ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)

AFFIRMATIVE FINANCE ACTION FOR WOMEN IN AFRICA (AFAWA) PROGRAM: FINANCING CLIMATE RESILIENT AGRICULTURAL PRACTICES IN GHANA

05 JUNE 2019
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1 INTRODUCTION

1.1 General Context

The African Development Bank’s Feed Africa Strategy has identified innovative financing as critical to mobilizing resources for Climate Resilience Agricultural (CRA) transformation in the continent. The Risk Sharing Financing Mechanism has been proposed as one of the flagships for the Feed Africa Strategy and is premised on developing de-risking instruments, technical assistance, integrated ICT platforms, performance management, and incentives that would bridge the gaps between CRA and financing value chains. With the financial support from the AfDB, Ghana has taken the lead under this initiative with ‘Ghana Incentive-Based Risk-Sharing System for Agricultural Lending (GIRSAL) Project.

GIRSAL is implementing: i) Credit Guarantee Scheme; ii) Agricultural Insurance Facility; iii) Technical Assistance Facility; and iv) Digital Finance Platform to facilitate greater access to financial products and services for the agricultural sector. However, GIRSAL does not have any affirmative measures for ensuring that women-led micro, small-and-medium scale enterprises (MSMEs) and Farmer-based Associations (FBA) who do not have equal access to credit relative also benefit from this innovative risk sharing mechanism. Moreover, GIRSAL does not have any measures to address vulnerabilities of agro-ecosystems, communities and agricultural yield to climate change risks and uncertainties. These are the gaps that the Affirmative Finance Action for Women in Africa (AFAWA) programme seeks to address.

The AfDB is requesting US$18.5 million loan and US$1.5 million grants from the Green Climate Fund (GCF) in order to partner with Local Financial Institutions (LFIs) such as Ecobank Ghana Limited, who issued a letter of intent to join this programme, to develop an inclusive loan product to enable women-led MSMEs and FBAs finance climate resilient agricultural practices. Some of these climate resilient practices include minimum tillage, use of drought resistance and improved yield seeds, crop rotation, processing, storage and packaging facilities as well as the use of solar irrigation, off-grid solar and biogas technologies to improve diversification, value addition, productivity and profitability across the agricultural value chain.

The projects to be considered for funding under the loan facility have the potential to result in environmental and social impacts, which may be limited in scale and reversible. As part of the Environmental and Social (E&S) safeguards documentation required to support the AfDB application for GCF funding to partner with LFIs, an Environmental and Social Management System (ESMS) is required for the program. Through LFIs, the selected women-led MSMEs and FBAs will adopt the AfDB’s Integrated Safeguard System (ISS), consisting of an Integrated Safeguards Policy Statement and a set of E&S Performance Requirements towards managing any associated E & S risks associated with the subprojects.

1 Medium Enterprise are defined as organisations which employ between thirty and hundred people; has a total annual turn-over in the range of GHS138,000 to GHS352,000; and with fixed assets not exceeding $1,000,000.

2 Small Enterprises employs between ten to twenty nine people; has a total annual turn-over in the range of GHS 15,000 to below GHS138,000; and with fixed assets not exceeding more than $100,000.

3 Very Small and Micro Enterprises employ between one to nine people; has a total annual turn-over between GHS2,400 and GHS15,000; and with fixed assets not exceeding $10,000.

4 The program defines MSMEs as those enterprises that employ from 1 to 100 employees and have financial needs up to USD$ 1 million. This definition of MSMEs includes farm-based associations such as producers’ associations and cooperative societies if they meet the requirements set out in Note 1, 2 and 3.
This ESMS sets out the procedures that will be used to help determine which E & S risks and potential impacts should be addressed in planning, implementation and operation of sub projects to be selected for funding under the loan facility. The ESMS describes how LFI s in Ghana, through the Accredited Entity (AfDB) and the selected subprojects will manage E & S risks and impacts of sub projects. Though the loan facility will generally target projects with E & S risks that have limited E & S impacts that are few in number, location specific and largely reversible or readily minimized, the ESMS has been written to provide a comprehensive set of E & S assessment tools, which will be deployed to ensure that sub projects specific E & S impacts are identified and managed effectively throughout the entire project cycle.

The ESMS also sets out the capacity building and strengthening programs that will be adopted as part of the implementation of the ESMS by LFI s in Ghana with support from the AE (AfDB).

1.2 Objective of the ESMS

The objectives of this ESMS are:

- To establish clear procedures and methodologies for the E&S planning, review, approval, and implementation of sub-projects to be financed under the loan facility;
- To specify appropriate roles and responsibilities and outline the necessary reporting procedures, for managing and monitoring E&S concerns related to sub-projects;
- To provide practical resources for implementing the ESMS, including general guidance on the development of E&S Management Plans (ESMPs) and their implementation.
2 PROGRAM DESCRIPTION

2.1 Introduction

The African Development Bank’s Feed Africa Strategy has identified innovative financing as critical to mobilizing resources for Climate Resilience Agricultural (CRA) transformation in the continent. The Risk Sharing Financing Mechanism has been proposed as one of the flagships for the Feed Africa Strategy and is premised on developing de-risking instruments, technical assistance, integrated ICT platforms, performance management and incentives that would bridge the gaps between CRA and financing value chains.

Financing climate resilient agricultural (CRA) practices in Ghana, is a pilot initiative of the African Development Bank (AfDB) Program on Affirmative Finance Action for Women in Africa (AFAWA). The new initiative is committed to mobilize funding of up to USD 300 million to address the financing gap that exists with respect to women’s access to finance in Africa. This existing gap widely affects women’s ability to take advantage of economic opportunities and access resources that can help them start, operate and grow their businesses. Financing CRA practices is the first pilot initiative of the AFAWA program in Africa, and aims at empowering over 400 women-led Agric-business enterprises in Ghana to have direct access to climate finance for agriculture. The program is anchored on the ‘Ghana Incentive-Based Risk-Sharing System for Agricultural Lending (GIRSAL) Project’, which is implementing (i) Credit Guarantee Scheme; (2) Agricultural Insurance Facility; (3) Technical Assistance Facility; and (4) Digital Finance Platform to facilitate greater access to financial products and services for the agricultural sector in Ghana.

2.2 Background to GIRSAL

With the financial support from the AfDB, Ghana has taken the lead under this initiative with ‘Ghana Incentive-Based Risk-Sharing System for Agricultural Lending (GIRSAL) Project’ (see Box 1 below)

Box 1: Ghana Incentive-Based Risk Sharing System for Agricultural Lending (GIRSAL)

This program is designed to complement the Ghana Incentive-Based Risk Sharing System for Agriculture Lending Project (GIRSAL), which is financed by AfDB and the Government of Ghana. The AFAWA Coordination Unit will work in complementary arrangements with GIRSAL to help mutually reinforce the outcomes and outputs from GIRSAL and the program. With GCF’s participation in this program GIRSAL will be complemented with gender and climate change dimensions.

• **Credit Guarantee Scheme (CGS):** This would entail the provision of guarantees to participating commercial banks and other financial institutions on an individual or portfolio basis. All banks and other financial institutions which shall be eligible for guarantees under the CGS, are prohibited from financing items under the AfDB’s Negative List.

• **Technical Assistance Facility (TAF):** This would involve capacity building for both Financing Value Chain actors (supply side actors) and Agriculture Value Chain actors (demand-side actors). Capacity building targeting demand side actors (such as input suppliers, producers, aggregators, processors, trade & logistics) will include training to improve farm and financial management, value addition and marketing. GIRSAL will also provide coaching and advisory services targeting Micro, Small and Medium Enterprises (MSMEs). GIRSAL will provide technical training through the Banking and Insurance Colleges of Ghana to enhance the capacity of financial intermediaries to assess and manage agricultural credit risk.

• **Agriculture Insurance Facility (AIF):** GIRSAL guidelines have made provisions for borrowers to purchase insurance policies (where the local market provides appropriate insurance at competitive prices). The pairing of guarantee and insurance products offers a more holistic de-risking solution and could have positive impact on risk-adjusted interest rates over the long run. GIRSAL will collaborate with Ghana Agriculture Insurance Pool; the insurance regulator to define the regulatory framework
for agriculture insurance in Ghana. The GIRSAL implementation team has initiated discussions with re-insurers such as SwissRe and AfricaRe to share costs development and rollout new products.

- **Digital Finance Platform (DFP):** GIRSAL’s cloud-based platform that would facilitate GIRSAL reporting, and development of predictive models. The platform consists of 3 elements:
  
i. Secure web applications that support: a guarantee application portal; payments portal and a knowledge and innovations center portal (KIC);
  
ii. A Risk scoring engine to be used by lenders in making credit guarantee applications decisions, and by GIRSAL to make guarantee approval decisions. The engine presents yet another innovative opportunity for automating loan risk assessment as well as profiling potential borrowers and
  
iii. A data warehouse that integrates information from numerous sources to build Know-Your-Customer (KYC) data on production: transaction, insurance coverage, input purchases, sales and purchases. The portal will allow capability for integrating information from Credit, Reference Bureaus, Academic Institutions, Mobile Money providers, utilities etc.

GIRSAL is championed by the Ministry of Food and Agriculture (MoFA), Ministry of Finance (MoFin) and the Bank of Ghana (BoG) and is aligned with the **Ghana Shared Growth and Development Agenda II** (GSGDA II)’s outlook for improving sustainability of the Agriculture sector. This National Development Strategy identifies the need to develop appropriate agricultural financing instruments (including the warehouse receipts system and agriculture insurance schemes) to mitigate the key risks faced by farmers.

The Bank of Ghana’s **Agriculture Sector Policy** articulates its mandate for price and macro-economic stabilization. BoG has historically supported indirect schemes in agriculture first under the Rural Finance Inspection Department (now part of the Banking Supervision and Treasury Departments of BoG). Furthermore, it has in the past played a significant role in administering donor schemes such as: Shareholder Credit, Input Supply and Marketing Project (SCIMP).

The sector priorities as defined in the **Food and Agriculture Sector Development Policy (FASDEP)** identified agricultural finance as one of leading constraints for private sector investment. The high risk perception for agriculture investments (both real and perceived) presents a disincentive for financial institutions to enter this increasingly lucrative sector. Even with interest rates as high as 30-35% p.a, commercial lending to the agriculture sector only accounts for 4 % of total lending. The target capitalization of GIRSAL is between US$56 million to US$134 million which will correspond to credit to the sector of US$ 285million to US$421 million respectively in 5 years. Bank of Ghana has set aside $USD25 million for GIRSAL project, and with AfDB commitment of UA10 million (apx US$15 million) would make a total of $US40 million for the first phase of set up with provisions made for additions to the initial capital over the life of the facility. The fact is that with proper management GIRSAL is able to leverage and crowd in 5 - 10 times the current amount lent out to agriculture by the commercial banks amount in the next 10 years.

GIRSAL has been partly capitalized through a USD 14.1 million loan from the AfDB to operationalize these four financing platforms for agriculture in Ghana⁵. The AfDB is currently seeking GCF co-financing to the tune of US$18.5 million loan and US$1.5 million grants to partner with LFI’s Ghana (one of GIRSAL’s implementing partners), to develop an inclusive loan product to enable women-led MSMEs and Farm-based Associations (FBAs) finance CRA practices in Ghana. The CRA practices will focused on activities in the agricultural value chain that are very vulnerable to climate change or have great potential for improving diversification, linkages and integration (e.g. energy-waste-agriculture linkages) and could contribute to strengthening resilience of ecosystems, communities and livelihoods of women. Some of the CRA practices are minimum tillage, use of drought resistance and improved yield seeds, crop rotation, processing, storage and packaging facilities as well as the use of solar irrigation, off-grid solar and biogas technologies.

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⁵ The Government of Ghana (GoG) has equally committed $65 million towards the capitalization of GIRSAL.
2.3 The Program’s Objectives

The program has great potential for enhancing resilience to agricultural practices in Ghana. The program’s objective is to empower those vulnerable women groups in the most vulnerable agro-ecological zones in Ghana through the provision of Lines of Credit (LoC) and Technical Assistance (TA) to participate in low-emission climate resilient agricultural (CRA) practices.

Specifically, the program aims to:

i. Improve women access to affordable financing to engage in CRA practices for livelihood diversification

ii. Support De-risking instruments for the agriculture sector in Ghana

The programme is expected to benefit 400 MSMEs and FBAs with a total direct beneficiaries of about 50,800 (8,800 females at the firm level and about 42,000 family members at the female employee household level). Similarly, it will indirectly benefit over 33,600 males (5,600 at the firm level and 28,000 family members at the male employee household level). It will provide affordable and inclusive loan product below 20% in local currency which is below market rate and with 15 years tenor. It will train 400 MSMEs and FBAs in climate resilient agricultural practices, and other business related strategies such as cash management, production efficiency and energy audit. These measures are geared towards enhancing the resilience capacity of the target women borrowers to address potential climate risks and uncertainties with regard to their investment activities in the agricultural value chain.

At this stage, the program will target women led organisations across the entire country. No specific locations for target investments have been identified at this stage. The types of entities to be targeted by the loan facility is presented in section 2.4 below.

2.4 Entities to be considered for the loan facility

2.4.1 Micro, small, medium-sized enterprises (MSMEs)

In this program, the definition for MSMEs proposed by Afful-Koomson et al. (2014) for Ghana is used. These are defined as:

- Medium Enterprise are defined as organisations which employ between thirty and hundred people; has a total annual turn-over in the range of GHS138, 000 to GHS 352,000; and with fixed assets not exceeding $1,000,000.
- Small Enterprises employs between ten to twenty nine people; has a total annual turn-over in the range of GHS 15,000 to below GHS 138,000; and with fixed assets not exceeding more than $100,000.
- Very Small and Micro Enterprises employ between one to nine people; has a total annual turn-over between GHS2, 400 and GHS15, 000; and with fixed assets not exceeding $10,000.

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The program defines MSMEs as those enterprises that employ from 1 to 100 employees and have financial needs up to USD$ 1 million. This definition of MSMEs includes farm-based associations such as producers’ associations and cooperative societies if they meet the requirements out above.

Since the program targets women-led MSMEs, the following additional criteria will apply in the selection in addition to those above:

- A formally registered agric-business enterprise with more than 51 percent women’s ownership\(^7\);
- At least 30% women on the Board of Directors or in senior management positions;
- Minimum firm size of about 5 employees of which, 60% are women\(^8\);
- Activities are mainly carried out along the agricultural value chain;
- Track record of loan repayments
- Operational bank account of more than 5 years
- Records and book keeping
- Agriculture land holding of between 5 and 15 ha
- Any other characteristics deemed necessary by the LFIs

### 2.4.2 Farmer Based Associations (FBAs)

Farmer based Organizations (FBA) are defined as associations of farmers who come together to pursue a common goal to foster improvement in their areas of operations. Some of the reasons for forming FBAs include the need for improving bargaining and negotiation power, achieving economies of scale in operations, improving quality control and better access to finance and market\(^9\).

The major difference between MSMEs and FBAs is that while MSMEs may have other ownership structures such as sole proprietorship, FBAs are jointly owned and democratically controlled or managed by the members of the FBA.

The Ministry of Food and Agriculture in Ghana has a Secretariat that oversees the activities of FBAs/Os and have a registry of FBAs/Os in the country.

The criteria for selecting FBAs will be similar to that of the MSMEs as follows:

- A formally registered FBA/O with the MOFA;
- The size of the Association must not be less than 5 member with at least 60% of the members being women
- Activities are mainly carried out along the agricultural value chain;
- Track record of loan repayments
- Operational bank account of more than 5 years
- Records and book keeping

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\(^7\) That is, more than 51% of the firm’s assets holding or shares are owned by a woman.

\(^8\)This is mainly to ensure that the benefits of the programme are widely felt by the most vulnerable groups of people at the district and administrative levels. The average employees for MSME are 40 and 30 for FBA.

• Agriculture land holding of between 5 and 15 ha  
• Any other characteristics deemed necessary by the LFIs

2.5 **Program Components**

2.5.1 **Component 1: Line of Credit for Women-owned Businesses in Climate Resilient Agricultural Activities:**

Component 1 will involve the following processes:

i. Loan pricing and product development;  
ii. Loan origination and appraisal by the banks;  
iii. Loan Disbursements through the banks;  
iv. Loan repayment by the women-led MSMEs and FBAs; and  
v. Loan reflow from the banks to AfDB and to the GCF.

2.5.2 **Component 2: Technical Assistance for Development of Climate Resilience Agricultural Value Chain:**

There are five critical challenges confronting SMEs and MSMEs involved in agric-business ventures in Ghana, namely:

i. lack of access to appropriate technology due to the high cost of processing equipment and the limited capacity of firms to mobilize capital to purchase labor saving technologies especially when it has to be imported. This makes agricultural operations time consuming, labor intensive with limited opportunity for scaling up.  
ii. Inadequate financing and access to formal credit as a constraining factor affecting the development of the small-scale agricultural industries in Ghana. This is highly correlated with the risk involved in the agricultural value chain for most FIs.  
iii. The challenge of losses along the agricultural value chain (Post-harvest losses -PHL). It is estimated that close to 50 percent of perishable food commodities such as fruits, vegetables, roots, and tubers in Ghana are lost every year, through PHL. For example, post-harvest losses in Maize, Cassava, Yam, and Rice amount to over 35.1 percent, 34.6 percent, 24.4 percent, and 6.9 percent respectively.  
iv. Ineffective food processing technologies, careless harvesting and inefficient post-harvest handling practices. It is also due to damages during transportation because of bad roads, inappropriate market practices, and inadequate storage facilities.  
v. The challenge of lack of managerial skills and training to access the growing global adaptation finance earmarked for agriculture.

The grant request from the GCF to the tune of $1.5 million will be provided to women-led MSMEs and LFIs in Ghana in the form of technical assistance (TA) to improve their technical and business skills, which are key to addressing the numerous challenges raised above. For Component 2, AfDB will be an executing entity to procure services to the other parties as described below.

This component will be made up of 4 sub components, namely:
i. **Capacity building for CRA adoption practices and technologies uptake.** This component designed to lay the groundwork for program implementation among women-led beneficiaries. This is basically to ensure that the targeted beneficiaries have the capacity to understand the program objectives, selected CRA intervention options such as minimum tillage, processing, storage, packaging and marketing opportunities, CRA technology options such as solar irrigation and biogas, and fully understand the operationalization of the program. The Directorate for Women in Agricultural Development with the Ministry of Food and Agriculture will lead this activity. However, the AfDB will have the general oversight and also handle all procurement of goods and services such as consultants for the activities.

ii. **Technical Assistance for LFIs in Ghana and MSMEs/FBAs to support implementation of program.** This sub-component is targeted at training about 20 LFIs and women-led MSMEs to support the full implementation of all components of the program. That is, from program development (as described above for Component 1) to program implementation and monitoring. This TA will also target women-led MSMEs and FBAs to access GIRSAL products and services.

iii. **Technical Assistance for strengthening the regulatory framework for private sector investment in climate resilient Agriculture.** The legal and regulatory framework for attracting private sector investment into agriculture in Ghana is still very weak. Access to key agricultural inputs such as drought resistant and high yielding seeds, fertilizer, agricultural machineries, credit, packaging and processing equipment, markets, transport and information and communication technologies are still lacking. This therefore limits the opportunity for the private sector to invest into climate resilient agriculture. The aim of this sub-component therefore, is to overcome some of these barriers by raising greater awareness among government Ministries, Department and Agencies (MDAs) on the need for institutional reforms targeted at ‘crowding in’ private sector investment into climate resilient agriculture. Also, there are plans for generating a knowledge product on key reforms needed for strengthening the regulatory framework for private sector investment into climate resilient agricultural practices in Ghana.

iv. **Advocacy, knowledge Management and Outputs Dissemination.** The aim of this sub-component are to: a) raise greater awareness concerning the AFAWA program initiative for potential replication and upscaling within and outside Ghana; b) support the development of gender strategy and policy based on program outputs and outcomes; c) effectively manage lessons learned as well as knowledge generated from the program design and implementation; and d) to widely disseminate the program outputs/outcomes.

### 2.5.3 Program Management.

AfDB will recruit a Program Manager who will have the responsibility for coordinating all the deliverables of the program, monitoring, evaluation and reporting. It will also recruit 2 well-trained investment officers (1 for pre loan disbursement and 1 for post loan disbursement activities) who will be stationed at the LFIs in Ghana as focal persons to work with the banks staff at the service desks. Both LFIs staff and the 2 AfDB investment advisor will be involved in the financial advisory services and loan origination. In addition, the AfDB investment advisors (including E & S advisors, as required) will undertake due diligence to ensure the borrowers are really women-owned but not some women fronting male owned SMEs to gain access to the concessional credit and also ensure that credit provided are for the eligible items. AfDB due diligence missions will also include E & S officers to ensure that the requirements of the ESMS are being
adhered to and the implementation of E & S risk management measures on sub projects is being done effectively and reported.

2.6 Implementation Arrangements between the AfDB and LFIs in Ghana

The requested GCF funds will flow through a GCF sub account for AFAWA held in the AfDB, which will then be passed on to the LFI in Ghana for on lending to women. However, due to the preference of the banks for local currency lending, the AfDB is in discussion with TCX for a currency swap to hedge the loan against currency risks. The swap hedging with TCX will be 15.21% GHS FXD (Act/360) vs. 1.25% USD (Act/360). The AfDB will therefore lend the senior loan to the selected LFI in Ghana, on behalf of GCF for 15.21% GHS. The banks will add 4% service fees in GHs and lend to the women-led MSMEs and FBAs focusing on CRA practices.

The AfDB is in discussion with LFIs in Ghana to set up a service desk with at least 2 staff dedicated to training other bank staff for the specified services and lending to the target lenders. Additionally, AfDB will recruit 2 investment advisors to be stationed at the offices of the LFI in Ghana as focal persons to work with the bank staff at the service desks. Both the investment advisors and the bank staff will be involved in the financial advisory services and loan origination.

The AfDB investment advisors will undertake due diligence to ensure that the lenders are really women-owned or led but not some women fronting male owned MSMEs/FBAs to gain access to the concessional credit and also ensure that credit provided are for the all the eligible items classified under agricultural inputs and equipment, agricultural production and aggregation, and agricultural processing, storage and packaging. For these reasons, apart from the usual credit appraisal based on financial characteristics of the lender, there will be additional gender and climate screenings. The E & S screening tools detailed in this ESMS will also be used during the due diligence process to ensure that E & S risks on all selected sub projects are adequately identified and managed.

Through the above mentioned investment approach, the AfDB AFAWA’s team together with GIRSAL and its implementing partner (LFIs in Ghana), are committed to empower over 400 women led MSMEs and FBAs through enhanced access to finance, contribute to Ghana’s GHG reduction to the tune of about 2.5Mt CO₂ eq within the next 15 years, impact the lives of over 372,720.0 direct and indirect programme beneficiaries. The lessons learned from the program will help in potentially upscaling and replicating the AFAWA initiative across the entire African continent.
3 ENVIRONMENTAL AND SOCIAL BASELINE INFORMATION

3.1 General Context
As set out in Section 2.3 (program objectives), the loan facility is expected to benefit MSMEs and FBAs across Ghana. At this stage, no specific location or province has been identified for funding.

As such, the baseline environmental and social information presented in this chapter considers a countrywide context only.

3.2 Location and Size
Ghana is situated on the west coast of Africa and lies within longitudes 3°5’W and 1° 10’E and latitudes 4°35’N and 1°N, with a total area of 238 540 km$^2$. The country has a north south extent of about 670 km and a maximum east-west extent of about 560 km (Figure 3.1).

It shares borders with Côte d’Ivoire to the west, Burkina Faso to the north, and Togo to the east. To the south are the Gulf of Guinea and the Atlantic Ocean. The country is divided into 10 administrative regions and 254 Metropolitan, Municipal and District Assemblies (MMDAs), the target units for the AFAWA program described in this ESMS.
3.3 Physical Environment

3.3.1 Topography and Relief

The topography is predominantly undulating and of low relief with slopes of less than 1 percent. Despite the gentle slopes, about 70 percent of the country is subject to moderate to severe sheet and gully erosion. The highest elevation in Ghana, Mount Afadjato in the Akwapim-Togo Ranges, rises 880 metres above sea level. There are five distinct geographical regions:

- The low plains, stretching across the southern part of the country.
- The Ashanti Uplands, stretching from the Côte d’Ivoire border in the west to the elevated edge of the Volta Basin in the east.
- The Akwapim-Togo Ranges in the eastern part of the country consist of a generally rugged complex of folded strata, with many prominent heights composed of volcanic rock. The ranges begin west of Accra and continue in a north-easterly direction, finally crossing the
border into Togo.

- The Volta Basin occupies the central part of Ghana and covers about 45 percent of the nation’s total area. The basin is characterized by poor soil, generally of Voltaian sandstone.
- The high plains in the northern and north-western part of Ghana, outside the Volta Basin, consist of a dissected plateau. Soils in the high plains are more arable than those in the Volta Basin.

The relief of Ghana has been influenced considerably by its geological history. The land is generally below 600m. A ridge and furrow topography is evident on Pre-Cambrian rocks reflecting the fold trends. The lowest lying areas occur in the middle Volta Basin and in a broad belt along the coast. Physiographic regions include the coastal plains, the Buem-Togo ranges, the forest dissected plateau, the southern Voltain Plateau, the Savanna High Plains and the Gambaga scarp. The topography will largely inform the design of physical component of the Project, especially the small earth dams and dugouts.

### 3.3.2 Drainage and Water Resources

Ghana’s water resources potential is divided into surface and groundwater sources. Surface water resources are mainly from three river systems that drain Ghana, namely: the Volta, South Western and Coastal river systems. The Volta system is made up of the Red, Black and White Volta Rivers as well as the Oti River. The South-Western river system is made up of the Bia Tano, Ankobra and Pra rivers. The Tordzie/ Aka, Densu, Ayensu, Ochi-Nakwa and Ochi-Amissah comprise the Coastal river systems. These river systems make up 70%, 22% and 8% respectively of Ghana’s total land area of about 240,000 km². In addition to these, the only significant natural freshwater lake in Ghana is Lake Bosomtwi.

This is a meteoric crater lake located in the forest zone, with a surface area of 50 km², and a maximum depth of 78m. (Ministry of Water Resources, Works and Housing, 2007).

### 3.3.3 Climate and Vegetation

Ghana has a warm, humid climate. Mean annual rainfall of the country is estimated at 1187 mm. Mean annual temperatures range from 26.1 °C near the coast to 28.9 °C in the extreme north (Figure 3.2A). Annual potential open water evaporation has been estimated as ranging between 1350 mm in the south to about 2000 mm in the north. The actual amount of evaporation depends on a number of factors including water availability, vegetation cover and prevailing weather conditions among others.
There are six agro-ecological zones defined on the basis of climate, reflected by the natural vegetation and influenced by the soils (Figure 3.2B). Rainfall distribution is bimodal in the forest, transitional and coastal zones, giving rise to a major and a minor growing season. In the remaining two agro-ecological zones, the unimodal rainfall distribution gives rise to only one growing season. Only in some parts of the country is the climate favourable for non-irrigated agriculture. Rainfall exceeds potential evaporation during relatively short periods. Even in the southern forest zone where rainfall is at its highest, irrigation is essential for short season crops during the dry period. The unreliability of rainfall is a cause of concern. Complete crop failures can be expected in most northern areas in about one in every five years. This risk can rise to one in every three years during low rainfall periods. The lean season would be targeted by the Project to engage the poor in the public works component.

3.4 Biological Environment

3.5 Ecology

There are six broad ecological divisions in Ghana that are rich and varied. The project area has savanna ecology, which extends into the neighbouring countries. It is classified into the Guinea savanna and the Sudan savanna ecological zones.

3.5.1 Flora

The Guinea savanna covers more than 90% of the land surface area of the Northern Savanna
Zone but not restricted to it. It stretches from the upper regions down south to the forest fringes. The zone includes the grassland of the north and the derived savanna on the fringes of the forests.

The interior savanna contains 1,519 vascular species known to be native or naturalised to the savanna zones of Ghana. Six species including *Ceropergia gennifera*, *Commiphora dalzielli*, *Pteleopsis habeensis* and *Eugenia coronta* are rare in Ghana and internationally. The Guinea Savanna consists generally of fire tolerant, deciduous, broad-leaved trees interspersed in a ground flora of mainly grass, sometimes more than 1.5m high. The more important grasses of grazing value include *Andropogon gayanus* and in densely populated areas, *Dictomis fastigiata*, *Pennisetum pedicellatum* and *Loudetia togoensis* are common. Other species that occur are *Hetropropogon contortus*, *Schoenefidea gracilis* and *Aristida hordeacea*. The common trees include *Vitellaria paradoxa* (shea), *Parkia biglobosa* (dawadawa), *Piliostigma thonningli*, *Combretum glutinosum*, *Anogeissus sp.*, *Detarium p.*, *Afzelia sp.*, *Prosopiss p.*, *Pterocarpuss p.*, *Butyrospermums p.*, *Antiaris sp.*, *Vitex sp.*, *Piliostigmas p.*, *Lonchocarpuss p.* and *Acacias p.*

The Sudan savanna occurs mainly in the Bawku East, Bawku West and Bolgatanga districts at the extreme northeastern corner of the Northern Savanna Zone. Its total coverage is less than 10% of the zone. The vegetation is made up generally of open savanna with short grass interspersed with relatively short low branching deciduous, broad and thin-leave trees. The common trees include species of *Adansonion*, *Butyrospermuma*, *cacio* and *Parkia*. The vegetation in most of the project area is characterised by a mosaic of forest, savanna, marshes and grassland. The ecology is for the most part severely altered. This is a reflection of prolonged unregulated grazing, burning, and intensive cultivation.

There are 72 forest reserves in the northern savanna made up of 23, 33 and 16 in the Northern, Upper East and Upper West in that order. They range in size from 0.4km2 to 1,116 km2. However, many of these areas are under pressure from subsistence farmers, livestock herders and others who engage in illegal activities in the reserves (Acheampong, 2001).

### 3.5.2 Fauna

Many of the large wildlife species, which are common to tropical Africa, are also found in Ghana. They live mostly in the savanna eco-system and include *Panthera leo* (lions), *Panthera pardus* (leopards), *Loxodonta africana* (elephants), *Syncerus caffer* (buffalo), *Neotrigus pygmaeus* (royal antelope) and *Colobus* and *Cercopithecus sp.* (monkeys), *Hippopotamus amphibius* and *Crocodilus sp.*. Snakes include pythons and poisonous ones such as *Naja melanoleuca* (cobra), *Bitis gabonica* (gaboon viper), Lizards, e.g. *Varanus niloticus*, often of striking colours are common, as are large snails, spiders and scorpions which are found in large numbers. The insect fauna is also very rich. The bird species include *Francolinus sp.* (bush fowl) *Falconidae sp.* (falcons, hawks, and eagles) *Psittacus erithacus* (grey parrot), *Neophron sp.* (vultures), *Guttera edouardi* (guinea fowl) and many more.

Savanna fauna comprises at least 93 mammal species, about half of which can be considered to be large ones, over 350 bird species, 9 amphibians and 33 reptiles. About 13% of the 860 recorded butterfly species in Ghana are associated with the savanna. The Wildlife
Conservation Regulations of 1971, (LI. 685) has schedules which contain lists of wild animals found in Ghana. Fifty-five of these are completely protected (Acheampong, 2001)

3.5.3 Rare or Endangered Species

Populations of many wildlife species found in the savanna have dwindled as a result of human-induced interventions, mainly through over hunting, inappropriate agricultural practices and expansion of agricultural land, road construction and bush burning (Appendix IV). The demand for wild animal meat (popularly called bushmeat in Ghana) is ever increasing, resulting in widespread hunting. As human populations in the northern parts of the country increases, exerting enormous pressure on the finite good "land" and creating land hunger among mostly the rural people, intact savanna woodlands and secondary groves which provide wild animals refuge and source of food become fragmented and unable to hold large populations of animals (Acheampong, 2001).

3.5.4 Wild Animal Migration

Wild animal movement between reserves, groves and sanctuaries in the northern savanna may be limited because these are either fragmented or interspersed with farmlands. Studies have shown that wild animals move from Togo into Ghana and vice versa, using gallery forests along the Red Volta River. It is also on record that wild animals move from the GEF supported Nazinga Game Ranch in Burkina Faso to farms on the Ghana side of the Ghana-Burkina Faso border. Communities outlying protected areas have occasionally had their farms and property destroyed by wild animals mainly elephants that move outside the reserves, particularly in the dry season, in search for water and food. In 1997 elephants invaded some villages including Widinaba, Zongoiri, Nangodi, Sekoti and Datoko, all at the fringes of the Red Volta Forest Reserve, which is a natural trail for elephants moving from Togo into Ghana. Where villages received no help from the staff of Wildlife Division in driving these animals back into the reserves (or gallery forests) they resorted to killing the rampaging animals (Acheampong, 2001).

3.6 Socio-Economic Environment

3.6.1 Demographic Characteristics

Ghana’s population as at 2010 stood at 24,658,823, comprising 12,024,845 (48.8%) males and 12,633,978 (51.2%) females, culminating into a sex ratio of 95.2. In 2018, the county’s population is estimated at 30,000,000. On regional basis, Ashanti Region is the most populous, with a population of 4,780,280, representing 19.4 percent of the country’s total population followed by Greater Accra, with a population of 4,010,054 (16.3%). The least populous regions are Upper West with 702,110 persons constituting 2.8 percent of the total population and Upper East with 1,046,545 persons or 4.2 percent of Ghana’s population. Population density stood at 103 persons per square kilometre in 2010. Average household size also stood at 4.4 (Ghana Statistical Service, 2012).

Ghana has a youthful population, thus consisting of a large proportion of children under 15 years, and a small proportion of elderly persons (65 years and older). The proportion of the population living in urban areas is 50.9 percent, with the level of urbanization varies from region to region.

In terms of ethnicity, Akans are the predominant ethnic group in Ghana (47.5%), followed by the Mole
According to the World Directory of Minority and Indigenous People in Ghana, the proportion of the economically active population aged 15 years and older is highest in Greater Accra (74.4%) and the lowest in the Ashanti region (69.4%). The proportion of females (31.7%) than males (10.2%) is engaged as service and sales workers. This pattern is generally the same for most of the regions, with the three northern regions (Northern, 73.3%; Upper West, 72.3%; Upper East, 70.1%) having relatively high proportions of the economically active population engaged as skilled agricultural, forestry and fishery workers.

According to Ghana Statistical Service, 2015, there is a high concentration of poverty in the North Western part of Ghana. Though incidence in the districts of the South Western parts is very low, there are however few districts with relatively high incidence. The concentration of poor persons is mainly observed in the northern than the southern districts of Ghana (Figures 2.4 and 2.5). Among the districts in Ghana, East

10 https://minorityrights.org/
Gonja in the Northern Region stands out as the district with most of the poor persons. Districts in the Southern Ghana on the other hand show very low concentration of poor persons, there are few districts with high number of poor persons, but these numbers cannot be compared to what pertains to districts in the northern part of Ghana.

Aside poverty incidence rate and number of poor persons, high depth of poverty is marked in districts in the northern half of the country as well. Across the country, inequality exists but follows no pattern. The poverty mapping exercise has revealed a striking pattern that would not have been apparent.
4 POLICY, LEGAL AND INSTITUTIONAL FRAMEWORK

This ESMS for the proposed program has been prepared in accordance with applicable environmental and social policies, legislations, regulations, and standards of the Republic of Ghana, GCF and AfDB’s Environmental and Social safeguards policies.

The summary of relevant national and sectoral policies, legal and institutional frameworks, and the AfDB and GCF-IFC safeguard policies are described in this chapter.

4.1 Constitution of the Republic Of Ghana

The Constitution of Ghana (1992) states that ‘the State shall take appropriate measures needed to protect and safeguard the national environment for posterity; and shall seek cooperation with other states and bodies for purposes of protecting the wider international environment for mankind’ (Section 6 (41) (9)). The Constitution also upholds the principle of private ownership of lands. Adequate safeguards from deprivation of private property rights have been provided for, in the 1992 Constitution. Even the state’s inherent powers to compulsorily acquire private property rights have been reconsidered and somewhat controlled. Article 20 of the constitution prescribes that under no circumstance should private properties be compulsorily taken unless there are weighty and justifiable grounds for such acquisition, which invariably must be in the public interest. It requires that all people have access to the High Court in the case that there is a dispute with regard to his/her right or interest over the land or the amount of compensation being offered.

Environmental regulation within Ghana falls under the requirements of the Environmental Protection Agency Act 1994 (Act 490) and the Environmental Assessment Regulations 1999 (LI1 652). The function of these and other national legislation tools relevant to the project are outlined in this section.

4.2 National Environmental Policy

The Ghana National Environmental Policy was launched in November 2012 with the vision to manage the environment in a sustainable way to benefit Ghanaian society. The objective of this policy is to promote healthy lifestyles and reduce risk factors that arise from environmental, economic, social, and behavioral causes thereby promoting healthy lifestyles in a healthy environment.

The policy notes that proper management of Ghana's resources requires that efforts should be redirected into more environmentally sustainable programs and practices. Such programs should protect and preserve the resource base for use by present and future generations. Assessment of the potential environmental impacts of development projects and planning in advance to mitigate or eliminate these impacts will decrease environmental costs to the economy and make more cost-effective use of the country's resources.

The Environmental Policy aims to ensure that a preventive approach is adopted in the pursuit of sound environmental management. The main preventive tool envisaged in the policy is the environmental impact assessment (EIA) process.
4.3 National Land Policy, 1999

The National Lands Policy was enacted in 1999 to remove the constraints land seekers were subjected to due to non-uniform and unstable land rules emanating from the customs and practices of the tribal and clan groupings in the country. The objectives of the policy are:

- To maintain the integrity of the land within Ghana’s international boundaries;
- Ensure that socio-economic activities are in conformity with the principles of sustainable land use;
- Ensure equity and security of tenure to both native people and foreign investors;
- Protect the rights of land owners and their descendants from becoming landless or tenants on their own lands;
- Provide mechanism for minimisation and resolution of land dispute; and
- Ensure fair and adequate compensation for land acquired by government from landowners. AFAWA will follow the relevant provisions in the policy to control the extensive encroachment on its land.

The National Land Policy provides for the protection of water bodies and the environment in the long-term national interest under any form of land usage be for human settlements, industry and commerce, agriculture, forestry and mining. Key aspects of Section 4.4 ( Ensuring Sustainable Land Use) of the Policy relevant to the Project are provided below:

- The use of any land in Ghana for sustainable development, the protection of water bodies and the environment and any other socioeconomic activity will be determined through national land use planning guidelines based on sustainable principles in the long-term national interest.
- Land categories outside Ghana's permanent forest and wildlife estates are available for such uses as agriculture, timber, mining and other extractive industries, and human settlement within the context of a national land use plan.
- Unless approved by the appropriate public authority, no land use change of any kind will be countenanced.
- All land and water resources development activities must conform to the environmental laws in the country and where Environmental Impact Assessment report is required this must be provided. Environmental protection within the 'polluter pays' principle will be enforced.

4.4 Sectoral Guidance Documents

A number of sectoral guidance documents and legislation are set out in Table 4.1 below.

<table>
<thead>
<tr>
<th>Sectoral Guidance or Policy</th>
<th>Description</th>
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<tbody>
<tr>
<td>The Ghana Shared Growth and Development Agenda (GSGDA) II, 2014-2017</td>
<td>The GSGDA is the fifth in the series of medium-term national development policy frameworks prepared over the past two decades. To ensure continuity in overall national development, the GSGDA II builds on the predecessor framework, GSGDA I (2010-2013), drawing lessons from its successes and challenges to enhance overall development management and the transformation agenda that the program represents. The GSGDA 2011 – 2013 sought to</td>
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<tr>
<td>Sectoral Guidance or Policy</td>
<td>Description</td>
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<tr>
<td>Environmental and Social Policy</td>
<td>improve the wellbeing of Ghana’s poor, most of which reside in rural areas and are dependent on agriculture for their primary livelihoods. Ghana’s agriculture sector strategy is known as FASDEP II (2010 – 2015), and highly pro-poor in nature with special focus on regional balance and gender inclusion (to promote greater gender equality), including consideration attention for environmental and social sustainability. Other policies also have a major bearing on outcomes in the agriculture sector. Of particular importance is the Second Private Sector Development Strategy (PSDS II). The PSDS II aimed at increasing by 20 percent, in real terms, the income of rural people in general and particularly in the poorer Northern and Central areas through more productive agriculture. The strategy highlights increasing the productivity of agriculture and the efficiency of agricultural value chains by supporting public and private initiatives.</td>
</tr>
<tr>
<td>Health, Safety and Environmental Policy for the Energy Sector, 2016</td>
<td>The policy describes the elements necessary to develop, implement, and maintain a high level of safety in all energy sector activities. The policy develops relevant regulations and standards, which will ensure that operators take into account relevant information about hazards, environmental effects, and safety and security threats to their operations. To achieve this outcome, regulators are to ensure that, energy sector activities are carried out in an efficient manner that strives for continuous improvement of HSSE performance.</td>
</tr>
<tr>
<td>National Climate Change Policy (NCCP), 2013</td>
<td>The National Climate Change Policy (NCCP) of Ghana seeks to essentially ensure a coherent and pragmatic approach in dealing with the impact of climate change on the socio-economic development agenda of the economy. The objective is to ensure a climate-resilient and climate-compatible economy while achieving sustainable development through equitable low-carbon economic growth for Ghana. Activities of the AFAWA program will be done in a manner that minimises emissions into the environment.</td>
</tr>
<tr>
<td>National Energy Policy</td>
<td>The policy also promotes the use of renewable energy resources such as biomass, solar and wind energy, and encourages decentralised off-grid alternative technologies (such as solar photovoltaic) for electricity supply in homes and industries. Another area of focus of the policy is to convert municipal, industrial, and agricultural waste into energy in hopes of managing the growing sanitation problems while contributing to energy supply security.</td>
</tr>
<tr>
<td>National Workplace HIV/AIDS Policy</td>
<td>The National Workplace HIV/AIDS Policy was formulated in 2005 by the social partners of the National Tripartite Committee (NTC), comprising Organised Labour, Ghana Employers’ Association and Government, in collaboration with Ghana AIDS Commission and ILO. The policy was aimed at providing a comprehensive framework for policy makers, employers and workers organisations to enable them formulate and implement workplace policies that are gender sensitive, address the needs of vulnerable groups and provide care and support initiatives.</td>
</tr>
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</table>
4.5 Applicable Legislation

4.5.1 Environmental Protection Agency (EPA) Act 1994, Act 490

The EPA was established under the Environmental Protection Agency Act (Act 490 of 1994) as the leading public body responsible for the protection and improvement of the environment in Ghana. It is responsible for enforcing environmental policy and legislation, prescribing standards and guidelines, inspecting and regulating businesses and responding to emergency incidents. It is responsible for issuing environmental permits and pollution abatement notices for controlling waste discharges, emissions, deposits or other sources of pollutants and issuing directives, procedures or warnings for the purpose of controlling noise. The EPA has the authority to require an EIA and is responsible for ensuring compliance with EIA procedures.

Additionally, the Agency is required to:

- Control and prevent the discharge of waste and the generation, treatment, storage, transportation and disposal of waste;
- Control and monitor use and advice on regulation and management of hazardous substances;
- Develop environmental standards such as the EPA’s Ambient Noise Level to guide compliance and aid effective enforcement;
- Develop comprehensive database on environment and environmental protection for promotion of sound ecological systems, effective planning and sustainable development; and
- Create environmental awareness and build environmental capacity as relates all sectors.

Under this Act, LFIs in Ghana, MSEs, FBAs are required to conduct and submit for approval any environmental assessment report and subsequently annual reports and management plans for EPA’s review, as applicable.

4.5.2 Energy Commission Act 1997, Act 541

The Energy Commission Act 1997 (Act 541) provide for its functions relating to the regulations, management, development and utilisation of energy resources, provide for the granting of licenses for the transmission, wholesale supply, distribution and sale of electricity and natural gas, refining, storage bulk distribution marketing and sale of petroleum products and to provide for related matters.

4.5.3 Environmental Assessment Regulations 1999, LI 1652

The Environmental Assessment Regulations 1999 (LI 1652) enjoins any proponent or person to register an undertaking with the Agency and obtain an Environmental Permit prior to the commencement of the project. The regulations require that “No environmental permit shall be issued by the Agency for any of the undertakings mentioned in Schedule 2 to these Regulations unless there is submitted by the responsible person to the Agency, an environmental impact assessment in accordance with these Regulations in respect of the undertaking”.

Application for environmental permit: (1) a person required under regulation 1 or 2 to register an undertaking and obtain an environmental permit shall submit to the Agency an application in such form as the Agency shall determine. (2) There shall be paid for the application such fee, as the Agency shall determine.
4.5.4 *Hazardous and Electronic Waste control and Management Act 2016 (Act 917):*

The Act provides for the control, management, and disposal of hazardous waste, electrical and electronic waste and for related purposes. The act also prohibits the importation, exportation, transportation, selling, purchasing or dealing in or depositing of hazardous waste or other waste on any land in the country or in the territorial waters of Ghana. It deals with hazardous waste and other waste and seeks to domesticate the Basel Convention on the control of Transboundary Movement of Hazardous Waste and their disposal, prescribes the Electrical and Electronic Waste levy and establishes a Fund as well as an Electronic Waste Recycling Plant. The Act has five (5) main schedules with the following descriptions:

i) List of hazardous wastes and other wastes;
ii) Notification form for transboundary movement or shipment of waste;
iii) Movement document for transboundary movement or shipment of waste;
iv) Classification of polychlorinated biphenyls waste for segregation; and
v) List of electrical and electronic equipment for which advance eco levy is applicable.

The proposed AFAWA program will employ the best environmentally friendly measures in handling Waste Electrical and Electronic Equipment (WEEE).

4.5.5 *The State Lands Act 1962 (Act 125 as Amended)*

This is the principal Law under which private lands could be compulsorily acquired. The Law empowers the President to acquire any land for the public benefit. The Act and its Regulation, that is, the State Lands Regulation 1962, L1 230 detail out the mechanism and procedure for compulsorily acquiring lands. It is a mandatory requirement that a copy of the instrument of acquisition be served on any person having an interest in or possession such lands or be affixed at a convenient place on the land and be published thrice in a newspaper circulating in the district where the land is situate.

The Act emphasizes the payment of compensation to the victims of acquisition made under the Act. The basis of the said Compensation should be either the *market value* or *Replacement value*. Costs of disturbance and incidental expenses or other damage suffered are to be considered in the award of compensation.

4.5.6 *Lands Commission (LC) Act 2008, Act 767*

This act provides for the management of public lands and other lands and for related matters. The Commission manages public lands and any other lands vested in the President by the Constitution or by any other enactment or the lands vested in the Commission. The act advises the Government, local authorities and traditional authorities on the policy framework for the development of particular areas to ensure that the development of individual pieces of land is coordinated with the relevant development plan for the area concerned.

The commission formulates and submits to Government recommendations on national policy with respect to land use and capability; advise on, and assist in the execution of, comprehensive program for the registration of title to land throughout the Republic in consultation with the Title Registration
Advisory Board established under section 10 of the Land Title Registration Act, 1986;

The Minister may, with the approval of the President, give general directions in writing to the Commission on matters of policy in respect of the management of public lands. The commission has the following divisions: Survey and Mapping; Land Registration; Land Valuation; Public and Vested Lands Management; and Any other Division the Commission may determine.

4.5.7 The Local Government Act, 1993 (Act 462)

The Local Government Act, 1993 (Act 462) mandates Metropolitan, Municipal, and District Assemblies (MMDAs) to take charge for the overall development of their respective areas, making them representatives of the central Government at the local level. Under the Act, various MMDA’s are mandated to:

- Provide facilities, infrastructural services and programs for effective and efficient waste management;
- Develop plans of the district to the National Development Planning Commission for approval;
- Approve all planning schemes before it can take effect within the district; and
- Be responsible for development control through the grant of permit for development.

4.5.8 National Development Planning (Systems) Act, 1994 (Act 480)

The National Development Planning (Systems) Act, (Act 480) was enacted to harmonize the operations of Planning Authorities in the country. Planning authority includes the District Planning Authority at the district level, the Regional Coordinating Council at regional level, the planning division of a Ministry or sector agency and any other body designated by the Commission to carry out a development planning function. It spells out the roles of the various planning units, the preparation of local action plans and sub- district plans, grievance redress procedure, among others. The AFAWA Program will conform to the national development planning systems by cooperating with the appropriate bodies.

4.5.9 Fire Precaution (Premises) Regulations, 2003 (LI 1724)

The Ghana National Fire Service Act, 1997 (Act 537) states that a fire certificate shall be required for premises used as a public place or place of work. This requirement is reinforced by the Fire Precaution (Premises) Regulations, 2003 (LI 1724). It is incumbent on any project developer to ensure that adequate provision and measures are introduced to minimize or prevent fire outbreaks. LFIs in Ghana, FBAs, MSMEs management will comply with the relevant provisions in the regulations to protect the facility from potential fire outbreak.

4.5.10 National Labour Act, 2003 (Act 651)

The purpose of the Labour Act, 2003 (Act 651) is to amend and consolidate existing laws relating to labour, employers, trade unions and industrial relations. The Act provides for the rights and duties of employers and workers; legal or illegal strike; guarantees trade unions and freedom of associations, and establishes the Labour Commission to mediate and act in respect of all labour issues. Under Part XV (Occupational Health, Safety and Environment), the Act explicitly indicates that it is the duty of an employer to ensure that every worker works under satisfactory, safe and healthy conditions. The
occupational health and safety plan prepared for this project was informed by the afore-mentioned requirements. Additionally, labour issues and rights will be protected and respected.

### 4.5.11 Occupational Safety and Health Policy of Ghana (Draft)

The policy statement of the OSH Policy (draft 2004) is: ‘to prevent accidents and injuries arising out of or linked with or occurring in the course of work, by minimizing as far as reasonably practicable the cause of the hazards in the working environment and, therefore the risk to which employees and the public may be exposed’. The policy is derived from provisions of the International Labour Organization (ILO) Conventions 155 and 161. Identification, evaluation, and mitigation of health and safety risks associated with the construction and operational phases of the project works were also guided by this policy.

### 4.5.12 Persons with Disability Act, 2006 (Act 715)

The Act requires that persons with disability are not treated differently in respect of transportation except where otherwise required by the condition or need for improvement of such a person. It requires that appropriate facilities are provided to make public places or facilities accessible to and available for use by persons with disability. This would therefore require that facilities such as offices and terminal buildings are designed and constructed to provide services such as wheelchair ramps, special parking place reserved for their exclusive use, lifts, etc. to ensure that the needs of persons with disability are taken care of at the operational phase of the project.

### 4.5.13 Workmen’s Compensation Law 1987, (PNDC1 187)

The law holds employers responsible for the payment of compensation to workmen for personal injuries caused by accidents arising out and in the course of their employment. Where an employee sustains personal injury by accident arising out of, and in the course of employment, the employer is liable, subject to this Act, to pay compensation in accordance with this Act. Compensation is not payable under this Act in respect of incapacity or a death resulting from a deliberate self-injury.

### 4.6 Administrative and Institutional Framework

The EIA process followed for this project is consistent with the regulations in Ghana and involves consultations throughout the life cycle of the Project with a number of governmental authorities which are likely have an interest in the project. These include ministries, departments and agencies as well as regional and local agencies. The environmental and social management of the project will involve several institutions, national, regional, and local structures as set out below.

### 4.6.1 Environmental Protection Agency (EPA)

As the law stipulates, the EPA is statutorily mandated to ensure that the implementation of all undertakings do not harm the environment. The Agency has eleven (11) regional offices, which are accessible, staffed, and equipped to perform its functions. The EPA Act, 1994 (Act 490) mandates the EPA to “ensure compliance with any laid down environmental impact assessment procedures in the planning and execution of development projects.” In pursuance of this provision, EPA will conduct inspection and monitoring activities in order to ensure compliance with regulations, environmental standards and mitigation commitments as outlined in this ESMS.
In general, the EPA has the mandate to decide on project screening, guide the conduct of EAs (including this ESIA) and to grant environmental approval for aviation sector projects to commence. Its mandate also covers monitoring of construction and operation phases of airport projects to ensure compliance with approval conditions, mitigation measures, and other environmental commitments and quality standards. The EPA has an Environmental Assessment and Audit Department with the capacity to handle its mandate. The Proposed Program will engage the EPA in their capacity as the statutory body responsible for supervising the Project to ensure all social and environment impacts are properly mitigated.

4.6.2 Land Commission

The Land Valuation Division (LVD) of the Lands Commission is the statutory government institution responsible for assessing and approving compensation amounts to PAPs. It will receive value and verify documentation on affected properties. This is to ensure that payments are not made to people who are not adversely affected and also compensations offered to affected persons are reasonable. The valuation of assets and estimating of disturbance to livelihood will be carried out using standards set by the Lands commission of Ghana.

4.7 International Policies, Standards and Institutions

This section describes international development institutions and their applicable Environmental and Social (E&S) sustainability standards relevant to this ESMS and the implementation of sub-projects under the program.

4.7.1 GCF Environmental and social policy: Environmental and social management system

The Green Climate Fund (GCF) established its overarching Environmental and Social (E&S) Policy in 2018 which articulates how GCF integrates E&S considerations into its decision-making and operations to effectively manage E&S risks and impacts and improve outcomes. The Policy reflects the commitment of GFC to effectively and equitably manage E&S risks and impacts and ensure overall sustainability of all GCF-financed activities. Broadly, the policy applies to all GCF-financed activities of both public and private sector entities. The activities supported by GCF may include programs and sub-projects.

Through this policy, GCF will require that all GCF-supported activities will commit to:

i) Avoid, and where avoidance is impossible, mitigate adverse impacts to people and the environment;

ii) Enhance equitable access to development benefits; and

iii) Give due consideration to vulnerable and marginalized populations, groups, and individuals, local communities, indigenous peoples11, and other marginalized groups of people and individuals that are affected or potentially affected by GCF-financed activities.

An ESMS is an overarching framework for achieving improvements in environmental and social outcomes while addressing any unintended adverse impacts of all the GCF-financed activities. It provides an

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11 Given No indigenous people are expected to be affected and the PS 7 is not triggered
opportunity for GCF to incorporate environmental and social considerations into its decision-making and operations in ways that not only include safeguard measures of “do no harm”, but also identify opportunities to “do good” and improve environmental and social outcomes. An ESMS allows GCF to integrate environmental and social considerations in a systematic, coherent and transparent manner, and at three entry points:

- At the facilities and operations level, through the environmental and social management practices of GCF, by avoiding and minimizing any adverse environmental impacts from its own activities and operations while promoting environmental and social sustainability, and ensuring institutional capacity and stakeholder involvement, among other things;
- At the activities level, through environmental and social due diligence and risk assessment, and through a management framework tailored to the nature and scale of the activities and the magnitude of environmental and social risks and impacts; and
- At the policy level, by establishing the policies and process for integrating sustainability considerations into the strategies and decisions.

The GCF Environmental and Social policy articulates the commitments of GCF to sustainable development, elaborates how GCF integrates environmental and social issues into its processes and activities, and sets the roles and responsibilities including the requirements to deliver these commitments. To achieve these, the policy defines how GCF will manage the environmental and social risks and impacts, and how GCF will support the overall sustainability of its operations and investments in line with its obligations under national and international law and other relevant standards. Specifically, the policy aims to:

- Provide the basis for a coherent, consistent and transparent management system founded on the principles of sustainable development for improving performance and outcomes, managing risks and impacts, and enhancing equitable access to benefits in all GCF-financed activities;
- Support the decision-making of GCF, particularly regarding the accreditation of entities, the provision of support, and the design, development, approval, implementation, and review of GCF-financed activities;
- Underpin the development of an ESMS that incorporates a systematic approach to integrating environmental and social performance and risk management into the operations of GCF and those of the accredited entities and other development institutions with which GCF is associated; and
- Define the responsibilities and processes to deliver upon the commitments of GCF.

The General requirements for E&S risk management of the GCF are described below.

### 4.7.1.1 Accreditation

In order to ensure that the E&S standards of the GCF are met, GCF seeks to accredit all its entities and task them to deliver upon the objectives of GCF through the supported activities. All entities seeking accreditation must have in place Environmental and Social Management Systems (ESMS) that specify their capacities, standards and processes for screening, identifying, assessing, managing, and monitoring the potential E&S risks and impacts pursuant to the Environmental and Social Standards (ESS) standards of GCF.
4.7.1.2 Screening and risk categories

The GCF, in line with its ESS standards, requires accredited entities (implementing entity or an intermediary entity) to screen activities that include programs, projects and sub-project, and following the result of the screening, to assign appropriate risk categories consistent with their ESMS and the GCF ESS. The screening categories are as set out in Table 4.2.

<table>
<thead>
<tr>
<th>GCF Project Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category A</td>
<td>Activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented</td>
</tr>
<tr>
<td>Category B</td>
<td>Activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures</td>
</tr>
<tr>
<td>Category C</td>
<td>Activities with minimal or no adverse environmental and/or social risks and/or impacts.</td>
</tr>
<tr>
<td>High level of intermediation, I1*</td>
<td>When a financial intermediary’s existing or proposed portfolio includes, or is expected to include, financial exposure to activities with potential significant adverse E&amp;S risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented</td>
</tr>
<tr>
<td>Medium level of intermediation, I2*</td>
<td>When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and includes no activities with potential significant adverse E&amp;S risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented</td>
</tr>
<tr>
<td>Low level of intermediation, I3*</td>
<td>When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse E&amp;S impacts.</td>
</tr>
</tbody>
</table>

*Applicable when considering projects associated with financial intermediaries. Note that the proposed AFAWA program includes a financial intermediaries. The ESMS as detailed in this document will be applied to all sub-projects identified for funding.

4.7.1.3 Environmental and Social Due Diligence under GCF

GCF will conduct its E&S due diligence as part of its assessment of activities proposed for funding consideration. The purpose of GCF due diligence is to understand and evaluate how the E&S, including transboundary, risks and impacts are screened, assessed and planned to be mitigated and managed by the Accredited Entity. The due diligence of GCF will verify consistency of the assessments and proposed management measures by the Beneficiaries and accredited entity with the ESS standards and this policy and recommend to the Board for GCF financing only those proposed activities that meets the requirements for managing E&S risks and impacts, pursuant to the ESS standards and this policy.

4.7.1.4 Environmental and social assessment

GCF will require the accredited entities and any exciting beneficiaries/ executing entities to undertake assessment of E&S, including transboundary risks and impacts to ensure that the activities proposed for GCF financing meet their E&S safeguards pursuant to the ESS standards of GCF and this policy. If the accredited entities are acting in an intermediary function, GCF will require the accredited entity to undertake all necessary measures to ensure that the executing entities fulfil the activity-level assessment.
requirements described in this section for each component sub-project and will conduct the necessary due diligence and oversight to ensure that these requirements are fulfilled.

4.7.1.5 Environmental and social management plan (ESMP)

GCF requires and ensures that the accredited entities and any executing entities (in this case LFIs in Ghana) develop ESMP that contain the measures to manage and mitigate the identified risks and impacts, pursuant to the ESS standards and policy of the GCF. If an accredited entity is acting in an intermediary function, the GCF will require the accredited entity to take all necessary measures to ensure that the executing entities fulfil the activity-level ESMP requirements discussed in this section, and the accredited entity will conduct the necessary due diligence and oversight to ensure that these requirements are fulfilled.

The ESMP will be integrated into the overall planning, design, resourcing, and execution of the GCF-financed activities and reflected in the accredited entities’ environmental and social management system. Where gaps exist in the capacity of accredited entities to implement the mitigation measures exist, GCF will work with the accredited entities to build or enhance the institutional capacity and address the gaps before the activities necessitating such mitigation measures are going to be implemented.

4.7.1.6 Operational changes

GCF requires the accredited entities to notify GCF when there are major changes in the activity design and execution, policy, and regulatory setting, receiving environment and community, unanticipated environmental risks and impacts, or other circumstances that raise or potentially raise the E&S risk category of GCF-financed activities.

GCF also requires and ensures that the accredited entities undertake due diligence appropriate to the new E&S risk category of the activities and revise the ESMP to meet the requirements of their E&S safeguards, in a manner consistent with the ESS standards of GCF.

4.7.1.7 Monitoring and reporting

GCF will carry out monitoring and reporting functions related to the E&S performance of the accredited entities and the supported activities as required in the GCF monitoring and accountability framework. The monitoring will be a continuous process that allows disclosure pursuant to the monitoring and accountability framework and the Information Disclosure policy. The extent of monitoring will be based on the type and level of risks identified, including E&S risks.

4.7.2 International Finance Corporation E&S Standards

The IFC Performance Standards (PS) on Environmental and Social Sustainability describes IFC’s commitments, roles and responsibilities related to environment and social sustainability. The performance standards are directed towards clients, providing guidance on how to identify risks and impacts and are designed to help avoid, mitigate and manage risks and impacts as a way of doing business in a sustainable way including stakeholder engagement and disclosure obligations of the client in relation to project level activities. IFC requires its clients to apply the Performance Standards to manage E&S risks and impacts so that development opportunities are enhanced.
IFC sets out eight (8) Performance Standards required by project proponents to meet throughout the life of an investment by IFC as set out below.

- **Performance Standard (PS) 1**: Assessment and Management of Environmental and Social Risks and Impacts;
- **Performance Standard (PS) 2**: Labour and Working Conditions;
- **Performance Standard (PS) 3**: Resource Efficiency and Pollution Prevention;
- **Performance Standard (PS) 4**: Community Health, Safety and Security;
- **Performance Standard (PS) 5**: Land Acquisition and Involuntary Resettlement; and
- **Performance Standard (PS) 6**: Biodiversity Conservation and Sustainable Management of Living Natural Resources.
- **Performance Standard (PS) 7**: Indigenous People
- **Performance Standard (PS) 8**: Cultural Heritage

Some performance standards may be triggered on sub components of the program and the appropriate level of E & S assessments will need to be undertaken. The loan facility program will adopt a combination of Ghanian E&S regulations, the IFC performance Standards (which GCF subscribe to) and the Integrated Safeguard Systems of the AfDB to manage E&S issues relating to the program.

As stated in Section 3.6.2, it is not expected that the project will trigger IFC PS 7 and the risks associated with indigenous people during program implementation is considered to be absent. Therefore, the program will not be developing specific Indigenous Peoples Plan. Where there are other vulnerable groups, such as the old and single women headed households who are affected by the project, consultation will be undertaken in accordance with the framework detailed in Section 7 (Stakeholder Engagement) of this ESMS.

### 4.7.3 The African Development Bank (AfDB) Operational Safeguards and standards

#### 4.7.3.1 Integrated Safeguards System (ISS)

The E&S safeguards of the AfDB are a cornerstone of the Bank’s support for inclusive economic growth and environmental sustainability in Africa. AfDB will apply the Integrated Safeguards System for all projects considered under the Program’s framework.

The Bank ISS is designed to promote the sustainability of project outcomes by protecting the environment and people from the potentially adverse impacts of projects. This requires that all the projects will comply with these safeguards requirements of the ISS during project preparation and implementation. The safeguards aim to:

- Avoid adverse impacts of projects on the environment and affected people, while maximising potential development benefits to the extent possible;
- Minimise, mitigate, and/ or compensate for adverse impacts on the environment and affected people when avoidance is not possible; and
- Help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage E&S risks.

The ISS consists of four interrelated components as summarized in Figure 4.1 below.
4.7.3.2 **The Integrated Safeguards Policy Statement**

Describes common objectives of the Bank’s safeguards and lays out policy principles. It is designed to be applied to current and future lending modalities, and it takes into account the various capacities and needs of regional member countries in both the public and private sectors.

The Integrated Safeguards comprises of Policy Statement that sets out the basic tenets that guide and underpin the Bank’s approach to environmental safeguards. The Bank’s Integrated Safeguards Policy Statement sets out the Bank’s own commitments to and responsibilities for delivering the ISS: to

i) ensure the systematic assessment of E&S impacts and risks;
ii) apply the Operational Safeguards to the entire portfolio of Bank operations;
iii) support clients and countries with technical guidance and practical support in meeting the requirements;
iv) implement an adaptive and proportionate approach to E&S management measures to be agreed with clients as a condition of project financing;
v) ensure that clients engage in meaningful consultations with affected groups; and
vi) respect and promote the protection of vulnerable groups, in a manner appropriate to the African context

4.7.3.3 **Operational Safeguards (OSs)**

These are a set of five safeguard requirements that Bank clients are expected to meet when addressing social and environmental impacts and risks. Bank staff use due diligence, review, and supervision to ensure that, clients comply with these requirements during project preparation and implementation. Over time the Bank may adopt additional safeguard requirements or update existing requirements to enhance effectiveness, respond to changing needs, and reflect evolving best practices.

The OSs are intended to:
Better integrate considerations of E&S impacts into Bank operations to promote sustainability and long-term development in Africa;

Prevent projects from adversely affecting the environment and local communities or, where prevention is not possible, minimise, mitigate and/or compensate for adverse effects and maximise development benefits;

Systematically consider the impact of climate change on the sustainability of investment projects and the contribution of projects to global greenhouse gas emissions;

Delineate the roles and responsibilities of the Bank and its borrowers or clients in implementing projects, achieving sustainable outcomes, and promoting local participation; and

Assist regional member countries and borrowers/clients in strengthening their own safeguards systems and their capacity to manage E&S risks.

The five operational safeguards of the AfDB are presented in Table 4.4.

**Table 4.3. AfDB Operational Safeguards OS1 - 5**

<table>
<thead>
<tr>
<th>Operational Safeguard</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OS 1: Environmental and social assessment</strong></td>
<td>This overarching safeguard governs the process of determining a project’s environmental and social category and the resulting environmental and social assessment requirements.</td>
</tr>
<tr>
<td><strong>OS 2: Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation</strong></td>
<td>This safeguard consolidates the policy commitments and requirements set out in the Bank’s policy on involuntary resettlement and incorporates a few refinements designed to improve the operational effectiveness of those requirements.</td>
</tr>
<tr>
<td><strong>OS 3: Biodiversity and Ecosystem Services</strong></td>
<td>This safeguard aims to conserve biological diversity and promote the sustainable use of natural resources. It also translates the commitments in the Bank’s policy on integrated water resources management into operational requirements.</td>
</tr>
<tr>
<td><strong>OS 4: Pollution Prevention and Control, Greenhouse Gases, Hazardous Materials and Resource Efficiency</strong></td>
<td>This safeguard covers the range of key impacts of pollution, waste, and hazardous materials for which there are agreed international conventions, as well as comprehensive industry-specific and regional standards, including greenhouse gas accounting, that other multilateral development banks follow.</td>
</tr>
<tr>
<td><strong>OS 5: Labour Conditions, Health and Safety</strong></td>
<td>This safeguard establishes the Bank’s requirements for its borrowers or clients concerning workers’ conditions, rights, and protection from abuse or exploitation. It also ensures greater harmonisation with most other multilateral development banks.</td>
</tr>
</tbody>
</table>

Based on the limited project information available and the types of subprojects to be financed by the loan facility, it is considered that all AfDB operational safeguards will be potentially triggered. Detailed E & S assessments will need to be done on a case-by-case basis to develop fit for purpose and appropriate risk management approaches for specific sub projects. The process is detailed in Section 6 of the ESMS.
4.7.3.4 Environmental and Social Assessment Procedures (ESAPs)

The Bank’s ESAPs details the specific procedures that the Bank and its borrowers or clients should follow to ensure that Bank operations meet the requirements of the operational safeguards (OSs) at each stage of the Bank’s project cycle.

Its adoption and implementation enhance the E&S performance of the Bank’s operations and improve project outcomes. The ESAPs will help to improve decision-making and project results by ensuring that Bank-financed operations conform to the requirements laid out in the operational safeguards (OS) and are thus sustainable. The ESAP describes how the Bank and its borrowers should work together to ensure that environmental, climate change and social considerations are integrated into the project cycle from country programming to post-completion. It represents a coordination mechanism between the Bank, relevant government agencies, and private sector entities and plays an important role in building the environmental, social and climate change management capacity of the project’s executing agency. The Environmental and Social Assessment procedures apply during the entire project cycle, with differentiated tasks to be performed, roles and responsibilities for the Bank and its borrowers and clients.

Also, the Bank has an integrated system which will be used to ensure its E & S requirements are incorporated effectively into the whole program cycle, i.e., Integrated Safeguards Tracking System (ISTS). The ISTS constitutes an integral part of the ESAP.

A summary of the key requirements of the ESAP during each project stage is presented in Table 4.4 below.

<table>
<thead>
<tr>
<th>AfDB Cycle</th>
<th>Project Identification Phase</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Programming Phase</td>
<td>• During country programming, the key task is to develop and update baseline data on RMCs’ E&amp;S components, policies, programs, and capacities to better integrate E&amp;S dimensions into lending priorities.</td>
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<td></td>
<td>• These are the responsibilities of the Bank’s Sector Departments and Regional Departments.</td>
<td></td>
</tr>
<tr>
<td>Project Identification Phase</td>
<td>• At the project identification phase, the screening exercise focuses on the E&amp;S dimensions of a project to categorize it in one out of four categories based on the potential adverse E&amp;S impacts of the project.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• These tasks will be carried out by the Bank in collaboration with the clients.</td>
<td></td>
</tr>
<tr>
<td>Project Preparation Phase</td>
<td>• During project preparation, the scoping exercise helps to define the scope of the Environmental and Social Assessments (ESA) to be completed by the Borrower based on the project category, with the assistance of staff from the operational departments.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The preparation of these assessments including the development of management plans and systems requires consultations with primary and secondary stakeholders.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Once ESAs are finalized, the review process allows operational departments to ensure that Bank’s vision, policies, and guidelines were adequately taken into account in project design and implementation.</td>
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</tbody>
</table>

12 More details can be found at this link: [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/SSS_%E2%80%93vol1_%E2%80%93_Issue4_-_EN_-_Environmental_and_Social_Assessment_Procedures_ESAP.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/SSS_%E2%80%93vol1_%E2%80%93_Issue4_-_EN_-_Environmental_and_Social_Assessment_Procedures_ESAP.pdf)
AfDB Cycle | Project Details |
--- | ---
 | • The clients/borrower will be in charge of the preparation of the required studies and plans while the Bank will be responsible for reviewing and validating the studies and plans. |

**Project Appraisal Phase**

- During the appraisal phase, ESIA Summaries shall be reviewed and cleared by the Safeguards and Compliance Department (SNSC).
- The procedures require the public disclosure of summaries in accordance with specified deadlines.
- All Category 1 Non-sovereign Operations (NSOs) and Sovereign Operations (SOs) shall be disclosed for 60 days and 120 days respectively before Board deliberations.
- All operation classified under AfDB category 2 or Category 4 Fi-B for Fi like AFAWA program and which is equivalent to GCF Medium level of intermediation, I2* shall be disclosed for 30 days before Board deliberations.
- The Bank will be responsible for conducting site visits and verification activities with respect to the studies, plans, and systems developed by the borrowers.

**Project Implementation Phase**

- At the project implementation phase, the Borrowers shall ensure the implementation of E&S management plans developed to address adverse impacts, while monitoring the project impacts and results.
- The Bank’s operational staff shall supervise the Borrowers’ work and verify compliance through supervision missions and/or E&S audits, whenever necessary.
- Audits are undertaken during the completion phase, and post evaluations shall also aim to assess the E&S sustainability of the results.

### 4.7.3.5 Integrated Environmental and Social Impact Assessment (IESIA) Guidance Notes

The IESIA Guidance Notes provide technical guidance to the Bank’s borrowers or clients on standards on sector issues or on methodological approaches clients or borrowers are expected to adopt to meet OS standards. The Integrated Environmental and Social Impact Assessment (IESIA) Guidance notes provide a systematic process for addressing sub-projects’ E&S impacts with a clear understanding of the specific sector characteristics.

The IESIA Guidelines’ major objective is to provide reference material to the staff of the Bank and RMCs on how to adequately consider crosscutting themes while assessing the E&S impacts of a sub-project. Moreover, the IESIA Guidelines can greatly assist in the project design, as many potential adverse impacts can be avoided or mitigated by modifying or adding certain project components to the initial design. As well, improvements in the project design can enhance several beneficial impacts at a minimal cost. Therefore, the IESIA Guidelines provide guidance on how to adequately consider the Bank’s priority crosscutting themes in both the preparation and assessment phases. Thus, the staff of the Bank and RMCs should refer to the IESIA Guidelines from the beginning of the project cycle to the end.

The IESIA Guidance notes complement the guidance and formats provided in ESAP and provide guidance to RMCs when undertaking E&S Assessments for Bank-financed projects/programs. It will also be used by the Bank’s Operational staff in reviewing and clearing these studies and in project supervision. The provision of high-quality technical guidance is key to ensuring effective compliance, capacity, and ownership of the ISS for Bank staff and borrowers alike.
The IESIA Guidance Notes are presented in three standalone volumes that provide guidance in the three essential components of:

i. the Environmental and Social Assessment process,
ii. specific topics and operational safeguard requirements, and
iii. technical guidance on key sectors and subsectors that have been proposed by operational departments as areas where guidance is needed.

4.7.3.6 AfDB Project Categorisation Process

The ESAP also includes procedural requirements such as the categorization of projects, disclosure, and monitoring of projects during implementation and operation. At the initial stage of a project cycle, a categorization exercise is undertaken to determine the project category, in accordance with the classification presented in Table 4.5. The assigned project category typically determines the level of E & S assessments to be undertaken towards managing the E & S risks and potential impacts.

A summary of the AfDB’s project categorization process (detailed in the ESAP) is set out in Table 4.5.

Table 4.5. AfDB Project Categorization process

<table>
<thead>
<tr>
<th>AfDB Project Category</th>
<th>Description</th>
</tr>
</thead>
</table>
| Category 1            | - Projects likely to cause significant E&S impacts.  
- Category 1 projects are likely to induce significant and/or irreversible adverse environmental and/or social impacts, or to significantly affect environmental or social components that the Bank or the borrowing country considers sensitive. |
| Category 2            | - Projects likely to cause less adverse E&S impacts than Category 1.  
- Category 2 projects are likely to have detrimental site-specific environmental and/or social impacts that are less adverse than those of Category 1 projects.  
- Likely impacts are few in number, site-specific, largely reversible, and readily minimized by applying appropriate management and mitigation measures or incorporating internationally recognized design criteria and standards. |
| Category 3            | - Projects with negligible adverse E&S risks  
- Category 3 projects do not directly or indirectly affect the environment adversely and are unlikely to induce adverse social impacts. They do not require an E&S assessment.  
- Beyond categorization, no action is required.  
- Nonetheless, to design a Category 3 project properly, it may be necessary to carry out gender analyses, institutional analyses, or other studies on specific, critical social considerations to anticipate and manage unintended impacts on the affected communities. |
| Category FI (4)       | - Projects involving lending to financial intermediaries (FI).  
- Category FI projects involve lending to financial intermediaries that on-lend or invest in sub-projects that may produce adverse E&S impacts.  
- FIs include banks, insurance, reinsurance and leasing companies, microfinance providers, private equity funds and investment funds that use the Bank’s funds to lend or provide equity finance to their clients. |
| Subcategory FI-A      | - The financial intermediary’s portfolio is considered high risk, and it may include sub-projects that have potentially significant adverse environmental, climate change, or social impacts and that are equivalent to Category 1 projects. |
| Subcategory FI-B      | - The financial intermediary’s portfolio is deemed to be medium risk, and may include sub-projects that have potential limited adverse environmental, climate change, or social impacts and that are equivalent to Category 2 projects. Given the information available at
Once a category has been assigned to a project in accordance with the ESAP, the project is then subjected to an appropriate E&S assessment and mitigation measures will be formulated to ensure E&S considerations are incorporated in the course of implementing the project. The specific approaches to be used in categorizing subprojects and determining the applicable E & S instruments to be used towards managing E & S risks and potential impacts on the project are presented in Section 6 of the ESMS.

### 4.8 Environmental and Social Assessment of Ghanaian Policies and Legislations, IFC Performance Standards and AfDB Safeguard Systems

The Environmental and Social (E&S) risk categorization of AfDB, and IFC/GCF are comparable and somewhat equivalent. Furthermore, the Ghana Country system requires that EIAs be conducted all projects that meet certain criteria.

Table 4.7 below provides a comparison between the Ghanaian, the AfDB and IFC/GCF E&S safeguards systems. The comparison shows that the Ghanian Environmental and Social Safeguards system addresses most of the key elements of Environmental and Social Safeguards. However, it has not requirement for the preparation of ESMSs by financial institutions involved in a line of credit to multiple entities.

The AfDB and IFC/GCF systems can be deemed materially equivalent, although the GCF/IFC system provides special focus on some issues such as on community health and safety and security, indigenous peoples, and vulnerable groups. The AfDB has five standards (OSS1 to 5) whereas the IFC has eight; but the three IFC/CGF standards are covered under AfDB’s OSS1. As such, if a sub-project is fully compliant with IFC/GFC standards, then it can also be deemed materially in compliance with AfDB’s ISS.

The main challenge facing E&S safeguarding in Ghana is the enforcement of these policies, guidelines and legislative provisions. Thus, as part of this ESMS in order to support the due diligence process, to avoid causing harm and to ensure consistent treatment of E&S issues across the sub-project intervention areas, institutional capacity strengthening and funding have been recommended.
### Table 4.6. Comparison of Ghanaian Legal Provisions, AfDB ISS specifications and IFC Performance Standards (for GCF)

<table>
<thead>
<tr>
<th>Key Element</th>
<th>Ghanaian Provisions</th>
<th>AfDB Integrated Safeguard System</th>
<th>IFC Performance Standards (GCF requirements)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESMS for Programs involving multiple but still unidentified sub-projects.</td>
<td>Not a national requirement</td>
<td>OS 1: Environmental and social assessment (Potentially triggered)</td>
<td>PS 1: Assessment and Management of Environmental and Social Risks and Impact (Potentially triggered)</td>
</tr>
<tr>
<td>Screening</td>
<td>Environmental Assessment Regulations, 1999 (LI 1652)</td>
<td>OS 1: Environmental and social assessment</td>
<td>PS 1: Assessment and Management of Environmental and Social Risks and Impact</td>
</tr>
<tr>
<td>Scoping</td>
<td>The Environmental Protection Agency Act, 1994 (Act 490) and Environmental Assessment Regulations, 1999 (LI 1652)</td>
<td>OS 1: Environmental and social assessment</td>
<td>PS 1: Assessment and Management of Environmental and Social Risks and Impact</td>
</tr>
<tr>
<td>Environmental and Social Impact Assessment Guideline</td>
<td>Environmental Assessment Regulations, 1999 (LI 1652)</td>
<td>IESIA Guidance Notes ESAP</td>
<td>PS 1: Assessment and Management of Environmental and Social Risks and Impact</td>
</tr>
<tr>
<td>Environmental Categorization</td>
<td>Environmental Assessment Regulations, 1999 (LI 1652)</td>
<td>OS 1 – Categories 1, 2, 3 and FI for operations involving lending to financial intermediaries.</td>
<td>PS 1: Categories A, Category B and Category C and Category FI for lending to Financial Intermediaries</td>
</tr>
<tr>
<td>Environmental and Social Assessment</td>
<td>Environmental Assessment Regulations, 1999 (LI 1652) and The Environmental Protection Agency Act, 1994 (Act 490)</td>
<td>OS 1: Environmental and social assessment</td>
<td>PS 1: Assessment and Management of Environmental and Social Risks and Impact</td>
</tr>
<tr>
<td>Environmental and Social Management Plan</td>
<td>Environmental Assessment Regulations, 1999 (LI 1652)</td>
<td>OS 1: Environmental and social assessment</td>
<td>PS 1: Assessment and Management of Environmental and Social Risks and Impact</td>
</tr>
<tr>
<td>Consultation and Participation</td>
<td>Environmental Protection Agency Act, 1994 (Act 490)</td>
<td>OS 1 (include provision of IESIA Guidance Notes on consultation)</td>
<td>PS 1: Assessment and Management of Environmental and Social Risks and Impact</td>
</tr>
</tbody>
</table>
### Key Element

<table>
<thead>
<tr>
<th>Involuntary Resettlement</th>
<th>Ghanaian Provisions</th>
<th>AfDB Integrated Safeguard System</th>
<th>IFC Performance Standards (GCF requirements)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Resettlement</td>
<td>Land Statutory way leaves Act, Act 186 (1963)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involuntary Resettlement</td>
<td>Land Statutory way leaves Act, Act 186 (1963)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Compensation

State lands act, Act 125 (1962), define the terms “cost of disturbance”, “Market Value” and “replacement value” which are relevant to during compensation practice.

### Pollution Prevention and Control

The Environmental Protection Act 1994 (Act 490), Part I of the Act include the environmental permits and pollution abatement notices and the prescription of standards and guidelines. Part II of the Act sets out provisions for enforcement and control.

The Act empowers the EPA to appoint “Environmental Protection Inspectors” and any other employees necessary to provide the functions of the Act.

### Greenhouse Gases

Management of Ozone Depleting Substances and Products Regs.

2005: apply to imports or exports of controlled substances or products considered to have ozone

Operational safeguard 4 – Pollution prevention and control, hazardous materials and resource efficiency (Special screening for GHGs is also

PS 3: Resource Efficiency and Pollution Prevention (Potentially triggered)
<table>
<thead>
<tr>
<th>Key Element</th>
<th>Ghanaian Provisions</th>
<th>AfDB Integrated Safeguard System</th>
<th>IFC Performance Standards (GCF requirements)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste and Hazardous Materials</td>
<td>depleting potential, as listed in the regulations. They are designed to conform to the Montreal Protocol of Ozone Depleting Substances and restrict imports and exports to countries that have not signed up to the protocols.</td>
<td>considered under OS 1)</td>
<td></td>
</tr>
<tr>
<td>Water and Sewerage Corporation Act, Act 310 (1965) &amp; Environmental Sanitation Policy (1999): These policies cover both solid waste management and sewage. Pesticides Control and Management (regulated under Part II of the EPA Act 490 (1994))</td>
<td>Operational safeguard 4 – Pollution prevention and control, hazardous materials and resource efficiency</td>
<td>PS 3: Resource Efficiency and Pollution Prevention</td>
<td></td>
</tr>
<tr>
<td>Labour Conditions; Health and Safety</td>
<td>Workmen Compensation Act (1987); Factories, Offices and Shops Act, Act 328 (1970); Labour Act, Act 651 (2003): Part XV, Section 118 (1) and (2a-h) of the Act requires employers to ensure that every worker employed by him or her works under satisfactory safe and healthy conditions, and is further obliged to provide necessary information, instructions, training and supervision to ensure the health and safety at work of those other</td>
<td>Operational safeguard 5 – Labour conditions, health and safety (Potentially triggered)</td>
<td>PS 2: Labour and Working Conditions for occupational health and safety PS 4: Community Health, Safety and Security (Potentially triggered)</td>
</tr>
<tr>
<td>Key Element</td>
<td>Ghanaian Provisions</td>
<td>AfDB Integrated Safeguard System</td>
<td>IFC Performance Standards (GCF requirements)</td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Natural Habitat and Biodiversity | workers engaged in a particular task  
| Gender                       | The National Gender Policy (2015) is guided particularly by article 17(1) and (2) of the 1992 Constitution of Ghana which guarantees gender equality and freedom of women and men, girls and boys from discrimination on the basis of social or economic status, among others. | Special consideration is paid to the needs and rights of women in the ISS. In the context of gender vulnerability, the client must consider the social and political constraints and barriers that women may face. | Annex XIII Gender Policy for the Green Climate Fund |
| Vulnerable Groups            | The National Gender Policy is address bottlenecks and barriers and critical issues such as inequality in access to social protection by the marginalized, vulnerable and the poor. | OS 1: Environmental and social assessment. Special attention is given to vulnerable groups. | GCF’s Environmental and Social Policy |
| Indigenous People            | No provisions for indigenous people                                                                                                                                                                                  | OS 1: Environmental and Social Assessment, focused on vulnerable groups | PS 7: Indigenous people  
 Indigenous Peoples policy of the GCF |
<table>
<thead>
<tr>
<th>Key Element</th>
<th>Ghanaian Provisions</th>
<th>AfDB Integrated Safeguard System</th>
<th>IFC Performance Standards (GCF requirements)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Monitoring</td>
<td>Environmental Assessment Regulations, 1999 (LI 1652)</td>
<td>ESAP</td>
<td>PS 1: Assessment and Management of Environmental and Social Risks and Impact</td>
</tr>
<tr>
<td>Disclosure and Access to Information</td>
<td>Environmental Assessment Regulations, 1999 (LI 1652)</td>
<td>OS 1: Environmental and social assessment</td>
<td>PS 1: Assessment and Management of Environmental and Social Risks and Impact</td>
</tr>
</tbody>
</table>

During the implementation, specific subprojects to be considered for funding will align with AfDB E & S safeguards requirements, as well as the IFC requirements (applicable to GCF).

### 4.9 Disclosure Requirements

Disclosure of information will enhance governance and accountability specifically with respect to strengthening of monitoring indicators to facilitate the monitoring of compliance with the agreements and assess impact on outcomes. The disclosure duration requirements of the Ghana EPA, the GCF and the AfDB are compared in Table 4.7.

**Table 4.7. Disclosure requirements of the Ghana EPA, GCF and AfDB**

<table>
<thead>
<tr>
<th>Entity</th>
<th>Project Type</th>
<th>Project Category</th>
<th>Disclosure documents</th>
<th>Disclosure Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPA</td>
<td>Public and Private sector</td>
<td>Schedule 1 &amp; 2</td>
<td>ESIA</td>
<td>21</td>
</tr>
<tr>
<td>GCF</td>
<td>n/a</td>
<td>Category A</td>
<td>ESIA / ESMP</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>n/a</td>
<td>Category B</td>
<td>ESIA/ESMP</td>
<td>30</td>
</tr>
<tr>
<td>AfDB</td>
<td>Public Sector</td>
<td>Category 1</td>
<td>ESIA/ESMP, ARAP or FRAP</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Category 2</td>
<td>ESMP</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Private Sector</td>
<td>Category 1</td>
<td>ESM/ESMP, FRAP</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Category 2</td>
<td>ESMP</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Financial Intermediaries</td>
<td>Subcategory FI-A:</td>
<td>ESMS/ESIA/ESMP</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subcategory FI-B:</td>
<td>ESMS/ESMP</td>
<td>30</td>
</tr>
</tbody>
</table>
5 POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS AND MITIGATION MEASURES

5.1 Introduction

The proposed Affirmative Finance Action for Women in Africa (AFAWA): Financing Climate Resilient Agricultural Practices in Ghana program (AFAWA-DCRP) is engaged in providing loan to women beneficiaries to enable women-led micro, small-and-medium scale enterprises (MSMEs) and Farmer Based Associations (FBAs) finance climate resilient agricultural practices. Some of these climate resilient practices which will be considered during the program implementation period are minimum tillage, use of drought resistance and improved yield seeds, crop rotation, processing, storage and packaging facilities as well as the use of solar irrigation, off-grid solar and biogas technologies to improve diversification, value addition, productivity, and profitability across the agricultural value chain. The program also includes various construction activities such as:

- Construction of buildings for Post-harvest storage and processing houses
- Storage houses for improved seeds and other agricultural inputs and equipment
- Installation of Solar PV
- Installation of Biogas digesters

The actual implementation sites for the proposed sub projects are not yet known. In this regard, the potential environmental and social impacts outlined in this chapter are similar to those that will typically be associated with the type of activities to be financed by the loan facility.

The development of sub-projects considered under the loan facility is expected to have highly positive E&S impacts for the affected communities and women in particularly. However, the sub-projects will inevitably have some adverse impacts on the biophysical and social environment particularly during execution (land acquisition were applicable), and construction (e.g. for storage houses). The adverse impacts will largely be localized in spatial extent, short term and occurring within less sensitive environmental areas. These adverse negative impacts are likely to be readily identified, assessed and manageable through the application of appropriate mitigation measures, good E&S practice, sound design, good construction or implementation practices and adequate supervision and enforcement during the project life cycle.

As part of each sub-project in the Program, E&S impact analysis of a sub-project (or project options) consists of comparing the expected changes in the biophysical and socioeconomic environment with and without the sub-project. When specific sub projects are identified, appropriate E & S due diligence will be undertaken in line with the procedures outlined in this ESMS to manage the E & S risks and potential impacts associated with the sub project development and implementation.

5.2 Positive Environmental and Social Impacts

The anticipated environmental and social benefits (positive impacts) of the loan facility to women led organizations (SMEs and FBAs) are outlined below.
5.2.1 Positive Social Benefits

- Lowering households’ expenditure for kerosene.
- Improve engagement in education by permitting more evening study time for students and women will be socially more empowered by using free time for education, productive and social activities.
- Improve access to reliable lighting and reduce indoor air pollution due to soot or particulate matter typically associated with the combustion of firewood and charcoal, from kerosene lamps, which resulting health benefits with respect to respiratory and eye diseases.
- Create direct or indirect, local or regional job opportunities; thereby create income generation means for respective communities and support the development of high value skills.
- Improved social interaction, women make fewer trips to fetch wood, and spend more time with the family furthermore, families can spend more time together even when the sun goes down and have longer time to use charged mobile phones to interact with others.
- Development of new skills and increase benefit, quality and reliability and proven models of renewable energy technology diffusion.
- Improve local market opportunities and living conditions of the community.
- Reduce the burden of women by reducing the time for fuel wood gathering.
- Increase crop yields by enriching soil fertility and reduce costs to farmers where (synthetic) fertilizers were used originally.
- Improve access to social services (education, health, etc.)
- Income benefits from access to electricity through new opportunities of work and increased productivity in new home businesses especially in nonfarm activities, like Mobile charging shops, small village restaurants selling tea, food and, etc.
- Strengthen private sector involvement in renewable energy access, by providing the means for the private sector to become instrumental in the widespread sales of household and community-level renewable technologies in Ghana.
- Improve agriculture productivity
- Reduced fertility rate at lower costs, achieved through employing information channels that use electricity in lieu of reproductive health programs.

5.2.2 Positive Environmental Benefits

- Improve sanitary and health conditions as Biogas plants serve as methods of disposal for waste and sewage which contributes to a better hygienic situation for the users.
- Reduce deforestation and forest degradation in areas where non-renewable biomass is used as a source of fuel, which implies that the demand for firewood and charcoal is reduced.
- Improve soil condition where digester slurry is applied to agricultural land that results in crop increase.
- Reduce waste production by converting manure and household organic wastes into useful biogas and bio-slurry, which is an excellent form of fertilizer.
- Public goods benefits, such as increased security and reduce environmental contamination.
5.3 Negative Environmental and Social Impacts

Potential negative environmental and social impacts that could arise from sub projects under the loan facility to sub projects includes:

- Loss of Vegetation Cover
- Waste disposal
- Noise
- Air quality
- Land Use Disturbance
- Temporary Visual Intrusion
- Chemical impact
- Heat and Light Reflection
- Biodiversity
- Public and Occupational health and safety
- Cultural Heritage
- Land expropriation and Livelihood impact
- Social Conflicts
- Lack of Project Ownership

Table 5.1. Summary of potential impacts and mitigation measures

<table>
<thead>
<tr>
<th>Issues</th>
<th>Description of Impact</th>
<th>Potential mitigation measures</th>
</tr>
</thead>
</table>
| Loss of Vegetation Cover        | Activities like excavation and digging works particularly for Biogas establishment, off grid irrigation, equipment installation, Agro processing, storage and packaging will involve clearing and depletion of existing vegetation within the core sub project activities area, which may contribute for loss of plant cover at certain degree and disturbance of topsoil and cause of micro level erosion. | • Avoid and/or minimize cutting of big trees, particularly care should be given for indigenous trees, plan for replanting of trees, etc.  
• Limit construction activities to only designated places and clearly mark out all vegetation, which will not be cleared.                                                                                                                                                     |
| Waste disposal                  | Waste management at the core sub project area shall be efficient and required to be implemented in an environmentally friendly manner. Indiscriminate disposal of solid and liquid wastes including recycled batteries, other used and/or damaged solar panel and lantern parts, packages, bio-slurry, and left over construction materials and cements, are expected to generate a potential impact on the nearby | • Use of best waste management and disposal practice and methods  
• conduct regular awareness creation and sensitization program for the beneficiaries and community reside in the area about the potential negative impacts, health and safety risks, and proper waste management practices.                                                                                      |
<table>
<thead>
<tr>
<th>Issues</th>
<th>Description of Impact</th>
<th>Potential mitigation measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental and Social</td>
<td>environment and health and safety of the local community members residing nearby.</td>
<td>• Appropriate disposal of domestic and/or other non-hazardous wastes, after proper segregation, at designated place;</td>
</tr>
<tr>
<td>Management System (ESMS)</td>
<td></td>
<td>• Ensure chemical wastes are stored, handled and disposed of in accordance with the Code of Practice on the Packaging, Handling and Storage of Chemical Wastes</td>
</tr>
<tr>
<td>AFAWA Program, Ghana (June</td>
<td></td>
<td>• Provide appropriate PPE for workers, like ear muffler</td>
</tr>
<tr>
<td>2019)</td>
<td></td>
<td>• Works during day time</td>
</tr>
<tr>
<td>Noise</td>
<td>Due to the nature and scale of sub project activities, no significant and long-term impacts are expected. Only during construction period, minimal short-term impacts due to increased noise level is expected to impact workers and community living in the surrounding area.</td>
<td>• Regular site inspections will be carried out to audit the compliance with regard to noise control.</td>
</tr>
<tr>
<td>Air quality</td>
<td>• Excavation, clearing, leveling and set grading activities, vehicle movement on haul/access roads will increase dust particles, any leakage and bad odours, from the Biogas pipe contribute a gaseous elements, and particulate matters in the air that result in a potential impact the Air Quality. These will result in bronchial and eye disorders.</td>
<td>• Training and awareness creation on the management and regular monitoring and maintenance of the Biogas accessories and pipe</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Speed limit signage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Members of beneficiaries that use the Biogas need to be well acquainted with the management and regular monitoring and maintenance of the Biogas accessories and pipe.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• All equipment and vessels shall be operated and maintained in accordance with appropriate industry and equipment standards.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Monitor dust and remedial action will be taken</td>
</tr>
<tr>
<td>Temporary Visual Intrusion</td>
<td>During solar panel installation and excavation of soil for Biogas structure, result in minor change of the aesthetics quality of the area. This may also affect the visual amenity of nearby houses and surrounding communities.</td>
<td>• Follow the standard of placing solar panel in north-south direction and conduct regular monitoring of the impacts, if any non-conformance exists correct promptly</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• In case of Biogas and construction activities, indiscriminate disposal of excavated soils, unused concrete, wooden timber, nails and liquid wastes should be managed and disposed of in appropriate way to ensure safe and acceptable aesthetic beauty to the workers and nearby residents</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Issues</th>
<th>Description of Impact</th>
<th>Potential mitigation measures</th>
</tr>
</thead>
</table>
| Chemical impact | The potential emissions associated with solar energy could be GHG emissions, mercury and cadmium emissions. These elements are used in making solar components. However, there is no evidence that these elements are released from solar panels and it is anticipated from disposal site.                                                                                                                                                                                                                     | • Care should be taken during disposal of solar panel and other related accessories.  
• The proponent shall design best practice method to implement the disposal practice in consultation with the relevant institutions and ensure no impacts are resulted to the surrounding social and biophysical environments.  
• Identify suppliers that have products, particularly solar panels and inverters that comply with ISO or other industry best practice standards.  
• Follow-up and monitor the products at a regular interval.                                                                                                                                                                                                                                                   |
| Heat and Light Reflection | In case of improper siting of the solar Panels, it may affect the neighboring community members due to sunlight reflection from the panels, particularly if the panels are angled towards windows, doors, or active service area of the neighbors. If this is not corrected immediately, the reflection affects the neighbors and other communities living nearby for a prolonged period of the year and become a source of grievance and social conflict.                                                                                  | • follow the standard of placing the panel in north-south direction  
• Conduct regular monitoring of the impacts, if any non-conformity exists correct promptly.                                                                                                                                                                                                                                                                         |
| Biodiversity    | The proposed sub project activities will not have significant adverse impacts on terrestrial and/or aquatic biodiversity. However, there will be a case where cutting of trees during site clearing for placing of solar panels, the avoid any obstruction of the use and efficiency of solar panels, area allocated for solar irrigation, storage and packaging, biogas system establishment and other core program functions. This might result an impact on the existing fauna and flora species, and ultimately affect the biodiversity of the area to a slight level, if it is done indiscriminately and without plan. | • Avoid sites that require cutting or substantially pruning of sensitive species, indigenous and old trees, or tree known bird-nesting tree.  
• Ensure no sensitive fauna and flora species are found nearby.  
• Avoid the cutting of sensitive tree species and bird-nesting trees  
• Plan accordingly to minimize or avoid the sources of impacts.                                                                                                                                                                                                                                           |
<table>
<thead>
<tr>
<th>Issues</th>
<th>Description of Impact</th>
<th>Potential mitigation measures</th>
</tr>
</thead>
</table>
| Public and Occupational health and safety | Public and occupational health and safety issues will arise during the project construction and implementation periods. | • Establish and maintain high standards of occupational health, safety and environmental protection system at the workplace  
• Provide appropriate PPE  
• All equipment’s shall be in good condition with regular maintenance.  
• All trenches and excavation will be covered as soon as possible.  
• Caution/warning signs should be placed at vantage points around the project site.  
• Prepare and implement a Traffic Management Plan  
• organize awareness creation seminars and educational programmes for all workers and the general public on the behavioral changes required to prevent the spread of HIV/AIDS and other STDs |
| Cultural Heritage      | The proposed projects under the program should not affect any cultural heritage. During project preparation and implementation period, it is important to ensure that the proposed sub projects do not influence a place or building having aesthetic, anthropological, archaeological, architectural, cultural, historical or social significance or special value for present and future generations. To minimize and/or avoid such impacts, all necessary measures should be considered at the design phase and due attention should be paid during screening of the subprojects in consultation with relevant institutions. | • Consider all the necessary measures at the design phase and due attention should be paid during screening of the subprojects in consultation with relevant institutions.  
• Implement chance find procedure  
• Provide training on chance find procedure  
• Prepare ARAP/RAP, LIP as required |
| Land expropriation and Livelihood impact | The anticipated impact on land expropriation and livelihood is due to temporarily or permanently acquisition of land for stores, installation of equipment, construction of biogas structure, off grid irrigation and other core work area. Some of the impacts include loss of agricultural land; loss of livelihood due to impacts on | • Avoidance of land acquisition will be the first option where that is not possible;  
• Minimize the size of land take  
• Prepare ARAP/RAP, LIP as required  
• Timely and appropriate compensation, provision of livelihoods improvement services. |
<table>
<thead>
<tr>
<th>Issues</th>
<th>Description of Impact</th>
<th>Potential mitigation measures</th>
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|                           | sources of earning; and impact on host community due to influx of construction workers.                                                                                                                                                                                                 | • Encourage and consider the employment of local labour for semi-skilled and unskilled people including women and youth,  
• ensure that criteria is set for prioritization of poor and female headed ones where there is more demand and applicable.  
• Create awareness of the target community on subproject activities                                                                                           |
| Social Conflicts          | Potentially adverse social conflict impacts emanated from the program are likely to be minimal and easily manageable through implementation of socially acceptable best practices. The possible social conflict impacts arise due to lack of fairness in prioritizing households for services, equity of decision-making process among MSMEs and FBAs, and provision of less or no opportunity for local people work force during the construction period |                                                                                                                                                                                                                                                                                         |
|                           |                                                                                                                                                                                                                                                                                      | • Ensure the participation of relevant stakeholders, including the members of MSMEs, FBAs, and community members residing within and the surroundings at the outset to improve level of ownership and sustainability of the program  
• Create Awareness on the benefits, negative impacts, expected roles, management of the subprojects  
• Improve the level of awareness of the relevant stakeholder and their participation to enhance the sense of ownership of the project |
| Lack of Project Ownership | Lack of adequate consultation with relevant stakeholders, particularly members of MSMEs, FBAs, and community members residing within and the surroundings likely to result in failure of ownership feelings. This will ultimately have an impact on sustainability of the project in the area.                                           |                                                                                                                                                                                                                                                                                         |
6 ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES AND REQUIREMENTS

6.1 Introduction
The AfDB is the Accredited Agency (AE) for the program. The chosen LFI in Ghana will act as the implementing agency who would on lend credit to MSMEs and FBAs that will qualify for the funding. This section of the ESMS outlines the procedures and guiding principles that will be used by the selected LFI in Ghana to ensure that E & S considerations are carefully identified and mainstreamed in all the subprojects of the program. The ESMS procedures to be used by the LFI will be benchmarked and aligned with AfDB’s (as AE) E & S safeguards requirements.

The management of E&S impacts will draw on the GCF ESS/IFC Performance Standard requirements and applicable AfDB ISSs. Projects considered for financing under the Program will undergo the E&S due diligence and appraisal process detailed in this ESMS and will be evaluated against the requirements of:

- the IFC Performance Standards/GCF ESS
- AfDB ISSs
- The National policies and standards

Each sub-project under the program will be required to conduct a detailed E&S assessment in accordance with international standards, which will include mitigation measures that draw from the results of the assessment and good international industry practice.

The application of these different guidelines and best practices will be informed by the country-specific and site-specific characteristics of the sub-projects and will be in line with Ghanaian regulations.

It is expected that sub-projects to be funded by the Program will be Category FI- B (or Category I-2) projects. None of the sub-projects are expected to physically displace a significant number of people; the impacts would be mostly on loss of agricultural/pasture lands which depends on the land requirements of the project. Impacts on cultural heritage sites or structures as well as on natural habitats will be avoided through site selection.

In terms of underserved and vulnerable groups, the sub-projects will adopt the AfDB approaches to assessing impacts to identifying and assessing impacts related to vulnerable groups as described in Section 7.

The process for identifying and managing E & S risks and potential impacts of sub projects to be funded under the program is aligned to the requirements of national legislation as well as AfDB and IFC (GCF compliant) operational safeguards.

6.2 Environmental, Health and Safety Guidelines to be implemented by the Program
Internationally accepted guidance on environmental, social, health and safety mitigation measures can be found in WBG EHS Guidelines. Depending on the scope and scale of the scope of the sub project and where applicable, these guidelines will be adopted as part of the design and implementation of the ESMPs, as well as other applicable E & S risk management tools for all sub-projects considered under the program.
The EHS Guidelines contain the performance levels and measures that are generally considered to be achievable at reasonable cost by commercially available technology. The discharged effluent, air emissions, and other numerical guidelines and performance indicators, as well as other prevention and control approaches included in the EHS Guidelines, are considered to be default values applicable to new projects, though the application of alternative performance levels and measures may be considered.

The General EHS Guidelines include guidance on a comprehensive range of environmental, occupational health and safety, community health and safety and construction and decommissioning topics. They would be used in parallel with the accompanying Industry Sector EHS Guidelines.

The General EHS Guidelines are summarized in Table 6.1 below.

**Table 6.1. Summary of WBG/IFC General EHS Guidelines**

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<td>General Facility Design and Operation</td>
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<td>Hazardous Waste Management</td>
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<td>Emergency Preparedness and Response</td>
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### 6.3 Environmental and Social Due Diligence Process (ESSD)

All sub-projects to be funded under the Program will be required to comply with Ghanaian environmental laws and regulations. In addition, based on the equivalence analysis in Section 4.8, each sub-project will also comply with the IFC Performance Standards/GCF ESS and AfDB Operational Safeguards.

The selected LFI, acting as the implementing agency (under guidance from the AE – AfDB) will use its existing ESDD approach in screening and selecting sub projects for financing. The AfDB as the AE will ensure that the ESDD approach of the selected LFI is materially similar to the AfDB ESDD approach to screening projects, assessing E & S risks, and potential impacts on projects.

The ESDD approach which will be adopted by the program, includes the following:
1. Screening transactions against the Exclusion List of activities and the and of sub project screening forms developed for this program (see Annex 1A)
2. Reviewing transactions for E&S risks in accordance with E&S sector guidelines
3. Identifying project/transaction sectors for the Environmental and Social (E&S risk classification)
4. Verifying transactions for potential E&S risk identification
5. Classify transactions for E & S risk in accordance with the LFIs in's classification system which will need to be aligned with the AfDB and GCF project categories i.e. Category 1/A/FI-A/I-1, Category 2/B/FI-B/I-2 and Category 3/C/I-3.
6. For E&S low risk transactions (Category 3/C/I-3), the Designated Officer within the LFI will sign off Environmental and Social Screening forms to be verified by the Corporate ESG Manager or a delegated authority.
7. For all Category 1/A/FI-A/I-1, Category 2/B/FI-B/I-2 transactions, detailed ESDD is required. This will include an assessment of a range of requirements such as:
   ✓ General Information;
   ✓ Health, Safety & Security;
   ✓ Labour & Working Conditions;
   ✓ Internal Environmental (energy, waste, pollution etc.);
   ✓ Community;
   ✓ Legislation;
   ✓ Internal Environmental and Social Management System (ESMS); and
   ✓ Mitigation & Improvement Action Plan.

Actions plans are included in the Loan Application in the table related to covenant. As “covenant”, E&S should be indicated in the loan agreement like other “credit covenants” and follow up the monitoring on the monthly basis according to the risk triggers and covenant process.

The overall process for screening transactions and ensuring that E & S risks are adequately identified and managed through the life of a sub project is presented below.

1. **E&S Screening.** All sub-projects considered for funding will undergo E&S Screening using the Checklist/Form provided in Annex 1A based on the initial information provided. The screening will confirm the project risk category and identify critical risks/issues associated with the sub-project, thereby focusing the due diligence on few key issues. The results of the E&S Screening will determine the extent of assessments and plans to be required.
2. **E&S assessments and preparation of ESMPs and other E&S documents.** Once screened, and were relevant the sub project will be requested to undertake assessments (e.g ESIA and preparation of plans (ESMPs, RAPs) and submit these documents to the LFI.
3. **Review of Safeguards Documents.** The selected LFI will review all the safeguards documents/instruments (ESIA, RAP, SEP) submitted by the sub-project proponent and determine if they are compliant with the GCF and AfDB Standards and requirements. The review shall assess whether the issues identified in this ESMS and the attached RPF have been adequately addressed by each sub-project. In the course of the review, the LFI will identify any remaining requirements, including additional information, assessments or studies, plans, activities (e.g. additional
stakeholder consultation), or any specific management measure, including hiring safeguards E&S specialists and training requirements. The review may involve validation visits.

4. **Disclosure and Decision.** In relation to each project to be funded under the Programme, the LFI in Ghana shall disclose the Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) and, as appropriate, inclusive of the Resettlement Action Plan (RAP) (if required, and any other associated information in accordance with the GCF Information Disclosure Policy (Project Disclosure Package). The LFI shall disclose the project safeguards information in line with the disclosure requirements in English and the local language (if not English), in locations convenient to affected peoples, in advance of the LFIs decision confirming the commitment to fund the sub-project. The LFI (via the AfDB as AE) shall provide the Project Disclosure Package to the GCF Secretariat for further distribution to the Board and Active Observers and for posting on the GCF website. Within 180 days of the GCF Board approval of the programme, the AfDB, the LFI and the GCF Secretariat shall agree on a process to enable communication of any comments, including from the GCF Board members and Active Observers, on projects relating to the Project Disclosure Package to the AfBD/LFI in Ghana and to take account of such comments in the finalization of such documents.

5. **Pre-Construction Phase Compliance Monitoring.** Where a sub project funded under the program, includes construction works, (See Chapter 2), with identified E & S impacts, the borrower will implement the E&S management plans (e.g. EMPs, RAPs,) starting during procurement of works. The borrower will also ensure that measures in the ESMPs pertaining to construction is included in the contracts with contractors and subcontractors. During this time the borrowers will required to submit quarterly compliance reports to the AfDB via the LFI selected for the program. If necessary, the LFI will conduct site visits to check on the implementation of the E & S requirements, if any and ensure contracts with contractors include provisions for the implementation of construction-related measures of the ESMP. This procedure shall also be tailored and applied to all other project components that do not involve construction works.

6. **Construction Phase Compliance Monitoring.** Where a subproject funded under the program, includes construction, the borrower will implement the construction-related measures in the ESMP and ensure that contractors comply with E&S provisions in the contract including compliance with occupational health and safety standards. During construction phase, the borrower is required to submit quarterly compliance report to the LFI. Where applicable, the LFI will undertake semi-annual missions to conduct E&S audit and monitor project compliance with the ESMP, RAP and other plans. This procedure shall also be tailored and applied to all other project components that do not involve construction works.

7. **Compliance Monitoring during Operation Phase.** The sub-project proponents will be required to submit annual compliance reports to the LFI. The LFI shall review these reports and, if needed, conduct field validation. The LFI will also be required to submit the reports to the AfDB as AE and where required, compliance audits will also be undertaken.
The AfDB as AE will have overall responsibility for the implementation of the E & S tools detailed in this ESMS on sub-projects selected under the program.

**Figure 6.1. E & S project cycle for the AFAWA program**
7 STAKEHOLDER ENGAGEMENT AND GRIEVANCE MANAGEMENT

7.1 Stakeholders’ Consultation and Engagement

The AfDB recognizes the importance of open and transparent engagement between clients, workers, local communities directly affected by sub-projects and, where appropriate, other stakeholders as an essential element of Good International Practice and corporate citizenship. Such engagement is also a way of improving the E&S sustainability of sub-projects. In particular, effective community engagement, appropriate to the nature and scale of the sub-project, promotes sound and sustainable E&S performance and can lead to improved financial, social and environmental outcomes, together with enhanced community benefits.

Stakeholder engagement is central to building strong, constructive and responsive relationships which are essential for the successful management of a sub-project’s E&S impacts and issues.

In this program, consultation shall be tailored to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable individuals or groups. The emphasis will be whether the affected communities are “in support of the sub-project” and not about whether there is a lack of opposition to a sub-project. Consultation will be expected to provide opportunities for affected communities to express their views on sub-project risks, impacts and mitigation and management measures, and shall allow the borrower or client to consider and respond to them in ways that facilitate the realization of community support.

Consultation will be considered an ongoing process, not just as a step in the procedures for obtaining sub-project approval. It shall begin at the project identification stage, or at least at an early stage during project preparation, and shall continue throughout the life of the sub-project through to construction, operation and decommissioning. As the Bank recognizes local requirements in addressing E & S considerations, stakeholders’ consultation and engagement will also incorporate the requirements of consultations when undertaking the ESA studies as prescribed by Ghanaian environmental legislation.

The results of the consultation shall be adequately reflected in the project design and in the project documentation. The affected communities will given the opportunity to participate in key stages of project design and implementation. Therefore, stakeholders will be consulted to obtain their input into the preparation of the draft terms of reference of the E&S assessment and associated Environmental Assessment studies ie. Draft ESIA report and summary and the draft ESMP. Consultations will be conducted with the objective of ensuring that the sub-project has broad community support and that affected people endorse the proposed mitigation and management measures. When the borrower or client has identified vulnerable communities that would potentially be affected by the sub-project, the borrower/client engages in meaningful informed consultation and participation with the vulnerable communities, beginning as early as possible in the project cycle before the sub-project is submitted for project financing approval.

The client (MSME or FBAs) and the selected LFIs will make available to the public the appropriate E & S documentation for the subproject.
7.2 Consultations Related to Involuntary Displacement (if required)

A RAP or Abbreviated Resettlement Action Plan (ARAP) should be prepared under a development approach that addresses the livelihoods and living standards of displaced persons, as well as compensation for loss of assets, using a participatory approach at all stages of project design and implementation. As highlighted before, the sub-project is expected to have minimal displacement and thus only ARAP is anticipated to be used to address issues of involuntary displacement.

Displaced persons and host communities should be meaningfully consulted early in the planning process and encouraged to participate in the planning and implementation of resettlement programs. The displaced persons should be informed about their options and rights pertaining to resettlement. They should be given genuine choices among technically and economically feasible resettlement alternatives. In this regard, particular attention should be paid to the location and scheduling of activities. In order for consultation to be meaningful, information about the proposed sub-project and the plans regarding resettlement and rehabilitation must be made available to local people and national civil society organizations in a timely manner and in a form and manner that is appropriate and understandable to local people. As well, careful attention should be given to the organization of meetings. The feasibility of holding separate women’s meetings and fair representation of female heads of households, in addition to mixed meetings, shall be explored. Also, the way in which information is disseminated should be cautiously planned as levels of literacy and networking may differ along gender lines.

Particular attention shall be paid to the needs of disadvantaged groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, and and ethnic, religious and linguistic minorities; including those without legal title to assets, female-headed households. Appropriate assistance must be provided to help these disadvantaged groups cope with the dislocation and to improve their status. Provision of health care services, particularly for pregnant women and infants, may be important during and after relocation to prevent increases in morbidity and mortality due to malnutrition, the psychological stress of being uprooted, and the increased risk of disease.

The AfDB (via the selected LFI) will support borrower’s efforts on sub-projects involving involuntary resettlement through; (i) assistance to the executing agencies to adopt and operationalise objectives and principles of this policy; and (ii) assistance in formulating and implementing resettlement policies, laws, regulations, specific plans and strategies.

The AfDB will also support the capacity building, as required of executing agencies to plan and implement involuntary resettlement in all sub-projects and provide technical assistance to strengthen the organizational, managerial and implementation capacity of agencies responsible for resettlement including strengthening the environmental, social, economic and technical expertise of these agencies.

7.3 Approaches to Consultation with Vulnerable Groups

7.3.1 Vulnerable Group Inclusion

The term “vulnerable groups” refers to people who, by virtue of gender identity, ethnicity, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. Vulnerable
individuals and/or groups may also include people living below the poverty line, the landless, the elderly, women- and children- headed households, refugees, internally displaced people, ethnic minorities, natural resource dependent communities or other displaced persons who may not be protected by national and/or international law. It is important to identify and address these groups during the early consultation phases of the sub-projects in order to avoid placing additional strains on these groups as a result of the sub-projects.

AfDB’s ISSs have standards for consultation with vulnerable groups, which will be a guide in Program implementation. These are detailed in Table 7.1 below:

**Table 7.1. Vulnerable Group Guidelines to be Implemented in the Program**

The AfDB ISS defines vulnerable individuals or groups as those within a project’s area of influence who are particularly marginalized or disadvantaged and who might thus be more likely than others to experience adverse impacts from a project. The vulnerability can be determined by identifying the likelihood that an individual or a group faces harder conditions as the result of the implementation of a project.

Vulnerable status may stem from a group’s gender, economic status, ethnicity, religion, cultural behavior, sexual orientation, language or physical and psychological health conditions. Vulnerable groups may include, among others, female-headed households, those below the poverty line, the landless, those without legal title to assets, ethnic, religious and linguistic minorities, Indigenous Peoples, those who are disabled, etc.

Vulnerable groups are more likely to be exposed to adverse impacts in large-scale projects with a large area of influence, potential cumulative impacts and multiple affected communities, than in small-scale projects that have site-specific issues.

**a. AfDB ISS requirements on vulnerable groups**

The Bank’s Operational Safeguards 1 (OS1) details the following when assessing projects and sub-project impacts on vulnerable groups:

- **In assessing the potential impacts of Bank operations on affected communities, the borrower or client shall make use of adequate and qualified expertise to identify people and groups that may be directly, indirectly and/or disproportionately affected or marginalized by the project because of their recognized vulnerable status.**

- **Where groups are identified as vulnerable, the borrower or client shall implement appropriate differentiated measures so that unavoidable adverse impacts do not fall disproportionately on these vulnerable groups, and so that they are not disadvantaged in sharing development benefits and opportunities (such as roads, schools, healthcare facilities, etc.).**

- **OS 1 emphasizes the need to assess gender issues in the context of vulnerability. A gender assessment shall be made for every project and shall form the basis for project design and compensation plans that lead to enhanced gender balance.**

- **OS 1 states that groups that may be considered vulnerable may include social or cultural groups recognized as Indigenous Peoples. The Bank seeks to promote the safeguarding of Indigenous Peoples’ lands, natural assets and other cultural heritage by its member countries and to provide special protection for projects that may involve their resettlement.**

Also, the ISS requires the Environmental and Social Assessment process to systematically identify vulnerable groups. The identification of vulnerable groups shall be the result of a careful analysis of the social and economic context in which the project will operate. The presence of factors that causes vulnerability should be analysed, as should potential project impacts on vulnerable groups, the capacity of the vulnerable groups to cope with, or adapt to, such impacts, and the potential for such impacts to be mitigated in a way that takes account of the specific vulnerabilities or marginalization status in question. Taking the particular circumstances of the vulnerable groups into account should help borrowers or clients to better define impacts relevant to the groups, and to improve the
design and implementation of a specific Community Development Plan (CDP) or an Indigenous Community Development Plan (ICDP).

b. Objective and scope of vulnerable group identification
The objective of identifying vulnerable groups is to enable a strategic focus on the consideration of their views and specific needs during the project planning, and thereby to specifically avoid harm to them, as well as to ensure that they have the opportunity to participate in and benefit from the proposed project. Having identified the vulnerable groups, the objective becomes to define differentiated measures for them to ensure that they are protected and that suitable benefits are adequately planned and directed to them as set out below:

i. Vulnerable Groups and Gender
Projects may have different impacts on women and men, owing to their different socio-economic roles and their varying degrees of access to and control over assets, productive resources, and employment opportunities. Gender discrimination often limits access to the resources, opportunities, and public services necessary to improve standards of living. In addition, there may be norms, societal practices, or legal barriers that impede the full participation of people of one gender (usually women, but potentially men) in consultation, project planning, decision-making, implementation of project activities or the sharing of benefits.

ii. Other Vulnerable Groups
Those of low economic status, particularly those below the poverty line, the landless and those without legal title to assets may also lack the resources and capacity to participate in project decision-making or benefit-sharing to the same degree as those of higher economic status. In addition, those with health conditions, those who are disabled, etc., are also groups that commonly lack the capacity, means or voice through which to avoid negative project impacts and reap project benefits.

c. Differentiated measures for vulnerable groups’ inclusion in development
Once groups have been identified as vulnerable, the borrower or client shall propose and implement differentiated measures so that adverse impacts do not fall disproportionately upon them, and so that vulnerable groups are not disadvantaged in sharing development benefits and opportunities. Differentiated measures are required to respond to the requirements of specific types of vulnerable groups. The AfDB ISS provides guidance to differentiated measures requirements to specific types of vulnerable groups including measures responding to vulnerable gender groups, indigenous people, vulnerable groups experiencing resettlements and other vulnerable groups such as groups of low economic status, those with health conditions, those who are handicapped, etc.

Meaningful consultation is of vital importance in determining what differentiated measures are necessary for the particular vulnerable groups in question, as well as in seeking broad community support (BCS) from such vulnerable groups. There should be a targeted and meaningful consultation process, backed by adequate information, and carried out with each vulnerable group. Specific, targeted consultation sessions with each vulnerable group are important because consultations with non-vulnerable groups may not always reveal the special conditions or concerns of vulnerable groups, and how these might be addressed in a differentiated and targeted manner. Consultation around differentiated measures for vulnerable groups requires a socially and culturally sensitive approach that shall ensure that:

- The vulnerable group in question is represented in discussions, and that members of this group are given ample and appropriate opportunities and channels to express their views, concerns and aspirations in the language and manner of their choice, without external manipulation, interference, coercion, or intimidation.
- Representative bodies and civil society organizations, as well as a sufficient number of members of the vulnerable group themselves, are included in the consultation process.
- Local leaders deemed to “represent” the views of vulnerable members of the community actually have the members’ consent and understand their views and perspectives.
- Spaces for discussions are created that are perceived to be “safe” from the perspective of the vulnerable group, and that are easily accessible to them.

The consultations with each vulnerable group should primarily seek to elucidate the special conditions and concerns of the group in question, and the form that associated differentiated measures should take in order to
ensure that the vulnerabilities of the group in question are not further exacerbated by the project and that the group is given the opportunity and the capacity to benefit from the project according to their views and needs.

7.4 Program Grievance Redress Mechanism (GRM)
The Program will adopt the AfDB’s approach to resolving grievances on sub-project interventions. This is described in Table 7.1 below

Table 7.2. AfDB Grievance Redress Mechanism Approach

The AfDB defines project GRM as a systematic process for receiving, evaluating and facilitating resolution of affected people’s project-related concerns, complaints and grievances about the borrower's/client’s social and environmental performance on a project. AfDB requires its clients to be aware of and respond to stakeholders’ concerns related to the project in a timely manner. For this purpose, the client will establish an effective grievance mechanism, process, or procedure to receive and facilitate resolution of stakeholders’ concerns and grievances, in particular, about the client’s E&S performance.

In OS 1, the Bank requires the borrower/client to establish a “credible, independent and empowered local grievance and redress mechanism to receive, facilitate and follow up on the resolution of the affected people’s grievances and concerns regarding the E&S performance of the project. The local grievance mechanism needs to be sufficiently independent, empowered and accessible to the stakeholders at all times during project cycle and all responses to grievances shall be recorded and included in project supervision formats and reports.”

Some Bank operations may inevitably have the potential to impact the local population’s well-being. The aim of a project GRM is, therefore, to enable people fearing or suffering adverse impacts to be able to be heard and assisted. People potentially or actually affected by a Bank-funded project need a trusted way to voice and resolve project related concerns and the project needs an effective way to address affected people’s concerns. The GRM provides a structured and managed way of allowing the concerns of affected people to be heard and addressed, including by the borrower's/client’s project management staff and in certain circumstances, by Bank staff.

The main advantages of establishing and maintaining an appropriate GRM linked to a Bank-funded project are:

• Helping maintain good development conditions in the field, conducive to harmonious, sustainable development.
• Minimising the risk of violent or otherwise destructive behaviors, and the associated economic and social costs.
• Helping to protect the most vulnerable local groups and individuals.
• Alleviating the risk of dispute or conflict escalation, such as cases being brought to the Bank’s Independent Review Mechanism.

The process by which the GRM is designed should be integrated into the overall approach to project preparation as prescribed in the Bank’s ISS. The Bank ISS through its (IESIA) Guidelines Notes provides guidance on development and Implementation of GRM. It should also be included in the concrete actions required in the ESMP for Category 1 projects and on a case by case basis, for Category 2 projects that exhibit specific potential social tensions, in particular risks of mismanagement of compensation/resettlement schemes or the presence of particularly vulnerable groups in the project’s area of influence.

a. Independent Review Mechanism (IRM)
AfDB has also established its own accountability mechanism, the Independent Review Mechanism (IRM). The IRM seeks to assess whether a Bank approved project complies with relevant the AfDB’s ISS. The IRM makes itself accessible to any group (a minimum of 2 persons living in the project’s area of influence) actually or potentially negatively affected by a Bank-funded project. The IRM reports to the Bank’s Board of Directors and is thus independent of Bank management. So far, the IRM has received approximately six requests for intervention. Based
on the World Bank’s Inspection Panel experience, dating back to 1993, which has processed 80 requests since then, the IRM is likely to intensify its activities during the coming years.

The IRM has been set up by the Bank to achieve more transparency. It is also a costly mechanism to trigger. The establishment of local GRMs can help to alleviate the need for plaintiffs to resort to the IRM, while problem-solving can be more rapidly and cost-effectively done locally. The cultural context in which GRMs operate also helps to defuse complaints and to find appropriate and commensurate solutions.

b. GRM at project level

The GRM in the Program will be established under the guidance provided in the Bank’s ISS through its IESIA Guidelines Notes. The first step is to determine the primary goal of the GRM which would generally be to resolve specific grievances in a manner that meets both project management and community needs, but with important local variations. The scope of the grievances that may legitimately be brought forward by the communities and/or individuals affected shall be defined in advance. That scope will generally cover most, if not all, of the issues raised in a typical E&S Assessment: natural resources, pollution, cultural property, land acquisition, the income of resettled/displaced populations, the welfare of vulnerable groups, etc.

The second step is to design the GRM by:
1. Preparing a preliminary design.
2. Selecting ways and means to receive, register, assess and respond to grievances.
3. Select grievance resolution approaches.
4. Design a means to track and monitor grievances.
5. Develop the grievance mechanism infrastructure.
6. Review and refine the design.

At sub-project level, within the Program, the design of GRM may be done with the assistance of the specialized independent consulting team as part of the ESIA or associated studies and assessments. The GRM shall be designed based on the following principles:
- Involvement of individuals of mixed levels and functions from the entity (e.g., operations, environmental affairs, community relations, legal affairs, contractors). Staffing the design team from just one function such as community relations or human resources is unwise.
- The inclusion of a balanced group of representatives from the community, representing the range of constituencies and demographics that will be using the grievance mechanism, while keeping the team small enough to be responsive.
- GRM Relying upon clear terms of reference and a work plan that outlines team goals, roles, and responsibilities, level of decision-making authority, reporting lines, tasks, time frame, and products.
- Making the use of multiple channels (e.g., face to face, phone conversation, mail, text or e-mail, message on a dedicated website), sensitive to cultural customs and traditional methods that may influence or impede the expression of grievances.
- The existence of a central point of contact that will receive complaints and log them into a central register.
- Existence and operation of designated complaint resolution staff.
- Processes for acknowledging the receipt of a grievance and informing the complainant about the time frame in which a response can be expected.

7.5 Appointing members of Grievance Redress Committees (GRC)

The Program will involve the formulation of a Grievance Redress Committee (GRC) at project level, i.e. GRM staff, for handling grievances. Generally, all project staff, the management staff of agencies involved in the project, and government administrators will take on grievance handling as a responsibility. The GRC members should be qualified, experienced, and competent personnel who can win respect and confidence of the affected communities. It is also important to maintain a gender balance within the GRMs. Criteria for selecting members of GRCs could include the following:
- Knowledge of the project, its objectives, and outcomes
• Technical knowledge and expertise to understand project design and requirements;
• Understanding of the social, economic, and cultural environments and the dynamics of the communities;
• Capacity to absorb the issues dealt with and to contribute actively to decision-making processes;
• Social recognition and standing; and
• Equitable representation of males and females.

The GRC at project level shall constitute among other members, an officer from the Local Government Authority, Village or Community Heads, Project Coordinator, a member from a recognized Non-Government Organization and a community representative. The GRC shall have the right to request the project technical staff, and officers from relevant state or non-state institutions to attend the meetings and provide information. A complainant has the right to appear in person, to be accompanied by a community member, and/or to request to be represented by a community elder. GRCs shall be established at the project level to assure accessibility for Project Affected Persons.

7.6 Procedures, complaints channels and time frame for Grievance Redress Mechanisms

As there is no ideal model or one-size-fits-all approach to grievance resolution, the best solutions to conflicts are generally achieved through localized mechanisms that take account of the specific issues, cultural context, local customs, and project conditions and scale. The process by which a complaint will be accepted or rejected needs shall be carefully designed and shall maximise interactivity and cultural sensitivity. The acceptance/rejection of a complaint will go through a discussion stage where the plaintiff and the GRM staff interact on the grounds and motives of the complaint, after which the plaintiff should clearly and transparently be told whether or not the complaint is eligible and will be processed. The acceptance/rejection of the complaint shall be based on objective criteria that are posted by the GRC, including a written copy displayed in the public access area of the GRM in an appropriate language.

The processing of the complaint, if accepted should go through various phases:

• Filing of the complaint and labeling with an identification code communicated immediately to the plaintiff.
• Assessment of the complaint (including severity of the risk/impact).
• Formulation of the response.

Selection of the grievance resolution approach is a key. There are four general approaches to choose from:

• The project’s management proposes a solution.
• The community and the project’s management decide together.
• The project’s management and the community defer to a third party to decide.
• The project’s management and the community utilize traditional or customary practices to reach a solution.

AfDB’s ISS recommends the application of a “Decide together” approach that is usually the most accessible, natural and unthreatening ways for communities and a project’s management to resolve differences. With the potential to resolve perhaps the majority of all grievances, “decide together” should
be the center-piece of any grievance mechanism’s resolution options. In its simplest form, a grievance mechanism can be broken down into the following primary components:

1. Receive and register a complaint.
2. Screen and validate the complaint (based on the nature and type of a complaint).
3. Formulate a response.
4. Select a resolution approach, based on consultation with affected person/group.
5. Implement the approach.
6. Settle the issues.
7. Track and evaluate results.
8. Learn from the experience and communicate back to all parties involved.

The time for the Grievance Redress Committees to be held shall be agreed and documented, depending on the nature and severity of the complaint.

A number of mechanisms will be available to aggrieved parties to access redress. These shall include institutions specific (internal) to a project and set up from its inception or others that might have emerged over time in response to needs identified while the project evolved. Other institutions, which are already established within a country’s judicial, administrative, and/or political systems and exist outside a project shall also be used. These include the government bureaucracy; judicial institutions; and political institutions such as Local Authorities, etc. In addition, the Bank itself sometimes shall provide a forum for grievance redress. GRMs shall include avenues for resolving conflicts between APs or other stakeholders and can provide information sought by the public on the project.

The channels of presenting complaints could include the presentation of complaints via third parties (e.g., village elites/traditional leaders, community-based organizations, lawyers, non-government organizations [NGOs], etc.); face-to-face meetings; facsimile, telephone, and email communications; written complaints; etc.

It is expected that as part of the implementation of sub-projects within the program, simpler means of addressing complaints, such as through community meetings, community liaison personnel and suggestion boxes allowing for anonymity shall also be used along with other recommended channels.

If the complainant is not satisfied, the complainant will have to appeal to the National Project Coordinator under the AfDB’s AE status.

Once the project specific locations for the program are identified, the GRM process will be communicated to the project areas through relevant media including displays in in the community head’s house or with the women groups engaged in the loan facility.

7.7 Stakeholders Consulted
As part of the preparation of the ESMS, stakeholder engagement activities were undertaken with a number of stakeholders including LFI’s, MSMEs, FBAs and relevant government institutions involved in the implementation of the GIRSAL and AFAWA programs. The consultation was undertaken as part of the preparation of the funding proposal (FP) with the outcomes used to specifically prepare this ESMS, which
will guide the process of E & S risk identification on all sub projects to be considered for funding under the program.

A series of consultations have been undertaken with a wide range of stakeholders during the development of the program. A summary of the key consultations undertaken with the AFAWA program in Ghana as well as other stakeholders during the period September 2017 to May 2019 is presented in Table 7.3 below.

Table 7.3. Summary of Stakeholder Consultation Undertaken

<table>
<thead>
<tr>
<th>Dates</th>
<th>Objective</th>
<th>Summary of Consultation</th>
</tr>
</thead>
</table>
| 04 – 08 September 2017 | Scoping mission in Ghana | The AfDB had several stakeholder engagements and consultations for the AFAWA programme in Ghana started with consultations. These include the following:  
1. Scoping mission in Ghana from 4-8 September 2017: A strong delegation of 5 AfDB staff from across several departments undertook a scoping mission to Ghana with the aim of:  
   a) Identifying:  
      a. business activities in the agriculture sector targeting women MSMEs;  
      b. agricultural value chain activities that will be eligible for adaptation and mitigation measures within the GCF indicators for the focal areas;  
      c. Determining eligibility criteria of the qualifying transactions relating to issues such as climate change, credit risk profile, ESS, Additionally and Development Outcome Assessment (ADOA); potential measurement, evaluation, monitoring and reporting of the climate benefits from the eligible activities within GCF Results Management Framework and Performance Indicators.  
   b) Evaluate what financial services commercial banks are providing to women MSMEs and FBAs and how to incentivize banks to engage in projects that will increase access to finance for climate resilient agriculture and women in the agricultural value chain.  
   c) Design of institutional arrangements between banks and respective stakeholders and identifying opportunities to incorporate direct and indirect feedback from various stakeholders including women MSMEs/FBAs, Bank of Ghana, GIRSAL, local banks, non-bank financial institutions, insurance companies as well as non-female suppliers and commodity buyers in the agricultural value chain.  
   d) Identify areas that will require technical assistance and the modalities including the use of audio visual
<table>
<thead>
<tr>
<th>Dates</th>
<th>Objective</th>
<th>Summary of Consultation</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-26 November, 2017</td>
<td>Meetings with the Minister of Finance, Governor of the Bank of Ghana, GIRSAL Secretariat and National Designated Authority</td>
<td>This meetings provided the opportunity to have feedback from the Minister of Finance and the Governor of the Central Bank as to the design of the AFAWA financing structure with the expected executing entities (EE) being banks and not GIRSAL. Accordingly, GCF proceeds will not be channeled through GIRSAL but through the commercial bank(s). The meetings also provided the opportunity for consultations with the Ministry of Food and Agriculture (MOFA) and the Ministry of Gender, Children and Social Protection (MGCSP), Energy Commission (EC), Ministry of Energy (MOE) and Ministry of Finance and Economic Planning (MOFEP) about the appropriate alignment with GIRSAL and how eligibility for the target beneficiaries. MOFA designated Women in Agriculture Development (WIAD) and meetings were held with the Director. As part of the stakeholder engagement WIAD will carry out consultations among the women groups in the Savannah area and compile a database of potential eligible groups with their needs and capacity gaps.</td>
</tr>
<tr>
<td>29 - 30 November, 2017</td>
<td>Presentation of the AFAWA funding proposal to the Technical Committee of the NDA</td>
<td>As part of the requirement for national ownership and alignment with national needs, the AfDB team submitted the funding proposal to the Technical Committee who shared it with all the key stakeholders for comments before meeting. The AfDB then made a presentation to the Technical Committee of the NDA including all the key stakeholders in the multi-sector committee on 29 and 30 November 2017. The stakeholders provided feedback on the design of the programme and implementation arrangements. The AFAWA funding proposal was cleared by the TC to be included in the Ghana country programming for GCF and AfDB was requested to seek letters of support from the MGCSP and MOFA in order to secure the NOL.</td>
</tr>
<tr>
<td>Meetings with Ministry of Gender,</td>
<td>This was a follow up meeting after sharing the draft funding proposal with the MGCSP and the MOFA. The meetings provided</td>
<td>materials and functional literacy and numeracy to improve understanding by particularly women MSMEs and FBAs who may not be literate. Among the institutions contacted were the Ministry of Food and Agriculture, Ministry of Energy, Ministry of Gender, Children and Social Protection, Ministry of Finance and Economic Planning, Ghana Commercial Bank, ECOBANK, Fidelity Bank, Women’s World Bank, UniBank, KfW, IFC, IFAD, AgDevCo Ghana, Adventist Development and Relief Agency (ADRA), Root Capital, JCS Investments. A stakeholder workshop was also held with representatives from the Association of Ghana Industries (AGI); Vegetable Producers and Exporters Association of Ghana (VEPEAG); Ghana Association of Women Entrepreneurs (GAWE); Ghana Micro Finance Institutions Network (GHAMFIN); National Board for Small Scale Industries (NBSSI); African Agribusiness Incubators Network (AAIN).</td>
</tr>
</tbody>
</table>
### Dates  |  Objective  |  Summary of Consultation
---|---|---
30 April to 02 May 2018  | Children and Social Protection Ghana and Women in Agricultural Development (WIAD)  |  the opportunity to consider modalities and eligibilities for the gender dimension of the programme. The meetings also provided the opportunity for WIAD to share the consultations they have made in the Savanna areas with women groups and the database they have put together for the AFAWA programme target beneficiaries. In order not to create unnecessary expectation of impending concessional finance that will cause positioning and even formation of enterprises by men to be fronted by women, WIAD consultations focused on identifying the needs and the capacity gaps in terms of for example extension services for climate resilient agriculture, capital budgeting, cash management and entrepreneurial skills to inform the design of the technical assistance. The women group met were not promised of any planned credit facility.
17 – 19 April 2019  | Meetings with ECOBANK, NDA, Ghana Country Office and GIRSAL Secretariat  |  Due to the ticket size ($20 million), the transaction costs of managing and the costs of hedging for 2 or 3 commercial banks, as with the systemic risks still present in the banking sector at the failure of the 6 banks, the decision was made to focus on Ecobank Gh as the single bank and EE. These meetings focused on discussions about the:
  i. key objectives, activities, expected outputs and outcomes from AFAWA;
  ii. the pricing and tenor arrangements of the local currency loan product and arrangements for the currency hedging;
  iii. expected terms and conditions for the flow of funds for the on-lending, repayments and refloow to the GCF;
  iv. the implementation arrangements and potential roles and responsibilities of Ecobank.
13 May 2019  | Stakeholder Meetings with NDA, GIRSAL Secretariat, ECOBANK, WIAD and Ministry of Gender, Children and Social Protection  |  These meetings provided the opportunity to go over the demand scoping carried out by Ecobank Ghana (a potential LFI) with the database profiling the capital needs for different eligible climate resilient agricultural investments for the women MSMEs/FBAs. It also provided the opportunity to go over the implementation arrangements and specific roles and responsibilities for the implementation.

Overall, the consultation undertaken identified number of key issues (including those related to E & S) e.g. the identification of relevant MSMEs and FBAs, land access, consultation with relevant stakeholders during subproject selection, employment and empowerment of youths and women in the local communities and the need to regularly report on subproject performance in a transparent manner. As is presented in Table 7.3, the AfDB through engagement with several stakeholders progressively addressed comments and approaches in subsequent consultation with the end result being that an LFI in Ghana will be selected as the implementing agency with over 400 MSMEs and FBAs to benefit from funding for the program.
As detailed further below, it is expected that further consultation will be undertaken with stakeholders on a project specific level to develop a comprehensive understanding of the sub project specific E & S risks and potential impacts as well the mitigation measures to be adopted, in line with the guidance detailed in this ESMS. Feedback from the stakeholders will be adequately integrated into project design and implementation.
8 ESMS IMPLEMENTATION AND MANAGEMENT

8.1 Institutional Arrangements for ESMS Implementation
The AfDB is the Accredited Agency (AE) for the program. An LFI in Ghana (to be selected) will act as the implementing agency who would on lend credit to MSMEs and FBAs that will qualify for the funding.

The AfDB will be responsible for the overall oversight of the program implementation and will report to GCF per the terms agreed under the Accreditation Master Agreement (AMA) and to be agreed the Funded Activity Agreement (FAA). For managing the GCF resources, the AfDB will maintain a separate account for the GCF funds and independently administer the funds, including on lending to the selected LFI who would be the direct lender to the sub-projects considered in the program.

The chosen LFI (with oversight from the AfDB) will apply their credit evaluation, due diligence and approval procedures in appraising potential clients, and only those sub-projects qualified under agreed internal criteria will be eligible for investment under this framework.

8.2 Roles and Responsibilities for Managing Environmental and Social Requirements

8.2.1 Sub-project proponent’s role and responsibilities
For sub-projects that will be ultimately be selected for funding under the Program, the LFI will expect sub-project proponents to manage the E&S issues associated with the sub-projects to meet the safeguard requirements detailed in this ESMS throughout the entire project lifecycle.

It is also the client’s (MSME or FBA) responsibility to ensure that adequate information is provided so that the LFI (the AfDB) can undertake E&S assessments in accordance with their respective safeguard requirements. The client may be required to commission appropriate E&S studies and conduct stakeholder engagement and cover the costs of these. The client is also expected to allow the LFI and AfDB representatives and independent consultants to access sub-project facilities and records.

8.2.2 AfDB’s and the LFI’s role and responsibilities
Implementation teams for the program will be constituted within the AfDB and the LFI to perform the due diligence and execution of individual sub-projects, as well as the management of the overall program.

The AfDB team will be mobilized from a pool of investment officers, portfolio managers and risk assessment officers (inclusive of an E&S specialist). The selected LFI will deploy a team of risk officers to manage all E & S related risk elements associated with subprojects to be considered for funding under the AFAWA program.

8.3 Training and Capacity Strengthening Plan
As stated in the ESMS implementation procedures above, an LFI in Ghana will be selected as the implementing agency for the program. As part of the selection process, a capacity and needs based assessment of the LFI will be undertaken to ensure that the LFI has the E & S and institutional capacity for managing E & S risks and potential impacts related to on lending to MSMEs and FBAs. In addition, as part of the implementation of specific subprojects, the AfDB will provide additional support to the LFI during project implementation to ensure that the E & S risk management framework is adhered to on identified subprojects.
A key component of the overall AFAWA GIRSAL program is to provide technical assistance through capacity building across the entire agricultural value chain for participating entities. The capacity building program will also include strengthening the capacity of MSMES and FBAs in relation to the effective implementation of E & S risk mitigation measures throughout the lifecycle of selected subprojects. Capacity building programs to be implemented by the LFI (with support from the AfDB) will include:

- Enhancing knowledge on E & S safeguard issues on projects
- Enhancing knowledge on the ESMS implementation, including client roles and responsibilities towards identifying E & S risks and potential impacts on their projects as well as reporting on the implementation of the mitigation measures.
- The importance of participatory governance and stakeholder’s engagement.

Through the life of the program, the AfDB as the AE working in close collaboration with the implementing agency (LFI to be selected) will ensure that E & S capacity is strengthened for all participating organizations in the program.
ANNEXES
ANNEX 1A. E & S SCREENING FORM

PART A: GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Project Name</th>
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<tbody>
<tr>
<td>Estimated Cost ( )</td>
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<tr>
<td>Project Site</td>
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<tr>
<td>Project Objectives</td>
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<tr>
<td>Proposed Main Project Activities</td>
<td></td>
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<tr>
<td>Name of Evaluator/s</td>
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<tr>
<td>Date of Field Appraisal</td>
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</tbody>
</table>

PART B: BRIEF DESCRIPTION OF THE PROPOSED ACTIVITIES

Provide information on the type and scale of the construction/rehabilitation activity (e.g., area, land required and approximate size of structures)

Provide information on the construction activities including support/ancillary structures and activities required to build them, e.g., need to quarry or excavate borrow materials, water source, access roads, etc.

Describe how the construction/rehabilitation activities will be carried out. Include a description of support/activities and resources required for the construction/rehabilitation.

PART C: E&S ELIGIBILITY CRITERIA

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Yes or No</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Would the project displace or involve relocation of more than 50 homes or a population of 200 or more?</td>
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<tr>
<td>2. Would the project encroach or be located inside a protected area of natural habitat?</td>
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<tr>
<td>3. Would the project displace, modify or render inaccessible a Cultural Heritage site or structure?</td>
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<tr>
<td>4. Would the project be located in the territory of any historically underserved traditional ethnic community or indigenous people (as defined by World Bank OP 4.10) territory, but that the project would not benefit them in terms of access to electricity or in terms of some other plans?</td>
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</tbody>
</table>

If the answer to at least one of these questions is yes, then the sub-project would not qualify for funding under the Program. (The sub-project may be returned to the proponent for modification to meet with the criteria.)
PART D: SCREENING FORM FOR IDENTIFICATION OF AFDB OSS AND IFC PS TRIGGERED AND IDENTIFICATION OF APPROPRIATE SAFEGUARD INSTRUMENT

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>PS1/OS1 - Environmental Assessment and Mgt of ES Risks and Impacts</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PS2/OS5 – Labor and Working Conditions</td>
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<tr>
<td>PS3/OS4 – Resource Efficiency and Pollution</td>
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<tr>
<td>PS4/OS5 - Community Health, Safety and Security</td>
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<tr>
<td>PS5/OS2 – Land Acquisition and Involuntary Resettlement</td>
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<tr>
<td>PS6/OS3 - Biodiversity Conservation and Sustainable Mgt of Living Natural Res.</td>
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<tr>
<td>PS7/OS1 – Indigenous People</td>
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<tr>
<td>PS8/OS Cultural Heritage</td>
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</table>

PART E. RISK CATEGORIZATION

Check the one that applies | If answer is yes,
--- | ---
Would the project involve: activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented? | Project is Category A: Not qualified for funding under the program
Would the project involve: activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures? | The project is Category B - Safeguards Instruments should be disclosed for at least 30 days before approval.
Would the project involve: only activities with minimal or no adverse environmental and/or social risks and/or impacts? | Category C

Guidance: The guidance for sub-project categorization and triggering OSSs is available in the AfDB ESAP document, Category 1, 2, 3 is equivalent to Category A, B, C respectively. E&S. Alternatively, one can also refer to IFCs Note on E&S Categorization, Jan 1, 2012.)
Conclusion and Safeguards Instruments Required

The sub-project is classified as a Category ________ project as per AfDB’s ESAP, and the following safeguard instruments will be prepared:

1. _______________________________________________________________________
2. _______________________________________________________________________
3. _______________________________________________________________________
4. _______________________________________________________________________

PART F: ENVIRONMENTAL AND SOCIAL BASELINE INFORMATION OF THE SUB-PROJECT SITE BRIEF DESCRIPTION

<table>
<thead>
<tr>
<th>Category of Baseline Information</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GEOGRAPHICAL LOCATION</strong></td>
<td></td>
</tr>
<tr>
<td>* Name of the Area</td>
<td></td>
</tr>
<tr>
<td>* Proposed location of the project (Include a sitemap of at least 1:10,000 scale / or coordinates from GPS)</td>
<td></td>
</tr>
<tr>
<td><strong>LAND RESOURCES</strong></td>
<td></td>
</tr>
<tr>
<td>* Topography and Geology of the area</td>
<td></td>
</tr>
<tr>
<td>* Soils of the area</td>
<td></td>
</tr>
<tr>
<td>* Main land uses and economic activities</td>
<td></td>
</tr>
<tr>
<td><strong>WATER RESOURCES</strong></td>
<td></td>
</tr>
<tr>
<td>* Surface water resources (e.g., rivers, lakes, etc.) quantity and Quality</td>
<td></td>
</tr>
<tr>
<td><strong>CLIMATE</strong></td>
<td></td>
</tr>
<tr>
<td>* Temperature</td>
<td></td>
</tr>
<tr>
<td>* Rainfall</td>
<td></td>
</tr>
<tr>
<td><strong>SOCIAL</strong></td>
<td></td>
</tr>
<tr>
<td>* Number of people potentially impacted</td>
<td></td>
</tr>
<tr>
<td>* Type and magnitude of impacts (i.e., impact on land, structures, crops, standard of living)</td>
<td></td>
</tr>
<tr>
<td>* Socio-economic overview of persons impacted</td>
<td></td>
</tr>
</tbody>
</table>

Screened By: Name___________________
Title: __________________________
Date: ___________________________
Signature: ______________________

Checked By: Name_________________
Title: __________________________
Date: ___________________________
Signature: ______________________

Approved By: Name_________________
Title: __________________________
Date: ___________________________
Signature: ______________________
### PART G: SUMMARY SOCIAL AND ENVIRONMENTAL RISK SCREENING FORM

<table>
<thead>
<tr>
<th>Sr. no</th>
<th>Type of Impact</th>
<th>Answer</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Environmental &amp; Social Policy, Legislation and Standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Legal context and compliance</td>
<td>▪</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Is the project inconsistent with national environmental and social policy and legislative frameworks?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>AfDB ISS and ESAP</td>
<td>▪</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Is the project/activity likely to be inconsistent with AfDB operational safeguards and standards?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>EIA preparation</td>
<td>▪</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the Environmental and Social Impact Assessment (ESIA)/Environmental and Social Management plan (ESMP) prepared by proponent/consultant without environmental certificate (competence) and license?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>Exclusion List</td>
<td>▪</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Is the project in the lists described in the exclusion list?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>Environmental Issues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Would the project have an impact on air, soil, water through emissions or similar?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or trans-boundary impacts?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>Would the proposed project result in the generation of waste that cannot be recovered, reused, or disposed of in an environmentally and socially sound manner?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>Does the Project include activities that require significant consumption of raw materials, energy, and/or water?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>Occupational Health and Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Would the project have an impact (direct /indirect) on occupational and public health and safety (availability of fire protection equipment, personal protective equipment, sufficient lighting, and sufficient work space, availability of sanitation and hygiene facilities)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>Labor and Working Conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1</td>
<td>Does the Project employ persons less than 14 years of age?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sr. no</td>
<td>Type of Impact</td>
<td>Answer</td>
<td>Remarks</td>
</tr>
<tr>
<td>--------</td>
<td>-------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>4.2</td>
<td>▪ Does the project employ young workers which on account of its nature or due to the condition in which it is carried out, endangers the life or health of the young workers performing it?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>▪ Are there risks of forced labor in the operation of the project?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Decision on eligibility and next steps**

The Project meet the eligibility criteria for further assessment

- Yes [ ]
- No [ ]

If no, state reasons:

If the project meets the eligibility criteria, suggested next steps:
ANNEX 1B. EXCLUSION LIST

• Production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements;
• Production of or trade in radioactive materials, with the exception of medical materials and quality-control equipment for which the radioactive source is trivial and adequately shielded;
• Production of or trade in or use of unbonded asbestos fibers or other products with bonded asbestos as dominant material;
• Production of or trade in pharmaceuticals, chemical compounds and other harmful substances subject to international phase-outs or bans, including pesticides classified as Class Ia (extremely hazardous), Ib (highly hazardous) or II (moderately hazardous);
• Production of or trade in ozone-depleting substances subject to international phase out;
• Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora;
• Purchase of logging equipment for use in unmanaged primary tropical rainforests; and
• Production and activities involving harmful or exploitative forms of forced labour and/or child labour as defined by national regulations
• Block the access to water points etc. used by others
• Cause encroachment to, and adversely affect, important natural habitats (e.g., wildlife reserves; parks or sanctuaries; protected areas; natural habitat areas, forests and forest reserves, wetlands, national parks or game reserve; any other ecologically/environmentally sensitive areas)
• Impact on physical cultural resources (archaeological sites; religious monuments or structures; natural sites with cultural values; cemeteries; graveyards; graves; and other sites of significance)
• Located in protected areas and ecologically sensitive sites
• Would not disadvantage or give advantage to community members.
• Contravene international and regional conventions on environmental and social issues
• Cause large-scale physical disturbance of the site or the surroundings
• Harmful excluded items: alcoholic beverages, tobacco, radioactive materials, platinum, pearls, precious stones, gold and related products, nuclear reactors and related products, weapons, ammunition and other goods used for military and/or paramilitary purposes, luxury consumer goods, and goods harmful to the environment
9 RESETTLEMENT POLICY FRAMEWORK

9.1 Introduction
The African Development Bank’s Feed Africa Strategy has identified innovative financing as critical to mobilizing resources for Climate Resilience Agricultural (CRA) transformation in the continent. The Risk Sharing Financing Mechanism has been proposed as one of the flagships for the Feed Africa Strategy and is premised on developing de-risking instruments, technical assistance, integrated ICT platforms, performance management, and incentives that would bridge the gaps between CRA and financing value chains. With the financial support from the AfDB, Ghana has taken the lead under this initiative with ‘Ghana Incentive-Based Risk-Sharing System for Agricultural Lending (GIRSA) Project.

The AfDB is requesting US$18.5 million loan and US$1.5 million grants from the Green Climate Fund (GCF) in order to partner with an LFI in Ghana to develop an inclusive loan product to enable women-led MSMEs and FBAs finance climate resilient agricultural practices. Some of these climate resilient practices include minimum tillage, use of drought resistance and improved yield seeds, crop rotation, processing, storage and packaging facilities, as well as the use of solar irrigation, off-grid solar and biogas technologies to improve diversification, value addition, productivity, and profitability across the agricultural value chain.

All MSMEs and FBAs to be funded through the program will be required to comply with the requirements of the Bank’s Operational Safeguards (OSs), IFC Performance standards (PSs), GCF and Ghana environmental and social policies and standards applicable to the Climate Resilient Activities (CRA), which will be undertaken during the program implementation period.

The proposed subproject activities being considered for the funding program are expected to have both positive and negative social impacts on assets and livelihoods and may result in local impacts associated with physical or economic displacement. At this stage, the specific sub-projects that will be considered for funding under the program have not yet been defined.

Due to the potential for sub projects to result in economic displacement (and in some case, physical displacement), a Resettlement Policy Framework (RPF) has been developed for managing specific risks related to involuntary resettlement.

9.2 Rationale of the RPF
This RPF defines the process by which potential sub-project resettlement impacts leading to the need for an FRAP/ARAP or LRP will be screened, and impact assessment and compensation measures developed and implemented. Once the sub-projects, specific sites and the beneficiary communities have been defined clearly, all sub-projects and activities will be screened and the appropriate mitigation tools such as ESIAs ESMPs, ARAP or LRP will be developed were applicable in line with applicable safeguard requirements. The screening process will be aligned to the screening process outlined in ESMF Annex 1A (presented in a separate submission).

This Resettlement Policy Framework (RPF) provides the necessary background to ensure that any sub-projects that might involve land acquisition and/or resettlement and loss of livelihoods of any people will comply with both Ghanaian law and the Bank’s Operational Safeguards.
The RPF will prescribe the process from the preparation, through review and approval to implementation of the sub-projects that will ensure that the substantive concerns of all AfDBs Operational Safeguards and relevant Ghanaian policy and legal frameworks will be adequately addressed.

For each sub-project considered for funding an FRAP or ARAP (as applicable) will be prepared and submitted to the selected LFI for approval once specific information about land appropriation is available. The RPF describes the design criteria for the resettlement of affected persons in the course of implementation of the sub-project, the legal context, the process for the preparation of a RAP, the content of a Plan, the process for its execution and finally the required institutional organization.

### 9.3 Purpose of the Resettlement Policy Framework

Involuntary resettlement involves the displacement of people arising from development projects which encroach on their productive assets, and income sources such as land, grazing fields, other assets, etc. What distinguishes involuntary from voluntary resettlement is that the former involves people who may be displaced against their wishes, as they are often not the initiators of their movement.

The implementation of the Program may trigger the involuntary resettlement policy as minimal displacement is anticipated because land may be acquired for sub-projects activity purposes and affected persons will need to be compensated for loss of land, crops, dwellings and other structures, and livelihoods.

This Resettlement Policy Framework (RPF) has therefore been prepared to appropriately deal with matters such as the necessity for land acquisition, compensation and resettlement of people affected by the implementation of the sub-projects.

### 9.4 Objectives of the Resettlement Policy Framework

The overall objective of the RPF is to provide guidance on how to deal with issues relating to land acquisition, compensation and resettlement during the implementation of the sub-project. This will ensure that displaced and resettled persons are compensated for their loss at replacement cost, given opportunities to share in sub-project created benefits, and assisted with the move and during the transition period at the resettlement site.

The specific objectives of the RPF are as follows:

- to minimize, as much as possible, acquisition of land for implementation of sub-project components, where such acquisition or project related activities will result in adverse social impacts,
- to ensure that where land acquisition is necessary, this is executed as sustainable programs to enable people share in the project benefits,
- to ensure meaningful consultation with people to be affected or displaced; and
- to provide assistance that will mitigate or restore the negative impacts of the project implementation on the livelihoods of people affected in order to improve their livelihoods or at least restore to pre-project levels.
- outline roles and responsibilities by various stakeholders in the planning, implementation, monitoring and evaluation of resettlement activities.
- Allow redress among communities affected by sub-project activities; and
- Reduce stress on sub-project affected communities/households.
The operational objective of the framework is to provide guidance to stakeholders participating in the mitigation of adverse social impacts of the sub-project, including rehabilitation/resettlement operations, in order to ensure that PAPs will not be impoverished by the adverse social impacts of the project.

The target groups for the RPF are all the stakeholders relevant to the implementation of the sub-projects to be considered for the Program. This includes, MSMEs, FBAs, PAPs, communities and relevant NGOs as applicable.

9.5 **Legal and Administrative Framework governing resettlement in Ghana**

The legal framework relating to resettlement issues consists of the various pieces of Ghana legislation and AfDB Operational Safeguards (OS2) and IFC Performance Standard 5.

9.5.1 **National Legislative Framework**

The legal and institutional framework in Ghana over land administration, land tenure, and land expropriation is complex. The National Land Policy was prepared in 1999, and the on-going Land Administration Project (LAP) seek among other things, to streamline the myriads of laws regulating land administration and/ or establishing mandates for different land administration agencies in the country. Among the numerous land-related laws passed in the last 50 years, the most relevant to are:

9.5.2 **The Constitution of the Republic of Ghana, 1992 (Section 20 Sub-Section 1-6)**

Article 20 of the 1992 Constitution of Ghana provides for the protection from deprivation of property unless such acquisition is made in the interest of defence, public safety, public order, public morality, town and country planning, or the development or utilisation of property to promote public interest.

Under the same Article 20 of the Constitution, such compulsory acquisition of property by the State should be made under a law which makes provision for prompt payment of fair and adequate compensation (Clause 2) as well as a right of access to a High Court by any person who has interest in or right over the property for the determination of his interest or right and the amount of compensation to which he is entitled.

9.5.3 **The Lands Commission Act 2008, Act 767.**

The Lands Commission Act 2008 establishes the Lands Commission to integrate the operations of public service land institutions in order to secure effective and efficient land administration to provide for related matters. The objectives of the Commission include among others to:

- Promote the judicious use of land by the society and ensure that land use is in accordance with sustainable management principles and the maintenance of a sound eco-system; and
- Ensure that land development is effected in conformity with the nation’s development goals.

Currently, the commission has the following divisions: Survey and Mapping; Land Registration; Land Valuation; and Public and Vested Lands Management.
9.5.4 **The State Lands Act 1962, Act 125 and Amendments Act, 2000 (Act 586)**

The State Lands Act 1962, Act 125 vests in the President of the Republic the authority to acquire land for the public interest via an executive instrument.

In addition, the State Lands Act, 1962, details the different elements to be taken into consideration when calculating compensation and these include:

- “Cost of disturbance” means the reasonable expenses incidental to any necessary change of residence or place of business by any person having a right or interest in the land;
- “Market value” means the sum of money which the land might have been expected to realise if sold in the open market by a willing seller or to a willing buyer,
- “Replacement value” means the value of the land where there is no demand or market for the land by reason of the situation or of the purpose for which the land was devoted at the time of the declaration made under section 1 of this Act, and shall be the amount required for reasonable reinstatement equivalent to the condition of the land at the date of the said declaration; and
- “Other damage” means damage sustained by any person having a right or interest in the land or in adjoining land, by reason of severance from or injurious affection to any adjoining land.

9.5.5 **State Lands Regulation, 1962 (L.I. 230)**

This law was made pursuant to the enactment of the State Lands Act (1962) Act 125. LI 230 provides general guidelines and directives for the better carrying into effect the provisions of Act 125 regarding compulsory acquisition and consequential compensation matters. The law makes provision for Site Advisory Committees (SACs), a technical body to consider all requests for compulsory acquisition of lands; and advise on their suitability for the intended projects. The SACs are composed of professionals from the State Lands Agencies, Public Work Departments, and the Utilities.

9.5.6 **Survey Act 1962, Act 127**

The Survey Act 1962, Act 127 relates to geological, soil and land survey. Part II of the Act deals with demarcation and survey of lands. Under the law, the sector minister may appoint official surveyors and the Chief Survey Officer (Director of Surveys) may license private surveyors. It is the official surveyor or licensed surveyor that shall certify plans for attachments to instruments of conveyance, leases, assignment, charge, or transfer. Under the law it is an offence to damage, destroy or alter any boundary mark.

The Act 127 gave legal backing to the Director of Surveys to carryout cadastral and other surveys through official surveyors who work directly under him at the Survey Division of the Lands Commission. It also gave authority to the Director of Surveys to recommend from time to time experienced surveyors to the Minister responsible for Lands to be licensed to undertake surveys.

9.5.7 **The Lands (Statutory Wayleaves) Act, 1963 (Act 186)**

The Lands (Statutory Wayleaves) Act 1963, Act 186 details the process involved in occupation of land for the purpose of the construction, installation, and maintenance of works of public utility, and for the
creation of right-of-ways for such works. The key elements of this Act include the following:

- The owner/occupier of the land must be formally notified at least a week in advance of the intent to enter, and be given at least 24 hours’ notice before actual entry;
- Any damage due to entry must be compensated in accord with the procedures established by the Minister unless the land is restored or replaced;
- In the case of highways, no compensation shall be paid, unless the land taken is more than one fifth of the total holdings of an affected person;
- Where a right of way must be established in the public interest, the President may declare the land to be subject to such statutory wayleave; and
- On publication of a wayleave instrument specifying the area required, and without further assurance, the land shall be deemed to be subject to wayleave. Compensation is then determined and paid, with the right of appeal to a Tribunal established by the President, in parallel with the Lands Act, 1962.

Further to this Act, the Statutory Wayleave Regulations, 1964, provide procedural details and address grievance mechanisms.

9.5.8 Land Title Registration Act 1986, PNDCL 152 and Regulations 1986 LI 1341

The challenges arising from registration of instruments under the Land Registry Act 1962, Act 122 led to the promulgation of the Land Title Registration Act 1986, PNDCL 152 which would be an improvement on the registration of deeds. The Law provides for accurate parcel or cadastral maps which would reduce fraud, multiple registrations and reduce litigation. It also provides for publication and adjudication of conflicts. The certificate of title to the land is indefeasible and can only be cancelled by a court of law. The Land Title Registration Law provides for the registration of all interests held under customary law and also the common law. Under this law the registrable interests include (i) allodial title, (ii) usufruct/ customary law freehold, (iii) freehold (iv) leasehold, (v) customary tenancies and (vi) mineral licenses.

9.5.9 Administration of Lands Act, 1962 (Act 123)

It consolidates with amendments, the enactments relating to the administration of Stool and other lands.

9.5.9.1 Office of the Administrator of Stool Lands Act 1994, Act 481

The Act establishes the Office of the Administrator of Stool Lands as enshrined in Article 267 (2) of the 1992 Constitution and it is responsible for establishment of stool land account for each stool, collection of rents and the disbursement of such revenues. The Administrator is charged with the management of stool lands and in accordance with the provisions in the 1992 Constitution, 10% of the gross revenue goes to the Administrator of Stool Lands for administrative expenses whilst the remainder is disbursed as follows:
• 25% to the stool through the traditional authority for the maintenance of the stool;
• 20% to the traditional authority; and
• 55% to the District Assembly, within the area of authority of which the stool lands are situated.

9.6.1 Land Use and Spatial Planning Act, 2016 (Act 925)
This act revises and consolidates the laws on land use and spatial planning, provide for sustainable development of land and human settlements through a decentralised planning system, ensure judicious use of land in order to improve quality of life, promote health and safety in respect of human settlements and to regulate national, regional, district and local spatial planning, and generally to provide for spatial aspects of socio economic development and for related matters. Section 104 (1a) provides for compensation of a person whose property is adversely affected by the operation of a scheme or by the execution of a work under a scheme under this Act.

9.6 Institutional and Administrative Framework
The key institutions responsible for administration of lands and or resettlement activities in line with this RPF include:

9.6.1 Public and Vested Lands Management Division of the Lands Commission
The Public and Vested Lands Management Division of the Lands Commission – Ministry of Lands and Natural Resources (established by the Lands Commission Act, 2008, Act 767) is the principal land management organisation of the government. All public land is vested in the President of Ghana and held in trust by him for the people of Ghana. The Public and Vested Lands Management Division manages all public land on behalf of the President. In each of the ten regions of Ghana, a branch, known as the Regional Lands Commission, performs the functions of the Lands Commission. In addition to managing public lands on behalf of government, its other mandates includes among others:

- Advise the government and local authorities on policy matters, and to ensure that the development of individual parcels of land is consistent with area development plans; and
- Advise on, and assist in the execution of a comprehensive programme of land title registration.

The acquisition of any rights of exclusive possession over public lands would necessitate discussions with the relevant Regional Lands Commission for a lease over the selected site.

9.6.2 Land Valuation Division (LVD)
It was established in 1986 (PNDC Law 42) as Land Valuation Board (LVB), through a merger of valuation divisions operating within different ministries. However, the LVB was brought under the Lands Commission as the Lands Valuation Division with the promulgation of the new Lands Commission Act 2008, Act 767. The LVD is responsible for all valuation services for the government, including assessing compensation to be paid as a result of land acquisition or damage to an asset in view of a government project. The Division keep rates for crops which are applicable nation-wide. The LVD has offices in all
the ten (10no.) regions of Ghana and 44 district offices. The district offices are involved only in ‘rating valuation’ and that any valuation taking place has to be undertaken by the Regional offices which have certified valuers. The LVD also keep records of private sector certified valuers.

9.6.3 Land Registration Division of the Lands Commission

It was established in 1986 as the Title Registration Advisory Board under Section 10 of the Land Title Registration Act, 1986. However, it was brought under the Lands Commission as the Lands Registration Division with the promulgation of the Lands Commission Act 2008, Act 767. The Division ensures registration of title to land and other interests in land; maintains land registers that contains records of land and other interests in land; ensures registration of deeds and other instruments affecting land, among other functions.

9.6.4 Survey and Mapping Division of the Lands Commission

It was established in 1962 under the Survey Act 1962, Act 127 as the Survey Department. The Department was brought under the Lands Commission as the Survey and Mapping Division with the promulgation of the Lands Commission Act 2008, Act 767. The Division supervises, regulates, and controls the surveys and demarcation of land for the purposes of land use and land registration. It also supervises, regulates, controls, and certifies the production of maps. It is responsible for planning all national surveys and mapping among other functions.

9.6.5 Environmental Protection Agency (EPA)

Under the Ministry of Environment, Science, Technology and Innovation, the EPA is established under the EPA Act, 1994 (Act 490) is responsible for the protection of the environment and this include the human/ socio-economic environment as well. Its functions include the following amongst others:

- Advise the Minister on the formulation of policies on all aspects of the environment and in particular make recommendations for the protection of the environment;
- Ensure compliance with any laid down environmental impact assessment procedures in the planning and execution of development projects, including compliance in respect of existing projects;
- Act in liaison and co-operation with government agencies, district assemblies and other bodies and institutions to generally protect the environment; and
- To promote effective planning in the management of the environment.

The EPA is the main government body for receiving and reviewing all Environmental and Social Impact Assessment reports. Currently, Resettlement Plan reports sent to the EPA for review are usually attached to the mainstream Environmental Impact Assessment (EIA) Reports. The Agency is yet to develop a general guideline or format for the preparation of a Resettlement Plans as it has done for the preparation of an EIA report. The EPA has offices in all the ten (10no.) regions of Ghana.

9.6.6 Land Use and Spatial Planning Authority (LUSPA)

Formerly of Town & Country Planning Department, it was established in 1945, with the responsibility for designing plans (planning schemes) and controlling settlements, which falls under the Ministry of Environment, Science, Technology and Innovation. It is no longer an independent department
but currently forms part of the Assembly Structure (Physical Planning Departments). It is also present at the regional level as the Regional Land use and Spatial Planning Authority. As an authority, it was given its mandate in August, 2017.

The Town and Country Planning Department have limited role in the process of land acquisition but responsible for designing plans and controlling settlements.

9.6.7 Municipal/District Assemblies and Physical Planning Departments

Under the Ministry of Local Government and Rural Development, the MMDAs are charged with the overall development of the district. Both. The DAs currently have Physical Planning Departments which have the mandate of planning schemes and controlling settlements. This department would lead the DAs in the land acquisition process.

9.6.8 Traditional Authorities

In the 1992 Constitution, chieftaincy together with its traditional councils is guaranteed and protected as an important institution in the country. This institution operates in tandem with the Ministry for Chieftaincy and Traditional Affairs, which is the official Ghanaian agency responsible the creation of linkages between the Government of Ghana and the traditional authorities in the country.

In Ghana land is owned predominantly by customary authorities (stools, skins, clans, and families). Together they own about 78% of all lands while the State owns about 20% with the remaining 2% owned by the state and customary authorities in a form of partnership (split ownership), (Larbi W O, 2008). Article 267 (1) of the 1992 Constitution avers that all stool lands in the country shall vest in the appropriate stool on behalf of, and in trust of the subjects of the stool in accordance with customary law and usage. All revenue from stool lands are collected and disbursed by the Office of the Administrator of Stool Lands (OASL).

9.7 Institutional Arrangements and Responsibilities

The institutional arrangements would be built on existing structure in the MLGRD and the statutory government agencies responsible for the implementation of resettlement activities in Ghana as set out below.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Role in RPF Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Local Government and Rural Development (MLGRD)</td>
<td>• Oversight responsibility in the implementation of LIPW through PIU, RCOs and DAs • Monitor Project to ensure land acquisition and resettlement activities are adhered as stipulated in the RPF</td>
</tr>
<tr>
<td>Project Implementation Unit, MLGRD</td>
<td>• Core mandate of implementing the Project through RCOs and DAs. • Safeguards and Case Management Officer (SCMO) to oversee the implementation of the RPF • SCMO would prepare terms of references for the preparation of RAPs/ARAPs, prepare RAPs/ARAPs and would see to the implementation of these instruments with the RCOs and DAs.</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>• Responsible for ensuring compliance with laid down ESIA procedures in Ghana in accordance with the EPA Act 1994 (Act 490) • In country approval of RAPs/ARAPs for implementation</td>
</tr>
</tbody>
</table>
Regional Lands Commission • Responsible for effective and efficient land administration.  
• Valuation of land and properties and compensation assessment.

Regional Coordinating Offices • Provide technical backstopping and monitoring to the implementing DAs.  
• Monitor land acquisition process and resettlement activities of DAs

Consultants • Prepare RAPs/ARAPs with Lands Commission, DAs and Communities.

District Assemblies (Physical Planning Departments - PPD) • Responsible for the implementation of the Project.  
• Land acquisition for sub-project implementation  
• Implementation of resettlement measures, including payment of compensation and other resettlement assistance

Traditional Authority • Provision of land for sub-project implementation  
• Assist in the preparation of RAPs/ARAPs

Communities • Provision of land for sub-project implementation  
• Assist in the preparation of RAPs/ARAPs

PAPs • Provision of land for sub-project implementation  
• Assist in the preparation of RAPs/ARAPs  
• Receipt of compensation and resettlement assistance

9.8 International Standards and Guidelines related to Involuntary Displacement

In addition to the need to adhere to Ghanaian legislative requirements, the Program will also seek to align with the international standards of AfDB and IFC.

9.8.1 The African Development Bank Group’s (AfDB) Integrated Safeguard System

In 2013 the African Development Bank Group updated their policy on Involuntary Resettlement and created an Integrated Safeguards System (ISS) to improve clarity, coherence and consistency as well as overall operational effectiveness. Resettlement is covered under Operational Safeguard 2 (Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation), which includes comprehensive notions of livelihood and assets, accounting for their social, cultural, and economic dimensions. It also adopts a definition of community and common property that emphasises the need to maintain social cohesion, community structures, and the social interlinkages that common property provides. It furthermore stresses the importance of improving living conditions for PAPs through a Livelihood Restoration programme. OS 2 has the following specific objectives to:

- avoid involuntary resettlement where feasible, or minimise resettlement impacts where involuntary resettlement is deemed unavoidable after having explored all other alternative project designs;
- ensure that displaced people are meaningfully consulted and given opportunities to participate in the planning and implementation of resettlement programmes;
- ensure that displaced people receive significant resettlement assistance under the sub-project, so that their standards of living, income-earning capacity, production levels and overall means of livelihood are improved beyond pre-project levels;
- mitigate the negative impacts of displacement and resettlement, actively facilitate social development and establish a sustainable economy and society; and
• set up a mechanism for monitoring the performance of involuntary resettlement programs and remedying problems as they arise so as to safeguard against ill-prepared and poorly implemented resettlement plans.

9.8.2 International Finance Corporation (IFC)

The IFC’s Performance Standard 5: Land Acquisition and Involuntary Resettlement recognises that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land and has the following key objectives:

• To avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs;
• To avoid forced eviction;
• To anticipate and avoid, or where avoidance is not possible, minimise adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost 1 and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected;
• To improve, or restore, the livelihoods and standards of living of displaced persons, and
• To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.

Involuntary resettlement in IFC PS 5 refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition. Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition which results in displacement. Where it is unavoidable, appropriate measures to mitigate adverse impacts on displaced persons and host communities must be carefully planned and implemented.

9.8.3 Comparison of Relevant National Legislation and International Standards

The primary difference between national legislation and international resettlement standards is that Ghanaian law concentrates on compensation for lost assets, whereas the IFC PSs and AfDB Safeguards have an additional focus on livelihood enhancement (or, as a minimum, restoration). Emphasis is not only on compensation for lost assets but also on assisting people to improve (or at least restore) standards of living, incomes, and livelihoods. This includes providing access to income-earning opportunities such as agricultural production or to natural resources deemed critical for subsistence.

Ghanaian legislation does not provide any compensation for the value of ineligible owner. PS 5, conversely, stipulates that, where physical replacement of the land is not possible, compensation at full replacement value should be provided. If land is not available or if national policy does not provide for compensation, then non-land based options, including; employment opportunities, assistance to establish businesses, or dedicated support services, should be provided.
With regard to loss of access to commonly held resources, where a right of occupancy of land owned by the community is revoked for public purposes, AfDB OS 2 and IFC PS 5 provides for compensation to offset restrictions on access to communal resources. Assistance measures may include initiatives to enhance the productivity of the remaining resources, to which the community will continue to have access, in-kind or cash compensation for the loss of access, or access to alternative sources of the lost resource. Depreciation is explicitly not to be taken into account in calculating compensation for lost assets.

The Program will follow Ghanaian legislation and will also implement such additional measures as are necessary to achieve outcomes that are consistent with the AfDB Safeguards and the IFC Performance Standards. Table 10.1 provides a summary of the broad comparison of the AfDB and IFC standards for involuntary displacement with the relevant Ghanaian legislation.
### Table 9.1. Comparison of Ghanaian Law and principles of the AfDB and IFC applicable to Involuntary Displacement (Economic Displacement)

<table>
<thead>
<tr>
<th>Category</th>
<th>Ghanaian Legislation</th>
<th>AfDB OS 2</th>
<th>IFC PS5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimise Land Take and Involuntary Displacement</td>
<td>Explore all viable alternative project design options to ensure minimisation of impacts (The Lands Commission Act 2008, Act 767)</td>
<td>Sub-project proponent to consider feasible alternative project designs, including re-siting and re-routing, to avoid or minimise physical or economic displacement.</td>
<td>Avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs.</td>
</tr>
<tr>
<td>Consultation and Disclosure</td>
<td>The disclosure will be at the offices of the Chief Directors, MLGRD and MoGCSP, National, Regional and Zonal Offices of EPA. The owner/occupier of the land must be formally notified at least a week in advance of the intent to enter, and be given at least 24 hours’ notice before.</td>
<td>Open, inclusive and effective consultation with local communities is required.</td>
<td>Livelihood Restoration documentation must be implemented with appropriate disclosure of information, consultation, and the informed participation of those affected.</td>
</tr>
</tbody>
</table>
| Eligibility                                    | The State Lands Act 1963 section 6(1) provides that any person whose property is affected by public projects shall be entitled to compensation. The same Act provides avenues for people who are not satisfied with compensation to seek redress. | AfDB identifies three groups of displaced people that shall be entitled to compensation or resettlement assistance for loss of land or other assets taken for sub-project purposes:  
- Those who have formal legal rights to land or other assets recognised under the laws of the country concerned.  
- Those who may not have formal legal rights to land or other assets at the time of the census/asset survey but can prove that they have a claim that would be recognised under the customary laws of the country.  
- Those who have no recognisable legal right or claim to the land they are occupying in the sub-project area of influence, and who do not fall into either of the two categories described above, but are entitled to resettlement assistance in lieu of compensation for land to improve their former living standards (compensation for loss of livelihood activities, common property resources, improvements (structures and crops) etc.), provided that they themselves or witnesses can demonstrate that they occupied the sub-project area of influence for a reasonable time (at least six months) prior. | All occupants (including squatters) using or living on the land prior to the cut-off date are eligible for compensation. |
<table>
<thead>
<tr>
<th>Category</th>
<th>Ghanaian Legislation</th>
<th>AfDB OS 2</th>
<th>IFC PS5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>to a cut-off date established by the borrower or client and acceptable to the Bank.</td>
<td>A census, asset inventory and comprehensive socioeconomic survey is required with gender disaggregated information.</td>
<td>A census, asset inventory and socio-economic survey are required to collect baseline data and identify PAPs.</td>
</tr>
<tr>
<td>Census and Asset Inventory</td>
<td>A census would be carried out to identify the affected persons, to determine who will be eligible for assistance, and to discourage inflow of people ineligible for assistance.</td>
<td>A census, asset inventory and comprehensive socioeconomic survey is required with gender disaggregated information.</td>
<td>Strategies to improve livelihoods of PAPs are required.</td>
</tr>
<tr>
<td>Livelihood</td>
<td>No provisions</td>
<td>Strategies to improve livelihoods of PAPs are required.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Special consideration has to be paid to the needs and rights of women. In the context of gender vulnerability, the client must give careful consideration to actively facilitating consultation with both women and men in ways that are sensitive to the social and political constraints and barriers that women and men may face. The land-taking report (RAP or LRF/LRP) must include a specific protocol specifying safeguards for the quality and quantity of land to be allocated to women, especially widows and divorcees, to ensure their means to generate income and achieve food security. Specifically, applicable to resettlement, land titles at the resettlement site are to be in the name of both spouses or of single heads of household, regardless of gender, if this does not conflict with the borrower or client’s own laws and legislation. Compensation payments to families are made to both husbands and wives when this is technically feasible and socially acceptable.</td>
<td>The consultation process must ensure that women’s perspectives are obtained and that their interests are factored into all aspects of physical and/or economic displacement planning and implementation.</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>No provisions</td>
<td>Addressing livelihood impacts may require intra-household analysis in cases where women’s and men’s livelihoods are affected differently. Women’s and men’s preferences in terms of compensation mechanisms, such as compensation in kind rather than in cash, should be explored.</td>
<td></td>
</tr>
<tr>
<td>Cut-off date</td>
<td>The owner/occupier of the land must be formally notified at least a week in advance of the intent to enter, and be given at least 24 hours’ notice before</td>
<td>There is a requirement to establish a cut-off date for eligibility that is acceptable to sub-project financiers/lenders. The borrower or client documents the cut-off date and disseminates information about it throughout the sub-project area of influence in a culturally appropriate and accessible manner, before taking any action on clearing land or restricting local community access to land.</td>
<td>The client is required to establish a cut-off date for eligibility. Information regarding the cut-off date is to be well documented and disseminated throughout the sub-project area prior to taking any land.</td>
</tr>
<tr>
<td>Category</td>
<td>Ghanaian Legislation</td>
<td>AfDB OS 2</td>
<td>IFC PS5</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------</td>
<td>-----------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>Timing of Compensation</strong></td>
<td>Promptly, once the compensation amounts have been discussed with the affected people.</td>
<td>Compensation is to be made before land and related assets are taken; and, if the sub-project is implemented in phases, before sub-project activities begin for each particular phase.</td>
<td>Compensation needs to be provided to all those affected before taking possession of the land.</td>
</tr>
<tr>
<td><strong>Compensation</strong></td>
<td>Cash compensation is generally made based upon government rate as well as depreciation value. Whilst in principle there is allowance for in-kind compensation or replacement of assets, cash compensation is common practice.</td>
<td>PAPs are compensated for all their losses at full replacement cost. PAPs can be offered a range of different compensation packages, resettlement assistance, and livelihood improvement options. Engagement is key to determine the appropriate compensation packages.</td>
<td>PAPs are compensated for all their losses at full replacement cost. PAPs can be offered a range of different compensation packages, resettlement assistance, and livelihood improvement options. Engagement is key to determine the appropriate compensation packages.</td>
</tr>
<tr>
<td><strong>Communal resources</strong></td>
<td>No provisions</td>
<td>Page 32 of the ISS mentions compensation for the loss of communal resources.</td>
<td>Compensation is required if communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, freshwater, medicinal plants, hunting and gathering grounds and grazing and cropping areas are impacted.</td>
</tr>
<tr>
<td><strong>Livelihood Assistance</strong></td>
<td>No provisions</td>
<td>Displaced people are provided with targeted assistance with the aim of ensuring that their standards of living, income-earning capacity, production levels and overall means of livelihood are improved beyond pre-project levels.</td>
<td>Displaced people are provided with targeted assistance with the aim of ensuring that their standards of living, income-earning capacity, production levels and overall means of livelihood are improved beyond pre-project levels.</td>
</tr>
<tr>
<td><strong>Vulnerable People</strong></td>
<td>No specific provision</td>
<td>Special attention needs to be paid to vulnerable groups and special provisions required in the livelihood restoration process.</td>
<td>Special attention needs to be paid to vulnerable groups and special provisions required in the livelihood restoration process.</td>
</tr>
<tr>
<td><strong>Grievances</strong></td>
<td>Access to Court of Law</td>
<td>There is a requirement to establish a culturally appropriate and accessible grievance and redress mechanism to resolve, in an impartial and timely manner, any disputes arising from</td>
<td>The client is required to establish a grievance mechanism as early as possible in the project</td>
</tr>
</tbody>
</table>
9.9 Compensation Framework

Compensation refers to payment in cash or in kind for loss of land, access to land, and immoveable asset or resources that is acquired or affected by a sub-project.

9.9.1 Compensation Principles

The main compensation principles include the following:

- Provide transparent, fair and timely compensation (prior to land clearance or taking land) for displacement, including compensation for assets in accordance with national regulations and international standards, specifically the IFC’s PS5 and AfDB OS2;
- Compensate for lost assets at full replacement value; and
- Restore the livelihoods and welfare of PAPs and local communities such that their well-being is at the least, equal to their pre-resettlement conditions, or that they are better off.
### Table 9.2. Categories of PAPs and compensation according to Ghana guideline and International Guidelines (IFC/GCF/AFDB)

<table>
<thead>
<tr>
<th>S/N</th>
<th>Category of PAPs</th>
<th>Ghana Law</th>
<th>World Bank/IFC /GCF</th>
<th>AFDB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Entitled Land owners</td>
<td>Use the market comparison approach if there is a vibrant and free land market or through direct negotiation between interested individual and landowner if no vibrant and free market.</td>
<td>Recommends land-for-land compensation. Other compensation is at replacement cost</td>
<td>Entitled to compensation for land, priority is given to land-to-land compensation and/or compensation-in-kind in lieu of cash compensation. When cash payments are made, the affected people should be provided with counselling to ensure that they have the knowledge to use the compensation wisely. Compensation for other assets at full replacement costs.</td>
</tr>
<tr>
<td>2</td>
<td>Land Tenants</td>
<td>Entitled to compensation based upon the amount of rights they hold upon land</td>
<td>Are entitled to some form of compensation whatever the legal recognition of their occupancy.</td>
<td>Entitled to resettlement assistance and compensation for all their assets such as crops, structures and other livelihood activities at full replacement cost.</td>
</tr>
<tr>
<td>3</td>
<td>Land users/Squatters</td>
<td>Not entitled to compensation for land, entitled to compensation for crops</td>
<td>Entitled to compensation for crops, may be entitled to replacement land and income shall be restored to pre-project levels at least</td>
<td>Not entitled to compensation for land but are entitled to resettlement assistance including compensation for loss of livelihood activities, structures, crops etc. to improve their former living Standards.</td>
</tr>
<tr>
<td>4</td>
<td>Owners of “Non-permanent” Buildings</td>
<td>Cash compensation based on market value.</td>
<td>Entitled to in-kind compensation or cash compensation at full replacement cost including labor and relocation expenses, prior to displacement</td>
<td>These groups are entitled to resettlement assistance to improve their former living standards (compensation for loss of livelihood activities, structures, crops etc.).</td>
</tr>
<tr>
<td>5</td>
<td>Owners of “Permanent” buildings</td>
<td>Cash Compensation is based on market value.</td>
<td>Entitled to in-kind compensation or cash compensation at full replacement cost including labor and relocation expenses, prior to displacement.</td>
<td>Entitled to resettlement assistance and compensation for all their losses at full replacement costs before their actual move.</td>
</tr>
<tr>
<td>6</td>
<td>Losers of livelihoods (farmers, business people, employees)</td>
<td>No consideration other than cash values for assets as described above by asset category</td>
<td>Key objective is restoration of capacity to generate incomes at least at levels prior to losses. Programs of assistance to achieve this objective. Compensation for periods of lost income</td>
<td>Compensation factors in the “total economic cost” including the social, health, environmental and psychological impacts of the sub-project and the displacement, which may disrupt productivity and social cohesion. Considerations are given to the loss of livelihood and earning potential of the affected people. Affected people are provided with targeted resettlement assistance with the aim of ensuring that their standards of living, income-earning</td>
</tr>
<tr>
<td>S/N</td>
<td>Category of PAPs</td>
<td>Ghana Law</td>
<td>World Bank/IFC/GCF</td>
<td>AfDB</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------</td>
<td>---------------------------------</td>
<td>------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>7</td>
<td>Grievance Procedure</td>
<td>Access to Court of Law</td>
<td>The grievance mechanism will be set up as early as possible in the process, to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons and/or members of host communities, including a recourse mechanism designed to resolve disputes in an impartial manner. The grievance mechanism, process, or procedure should address concerns promptly and effectively, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost and without retribution.</td>
<td>Requires the establishment of a culturally appropriate and accessible grievance and redress mechanism to resolve, in an impartial and timely manner, any disputes arising from the resettlement process and compensation procedure as early as possible in the resettlement process. The borrower or client is required to work with informally constituted local committees made up of representatives from key stakeholder groups and, in particular, vulnerable communities to establish the grievance and redress mechanism. The grievance redress mechanism, which should be monitored by an independent third party should not impede access to judicial or administrative remedies but must inform affected people about the Bank’s Independent Review Mechanism (IRM).</td>
</tr>
<tr>
<td>8</td>
<td>Rejection of Compensation</td>
<td>No categorical statement</td>
<td>Where compensation to an affected person in accordance with an approved resettlement plan has been offered, but the offer has been rejected, the taking of land and related assets may only proceed if the sub-project owner has deposited funds equal to the amount offered as compensation plus 10 percent in a secure form of escrow or other interest-bearing deposit satisfying the Bank’s fiduciary requirements. The sub-project owner must also provide a means satisfactory to the Bank for resolving the dispute concerning the offer of compensation in a timely and equitable manners.</td>
<td>No categorical statement</td>
</tr>
</tbody>
</table>
9.10 Eligibility Principles
PAPs are eligible for compensation entitlements if they are the owners or users of immovable built or planted assets within the sub-project site footprint. This includes structures (such as fences or sheds), land, crops, trees, and other natural resources. PAPs are eligible for compensation for their assets if they have formal or recognisable rights to these assets.

The typical eligibility criteria for compensation which may be implemented on sub-projects is presented in Table 10.4.

Table 9.3. Eligibility Criteria for Compensation

<table>
<thead>
<tr>
<th>PAP Classification</th>
<th>Eligible for Compensation</th>
<th>No Compensation</th>
<th>Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Those with legal right</td>
<td>Land or asset at replacement cost</td>
<td>For land, assets, and structure on the land after the cut-off date</td>
<td>Assistance needed</td>
</tr>
<tr>
<td>Those with temporary or leased rights at cut-off date</td>
<td>Land and assets at replacement cost</td>
<td>For land, assets, and structure on the land after the cut-off date</td>
<td>Assistance needed</td>
</tr>
<tr>
<td>Those who use land without any form of right</td>
<td>Assets on land at replacement cost</td>
<td>Assets on land after cut-off date</td>
<td>Assistance needed</td>
</tr>
<tr>
<td>Those with no legally recognized right but arrived before cut-off date</td>
<td>Assets at replacement cost except that compensation may be “topped off” to allow the PAP to acquire a new residence.</td>
<td></td>
<td>Assistance needed</td>
</tr>
<tr>
<td>Those who arrived after Cut-off-date</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Those with business located within the Community</td>
<td>Assets and lost income as a result of lost business during project duration</td>
<td>For business located in community after the cut-off date and outside the affected area.</td>
<td>Assistance needed</td>
</tr>
</tbody>
</table>

9.10.1 Establishment of Eligibility, Entitlement, Cut-off Date and Valuation

Under the AFWA program, efforts would be made to minimize impact on land, people, and property, loss of livelihood, and access to resources due to the execution of civil works. However, in cases where land acquisition will cause adverse impact on people and property or people’s access to land or property, the resettlement and compensation payment shall be made in accordance to the AfDB OS 2, IFC PS 5, as well as the Lands Act 1963 Section 6(1).

9.10.1.1 Description of Eligibility Criteria

Upon identification of the need for involuntary resettlement in a project, a census would be carried out to identify the affected persons, to determine who will be eligible for assistance, and to discourage inflow of people ineligible for assistance. These will be documented in an Abbreviated Resettlement Plan (ARAP) or Resettlement Action Plan (RAP) based on the number and complexity of the resettlement impacts. A Resettlement Action Plan (RAP) will be used where more than 200 individuals are displaced. An Abbreviated Resettlement Plan (ARP) will be used where less than 200 individuals are displaced. In some instances ARAPs are required where projects affect more than 200 people, but with minor land acquisition (10% or less of all holdings is taken) and no physical relocation is involved.
Displaced persons in the Project would be classified in one of the following three groups:

(a) those who have formal legal rights to land (including customary and traditional rights recognized under the Lands Act);

(b) those who do not have formal legal rights to land at the time the census begins have a recognizable legal right or claim to such land or assets.

(c) those who have no recognizable legal right or claim to the land they are occupying.

It is the policy of the Government of Ghana to pay compensation or offer resettlement assistance to people whose properties, lands or landed properties are affected by projects being undertaken by the government. Land for land will be provided where appropriate. The State Lands Act 1963 section 6(1) provides that any person whose property is affected by public projects shall be entitled to compensation. The same Act provides avenues for people who are not satisfied with compensation to seek redress.

9.10.1.2 Cut-off date

In accordance with OS 2 and IFC PS 5 for each sub-project activities under AFAWA, a cut-off date will be established, when the enumeration of persons and the inventory of their property and income sources in the identified project areas are carried out. In practice, this means persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. The cut-off date and its significance would be widely disseminated to PAPs and publicly disclosed. Because there is a time lapse between the cut-off date and the time actual productive investments (civil works, etc.) would start, there is the need for special attention to be taken to secure the sites from rush and opportunistic invasion.

Prior to the commencement of a census survey during the RAP/LRP preparation, consultations will be conducted to explain to PAPs that a last day of a census survey (to be carried out during the LRP stage) will constitute a cut-off date, after which any individual or a family who moved into the sub-project area but is not listed in the census list of PAPs, will not be entitled to

9.10.1.3 Entitlements

Sub-projects will have defined range of appropriate compensation entitlements and suggested livelihood restoration measures. Based on the SES survey results, the following categories of assets are likely to be affected by the sub-project:

- Farmland/land plots; and
- Crops and economic trees.
- Buildings (both makeshifts and permanent)
- Cultural, religious and community facilities
- Livelihood

An example of an entitlement matrix which may be applicable to each of the sub-projects is presented in the table below:
### Table 9.4. Example of an entitlement matrix that could be applied in sub-projects

<table>
<thead>
<tr>
<th>Asset</th>
<th>Type of Impact</th>
<th>Affected population/entity</th>
<th>Entitlements</th>
<th>Additional compensation or measures in line with IFC PS5 and AfDB OS2</th>
<th>Livelihoods Support</th>
</tr>
</thead>
</table>
| **Land**       | Land acquisition         | Landowner (individual, family, stool) Person with formal legal right to land /without formal legal right to land but have claims to property (including customary and traditional rights) Community land – compensation to be granted to communities | Replacement with an equivalent piece of land located in the vicinity of the affected area and cost of taxes, title fees will be paid to the PAPs. If land is not available, then cash compensation at full replacement cost as well as 10% disturbance allowance, livelihood restorations, will also be provided. | • PAPs are consulted to confirm their compensation preferences (land-for-land or cash).  
• Compensation at replacement value (in-cash) or where possible, replacement land of the same quality and close to the location of the original land plot.  
• Livelihood restoration and alternative income earning opportunities e.g. skills training offered.  
Support before, during and after taking cultivated land plots to cover a reasonable period of time necessary for PAPs to re-establish their new land plots (which they either were allocated, or bought with the received cash compensation). | • Livelihood restoration options to affected farmers: continuous crop cultivation on alternative plots, agricultural skills improvement training, or small livestock package  
• Land Plot Transfer allowance - 10 % of market value payment (as one-off) in cash, to cover all administrative fees related to the purchase or provision of replacement land.  
| **Crop**       | Destruction/removal of crops | Farmer (Have grown the crops)                     | Cash compensation for crops not ready for harvesting at time of entry. Cash compensation equivalent to average of last 3 years market value for the mature and harvested crop.); Disturbance allowance. | Cash compensation at replacement value on the basis of type, age and market price of tree and crops (the compensation amounts to be determined by a certified evaluator during the LRP stage) | • Crops-Training in improved agriculture methods and seeds provided for three seasons (18 months)  
• Trees-Training in improved agriculture methods and saplings provided for fruit trees and perennial crops  

### Additional information:

- **Crop**
  - Illegal farms: Destruction or removal of crops/farms
    - Farmer (Have grown the crops)
      - Cash crop compensation for damaged crops and crops not ready for harvesting.
    - Housing unit at chosen relocation site; or
    - Cash compensation at replacement cost value;
  - Compensation for loss of livelihood or livelihood development support for economically displaced
<table>
<thead>
<tr>
<th>Asset</th>
<th>Type of Impact</th>
<th>Affected population/entity</th>
<th>Entitlements</th>
<th>Additional compensation or measures in line with IFC PS5 and AfDB OS2</th>
<th>Livelihoods Support</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Destruction of immovable structures</td>
<td>Confirmed owner (with evidence) of affected structure irrespective of land ownership</td>
<td>Relocation to a similar dwelling in a similar location, or Cash compensation at full replacement value Of structure. Cost of moving and disturbance allowance</td>
<td>• Relocation assistance such as transport of belongings within 25 km radius, etc. • One-time cash assistance equivalent to 4-month rent moving to alternate premise.</td>
<td>Transfer allowance to cover cost of shifting (transport plus loading/unloading) personal effects paid on actual cost basis or on current market rates</td>
</tr>
<tr>
<td></td>
<td>2. Movable structures</td>
<td>Owner/occupant</td>
<td>Cost of moving and disturbance allowance (e.g.3 months’ rent or as agreed or negotiated)</td>
<td>• Housing unit at chosen relocation site; or • Cash compensation at replacement cost value; • Relocation assistance such as transport of belongings within 25 km radius, etc. • One-time cash assistance equivalent to 4-month rent moving to alternate premise.</td>
<td>Compensation for loss of livelihood or livelihood development support for economically displaced Transfer allowance to cover cost of shifting (transport plus loading/unloading) personal effects paid on actual cost basis or on current market rates</td>
</tr>
<tr>
<td></td>
<td>3. Cultural heritage sites</td>
<td>Community/traditional ruler or authority</td>
<td>1. To remain in off-reserve plantations as first option. 2. If restriction of access, a process</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Special provision for vulnerable PAPs Re-establishing and/or enhancing livelihood</td>
<td>Women headed household, disabled or elderly persons and the landless</td>
<td>Needs based special assistance to be provided either in cash or in kind.</td>
<td>• Empowerment training to be carried out alongside cash support.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Support before, during and after training.</td>
<td></td>
</tr>
<tr>
<td>Asset</td>
<td>Type of Impact</td>
<td>Affected population/entity</td>
<td>Entitlements</td>
<td>Additional compensation or measures in line with IFC PS5 and AfDB OS2</td>
<td>Livelihoods Support</td>
</tr>
<tr>
<td>-------</td>
<td>----------------</td>
<td>-----------------------------</td>
<td>--------------</td>
<td>-------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
</tbody>
</table>
| • Change in livelihood for women and other vulnerable peoples that need to substitute their income because of adverse impact | • Vulnerable PAPs, particularly women.  
• Owners whose landholding has been reduced to less than 5 acres  
• Cattle Rearers | Vulnerable PAPs particularly women  
Cattle Rearers | Restoration of livelihood (Vocational training) and subsistence allowance @agreed rate per day for a total of 6 month while enrolled in a vocational training facility  
Relocation to new grazing area where possible assist the cattle herdsmen to locate new grazing field. | • Needs based special assistance to be provided as incentives.  
• Consider possible compensation for loss income for the period of locating new grazing area | Support before, during and after training.  
• Same as additional compensation or measures |
9.10.2 Entitlement Planning
The entitlement planning process entailed two primary tasks:

- Preliminary identify the appropriate cash compensation rates at replacement value to compensate for specific impacts to eligible households, including crop compensation rates; and
- Design of complementary supportive measures to further mitigate the impacts of land-take, including livelihoods restoration initiatives, and vulnerable person assistance measures.

To establish the applicable rates (which will be confirmed and verified by a certified evaluator during the LRP stage), an independent valuation expert will be contracted at the LRP stage to advise on the market values of affected land, crops and economic trees in the sub-project area. The evaluator will be requested to prepare a Valuation Report which will be presented as part of future LRP and included as an Annex in the main report.

9.10.3 Method of Compensation
Individual and household compensation will be made in cash, in kind, and/or through assistance in the knowledge and presence of both man and wife and adult children or other relevant stakeholders where applicable. The type of compensation will be an individual choice although every effort will be made to focus on the importance and preference of accepting in-kind compensation especially when the loss amounts to more than 20% of the total loss of productive assets.

Making compensation payments raises some issues regarding inflation, security, and timing. One purpose of providing in-kind compensation is to reduce inflationary pressures on the costs of goods and services. Local inflation may still occur, thus market prices shall be monitored within the time period that compensation is being paid to allow for adjustments in compensation values. The question of security, especially for people who will be receiving cash compensation payment, needs to be addressed by beneficiary community or group, with oversight from the RPCUs. Local banks and micro-finance institutions should work closely with the government at this level to encourage the use of their facilities, which will positively impact the growth of the local economies. The time and place for in-kind compensation payments shall be decided upon by each recipient in consultation with the DAs and beneficiary communities. Monetary payments should be paid at a time in relation to the seasonal calendar.

9.10.4 Valuing Entitlement
Properties to be affected by the proposed AFAWA program in the targeted regions and districts would be inspected/referenced or enumerated. This would be executed by the Land Valuation Board, which is the government’s statutorily accredited valuation body. The valuation of buildings/structures would be based on open market valuation. Replacement Cost method of valuation would be used so as to arrived at values which could secure replacement properties for the affected persons.

The replacement cost method would be based on the following:

- Physical inspection of each of the properties affected;
- Average replacement costs of different types of buildings and related structures based on collection of information on the quantities and types of materials used to construct different
types of structures (e.g., blocks, bricks, wood, steel plates, rafters, doors, etc.);

- Prices of these items, collected from different local markets and analysed to take account of the minor differences between the comparables and the subject properties;
- Costs of transportation and delivery of these items to acquired/replacement building site; and
- Estimates of construction of new buildings including labor required.

9.10.5 Entitlement for Compensation

Entitlements for compensation shall be based on the eligibility criteria and the various categories of losses identified in this RPF and the actual field consultations during the preparation of the RAP/ARAP. Unless otherwise indicated, payment of compensation and other entitlements and the extension of assistance will be made to PAP households and individual PAPs, as the case may be. In dealing with compensation, preference shall be given to land based resettlement strategies for PAPs whose livelihoods are land-based

Where sufficient land is not available at a reasonable price, non-land based options centered on opportunities for employment or self-re-employment should be provided in addition to cash compensation for land and other assets lost. However, this lack of land shall be documented and justified. Palliative assistance should be avoided, i.e. assistance that is not sustainable such as temporary payments or food donations.

9.11 Procedure for Delivery of Entitlements

Entitlements for Project-Affected People (PAP) would range from cash payments and/or building materials to the provision of new land, new homes, and non-cash compensation for other lost properties in accordance with the identification of the impact on their property.

Subject to the final decision on the exact position of the site and its dimensions, the approved entitlements or amounts would be communicated to the implementing agency or unit for delivery or payment to the beneficiaries. Compensation would be paid before the owners/occupiers are made to vacate their properties for commencement of construction or works. The National Project Implementation Unit would ensure that no construction begins until project-affected persons have been resettled if physical relocation is needed and/or received their compensations. All compensation, whether cash payments and/or alternative land and house provisions, would be given to project-affected persons prior to any request for vacation of land/property and before commencement of construction.

Compensation and resettlement would be funded by the Ministry of Local Government and Rural Development (through the DAs under the supervision of the RCCs) like any other activity eligible under the projects’ administrative and financial management rules and manuals. The compensation process which would involve several steps would be in accordance with the individual project site resettlement plans. The compensation process would incorporate the following:
• **Involvement of Public Sector Agencies.** Institutions such as the EPA, District, Municipal and Metropolitan Assemblies and the Physical Planning Department must be involved in the process of resettlement and their roles clearly spelled out.

• **Notification of land resource holders.** Through a socio-economic survey, all property owners or users would have to be identified and located. The user or his representative should be informed through both a formal notification in writing and by verbal notification delivered in the presence of all stakeholders or their representative.

• **Documentation of Holdings and Assets** – DA Officers and Land Valuation Board would arrange meetings with affected individuals and/or households to discuss the compensation process. For each individual or household affected, officers of the implementing agency and LVB should compile a compensation dossier containing necessary personal information on, the affected party and those that s/he claims as household members, total land holdings, inventory of assets affected, and information for monitoring their future situation. This information should be confirmed and witnessed by EPA and District/Municipal Assemblies. Dossiers will be kept current and will include documentation of lands surrendered. This is necessary because it is one way in which an individual can be monitored over time. All claims and assets will be documented in writing.

• **Agreement on Compensation and Preparation of Contracts** – All types of compensation should be clearly explained to the individual or household. A land acquisition team comprising the Land Owner(s), the Local Community, Area Council, District Assembly with the support of the Regional Lands Commission and Land Valuation offices should draw up a contract listing all property and land being surrendered, and the types of compensation (cash and/or in-kind) selected. A person selecting in-kind compensation has an order form, which is signed and witnessed. The compensation contract should be read aloud in the presence of the affected party and other stakeholders prior to signing.

• **Compensation Payments** – The handing over of properties such as land and buildings and compensation payments will be made in the presence of the affected party and officials of EPA and the District/Municipal Assemblies.

### 9.12 Time Frame

Taking cognizance of the potentially low scale and scope of resettlement issues that would arise, the processing of compensation application for payment by the government would be expedited over an average maximum period of one month. Some additional one month would be allowed for exceptional circumstances where there could be some complexities or challenges. No construction will begin until project-affected people have been resettled if physical relocation is necessary and/or received their full compensation (according to AfDB OS 1/IFC PS 5). Additionally, the property owners must be given adequate notice of not less than one month after payment of compensation to vacate affected assets and relocate depending on the nature of relocation or resettlement.

### 9.13 Valuation

Valuing methods for affected land and assets depend on the type of asset. The three land asset types identified under Ghanaian law in this policy framework are:

- State-owned land;
- Privately-owned land; and
- Assets held under customary rights.
9.13.1 State (urban and non-urban) owned Land

State-owned land would be allocated freely (perhaps except for processing and registration fees); however the DAs and beneficiary communities would be expected to pay to acquire land in this category in cases where the state-owned land is being used by individual and or household farmers.

9.13.2 Privately owned Land

Privately-owned property and land would have to be acquired at the market value. The guiding principle is that whoever was using the land to be affected by the project would be provided alternative land of equal size and quality or affected person would be paid compensation.

9.13.3 Assets held under Customary Law

According to Ghana law, assets held under customary rights are in the Local Government jurisdictions only and will be valued according to the following method and compensation paid for. The sub-project will compensate assets and investments, including buildings, and other improvements, according to the provisions of the resettlement plan. Compensation rates will be replacement cost as determined by surveys of recent transactions of similar assets in the same area as of the date and time that the replacement is to be provided. Under customary law land belongs to chiefdoms, towns and villages. The permanent loss of any such land will be covered by community compensation, which will be in-kind only. A customary land owner or land user on state owned land will be compensated for land, assets, investments, loss of access etc. at replacement rates at the time of the loss.

Compensation rates would be market rate as of the date and time that the replacement is to be provided. As such, current prices for cash crops would have to be determined. As part of the compensation processes under the AFAWA, a cut-off date would have to be established for specific resettlement action plans preparation. Compensation would not be made after the cut-off date in compliance with this policy. The Ministry of Local Government and Rural Development (through the participating DAs) would be responsible for compensations payment for affected assets and investments, including land, buildings, economic trees, crops, etc. according to the provisions of the resettlement plan.

9.13.4 Method of Valuation

In ensuring that during the project implementation, PAPs will be provided full replacement cost of lost structures and other impacted assets and are able to rebuild or replace their structures/assets without difficulties. The valuation will estimate asset compensation rates based on full replacement cost without depreciation. The replacement cost approach is based on the premise that the costs of replacing productive assets is based on damages caused by sub-project operations.

Relevant data to be captured during valuation will include:

- Location details of the land, boundaries of the area/section of the land to be affected. Affected immovable properties: detailed measurement of buildings, shops, other assets, and structures;
- Property details including noting accommodation, constructional details of affected property external works (fence walls, gates, pavements) affected details etc. were relevant.
• Categorizing temporary structures based on constructional details (wall materials), size of structure and use of structure (business/residential/institutional/agricultural); and, Data on households affected (tenants, owners, relative apprentices/trainees and livelihood).

Valuation shall be based on comparisons to recent comparable transactions/costs and comparable assets or land and not simply on general tables that may be out of date and may be based on non-comparable assets or land. An indicative table with the Valuation Methods that could be used on sub-projects is presented in Table 10.5 below.

### Table 9.5. Indicative Valuation Methods

<table>
<thead>
<tr>
<th>S/N</th>
<th>Loss of Land</th>
<th>Comparative Sales Method</th>
<th>Based on the open market value of comparable recent land transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Loss of Buildings, structures and other civil works</td>
<td>Replacement Cost Method or Comparative Sales Method (which ever gives a commensurate value)</td>
<td>Full replacement cost value as if new, recent construction cost rates</td>
</tr>
<tr>
<td>2</td>
<td>Loss of Business Income and Loss of Business Good will</td>
<td>Comparative Method</td>
<td>Based on the average monthly net profit</td>
</tr>
<tr>
<td>3</td>
<td>Loss of Income from Rent and Expenditure incurred for Alternative Accommodation during reinstatement period</td>
<td>Comparative Sales Method</td>
<td>Based on the comparable rent passing, rent advance paid</td>
</tr>
<tr>
<td>4</td>
<td>Expenditure incurred for Transfer of movable properties and temporary structures</td>
<td>Comparative Method</td>
<td>Based on truck/transport hiring charges</td>
</tr>
<tr>
<td>5</td>
<td>Loss of Wages, -Loss of Fees from Apprentice, - Loss of Job Training</td>
<td>Comparative Method</td>
<td>Based on Current Fees and Wages</td>
</tr>
<tr>
<td>6</td>
<td>Loss of access to land used for agriculture</td>
<td>Comparative Method</td>
<td>Based on Crop compensation Resettlement assistance: Economic Rehabilitation assistance:</td>
</tr>
</tbody>
</table>

### 9.13.5 Arrangements for Compensation

A Compensation and Relocation Committee will be set up and be responsible for planning, coordinating and monitoring of compensation and relocation activities. The compensation process for the sub-project will involve several steps to be carried out in accordance with the resettlement and compensation plan and the RAP. This will be in accordance with the individual sub-project resettlement and compensation plans as outlined below:
9.14 Public Participation

This process seeks the involvement and concerns of the PAPs and the communities in a participatory approach with the sub-project, from the beginning to implementation. Public participation with local communities is an ongoing process throughout resettlement planning and this will have taken off at the screening stage. PAPs will be notified during the identification of sub-projects and consulted with as part of the screening process. The subsequent socio-economic survey will record all relevant information about the PAPs and ensure that this is accurately reflected in the RAP in order to allocate the appropriate compensation. Periodic monitoring will ensure that PAPs have been consulted and that compensation and relocation has been carried out satisfactorily. This will ensure that no affected individual household is simply “notified” one day that they are affected in this way.

9.14.1 Notification

Landowners will be notified by the LFI, MSMEs, and FBAs that their property is required for development of the sub-project. The user will be informed through both a formal notification, both written and verbal, to be delivered in the presence of the community heads and the Coordination Committee. To ensure that any sensitive areas are accurately identified during this procedure, all necessary community heads, religious leaders, other elders and individuals will accompany the project team to the site. Notification includes discussing the desire to acquire land for sub-projects, alternatives and options, compensation arrangements, and grievance mechanisms, together with land owners. The cut-off date for affected prosperity enumeration and valuation for compensation payment shall be disclosed to affected parties and stakeholders as part of the notification process.

9.14.2 Documentation of Holdings and Assets

Officials and the local community in collaboration with the LFI shall arrange meetings with PAPs to discuss the compensation process. For each individual or household affected, the local community shall complete a compensation dossier containing necessary personal information on the affected party and those individuals considered as household members, total land holdings, inventory of assets affected, and information for monitoring future arrangements. The dossier must be confirmed and witnessed by officials and shall be kept up to date. This is necessary as it is possible for an individual to surrender parcels of land over time and can eventually become eligible for resettlement. All claims and assets should be documented in writing.

9.15 Agreement on Compensation and Preparation of Contracts

The types of compensation shall be clearly explained to the individual or household involved. The Program implementing parties, including the LFI (s), MSMEs, FBAs will draw up a contract, listing all property and/or land being surrendered, and the types of compensation (cash and/or in-kind). A person selecting in-kind compensation has an order form, which is signed and witnessed. The compensation contract and the grievance redress mechanisms are to be read aloud in the presence of the affected party and the representative of the local government chairman (or his/her representative), the project officials, and other community leaders prior to signing. Agreed terms of compensation shall be signed by PAP/PAF, DA, and AC under the appropriate supervision by the Regional Lands Commission and Land Valuation Board.
9.16 Compensation Payments

All handing over of property such as land and buildings and compensation payments will be made in the presence of the affected party, representative of the state environmental agency and the community officials.

9.16.1 Community Compensation Payments

Community compensation will be in-kind only for a community as a whole in the form of Corporate Social Responsibilities. Examples of community compensation include; School Building (public or religious), Public Toilets, Well or borehole, Market Place, Taxi Park, Road, Storage warehouse, etc. Community compensation may in itself require land take and people may be affected, thus a change of impacts which will be compensated.

9.16.2 Procedures for Delivery of Compensation

The procedure for delivery of compensation will be detailed in each RAP/LRP. The LFI and other sub project implementing parties (MSMEs, FBAs) will follow approved procedures ensuring that:

- Full payment of compensation is carried out before possession of acquired sites and before works begin.
- The LFI, MSMEs, FBAs formally make offers to affected persons and allow persons to accept or reject offer, offer a counter claim and seek redress under the grievance procedures established.
- Land/Asset valuation committee communicates the amount to be paid to the acquiring agency and the Ministry of Local Government and Rural Development lands will ensure that the amounts are fair and adequate.
- Cheques in the name of the beneficiary or deposits to the beneficiary’s bank account shall be the preferred and first mode of payment.
- Payments are made to the affected person personally in the presence of Land/Asset Valuation Committee and an independent witness of the affected person/opinion leader.
- Proper receipts are issued and copies given to the affected person, the Finance Department of the State Agency and the Land/Asset Valuation committee.
- Comprehensive reports on payment made are submitted for review by Management of the PMUs and the Land/Asset Valuation committee.

9.17 Monitoring and Evaluation

Monitoring is a crucial element for the success of any resettlement project as it is important to accurately verify the information related to implementation of the Resettlement Plan and should be planned and costed as early as possible in the sub-project. The monitoring will provide feedback to project management which will help keep the programs on schedule and successful.

9.17.1 Monitoring Process

In order to comply with the Program E&S requirements, the overall internal monitoring procedures will include internal performance monitoring, Impact monitoring and final external evaluation.
9.18 Livelihood Restoration

The Livelihood Restoration Strategy (LRS) is to prevent and mitigate the potential adverse impacts to the vulnerable PAPs as a direct result of the resettlement process.

9.18.1 Key Principles Guiding Livelihood Restoration Planning

- The sustainable approach to livelihood restoration is based on the following principles:
  - Livelihoods are multi-faceted strategies and a combination of approaches is therefore required to support restoration of income and the reestablishment of community support networks;
  - Active participation of intended beneficiaries in planning and decision making to ensure proposed support reflects local realities / priorities and have PAPs active buy-in;
  - PAPs should be provided with choices so that they can self-determine how their household will best benefit from the livelihood restoration options;
  - Vulnerable households are, by definition, less able to adapt to changes and therefore require targeted support through the planning and implementation of livelihood restoration;
  - Transition allowances are necessary, but require clear eligibility and end points;
  - Capacity building should be incorporated into livelihood restoration activities to develop PAPs skills, including in agricultural practices. Capacity building acknowledges the different needs of women, men, youth and vulnerable groups with respect to skills development.

9.19 Process for Determining Livelihood Restoration Options

The livelihood restoration options shall be based on the information gathered from the socio-economic baseline interviews undertaken for the Program. From these activities, the following key subjects may emerge.

- Livelihood options and roles varying for women, men and youth.
- PAP-welcome livelihood options and view them as part of their expectations of the Program’s development.

Continuous Engagement should continue with PAPs and local communities throughout the sub-project life-cycle, and with traditional leadership and the relevant authorities to discuss the livelihood programmes to make sure that they are meeting the needs of PAPs.

9.19.1 Livelihood Restoration Plans

To recognize the potential and magnitude of adverse impacts and develop Livelihood Restoration Plans, the following approach should be considered:

1. LRP for vulnerable PAPs should refer to the ecological conditions, livelihoods and socio-cultural characteristics possessed by PAPs.
2. The LRP should be able to support the PAPs to gain a similar or even better livelihood, independently. It is important that the land acquisition and resettlement process will not cause a dependency to the sub-project which eventually would make more problems in the future.
3. The LRP should be focused on the characteristics of the vulnerability and potential sources of livelihood assets owned by each household, either in the form of Natural Capital, Human Capital, Financial Capital, Social Capital and Physical Capital.

4. Involving representatives of both communities, the PAPs and host populations, in the consultation process to build familiarity and to resolve disputes that are expected to arise during and after the resettlement process.

9.20 Resettlement Action Plan

9.20.1 Introduction

The OS 2 requires the borrower or client prepares a Full Resettlement Action Plan (FRAP) for the following nature of displacement:

i. any project that involves 200 or more persons (as defined by the involuntary resettlement policy), or

ii. any project that is likely to have adverse effects on vulnerable groups.

The outline of a typical RAP can be found in Annex A of the Involuntary Resettlement policy and the related IESIA Guidance Note.

For any project in which the number of people to be displaced is fewer than 200 people and land acquisition and potential displacement and disruption of livelihoods are less significant, the borrower or client prepares an Abbreviated Resettlement Action Plan (ARAP). Annex B of the Involuntary Resettlement policy describes an ARAP, and related guidance can be found in the relevant IESIA Guidance Note.

The sub-projects within the Program will principally result in economic displacement and the outline of a RAP is presented at the end of this RFP. For each sub-project, a specific RAP commensurate to the scale of the physical or economic displacement will be prepared.

9.20.2 Outline of a RAP

<table>
<thead>
<tr>
<th>S/No</th>
<th>Chapter</th>
<th>Description</th>
</tr>
</thead>
</table>
| 1    | Description of the Project | • Define the Project, and its components and the Project Site(s)  
• Determine whether the Project will require land acquisition and relocation of persons  
• Describe the amount of land acquisition and resettlement required  
• Identify options of reducing amount of resettlement  
• Quantify the options of minimizing resettlement |
| 2    | Potential Impacts | • Description of project components that can give rise to resettlement  
• Detailed description of impacts and alternatives considered to minimize resettlement |
| 3    | Organizational responsibility | • Identification of institutions for execution of the RAP  
• Evaluation of capacity and commitment of such institutions to carry out resettlement plan  
• Consideration for strengthening institutions and steps to be taken together with timetable for implementation and budget  
• Involvement of local people and CSOs in planning implementation and monitoring of resettlement |
<table>
<thead>
<tr>
<th>S/No</th>
<th>Chapter</th>
<th>Description</th>
</tr>
</thead>
</table>
| 4    | Community Participation                          | • Detailed description of consultation and participation of displaced and host communities in design and implementation of the resettlement activities.  
• Details of views expressed and how they were taken into account during preparation of resettlement plan  
• A review of resettlement alternatives presented and choices made by displaced person including compensation and resettlement assistance  
• Description of procedure for redress of grievances by project affected people which shall be accessible throughout planning and implementation |
| 5    | Integration with Host Community                   | • Details of consultations with host communities and local governments and arrangements for prompt tendering of any payments due to host for land and other assets  
• Details of addressing any conflict between resettlers and host community (if any)  
• Details of efforts made to augment public services e.g. water, education, health etc. |
| 6    | Socio-Economic Studies/Census                    | • Population census covering affected community/individual and their assets. Baseline information on livelihoods and standards of living of the displaced population  
• Inventory of assets of displaced households, extent of physical and economic displacement.  
• Information on disadvantaged groups or persons whom special provisions may have to be made  
• Updated information on displaced person’s livelihood and standards of living at regular intervals  
• Description of land tenure system in place, lot sizes and any cultural heritages/values that may be restricted by the project  
• Description of type and size of infrastructure and other services that may be impacted  
• Summarize impacts of the project for each categories of affected groups  
• Social and cultural characteristics of displaced communities |
| 7    | Legal/Institutional Framework, including mechanisms for conflict resolution and appeal | • Details of local agencies responsible for resettlement  
• Details of applicable legal and administrative procedures including a description of the remedies available to displaced persons in the judicial process  
• Details of laws and regulations relating to agencies responsible for implementing resettlement activities.  
• Details of legal steps necessary to ensure the effective implementation of resettlement activities |
| 8    | Institutional framework                          | • Details of agencies responsible for resettlement activities and NGOs that may have role in project  
• Details of institutional capacity of agencies and CSOs |
| 9    | Eligibility and Entitlements                     | • Definition of displaced persons and criteria for determining eligibility for compensation and other resettlement assistance.  
• Details of cut-off date |
| 10   | Valuation of, and compensation for losses        | • Appoint Registered/District Valuer for compensation purposes  
• Carry out consultation with affected persons  
• Identify and inspect affected assets for valuation  
• Process Valuation Report and prepare Compensation Schedule  
• Determine whether additional income assistance is necessary  
• Details of methodology used for valuation |
<p>| 11   | Identification and selection of                  | • Determine need for relocation and discuss with affected person |</p>
<table>
<thead>
<tr>
<th>S/No</th>
<th>Chapter</th>
<th>Description</th>
</tr>
</thead>
</table>
|      | Resettlement site, site preparation and relocation.                     | • Select site for relocation and make arrangement for land titling in favour of resettlers  
• In consultation with respective District Settlement Planning  
• Department, prepare Resettlement Plan  
• Discuss outsourced services if any and draw up cost implications  
• Ensure Plan comply with environmental consideration  
• Evaluate the impact of the Plan on host community  
• Determine any special assistance measures necessary to vulnerable groups  
• Identify risks associated with the Plan and chart out ways of overcoming them  
• Provide information on updating of the Plan  
• Details of legal arrangements for regularizing tenure and transferring titles to resettlers |
| 12   | Shelter, Infrastructure and social services                             | Details of social development services planned to be implemented for host communities                                                                                                                     |
| 13   | Environmental protection                                               | Details of environmental impacts of proposed resettlement and mitigation measures                                                                                                                         |
| 14   | Implementation schedules                                               | Details of implementation schedule for resettlement from preparation to final implementation including target dates for achievement of expected benefits to resettlers                                          |
| 15   | Costs and Budget                                                       | Prepare a financial plan with emphasis on responsibilities and accountability  
• List sources of funds  
• Identify components of the sub-project that may require additional external funding  
• Discuss provisions for handling price fluctuations, contingencies and excess expenditure  
• Prepare a template for Project Cost Estimate/budget |
| 16   | Monitoring and Evaluation                                              | Discuss measures for external and internal monitoring  
• Define monitoring indicators  
• Determine mode and frequency of reporting and content of internal monitoring  
• Discuss feedback mechanism |