

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC5380

Date ISDS Prepared/Updated: 22-Jun-2016

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Ghana	Project ID:	P145316
Project Name:	Dedicated Grant Mechanism for Local Communities (P145316)		
Task Team Leader(s):	Nyaneba E. Nkrumah		
Estimated Appraisal Date:	13-Jun-2016	Estimated Board Date:	26-Aug-2016
Managing Unit:	GEN01	Lending Instrument:	Investment Project Financing
Sector(s):	Forestry (60%), General agriculture, fishing and forestry sector (40%)		
Theme(s):	Other social development (30%), Climate change (70%)		
Financing (In USD Million)			
Total Project Cost:	5.50	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
Strategic Climate Fund Grant			5.50
Total			5.50
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The PDO is to strengthen local communities' capacity to understand climate change/REDD+ and their role in local and global solutions, leading to strengthened engagement in local initiatives related to REDD+, and in the Climate Change Agenda.

C. Project Description

The proposed project will finance the demand-driven provision of grants to community organizations. The grants will directly complement GOGs efforts to reduce deforestation and

degradation, specifically Ghana's Forest Investment Plan and in so doing create a simultaneous community-led and state-led effort to reduce deforestation and degradation. This approach complements, and contributes to, GoG's ongoing efforts to engage non-state actors, in particular local communities in sustainable natural resource management.

The proposed project is part of a global program – the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) – which has allocated \$5.5 million in grant resources to Ghana. The DGM was designed specifically to promote the inclusion of communities reliant on forests in policy formulation and initiatives that seek to reduce deforestation and degradation. Indeed, the creation of the DGM is an acknowledgment of the critical role that natural resources play in the lives of rural communities, their livelihoods, culture, and opportunities for economic development. Ghana's participation in the DGM is relevant given the rapid deterioration of forest resources and the high dependency on natural resources. The DGM-Ghana will fully complement the FIP by involving local communities in the REDD agenda in ways that recognize the role that they play, as users and stewards of the forests and as owners and users of land.

The DGM global design is a product of a collaborative effort between the SCF and indigenous peoples and local community representatives from various countries. Ghana has been ably represented in this process, with rigorous engagement from self-selected representatives. Indeed, the global program design and the operational guidelines have been the subject of numerous consultations since 2009. Initial consultations in 2009 and a presentation to the ninth session of the UN Permanent Forum on Indigenous Issues in April 2010 were followed by regional meetings in Accra, Vientiane, Lima, and Sydney (from November 2010 – February 2011) and global meetings in Bangkok and Washington DC in May 2011. These meetings resulted in the completion and approval of a global program design in October 2011. In November 2012 operational guidelines for the program were provisionally approved.

Country-level projects are in the nascent stages of preparation. In line with the agreed-upon design framework laid out in the global design document and the operational guidelines, the proposed project will fund activities geared towards strengthening community capacity to: engage on policy; participate in land use planning, production practices, and organization; and to develop as entrepreneurs and businesses. The DGM project area will directly overlap with that of the FIP—the Western and Brong-Ahafo Regions—however, national level activities such as capacity building and knowledge sharing could be considered.

The proposed project components are as follows:

Component 1 – Community Grants (approximately \$4.1 million): This component will finance grants to community based organizations. Grants will be financed for activities that fall under pre-determined themes. Possible windows include capacity building (which could include financing delivery of training to communities to expand their knowledge through workshops, seminars, and other methods of training); knowledge exchange (which could finance activities that involve hands-on, practical transfer of knowledge nationally, regionally, and internationally through, for example, study tours, virtual discussions, development of community/farmer demonstration plots, community level internships, etc.); pilot activities (such as providing matching or seed grants to communities to engage in new livelihood activities); and information dissemination. The list of windows and potential activities is deliberately vague because the community level consultations have yet to be conducted and because the FIP (IBRD and IFC) activities have yet to be defined making any crystallization of DGM grant windows at this point, premature. The final list will be developed in

consultation with relevant stakeholders to ensure that synergies are maximized and that overlaps are eliminated. Also to be decided during project preparation is the size of grants and potential the process for targeting beneficiaries (with close attention to the FIP projects).

Component 2 - Information and Communication (approximately \$0.5 million): This component will finance activities aimed at sharing information on the DGM at the national and regional levels. This may include media coverage (radio, newspaper, social media) and, as necessary, workshops with relevant stakeholders.

Component 3: Project Management (approximately \$0.9 million): This component will finance the costs of the National Executing Agency (NEA) which will implement the project. The NEA will be selected through a competitive process (see also section on Implementation Agency Assessment). The NEA will be charged with tasks including developing review and risk assessment criteria, disbursing funds to grant projects, ensuring appropriate use of DGM funds, maintaining documentation of country projects, and reporting to the WB on use of DGM funds. In addition, under this component the NEA will undertake monitoring and evaluation activities of the various pilot activities.

The DGM-Ghana will be designed and implemented with the following principles: (a) ownership and joint decision-making by local communities; (b) transparency and accountability in selection of implementing partners, members of governing bodies and beneficiaries; (c) flexibility, efficiency and administrative simplicity to enable easy and streamlined access of grants by local communities; and, (d) Social inclusion and equity by reaching out and ensuring the participation and the protection of women, children, elders, and others vulnerable to exclusion. Particular attention will be given to activities addressing gender-specific livelihoods, health, and cultural issues, and activities promoting the engagement of youth. This may include communication efforts targeted at women and youth, designing grant windows focused on women and youth activities, etc. In addition, the preparation process will pay particular attention to vulnerability.

The DGM will be overseen by a National Steering Committee (NSC) which will be supported by a National Executing Agency (NEA). The NSC's main function will be to select proposals to award grants and monitor progress of the projects. In addition it will, among other things, ensure that DGM lessons are transmitted to ongoing national processes. NSC members will be selected during project preparation with the assistance of relevant stakeholders. The NSC will reflect a balance along gender and regional lines. The inclusion of youth will be encouraged. The NSC will include decision making members who represent local communities; active observers which would include representatives from government, MDBs etc.; and a Secretary who will coordinate and support the meetings. The NSC will be supported by a National Executing Agency which will implement the project. The NEA will be a nongovernmental organization, with the requisite capacity to prepare and implement the proposed project according to Bank operational policies (fiduciary, procurement, safeguards, etc.). The entity will be responsible for a number of activities during implementation including for example, preparation of procedures and guidelines for oversight mechanisms, country-level risk assessment criteria, management of grant making process and monitoring compliance with World Bank's safeguards, procurement, and financial management requirements. A financing agreement will be signed between the NEA and the Bank and subsequent grant agreements will be signed between the NEA and individual grantees. The NEA will be selected during project preparation and will start operation after project approval.

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

The project will focus on the High Forest Zone in the Western and Brong Ahafo Regions although there may be scope for some national level activities. Land use in the HFZ includes cocoa farms, subsistence crops and fallow lands. Biodiversity in the HFZ is high and the HFZ falls within the West African Biodiversity Hotspot. The focus on these two regions mirrors the focus of the Ghana Forest Investment Plan which the DGM directly complements.

The Brong Ahafo region covers an area of approximately 39,558 km² and an estimated population of 2.2 million (GSS, 2010) with a population density of 58 persons/km².

The predominant vegetation zones are the moist semi-deciduous forest, transitional and the Guinea Savanna woodland roughly representing the southern, middle and northern parts of the region respectively. The forest belt is mainly found to the south and south-western parts of the Region while the savanna wood land predominates in the eastern half of the northern third of the region. The region has access to economic trees estimated at 29 million m³ (17% of national stock). The Western Region covers an area of approximately 239,221 km² and an estimated population of 1,924,577 .

About 75 percent of its vegetation is within the High Forest Zone and lies in the equatorial climate zone. The rich tropical forest makes it one of the largest producers of raw and sawn timbers as well as processed wood products. The region is home to the Ankasa Conservation Area (approximately 500km², which is comprised of Nini-Snhie National Park and the Ankasa Resource Reserve.

Western region is the largest producer of cocoa and timber and the second highest producer of gold (both large scale, small scale, and artisanal mining). In addition, the region has commercial plantations of rubber and palm oil and is now producing oil.

Within the HFZ cocoa farms, subsistence crops and fallow lands are dominant land use times. Both regions have diverse populations including various ethnic, sub-ethnic and linguistic groups.

E. Borrowers Institutional Capacity for Safeguard Policies

The project will be implemented by a National Executing Agency (NEA) which will be selected using Bank guidelines. The NEA will be required to have the capacity to implement the proposed project according to Bank operational policies including safeguards policies and as such it will be necessary for the NEA to have relevant competencies in its staffing. Nevertheless, the Bank team will provide additional capacity support to the NEA on safeguards policies early in project preparation and on an ongoing and as needed basis during the implementation period. The implementation of the project will be overseen by a National Steering Committee (NSC) whose main function will be to select proposals to award grants and monitor progress of the project. Given this oversight function, capacity building activities for the NSC will also be required.

F. Environmental and Social Safeguards Specialists on the Team

Dora Nsuwa Cudjoe (GEN06)

Michael Gboyega Ilesanmi (GSU01)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	A Program level ESMF has been prepared for the whole DGM program and is intended to provide general guidance for country level applicable safeguards instruments. However, this project is an integral part of the Forestry Investment Program and since the two projects operate in the same area, the FIP safeguards documents will be used as the country level ESMF. In the case of the Ghana DGM project the country level ESMF will be consistent with but more specific and detailed than the Program ESMF. In particular it will cover the requirements of the specific environmental policies triggered in this operation, namely the Natural Habitats Policy and Forest Policy.
Natural Habitats OP/BP 4.04	Yes	The project will operate in the high forest belt of Ghana and although there will be a focus on off-reserve areas that are more degraded, these areas still constitute natural habitat for many species such as birds, antelope sp, etc. The project focuses on enriching the natural habitat in these areas. Screening will occur to ensure that project activities enhance, rather than degrade the natural habitat.
Forests OP/BP 4.36	Yes	The project will finance subproject activities on farm lands, community lands and possibly degraded forest areas. Activities, which are demand driven, will be those that enhance the natural environment. Potential subprojects include those that increase biomass such as agroforestry, plantation stands (in non forested areas) for biomass and carbon, tree nurseries, and so on. The forests will not be negatively impacted but because the activities are near or in forested areas, all subproject activities will be screened for any negative impact.
Pest Management OP 4.09	No	No procurement/use of pesticides or other agro-chemicals is envisaged under this project. However, screening of sites for pilot activities will include specific screening under the ESMF to avoid adversely affecting physical cultural heritage, such as sacred groves.
Physical Cultural Resources OP/BP 4.11	No	No PCR should be affected through the implementation of this project.
Indigenous Peoples OP/BP 4.10	No	There are no indigenous peoples as per OP 4.10. Reviews of the applicability of 4.10 in Ghana have determined that characteristics outlined under paragraph 4 are not present, and the policy is not

		applicable. The Global Mechanism refers to Local Communities and Indigenous Peoples, the project in Ghana refers to local communities as beneficiaries, reflecting the specific identification in that country context.
Involuntary Resettlement OP/ BP 4.12	Yes	As the project will include restriction of access to parks and protected areas and will include activities in such areas, a Process Framework will be prepared and disclosed prior to appraisal.
Safety of Dams OP/BP 4.37	No	Not applicable.
Projects on International Waterways OP/BP 7.50	No	Not applicable.
Projects in Disputed Areas OP/ BP 7.60	No	Not applicable.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 18-May-2016

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

This project is an integral part of the Forestry Investment Program and since the two projects operate in the same area, the FIP safeguards documents will be used as the country level ESMF. The FIP project is approximately a year ahead of the preparation schedule for the DGM and therefore the safeguard documents will be completed and disclosed prior to the finalization of the appraisal stage ISDS (May, 2016).

IV. APPROVALS

Task Team Leader(s):	Name: Nyaneba E. Nkrumah	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Maman-Sani Issa (SA)	Date: 22-Jun-2016
Practice Manager/ Manager:	Name: Magda Lovei (PMGR)	Date: 24-Jun-2016

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.