

The project does not involve international waterways

Projects in Disputed Areas OP/BP 7.60

No

The project is not located in a disputed area

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Apr 09, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The safeguards related studies will be carried out in March and early April 2018.

CONTACT POINT

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APPROVAL

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| Task Team Leader(s): | Sarah Coll-Black, Nina Rosas Raffo, Suleiman Namara |
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Approved By

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|---------------------------|-----------------|-------------|
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| Practice Manager/Manager: | Iffath Sharif | 06-Apr-2018 |
| Country Director: | Henry G. Kerali | 10-Apr-2018 |

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