

**GHANA SECONDARY CITIES SUPPORT PROGRAM
ADDITIONAL FINANCING (P178427)**

PROGRAM- FOR- RESULTS FINANCING

**ADDENDUM TO THE ENVIRONMENTAL AND SOCIAL
SYSTEMS ASSESSMENT**

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Prepared by the World Bank

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ACRONYMNS

ARAP	Abbreviated Resettlement Action Plan	MLGRD	Ministry of Local Government and Rural Development
DLI	Disbursement-Linked Indicators	MMA	Metropolitan Municipal Authority
EA	Environmental Assessment	MMDA	Metropolitan Municipal and District Authority
EIA	Environmental Impact Assessment	MOU	Memorandum of Understanding
EPA	Environmental Protection Agency	NCC	National Commission on Culture
ESIA	Environmental and Social Impact Assessment	OHLGS	Office of the Head of Local Government Services
ESMP	Environmental and Social Management Plan	PCR	Physical Cultural Resources
ESSA	Environmental and Social Systems Assessment	PER	Preliminary Environmental Report
FOAT	Functional Organizational Assessment Tool	PIU	Project Implementation Unit
GBV	Gender-Based Violence	PPBMED	Policy Planning Budget Monitoring and Evaluation Division
GOG	Government of Ghana	PVLMD	Public and Vested Land Management Division
GMMB	Ghana Museum and Monuments Board	PWD	Public Works Department
GRM	Grievance Redress Mechanisms	RAP	Resettlement Action Plan
GSCSP	Ghana Secondary Cities Support Program	ROW	Right-of-Way
LGCSF	Local Government Capacity Support Project	RPF	Resettlement Policy Framework
LI	Legislative Instrument	SAU	Social Accountability Unit
LVD	Land Valuation Department	TRC	Technical Review Committee
		WB	World Bank

EXECUTIVE SUMMARY

Background and Context

1. The Ghana Secondary Cities Support Program (GSCSP) has been implemented since 2019 and financed through an IDA credit of US\$100 million. The Program Development Objective (PDO) is to improve urban management and basic urban services in participating municipal assemblies. The Program constituted a slice of the Government's broader decentralization support program (the RFG), specifically focusing on 25 MAs that manage urban development in secondary cities. The GSCSP has provided incentives for MAs to improve their performance as city managers and for 10 RCCs and national institutions to provide MAs with the support needed for effective urban management and service delivery. The current closing date of the PforR is June 30, 2024.
2. The GSCSP Program is still relevant, is implementing satisfactorily, and the PDO remains achievable. The Program currently has a funding gap of US\$83 million. In addition, the Government of Ghana has created six new regions, and the Ministry of Local Government, Decentralization, and Rural Development (MLGDRD) and the Office of the Head of the Local Government Service (OHLGS) need additional funding for increased backstopping of MAs and the RCCs. The AF, at most, will only support ten additional MAs to maintain the US\$15 urban per capita allocation.
3. The implementation progress of the parent operation is satisfactory and the PforR has achieved tangible results. 'Progress towards the achievement of the PDO' and 'Overall Implementation Progress' have been rated Satisfactory (S) for more than 12 months. Almost all project ratings are currently Satisfactory (S), except for fiduciary systems with moderately satisfactory. The Program Action Plan (PAP) has seen satisfactory progress to date; four have been completed as planned, 10 actions are currently in progress.
4. The Government of Ghana has formally written to the Bank requesting for an Additional Financing (AF) to the PforR in the amount of US\$ 150 million to fill the financing gap of US\$83 million and sustain and increase the operation's development impact on the ground. The Program boundary vis-à-vis the broader government program is remained, and the Program expenditure framework will be maintained but extend it by one more allocation cycle. In addition to the AF, a Level Two restructuring will be processed to expand the geographical coverage of the Program to include additional 6 RCCs and 10 MAs, extend the project closing date by 18 months, and revise the targets in the Results Framework. The AF of US\$ 83 million will be used to fill the financing gap to achieve the results originally envisaged at Program design, and the remaining US\$ 67 million will finance: (i) one additional allocation cycle to bridge the gap between the GSCSP-AF and the next generation multi-sectoral PforR Program; (ii) support the additional 10 MAs (including 3 regional capitals) and 6 RCCs that were newly created after the Program effectiveness; and (iii) enhance the support to the center (MLGDRD and OHLGS) to be able to provide the necessary backup support to the expanded RCCs and MAs, including additional new Program Action Plan (PAP) arising from the MTR recommendations.

Rationale for Additional Financing

5. The Additional Financing (AF) is initiated primarily to fill the financing gap and to sustain and increase the operation's development impact on the ground by expanding the geographic scope to cover 10 additional secondary cities.
6. At the GSCSP preparation in the 2018, the Program was initially designed to support 19 Municipal Assemblies (MAs), 10 Regional Coordinating Councils (RCCs) and central governments within a financing envelop of US\$ 200 million, considering a maximum allocation of US\$ 15/urban capita/MA. However, due to IDA resource limitation the GSCSP ended up receiving the allocation of US\$ 100 million, instead of US\$200 million and supported more local governments (25 MAs) than initially planned (19 MAs). Nevertheless, the Program's design and allocation formula were sustained. In order to incentivize the MAs and ensure development impact on the ground, MAs were required to prepare and finance a minimum of US\$ 0.5million infrastructure projects. In this regard, an additional financing potential in the middle of the Program implementation was envisaged by the World Bank team and the government counterpart. The AF includes a level two restructuring of the original project to (i) extend the closing date by one year from June 30, 2024 to December 31, 2025; (ii) expand the geographical scope to additional 10 Municipal Assemblies (MAs) and 6 Regional Coordinating Councils (RCCs); and (iii) revise the Disbursement Linked Indicators (DLIs) and the Results framework to accommodate the changes in the geographical scope, targets, and project end period.
7. The proposed additional loan would help finance the expenditures associated with the funding gap and the expanded scope of the Program coverage to enhance the impact of a well-performing Program. There are no major changes to the Program design.
8. Program geographic scope is expanded to include newly created six regions and additional ten MAs.
9. The PDO of the original Program is being retained, given that the major components of the Program will continue under the AF. The only update in the results framework will be the end of Program (EoP) updates of targets of results indicators and the addition of an intermediate indicator related to climate change adaptation.
10. The Program Results framework and Results Areas (RAs) are still relevant and will be continued under the AF. The Program has three Results Areas (RAs): (i) RA 1 - institutional performance at Program MAs, (ii) RA 2 – Infrastructure delivery, and (iii) RA 3 – Regional and national government support to MAs.
11. In summary, the AF will provide the following financing components, including the remaining amount of approximately US\$ 27 million from the parent Program:
 - a) Funding gap for prior results achieved in FY2021 (DLIs 1.3 and 3.3) due to SDR cap of the parent Program and DLR 6.3 amount not yet disbursed – **US\$12.1 million¹**

¹ Between client connection and actual withdrawal application, there is a difference of SDR 2.31 million (equivalent of US\$ 3.25million) which were overdrawn, and this will be accommodated and properly recorded under the AF. Although client connection and system records shown USD 12.1 million of funding gap of DLR 1.3 and 3.3, approximately US\$ 8.8 million will be disbursed after effectiveness of GSCSP-AF.

- b) Urban Development Grants to 35 MAs for infrastructure investments as listed under the Program investment menu for FY2022 – FY2023 - **US\$ 152.87 million**
- c) Capacity support grants to 35 MAs for institutional performance improvements for FY2022 – FY2024 - **US\$ 3.5 million**
- d) Capacity support grants to 16 RCCs for supervision and technical support to the MAs for FY 2022- FY2024 – **US\$ 2.88 million**
- e) Enhanced Support to MLGDRD for Program coordination and back-up support to RCCs and MAs for FY2022 – 2024 - **US\$ 4.5 million**
- f) Enhanced support to OHLGS for training and capacity support services to RCCs and MAs for FY2022 – 2024 - **US\$ 1.8 million**

Objectives of the ESSA Addendum

- 12. An Environmental and Social Systems Assessment (ESSA) of the parent Program had been prepared by the Bank team in 2018 according to the requirements of Bank’s Policy for PforR financing. As the environmental and social aspects of the Program is carried out according to the country system, the ESSA reviewed the capacity of existing country systems to plan and implement effective measures for environmental and social management and to determine if any measures that would be required to strengthen the country system. This document is an Addenda for the ESSA prepared for the parent Program to cover environmental and social aspects of the AF.
- 13. The ESSA Addendum was prepared by the World Bank team through a combination of detailed reviews of existing Program materials, available technical literature, including policies, regulations, guidelines E&S compliance audit report of the Parent Program, interviews and extensive consultations with government staff, non-governmental organizations, regulatory agencies and sector experts associated with the Program. An environmental and social risk screening was undertaken at the concept stage. The ESSA process was informed by the Bank Guidance on PforR Environmental and Social System Assessment (September 2020).

Institutional Arrangement

- 14. The institutional arrangements for Program implementation will remain unchanged from the original design and will be mainstreamed into the existing structures, systems and processes of the GoG at the central, regional and local government levels. The Ministry of Local Government, Decentralization and Rural Development (MLGDRD) remains the implementing agency for this AF and under the parent Program has experience implementing World Bank PforR Programs with satisfactory results so far. The MLGDRD has a Project Implementation Unit (PIU) with the required staff including an Environmental Specialist and Social Development Specialist with the responsibilities to lead environmental and social risk management, reporting and stakeholder consultations. The MAs have safeguards focal teams appointed to support safeguards implementation and monitoring in each of the participating MAs.

Environmental and Social Effects of the AF Program

- 15. The overall Environmental and Social Risk Rating for the proposed AF is substantial. The risk rating takes into consideration the E&S risks and impacts that would be associated with the activities under the Program and the institutional capacity of the MLGDRD to manage the risks.

16. The proposed AF activities are within the scope of the Parent Program. Potential environmental and social risks and impacts from these investments under **DLI 4** normally take place during construction and could range from localized air and water pollution, health and safety of workers and communities, erosion and sedimentation of waterways, minor land acquisition and temporary economic disturbance. Risks from labor influx and gender-based violence are expected to be low to moderate considering the Program's use of and preference for local labor over imported or outside labor. The envisaged potential risks will be site-specific without likelihood of impacts beyond the project's footprint provided that adequate measures are taken during the design, implementation, and operation phases of sub-operations.

Excluded Activities

17. The proposed AF activities are within the scope of the Parent Program and excludes investments that have adverse environment and social impacts and risks as categorized under Schedule II of the Environmental Assessment Regulations, 1999 (LI 1652) - (the equivalent of category A under World Bank's Environmental Assessment (EA) policy). Like the Parent Program, the potential E&S risks and impacts that would be associated with the AF is linked to construction, rehabilitation and expansion of existing infrastructures. Works could fall under the following thematic areas: (i) Waste management (liquid and solid), (ii) Storm water drainage, (iii) Roads, non-motorized transport facilities, and streetlights, (iv) Urban economic infrastructure, and (v) Disaster management.

Environmental and Social Systems Assessment (ESSA-Addendum)

18. Based on extensive consultations with stakeholders, and detailed analysis of the potential environmental and social effects, it is not expected that the AF Program will introduce new environmental and social risks and impacts that was not assessed under the Parent Program Environmental and Social System Assessment (ESSA – May 2018). In this regard, the ESSA for the Parent Project remains relevant for the AF. Notwithstanding, an addendum has been prepared for the Program's ESSA that takes into account (i) progress in the implementation of measures stipulated in the ESSA and the Program design; and (ii) changes in administrative and legislative regime and their implication on the AF implementation such as the new Land Act, 2020 (Act 1036) and Right to Information Act, 2019 (Act 989) that have been enacted in Ghana after the Parent Program ESSA was approved. These laws have been reviewed to assess their implications for the Program. The parent program ESSA analysis and conclusions apply to the new geographic coverage of the AF, as the environmental and social context is very similar to the Municipal Assemblies of the parent Program.
19. **Progress in the implementation of measures:** An Independent Audit of the performance of the Parent Project revealed that MAs have functioning environmental and social risk assessment system in place including (a) conducting early screening of potential E&S effects; (b) consideration of strategic, technical, and site alternatives (including the "no action" alternative); (c) explicit assessment of potential induced, cumulative adverse impacts; (d) identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized; (e) clear articulation of institutional responsibilities and resources to support implementation of plans; and (f) responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and responsive grievance redress measures. The audit

findings showed there were four-member Safeguards team in place at participating MAs, comprising of a Development Planning Officer, a Physical Planner, Works Engineer and the Social Welfare and Community Development Officer. The Municipal Planning Officer who serves as the Safeguards Focal Person is responsible for overseeing the environmental and social aspects under the Program and the hiring of a Social Development Specialist at the Program Execution level in addition to the Environmental Specialist who existed under the LGCSP which has been completed. The EPA has indicated there was compliance to permit conditions, however, lack of logistics hinders regular monitoring of activities at the site.

Stakeholder Consultations

20. The ESSA process includes extensive stakeholder consultations and disclosure of the ESSA Addendum Report, in accordance with the World Bank Policy and Directive for Program-for-Results financing and Access to Information Policy. At present, the ESSA Addendum consultation process is embedded in the Program consultation process. The preparation of the Addenda involved a series of interviews, field visits and consultation activities that targeted a wide range of stakeholders (PIU, government officials, community associations, civil society) conducted during the Mid Term Review (MTR) of the parent program. In addition to the consultations conducted during the MTR, a number of consultations were arranged with local stakeholders where the AF is going to be implemented. Further consultations are planned, with different stakeholders in the newly created six regions and additional ten MAs by appraisal of the AF. Feedback from stakeholders has been instrumental in designing and revising the Program Action Plan, and indicators.

Recommendations

21. The implementation of environmental and social measures recommended in the ESSA of the parent Program are progressing well as captured in annex 3. The Program Action Plan (PAP) has taken into consideration the recommendations of the parent Program MTR and the environmental and social audit findings. Lessons learnt during the first half of the Program implementation was used to inform the PAP.
22. To manage potential risks and impacts, and to strengthen the country system for environmental, social, health & safety management, the addendum to the ESSA recommends the following measures/actions. The Program will integrate these recommendations into the Program Action Plan to improve E&S management for the AF:
 - **Strengthening ESHS capacity of MAs.** This should include improving procurement procedures to manage relevant E&S risks, community, occupational health and safety and monitoring procedures and reporting. The MLGDRD should consider signing an MOU with EPA Training Institute to develop training modules to be delivered to MLGDRD staff, EPA staff, MA staff and their E&S consultants.
 - **Improving E&S Monitoring.** The MLGDRD should provide logistics support to EPA to enhance E&S compliance monitoring of work sites and due diligence at all project-implementing levels since lack of logistics were also identified hampering monitoring of safeguards activities by the EPA.
 - **Improving E&S Requirements in Procurements:** Provisions captured in E&S assessments and plans, and any E&S project specific requirements should be itemized (i.e., specific line

items) in the bill of quantities for Contractors to price for. This will make it easier for E&S safeguard teams at MAs and the Design and Supervising consultants to monitor and enforce by making them part of the process for signing off on all payments to contractors, even if the payment is not for work that is explicitly related to E&S mitigation and performance.

- **Strengthening consultation, stakeholders' collaboration and grievance redress mechanism.** Consultations, information disclosure and grievance redress should be strengthened under the Program to make the grievance redress more functional and operational. Training on grievance redress mechanisms, recording, monitoring and reporting should be one of the trainings to be delivered regularly to MAs.
- **Improving quality and timely preparation Resettlement Action Plans:** MAs should expand their database of social consultants and hire experienced consultants to prepare the Resettlement Action Plans to improve the quality of the Plans.
- The MLGDRD should enhance MAs capacity on the requirements for land acquisition provided for in the new Land Act. This will ensure that the MAs have adequate understanding of the requirements of the Land Act and roles and responsibilities of various institutions on government land acquisition.
- **Strengthening the existing procedures for resettlement to include restoration of livelihoods of project affected people.** This could be done by coordinating with other schemes of the government at all levels, which focuses on income (livelihood) restoration.
- **Strengthening requirements to address impacts on vulnerable people and Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH).** Improve capacity of MAs in the identification of vulnerable groups and to consider their concerns in the design and implementation of activities under the Program. Special measures should be taken to promote confidential reporting of SEA/SH related complaints and equitable access to Program benefits.

23. Table ES 1 presents the existing status of the E&S PAP of the original Program. New actions to be included in the PAP with indicative timeline, responsibility for implementation and indicators for measuring the completion of such actions are detailed in Table ES 2 below.

Table ES.1: GSCSP- Existing E&S Program Action Plan (PAP) and Update

	Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Status	Action
1	Hiring of a Social Development Specialist at the Program Execution level in addition to the current Environmental Specialist under the LGCSP.	Other		MLGRD	Due Date	31-Jan-2019	IVA contract.	Completed	No Change
2	Establishing the E&S Team of MA with clear terms of reference comprising of (i) Safeguards Focal person; (ii) 2-3 team members preferably from the Engineering, Health and Social Welfare Units of MMAs	ESSA		MMA, OHLGS	Due Date	31-Dec-2018	Field verification.	Completed	No Change
3	Annual E & S performance review of MAs to validate existence of a functional E & S system and assess compliance.	ESSA		MLGRD, EPA, Independent consultants	Recurrent	Continuous	ToR for the performance review and annual performance review report.	In progress	No Change
4	Strengthen consultations, information disclosure and grievance redress by developing guidelines on consultations and stakeholder engagement with support from the World Bank.	Other		MLGRD, MAs	Due Date	31-Dec-2018	Guidelines on consultations and stakeholders engagement.	Completed	No Change
5	Coordination and implementation of gender related activities between the MGCSP, MLGRD, RCCs and the MAs	Other		MLGRD, RCC, MAs	Recurrent	Continuous	Gender mainstreaming Report		No Change

	Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Status	Action
6	Generate and maintain up-to-date records of grievances received, treated, referred to other agencies. Prepare annual grievance redress report, showing grievances received, proportion handled and cases referred to CHRAJ and other agencies.	ESSA		CHRAJ, MLGRD, MAs	Recurrent	Continuous	Annual grievance redress report	In progress	No Change
7	Develop grievance redress manual/guideline	Other		MLGRD	Due Date	31-Dec-2019	Grievance redress manual/guideline	Completed	No Change
8	Develop a robust E&S screening mechanism and management framework process using the GOG's guidelines, and ensure publication of key E&S documents on Ministry and MA websites	ESSA		MLGDRD, EPA, MAs	Due Date	31-Aug-2022	Screening mechanism manual prepared and submitted to the Bank prior to effectiveness.	Not yet due	New
9	Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) response committee at the MA level to proactively create a safe place for all gender-based violence related issues.	ESSA		MLGDRD	Due Date	31-Aug-2022	First Minutes of Committee Meeting including the Committee composition satisfactory to the Bank	Not yet due	New
10	MOU with EPA Training Institute to develop and deliver training modules to MLGRD, EPA staff, RCCs, MMAs and their E & S consultants: (i) Procurement procedures to manage relevant E&S risks; (ii) ESHS	ESSA		MLGDRD, EPA	Other	Continuous	Training modules developed and trainings delivered to the associated entities recorded in annual progress report	Not yet due	New

	Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Status	Action
	monitoring procedures and reporting								

SECTION I: PROGRAM DESCRIPTION AND SCOPE

1.1 Introduction

24. The additional financing (AF) is initiated primarily to fill the financing gap and to sustain and increase the operation's development impact on the ground by expanding the geographic scope to cover six (6) newly created regions and ten (10) additional secondary cities.
25. At the GSCSP preparation in the 2018, the Program was initially designed to support 19 Municipal Assemblies (MAs), 10 Regional Coordinating Councils (RCCs) and central governments within a financing envelop of US\$ 200 million, considering a maximum allocation of US\$ 15/urban capita/MA. However, due to IDA resource limitation the GSCSP ended up receiving the allocation of US\$ 100 million, instead of US\$200 million and supported more local governments (25 MAs) than initially planned (19 MAs). Nevertheless, the Program's design and allocation formula were sustained. To incentivize the MAs and ensure development impact on the ground, MAs were required to prepare and finance a minimum of US\$ 0.5million infrastructure projects. In this regard, an additional financing potential in the middle of the Program implementation was envisaged by the World Bank team and the government counterpart. The AF includes a level two restructuring of the original project to (i) extend the closing date by one and a half years from June 30, 2024 to December 31, 2025; (ii) expand the geographical scope to additional 10 Municipal Assemblies (MAs) and 6 Regional Coordinating Councils (RCCs); and (iii) revise the Disbursement Linked Indicators (DLIs) and the Results framework to accommodate the changes in the geographical scope, targets, and project end period.
26. The proposed additional loan would help finance the expenditures associated with the funding gap and the expanded scope of the Program coverage to enhance the impact of a well-performing Program. There are no major changes to the Program design.

1.2 Background and Rationale for Additional Financing

27. Creation of new Regional Coordinating Councils (RCCs) – in 2019 when the GSCSP was approved, there were 10 RCCs and 104 MAs. However, later in 2019 government created another 6 RCCs, thus bringing the total numbers of RCCs to 16. There was therefore the need to bring in the new additional 6 RCCS as Program beneficiary since the design of the GSCSP has taken into consideration the lessons learnt from its predecessor, the Local Government Capacity Support Project (LGCSP, P 122692). The creation of six new RCCs will also necessitate bringing in more MAs, to take into consideration the criteria of regional balance.
28. The Ghana Secondary Cities Support Program (GSCSP) has been implemented since 2019 and financed through an IDA credit of US\$100 million. The Program Development Objective (PDO) is to improve urban management and basic urban services in participating municipal assemblies. The Program constituted a slice of the Government's broader decentralization support program (the RFG), specifically focusing on 25 MAs that manage urban development in secondary cities. The GSCSP has provided incentives for MAs to improve their performance as city managers and for 10

RCCs and national institutions to provide MAs with the support needed for effective urban management and service delivery. The current closing date of the PforR is June 30, 2024.

29. The GSCSP is still relevant, is implementing satisfactorily, and the PDO remains achievable. The Program currently has a funding gap of US\$83 million. In addition, the Government of Ghana has created six new regions, and the Ministry of Local Government, Decentralization, and Rural Development (MLGDRD) and the Office of the Head of the Local Government Service (OHLGS) need additional funding for increased backstopping of MAs and the RCCs. The AF, at most, will only support ten additional MAs to maintain the US\$15 urban per capita allocation.
30. The implementation progress of the parent operation is satisfactory and the PforR has achieved tangible results. ‘Progress towards the achievement of the PDO’ and ‘Overall Implementation Progress’ have been rated Satisfactory (S) for more than 12 months. Almost all project ratings are currently Satisfactory (S), except for fiduciary systems with moderately satisfactory. The Program Action Plan (PAP) has seen satisfactory progress to date; four have been completed as planned, 10 actions are currently in progress.
31. The Government of Ghana has formally written to the Bank requesting for an Additional Financing (AF) to the PforR in the amount of US\$ 150 million to fill the financing gap of US\$83 million and sustain and increase the operation’s development impact on the ground. The Program boundary vis-à-vis the broader government program is remained, and the Program expenditure framework will be maintained but extended by one more allocation cycle. In addition to the AF, a Level Two restructuring will be processed to expand the geographical coverage of the Program to include additional 6 RCCs and 10 MAs, extend the project closing date by 18 months, and revise the targets in the Results Framework. US\$ 83 million of the AF will be used to fill the financing gap to achieve the results originally envisaged at Program design, and the remaining US\$ 67 million will finance: (i) one additional allocation cycle to bridge the gap between the GSCSP-AF and the next generation multi-sectoral PforR Program; (ii) support the additional 10 MAs (including 3 regional capitals) and 6 RCCs that were newly created after the Program effectiveness; and (iii) enhance the support to the center (MLGDRD and OHLGS) to be able to provide the necessary backup support to the expanded RCCs and MAs, including additional new Program Action Plan (PAP) arising from the MTR recommendations.

1.3 PforR Program

32. The PDO of the original Program is being retained, given that the major components of the Program will continue under the AF. The only update in the results framework will be the end of Program (EoP) updates of targets of results indicators and the addition of an intermediate indicator related to climate change adaptation.
33. The PforR Program will retain all the key elements of the original design but will be updated in the following areas: (i) geographical coverage expanded to cover 35 MAs from original 25 MAs and 16 RCCs from original 10 as a result of the creation of 6 new Regions; (ii) the DLIs revised to enhance urban resilience and bring more CCBs; (iii) total PforR Program financing, DLI allocations and disbursement projections updated from US\$100 million to US\$250 million to take into consideration the US\$150 million AF. The tables below provide the summary of the PforR Program update.

Table 1. Summary of the revised Program geographic scope

No.	Region	GSCSP-MAs*	Population 2021 Census	Urban Population	Annual UDG Indicative figure (maximum)**
1	Ashanti	Obuasi	104,297	91,542	1,373,130
2		Suame	136,290	136,290	2,044,350
3		Old Tafo	114,368	114,368	1,715,520
4		Asokwa	125,642	125,642	1,884,630
5		Kwabre East	296,814	249,036	2,988,432
6		Ahafo Ano North	92,742	26,832	321,984
7	Bono	Berekum East	106,252	91,233	1,368,495
8		Sunyani	193,595	156,343	2,345,145
9		Dorman Central	112,702	44,933	673,995
10	Bono East	Techiman	243,335	189,316	2,839,740
11		Nkoranza South	114,642	63,523	762,276
12	Ahafo	Asunafo North	150,198	79,382	952,584
13	Central	Awutu Senya East	236,527	229,701	3,445,515
14		Mfantiman	168,905	116,019	1,740,285
15		Agona west	136,882	104,874	1,573,110
16		Assin Central	88,753	49,046	588,552
17	Eastern	New Juaben	125,256	125,004	1,875,060
18		Birim Central	76,302	73,936	1,109,040
19		Lower Manya	121,478	91,503	1,372,545
20		Abuakwa South	73,949	32,633	489,495
21		West Akim	93,391	28,381	340,572
22	Northern	Sagnerigu	341,711	278,865	4,182,975
23		Yendi	154,421	79,876	958,512
24	North East	East Manprusi	188,006	80,788	1,211,820
25	Savannah	East Gonja	117,755	32,539	488,085
26		West Gonja	63,449	39,150	469,800
27	Upper West	Wa	200,672	143,358	2,150,370
28	Upper East	Bolgatanga	139,864	89,255	1,338,825
29		Bawku	119,458	80,630	1,209,450
30	Volta	Ho	180,420	125,914	1,888,710
31		Hohoe	114,472	84,061	1,260,915
32	Oti	Krachi East	110,435	34,550	414,600
33	Western	Effia Kwesimintsim	173,975	173,975	2,609,625
34		Ahanta West	153,140	70,862	850,344
35	Western North	Sefwi Wiawso	151,220	63,539	953,085
Total		35 MAs	5,121,318	3,596,899	51,791,571

* Shaded MAs are newly participating MAs

** annual UDG indicative is maximum estimate with an assumption that the existing 25 MAs meet all annual targets of DLI 2,3, and 4 (US\$ 15/urban capita) and the newly participating 10 MAs meet all annual targets of DLI 2 and 3 (US\$ 12/urban capita).

Table 2. Additional MAs and Rationale

Old Region	New Region	Existing GSCSP-MAs	Newly participating MAs	Rationale
Ashanti		Obuasi	Kwabre East	The most urban populated Municipal Assembly after the Greater Kumasi Metropolitan Area MAs
		Suame		
		Old Tafo	Ahafo Ano North	An old traditional and vibrant commercial town along the boundaries between the newly created Ahafo region and Ashanti region and also serves as a transit point. Presents a unique opportunity as a key growth pole.
		Asokwa		

Brong Ahafo	Bono	Berekum East		
		Sunyani		
		Dorman Central		
	Bono East	Techiman	Nkoranza South	Most vibrant and commercialized secondary city after Techiman MA
	Ahafo	-	Asunafo North	Regional capital for Ahafo region
Central		Awutu Senya East	Assin Central	Key commercial secondary city connecting Central Region to Ashanti and Western Regions. Selected on the basis that current GSCSP MAs in the region are concentrated within along the same corridor.
		Mfantsiman		
		Agona west		
Eastern		New Juaben	West Akim	Commercial enclave with the potential to consolidate and maximise economic gains from the mining sector within the area.
		Birim Central		
		Lower Manya		
		Abuakwa South		
Northern	Northern	Sagnerigu	Yendi	Strategically located and connect Northern Region to the eastern corridor of Savannah and Oti Regions, and to the Southern/Coastal belt of the country.
	North East	East Manprusi		
	Savannah	East Gonja	West Gonja	Regional capital for Savannah region
Upper West		Wa		
Upper East		Bolgatanga		
		Bawku		
Volta	Volta	Ho		
		Hohoe		
	Oti	-	Krachi East	Regional capital for Oti region
Western	Western	Effia Kwesimintsim	Ahanta West	Strategically located to support service pressure and development spillover from Sekondi-Takoradi and Effia Kwesimintsim.
	Western North	Sefwi Wiawso		
Greater Accra				
16 Regions		25 MAs	10 MAs	

1.4 Changes in DLIs

34. DLI composition and verification protocols will be the same as the parent Program, but the proposed AF introduces climate change related minimum conditions for DLI 1, 2, 3 and 6.
35. DLI 1: triggers release of the Capacity Support Grant (CSG). MAs that qualify for the CSGs will be those that comply with the Minimum Conditions for CSGs. All arrangements will be the same as the parent Program, and additionally a new Minimum Condition will be introduced for the fourth APA to enhance urban resilience in MAs and incentivize MAs to use more funds for activities related to climate mitigation and adaptation.

Table 3: DLI 1 CSG – Update of Minimum Conditions

Minimum Condition	Indicator
CSG MC1: MA has drawn up (and reviewed implementation of) an	UDAP is drafted by MA on basis of GSCSP template and reviewed UDAP implementation on an annual basis

Urban Development Action Plan (UDAP)	
CSG MC2: <u>From Year 2 onwards:</u> MA use of previous year's CSG has been as per approved UDAP and consistent with guidelines in GSCSP Program Operations Manual	Annual MA expenditure statement shows that MA has followed approved annual UDAP work plan and CSG expenditure guidelines. Any expenditure on non-eligible items will mean failure to comply with this CSG Minimum Condition.
CSG MC 3: for fourth APA (Newly introduced) MA has drawn up a CSG plan with at least 25% of funds for Climate related activities ²	Annual CSG Plan shows at least 25% of funds is allocated for Climate related activities. MA expenditure statement shows that MA has utilized 25 % of CSG to climate related activities

36. DLI 2: triggers release of up to 20 percent of the UDG to MAs with adequate institutional performance (as per DPAT scores). MAs that qualify for DLI 2 will be those that comply with the Minimum Conditions. All arrangements will be the same as the parent Program, and additionally a new Minimum Condition will be introduced for the fourth APA to enhance institutional capacity of MAs on climate change adaptation.

Table 4: DLI 2 UDG – Update of Minimum Conditions

Minimum Condition	Indicators
DLI 2 MC1: MA qualifies for DACF Responsiveness Factor Grant (RFG) by scoring at least the national average DPAT score	<ul style="list-style-type: none"> MA compliance with all RFG Minimum Conditions MA performance score, measured through the Annual DPAT assessment of all MMDAs, is equal to or greater than the average performance score of all MMDAs
DLI 2 MC2: <u>From Year 2 onwards:</u> MA use of previous year's UDG has been consistent with guidelines in GSCSP Operations Manual	<ul style="list-style-type: none"> Annual MA expenditure report/statement shows that MA has followed UDG expenditure guidelines. Any expenditure on non-eligible items will mean failure to comply with this UDG Minimum Condition.
DLI 2 MC 3: for fourth/fifth APA (newly introduced) MA has a full compliance of DPAT indicators of climate change intervention	<ul style="list-style-type: none"> MA achieve full score on DPAT indicator of SDI 5.5 climate change intervention

37. DLI 3: triggers the release of additional UDG to MAs based on their scores on urban PBs calculated on pro rata against annual PB scores targets at a maximum of US\$9 per their urban population per capita. All arrangements will be the same as the parent Program, and additionally a new Minimum Condition will be introduced for the fourth APA to incentivize MAs to utilize urban resilience checklist and enhance institutional capacity of MAs on climate change adaptation and mitigation.

Table 5: DLI 3 UDG – Update of Minimum Conditions

Minimum Condition	Indicators
DLI 3 MC1: MA qualifies for DACF Responsiveness Factor Grant (RFG) by scoring at least the national average DPAT score	<ul style="list-style-type: none"> MA compliance with all RFG Minimum Conditions MA performance score, measured through the Annual DPAT assessment of all MMDAs, is equal to or greater than the average performance score of all MMDAs
DLI 3 MC2: <u>From Year 2 onwards:</u> MA use of previous year's UDG has been consistent with guidelines in GSCSP Operations Manual	<ul style="list-style-type: none"> Annual MA expenditure report/statement shows that MA has followed UDG expenditure guidelines. Any expenditure on non-eligible items will mean failure to comply with this UDG Minimum Condition.
DLI 3 MC 3: for fourth/fifth APA (newly introduced) MA utilizes urban resilience checklist at planning, designing, construction and O&M stages for UDG infrastructure	<ul style="list-style-type: none"> MA compliance with submission of urban resilience checklist at planning, designing, construction and O&M stages.

² CSG expenditure will be the same in the AF, and CCB related activities are in the category of 1. Urban planning & services, 4. Sustainable urban systems – maintenance, and 5. Urban resilience and climate change/disaster risk management

investments	
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38. **DLI –5:** triggers release of annual allocation US\$ 60,000 to RCCs if all MCs are met. All arrangements will be the same as the parent Program, and MC2 will be divided into MC 2 and 3 for the fourth and fifth APA to enhance regular monitoring requirements of the RCCs. =

Table 6: DLI 5 – Update of Minimum Conditions

<u>Minimum Condition</u>	<u>Indicators</u>
DLI 5 MC1: Annual Capacity Support Plan (ACSP) with M&E and CB activities for MAs	<ul style="list-style-type: none"> RCC to <u>prepare Annual Capacity Support Plan which includes monitoring and capacity building activities for MAs in its jurisdiction.</u>
DLI 5 MC2: (modified) From Year 2 onwards; Regular report to MLGDRD and OHLGS	<ul style="list-style-type: none"> RCC to submit quarterly M&E report and annual progress report to OHLGS and MLGRD on a timely basis. Any delay or omission in the submission of quarterly and annual progress report mean failure to <u>comply with this MC.</u>
DLI 5 MC 3: for fourth/fifth APA (newly introduced) RCC use of previous year’s fund has been as per approved ACSP and consistent with guidelines in GSCSP Operations Manual	<ul style="list-style-type: none"> Annual RCC expenditure report/statement shows that RCC has followed RCC annual grants expenditure guidelines. Any expenditure on non-eligible items will mean failure to <u>comply with this MC.</u>

39. The following table is the summary of the progress of DLI achievement as of February 2022 and proposed changes under the AF.

Table 7: Summary of achievement, proposed changes and expansion to the DLI framework

DLI	End target (FY2024)	Allocation (disbursed)	Status	Proposed change under AF	Additional allocation under AF (US\$)
1. Extent to which Participating Municipal Assemblies have achieved Capacity Support Grant (CSG) Minimum Conditions	25MAs	XDR 2.13 million (XDR 2.13 million)	Fully achieved for FY 19, 20 and 21 (lack of fund for the FY21 DLR achieved, XDR 532,500)	<ul style="list-style-type: none"> Increase the target and scope to 35 MAs Add two additional allocation cycles, FY 22 and FY23 Add a minimum condition of 25% of CSG to be used for climate change related activities 	US\$ 4.23 million
2. Extent to which Participating Municipal Assemblies have scored equal to or above the national average DPAT Score	25MAs	XDR 23.32 million (XDR 17 million)	Fully achieved for FY19, 20 and 21	<ul style="list-style-type: none"> Increase the target and scope to 35 MAs Add one additional allocation cycle, FY 24 Add a minimum condition of full compliance of climate change intervention 	US\$ 23.47 million
3. Extent to which Participating Municipal Assemblies have achieved Urban Performance Benchmarks Targets	60%	XDR 29.65 million (XDR 29.65million)	Fully achieved for FY 20, 21. (Lack of fund for the FY21 DLR achieved, XDR 7.647 million)	<ul style="list-style-type: none"> Increase the scope to 35 MAs Revise the target 70 for 4th APA and 80 for 5th APA Add one additional allocation cycle, FY 24 Add a minimum condition of application of resilience infrastructure checklist 	US\$ 107.27 Million

4. Extent to which Participating Municipal Assemblies have implemented the Annual Infrastructure Services Delivery Target	85%	XDR 8.89million (XDR 0)	Not achieved yet	<ul style="list-style-type: none"> • Only apply to the initial 25 MAs Sustained the target 70 for 4th APA and 80 for 5th APA • Add one additional allocation cycle, FY 24 	US\$ 10.69 Million
5. Regional Coordinating Councils have adopted and implemented their Annual Capacity Support Plans (ACSP) for MAs	10	XDR 2.13 million (XDR 1.278 million)	Fully achieved for FY19, 20 and 21	<ul style="list-style-type: none"> • Increase the target and scope to 16 RCCs • Adjusted one additional allocation cycle, FY 24 • Add a minimum conditions to enhance regular reporting requirement 	US\$ 1.68 Million
6. DPAT/APA Results Published by October 1 of each FY	October 1 of each Year	XDR 1.78million (XDR 0.178 million)	Partially achieved FY 19, 20 and 21	<ul style="list-style-type: none"> • Add one additional allocation cycle, FY 24 • Increase the annual allocation from US\$500,000 per annum to US\$750,000 for FY22 – FY24. 	US\$ 0.62 Million
7. Timely Allocation and Release of Program Funds to Municipal Assemblies; and Implementation of MLGDRD/MDAs Annual Workplan to support Participating MAs	Program fund released to participating MAs within 45 days; 95% of annual workplan implemented	XDR 1.78million (XDR 1.068 million)	Fully achieved for FY 19, 20 and 21	<ul style="list-style-type: none"> • Add one additional allocation cycle, FY 24 • Increase funds for implementation of MLGDRD/MDA Annual Workplan from US\$500,000 per annum to US\$750,000 per annum for FY22 – FY24. 	US\$ 1.24 Million
8. Key RCCs and MAs staff have been assigned and OHLGS Annual Capacity Building Plan (ACBP) to support Participating MAs and RCCs has been implemented	95% of ACBP implemented; key RCCs and MAs staff in place	XDR 1.42 million (XDR 0.710 million)	Fully achieved for FY 19 and 20, partially achieved for FY 21	<ul style="list-style-type: none"> • Add one additional allocation cycle, FY 24 • Increase OHLGS implementation of ACBP from US\$400,000 per annum to US\$600,000 per annum for FY22 – 24 	US\$ 0.8 Million

40. The Program Results framework and Results Areas (RAs) are still relevant and will be continued under the AF. The Program has three Results Areas (RAs): (i) RA 1 - institutional performance at Program MAs, (ii) RA 2 – Infrastructure delivery, and (iii) RA 3 – Regional and national government support to MAs. By midterm review (MTR) in March 2022, the MAs had achieved 50 per cent of the targets of their institutional performance.

Table 8: Summary of the progress, change and/or expansion to the results framework

Indicator	Status	Expansion/revision in AF
PDO#1: People provided with improved urban infrastructure/ services under the GSCSP	Achieved the mid-target of 700,000 in 2021, on track	Retained, expanded in scale (with an incremental target of 2,050,000), and extended EoP to 2025
PDO#1.1: of which female (Gender indicator)	Achieved the mid-target of 357,000 in 2021, on track	Retained, expanded in scale (with an incremental target of 1,040,000), and extended EoP to 2025
PDO#2: Composite annual average urban performance benchmark percentage score by Program MAs	Fully achieved annual targets of FY 2019, 2020, and 2021.	Retained, raised the target scores (70 in 2022, 80 in 2023), and extended EoP to 2025
Intermediate Results Area 1: Institutional performance at Program MAs		
IR 1.1: Program MAs with Municipal Structure Plans (15 years)	Partly achieved, on track	Retained, expanded the target to 35 MAs and extended EoP to 2025
IR 1.2: Program MAs with Municipal Local Plans covering at least 30% of the municipal area	Partly achieved, on track	Retained, expanded the target to 35 MAs and extended EoP to 2025
IR 1.3: Program MAs monitoring key municipal services	Partly achieved, on track	Retained, expanded the target to 35 MAs and extended EoP to 2025
IR 1.4: MAs that execute at 80 percent of their O&M budget	Partly achieved, on track	Retained, expanded the target to 35 MAs and extended EoP to 2025
IR 1.5: MAs with improved and up to date Revenue Administration (Computer-based) systems	Partly achieved, on track	Retained, expanded the target to 35 MAs and extended EoP to 2025
IR 1.6: MAs that satisfy at least 80% of the defined governance capacity criteria	Partly achieved, behind	Retained, expanded the target to 25 MAs and extended EoP to 2025
IR 1.7: MAs that implement at least 80% of the planned gender programs as per the annual action plan	Partly achieved, behind	Retained, expanded the target to 35 MAs and extended EoP to 2025
IR 1.8: MAs that implement resilience checklist at planning, designing, construction, and O&M stages	<i>New indicator</i>	<i>Newly added</i> to measure whether the MAs adequately incorporate climate adaptation and mitigation concerns into UDG infrastructure investments
Intermediate Results Area 2: Infrastructure delivery		
IR 2.1: Composite annual average urban infrastructure delivery percentage score by Program MAs as per annual work plan	Partly achieved, behind	Retained, revised the target to 70 in FY22, 80 in FY 23, 90 in FY 24, 95 in FY 25
IR 2.2: Urban roads built or rehabilitated using UDG	Partly achieved, behind	Retained, extended EoP to 2025
IR 2.3: Municipal local economic infrastructure built or rehabilitated using UDG	Partly achieved, behind	Retained, extended EoP to 2025
IR 2.4: Drains built or rehabilitated using UDG	Partly achieved, behind	Retained, extended EoP to 2025
IR 2.5: Public parks and greenery built or rehabilitated using UDG	Partly achieved, behind	Retained, extended EoP to 2025
Intermediate Results Area 3: Regional and National Government Support to MAs		
IR 3.1: RCCs Annual Capacity Support Plans for MAs implemented	Partly achieved, on track	Retained, extended EoP to 2025
IR 3.2: OHLGS Annual Capacity Building Plan implemented	Partly achieved, on track	Retained, extended EoP to 2025
IR 3.3: MLGRD/MDAs approved Annual Workplan implemented	Partly achieved, on track	Retained, extended EoP to 2025
IR 3.4: Improved Intergovernmental Fiscal Transfer System (IGFTS) adopted with timely allocation and publication of UDGs to MAs	Partly achieved, behind but improving over time	Retained, extended EoP to 2025

41. Program boundary and expenditure framework will remain unchanged. The Program boundary vis-à-vis the government program boundary is unchanged. The government program is the RFG financed by the Government of Ghana and various development partners. The RFG allocates performance-based grants to all MMDAs and covers the whole country. The GSCSP constitutes a slice of the RFG, specifically focusing on secondary cities (Municipal Assemblies). The GSCSP-AF will keep the same boundary targeting MAs, therefore no changes to the Program boundary vis-à-vis the broader government program are made. Only the geographic scope will expand to support 6 newly created regions (increase from 10 to 16 RCCs) and ten additional MAs (increase from 25 MAs to 35MAs). The proposed AF will support the same set of previous expenditure areas which includes: (i) **Local window** - (a) performance-based urban development grants (UDGs) to participating MAs for urban infrastructure and associated investments servicing costs, as well as municipal capacity support grants (CSG); (ii) **Regional window** – support to the RCCs to provide the necessary monitoring and technical support services to MAs as per their statutory mandates, and (iii) **National window** - support to the MLGDRD and OHLGS. The MLGDRD will provide MAs and RCCs with national level backstopping and capacity development support and ensuring that DPAT and UDG annual assessments are carried out and that UDGs and CSGs are released in a timely manner. The OHLGS will provide RCCs and MAs with training and capacity support services and ensuring that key staff are in place in MAs and RCCs. The OHLGS support will cover basic as well as more specialized and specific areas – such as improved revenue administration, computerization, and the use of ICT, monitoring of municipal services, urban resilience, and local economic development.

Table 9: Program Boundary

Government program		Original PforR		AF (& restructuring)	
Area	\$ mil	Area	\$ mil	Area	\$ mil
RFG to MMDAs	443.27	Support to MAs	90	Support to MAs	145.66
		Support to Central Government and RCCs.	10	Support to Central Government and RCCs.	4.34

42. Program geographic scope is expanded to include newly created six regions and additional ten MAs.

43. In summary, the AF will provide the following financing components, including the remaining amount of approximately US\$ 26.7 million from the parent Program:

- a) Funding gap for prior results achieved in FY2021 (DLIs 1.3 and 3.3) due to SDR cap of the parent Program and DLR 6.3 amount not yet disbursed – US\$12.1 million
- b) Urban Development Grants to 35 MAs for infrastructure investments as listed under the Program investment menu for FY2022 – FY2023 - US\$ 152.87 million
- c) Capacity support grants to 35 MAs for institutional performance improvements for FY2022 – FY2024 - US\$ 3.5 million
- d) Capacity support grants to 16 RCCs for supervision and technical support to the MAs for FY 2022-FY2024 – US\$ 2.88 million
- e) Enhanced Support to MLGDRD for Program coordination and back-up support to RCCs and MAs for FY2022 – 2024 - US\$ 4.5 million
- f) Enhanced support to OHLGS for training and capacity support services to RCCs and MAs for FY2022 – 2024 - US\$ 1.8 million

1.5 Objectives of the ESSA Addendum

44. An Environmental and Social Systems Assessment (ESSA) had been prepared by the Bank team for the parent Program according to the requirements of Bank's Policy for PforR financing. As the environmental and social aspects of the Program is carried out according to the country system, the ESSA reviewed the capacity of existing country systems to plan and implement effective measures for environmental and social management and to determine if any measures would be required to strengthen the country system. The specific objectives of the ESSA were to:
- Identify potential environmental and social benefits, risks, and impacts applicable to the program interventions.
 - Review the policy and legal framework related to the management of environmental and social impacts of the program interventions.
 - Assess the institutional capacity of the environmental and social management system within the program system.
 - Assess the program's system performance with respect to the core principals of the PforR instrument and identify gaps.
 - Describe actions to be taken to fill the gaps that will input to the PAP
 - Describe the consultation process for the preparation and implementation of the program.
45. This document is an Addenda for the parent Program ESSA and is aiming at addressing the environmental and social issues related to the AF. In doing so, this addendum has:
- Assessed the progress so far in the implementation measures recommended in the parent ESSA
 - Identified the risks, impacts and benefits of Program interventions under the AF
 - Identified relevant legislative and procedural changes since the preparation of the ESSA in 2018.
 - Identified the systems, procedures and capacities of the AF MMDAs in managing the environmental and social risks and impacts.
 - Recommended measures to further strengthen the environmental and social system

1.6 Program Implementation & Institutional Arrangements

46. Institutional arrangements - The institutional arrangements for Program implementation will remain unchanged from the original design and will be mainstreamed into the existing structures, systems and processes of the GoG at the central, regional and local governments' levels. The MLGDRD will be the lead coordinating agency for the Program implementation. The MLGDRD will plan, budget and collaborate in the execution of the Program with other MDAs³ which provide supportive roles to MAs in their day-to-day work. In addition, the MLGDRD will continue to contract the services of technical firms to support RCCs in providing guidance, backstopping and quality assurance in design and implementation of the larger urban infrastructure projects to be implemented under the Program. The MLGDRD will continue to have in-house technical assistance through specialist consultants for the implementation of the Program that will include: (i) Procurement specialist; (ii) Financial management specialist; (iii) M&E specialist; (vi) Capacity

³ such as Land Use and Spatial Planning Authority (LUSPA), Land Valuation Division (LVD) and Environmental Protection Agency (EPA), etc.

building and institutional development specialist; (v) Civil engineer/contract management advisor; (vi) Environmental safeguards (including climate change and DRM) specialist; and (vii) Social safeguards specialist.

1.7 Excluded Activities

47. The proposed AF activities are within the scope of the Parent Program and excludes investments that have adverse environment and social impacts and risks as categorized under Schedule II of the Environmental Assessment Regulations, 1999 (LI 1652) - (the equivalent of category A under World Bank's Environmental Assessment (EA) policy). Like the Parent Program, the potential E&S risks and impacts that would be associated with the AF is linked to construction and rehabilitation and expansion of existing infrastructures within the existing right of way and/or premises of existing facilities. Works could fall under the following thematic areas: (i) Waste management (liquid and solid), (ii) Storm water drainage, (iii) Roads, non-motorized transport facilities, and streetlights, (iv) Urban economic infrastructure, and (v) Disaster management.
48. Like the parent Program, specifically, the following works will be ineligible for financing under the Program (these have been agreed with the GoG):
- Road works outside of existing rights-of-way.
 - Works involving physical relocation of more than 200 people.
 - Likely to adversely create or exacerbate conflict within communities.
 - Have significant adverse impacts on communities and sensitive receptors.
 - Large scale market construction falling under Schedule 2 of Ghana's EA Regulation that contribute to large volumes of solid wastes in the cities.
 - Large-scale flood control systems (such as dams or large dykes).
 - Sanitary landfills.
 - Activities that would significantly convert natural habitats or significantly alter potentially important biodiversity and/or cultural resource areas.

1.8 Methodology Employed for this ESSA Addendum

49. The preparation of the Addenda involved a series of interviews, field visits and consultation activities that targeted a wide range of stakeholders related to the AF interventions. It also benefitted from the mid-term review (MTR) carried out for the parent Program as well as a review of the E&S Audit report on the parent Program. Additional laws relevant to the AF were also identified and assessed.

1.9 Consultation and Stakeholder Engagement

50. The ESSA process includes extensive stakeholder consultations and disclosure of the ESSA Addendum Report, in accordance with the World Bank Policy and Directive for Program-for-Results financing and Access to Information Policy. At present, the ESSA Addendum consultation process is embedded in the Program consultation process. The preparation of the ESSA Addendum involved a series of interviews, field visits and consultation activities that targeted a wide range of stakeholders (PIU, government officials, community associations, civil society) conducted during the MTR. In addition to the consultations conducted during the MTR. Feedback from stakeholders has been instrumental in designing and revising the Program Action Plan, and indicators.

51. Consultations were held with the government and other key stakeholders during the preparation of the AF. A MTR (February 28 – March 09, 2022) was conducted for the GSCSP which included field visits by the World Bank team from March 1-2, 2022, to selected MAs in the Central Region (Mfantseman and Agona West Municipal Assemblies) and Eastern Region (New Juaben South and Lower Manya Krobo Municipal Assemblies). Key stakeholder during the MTR (GSCSP) and GSCSP AF included Government agencies, NGOs, CSOs, high level officials of the beneficiary MAs and RCCs, the Minister and senior officials of the MLGDRD, and senior officials of OHLGS). A MTR workshop was held on March 3-4, 2022, at Capital View Hotel in Koforidua Ghana to present the Environmental and Social Safeguards Compliance Audit for the original Program. In addition, the details of the PforR Program and ESSA process were presented to the participants after which some questions were raised, and issues addressed by the World Bank. The outcomes of the consultations are embedded in this AF Program and influenced its design. Those consulted during the MTR, field visits and preparatory activities for the AF included:

- Ministry of Finance (MoF)
- Ministry of Local Government, Decentralisation and Rural Development (MLGDRD)
- Office of the Head of Local Government Services (OHLGS)
- Regional Coordinating Councils (RCCs)
- GSCSP PIU
- Mfantseman Municipal Assembly
- Agona West Municipal Assembly
- Lower Manya Krobo Municipal Assembly
- New Juaben South Municipal Assembly

52. The draft ESSA will be shared with relevant stakeholders for review and validated at a Stakeholder Workshop to be held virtually on April ##, 2022. The draft ESSA will be disclosed in-country and through the World Bank’s website prior to appraisal. Summaries of the key questions/discussion points and responses from the stakeholders are presented in Table 9 respectively. The outcomes of the consultations have been incorporated into the ESSA Addendum and the revised proposed Program Action Plan.

Table 10: Concerns/Observation and the response given to the Stakeholders (To be filled following stakeholder validation workshop) **(To be Completed)**

No	Stakeholders Views/Concerns	How the Program addresses concerns

SECTION II: PROGRESS IN THE IMPLEMENTATION OF THE ENVIRONMENT AND SOCIAL PROCEDURES IN THE PARENT PROGRAM

2.1 Overall Implementation Progress of the Parent Program

53. The implementation progress of the parent operation is satisfactory and the PforR has achieved tangible results. ‘Progress towards the achievement of the PDO’ and ‘Overall Implementation Progress’ have been rated Satisfactory (S) for more than 12 months. Almost all project ratings are currently Satisfactory (S), except for fiduciary systems with moderately satisfactory. The Program Action Plan (PAP) has seen satisfactory progress to date; four have been completed as planned, 10 actions are currently in progress. As of December 2021, US\$72 million have been disbursed (72 percent). So far, all disbursement linked results (DLRs) have been met, except for DLI 6 and 8, which were partially met. A Mid-term review for the parent Program was conducted during the period February 28 – March 09, 2022 to assess the progress and identify the areas to be further enhanced by the AF. The MTR conclusion was that the Program implementation was on track, the assumptions are still relevant, the objectives are achievable, however there is need to address the funding gap, which is the subject of this AF.
- (a) Firstly, the Program has supported the strengthening of the national performance-based grant system (also known as District Assemblies Performance Assessment Tool (DPAT)), working together with the Government of Ghana and other development partners, and pushing the bar higher from compliance and process checking to monitoring of the performance of service delivery and local government systems. The recently updated DPAT indicators will be used to assess all the 261 MMDAs’ institutional performance and service delivery.

- (b) Secondly, As captured in the second PDO, institutional strengthening and capacity building has gained momentum and exceeded its target scores in first and second APA in all 25 MAs. The Program participating cities now think more strategically on urban management and service delivery. Compared to the Local Government Capacity Support Project (LGCSP, 2012-2018), the scale of infrastructure projects under the GSCSP has become much larger from US\$ 82,567 per sub-project to US\$ 579,970 per sub-project, which can be translated into more transformative development impacts to the communities and citizens. The secondary cities, in addition, develop 3-year rolling Urban Development Action Plans (UDAPs) to strategize capital investments that are more resilient and more conducive to business. The Program puts in place the process of screening resilience checklist for infrastructure investments, and the cities use capacity support grants to understand and better perform on enhancing resilience and competitiveness (e.g. preparing disaster risk maps and local economic development plans, establishing solid waste management database, and monitoring systems, and updating revenue database and modernizing the billing systems).
- (c) In terms of infrastructure investments, as of February 2021, 17 km of urban roads, 5km of pedestrian pathways, 8.94 km of storm drains, and 7 economic infrastructures were completed in 25 secondary cities. Although the progress of infrastructure delivery was delayed due to the COVID-19 pandemic, the design of the infrastructure was able to accommodate the mitigation measures on the spreading of COVID-19 (or other diseases) and the investment selection was re-prioritized by the city governments to boost the economic recovery.
54. Slow absorption and progress on infrastructure sub-projects at Municipal Assemblies are of concern, and measures to address the issue have been factored in the AF Program. There have been challenges in procurement and contract management in Urban Development Grant (UDG) sub-projects, partly due to the COVID-19 pandemic: (i) the price escalation from the market against fixed price, has affected the procurement of construction materials, (ii) trained staff transfers from the Program MAs to non-Program participating MAs impacted negatively on the delivery of sub-projects, and (iii) high burden due to supervision consultants covering a large span of MAs and sub-projects. While there have been few infrastructures delivered/completed due to the aforementioned challenges, a gradual progress has been made with 85 percent of commitment on UDG sub-projects at 25 MAs in terms of procurement and contract execution⁴. In the AF Program, it was agreed that the price adjustment should be introduced in the bidding and contract documents so that the effect of the market can be accommodated in the contract delivery. Staff transfer is the mandate of the OHLGS, and it was proposed that transfers should be within the same cohort of MAs that are implementing the Program to ensure the retention of institutional memory for Program implementation. Lastly, more supervision consultants will be hired, in addition to the assessment of performance of the existing supervision consultants to reduce the scope of supervision and improve on contract management for timely delivery of the contracts
55. Covid-19 has had an adverse impact on Program implementation. Capacity building activities, which required large group meetings and workshops were avoided, in line with the COVID-19 protocols. Safeguards assessments and field monitoring of implementation of safeguards mitigation measures for subprojects funded under the Program were also adversely affected. Physical implementation support mission (ISM) by the Bank team could not be conducted. The Bank has had to use technology, such as 360 cameras as well as the WebEx conference to hold meetings with the Program team. The Bank team was therefore able to conduct virtual ISM and update the ISRs

⁴ As of February, 2022. The UDG disbursement rate is 53.5 percent.

as per corporate requirements. However, during the lock down, Ghana experienced high increase in the prices of commodities. This resulted in considerable delays by some contractors to complete their works under the Program due to the escalation of prices. The cost of materials such as cement and iron bars, increased by more than 50 percent in some regions of the country. The client, with the guidance from the Bank team, has developed a Covid-19 reporting template and shared with the Program MAs to allow them to track the impact of Covid-19 on the Program activities in their localities. During the Program Mid Term Review (MTR), it was recommended that the MLGDRD should review the impact of Covid-19 and take measures, such as contract price adjustments on a case-by-case basis, to avoid sub-projects implementations stalling.

2.2 Progress in Implementing the Environmental and Social Assessment System

56. An Independent Audit of the performance of Parent Project revealed that MAs had functioning environmental and social assessment system in place including (a) early E&S screening of potential effects; (b) consideration of strategic, technical, and site alternatives (including the “no action” alternative); (c) explicit assessment of potential induced, cumulative, adverse impacts; (d) identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized; (e) clear articulation of institutional responsibilities and resources to support implementation of plans; and (f) responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and responsive grievance redress measures. The audit findings showed there were four-member Safeguards team in place at all beneficiary MAs, comprising of a Development Planning Officer, a Physical Planner, Works Engineer and the Social Welfare and Community Development Officer. The Municipal Planning Officer who serves as the Safeguards Focal Person was responsible for overseeing the environmental aspects under the project. The EPA has indicated there was compliance to permit conditions, however, lack of logistics hinders regular monitoring of activities at the site.
57. Under the parent program, Ghana’s environmental laws (predominantly the Environmental Protection Agency Act, 1994 (Act 490)) and regulations (the Environmental Assessment Regulations, 1999 (LI 1652)) are followed to assess and manage environmental and social risks. These legislations provide clear regulations, procedures, and clear assignment of responsibilities to assure proper management of environmental impacts of the program.
58. With respect to social impacts (especially resettlement), due to the lack of clarity on the regulatory and institutional framework and the non-recognition of PAPs that do not own titles to lands in terms of compensation and entitlements at the time the parent program was initiated, guidance has been provided by the Bank’s policy on involuntary resettlement (OP 4.12). In 2020 Ghana promulgated a new Land Act (Act 1036) which consolidated all legislation on land and clarifies some of the ambiguities that existed with respect to land acquisition, resettlement and payment of compensation. This new Act is largely consistent with OP4.12 but still does not recognize PAPs that do not own titles to lands for compensation and entitlements.
59. Due to inadequate internal capacities at MLGDRD and beneficiary MAs, environmental and social safeguards specialists and consultants have been hired to support E&S safeguards management under the program. The performance of the EA system under the parent program has been assessed, and together with insights from the MTR Report and environmental and social safeguards audit report, has been adjudged to be largely working as expected. However, some weaknesses were

observed with respect to oversight of the arrangements for screening of subprojects, preparation and implementation of ESMPs and ARAPs, and monitoring and reporting of mitigation measures which require further strengthening.

2.3 Observed Environmental and Social Risks and Impacts due to the original Program implementation

60. The potential E & S impacts and risks identified in the ESSA from the original Program range from localized air and water pollution, health and safety of workers and communities, erosion and sedimentation of waterways, minor land acquisition and temporary economic displacement of vendors, hawkers, drivers, etc. who need to move out from the construction sites during construction. Risks from labor influx and gender-based violence are expected to be low to moderate considering the Program's use of and preference for local labor over imported or outside labor.
61. An Environmental & Social Safeguards Compliance Audit of the performance of the original Program was conducted with an objective to provide the GOG, the World Bank and key stakeholders including frontline beneficiaries of project interventions with an independent assessment of the effectiveness of the environment and social safeguards system put in place to govern the implementation of GSCSP activities. The independent audit report highlighted the safeguards due diligence followed by the MAs in subproject implementation and challenges.

2.3.1 Environmental Risks and Impacts

62. **Noise and Dust:** Noise and dust prevention and mitigation measures captured in the site-specific E&S risk assessments and Contractor ESMPs in accordance with the borrower's E&S systems (Environmental Assessment Regulations of 1999 and LI 1652) have been applied on project work sites. However, based on the findings of the E&S independent audit, there is a need to enhance the prevention and control of sources of noise and dust emissions emanating from civil work activities. Examples of noise and dust pollution mitigation measures include (i) selecting equipment with lower sound power levels, (ii) installing suitable mufflers on engine exhausts and compressor components (iii) limiting the hours of operation for specific pieces of equipment or operations, especially mobile sources operating through community areas and (iv) use of water suppression for control of loose materials on paved or unpaved road surface.
63. **Air and water pollution:** Due to the relatively small to medium-sized subprojects, impacts from localized air and water pollution are expected to be limited and confined within the physical footprint of subprojects. Findings from the E&S audit indicates minimal emissions of air and water pollutants in project work sites.
64. **Natural Habitats:** The Program activities are located in urban areas and within existing ROW or premises. Based on the E&S audit findings, borrower's E&S systems (LI 1652) and screening exercise, there was no encroachment in, or degradation of natural habitats undertaken under the Program.
65. **Soil Erosion and sedimentation of waterways:** Due to the small to medium-sized subprojects, risks and impacts from erosion and sedimentation of waterways are minimal to moderate. Based on the E&S audit, 360 degree camera field assessments and field visits during the MTR, there is need for vegetative cover and buffer on both sides of storm drains constructed to absorb run offs due to civil work activities.
66. **Occupational Health and Safety (OHS) measures:** Occupational Health and Safety impacts due

to civil works are moderate. There is a need to improve the quality of OHS aspects during construction and operation of civil work activities at subproject sites. There are some lapses with the site safety and security protocols being implemented to safeguard workers and the public from dangers posed in some of the interventions. MAs need to ensure strict adherence with worker and public safety measures instituted for the program and through its routine monitoring and reporting of Program activities, safety and security arrangements at all sub-project sites are adequately included in detail. In addition, MAs need to improve adherence to OHS measures such as (i) proper cordoning of work sites (ii) adequate provision and proper usage of Personal Protective Equipment (PPEs) by all workers and (iii) provision of inclusive and safe crossing structures along storm drains under construction. To enhance the capacity of the contractors and in order to improve OHS measures at sub-project sites the following needs to be taken into consideration (i) proper monitoring by implementing agencies (ii) contractors should provide to the PIU/supervising engineer, regular (monthly) E&S progress reports and immediate reporting of serious E&S incidents including reporting against E&S KPIs and (iii) training to Contractors, Supervising Engineer and relevant MAs responsible for mitigation and monitoring of E&S risk management requirements.

67. **Waste Management (liquid and solid):** The E&S audit findings reveal that solid waste generated by activities at sub-project construction sites were properly managed. However, solid waste management including construction and demolition waste as well as waste from worker campsites should continually be addressed through the existing GoG waste management system that addresses issues linked to waste generation, transport, disposal, and monitoring by the contractor, supervision consultants and MAs.

2.3.2 Social Risks and Impacts

68. ***Risk related to land acquisition and resettlement.*** Majority of the subprojects under the parent Program were implemented within existing ROW and premises. However, there were a few cases where lands were acquired for the project and some individuals were physically displaced. The Program will ensure that MAs strengthen their due diligence protocols with respect to lands earmarked for sub-project interventions. All lands earmarked for sub-project interventions will be subjected to prior official search at the Lands Commission to ascertain the owners on record and clear such lands of any encumbrances before being proposed.
69. Typical impact associated with the parent Program were largely on temporary relocation of vendors, hawkers, drivers and individuals during the construction of public markets and commercial centers, which affect their incomes and livelihood, when they were not properly relocated albeit temporarily. The experience so far under the parent Program is that MAs largely prioritized subprojects that required no or minimal land acquisition. These had temporary impacts on livelihoods and accessibility during construction. Although temporary relocation of PAPs under the parent Program has been managed satisfactorily due mainly to the small number of PAPs impacted, there is potential risk of impacts escalating if subproject activities require permanent physical resettlement of PAPS. The new Land Act, 2020 (Act 1036) will be applied to any land acquisition and resettlement under the AF. To facilitate implementation of Act 1036, the Program will propose measures such as increased awareness and capacity building among designated safeguards staff under the MLGDRD and the participating MAs and the EPA and the LVD on the provisions of the Act to enhance their capacity to expeditiously handle resettlement issues. Developing protocols for collaboration and cooperation will also be supported by the Program.

70. ***Risks associated with voluntary land donations.*** Under the parent Program, beneficiary communities in their bid to attract more support for infrastructure development such as commercial markets, clinics and community centers have offered to donate land freely to the MAs. Although these donations may be done in good faith they are often not accompanied by evidence of proper due diligence, consultations and Memorandum of Understanding (MoU) amongst community members and the MAs. Land is an intergenerational property and tenure in Ghana is regulated under a pluralistic regime, which combines both statutory and customary practices. It is therefore important that such transfers are well documented to protect the investment of public funds. The Program will not preclude the acceptance and the subsequent use of funds on land donated by beneficiary communities. However, the Program will ensure that MAs complete all processes involved and cause such voluntary land donations to be recorded at the Lands Commission before any project funds are committed on the subject land. The Program will provide measures to ensure that safeguards officers at the MAs have the capacity to conduct appropriate assessments to ensure that such beneficiary communities have adequate land to support livelihoods of its members after any such donations.

71. ***Potential risks associated with labor influx and child labor.*** One of the major objectives of the Program is to create job opportunities for significant number of unskilled and semi-skilled laborers within the locality in urban areas. The experience from the parent Program indicates that labor influx is largely insignificant though in a very few cases there were a few contractors who brought in more workers from outside due to misbehavior of some locals such as going home early before dismissal time or not reporting back to work after lunch. However, due to the relatively small scale of subprojects and the location of subprojects in urban areas with a substantial pool of labor often available, it is not expected that the AF will induce an influx of workers from outside the impact communities. As much as possible, MAs would require contractors to use local labor to create employment and job opportunity to the locals. This is important to avert potential social tensions between host communities and contractors and also the potential for other increasingly prominent social risks that the Bank and clients have had to deal with such as Gender-Based Violence (GBV), under-age commercial sex resulting in HIV/AIDS and other sexually transmitted diseases. On the other hand, job opportunities may signal young children to skip school in the hope of employment thus encouraging child labor if not managed well.

2.4 Progress of Gaps Identified in Parent Program ESSA

72. Some gaps remain for improvement when it comes to the following areas: (a) improve quality and timely preparation of safeguard instruments.; (b) improve E&S capacity during Program implementation. MOU with EPA Training Institute need to be developed and training modules delivered to MLGDRD, EPA staff, MAs and their E&S consultants; (c) appropriate occupational health and safety of workers and community health and safety measures at subproject sites need to be in place; (d) adherence to EPA permit conditions, including preparation and submission of Annual Environmental Reports (AER) to EPA; (e) preparation and implementation of Contractor ESMPs; and (f) strengthening the E&S performance review of MAs to validate existence of a functional E&S system and assess compliance.

2.5 Progress made on Areas for System Strengthening: Institutional capacity strengthening

73. The appointment of E&S specialist at the MLGDRD to support environmental and social risk management on the Program has been very helpful. In addition, the appointment of E&S safeguards

focal persons at the MAs and the requirement for E&S professionals on the D&S consultants' and contractors' team were designed to boost E&S safeguards management capacity on the Program. A number of capacities strengthening initiatives have been implemented for E&S staff at all levels. These include workshops and training programs and the development of templates for use by E&S staff at the MAs. These capacity strengthening measures, especially workshops and training on enforcement of permit conditions and monitoring and reporting of E&S mitigation measures will be deepened under the AF. Between June to August 2019, trainings have been conducted for implementing agencies include (i) managing safeguards on GSCSP: the role of MA Safeguards teams (ii) compliance monitoring and enforcement of safeguards requirements (iii) documentation and reporting (iv) Grievance Redress Mechanism (v) compensation and valuation processes (vi) acquisition of public lands procedures (vii) social safeguards requirements and (viii) compliance monitoring of projects.

2.6 E&S performance at the Program level

74. **E&S Systems:** An Environmental and Social Systems Assessment (ESSA) for the parent Program has been prepared by the Bank team in 2018 according to the requirements of Bank's Policy for PforR financing. Overall, the implementation progress of the parent operation is rated Satisfactory.
75. **Organizational Set-up for managing the environmental and social issues:** The organizational set-up for managing the E&S issues have been completed based on the ESSA/PAP recommendation. This includes (i) Hiring of a Social Development Specialist at the Program Execution level in addition to the Environmental Specialist hired under the LGCS (1 month after Program effectiveness) (ii) Establishing the E&S Teams of MAs with clear terms of reference comprising of (i) Safeguards focal person; (ii) 2-3 team members preferably from the Works, Physical Planning, Health and Social Welfare Units of MAs (by 31-Dec-2018). These required specialists have been leading the environmental and social requirements of the Program as recommended in the ESSA. Since the effectiveness of the parent Program there has been dissemination/sensitization workshops/training activities to the Program counterparts that focused on activating the GoG environmental and social systems. As the Program implementation progressed, some trainings and workshops were delivered by the PIU E&S specialists to Program counterparts. This includes (i) managing safeguards on GSCSP: the role of MA Safeguards teams (ii) compliance monitoring and enforcement of safeguards requirements (iii) documentation and reporting (iv) Grievance Redress Mechanism (v) compensation and valuation processes (vi) procedures for acquisition of public lands and (vii) social safeguards requirements.
76. **Environmental and Social Safeguard Management:** The EPA Act, 1994 (Act 490) mandates the EPA to ensure compliance with laid down regulations governing project development in line with the Environmental Assessment (EA) Regulations, 1999 (LI 1652).
 - **Environmental and Social Screening:** All MAs were expected to screen the various subprojects under GSCSP by filling the Form EA 1 with the required information. After the screening under regulation 5, the EPA was expected to issue a screening report on the application and state in the screening report whether the application: (a) is approved; or (b) is objected to; or (c) requires submission of a preliminary environmental report; or (d) requires the submission of an environmental impact statement. During Program implementation, there were some weaknesses in the E&S screening process conducted by the

MA Safeguards team. The current process appears to underestimate the potential risks and impacts of the sub-project activities to determine the appropriate level of environmental assessment and the corresponding safeguard instruments preparation for the project implementation. Underestimating E&S risk can result in flawed management strategies, resulting in insufficient attention being devoted to mitigation and/or prevention. Some MAs were not fully aware of the EPA permit conditions and the need to ensure compliance. The Program will ensure that the MAs follow the requirement that all subprojects are adequately screened in conformance with LI 1652.

- To strengthen the capacity of MAs under the AF, a robust screening mechanism and management framework process using the GOG's guidelines should be developed. This screening mechanism will guide E&S management of proposed interventions throughout implementation.
- **Preparation of Environmental and Social Safeguards Instruments (ESIA/ESMP/RAP):** Based on the screening results, the preparation of E&S safeguard assessments such as Environmental and Social Management Plan (ESMPs) and Resettlement Action Plan (RAPs) were undertaken by independent consultants hired by the MAs/RCCs to address the potential environmental and social risks and impacts associated with project activities. Annex II presents data on E&S safeguards activities/instruments conducted under UDG1 And UDG2. The inclusion of the ESMPs in the bidding documents and the implementation of C-ESMPs by the contractors during construction activities requires strengthening. The provisions from the Safeguards instruments and an E&S requirement should be itemized (i.e., specific line items) in the bill of quantities for Contractors to price and implement.
- **Stakeholder and Community Consultations:** Consultations are done at various stages of the ESIA/ESMP/RAP preparation, and outcomes of the consultations influenced decisions related to the project design. Consultations, information disclosure and grievance redress should be strengthened under the Program to make the grievance redress more functional and operational. Training on grievance redress mechanisms, recording, monitoring and reporting should be one of the trainings to be delivered regularly to MAs.
- **Preparation and Review of E&S instruments:** Under the Program consultants are hired to prepare E&S instruments on behalf of the MAs. The review of E&S instruments are carried out by various implementing agencies. This includes the EPA, PIU Safeguards team, MA Safeguards team and Land Valuation Division (LVD) of Lands Commission (LC). ESIA's are submitted to and approved by the EPA prior to the commencement of civil works. RAPs are approved by the LVD, the statutory body responsible for valuation and assessment of compensation on government acquisitions and projects. The reviewed environmental and social assessment instruments capture different environmental and social risks and impacts, both during construction and operation, and include correspondent mitigation measures. The mitigation measures include minimizing impacts on ambient air quality (including odors) and noise, minimizing impacts on soil and groundwater, handling procedures for solid and hazardous waste, protection of physical cultural resources and handling of chance finds, minimizing traffic congestions, minimizing health and safety risks and minimizing visual impacts. To improve the quality and timely preparation of ESIA's/ESMPs and Resettlement Action Plans, MAs should expand their database of environment and social consultants and hire experienced consultants to prepare these E&S safeguard instruments to improve the quality of the Plans.
- **Disclosure of E&S Instruments:** Mode of safeguards instruments disclosure was done through public notices where reports were accessed at locations mainly; MLGDRD, RCC,

EPA regional office, PAPS representatives, WB and MA website. These would be continued under the AF.

- **Implementation of E&S Safeguard Instruments/Mitigation Measures:** As construction activities are ongoing on various sites with the inclusion of additional 10 MAs under this AF, there is a need to enhance the monitoring and implementation of the ESIA/ESMPs and C-ESMPs by the contractors to ensure full compliance with environmental, social, health and safety (ESHS) requirements. It is part of the D and S consulting firms' responsibility to monitor compliance by the contractors.
- **E&S Monitoring and Reporting** There were observed weaknesses in the monitoring and reporting of environmental and social mitigation measures under the program. During the MTR and field visits, there was no evidence of safeguards implementation records. None of the MAs visited provided Annual Environmental Reports submitted to the EPA for the various permits issued for the various subprojects. MAs are to ensure that the various contractors strictly implement the various safeguards measures stated in their environmental permit conditions to protect the environment and ensure the safety of construction workers and the general public. MAs are to conduct regular monitoring of project sites and document the various safeguard implementation measures. The MAs need to prepare an Annual Environmental Report for the respective ongoing subprojects and submit to EPA to ensure compliance with their environmental permit conditions. The GSCSP PIU must clarify the processes and responsibilities for monitoring and reporting of environmental and social mitigation measures at all program levels and ensure full compliance with these arrangements. A standalone environmental and social mitigation monitoring section is recommended as part of the monthly/quarterly Program reporting. In addition, to improve the capacity of E&S monitoring, the MLGDRD should provide logistics support to EPA to enhance E&S compliance monitoring of work sites and due diligence at all project-implementing levels since lack of logistics were also identified as hampering monitoring of safeguards activities by the EPA.
- **Status of Grievance Redress Management, Social Accountability and Gender.** The capacity of MAs have been built in the following areas: i) GRM Monitoring and evaluation procedures; ii) Training of Municipal Planning Officers, Engineers and D&S Clerk of Works on the Grievance recording, handling and referral; and iii) Training of selected Public Relations and Complaints Committee members on GRM. As at the midterm review, the scope, nature and status of complaints and grievances recorded on the parent Program is presented in the table below.

Table 11: Number, Types and Status of Grievances Recorded under parent Program

Category of Grievance	No. of Grievances Received				No. Resolved				No. Pending			
	Male	Female	Groups	Total	Male	Female	Group	Total	Male	Female	Group	Total
Construction Related	15	-	23	38	11	-	20	31	4	-	3	7
Resettlement / Relocation	1	-	5	6	1	-	5	6	-	-	-	-
Employment and Construction Workers Welfare	1	-	5	6	1	-	5	6	-	-	-	-

Sub-project Design	-	-	2	2	-	-	-	-	-	-	2	2
TOTAL	17	-	35	52**	13	-	30	43	4	-	5	9

Note – Groups include Associations (e.g., Market Women's Associations, Ghana Private Road Transport Union (GPRTU), Residents Associations, etc.)

77. **Challenges with safeguards management under the parent Program.** Some challenges identified with safeguards management during monitoring includes: i) Inadequate capacity of MA Safeguards Team in recruiting competent Consultants resulting in tick-the-box type of ARAPs reports submitted; ii) Slow response from LVD in the approval of Valuation Reports; iii) Irregular compliance Monitoring by EPA and PIU Safeguards team; iv) Absence of safeguards focal persons on D&S Consultants' and Contractors' teams; and v) Transfer of MA Staff supporting subproject implementation.

2.7 Key Findings of the E&S Independent Audit

78. Safeguards Screening, Registration and Permitting of Subprojects

- The 10 MAs visited had a functioning E&S assessment system in place and the four-member Safeguards team in place.
- In house screening was carried out using the updated forms for all sub-projects as specified in the POM and the LI 1652 and registered with EPA (form EA1). Most sub-projects under UDG1 are category B or C projects.
- Environmental permits were granted for UDG1 projects and approximately seven (7) out of ten (10) of MAs visited had already obtained permits for their UDG2 projects. Audit findings showed the turn-around time for the issuance of permits for both UDG1 and UDG2 projects were between 3 - 4 weeks on all the sites visited.
- There was partial compliance with permit conditions under UDG1 project.
- Safeguard meetings and trainings were conducted to help in adhering to the provisions of the POM and RPF.

79. Safeguards Instruments Prepared and Disclosure

- Findings indicates out of the ten (10) MAs visited, eight (8) had ARAPs prepared for project sites. Three (3) ARAPs were prepared under UDG1 and five (5) under UDG2. Three (3) have received clearance, three (3) is in progress, one (1) is completed, three (3) ARAPs implementation yet to commence and one (1) valuation report has been submitted to the LVD for approval.
- C-ESMPs were prepared and enforced, also there was Code of Conduct agreement for the sites visited.
- Mode of safeguards instruments disclosure was done through public notices where reports were accessed at locations mainly; MLGDRD, RCC, EPA regional office, PAPS representatives, WB and MA website

80. Consultations

- PAPS met in the Municipal Assemblies visited expressed good understanding of the sub-projects.

- General meetings and community sensitization formed an integral part of the realization of the subprojects.

81. Grievance Redress Mechanism

- MAs visited had a Grievance Redress Mechanism (GRM) in place, managed by the Client Service Unit (CSU).
- Community representatives and PAPs met were well aware of the grievance redress mechanism and know of the hierarchy and avenues to lodge a grievance.
- Complaints received by the CSU were recorded in the register and resolved within 3 – 7 days. Feedback is then given to the complainant.
- The MAs received completed grievance forms from the D&S Consultants and then handed it to the Ministry.

82. Prior payment of compensation

- Mfantseman MA has outstanding compensation issues due to challenges with the determination of the rightful ownership of the land. Construction proceeded, without prior compensation, while this is a clear non-compliance, the parties involved gave consent whilst waiting for resolution.
- Under such circumstances, audit recommend that MAs/MLGDRD should establish a brief written procedure establishing the management of compensation deposits into escrow accounts on the subject property. Once the litigating entities resolve the matter, the rightful beneficiary(ies) can access the funds.

1. Livelihood Restoration

- For the market subprojects, preference has been given to market solution rather than cash compensation which is in line with OP 4.12. A livelihood restoration package to allocate a number of stalls to the family for land acquired by the Hohoe MA for the Hohoe Central market subproject was agreed, for instance.
- Temporary allocation of stores at Wa Market to enable PAPs to continue with their business activities. PAPs will get permanent allocation of sheds at the Wa New Market. Additionally, relocation support was given to PAPs by assisting in the repositioning of their movable structures and fitting the structures at the new site.

83. Assistance to vulnerable people

- There is no vulnerability analysis included in ARAPs prepared. Some of the ARAPS reviewed did identify vulnerable people and made provisions for their assistance.
- Gender needs was incorporated into designing of toilet facilities, there are dedicated cubicles for male, female and physically challenged.

84. Safeguards Compliance Monitoring and Enforcement

- E&S safeguards guidance and monitoring templates were developed and used during monitoring of subproject. However, E&S monitoring has been infrequent both at the level of EPA and the MLGDRD.

85. Safeguards Capacity Building

- Safeguards team was formed to oversee the proper adherence and implementation of the safeguard procedures as specified in the POM and the program RPF.

- The MAs have significantly benefited from the safeguard trainings organized by MLGDRD.
- Most MAs do not have the capacity to effectively evaluate technical and financial proposals in the selection process for E&S Consultants in the safeguard's services required.

86. Community Occupational Health and Safety

- There were no record of any form of accidents or incident relating to life – threatening in all the 10 MAs visited. However, some of the project sites had concerns about other health and safety issues such as the wearing of Personal Protection Equipment (PPEs).
- Some of the sites visited do not have designated health and safety officer to ensure the implementation of the health and Safety Plan on site. This is not a good practice as contractors are to nominate and train one employee per lot as safety officer.
- Auditee observed solid waste generated by activities at the construction site was managed. No heap of refuse was found at any of the sites visited.
- Auditee observed measures were in place to protect public health and safety. Contractors provide physical barriers such as fencing and appropriate signage to warn people.

87. Findings from PAPs

- During the audit process, about 40 PAPs were interacted with across the 10 subproject sites visited.
- All PAPs indicate citizen engagements were held prior to the commencement of the subprojects with active participation of women and vulnerable groups.
- PAPs indicate awareness of the grievance redress mechanism and know of the GRM hierarchy and avenues to lodge a grievance. Confirming resolution time is between 3-7 days.
- PAPs rated the project positive while respondents from Mankessim lauded the MLGDRD and the MA for the modern bus terminal stating the benefits of the project to nearby communities and livelihood improvement.
- Respondents from Sagnarigu MA were appreciative of the road project and indicated the trees planted along the road has been adopted by nearby homes for care and management.

88. Findings from Land Valuation Division

- WB OP 4.12 was used as the priority on the GSCSP projects even though the LVD found it cumbersome at times.
- The key valuation principle based on the full replacement method was employed in the assessment of affected properties.
- Valuations carried out at the regional level will have to be sent to the national level for validation and in the view of the auditors this also accounts for the delays.
- There is the need to organize training and workshops on OP 04.12 for the LVD staff and other relevant institutions.
- Technical Valuation Committee at the National LVD indicate the involvement of the Regional LVD in the early stage of the valuation process as vital. This makes it easier to verify the data from the consultants

89. Findings from EPA

- Findings showed that no enforcement action has been instigated in any of the sites visited, though there was partial compliance to some conditions.
- EPA have representation on the MAs sub-technical committees' meetings where inputs were provided into the identification and assessment of E&S risks of the project.

- Training, workshops and sensitization programmes were provided to the MAs.
- Monitoring of activities at project site was done at least twice in a quarter to assess the level of compliance to permit conditions and progress of work.
- EPA expressed challenges in their monitoring activities due to the lack of logistics

90. Findings from RCC

- Findings showed the RCC provides administrative back-stopping role to the MAs in terms of helping in the screening, reviewing quarterly and annual reports and determining the training needs of the MAs.
- Auditors observed a strong working synergy between the EPA and the Bono and Bolgatanga RCC on monitoring of subprojects
- Findings also indicated that the RCCs rated E&S safeguards highly because in their view it has helped avoid conflicts with the community.
- RCC together with MAs, D&S, Contractors have been involved in monitoring of subproject.

91. Findings from MLGDRD

- Audit findings showed adequate control in providing technical support, guidance, reviewing safeguards instrument, reports and monitoring to ensure adherence to the E&S safeguards mandates of the GSCSP.
- The strong collaborative relationship with key stakeholders helps in the institutional arrangement put in place to realize successful outcomes on the GSCSP program.
- The auditors observed that to ensure quality in the safeguard instruments being prepared, it will be appropriate if the E&S safeguards team at the MLGDRD would be involved in the monitoring of the process for the engagement of the consultant.
- Findings showed the Action Plan in the ESSA which was integrated into the Program Action Plan to manage potential impacts and risks, and to strengthen the country system for ESHS, has not been fully achieved by the respective institutions.

92. Findings from Contractors and D&S

- Soman Consult have ESHS policy in place to ensure risk identification, provision of preventive and protective measures, training of project workers and data management on incident reporting.
- Clerk of works (CoW) assigned to each MA to supervise subprojects on site. Safety officers and structural engineer doubled as the E&S personnel.
- Besides the monitoring forms provided by the MLGDRD to be used during project monitoring, Soman Consult also used accident and incident forms to monitor OHS issues on site.
- Permanent workers were offered appointment letters while casual staff signed an agreement form.
- Gender Based Violence (GBV) and Sexual Exploitation and Abuse (SEA), risks mitigation plan was developed and implemented. Site workers were educated on both GBV, SEA and Sexually Transmitted Infections (STIs).
- It was indicated that when a contractor goes contrary to what is stated in the condition of contract, it is considered as a fundamental breach and a warning letter is issued. Thus, D & S consultant will recommend for termination after second warning.
- Cost element for implementing the mitigation measures captured in the bidding documents comes in a form of a lump sum figure under generalized items in the bidding document. This makes enforcement difficult.

- Grievances were recorded and resolved within 3-7 days using the templates provided by the Ministry. The completed form is then sent to the MA then the MLGDRD.

93. Implementation Arrangements - Lessons Learnt

Knowledge of Basic construction process

- The Municipal Planning Officer who served as the Safeguards Focal Person was responsible for overseeing the environmental aspects under the project.
- Works Engineer in the safeguards team at the assembly is helping with monitoring compliance with safeguards issues.

Capacity Building

- Workshops, and training provisions on safeguards at the MAs is enhancing knowledge/interest and the essence of implementing safeguards on sub-projects by the MLGDRD E&S Specialist.
- Training needs on monitoring of subprojects and Community, Occupational, Health and Safety will help strengthen the capacity of the team.

Safeguards procedures

- Implementation of the GSCSP safeguards procedures has helped in avoiding conflicts/litigations and a more trusting relationship has been established with the community.

Monitoring and Enforcement

- The involvement of all institutions in the monitoring of subprojects is essential as issues identified are resolved in time.
- Auditee were able to review the monitoring report prepared by Suame Municipal Assembly. This was not evident in some of the MAs visited.
- Site engineers doubling as safety officer is not a good practice, contractors should ensure they nominate and train one employee per lot as safety officer.

Implementation Arrangements - Challenges

- The field audits showed that individual D&S consultants are handling too many of the sub-projects which tends to affect the monitoring of ESHS issues.
- Employee turnover and transfer of staff at the MAs is likely to hinder the application of knowledge and skills in safeguards requirements on subprojects.
- Lack of logistics (office equipment, dedicated vehicle) was also identified as hampering monitoring of safeguards activities by the EPA on subproject sites.

SECTION III: DESCRIPTION OF ANTICIPATED ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS ASSOCIATED WITH THE PROGRAM

3.1 Introduction and Overview of the Program's Benefits, Risks & Impacts

94. Considering the scope of the intervention under this AF remains same as the Parent Program, the E&S risks and impacts identified in the Parent ESSA are adequate for this Additional Financing.

3.2 Environmental and Social Benefits

95. The overall E&S impacts are expected to be positive. The Program will support participating Municipal Assemblies (MAs) to build resilient infrastructure that is planned, designed, built, and operated in a way that anticipates, prepares for, and adapts to changing climate conditions. Program activities will also provide direct and indirect employment in the supply chain by contractors which will have a positive social impact on those employed, their families and their local communities from wages and other benefits.
96. The Ministry of Local Government, Decentralisation and Rural Development remains the implementing agency for this AF and under the parent Program has experience implementing World Bank PforR programs with satisfactory results so far. The MLGDRD has a Project Implementation Unit (PIU) with the required staff including an Environmental Specialist and Social Development Specialist with the responsibilities to lead environmental and social risk management, reporting and stakeholder consultations.

3.3 Potential Environmental and Social Risks and Impacts

97. The Environment risk rating for the AF remains **Moderate**. Environmental risks are assessed as moderate, due to the relatively robust country systems and the types of sub-projects that are likely to be implemented by MAs participating in the AF.
98. Although there exists good regulatory and institutional frameworks and systems in place which can manage environmental risks from sub-projects activities supported by the Program, the experience from the parent Program suggests that there is still the need to further enhance staffing and resourcing, oversight of screening, monitoring and reporting of mitigation measures, sectoral guidelines, trainings and capacity building.
99. Social Risk Rating remains **Substantial**. Social risks are assessed to be substantial mainly because of (i) even though the Land Act, 2020 (Act 1036) has brought some clarity on the regulatory and institutional frameworks on involuntary resettlement, and addresses some previous areas of ambiguity, there is not enough practical application of the law and there is yet to be published regulations to bring the Act into full effect; (ii) lack of recognition of project affected persons who have no recognizable legal right or claim to the land or assets they occupy or use; (iii) inadequate

capacity and support to manage social safeguards within the MLGDRD and MAs; and (iv) limited role of EPA on social aspect.

100. The envisaged potential risks will be site-specific without likelihood of impacts beyond the project's footprint provided that adequate measures are taken during the design, implementation, and operation phases of sub-operations. The overall E & S risk of the program is therefore **Substantial**.
101. The risk ratings take into consideration the national regulatory and institutional frameworks and systems and the capacity of the Ministry of Local Government and Rural Development (MLGDRD) to manage the E&S risks and impacts that would be associated with the activities under the AF.
102. Like the Parent Program, the potential risks and impacts that would be associated with the AF is linked to construction and rehabilitation and expansion of existing infrastructures under **DLI 4**. Works could fall under the following thematic areas: (i) Waste management (liquid and solid), (ii) Storm water drainage, (iii) Roads, non-motorized transport facilities, and streetlights, (iv) Urban economic infrastructure, and (v) Disaster management. Potential environmental and social risks and impacts from these investments under **DLI 4** normally take place during construction and could range from localized air and water pollution, health and safety of workers and communities, erosion and sedimentation of waterways, minor land acquisition and temporary economic disturbance. Risks from labor influx and gender-based violence are expected to be low to moderate considering the Program's use of and preference for local labor over imported or outside labor. The envisaged potential risks will be site-specific without likelihood of impacts beyond the project's footprint provided that adequate measures are taken during the design, implementation, and operation phases of sub-operations.

SECTION IV: KEY CHANGES IN THE ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

103. The ESSA of the parent Program assessed Ghana's national environmental and social system in terms of policies, legislation and standards in addition to the roles of different stakeholders, institutional capacity of different parties for effectively implementing those laws and regulations.
104. The scope of the AF in terms of activities associated with it remains the same as with the Parent Program and the policies, Acts, regulations assessed under the Parent Program's ESSA are applicable to the AF.

4.1 Environment

105. Under the parent program, Ghana's environmental laws (predominantly the Environmental Protection Agency Act, 1994 (Act 490)) and regulations (the Environmental Assessment Regulations, 1999 (LI 1652)) are followed to assess and manage environmental and social risks. These legislations provide clear regulations, procedures, and clear assignment of responsibilities to assure proper management of environmental impacts of the program.
106. The ESSA of the Parent Program also assessed the main institutions charged with the responsibilities of environmental and social management relevant to the Program at the national, regional and program levels. The ESSA concluded that the local legislations, policies, and guidelines sufficiently address the environmental and social issues associated with the program. The assessment also concluded that there are clear regulations, good procedures, sectoral guidelines and systems in place to (i) screen subprojects for potential environmental and social impacts; (ii) determine the level of environmental and social analysis and specific plan to be prepared based on the outcomes of the screening; (iii) review the results of the assessment and plan and clear environmental permitting process; (iv) monitoring and follow-up; and, (v) penalty and sanctions for violations and infractions to the system.
107. There were some gaps identified in the Parent ESSA which related to complying with those standards and integrating them in the procedures of the assigned bodies. The ESSA identified certain measures for bridging those gaps which included (i) establishing and strengthening the Environmental and Social Management System at the MMA level and at the MLGDRD PPBME Divisional level; (ii) Improving screening and updating EA Sectoral Guidelines; (III) adopting and updating a Resettlement Policy Framework; (iv) Strengthening consultation, stakeholders' collaboration and grievance redress.

4.2 Social

108. With respect to social impacts (especially resettlement), due to the lack of clarity on the regulatory and institutional framework and the non-recognition of PAPs that do not own titles to

lands in terms of compensation and entitlements at the time the parent program was initiated, guidance has been provided by the Bank's policy on involuntary resettlement (OP 4.12).

109. As illustrated in detail in the Environmental and Social Systems Assessment (ESSA) which was prepared for the Parent Program, the country system in Ghana entails several legislations and procedures related to land acquisition. Since the Parent Program became effective there have been two new Acts (one pertaining to land issues and another on right to information) which are relevant to the AF.
110. Ghana's legal framework does not recognize the rights to compensation for persons and entities who do not have a legal title to the land they occupy (including squatters and encroachers who may lose assets and/or their livelihoods). Compensation is overly focused on cash payments for replacement of land and assets, not restoration of livelihoods. The legal framework does not explicitly state that livelihoods should be restored to previous levels or better.

4.3 Changes to the Social Assessment System (*New Legislations*)

111. In 2020 Ghana promulgated a new Land Act (Act 1036) which consolidated all legislation on land and clarifies some of the ambiguities that existed with respect to land acquisition, resettlement, and payment of compensation. This new Act is largely consistent with OP4.12 but still does not recognize PAPs that do not own titles to lands for compensation and entitlements.
112. The new Land Act, 2020 (Act 1036) seeks to revise and consolidate the laws on land, with the view to harmonizing those laws to ensure sustainable land administration and management and effective land tenure. The Act repeals the State Lands Act (Act 125) of 1962, and other laws including Land Registry Act (Act 122) of 1962, Administration of Lands Act (Act 123) of 1962 but not limited to these laws. The Lands Act (Act 1036) vests in the State the authority to compulsorily acquire land for public purposes via an Executive Instrument (EI) as indicated under Section 233 of Chapter Seven of the Lands Act. It stipulates that the State shall ensure the prompt payment of fair and adequate compensation for the acquisition. It also declares that the Lands Commission shall act on behalf of the State with regard to the compulsory acquisition of land under the Act. To comply with the dictates of the Constitution on payment of prompt, fair and adequate compensation, the Act requires that funds are made available for payment of compensation before acquisition process commences (Section 238). Section 244 provides that consultations are held with owners, occupiers, traditional authorities, and community leaders of lands to be affected by the acquisition. It further requires the publishing of the report of the consultation. The Act also makes provision for the payment of interest on delayed compensation. The Act also acknowledges the various land interest holders in the payment of compensation.
113. The new Land Act, 2020 (Act 1036) is largely consistent with World Bank's Program for Results planning principle #4. However, the Act does not recognize the rights to compensation for persons and entities who do not have a legal title to the land they occupy (including squatters and encroachers who may lose assets and/or their livelihoods) and does not specifically address the restoration of livelihoods.
114. The Right to Information Act, 2019, (Act 989) provides for the implementation of the constitutional right to information held by a public institution, subject to the exemptions that are necessary and consistent with the protection of the public interest in a democratic society, to foster a culture of transparency and accountability in public affairs and to provide for related matters. The

Act established the Right to Information Commission with the object to promote, monitor, protect and enforce the Right to Information granted to persons under Article 21 of the Constitution. Since becoming law, the Government through the Ministry of Information began a road map for the implementation of the Act by recruiting and training information officers to assist Public Institutions perform their functions under the Right to Information Act. As required under the law most Public Institutions have set up information offices or have an information officer designated to receive and respond to applications for information under the Right to Information Act.

SECTION V: CONCLUSIONS AND RECOMMENDATIONS

5.1 Environmental and Social Action Plan

115. The implementation of environmental and social measures recommended in the ESSA of the parent Program are progressing well as captured in annex 3. The Program Action Plan (PAP) has taken into consideration the recommendations of the parent Program MTR and the environmental and social audit findings. Lessons learnt during the first half of the Program implementation was used to inform the PAP.

116. To manage potential risks and impacts, and to strengthen the country system for environmental, social, health & safety management, the addendum to the ESSA recommends the following measures/actions. The Program will integrate these recommendations into the Program Action Plan to improve E&S management for the AF:

- **Strengthening ESHS capacity of MAs.** This should include improving procurement procedures to manage relevant E&S risks, community, occupational health and safety and monitoring procedures and reporting. The Ministry of Local Government, Decentralization and Rural Development (MLGDRD) should consider signing an MOU with EPA Training Institute to develop training modules to be delivered to MLGDRD staff, EPA staff, MAs staff and their E&S consultants.
- **Improving E&S Monitoring.** The MLGDRD should provide logistics support to its E&S specialists at the PIU and EPA to enhance E&S compliance monitoring of work sites and due diligence at all project-implementing levels since lack of logistics were also identified as hampering monitoring of safeguards activities by the EPA and the PIU.
- **Improving E&S Requirements in Procurements:** Provisions captured in E&S assessments and plans, and any E&S project specific requirements should be itemized (i.e., specific line items) in the bill of quantities for Contractors to price for. This will make it easier for E&S safeguard teams at MAs and the Design and Supervising consultants to monitor and enforce by making them part of the process for signing off on all payments to contractors, even if the payment is not for work that is explicitly related to E&S mitigation and performance.
- **Strengthening consultation, stakeholders' collaboration and grievance redress mechanism.** Consultations, information disclosure and grievance redress should be strengthened under the Program to make the grievance redress more functional and operational. The Program should ensure that the full compliments of grievance redress structures (especially site-specific structures) are in place at all project sites. Training on grievance redress mechanisms, recording, monitoring and reporting should be one of the trainings to be delivered regularly to MAs.
- **Improving quality and timely preparation of Resettlement Action Plans:** MAs should expand their database of social consultants and hire experienced consultants to prepare the Resettlement Action Plans to improve the quality of the Plans.
- The MLGDRD should enhance MAs capacity on the requirements for compulsory acquisition provided for in the new Land Act. This will ensure that the MAs have adequate understanding of the requirements of the Land Act and roles and responsibilities of various institutions on

government compulsory land acquisition. Proper due diligence should be exercised on any lands earmarked for sub-project interventions beginning with an official search at Lands Commission and proper recordation of any land transactions at the Lands Commission.

- **Strengthen the existing procedures for resettlement to include restoration of livelihoods of project affected people.** This could be done by coordinating with other schemes of the government at all levels, which focuses on income restoration.
- **Strengthening requirements to address impacts on vulnerable people and Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH).** Improve capacity of MAs in the identification of vulnerable groups and to consider their concerns in the design and implementation of activities under the Program. Special measures should be taken to promote confidential reporting of SEA/SH related complaints and equitable access to Program benefits.

117. Table 9 presents the existing status of the E&S PAP of the original Program. New actions to be included in the PAP with indicative timeline, responsibility for implementation and indicators for measuring the completion of such actions are detailed in the Table 10 below.

Table 12: GSCSP- Existing E&S Program Action Plan (PAP) and Update

	Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Status	Action
1	Hiring of a Social Development Specialist at the Program Execution level in addition to the current Environmental Specialist under the LGCSP.	Other		MLGRD	Due Date	31-Jan-2019	IVA contract.	Completed	No Change
2	Establishing the E&S Team of MA with clear terms of reference comprising of (i) Safeguards Focal person; (ii) 2-3 team members preferably from the Engineering, Health and Social Welfare Units of MMAs	ESSA		MMA, OHLGS	Due Date	31-Dec-2018	Field verification.	Completed	No Change
3	Annual E & S performance review of MAs to validate existence of a functional E & S system and assess compliance.	ESSA		MLGRD, EPA, Independent consultants	Recurrent	Continuous	ToR for the performance review and annual performance review report.	In progress	No Change
4	Strengthen consultations, information disclosure and grievance redress by developing guidelines on consultations and stakeholder engagement with support from the World Bank.	Other		MLGRD, MAs	Due Date	31-Dec-2018	Guidelines on consultations and stakeholders engagement.	Completed	No Change
5	Coordination and implementation of gender related activities between	Other		MLGRD, RCC, MAs	Recurrent	Continuous	Gender mainstreaming Report		No Change

	Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Status	Action
	the MGCSP, MLGRD, RCCs and the MAs								
6	Generate and maintain up-to-date records of grievances received, treated, referred to other agencies. Prepare annual grievance redress report, showing grievances received, proportion handled and cases referred to CHRAJ and other agencies.	ESSA		CHRAJ, MLGRD, MAs	Recurrent	Continuous	Annual grievance redress report	In progress	No Change
7	Develop grievance redress manual/guideline	Other		MLGRD	Due Date	31-Dec-2019	Grievance redress manual/guideline	Completed	No Change
	Develop a robust E&S screening mechanism and management framework process using the GOG's guidelines, and ensure publication of key E&S documents on Ministry and MA websites	ESSA		MLGDRD, EPA, MAs	Due Date	31-Aug-2022	Screening mechanism manual prepared and submitted to the Bank prior to effectiveness.	Not yet due	New
	Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) response committee at the MA level to proactively create a safe place for all gender-based violence related issues.	ESSA		MLGDRD	Due Date	31-Aug-2022	First Minutes of Committee Meeting including the Committee composition satisfactory to the Bank	Not yet due	New
	MOU with EPA Training Institute to develop and deliver training modules to MLGRD, EPA staff, RCCs, MMAs and their E & S consultants: (i)	ESSA		MLGDRD, EPA	Other	Continuous	Training modules developed and trainings delivered to the associated entities recorded in	Not yet due	New

	Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Status	Action
	Procurement procedures to manage relevant E&S risks; (ii) ESHS monitoring procedures and reporting						annual progress report		

ANNEX I: List of Participants during the MTR and ESSA Workshop

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27.	Joseph A. Durban	Municipal Coordinating Director (MCD)	
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29.	Ato Rockson	MMA – Project Coordinator	
30.	Douglas Amankwah	MMA	
31.	Emmanuel J. Duwuona	LVD Lands Commission	
32.	Abena Serwaa Opare	Dept. of Soc. Welfare & Community Dev.	
33.	Michael Ebo Allotey	MMA - MFO	
34.	Paapa David A. Yawson	Head, I.A.U.	
35.	Eva M. Affel	ADIIB	
36.	Bintu Ensah Lolumpo	Accounts	
37.	Benjamin Mensah	Accounts	
38.	Ebenezer Mensah	MDA	
39.	Alhassan Atta-Quayson	Safeguards Consultant	
40.	Nusrat Osei-Bonsu	Statistics Statistics Department	
41.	Charlotte Adjei	Client Service Unit	
42.	Genevieve Akoto	Budget	
43.	Ernestina Sackey	Urban Roads Engineer	
44.	Daniel Tetteh	ADI	
45.	Adjetey Raymond Adjei	SHRM	
46.	Seth Laryea	IT	
47.	Linda Osibo	Asst. Devt. Planner	
48.	Angela Asare-Donkor	Asst. Director IAB	
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50	Ishmael Nana Ogyefo	MCD	
51	Emmanuel Allotey	Works Engineer	
52	Desmond Tutu	PPO	
53	Rachael Eduful	Planning	
54	Alex Kwame Appau	APO	
55	Pobi Donkor	MFO	
56	Daniel Gawugah	MURE	
57	Desmond Egyabeng	Procurement Officer	
58	Martin Twumasi	MIA	
59	Richard Taylor	HRM	
60	Daniel O. Kyeremateng	MBA	
61	Percy Ofori Asante	MIS	
62	David Annan-Ansah	Statistician	
63	Rita Amankwah	Gender Desk	
64	Samuel L. Frimpong	GRLO	
65	Daniel Annobil	ADPO	
66	George Freeman	MEHD	
67	Eric Amosi	IT	
68	Mary Nana Adwoa Mensah	MPO	
69	Emmanuel Antwi	IT	
70	Osei Banny	Statistics Department	
71	Alfred Akorley	Procurement	
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73	Godwin Yaw Kaleshie	MWE	
74	Kwame Opoku-Agyeman	Roads Engineer	
75	Janet Adenyo	SWCD	
76	Michael Kwaweh	ADI	
77	George Otchere	Procurement	
78	Bright Nyumuah	Procurement/Statistics	
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86	Shirley Sowah	PPO	
87	Sherita Afua Akorli	EHSU	
88	Godwin Lumorvi	MD	
89	Patricia Tetteh	Planning	
90	Obed Anomanyo	IT	
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96	Audrey S. Arkah	Social Safeguards	
97	Collins A. Aikins	MIO	
98	Godfred Nettey	Urban Roads Engineer	
99	Daniel Ofei	AMPO	
100	Felix Quainoo	MFO	
101	Sam Kobina Takyi	MWE	
102	Abdul Razak Ibrahim	Quantity Surveyor	
103	Love Gyebi	Audit	
104	Godson Asiamah	Deputy Director	
105	Francis Glah	MBA	
106	Iris Dalaba	MPO	
107	Daniel		

ANNEX II: Data on E&S Safeguards Activities for UDG1 and UDG2

Type of subproject	No. of subprojects	Beneficiary MAs	EPA registration/ Environmental Permit		No of subprojects which triggered preparation & implementation of ESMP/MAs	No of subprojects which triggered preparation & implementation of ARAP/MAs	No of subprojects for which Code of Conduct have been prepared as part of Civil Works Contract	No of subprojects which CE have been prepared of Civil Works Contract
Market infrastructure	10	Sefwi Wiawso, Awutu Senya East, Ho, Hohoe, Berekum, Techiman, Wa, East Gonja, Lower Manya Krobo, Birim Central)	10 subjects registered/ 10 permits issued		0	9(Sefwi Wiawso, Awutu Senya East, Ho, Hohoe, Berekum, Techiman, Wa, Lower Manya Krobo, Birim Central MAs)	10	4
Road Infrastructure	6	Old Tafo, Asokwa, Obuasi, Agona West, Sunyani, Sagnerigu	6 subprojects registered/ 6 permits issued		0	4 Asokwa, Obuasi, Agona West, Sunyani MAs	6	1
Transport Terminal	5	Mfantsiman, Dormaa Central, Bawku, Bolgatanga, East Mamprusi	5 subprojects registered/ 5 permits issued		1 (Dormaa Central MA)	0	5	1
Storm Drain	3	Suame, Effia-Kwasimintsim, New Juaben South	3 subprojects registered/ 3 permits issued		0	1 (New Juaben MA)	3	1
Urban Park	1	Abuakwa South	1 subproject registered/ 1 permit issued		0	0	1	1

Source: Environmental & Social Safeguards Compliance Audit for Ghana Secondary Cities Support Program (GSCSP)

ANNEX III: Status of Recommended E&S Action Plan from the Parent Program’s ESSA

Issue/Risk Description	Action/Completion	Time Frame	Responsible Party	Instrument/Output	Status	Remarks
Inadequate E & S staffing and resourcing of the Program	<p>1. Hiring of a Social Development Specialist at the Program Execution level in addition to the current Environmental Specialist under the LGCSP.</p> <p>2. Establishing the E & S Team of MA with clear terms of reference comprising of (i) Safeguards Focal person; (ii) 2-3 team members preferably from the Engineering, Health and Social Welfare Units of MAs</p>	<p>Prior to Program effectiveness</p> <p>Prior to accessing grants from the Program</p>	<p>MLGDRD</p> <p>MA/OHLGS in close collaboration with MLGDRD</p>	<p>Specialists hired with clear terms of reference</p> <p>Issuance of Directive signed by the Head of the OHLGS to Chief Executive of MMA to establish the E & S Team with clear terms of reference</p>	<p>Done. E&S Specialists hired with clear ToR and at post.</p> <p>25 MA Safeguards Teams have been established with clear ToR and fully functional</p>	
Subprojects are under-screened, have not been	<p>3. Update, issue and disseminate the environmental and social screening template used under the LGCSP to</p>	<p>Prior to Program effectiveness</p>	<p>MLGDRD; EPA/OHLGS</p>	<p>Issuance of the updated screening template form by /EPA Regional /District Offices</p>	<p>Screening forms updated</p> <p>The Agency has a generic</p>	

Issue/Risk Description	Action/Completion	Time Frame	Responsible Party	Instrument/Output	Status	Remarks
assessed and no plans	<p>consider subprojects that are listed outside Schedule 1 of LI 1652 and to clarify the E & S requirements for those subprojects falling outside Schedule 1.</p> <p>4. Update the EA Sectoral Guidelines for General Construction and Services Sector to reflect the minimum E & S requirements for subprojects falling outside Schedule 1 of LI 1652.</p>		MLGDRD; EPA/OHLG S	<p>Intensive sensitization of all key stakeholders at Regional and MA levels</p> <p>Issuance of the Updated Sectoral Guidelines by the EPA MLGRD, MAs and consultants</p>	<p>screening form for undertakings under schedule 1 and outside schedule 1. The screening form offers the opportunity to recommend schedule 1 projects for permits and that outside schedule 1 to go through the next stage of the processing either PER or EIA</p> <p>The Agency has guidelines for General Construction and service sector and specifies all requirements needed for undertakings falling under schedule 1 and outside schedule 1 of LI 1652. The</p>	Included in the 2022 AWPB for implementation

					guideline for the General Construction and Service Section of the Agency was used in categorizing and permitting all GSCSP Not done	
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Issue/Risk Description	Action/Completion	Time Frame	Responsible Party	Instrument/Output	Status	Remarks
Some types of PAPs are excluded from ARAPs	5. Adopt and update the Resettlement Policy Framework used in the LGCSP to reflect the experiences and lessons learned, including identification of different types of PAPs, entitlement matrix that recognizes and provides entitlements to different kinds of PAPs, consultations and disclosure, monitoring & reporting and grievance redress.	Prior to Program effectiveness	MLGDRD; Land Valuation Division	Issuance of the updated RPF by MLGRD to all MAs	Done. Draft RPF developed and disseminated to MAs	
Streamline Compensation procedures that ensure the LVD validates assessed	6. Develop guidelines to ensure that, where consultancy services are outsourced to Private entities for the preparation of ARAPs, there is clear directive	Prior to Program Implementation	MLGDRD/MMAs/LVD	Terms of Reference for ARAP consultancy services	Template Terms of Reference for the engagement of Individual Consultants	Valuation Reports are forwarded to the LVD for review and approval

Issue/Risk Description	Action/Completion	Time Frame	Responsible Party	Instrument/Output	Status	Remarks
values before payment to PAPs	and protocol for collaboration with the LVD.				for the preparation of ARAPs.	

Non-compliance of MMAs to Program E & S requirements	7. Annual E & S performance review of MAs to validate existence of a functional E & S system and assess compliance.	Program implementation	MLGDRD ;EPA; Independent consultants	Terms of reference for the performance review Performance Review Report	Independent consultants have been engaged to conduct a compliance audit in selected MAs	Audit ongoing
Limited awareness and inconsistency of MA in environment and social mgt., service delivery standards and measurement	8. Strengthen consultations, information disclosure and grievance redress by developing guidelines on consultations and stakeholder engagement; and grievance redress 9. Making MA grievance redress functional and operational	Year 1 of the Program Within six months of the Program	MLGDRD; MA in close collaboration with EPA/OHLGS MLGDRD ;MMA	Guidance on Stakeholder Consultation and Engagement and grievance redress Records of grievances and resolutions of those grievances	Templates developed for MAs for the disclosure of Safeguards Instruments prepared. Guidance for stakeholder consultations and Engagement yet to be prepared through training was provided to MA staff.	Grievance Redress templates developed and shared with MA. Key MA Officers, PRCC

Issue/Risk Description	Action/Completion	Time Frame	Responsible Party	Instrument/Output	Status	Remarks
	10. Set up Grievance Redress Committees at the local level where Program activities are to be implemented in accordance with the structure developed in the approved RPF		MLGDRD/MMA	Implementation report with list of membership and training needs required	A grievance redress structure in the POM has been implemented	members and D&S clerk of works trained on the use of the templates.
Inadequate E & S capacity	11. MOU with EPA Training Institute to develop and deliver training modules to MLGRD, EPA staff MMAs and their E & S consultants. 12. Development and delivery of training	Year 1 of the Program During Program implementation	MLGDRD ;EPA EPA; MLGRD	Signed MOU Training modules	Not done Not done	Included in the 2022 AWPB for implementation

Issue/Risk Description	Action/Completion	Time Frame	Responsible Party	Instrument/Output	Status	Remarks
	modules/ programs to include, at the minimum: (i) Environmental and Social Screening (ii) Use of EA sectoral guidelines (iii) Use of RPF and resettlement action planning (iv) Management of environmental and social impacts of construction (v) Health and safety at the construction site (vi) Environmental and social supervision monitoring and reporting (vii) Effective stakeholder consultation and engagement (viii) Effective and functional grievance redress					Included in the 2022 AWPB for implementation

Source: Environmental & Social Safeguards Compliance Audit for Ghana Secondary Cities Support Program (GSCSP)