

# INTEGRATED SAFEGUARDS DATA SHEET

## CONCEPT STAGE

**Report No.:** ISDSC7861

**Date ISDS Prepared/Updated:** 19-Dec-2014

**Date ISDS Approved/Disclosed:** 21-Jan-2015

### I. BASIC INFORMATION

#### A. Basic Project Data

<b>Country:</b>	Ghana	<b>Project ID:</b>	P148183
<b>Project Name:</b>	Ghana FIP - Enhancing Natural Forest and Agroforest Landscapes Project (P148183)		
<b>Task Team Leader(s):</b>	Timothy H. Brown, Martin Fodor		
<b>Estimated Appraisal Date:</b>	12-Dec-2014	<b>Estimated Board Date:</b>	27-Feb-2015
<b>Managing Unit:</b>	GENDR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Forestry (60%), Public administration- Agriculture, fishing and forestry (40%)		
<b>Theme(s):</b>	Climate change (50%), Environmental policies and institutions (30%), Other rural development (20%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	32.50	<b>Total Bank Financing:</b>	0.00
<b>Financing Gap:</b>	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			3.00
Strategic Climate Fund Grant			29.50
Total			32.50
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

#### B. Project Objectives

13. The FIP finances three inter-related projects in Ghana, implemented by the World Bank, the African Development Bank (AfDB) and the International Finance Corporation (WBG), respectively. The overall goal of FIP-financed activities in Ghana is to reduce greenhouse gas (GHG) emissions from deforestation and forest degradation, while reducing poverty and conserving biodiversity. The FIP set of activities collectively aims to (i) ensure the integrity, restoration, and sustainable

management of forest reserves by introducing more inclusive management and benefit sharing models, financial incentives, and investments; (ii) restore forest cover in off-reserve areas by securing tree tenure and benefits, forest plantations and landscape restoration, and rehabilitation of degraded forest land; (iii) increase trees and enhance carbon stocks in the farming system by promoting sustainable cocoa and agriculture practices; and (iv) develop viable alternative livelihoods for local communities by addressing a broad range of technical, financial and market incentives, to reduce pressure on existing forests.

14. Project Development Objective : The Bank’s FIP-financed project aims to strengthen policy implementation, institutional capacity and local practice with community engagement to reduce forest loss and land degradation in selected landscape corridors in Ghana's High Forest Zone.

15. Key PDO indicators (proposed at concept stage) include:

- Policy implementation and institutional practices related to forest/land use are improved to engage communities in promoting sustainable forest management and climate smart agroforestry.
- Community based natural resource management institutions strengthened with training, access to information, improved incentives, rights and responsibilities for managing landscapes sustainably.
- Land area in targeted landscape corridors where more sustainable agroforestry and climate smart cocoa practices are adopted by community institutions, user groups and farmers.
- Reforms and practices enhanced and reinforced through improved, efficient and targeted communication methods and materials.
- Reduced levels of deforestation and forest degradation and increased levels of tree establishment relative to 2012 baseline level (can be converted to emissions reduction estimates).

## **C. Project Description**

### **A. Context: Ghana’s Forest and Land Use Challenges**

Ghana’s Shared Growth and Development Agenda provides the strategic direction for addressing forest and natural resource management challenges with more community engagement. The key sectoral challenges are to:(i) improve the enabling environment and incentives for better stewardship and investment by local institutions, communities, and farmers; (ii) improve and diversify livelihoods for communities as an alternative to forest degrading activities; (iii) coordinate and harmonize incentives across multiple layers of institutions and stakeholders for improved livelihoods; and (iv) capitalize on climate change as a focal initiative and financing opportunity. The Government recognizes the central economic importance of timber and non-timber forest products, cocoa and other tree crops, charcoal and other commodities, as well as water and other environmental services generated both on and off forest reserves, plantations, and small farms. It also recognizes the complex inter-relations among policy barriers and distortions, levels of administration and traditional leaders, and community livelihood strategies and economic opportunities.

### **B. Project Description**

The Ghana FIP-financed World Bank Project, Enhancing Carbon Stocks in Natural Forests and Agro-forest Landscapes, is designed to address these challenges through upstream policy interventions, practical landscape level pilot demonstrations, capacity building, and communications efforts to improve understanding and practices and to prepare for wider replication and scale up. The project will have four main components.

- Comp. 1: Policy Reforms and Institutional Strengthening (\$3 million)
- Comp. 2: Pilot Investments for Improved Forest and Landscape Management (\$22 million)
- Comp. 3: Innovation, Capacity Building, and Communications (\$3 million)
- Comp. 4: Project Management, Monitoring and Coordination (\$1.5 million)

The organization and relations among the four components are illustrated below. The core of the project (Component 2) is a set of pilot activities implemented in a few target landscapes, designed to address key drivers of deforestation. The policy reforms, institutional strengthening, capacity building, and communications activities in other components aim to support and sustain the pilot/demonstration activities and lay the ground work for later replication and scale up. The final component provides resources for management, monitoring, and coordination across the range of FIP financed activities. Each of the components is further described below.

Component 1: Policy Reforms and Institutional Strengthening (\$3 million). This component consists of efforts to advance implementation of reformed policies, improve the enabling environment, and strengthen the institutional means/efforts to achieve/promote sustainable forest management. This will involve two subcomponents. The first will help the GoG to pursue changes in policy “practice” – that is, translation and interpretation of the way policies are deployed on the ground – as well as incentives (including delivery of services, capacity, inputs, and information) to improve the enabling environment for sustainable landscape and forest management. This work will build on the work of FCPF and the NREG TA, and prior assessments to identify practical recommendations for changes in procedures, practices and rules to improve tree tenure, devolve farmer/community resources management rights and institute more equitable benefit sharing arrangements. It will also include inputs to the design of pilot-demonstration approaches (implemented under component 2), for example guidelines and training to enable assessment of the effectiveness of changes in policy/practice, and planning and resource mobilization for those with potential for replication and scale up. It will also include support to sustain, refine and expand consultation and governance platforms initiated under NREG and FCPF at both national and local level. The second subcomponent will focus on developing and improving the institutional procedures, guidelines and institutional models to enhance the quality of service delivery by the Forestry Commission to support the rollout and extension of demonstration activities at landscape level. This will also involve assessment and improvement of institutional capacity for delivering improved services for improved landscape, forest and tree management.

Component 2: Pilot Investments for Improved Forest and Landscape Management with Communities (\$22 million). As noted, pilot demonstration investments are the core of this Ghana FIP project. These will aim to establish and test different interventions and options for improved landscape management approaches in practice, while at the same time laying the groundwork for replication and scaling up. These pilots represent up-front investments required to restore/ protect/ reduce deforestation, and thus build on the REDD+ Readiness Process. Pilots will be supported by efforts to consolidate lessons from implementation to improve policy implementation and institutional practices, as well as outreach efforts that encourage replication of improved practices to landscapes beyond the target corridors. Pilot demonstration activities will be implemented in two main landscape areas: on farms and in communities and on forest reserves as follows.

Pilot 2.1: Enhancing Trees and Climate-Smart Practices in Agroforestry Corridors and Cocoa Landscapes on Farms with Communities (\$14 million). This pilot will focus on drivers of deforestation and land degradation on community managed agroforestry and cocoa cultivation landscapes in selected corridors in the target regions. It aims to secure and enhance trees in corridors

with community based institutions, enhance trees and climate smart cocoa with farmers both in corridor landscapes and on admitted farms, and to deploy integrated landscape planning in support of community based resource decisions. These activities will enhance carbon stocks in the agroforestry and cocoa landscape by scaling up support (a combination of extension, inputs, certification, price incentives) to smallholder farmers to increase protection of existing trees, planting of new trees, practicing agroforestry and shade grown climate smart cocoa production in selected landscape corridors. It will aim to re-align incentives for the care and maintenance of trees on private farmland, to improve extension and communication efforts, and to formalize resource management rights at community/farmer level. Pilot efforts will be developed in consultation with communities and land users in targeted zones in relatively degraded landscapes.

The transformative nature of this activity will come from giving community level institutions and cocoa farmers the incentives, knowledge, and tools to improve farm level outcomes and gain local benefits from managing trees and forest mosaics within the larger landscape, while also enhancing co-benefits of associated with increased tree cover and carbon sequestration. This pilot will build on two key entry points: (i) the current willingness of GoG to revise implementation practices and devolve key management responsibilities to community level, particularly through Community Resource Management Areas (CREMA); and (ii) the alignment of interests among cocoa producers, buyers and regulators to ensure a more sustainable and climate-friendly supply/value chain.

Activities to be financed will include: (i) community implemented investments in land and tree management; a ctive testing, demonstration, and assessment of new practices and policies for land and tree management and ownership with greater community benefit; (ii) provision of improved inputs (e.g., tree seedlings) as incentives for improved practices; (iii) delivery of improved and integrated extension services on climate smart cocoa in cooperation with supply chain players; (iv) support for risk reduction measures for smallholder farmers; and (v) engagement with admitted farms on forest reserves to raise yields and reduce environmental impact. These efforts will be enhanced by innovative communication approaches to facilitate the delivery of practical, timely and useful information to farmers and community level institutions. As part of CREMA establishment, participatory planning will help to engage and inform local communities about the nature of their resource base, the priority management issues, the competing interests and needs for livelihoods, production and protection. District level authorities, traditional authorities, community representative, local institutions, vulnerable and disenfranchised groups will be engaged in a structured planning process that prioritizes landscapes, establishes commonly held management goals, and develops specific local land use plans, that can be nested within larger district level plans. Low-cost geo-referenced mapping technologies will be employed to assist stakeholders to identify and delineate local land uses and important landscape features. There is strong potential here for coordination with the DGM-financed effort at community and landscape level; these links will be developed during implementation.

This work will be led by the Forestry Commission under the management umbrella of MLNR. The Forestry Commission will work with partners with skills in communication, community engagement, landscape management practices, etc. Likely partners are those already engaging with CREMA development and scaling up in Western Region and Brong Ahafo, as well as professional communication enterprises, plus other intermediate service providers that may bring skills in training, visual communication, survey design, and M&E approaches. This will also involve work with stakeholders in the cocoa supply chain (COCOBOD, Licensed Buying Companies, other private agents, extension agents and service providers), and research institutions (FORIG and CRIG) and existing information and extension service providers (e.g., Solidaridad, NCRC, IUCN and others).

This can also lay the groundwork for future piloting of performance-based payments under REDD+.

Pilot 2.2: Pilot Investments on Forest Reserves for Reducing Degradation, Enrichment Planting, Nurseries, and Plantation Development for Restoring Degraded Forest Landscapes (\$8 million). This pilot will aim to reduce further degradation of permanent forest estates; enhance habitat and carbon stocks through enrichment planting and nursery development with ecologically and commercially important native species to restore degraded landscapes, and facilitate plantation investment in severely degraded landscapes in selected forest reserves and demarcated plantation zones, with community involvement. This will help to address the imbalance in timber supply and demand, improve the enabling environment and investment climate for sustainable forest management and plantation development, particularly on severely degraded forest reserves. This activity will augment the supply of important native species within the high forest ecosystem, while also creating incentives and employment opportunities and markets for native seed stock, for communities and farmers to engage in the planting and preservation of native tree species, rather than encroachment into forests.

Activities will include: (i) development of criteria and procedures for identifying and screening forest reserve areas for enrichment planting or plantation investment; (ii) participatory planning and outreach activities to engage communities and local authorities in this process; (iii) documentation and dissemination of enabling policies, procedures and models for securing SFM investments and for benefit sharing arrangements with local land users and communities; (iv) clarification of the roles, responsibilities, and benefit shares for communities, investors, and local governments and traditional authorities; (v) planning and demarcation of plantation investment zones and enrichment planting target areas; and (vi) establishment of native tree nurseries and out-grower/collector systems to augment knowledge about and supply of native species; (vii) securing forest reserves and reducing further degradation and encroachment by demarcation, pillaring and mapping of admitted farms and settlements in collaboration with the Survey Department of Ghana; (viii) targeted training and logistical support for FC field staff to undertake more effective monitoring and to improve community relations; (ix) Close collaboration will be fostered with forest-fringe communities, especially through training and support to Community Based Organizations (e.g., Community Fire Volunteers, Community Forest Committees (CFCs), Community Biodiversity Action Groups (CBAGs) and other recognizable community groups) to assist in increasing public awareness on the need to protect the forest reserves. Communities near plantation zones and enrichment areas will gain access to employment in site preparation, maintenance of planted seedlings, and monitoring of forest reserve areas against encroachment and illegal logging. This activity will support the procedures and land use demarcation to enable plantation investments, but it will not finance establishment of plantations.

The Forestry Commission, together with Ghana Investment Promotion Centre and local government will implement this activity, with engagement of private sector interests, local government units, and local communities and CBOs interested in improved benefit sharing approaches, improved forest protection and clearer guidelines for plantation establishment. Enrichment planting in forest reserves will be implemented by the Forestry Commission, including provision of inputs, training, and extension where communities are engaged in implementation. The transformative nature of the pilot is to provide clear models and procedures for enhancing investment, including clear designation of target areas. Increased private sector investment in sustainable forest management can help to generate local employment opportunities in planting, maintenance, seedling production, service delivery and out-grower arrangements.

Component 3: Innovation, Capacity Building and Communications (\$3 million). This component will support communication, capacity building, and monitoring activities to support innovation, engage communities, and provide information relevant for improved landscape management and restoration. This component will support the pilot activities described above by supplying information, improved approaches, and training materials needed to achieve the pilot goals. Activities in support of innovation will involve consolidation of economic, environmental and social assessments to provide knowledge and specific cultivation techniques to improve the acceptability and uptake of native trees in landscapes and in plantations. Communication, outreach and dissemination will be supported with development of strategic communication approaches, improving existing communication channels and capacities (in GoG), improving and targeting communication materials aimed at local institutions and stakeholder groups, using practical and efficient dissemination technologies (e.g., mobile phone, radio, etc). Communication efforts will be supplemented by technical know-how developed for practical uptake by farmers and landscape managers at the local institutional level. Research and dissemination efforts will be informed through surveys and feedback from target groups, so that information materials can be constantly improved and aimed at the people who need to apply the information to effect change on the ground. This activity will also explicitly support the proposed pilots with information materials and campaigns and will aim to engage locally appropriate delivery agents. Links with DGM-financed activities and related institutions will be developed and defined. Finally, this activity will support the scale up and localization of Ghana's National MRV/forest monitoring system, where needed to supplement the work initiated under FCPF. This may involve additional training, institutional support, community involvement, and regular data collection in line with appropriate indicators.

Component 4: Project Management, Monitoring and Coordination (\$1.5 million). This component will support project management and oversight, project monitoring and evaluation system, and wider coordination of the range of FIP-financed activities, including reporting at the international level. Monitoring and oversight will be handled by the project management unit located within the MNLR and includes fiduciary management, procurement, performance monitoring and status reporting, as well as appropriate application of safeguard requirements to all activities. Monitoring and evaluation activities will support project aims but also be integrated into existing M&E activities and systems carried out by the MLNR and subsidiary agencies in line with requirements under FCPF, NREG, and partner FIP projects. Collection of baseline data and regular updates will be supported. The project will also support the GoG in regular communication and coordination among FIP-financed interventions and related activities, to promote synergies among all FIP projects (WB, AfDB, IFC, DGM), as well as information and knowledge sharing with other FIP countries.

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

Project activities will be located in Ghana's high forest zone (HFZ), where deforestation rates and carbon stocks are highest. The HFZ is also a core cocoa production area with significant degradation. There is good potential to move toward more sustainable forest and land management (and reduce emissions and store carbon) by enhancing policies, incentives, and practices for better stewardship, agroforestry, and farming approaches. The GoG has initiatives to reduce the cocoa frontier expansion by providing incentives for rejuvenating old cocoa plantations and bringing old cocoa fallows under more sustainable agroforestry-based cultivation. The Ministry of Food and Agriculture also promotes certification of sustainable cocoa production, but there are several different systems and standards advocated by different organizations.

Financing from the Forest Investment Program (FIP) provides an opportunity to finance

transformative co-management and benefit sharing approaches. The FIP will finance policy and institutional reforms, capacity building, and communication (building on NREG TA and FCPF). The FIP-supported program will also pilot test innovative applications of community based planning and management, including tree management rights with communities and farmers. The proposed FIP-financed project will also complement and enhance the NREG TA effort (approved in June 2013), and build on consultation and measurement work that began under the FCPF (approved in November 2012).

### **E. Borrowers Institutional Capacity for Safeguard Policies**

**Borrower's Institutional Capacity.** The Government of Ghana has gained significant experience in implementing projects that are similar to this project and using, in a satisfactory manner, the World Bank safeguards instruments. Since the thematic areas under the new proposed project are relatively similar to past projects, the team is confident that the Government has the appropriate capacities to properly prepare and enforce Safeguards Policies. The project will build upon similar sector programs supported by the World Bank that include the REDD+ FCPF Readiness Program, the Natural Resources and Environmental Governance Technical Assistance and earlier engagements with the forestry sector. In addition, the project will link safeguard initiatives across parallel projects including the Dedicated Grant Mechanism and efforts by AfDB and IFC. There is ample demonstrated technical capacity in country to provide support services for developing safeguards documents.

The proposed Project is anticipated to have positive social and environmental impacts. It is anticipated that Component 2 may result in changes in land use which impact livelihoods. However, these will be voluntary and based on community based decision making. The specific locations of intervention are still being identified. This project is benefiting from parallel safeguards activities being developed under the FCPF support to the REDD+ Readiness Process. This includes ongoing development of a Social and Environmental Strategic Assessment (SESA) that is exploring possible social and environmental risks and impacts to ensure that relevant mitigation measures are identified. The FCPF is also supporting preparation of an Environmental and Social Management Framework (ESMF). This will provide a foundation for the FIP ESMF and Process Framework, which will be finalized and disclosed by the time of appraisal. A public consultation manual is also under preparation under FCPF.

### **F. Environmental and Social Safeguards Specialists on the Team**

Kenneth M. Green (OPSOR)

Paula F. Lytle (GSURR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
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Environmental Assessment OP/BP 4.01	Yes	Environmental Assessment OP/ BP 4.01. The project will engage in a number of activities that use forest resources in selected sites and potentially impact other environmental areas. These activities may have environmental impacts on a limited scale. An ESMF will be prepared, consulted upon, and disclosed before appraisal. This ESMF will draw on analysis in the SESA being prepared for the FCPFREDD+ Readiness process.
Natural Habitats OP/BP 4.04	Yes	Natural Habitats OP/BP 4.04. Some of the forest and woodlands to be targeted will contain critical ecosystems; the project will enhance the quality of the management of these critical ecosystems and reduce risks associated with potential economic development. The ESMF will provide guidance on avoiding or mitigating impacts on natural habitats.
Forests OP/BP 4.36	Yes	Forests OP/BP 4.36. Forest policy and management are a primary focus of this project, in addition to trees in the agroforestry landscape. The project will explore integrated and participatory forest management as part of a strategy of increasing carbon sequestration through sustainable forest management. The ESMF will include guidance on managing forestry issues.
Pest Management OP 4.09	Yes	The project will not directly finance the use of pesticides but will promote IPM and application of pesticide to minimize risks to human health and the environment, particularly in situations when pesticide use may increase in association with the project, such as promotion of shift of the existing cocoa farming practices towards climate-smart and resilient 'shade' cocoa. For this reason a Pesticide Management Plan will be prepared to ensure that the project does not increase the environmental impacts of pesticide use, and where possible these are managed responsibly, in line with sound environmental and human health protection objectives. The PMP will supplement the analysis of key environmental and social issues and risks associated with chemical applications in cocoa discussed in the draft ESMF prepared for this Project.
Physical Cultural Resources OP/BP 4.11	TBD	Physical Cultural Resources OP/ BP 4.11. This policy could be triggered if project activities promote actions in areas containing sites deemed physical cultural resources by the local communities (e.g.



		holy/secret sites such as sacred groves, sacred forests, etc.). Though it is not anticipated that the project will have negative impacts on any such sites, the existence of any such sites and the corresponding need to trigger this policy will be determined once the targeted zones are confirmed.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	Involuntary Resettlement OP/BP 4.12. No involuntary resettlement is anticipated. However, there may be cases where use and access to resources may be restricted due to changes in forest management and resource management plans. Therefore a Process Framework will be prepared.
Safety of Dams OP/BP 4.37	No	The project does not involve dams.
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/BP 7.60	No	N/A

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 05-Nov-2014

**B. Time frame for launching and completing the safeguard-related studies that may be needed.**

**The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

Planning for decision meeting in October and Appraisal in November 2014. Safeguards documents will be completed and disclosed by Appraisal.

### IV. APPROVALS

Task Team Leader(s):	Name: Timothy H. Brown, Martin Fodor	
<b><i>Approved By:</i></b>		
Regional Safeguards Coordinator:	Name: Alexandra C. Bezeredi (RSA)	Date: 21-Jan-2015
Practice Manager/ Manager:	Name: Magda Lovei (PMGR)	Date: 21-Jan-2015

<sup>1</sup> 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.