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PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF
SDR 32.1 MILLION
(US\$ 50 MILLION EQUIVALENT)

TO THE

REPUBLIC OF GHANA

FOR A

LAND ADMINISTRATION PROJECT - 2

March 7, 2011

Agriculture and Rural Development Unit
Sustainable Development Department
Country Department AF2
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective 31/01/2011)

Currency Unit = SDR
0.64023 = US\$1
US\$ = SDR 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ADR	Alternative Dispute Resolution
APL	Adaptable Program Loan
ARAP	Abbreviated Resettlement Action Plan
AWPB	Annual Work Plan and Annual Budget
CAMA	Computer Assisted Mass Appraisal
CAS	Country Assistance Strategy
CICOL	Coalition of Civil Society Organizations On Land
CIDA	Canadian International Development Agency
CLS	Customary Land Secretariats
CORS	Continuously Operating Receiving Stations
DA	District Assembly
DCA	Development Credit Agreement
DPTS	Digital Plane Table
EOI	Expressions of Interest
ERR	Economic Rate of Return
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
FAO	Food and Agriculture Organization
FAO/CP	Food and Agriculture Organization/Cooperation Program
FBS	Fixed Budget Selection
FASDEP	Food and Agriculture Sector Development Policy
FY	Fiscal Year
GDP	Gross Domestic Product
GOG	Government of Ghana
GPRS	Growth and Poverty Reduction Strategy
GPS	Global Positioning Systems
GSGDA	Ghana Shared Growth and Development Agenda
GRN	Geodetic Reference Network
GTZ	German Technical Cooperation Agency
IBRD	International Bank for Reconstruction and Development

ICB	International Competitive Bidding
ICT	Information Communication Technologies
ICR	Implementation Completion and Results Report
IDA	International Development Association
ISDS	Integrated Safeguards Data Sheet
ISP	Implementation Support Plan
ITRF	International Terrestrial Reference Framework
IUFRS	Interim Unaudited Financial Reports
JICA	Japanese International Cooperation Agency
LAP	Land Administration Project
LAPU	Land Administration Project Unit
LARFS	Land Administration Reform and Financial Sustainability
LC	Lands Commission
LIS	Land Information System
LI	Legislative Instrument
LCS	Least Cost Selection
LSA	Land Sector Agencies
LUPMIS	Land Use Planning and Management Information System
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
MLNR	Ministry of Lands and Natural Resources
MMDAS	Ministries, Municipal and District Assemblies
MTR	Midterm Project Review
MoU	Memorandum of Understanding
NCB	National Competitive Bidding
NGO	Non Governmental Organization
NLP	National Land Policy
NSC	National Steering Committee
NSDI	National Spatial Data Infrastructure
OASL	Office of the Administrator of Stool Lands
OMO	Organization, Management and Operations
PAD	Project Appraisal Document
PCU	Project Coordinating Unit
PID	Project Information Document
PIM	Project Implementation Manual
PPMED	Policy, Planning, Monitoring and Evaluation Department
PSC	Project Steering Committee
QBS	Quality Based Selection
QCBS	Quality and Cost-Based Selection
RPCU	Regional Planning Coordinating Units
SBD	Standard Bidding Document
SDR	Special Drawing Rights
SIL	Specific Investment Loan
SLT	Systematic Land Titling
SMD	Survey and Mapping
SSS	Single-Source Selection

T&CPD	Town and Country Planning Department
TTL	Task Team Leader
UMLIS	Urban Management Land Information System
UNDB	United Nations Development Business
UPN	Unique Parcel Numbering

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Country Director:	Ishac Diwan
Sector Director:	Jamal Saghir
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Task Team Leader:	Charles Annor-Frempong

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PAD DATA SHEET

GHANA Land Administration Project - 2

PROJECT APPRAISAL DOCUMENT

AFRICA
AFTAR

<p>Date: March 7, 2011 Country Director: Ishac Diwan Sector Director: Jamal Saghir Sector Manager: Karen Mcconnell Brooks Team Leader(s): Charles Annor-Frempong Project ID: P120636 Lending Instrument: Specific Investment Loan</p>	<p>Sector(s): Public administration- Agriculture, fishing and forestry (60%); General agriculture, fishing and forestry sector (40%);</p> <p>Theme(s): Land administration and management (29%); Personal and property rights (29%); Decentralization (14%); Other accountability/anti-corruption (14%); Administrative and civil service reform (14%)</p> <p>EA Category: B partial assessment</p>
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Project Financing Data:

Proposed terms: The proposed credit has a final maturity of 35 years including a grace period of 10 years.

Loan Credit Grant Guarantee Other:

Source	Total Amount (US\$ 72Million)
Total Project Cost:	US\$ 72M
Borrower:	US\$ 5M
Users	US\$2M
CIDA	US\$15M
Total Bank Financing:	
IDA	US\$50M
New	
Recommitted	

Borrower: The Republic of Ghana
Responsible Agency: Ministry of Lands and Natural Resources
Contact Person: Ibrahim Baryeh
Telephone No.: 00233-302-672336
Fax No.: 00233-303-666801

Email:						
Estimated Disbursements (Bank FY/US\$ m)						
FY	11	12	13	14	15	16
Annual	7.41	13.73	11.84	7.13	3.93	6
Cumulative	7.41	21.14	32.94	40.07	44	50
Project Implementation Period: Expected effectiveness date: 03/31/2011 Expected closing date: 03/31/2016						
Does the project depart from the CAS in content or other significant respects?				<input type="radio"/> Yes <input checked="" type="radio"/> No		
If yes, please explain:						
Does the project require any exceptions from Bank policies? Have these been approved/endorsed (as appropriate by Bank management)? Is approval for any policy exception sought from the Board?				<input type="radio"/> Yes <input checked="" type="radio"/> No <input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Yes <input checked="" type="radio"/> No		
If yes, please explain:						
Does the project meet the Regional criteria for readiness for implementation?				<input checked="" type="radio"/> Yes <input type="radio"/> No		
If no, please explain:						
Project Development objective: <i>To consolidate and strengthen land administration and management systems for efficient and transparent land service delivery</i>						
Project description Component 1: will support the completion of land law reforms, preparation of regulations and collaborate with the judiciary in establishing new land courts; Component 2: will improve transparency and reduce time and cost of delivering service through a re-engineering and decentralization of business process and automation; Component 3: will support the preparation of base maps and other spatial products to support land transactions and street addressing system; whilst Component 4: aims to develop the capacity requirements for land administration service provision as well as project management.						

Safeguard policies triggered?	
Environmental Assessment (OP/BP 4.01)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Natural Habitats (OP/BP 4.04)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Forests (OP/BP 4.36)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Pest Management (OP 4.09)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Physical Cultural Resources (OP/BP 4.11)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Indigenous Peoples (OP/BP 4.10)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Safety of Dams (OP/BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects on International Waters (OP/BP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in Disputed Areas (OP/BP 7.60)	<input type="radio"/> Yes <input checked="" type="radio"/> No

Conditions and Legal Covenants:

Financing Agreement Reference	Description of Condition/Covenant	Date Due
Article IV Effectiveness 4.01 (a)	The Recipient has adopted Project Implementation Manual and an updated financial management manual.	Prior to Effectiveness
Article IV Effectiveness 4.01 (b)	The Recipient has recruited to the Project Coordinating Unit an accountant, project coordinator, procurement specialist, communication and public outreach specialist, social development and gender specialist, senior officer and monitoring and evaluation specialist with qualifications and terms of reference satisfactory to the Association.	Prior to Effectiveness
Article IV Effectiveness 4.01 (c)	The recipient has prepared a detailed schedule and budget for financial management training.	Prior to Effectiveness

1. STRATEGIC CONTEXT

A. Country Context

1. Ghana is heavily dependent on primary land-based products notably, agriculture, mining and timber for its growth and socio-economic development. The country has a strong natural resource base with about 40 percent of its total land area of 230,020 sq. km either arable or covered with permanent crops and pasture while forests and woodlands cover additional 35 percent (see table 1).

Table 1: Ghana land use

Category	percent	area in sq km
arable land	12%	27,600
permanent crops	7%	16,100
permanent pasture	22%	50,600
forests and woodlands	35%	80,510
Other	24%	55,210
land area		230,020

www.ghanatimber.org

2. Ghana's economy is based on agriculture and mining, although there is significant import substitution and manufacturing. Agriculture accounts for 75 percent of exports. Cocoa beans and related products contribute nearly 32 percent of total merchandise exports. The importance of land to the Ghana economy can be seen in a breakdown of the country's Gross Domestic Product (GDP). Agriculture contributes 34.5 percent of GDP. If the mining, construction and real estate sectors, which involve the use or development of land are added, then more than 50 percent of GDP is related to the land economy. More than 90 percent of Ghana's exports come from land, mainly from the agricultural and mining sectors.

3. Despite the rich natural resource base, land sector issues, especially difficulties in accessing land and insecurity of land tenure, have hampered investment and hence become a drag on Ghana's economic growth and development. The country's growth and poverty reduction strategies (GPRS 1&2) recognize the considerable role the land sector plays in the attainment of the objectives and whose successful implementation will depend on how best land issues are tackled. The Ghana Shared Growth and Development Agenda (GSGDA) 2010 similarly links land as a valuable economic and social resource and as a key natural resource which need to be utilized in a sustainable and efficient manner to propel Ghana towards middle income status by 2020.

4. In rural and urban areas of Ghana, growing population, the diminishing supply of land, inter- and intra-regional migration and urbanization have contributed strongly to a growing demand for land throughout the country. The statutory land delivery system, including land use planning, surveying, valuation and registration, and the traditional system that administers land under customary tenure, have been too weak to deliver appropriate services commensurate with the demand. The unmet demand has resulted in inflationary increases in the prices of land and property and created uncertainty and a lack of transparency in the land delivery system. The

failure of public land agencies to develop and implement policies and regulations to improve the land management and administration systems has undermined national and international investor confidence in the land and other sectors of the economy.

5. The rapid increases in land prices have resulted in price levels which have threatened to exceed the present value of future income streams of investments especially in agriculture thereby becoming a drag on investment and productivity. In the urban areas especially in Accra, the high land prices have compounded existing social and environmental problems and left access to land a preserve for the wealthy residents and expatriate Ghanaians.

6. The need for an efficient land management and administration system is critical to building a strong and sustainable economy. The long-term economic goal of the Government of Ghana is to develop an agriculture and industry driven economy. An efficient land management and administration system to improve confidence among investors and provide greater security of tenure to all users and occupiers of land is essential to the achievement of this goal. It is necessary also to address issues of landlessness and access to land for low income group housing, and to ensure more secure tenancy agreements for the use of land and property.

B. Sectoral and Institutional Context

7. Ghana, like many other countries in Sub-Saharan Africa, is made up of several distinct traditional communities. There are over 13 major linguistic groups and over a hundred different dialects and cultural groups, clans and states, each with its own identity. In many of these communities, land ownership patterns are closely linked to the nature of traditional systems. The land administration system in Ghana thus, has operated within a pluralistic environment, with statutes and customary laws, public and indigenous institutions, traditional values and corporate norms operating side by side. This has been compounded by the importation of British tenurial systems, concepts and principles such as freeholds and leaseholds with variations in interpretation in different localities.

8. There are four categories of land ownership in Ghana governed by both customary practices and enacted legislation. These are: (i) state lands, compulsorily acquired by the government through the invocation of appropriate legislation and held in trust for the entire people of Ghana; (ii) vested lands, belonging to stools or skins but vested in the state in trust for the people of the stool or skin or family from which it was vested; (iii) private lands belonging to stools, skins or family communities and held in trust on their behalf by chiefs, *tendana*, family heads; and (iv) private lands given or sold as freeholds by stools, skins and families to individuals, corporations and institutions (only freehold private ownership obtained prior to the enactment of the 1992 Constitution is legally recognized as Act 267 (5) bars creation of freehold interests in land out of stool land and by implication skin land as well).

9. On the institutional side, the Ministry of Lands and Natural Resources (MLNR) has overall responsibility for land issues as well as mines and forestry. Customary authorities (Stools and Skins), however, are the allodial title holders for more than 80 percent of the land in the country and are responsible for the allocation, administration and management of these lands. The traditional authorities hold the land in trust for the community and its future generations and are expected to dispose of lands in the interest of and with the consent of the community. State and Vested lands are under the management of the Lands Commission which was established by

the Constitution. The Lands Commission has been recently restructured and its mandate expanded by Parliamentary Act 2008 (Act 767). The Act brought four land sector agencies namely, the Survey Department, Land Valuation Board, Land Title Registration and the Public and Vested Lands under the umbrella of the National Lands Commission. The Commission is also responsible for providing consent to the disposition of stool, skin and private lands provided the development is consistent with the approved planning schemes of the area and also advising the government, local authorities and traditional authorities on land policy. Other land sector agencies are: (i) the Office of the Administrator of Stool Lands (OASL) responsible for collecting rents, royalties, compensation and other payments on behalf of stool/skin lands and distributes the proceeds in accordance with provisions of the 1992 Constitution in the proportion of (a) district assembly 49.5 percent; (b) the stool or skin 22.5 percent; (c) customary council 18 percent; and (d) OASL 10 percent to cover administrative expenses; and (ii) the Town and Country Planning Department responsible for land use-planning and development and currently, falls under the Ministry of Environment, Science and technology.

10. Partly due to the predominance of customary tenure administered by traditional authorities, only a small proportion of the estimated 6 million total land parcels of Ghana are registered. About 30,000 are registered under the title registration system while an unknown number is registered under the deeds registration system. The deed registration system was initiated after the passage of the Land Registration Act (Act 122) in 1962 shortly after independence and sought to replace the registration of oral transactions by making it compulsory to register all instruments affecting land with the state through deeds as proof of ownership and thus the right to transfer property. The weakness in the deeds system is that it does not prove that the party that registered the land actually owns the property. It has failed to assure security and has become characterized by inaccurate maps, multiple sales of the same parcel of land, use of unapproved schemes, haphazard developments, conflicting land issues and time-consuming litigation. In 1986, the Government enacted the Land Title Registration Law (PNDC Law 152) as the official system for recording property in two districts, Greater Accra and the Kumasi Metropolis. The aim was to promote title security by registering title rather than the transaction. Implementation has been slow and less than 5 percent of land in these areas has been registered 25 years later. Lack of public awareness coupled with a turn-around time of about two to five years has been a major drawback to the process of registering titles.

11. Many of the problems facing the land sector are documented in the National Land Policy (NLP) of 1999 and other studies, some dating more than 30 years. The main land sector issues could be characterized as: (i) inadequate policy and legal framework; (ii) fragmented institutional arrangements and weak institutional capacity; (iii) underdeveloped land registration systems and inefficient land markets; (iv) a weak land administration system that excludes land owners and chiefs from major decisions in land administration; and (v) past compulsory acquisitions by government of large tracts of land without payment of compensation. These issues have given rise to: (i) a high incidence of land-related disputes and litigation especially in urban areas; (ii) inadequate security of land tenure which has undermined productivity and potential returns from investment; (iii) depressed national and local government revenues; (iv) difficult access to land, thwarting both urban and rural development; (v) indeterminate boundaries of customarily held lands; and (vi) general indiscipline in the land market.

12. It was the realization of the need for a more coherent long-term policy and its effective implementation which, after considerable discussion with various stakeholders, led the

government of Ghana (GoG) to inaugurate a NLP in June 1999. The goals of the NLP are to: (i) harmonize statutory laws and customary practices to facilitate equitable access to land and enhance security of tenure through registering systematically all interests in land; (ii) minimize and eliminate, where possible, the sources of protracted land boundary disputes, disputes and litigation in order to bring their associated economic costs and sociopolitical upheavals under control; (iii) ensure payment within reasonable time of fair compensation for land acquired by the state from customary or private landowners; (iv) instill order and discipline in the land market to curb the incidence of land encroachment, unapproved development schemes, multiple or illegal land sales, land speculation and other forms of land racketeering; (v) create and maintain effective institutional capacity and capability at the national, regional, district and where appropriate, community levels for land service delivery; (vi) promote community and participatory land management and land use planning within a decentralized planning system; and (vii) formalize land markets where appropriate to promote business-like and professional property management principles with the aim of maximizing economic, financial and social returns while working towards a self-financed land administration system.

13. The Land Administration Project (LAP) was formulated during 1999-2001 to address major issues raised in the NLP. The LAP was originally designed as an Adaptable Program Loan (APL) with a 15-25 years perspective consistent with the long term policy objectives of GoG. The first phase of the project was intended to lay the foundation for the implementation of a long-term land administration reform. It was to provide an enabling environment for exploration, testing and learning by carrying out key land reform activities. But in the course of project preparation and processing, a decision was made to change it from an APL to a specific investment loan (SIL).

14. After nearly 4 years of implementation, the design of LAP 1 was found to be too complex to allow implementation to be completed on time. Therefore a decision was made to restructure it in 2008 and to extend its implementation by an additional two years. The restructuring focused implementation of the project away from an ambitious program of surveying and titling hundreds of thousands of land parcels to laying a policy and institutional foundation and piloting initiatives in land administration with a view to scaling up in future operations. The scaling up would aim at developing a sustainable and well functioning land administration system that is efficient, transparent and decentralized, and that enhances land tenure security.

15. Major accomplishments under LAP 1 to date are: (i) streamlining land administration institutions by the passage of the Lands Commission Act 2008 (act 767) which merged four land sector agencies into a single entity – the Lands Commission (LC) – and brought the title and deeds registries under one organizational unit, the land registration division; (ii) decentralization of the deeds registry to all the nine regional capitals, effectively bringing the registration of deeds closer to the clients with a reduction in time for delivery from more than 36 months to about 3 months; (iii) the establishment of 38 customary land secretariats to facilitate the management and record keeping by traditional authorities of land allocations and transactions within their traditional areas; (iv) the modeling of land use planning at three levels including preparation of spatial development frameworks; (v) reduction in the backlog of land-related court cases; (vi) the testing of title registration and demarcation of boundaries of customary land through private

surveyors; and (vii) the ascertainment and codification of customary land rights in 20 traditional areas. A Land Bill and Land Use Bill are at advanced stages of preparation.¹

16. Taking into consideration the progress made under LAP 1, the proposed project will consolidate and complete the reforms started in LAP 1 and build on the momentum underway to form the new LC and to streamline and computerize business processes for faster delivery of services. It will also support the scaling up of the initiatives which were piloted under LAP 1.

Major Outstanding Issues

17. A number of issues that require attention have been identified in previous land administration related studies and during the implementation of LAP 1:

Insecurity of Land Tenure. Land relations in Ghana are often afflicted by conflicts between and within land- owning groups and the State, a low level of documentation of landholdings within both the customary and formal sectors, multiple sales of land, land racketeering, slow disposal of land cases by the Courts and a weak land administration system.

Difficult Accessibility to Land for agricultural, industrial, commercial and residential development purposes due to conflicting and often undocumented claims to ownership, and varied outmoded land disposal procedures.

Weak land administration system. Although four out of the six land sector agencies have been merged, the system for service delivery is still weak and continues to rely on outdated regulations and business processes, lack of adequate functional and coordinated geographic information systems and networks, as well as transparent guidelines. There is limited capacity and capability to initiate and coordinate policy actions and to resolve contradictory policies and initiatives among various land delivery agencies. Outmoded and inflexible standards and procedures, particularly in the area of surveying and registration, further limit the ability of the land administration system to provide affordable and efficient services that are appropriately adapted to different contexts, particularly in rural areas.

Lack of consultation with land owners and chiefs. There has been considerable improvement in the relationship between chiefs, land owners and the land sector agencies during LAP 1. However, decision making for land allocation, acquisition, management, utilization and development still continues to generate disputes between the State and private land owners and within communities.

Lack of public outreach on land laws, land rights and procedures. Public outreach has in the past been limited through distribution of flyers, brochures and few public lectures. Under LAP 1 considerable effort was made in the national media and focus group discussions. It appears this worked well in some areas and not in others and was therefore inadequate to inform the wide majority of Ghanaians, especially given that illiteracy continues to be a widespread problem. The inability of LSAs to reach out to the public with information may have contributed to the public's perception of lack of transparency and corrupt practices in the delivery of services.

¹ It is anticipated that these bills will be passed by Parliament before the commencement of LAP 2, but it is also possible that the final stages of these processes will continue into the early months of LAP 2 implementation. The current legal framework is deemed adequate (even without the proposed bills) to support the start-up of LAP 2

Lack of Maps. Ghana lacks up to date maps to support critical on-going land administration operations in support of agriculture, forestry, environment management, urban and regional planning, mining, municipal services, storm water and sewerage, property tax, building permits, valuation systems, titling and deeds registration, infrastructure systems such as electricity, telecommunications, water, gas and real property maps all potentially supporting land markets and national development. In addition, the country lacks comprehensive policies on mapping, spatial data infrastructure, use of continuous operating receivers and geodetic reference network, leading to multiplicity of providers and lack of coordination and regulation in the sector.

Poor Records Management. Records and information on lands are kept in six different agencies and 10 regional offices all of which have their own information systems making it difficult and cumbersome to look for information. While the merger of four agencies by passage of the Lands Commission Act provides a framework for better coordination of information, in practice this has not yet been realized. Moreover, except for the intelligent scanning carried out under LAP I where a few records were digitized and stored electronically, all the remaining records are paper records and subject to rapid deterioration.

Inadequate Capacity within the LSAs. It takes trained and skilled administrators, lawyers and supporting staff to address land issues and provide better services. The LSAs are poorly staffed and in some instances do not have adequate staff, resources and equipment to deliver services including surveying, production of maps and plans, and storage of information.

Delays in the adjudication of land disputes in the courts. Adjudication of land cases is exceedingly slow. It takes five to thirty years and above to adjudicate cases due to inefficiencies resulting from use of obsolete equipment and materials and use of long hand in recording cases. There was also perceived corruption in the adjudication of land cases. The rules of court and the absence of clear guidelines governing aspects of the rules such as stay of execution, adjournment of cases, etc appear to contribute to the delays and require reforms

Rationale for Bank involvement

18. The proposed program is a continuation of LAP 1 and is consistent with the World Bank's Ghana CAS for fiscal years 2007–2012, designed to support the second generation Growth and Poverty Reduction Strategy (GPRS-II) to achieve middle-income status and the Millennium Development Goals (MDGs), and to ensure that the benefits of growth are shared broadly. The proposed project will build upon the gains so far achieved under the previous CAS and support the current CAS in four ways: First, it would improve the land administration framework to reduce disputes over land rights and speed up the processes and procedures for issuing land titles and documenting land rights in both urban and rural areas. This would enhance security of tenure to and peaceful possession of land and could facilitate access to credit needed to promote investments in agriculture, industry and services sectors of the economy. Second, it would reform public sector management structures and decentralize land administration to the local level structures with a view to rationalizing land policies and institutional responsibilities for land administration. This would enable transparent and secure land transactions, and reduce transaction costs to rural and under-privileged communities thus facilitating investment and growth. Third, it would facilitate participation of civil society and the private sector and thereby check excesses of public sector management, promote transparency and self-help initiatives for

growth and development. Fourth, it would support street naming which would facilitate identification of businesses and other locations for revenue generation by local councils.

19. In addition, the Bank has a key role in assisting GOG to mobilize other donor support and coordinate interventions around strategically important, highly visible, government-led programs that can bring together private sector stakeholders and make a difference in improving the lives of ordinary citizens of the country. So far CIDA has committed to support LAP 2 through parallel financing with a Grant of fifteen million dollars (US\$15 million) as a Trust Fund under the same fiduciary and safeguards conditions as the Bank (parallel financing). The Fund will be managed by the Bank and will finance all components of the Project except the street addressing and house numbering sub-component.

C. Higher Level Objectives to Which the Project Contributes

20. The higher level objective of the project is to contribute to the GSGDA 2010 – 2013 and its Food and Agriculture Sector Development Policy (FASDEP II) both of which identify access, use and security of land as a major development issue, frustrating the country's industrialization which has to be addressed. The GSGDA specifically lists a number of strategies which are consistent with LAP 2. These are: (i) establishment of Land Banks by DAs and land owners and stools to resolve the problem of land acquisition and security of title; (ii) Promote the development of community land use plans and the enforcement of their use, particularly in urban and peri-urban agriculture; (iii) Promote the establishment of agri-business zones and land banks with special consideration for needs of women; and (iv) Improved access of operators in peri-urban agriculture to sustainable land and environmental management practices (The FASDEP, in particular, emphasizes on sustainable land management practices as essential in addressing agricultural productivity and the environmental resilience in the country's overall development agenda). The Project seeks to enhance access to land through completion of the legal framework and regulatory instruments. It will also contribute to this objective by streamlining business processes to facilitate faster and transparent documentation of land rights and transactions and adjudication of land cases in the courts. The project design will be aligned with Ghana's Decentralization Policy through improved land services delivery at the local level.

II. PROJECT DEVELOPMENT OBJECTIVES

A. Project Development Objective

21. The project development objective is: ***To consolidate and strengthen land administration and management systems for efficient and transparent land service delivery.***

22. To achieve the development objective, the project will concentrate on removing the business process bottlenecks, promoting transparency and addressing the various challenges with the aim of improving efficiency in the delivery of land services and increasing tenure security. The project will therefore provide the required maps, logistical support, streamline business processes, build capacity of land agencies and make information required for land transactions publicly available through community outreach including, the media, websites and brochures etc. These measures will reduce the turn-around time for registration of titles and deeds, reduce costs and lead to a considerable improvement in service delivery and provision of land information to government and private sector entities. Also, the project will support completion of the land

policy and legislation agenda as well as institutional reforms and specific interventions such as demarcation of boundaries of customary (community) lands and strengthening capacity of land dispute resolution in the judiciary and through alternative dispute resolution mechanisms which will improve land tenure security. The results of these activities will be:

- A clear, coherent and consistent set of land administration policies and laws;
- A more efficient and decentralized land administration system operating throughout Ghana in accordance with Government policy and compatible with cultural norms and practices and responsive to the needs of the people, within a self sustaining financing mechanism;
- An up to date, efficient land information system that supports sustainable land management and administration including good land records management and transparent transactions in land; and
- A more efficient land market operating in both urban and rural areas.

1. Project Beneficiaries:

- Landowners and traditional authorities
- Small scale farmers including women
- Tenant farmers including women
- Leaseholders including women
- Land sector agencies
- Metropolitan, Municipal and District Assemblies
- Judiciary (district, circuit and high courts) and the Ghana Bar Association
- Estate Developers
- Service providers e.g. electricity, water, fire service and telecommunications.

2. PDO Level Results Indicators:

23. The following are the key development indicators for measuring project outcomes:

- Turn-around time reduced from **3** months to a maximum of **1** month for deeds registration
- Turn-around time reduced from **7** months to maximum of **2** months for title registration
- Information on standard statutory fees, land values and charges on land transactions (certificates, consents, deeds searches, stamping, parcel plans) made publicly available through the media, on-line, website and brochures
- Increase in the number of registered land transactions (disaggregated by gender and also scale of operation e.g. small scale vs. large scale farmers) and associated revenue.

I. PROJECT DESCRIPTION

A. Project Components

The project will be implemented through four interrelated components:

Component 1: Strengthening the Policy, Legal and Regulatory Framework for Land Administration (US\$ 5.00 million base costs)

24. The component will provide a platform for continued work on the legal and regulatory framework governing land administration and land use, building upon the accomplishments achieved under LAP I. It will support completion of the Land Bill and Land Use and Planning Bill and their associated legislative instruments (LI). The Land Bill and the Land Use and Planning Bill are currently in draft. LI's will also be prepared for the Administration of Stool Lands Act, 481 of 1994 and the Lands Commission Act of 2008 (767). The project will hire legal experts to consult with relevant stakeholders and to complete the legal reforms. Dissemination of information concerning the new laws and regulations, and training of stakeholders including lawyers, judges, traditional authorities, landowners and tenants, land administrators and others will be undertaken. The judiciary will be supported under this component to review court processes and rules in order to improve court performance in the adjudication of land cases. Land courts and selected circuit and district courts in Western, Ashanti, Greater Accra and Northern regions will be refurbished and automated. The project will also support reporting of land cases, scanning and storage of files for proper record keeping. Support will also be provided to build capacity of the judiciary and other relevant land sector agencies in the use of Alternative Dispute Resolution (ADR) and other mediation mechanisms in the resolution of land cases.

25. This component will also support specific supporting studies and policy development. These include: (i) review and formulation of policies on fees and taxes which are conducive to the financial sustainability of the system and to the registration of titles; (ii) in collaboration with the proposed "Commercial Agriculture Project", support studies to develop suitable strategies and institutional arrangements in order to facilitate access to suitable land for investors whilst ensuring that the rights and interests of owners and the local communities are respected; and (iii) any other consultancy services that may be identified in the course of project implementation with the approval of IDA.

Component 2: Decentralizing and Improving Business and Service Delivery Processes (US\$ 23.51 million base costs)

26. This component will improve transparency and reduce the time and cost involved in delivery of services such as deed and title registration and other services provided by the land sector agencies. To achieve these objectives the project will finance the functional decentralization of services to the regions and selected districts; and consultant services to re-engineer and automate business processes to shorten the time taken to deliver services. As part of decentralization of land administration services, new and selected existing Customary Land Secretariats (CLS) will be supported in collaboration with traditional authorities who are willing to make initial investments in office accommodation and basic office facilities and who will enter into Memoranda of Understanding with the Project in establishing minimum norms of

transparency, respect for rights and quality control in the generation of documentation, management of records, provision of services and other matters. Ascertainment of customary practices will form an integral part of the establishment and ongoing support of CLSs and will be carried out by a team of consultants under the guidance of the OASL. In selected CLS areas, the project will support the piloting of a systematic process of demarcating and documenting rights to all parcels.

27. This component will also support automation and proper records management by making functional and upgrading the LIS piloted under LAP 1 and the open source Cadastre and registration system proposed by FAO and integrating it with the LUPMIS and the UMLIS. CAMA will also be developed to enable the LC publish the official bulletin of notification of values regularly. Systematic title registration will be undertaken on a pilot basis in selected regions, and special attention will be devoted to clear backlog of applications for the registration of titles.

Component 3: Improved Maps and Spatial Data for Land Administration (US\$ 31.51 million base costs)

28. This component will provide up to date maps and other spatial products and develop the infrastructure for collecting and sharing data and information to be used as inputs directly or indirectly in land administration. Support will be provided to (i) developing policies for surveying and mapping and other spatial activities, including studies on GRN and the establishment of CORs, and preparation of a NSDI to provide for the regulating, development, sharing and coordinating of all spatial products generated in the country; (ii) preparation of base maps on a scale of 1:5000 in rural areas and 1:2500 in urban areas as direct inputs to the other activities including title registration and customary boundary demarcation, as well as serve as the basis for the creation of the universal parcel number, land use planning and developing a street address system; (iii) establishment of geodetic reference network, and updating of continuously CORS nationwide, in support of spatial data acquisition; (iv) pilot boundary demarcation for customary and private land holders; (v) preparation of land use plans for selected areas; (vi) revaluation of properties in selected district capitals; and (vii) 'street addressing system' for urban management and improved revenue collection starting in Accra.

Component 4: Human Resource Development and Project Management (US\$ 10.78 million base costs)

29. The component aims to develop human resources capacity and provide logistical support and equipment to the land sector agencies, land owners as well as the private sector (surveyors) to improve service delivery. A comprehensive review of the human capacity skill requirements will be undertaken for the land sector agencies. The Human Resource Division of the LC will be strengthened to carryout skill gap analysis in order to develop a coordinated staff training and recruitment program for the LC, OASL and T&CPD. The core of the training would be imparting skills for better customer and service orientation. The component will provide capacity for private and public sector service providers including surveyors, planners, valuers, real estate agents, tenant farmers and NGOs involved in land administration such as CICOL.

30. The implementation of the gender, civil society engagement and communication (i.e. public education and outreach) strategies prepared under LAP 1 will be led out of this component and integrated across all the project components. The component will also support better working environment by way of the construction of regional lands office in Kumasi to facilitate service provision and will also provide equipment, transport and operational budget to all the regions.

B. Project Financing

1. Lending Instrument

31. The proposed project will be a specific investment loan (SIL) for a period of 5 years.

2. Project Cost and Financing

Project Components	Project Cost US\$	IDA Financing	% Financing
1. Strengthening the Policy, Legal and Regulatory Framework for Land Administration	5.00	3.85	77.0
2.Improving functions and business processes for service delivery	23.27	17.28	74.3
3.Improved Maps and Spatial data for Land Administration	31.51	20.57	65.3
4. Human Resource Development and Project management	10.78	8.30	77.0
5. Unallocated	1.45		
Total Baseline Costs	72	50	70.9

C. Lessons Learned and Reflected in the Project Design

32. *A major feature of the LAP I was to provide an enabling environment for exploration, testing and learning by carrying out key land reform activities.* Consequently, project activities focused on three main areas: (i) transforming the policy and legal architecture governing land administration; (ii) undertaking institutional reforms and; (iii) carrying out pilots in untested areas such as: customary boundary demarcation, establishment of customary land secretariats (CLS), Geodetic Reference Network (GRN), computerizing land records and Land Information System (LIS), Systematic Land Titling (SLT), establishment of land courts, introduction of alternative dispute resolution (ADR) mechanisms in adjudication of land cases, ascertainment and codification of customary laws, new models for Land-Use Planning, Unique Parcel Numbering (UPN), Continuously Operating Reference Stations (CORS) and establishment of Land Valuation Database.

33. ***LAP I activities have made good progress in developing a sound legal and institutional foundation on which to launch LAP 2.*** Despite the complexity of the project which led to its restructuring in 2008, all the planned pilots under the project were initiated and have gone through a continuous process of evaluation to draw lessons to guide the scaling up under the proposed project. Some lessons are specific to the initiatives being piloted while others have general operational implications. Lessons specific to the various initiatives include: (i) the need to merge the processes of land surveying, adjudication and titling under systematic land titling in order to save costs and time; (ii) the need to better coordinate adjudication with the surveying of customary boundary demarcation and to make more effective use of ADR mechanisms; and (iii) the need to consider both aerial photography and satellite imagery to produce base maps cost-effectively and timely. These lessons are being used in refining the initiatives before they are scaled up in LAP 2.

34. ***In addition to the lessons that are specific to initiatives that were piloted under Phase I, there are some lessons with wider application to the design of the proposed project and the government program as a whole.*** These lessons point out that: (i) success and sustainability of land reforms require a longer term perspective and support from development partners and other social actors to help the Government overcome social and political inertia; (ii) land administration services are better provided when they are closer to the client - decentralized; (iii) land administration infrastructure such as a well functioning land information system, customary boundary demarcation, efficient institutional structures and capacity building require time to be accomplished; (iv) due to the multiplicity of stakeholders and interest groups, from private to public, traditional authorities to state institutions and land-owning groups to tenants – land administration reforms require much broader consultations and consensus building, and greater awareness creation; (v) there is a need to speed up adjudication processes especially through ADR mechanisms; (vi) services are better provided when they are demand-driven; and (vii) the pilot results of LAP 1 raises serious doubts on the economic viability of scaling up systematic land titling to a national program because the costs are still much higher than international norms.

35. ***Based on the above lessons learnt, LAP 2 would seek to decentralize service delivery, deepen the institutional, policy and legal reforms and raise awareness of smallholders, vulnerable groups and land owners in general, about their rights and responsibilities.*** Additional beneficiary groups would include local councils and other service providers such as power, water, communication, and the fire service entities which are currently unable to provide services and/or collect service charges efficiently from settlements due to lack of proper identification of buildings and their occupants. The project's support for a street addressing system will overcome current problems with the naming and numbering systems in settlements in which it has been difficult to locate persons and buildings leading to low revenue mobilization and inadequate service provision to residents and property owners. Examples of services which will benefit from support for a new street addressing system include: (i) emergency services such as fire services and ambulances, which currently cannot respond effectively and efficiently to calls as most often they fail to find the location of the event; and (ii) infrastructure agencies which have responded to this lack of locational information by developing their own numbering systems which are often not to scale and therefore are unable to be integrated into maps.

36. To maximize project outcomes, LAP 2 whilst national in nature, will focus on selected project activities, including development of land registries, production of base maps, customary

boundary demarcation and land use planning, primarily in four regions namely, Greater Accra, Western, Ashanti and Northern regions. Greater Accra, where unchecked urbanization is a major issue with a complex web of social systems and extensive land disputes, is selected for purposes of reducing land litigation and enhancing security of investment. The Western region is selected primarily due to the discovery of oil in the area and the likelihood of emergence of land disputes. The region has a significant amount of forest and a strong reliance on agriculture. The Ashanti region is selected on the basis of having a fairly cohesive single traditional authority and a strong customary political system, making it an attractive area for scaling up the development of traditional land administration systems together with a strong agriculture and industrial potential. The Northern region is characterized by large land holdings with potential for large scale farming and has a skin system of customary land tenure. The majority of the population is involved in agriculture, particularly women smallholder farmers and the region is the poorest in the country. However, the region has a high economic potential that would be enhanced with effective sustainable land management including protection of smallholders.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

37. The main implementing Agency will be Ministry of Lands and Natural Resources (MLNR). The Office of Technical Director of Lands (TDL) will host the project secretariat and will coordinate the project and report directly to the National Project Steering Committee (NPSC), chaired by the Minister of MLNR. The NPSC will comprise relevant stakeholders involved in land administration (composition of the NPSC is provided in Annex 2). The NPSC will be responsible for policy guidance, reviews and approval of annual workplans and budgets, mid-term and performance reviews, annual performance assessment, actions on audit reports and resolving major implementation issues. A Project Coordinating Unit (PCU) headed by the Project Coordinator (to be appointed through a competitive process), will be established within the Office of the TDL and in addition to serving as the secretariat to the NPSC, will coordinate the day to day project implementation and facilitate the work of Implementing Agencies. The PCU will be staffed by key personnel including a Senior Officer with experience in land administration, an Accountant, Procurement Specialist, a Monitoring and Evaluation Specialist, a Social and Gender Specialist and a Communication and Public Outreach Specialist. The recruitment of these key staff to the PCU through a competitive process shall be a condition for project effectiveness. The terms of reference of these officers will be detailed out in the PIM.

38. A national project management unit made up of heads and deputies of implementing agencies (LC, OASL, T&CPD, representatives of Accra Metropolitan Assembly, the Judiciary and MLGRD) will be constituted to review and monitor implementation of the Project through monthly review meetings. The meeting will be chaired by the TDL or in his absence the Project Coordinator. The Senior Officer will be the secretary to the management unit.

39. At the regional level, an expanded RPCU (to be called the regional project steering committee (RPSC) with representation from LC, OASL, T&CPD, the Judicial Service of Ghana and President of the regional house of chiefs will exercise overall supervisory responsibility for project implementation. The RPSC will meet quarterly. The regional land officers in the regions will coordinate and be responsible for the day to day activities of the project in their respective regions and will act as secretary to meetings called purposely to discuss LAP 2. Similarly, the

heads of implementing agencies and their deputies (OASL, T&CPD, LC the Judiciary and the administrator of the regional house of chiefs) in the regions will also constitute the regional management units with the LC as chair and one of the members as secretary. Proceedings of the RPSC and the regional management units will be sent directly to the Chairman of the Project Management Unit at the national level with copies to the Project coordinator.

40. The Policy, Planning, Monitoring and Evaluation Department of MLNR will be strengthened to carry out the national M&E of project implementation using the key performance indicators identified for the project as a basis to assess project performance. Each implementing agency will appoint an M&E Officer at the national and regional levels and will work closely with the national M&E Officer.

41. “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and updated January 2011, shall apply to the project, as agreed with the Borrower at negotiations.

B. Results Monitoring and Evaluation

42. The Monitoring and Evaluation system for LAP 1 is currently under review. However, the MLNR will have overall responsibility for M&E report as part of the annual progress reports. Some M&E data (especially activities and outputs) will also be included in quarterly and bi-annual progress reports. An M&E Specialist with terms and conditions acceptable to IDA will be selected competitively to coordinate the overall M&E system under the leadership of the Director for M&E of the MLNR. Specific monitoring responsibilities will include the following:

- All implementation agencies and regional coordinators will be required to keep detailed records of activities, outputs and expenditures against agreed work plans and following standard formats, including robust financial monitoring
- Regional project coordinating units will be responsible for collecting primary data on all activities implemented in the regions. These will be collated at the national level by the M&E specialist
- A third part verification system involving civil society organizations (CICOL in particular and the institute of surveyors) will be established to cross check recorded performance of contracts based on a sampling approach
- Customary lands secretariats will be responsible for simple community monitoring and providing such data generated to the regional offices
- Performance indicators will be reported upon during the semi-annual and annual reports and discussed during NSC meetings.

C. Sustainability

43. The sustainability of the components of the project beyond the implementation period is considered likely. Implementation arrangements, financial management and procurement procedures are all mainstreamed through statutory land sector agencies responsible for the implementation of project activities at the national and regional levels. The Government has provided the necessary legal and statutory framework by the enactment of Procurement Act 663 2003, LC Act 767 2008., OASL Act 481 These agencies and procedures stipulated in the laws

will continue to exist and perform functions described in the project document beyond the life of the project

V. KEY RISKS AND MITIGATION MEASURES

44. The overall risk of the project was rated moderately likely during preparation and moderate impact during implementation. The main risks identified under LAP 1, namely: (i) political commitment spanning over several administrations to carry on with a long term agenda for reforms to their completion; and (ii) willingness of public land agency officials and traditional authorities to participate and cooperate with the institutional and business processes realignment continue to be the main issues likely to affect project preparation, implementation and sustainability. However, as LAP 1 has shown, successive governments have accepted the 1999 national land policy and have supported implementation of LAP 1. Traditional authorities and land agency officers have been generally receptive to institutional and procedural changes and other reforms, but resistance to change persists among some traditional authorities and officers and will require the concerted attention of the project (see Annex 4 ORAF for detailed information). Other risks include:

- There is a risk that new technology supported by the project (including ICT applications to land administration activities, LIS and geodetic infrastructure) will not be sustainable due to inadequate budget allocations despite land agencies generating considerable revenue for government. A risk mitigation measure will be a review of cost recovery measures and the share of revenue that land agencies are allowed to retain; the review is included in the project.
- There is a remote possibility that customary boundary demarcation could result in confirmation of boundaries in locations slightly different from those currently observed in practice on the ground. One possible outcome of this is that tenants located on the land in question might find their land confirmed as belonging to a different stool from the one that granted them their tenancy. Hence, such tenants may be vulnerable to displacement. In such cases, a social assessment will be undertaken and steps taken to minimize and mitigate potential adverse social impacts, including securing advance agreement from participating traditional authorities to ensure that no involuntary displacement results.
- There is a risk that actions at the level of customary land secretariats are taken in a non-transparent way that could disadvantage or diminish the rights of existing usufruct holders or tenants. To mitigate this risk, basic norms of operation and documentation will be agreed between the project and participating traditional authorities as a condition for project support. Project monitoring and evaluation will be tailored with these types of risks in mind.

VI. APPRAISAL SUMMARY

A Economic and Financial Analysis

45. A quantitative economic analysis is very difficult to do for this kind of projects because it requires a lot of data that is unavailable before the project is implemented. The required data will be collected during project implementation to enable an ex-post analysis to be done at the end of the project. The project is expected to generate at least three sets of benefits: (i) improved land tenure security; (ii) improved efficiency in registration systems and service delivery; and (iii)

provision of better quality and cheaper land information. Empirical studies undertaken internationally indicate, while not uniformly, that land tenure security and efficiency in land transactions can contribute positively to: (i) increased incentives for investment and productivity; (ii) increased access to more and cheaper credit which would lead to increased investment and productivity; and (iii) an overall increase in productivity as land moves from less efficient to more efficient producers through rental and sales markets. In addition, recent international studies have demonstrated that land information adds considerable value to the growth of economies as measured by GDP.

46. Notwithstanding the lack of data to undertake economic analysis, a model used to undertake similar analysis in developed countries was used to demonstrate the potential net economic benefits from investing in land information as in component 3 of this project which constitutes around 50 percent of the project's base costs. Assuming a 0.04 percent impact of land information on Ghana's GDP, as of year 6 and stabilizing at 0.08 percent in year 10, the project would generate an economic rate of return (ERR) conservatively estimated at 15 percent over a 20 year period with C/B being at 1.45 and NPV at a positive value of US\$ 28 million (see details in Annex 7).

B. Financial Analysis

47. As the government and its agencies are the main stakeholders in the project, a financial analysis was performed to assess the attractiveness of the project to the government and its ability to operate and maintain project investments taking into account the need to ensure that cost recovery charges are not a barrier to public access to the land registry, land information and land administration services. It is expected that government revenues accruing to the LC will increase a result of improved service delivery, mainly via: (i) an increase in land transactions associated with improved land services delivery; (ii) an increase in service fees for assessing more properties via computer assisted mass appraisal (CAMA methods and land information generated by the project; and (iii) revenue accruing from the sale of land information generated by the project. A financial analysis centered on the Lands Commission expenditures and revenues reveals that the project's financial rate of return (FRR) would be around 27 percent and that the net financial benefits are able to withstand shocks to the underlying variables such as significant increases in expenditures.

C. Technical

48. The project will apply innovations (new approaches), piloted under LAP 1 and implement institutional reforms to improve land delivery systems and supply spatial data, bearing in mind efficiencies and cost savings that can be realized using computer-based systems and a combination of old and new technologies. Business process re-engineering and computerization and the application of information communication technologies (ICT) will be used to speed up and reduce the costs of delivering land administration services in customary and state institutions. A combination of old and new technologies which were piloted under LAP 1 includes global positioning systems (GPS) for geodetic, topographic and cadastral surveying, satellite imagery, rectified aerial photography, Total Stations, digital plane table (DPTs) and other conventional ground survey equipment. Some of the lessons drawn from piloting these technologies include: (i) the need to consider both aerial photography and satellite imagery to produce base maps cost-effectively and timely taking into account a limited window of 4 months

in a year for flying or acquiring satellite imagery in Ghana; and (ii) the need to use continuously operating reference stations (CORS) in updating the geodetic reference network which would produce additional benefits in the way of reducing time and cost in surveying.

49. While much of the piloting of new approaches was carried out under LAP 1, some limited piloting and the refinement of approaches will be continued under LAP 2 for some innovations. For example, application of systematic land titling to individually owned land parcels did not produce internationally acceptable results in terms of cost effectiveness primarily because of inadequacies in design and lack of institutional coordination during implementation. A key lesson from the piloting was the need to merge the processes of surveying, adjudication and titling to save costs and time. This lesson would be used in the design of additional piloting before scaling up. Other new approaches that will be rolled out with close evaluation and refinement, if necessary are: (i) physical planning models; (ii) the street naming and numbering of associated buildings; (iii) application of open source software for integrated LIS; and (iv) demarcation of boundaries of customary (allodial) lands.

D. Financial Management

50. In line with the guidelines as stated in the Financial Management Practices Manual issued by the Financial Management Sector Board on March 1, 2010, a financial management assessment was conducted of the Ministry of Lands and Natural Resources (MLNR) and of the Lands Commission, the Town and Country Planning Dept and the Office of the Administrator of Stool Lands. The objective of the assessment was to determine: (a) whether the Ministry and the related agencies have adequate financial management arrangements to ensure project funds will be used for purposes intended in an efficient and economical way; (b) the project's financial reports will be prepared in an accurate, reliable and timely manner; and (c) the entities' assets will be safeguarded. The MLNR and related agencies implemented the ongoing Land Administration Project (LAP) which is expected to close in June 2011. LAP 2 is expected to build on the gains already achieved under the LAP 1. Financial Management under the LAP was carried out by the Land Administration Project Unit (LAPU, which will be renamed the Project Coordination Unit) and is currently rated as Satisfactory (S). The conclusion of the assessment is that the LAPU of the MLNR having implemented the LAP with a Satisfactory FM rating, has in place adequate financial management systems which can effectively support the implementation.

51. Overall the residual FM risk of the Finance and Accounting unit of MLNR is rated as Moderate (M). This is in view of the satisfactory performance of the financial management unit during the implementation of the LAP 1. The transfer of the substantive Financial Controller of the MLNR to another Ministry late last year (2009) and the late re-engagement of the audit team resulted in a thirty day delay in the submission of the 2009 audited financial report. This was subsequently received with a clean opinion and no major internal control issues. The attention of management has been drawn to these issues, especially with regard to transfer of key staff midway through the project as this turns to impact the smooth flow of work, especially during the time that the new staff settles into his/her new role.

E. Procurement

52. An assessment of the capacity of the Implementing Agency to implement procurement actions for the project has been carried out and has concluded that even though the Ministry has successfully implemented LAP 1, it has experienced a high turnover of its procurement staff and as a result does not presently have staff with adequate experience and capacity to carry out procurement activities related to the proposed project. Although, the procurement specialist in charge now is familiar with Bank procurement procedures through his involvement with implementing past projects financed by the Bank, he needs more hands-on training to gain confidence. It is recommended that a proficient procurement specialist knowledge and experience in Bank procurement be recruited to support and also offer hand on training to the present team. As a result, procurement risk is assessed as substantial. Risk mitigation measures have been discussed with the Project team and agreed. The procurement plan dated January 15, 2011 for the project was prepared by the Borrower and has been reviewed and accepted by the Bank. It will be updated at least annually (or as required) to reflect project implementation needs. The May 2010 procurement and consultant guidelines will apply to this project.

53. The overall project risk for procurement is substantial. The key risks for procurement include: (i) Lack of adequate capacity and experience to undertake and manage complex procurement and (ii) Delays in Evaluation of bids and Technical Proposals. The following measures have been agreed with the Borrower to mitigate the remaining risks:

- Appointment of a highly qualified procurement consultant to support the procurement staffing for the project.
- A procurement needs assessment will be undertaken within the IAs and focused capacity building will be developed to address areas of weakness, i.e., capacity building program will be developed to respond to address specific gaps during the assessment.
- Updating of Project Implementation Manual with a section on procurement, detailing out instructions for handling procurement and clarifying that Bank Guidelines should be followed in case of conflict between National Procurement Law and the World Bank Guidelines and the Financing Agreement. This should be disseminated to all staff involved in the project implementation at project launch.
- Close monitoring of procurement plans on a monthly basis and closely monitor and exercise quality control on all aspects of the procurement process, including evaluation, selection and award.

F. Social (including safeguards)

54. The main social issues include stakeholder participation and consultation, gender, civil society engagement, governance and transparency, communication, disputes and resettlement.

55. *Stakeholder Consultations/Participation and Governance:* As part of the preparation for this project, the LAP 1 organized a number of stakeholder consultations in five regions involving public, private and civil society. The stakeholders included land owners/traditional authorities (regional house of chiefs) Judicial Service, Bar Association, Tenant farmers, Civil Society Organizations including women's groups. Pertinent issues raised by the fora which informed the

project include security of tenure, case adjudication, lack of local plans, boundary disputes, ascertainment of customary practices, and the inclusion of civil society organizations in monitoring. Other relevant issues raised were strengthening ADR mechanisms, sensitization and awareness, capacity building for key stakeholders like the judiciary/lawyers/CSOs/traditional authorities; establishment of land courts and strengthening the customary land secretariats.

56. Governance and transparency issues will be addressed at different levels by different stakeholders. Project activities like automation of services, application of demand side accountability by CSOs will all be significant in addressing governance issues. The CSOs represented by CICOL will employ participatory monitoring and evaluation methods. Social accountability tools like citizens' report cards and social audits and other civic engagement strategies may be employed for evaluation of project activities. The consultation and participation will be a continuous process during implementation through different media to meet the needs of identified stakeholders and partners.

57. *Gender and Civil Society Engagement:* Under the LAP 1, a gender strategy with an action plan was developed and implementation of some aspects was test-piloted. The implementation of the gender strategy has been rolled over into LAP 2 under which the identified institutional arrangements and mechanisms will be put in place for comprehensive implementation of the accompanied action plan (which could be revised based on realities and evolving changes). Due to the significance of the social and gender issues, LAP 2 will establish a Gender and Social Development Unit with focal persons at the decentralized level and in the Land Sector Agencies (LSAs). The engagement with CICOL as a coalition of NGOs working on land and related issues will be strengthened for better delivery of services through development of workable instruments for effective participation in project activities. In line with this, the project will sign a memorandum of understanding with CICOL. Among the areas for CICOL's participation are: sensitization and awareness creation, implementation of specific project activities and monitoring and evaluation. There will be support to governance issues like transparency and accountability from both demand and supply side through participatory mechanisms and social accountability tools. This is expected to build additional confidence of the public in the system of land administration. All these and other activities under LAP 2 will be facilitated through the implementation of the communication strategy.

58. *Communication Strategy:* The project has developed a comprehensive communication strategy to guide sensitization and awareness creation for different categories of interests. The strategy identifies major stakeholders, implementing partners, current and preferred channels of communications and source of information to be communicated. Among the channels include documentary, contact data base, theatre, road shows and the different forms of media. The strategy outlines the implementation strategy to be employed, a budget and an evaluation system.

59. *Disputes and Resolution Mechanisms:* Demarcation of boundaries of customary lands has potential for disputes and could lead to a potential stand-off as witnessed in a few cases under LAP 1. Similarly, disputes may arise in the context of systematic title registration or in the provision of documentation to customary land holders and tenants. Experience under LAP 1 with alternative dispute resolution (ADR) will be built upon and deepened to help manage such disputes as they arise. In addition, guidelines for participation, roles and responsibilities in the boundary demarcation exercise will be developed and included in the implementation manual.

60. *Social Safeguards:* Construction of office space in Kumasi under LAP 2 triggers the World Bank’s operational policy on involuntary resettlement (OP 4.12). GoG has prepared an Environmental and Social Impact Assessment (ESIA) which identifies the social impacts associated with this activity, and has developed an abbreviated resettlement action plan (ARAP) for the site in view of the six farmers undertaking their farming activities on the site. Within the ARAP, there is a grievance redress mechanism, a monitoring and evaluation of the action plan implementation and an entitlement matrix. The ESIA and the ARAP were disclosed in country on November 27, 2010 and in the Infoshop on January 6, 2011. As OP 4.12 does not apply to disputes between private parties related to the titling of land, it will not be triggered by project support for demarcation of customary (allodial) boundaries or of individual private or customary landholdings in the context of systematic title registration or documentation undertaken by CLS. However, as noted in OP 4.12, it is good practice in such instances to undertake a social assessment and to minimize and mitigate potential adverse consequences, especially for the poor and vulnerable. The Project will undertake measures consistent with this good practice.

G. Environment (including safeguards)

61. *Environmental Safeguards:* The Environmental Category assigned LAP 2 is Category B (Partial), predicated on the fact that environmental risks and social impacts may be minimal; they may be manageable and, in most cases, the risks associated with the activities may be reversible. The Project’s support to the construction of a new office in Kumasi triggers the World Bank safeguard policy on Environmental Assessment (OP/BP 4.01). In addition, the project may finance the rehabilitation/refurbishment of district and circuit courts, district offices and a few traditional land secretariats. The likely environmental impacts that may occur under LAP 2 may include loss of vegetation cover, biodiversity loss, pollution, contamination of soil and water, etc., whilst health and safety risks may include, for instance, accidents at work camps.

Safeguard Policies That Apply

Safeguard Policies Triggered	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
Natural Habitats (OP/BP 4.04)		X	
Forests (OP/BP 4.36)		X	
Pest Management (OP 4.09)		X	
Physical Cultural Resources (OP/BP 4.11)		X	
Indigenous Peoples (OP/BP 4.10)		X	
Involuntary Resettlement (OP/BP 4.12)	X		
Projects in Disputed Areas (OP 7.60)		x	
Projects on International Waterways (BP 7.50)		x	
Safety of Dams (OP 4.37)		x	

Annex 1: Results Framework and Monitoring

GHANA: Land Administration Project 2

Project Development Objective (PDO): <i>To consolidate and strengthen land administration and management systems for efficient and transparent land service delivery.</i>												
PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values**					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicat or definiti on etc.)
				YR 1	YR 2	YR3	YR 4	YR5				
Indicator One: Turn around time for deeds reduced	<input type="checkbox"/>	Months	3 months	2	2	1	1	1	Quarterly	Land Sector Agencies/Surveys	M&E Unit	
Indicator 2 Turn around time for title registration reduced		Months	7 months	5	4	3	2	2	Quarterly	Land Sector Agencies/Surveys	M&E unit	
Indicator Three The percentage of land transactions with information on standard statutory fees, land values, and land transaction charges made publicly available through the media	<input type="checkbox"/>	percentage	0	newspapers	Newspapers, Brochures, radio	Newspapers Brochures, Online. Website	Newspapers Brochures , Online. Website	Newspapers Brochures, Online. Website	Quarterly for newspapers, permanent online	Land Sector Agencies/Surveys	LIS Unit and M&E	
Indicator Four: Registered land transactions	<input checked="" type="checkbox"/>	No	0	4000	8800	15000	20000	30000	Quarterly	Land Sector Agencies/Surveys	M&E unit	
INTERMEDIATE RESULTS												
Intermediate Result (Component One): Strengthening the Policy, Legal and Regulatory Framework for Land Administration												
<i>Intermediate Result indicator One:</i> Legislative instruments for Acts 767, 481, Lands Act and land Use Act enacted	<input type="checkbox"/>	Number of legislative instruments gazetted	No LI in place	0	4	2			Semi-annual	Land Sector Agencies/Surveys	M&E unit	
<i>Intermediate Result indicator Two:</i> Customary practices ascertained	<input type="checkbox"/>	Number of customary areas ascertained	20	10	10	20	10	50	Quarterly	Land Sector Agencies/Surveys	M&E unit	
<i>Intermediate Results Indicator Three:</i> Number of stakeholders trained (Judges, Lawyers, Chiefs, Land Sector staff Civil Society Organizations)		Number	0	20	50	100	120	120	Quarterly	Land Sector Agencies/Surveys	M&E Unit	
Intermediate Result (Component Two): Improving Functions and Business Processes for Service Delivery												

<i>Intermediate Result indicator One:</i> Number of district offices established	<input type="checkbox"/>	Number	0	1	4	8	10	12	Quarterly	Land Sector Agencies/Surveys	M&E Unit	
<i>Intermediate Result indicator Two:</i> Number of CLS established	<input type="checkbox"/>	Number	38	10	10	20	10	50	Quarterly	Land Sector Agencies/Surveys	M&E Unit	
No of land rights registered at the CLSs		Number	1000	4000	6000	10000	15000	25000	Quarterly	Land Sector Agencies/Surveys	M&E unit	
Intermediate Result (Component Three): Improved maps and spatial data for land administration												
<i>Intermediate Result indicator One:</i> Regions for which maps are completed	<input type="checkbox"/>	Number	0ta	0	1	2	3	4	Quarterly	Land Sector Agencies/Surveys	M&E unit	
<i>Intermediate Result indicator Two:</i> Policy framework for national spatial data infrastructure, survey and mapping , and geodetic reference network completed	<input type="checkbox"/>	Yes/No	0	Yes	Yes	Yes	Yes	Yes	Quarterly	Land Sector Agencies/Surveys	M&E unit	
<i>Intermediate Result indicator Three:</i> GRN establishment completed		Number	42	3	0	42	42	42	Quarterly	Land Sector Agencies/Surveys	M&E unit	
<i>Intermediate Result indicator Four:</i> Spatial development framework, structural and local plans prepared		Number	0	1 (national)	7 (2 regions; 5 districts)	12 (2 regions; 10 districts)	20 (10 districts; 10 towns)	40 (1national; 4 regions; 25 districts; 10 towns)	Quarterly	Land Sector Agencies/Surveys	M&E unit	
<i>Intermediate Result indicator Five:</i> Number of customary boundaries demarcated		Number	0	1	3	3	3	10	Quarterly reports	Land Sector Agencies/Surveys	M&E unit	
<i>Intermediate Result indicator Seven:</i> Properties revaluated		Number	5	6	8	10	12	15	Quarterly	Land Sector Agencies/Surveys	M7E unit	
Intermediate Result (Component Four): Human Resource Development and Project Management												
<i>Intermediate Result indicator One:</i> Human resource development plan completed	<input type="checkbox"/>	Yes/No	1					1	Quarterly	Land Sector Agencies/Surveys	M&E unit	
<i>Intermediate Result indicator Two:</i> Public outreach and awareness on land issues	<input type="checkbox"/>	Number of regions covered	0	3	6	10	10	10	Quarterly	Land Sector Agencies/Surveys	M&E unit	

Annex 2: Detailed Project Description

GHANA: Land Administration Project - 2

1. Land administration systems are evolving from a focus on core functions of regulating land and property development, land use controls and land taxation and disputes to a focus on integrated land management systems designed to support sustainable development. Consequently, a more efficient land management system is required for natural and environmental management, food security and vulnerability monitoring, human settlements planning, transportation and communication infrastructure planning, service delivery, commerce, health, education, governance, social welfare and tourism development and management.

2. The overall goal of the project is to consolidate and strengthen land administration and management systems for efficient and transparent service delivery. This will be achieved through reviews and enactment of appropriate land administration laws and regulations, capacity building for land sector agencies, land owners and relevant NGOs, and streamlined business procedures within the land agencies. Specifically the project will:

- complete the drafting of the Land and Land Use Planning Bills and support the preparation of Legislative Instruments for the Land Act the Land Use and Planning Act; the Lands Commission Act; and the Office of the Administration of Stool Lands Act;
- improve the deeds and titles registration systems in terms of security and reduction of turn-around time for service delivery;
- continue to pilot systematic title registration in selected areas, and support the systematic demarcation and documentation of customary land rights within participating traditional authority areas;
- improve mapping systems;
- undertake street addressing for selected areas;
- develop information and valuation systems to increase revenue generation by land agencies and district assemblies; and
- improve capacity of land sector agencies and private sector providers, and community-based institutions in the form of customary land secretariats (CLS).

3. To maximize project outcomes, LAP 2 will focus mapping primarily in four regions namely, Greater Accra, Western and Ashanti regions, and also in the Northern region. Greater Accra is selected for purposes of reducing land litigation and enhancing security of investment while Western region is selected primarily due to the discovery of oil in the area and the likelihood of emergence of land disputes. The Ashanti region is selected on the basis of having a fairly cohesive single traditional authority, making it an advantageous area for scaling up the development of traditional land administration systems. The Northern region is selected primarily for its poverty focus and a high potential for large scale commercial agriculture that could arouse land disputes.

4. The project objectives will be achieved through the implementation of four main components: (a) Strengthening the Policy, Legal and Regulatory Framework for Land Administration; (b) Improving Business Processes for Service Delivery; (c) Improved Maps and Spatial Data; and (d) Human Resource Development and Project Management.

Project Components

Component 1: Strengthening the Policy, Legal and Regulatory Framework for Land Administration (US\$ 5.00 million)

5. This component will provide a platform for continued work on the legal framework governing land administration and land use, building upon the accomplishments achieved under LAP 1.

Subcomponent 1.1 Completion of the Land and Land Use and Planning Bills and their Legislative Instruments (US\$ 1.77 million)

6. The subcomponent will support the completion of the Land and Land Use and Planning Bills and their associated legislative instruments (LIs). LI's will also be prepared for the Administration of Stool Lands Act, 481 of 1994 and the Lands Commission Act, 767 of 2008. Legal experts will be recruited through a competitive process to complete these activities within the first year of project implementation. A significant constraint on the implementation of new laws is often the absence of a concerted effort to disseminate information concerning the law to affected stakeholders. This subcomponent will make a significant contribution in this regard through the preparation of: (a) easy to read and comprehend materials on land laws and administration for legal professionals and students; and (b) lay persons' guides for non-legally trained administrators and civilian users of the laws. Training workshops for the judiciary, the Bar, traditional authorities, NGO's, land owners, tenants, journalists, government officials and other stakeholders will be undertaken.

Subcomponent 1.2 Partnership with the Judiciary (US\$ 2.56 million)

7. The project will continue the collaboration with the judiciary, both in terms of extending and improving the operation of Land Courts, to improve the adjudication of land cases in the 4 target regions, and deepening the training of judges, lawyers and other key actors in land administration processes in the use of Alternative Dispute Resolution (ADR) mechanisms. The project will also support the automation of Land Courts in the Western, Greater Accra, Ashanti and Northern regions. "Rules of the Court" as they pertain to the adjudication of land related cases will be reviewed to reflect modern practices and faster adjudication of land cases. Support will also be provided for scanning land records and publishing land cases.

Subcomponent 1.3 Specific Supporting Studies (US\$ 0.56million)

8. The subcomponent will: (i) undertake the review of policies on land-related fees and taxes with the aim of formulating policies on fees and taxes which are conducive to the financial sustainability of the system and at the same time avoids discouraging the registration of land transactions; and (ii) in collaboration with the proposed "Commercial Agriculture Project", support feasibility studies to develop suitable strategies and institutional arrangements in order to facilitate access to suitable land for investors whilst ensuring that the rights and interests of owners and local communities are respected.

Component 2: Decentralizing and Improving Business and Service Delivery Processes (US\$ 23.27 million)

9. The component aims to improve the deeds and title registration systems by accelerating and making their transactions more transparent and secure, and by making the registry offices more client-focused. This will be achieved through further decentralization of land administration functions to the regions and districts, improvements in the business processes through re-engineering, introduction of ICT into the operations of the land agencies, addressing backlogs in

the title and deeds registration systems, creating awareness among clients and improving client service by allowing customers to inspect documents and undertake searches via computers.

Subcomponent 2.1 Decentralization of Service Delivery (US\$ 4.68 million)

10. To make land administration services accessible to clients, the project will continue to support the decentralization of services to the regions and to the districts. Integrated business procedures (whereby a customer completes the necessary documentation, pays the required fees, drops off the document at the office and collects the registered deed or title at an appointed time) will be established in all the LC regional and district offices. A strategy and an action plan will be prepared in which detailed functions to be decentralized to the regions, districts and CLS will be spelt out and implemented with the support of the project.

11. The Customary Land Secretariat will be promoted and established as part of the decentralization of land administration services for land owners and traditional authorities who are willing to make initial investments in office accommodation and basic office facilities and who will enter into Memoranda of Understanding with the OASL (representing the project) establishing minimum norms of transparency, respect for rights and quality control in the generation of documentation, management of records, provision of services and other matters (details are covered in the PIM). Ascertainment of customary practices will form an integral part of the establishment and ongoing support to CLSs. In selected CLS areas, the project will support the piloting of a systematic process of demarcating and documenting rights to all parcels in rural communities. The project will provide technical support in the form of training, mentoring and guidance. Ascertainment of customary practices will be carried out as part of the process in establishing CLSs, and consultants will be engaged to support the process. Systematic title registration will be undertaken on a pilot basis in selected regions

Subcomponent 2.2 Streamlining Business Procedures (US\$ 18.59 million)

12. The aim of this sub-component is to shorten the time taken to deliver services and to reduce face to face contacts between clients and providers. The project will support the creation of one stop shops in all service delivery in all the regional and district offices nationwide. This will be achieved by streamlining the business procedures and reducing time taken to deliver services through automation and proper records management by making functional and upgrading the LIS piloted under LAP 1 and the open source Cadastre and registration system proposed by FAO and integrating it with the LUPMIS and the UMLIS. A CAMA will also be developed to enable the LC publish the official bulletin of notification of values regularly. Once the various information systems are integrated, they will be installed in the regional offices as well. This component will also support the clearing of backlog of applications for title registration, reduction in the time of issuing building permits, scanning the remaining manual documents and digital storage and retrieval of records.

Component 3: Improved Maps and Spatial Data for Land Administration (US\$ 31.51million)

13. The component aims to develop a sustainable spatial information service by producing up-to-date base maps and other spatial products to be used as inputs directly or indirectly in all components of the project and for users within and outside the government. To achieve this objective, the following activities will be supported, including: (i) developing a surveying and mapping policy, a geodetic reference network, continuously operating reference stations, and a national spatial data infrastructure; (ii) producing digitized base maps; and (iii) establishing a street addressing system.

Subcomponent 3.1 *Developing policies for surveying and mapping and other spatial activities (US\$ 0.49million)*

14. Policy studies, including public consultations would be undertaken to inform and enlighten the discussion and formulation of new policies for various spatial activities and products. . The LC will engage the services of qualified firms to undertake studies required to formulate policies for: (i) surveying and mapping; (ii) GRN and the establishment of CORS; and (iii) NSDI which will provide for the regulating, development, sharing and coordinating of all spatial products generated in the country. Consultations with stakeholders would be undertaken to arrive at consensus on policies. With respect to surveying, LI's and instructions will be revised, with particular emphasis given to the need to develop more cost efficient, flexible and acceptable standards of accuracy in line with international practice that can be tailored to different contexts and that will allow a financially viable approach to the eventual registration of most land in Ghana.

Subcomponent 3.2 *Preparation of base maps (US\$ 9.84million)*

15. This subcomponent will provide base maps to support project activities including land use planning, cadastral mapping, valuation and street addressing as well as to support requirements of other users within and outside government. Base maps at an appropriate scale will be produced for the target regions (Greater Accra, Western, Ashanti and Northern regions) through aerial photography and or satellite imagery.

Sub component 3.3 *Establishment of Geodetic Reference Network (US\$ 3.21million)*

16. Support will also be provided to update the CORS and extend their coverage as part of the GRN. Work on the GRN system will also include a gravity survey for the determination of a Geoid, re-computation of necessary transformation parameters and system converters between old and new systems including conversion of analogue parcel data to digital format and digital maps from the current to the ITRF, and adoption of policies to control the GRN monuments.

Subcomponent 3.4 *Boundary Demarcation (US\$ 1.98million)*

17. Boundaries of customary land will be undertaken on demand and upon agreement between parties based on guidelines to be developed and included in the implementation manual. These guidelines will include but not be limited to an agreement by all parties to settle boundary disputes through ADR within a specified period of not more than 6 months. The physical boundary demarcation will be separated from the settlement of disputes. Boundary demarcation for prospective land owner/traditional authorities will be led by the LC in close collaboration with the OASL. The ADR process will be handled by a trained team at the region led by the OASL regional officer whilst the physical demarcation of boundaries will, to the extent possible, be undertaken through private providers under the supervision of the respective regional LC. Where feasible, the regional LC will be supported to carry out the demarcation. A cost sharing arrangement for the demarcation will be determined and included in the implementation manual.

Subcomponent 3.5 *Preparation of land use plans (US\$ 5.86million)*

18. The project will support the preparation of a national spatial framework, four regional structural plans local plans for selected districts, cities and towns based on a cost sharing arrangements. This activity will be undertaken by the T&CPD supported by experts to be recruited through international competition.

Subcomponent 3.6 *Revaluation of Properties (US\$ 6.27million)*

19. Support will also be provided for the revaluation of properties in selected district capitals using the CAMA and maps developed by SMD and relying on proper street names and property addresses. The determination of the districts to be supported will be dependent on the readiness of

the district to contribute to the exercise. As much as practicable, the Project will endeavor to bring the activities on mapping, local plans development and revaluation of properties in the same area.

Subcomponent 3.7 Street addressing and property identification (US\$ 3.86million)

20. The project will provide support for the completion of the work started under the UMLIS project for Accra Metropolitan Assembly based on cost sharing arrangements between users, house owners and the Assembly. The project will support the development of a system for building registration and property rates collection, data capture of information required in the address database, establishment of an address register for Accra and human resource development and public outreach activities. The MMDAs will be solely responsible for the management of the component and will report directly to the National Coordinator. Support will be provided to the MLGRD to monitor implementation of the framework developed for the street naming exercise

Component 4. Human Resource Development and Project Management (US\$ 10.78million)

21. This component will build capacity in support of the implementation of the strategic plans of the main land sector agencies, the private sector, landowner/traditional authorities, judiciary, NGOs and other stakeholders deliver better services, develop greater private sector and NGO (CICOL in particular) participation as well as build better customer awareness and ensure efficient project management. The component will also support better working environment by way of construction of a regional office for the LC in Kumasi to facilitate service provision in the Ashanti region.

Subcomponent 4.1 Human Resource Development (US\$ 4.81million)

22. This component will support a comprehensive assessment of capacity needs of the LSAs including the regions and CLSs with the view of preparing a human resource development plans. The human resource plans will form the basis for training and capacity building support by the project. The capacity building will include training and in special cases post-graduate courses in-country. Outside-country post graduate training will be determined on a case by case and only when the course is not offered in-country. Twinning arrangements between national and outside faculties will be encouraged to facilitate knowledge sharing. Other support under this component includes, technical assistance support, particularly for the surveys, title registration and information systems. Study tours and provision of logistical support to perform statutory roles in providing efficient service to clients will be supported. It will also involve client and public awareness programs. The project will support the provision of Technical Assistance in the following areas: (i) GRN; (ii) remote sensing techniques; (iii) transformation parameters and system converters between old and new systems including conversion of analogue parcel data to digital format and digital maps from the current to the International Terrestrial Reference Framework (ITRF); (iv) business process re-engineering and automation; (v) Land Title registration; and (vi) Land use planning

Subcomponent 4.2 Gender Equality Mainstreaming (US\$ 0.91million)

23. A gender strategy was prepared under LAP which sought to mainstream gender related activities into project implementation and associated processes in participating agencies. The strategy seeks to promote coherent and sustained approach to addressing women and men's concerns for equitable development in relation to land administration through gender sensitive data gathering, participation and in the design and monitoring processes of the project. The project will support the recruitment of a social development specialist for an initial period of two years in the regions to facilitate the implementation of the gender strategy developed under LAP 1.

Subcomponent 4.3 *Communication and Public Outreach (US\$ 0.85million)*

24. Achieving the overall goal of the project will require building a long term political commitment, mobilizing support from diverse stakeholders, assuring a high level of transparency and promoting the practice of good governance. To be sustainable, improvements will also be needed to leverage the systematic participation of affected land holders and users in identifying challenges, formulating possible solutions, and implementing decisions at different levels. A communication strategy is under preparation and will be rolled out during the implementation of the project. The communication strategy will complement and enhance project's social as well as M&E aspects of the project as they both aim at ensuring that stake-holders views are incorporated into the project implementation and evaluation cycle. The main LSAs will be required to establish a public communications unit at the head quarters and regional offices to lead the implementation of the communication strategy within their respective agencies under the overall guidance of the communication specialist from the Project secretariat. The specialist with experience in both strategic and development communication will be responsible for the establishment and maintenance of a network of communication officers and ensure a two-way flow of information. The project will support the recruitment of a communication and public outreach specialist for an initial period of two years in the regions to facilitate the implementation of the communication strategy developed under LAP 1.

Subcomponent 4.4 *Project Management (US\$ 4.21million)*

This component will cover the cost of engaging consultant for project management and monitoring as well as operational costs.

Annex 3: Implementation Arrangements

GHANA: Land Administration Project - 2

Project Institutional and Implementation Arrangements

Project administration mechanisms

1. The project will deploy an implementation approach which includes public, private and NGOs for effective execution of project activities for the attainment of the development objectives. These arrangements for executing project activities will therefore need a strong, focused and decentralized implementation structure composed of a mix of experienced civil servants and qualified professionals (recruited from the open market). The project coordinating unit will have the mandate for and competency to plan, implement, coordinate, resolve problems and supervise project activities being implemented by a host of diverse agencies. The central implementation entity will have to work with various stakeholders namely, landowners, traditional authorities, land sector agencies and their Commissions or Boards, lawyers, judiciary and NGOs among others.

2. The implementing arrangements of the project described below, while building on the experience of LAP 1, have been designed keeping the above factors into consideration. The project will establish a strong and empowered project coordination unit for purposes of coordination whilst the day to day implementation will be ceded to the land sector agencies, regions and MMDAs where applicable. At the apex will be the NPSC chaired by the Minister of Lands and Natural Resources with membership from key stakeholders for policy matters and overall program oversight. The land sector agencies, regional offices and MMDAs will be strengthened to implement tasks defined in the implementation manual.

National Project Management Structure and Functions

3. The Ministry of Land and Natural Resources will take on the responsibility for overall management of the project, including (i) chairing the NPSC which has strategic and oversight responsibility; and (ii) hosting the PCU which will coordinate the day to day implementation of project activities. The Office of the Director Lands will host the secretariat with the Director of Lands exercising supervisory responsibility over the Project Coordinator. The NPSC will be responsible for policy formulation and reviews, approval of annual work plans and budget, mid-term and performance reviews, annual performance assessments, action on audit reports and recommendations and resolving major implementation issues. Membership of the NPSC will be as follows:

- (i) Two representatives from the National House of Chiefs
- (ii) Chairman of the Parliamentary sub-committee on lands
- (iii) Chairman of the National Lands Commission
- (iv) Executive Secretary, National Lands Commission
- (v) The Administrator of Stool Lands
- (vi) The Director, Town and Country Planning Department
- (vii) The Judicial Secretary
- (v) Chief Directors of the following Ministries and agencies:
 - Ministry of Environment Science and Technology
 - Ministry of Food and Agriculture
 - Ministry of Works
 - Ministry of Local Government

- Ministry of Women and Children Affairs
- (vi) Representative each from the following bodies/agencies
 - Ghana Institute of Surveyors, Peasant Farmers Association
 - Civil Society Coalition on Lands
 - Farmers Association
 - Council for Scientific and Industrial Research
 - Kwame Nkrumah University of Science and technology
 - Survey Council
 - Ghana Institution of Planners
- (vii) The secretary to the committee shall be the National Project Coordinator

National Project Coordinating Unit

4. The project coordinating unit with the Project Coordinator as the head will be responsible for project coordination and to carry out and supervise implementation, as appropriate. It shall be the executive arm of the PSC and carry out its responsibilities under the overall supervision exercised by the PSC. Key personnel of the PCU will include a Senior Lands Officer, Project Accountant, Procurement Specialist, Communication and Public Outreach Specialist, Social Development and Gender Specialist and a Monitoring and Evaluation Specialist. These positions will be filled through competitive recruitment.

5. The PCU will perform the following specific functions including: implementation of the decisions of the PSC and to provide secretariat support; and plan and implement activities under the project. The PCU will therefore be responsible for the following:

- (i) Consolidate the annual work plan and annual budget (AWPB) from the implementing agencies and regions and process these for approval through the NSC to the Bank;
- (ii) Monitor implementation of the AWPB
- (iii) Prepare and circulate periodic implementation reports, particularly the semi-annual and annual progress and if possible propose revisions to the annual targets and budget for NSC and IDA's approval;
- (iv) Coordinate implementation with other participating donors;
- (v) Prepare proposals to address emerging implementation issues;
- (vi) Carry out baseline surveys, mid-term project review studies and implementation reports besides other studies necessary and incidental to the implementation of the project;
- (vii) Recruit and manage PCU staff and responsibility for the recruitment and supervision of consultants;
- (viii) Organize and chair monthly meetings of heads of implementing agencies during the first two years of project implementation and subsequently hold quarterly meetings;
- (ix) Provide all relevant information to IDA and other participating donors, to assist in the conduct of donor implementation support missions and fulfil other legal and fiduciary requirements under project legal documents; and
- (x) Do all other relevant activities incidental to the implementation of the project.

6. The PCU will be given greater autonomy and authority to coordinate the project whilst ensuring the MLNR take appropriate measures to monitor performance. The following will guide the PCUs coordination role: (i) once AWPBs are prepared and approved by the NSC, the PCU will be responsible to coordinate activities without further approvals for each specific activity; and (ii)

the implementation of any activity within the annual work plan and budget will be guided by the DCA and the Implementation Manuals.

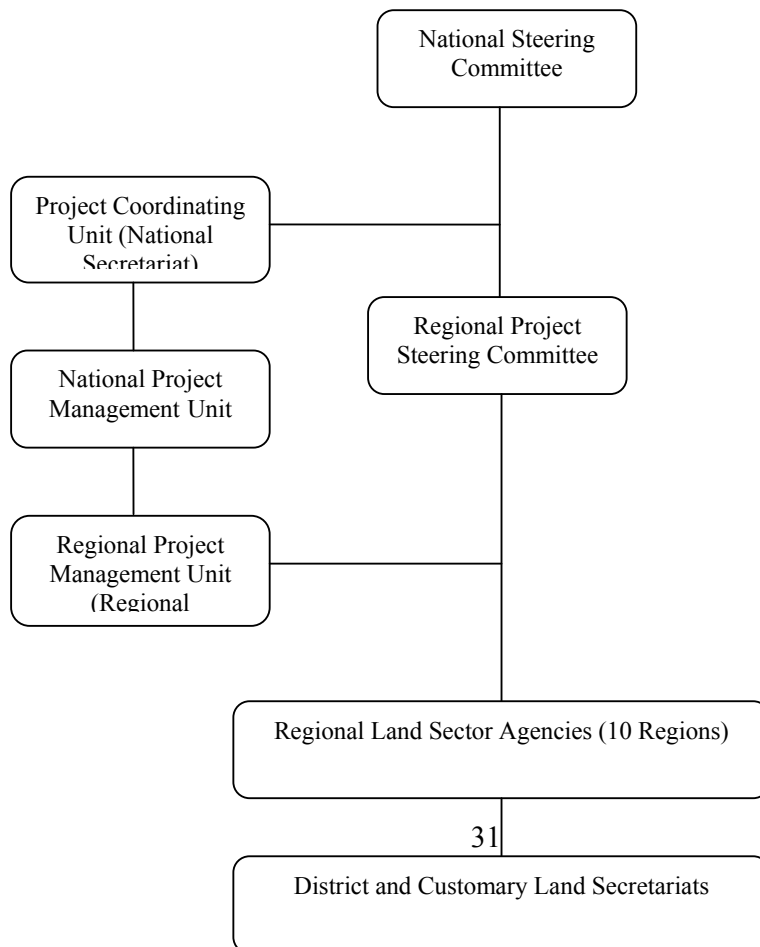
7. A National Project Management Unit (NPMU) made of heads of implementing agencies, LC, OASL, T&CPD and their deputies and co-opted members (as and when desired) and chaired by the Director of Lands or in his/her absence the Project Coordinator will hold monthly implementation review meetings. The project management unit will review progress of implementation of activities by the various implementing agencies and provide guidance on emerging issues.

Regional Project Management Structure and Functions

8. The Regional Planning Coordinating Units of the regions will have oversight responsibilities similar to the PSC. The RPCU will be expanded for the purposes of the management of this project to include the Chairman of the LC in the region, and the regional officers of LC, OASL, T&CPD, Presiding High Court Judge and the President of the regional House of Chiefs. They shall meet quarterly to review project implementation and resolve any emerging issue. The regional Lands Officer who will coordinate the regional implementation will act as secretary and report all proceedings to the National Project Coordinator. The Regional Coordinating Director will chair the meetings of the regional steering committee.

9. A regional management unit will also be constituted of heads of implementing agencies and a representative of the regional house of chiefs. They will meet monthly to review progress made in project implementation, resolve emerging issues and report to the regional coordinating unit. Each region will prepare annual work plans and will be directly responsible for the implementation of project activities in the region.

Table 1. Diagrammatic representation of management structure



Financial Management, Disbursement and Procurement

Financial Management

10. The overall financial management responsibility will be handled by the Project Accountant who will be supervised by the Financial Controller (FC) at the MLNR. The responsibility of the FC is to ensure that throughout implementation there are adequate financial management systems in place which can report adequately on the use of project funds. As in the case of the ongoing LAP 1, a dedicated Project Accountant will be responsible for the operational and day to day transaction processing and collation of financial reports from implementing agencies. The Project Accountant would interact frequently with accountants at the various implementing agencies to ensure timely submission of imprest reports and transfers of reimbursements to these agencies, training them to be able to present these reports in a manner that facilitates their consolidation into the project's financial system. The Financial Controller, supported by the Project Accountant would be responsible for ensuring compliance with financial covenants such as submitting Interim Unaudited Financial Reports (IFRs) to the Bank, maintaining internal controls over project expenditure and engaging external auditors.

11. Under LAP 1 there have been some issues regarding compliance with respect to timely submission of Audited Accounts and Interim financial statements for FY 2009 resulting mainly from a change in key staff close to the year end and the re-engagement of new auditors. These have now been resolved and the project is now in compliance with all financial covenants. The key risk envisaged relates to the devolution of some financial management responsibility to the four key implementing agencies. This risk is mitigated by the adequacy of existing capacity within the implementing agencies. The Project Accountant at the Coordinating unit and his staff have accepted to undertake periodic training of the accountants at the implementing agencies over the first year of project implementation and also offer on the job support to increase their transaction processing and reporting skills. Another issue identified is the focus of internal audit within the ministry on transactional rather than risk based reviews. To mitigate this, the Internal Audit Agency, with support from the Bank, is training these internal auditors in Risk Based Auditing. The Bank's FM team has also notified the Internal Auditors of the MLNR and the other implementing agencies of the need to undertake comprehensive reviews to assist management quickly identify and mitigate risks likely to impede project implementation.

12. Currently, the LAPU has a Project Accountant and three accounts staff who are directly involved with the day to day transaction processing and recording of project financial activities. The accounting staff is overseen by the Financial Controller of the MLNR who is responsible for the entire ministry's financial affairs. Some financial management processes would be devolved to the implementing agencies as a means of building the capacity of such staff. Project Accounts would be maintained at each of the key implementing agencies to which funds would be transferred from the designated account for the running of their activities. Monthly reports would be submitted by these agencies to the project accountant at LAPU who would coordinate and aggregate these and submit one quarterly FM report to the Bank. The monthly reports from the implementing agencies would form the basis for replenishment of the imprest based on the agreed ceiling and the amount of funds on hand at the IAs.

13. The action plan below indicates the actions to be taken for the project to address the weaknesses that have been identified to ensure the FM systems are adequate. Some of these activities and actions are to be completed prior to credit effectiveness while others will be monitored during implementation.

Table 3.1. Action Plan

	Action	Date due by	Responsible
i	Finalize revised PIM	Prior to effectiveness	Project Management (MLNR)
ii	Update existing FM manual to suit new project.	Prior to effectiveness	Project FM team (MLNR)
iii	Engagement of Project Accountant, a project coordinator, a procurement specialist, a communication and public outreach specialist, a social development and gender specialist, a senior lands officer, and a monitoring and evaluation specialist	Prior to effectiveness	Project Management (MLNR)
iv	Prepare a detailed schedule of FM training to be given to FM team of implementing agencies at National, Regional & district levels with budget.	Prior to effectiveness	Project FM Team (MLNR)
v	Commence training of FM staff of key implementing agencies	Within 3 months of effectiveness	Project FM Team (MLNR)
vi	Engagement of acceptable external auditors	Six months after effectiveness	MLNR/GAS/WB

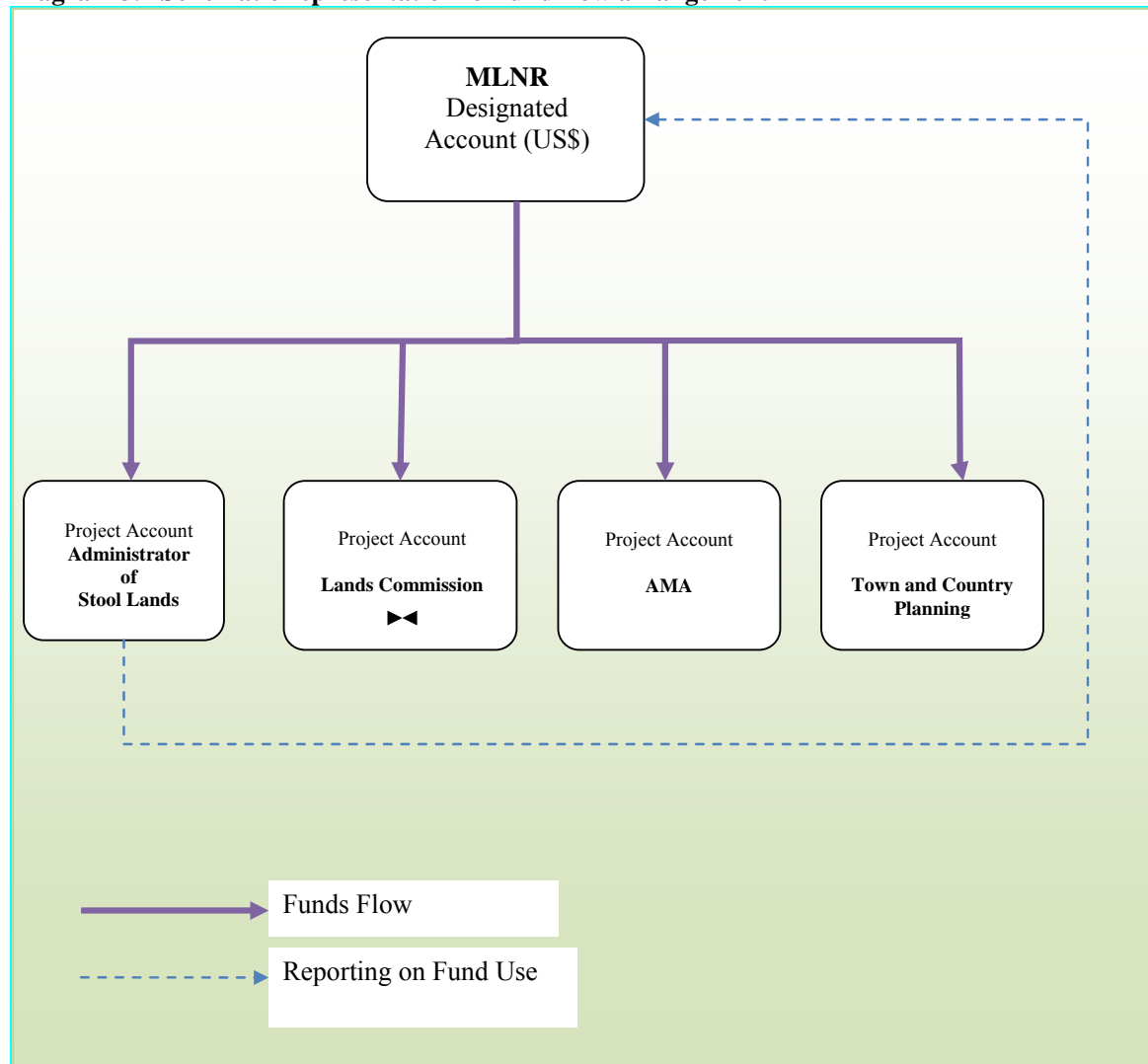
14. Based on the risk rating of the project and the current FM arrangement it is expected that in the first year of implementation there will be two on-site visits to ascertain adequacy of systems, supplemented by desk reviews of IFR and audit reports. The FM supervision mission's objectives will include ensuring that strong financial management systems are maintained for the project throughout project tenure. In adopting a risk based approach to FM supervision, the key risk areas of focus will include assessing the accuracy and reasonableness of budgets, their predictability and budget execution, compliance with payment and fund disbursement arrangements, compliance with financial covenants and the ability of the systems to generate reliable financial reports.

Disbursement Arrangements

15. LAP 2 would be funded by a US\$ 50,000,000 IDA credit, a US\$ 15,000,000 CIDA grant, US\$ 5,000,000 GoG counterpart fund and US\$ 2,000,000 user contribution. Proceeds of the IDA credit will be used by the project for eligible expenditures as defined in the Financing Agreement and further detailed in the respective annual work plans and budgets. The initial disbursement and ceiling will be based on the expenditure forecast for the first six months US\$ 5,000,000. This ceiling would be increased accordingly to project need as supported by the work plan, disbursement ratio, and related budget. The proposed arrangement is to use a single US Dollar denominated Designated Account (DA) under the direct responsibility of the Project Coordinator but managed and operated by the Financial Controller of the MLNR. This arrangement to use a central account is important to ensure that the PCU of the MLNR has oversight responsibilities over transfers and payments related to the implementation of programme activities. Proceeds of the credit may be disbursed from the designated account; in the form advance payment into the Designated Account; direct payment to suppliers or by special commitment. The project will initiate implementation using transaction-based disbursements named Statements of Expenditures (SOEs) for the first two years. Nevertheless, a new financial management assessment could suggest to move to report-based disbursements, **Interim Unaudited Financial Reports (IUFs)**, at any time during implementation. Subsequent replenishments and withdrawals will be made on submission of satisfactory returns. Additional instructions for disbursements will be provided in a disbursement letter issued for this project.

16. As part of fund flow design it has been agreed that in order to facilitate payment of project related expenditures and to build the capacity of FM staff at the implementing agencies, the key beneficiary agencies will operate Project Accounts on an imprest basis. The ceiling for the imprest will be based on the agreed work plans of each agency under the project, with the initial advance not exceeding the budget for the first six months. These funds would be used to pay for all expenditures as per the approved work plan for the agency. The use of these funds will be monitored through the imprest and reported upon by the accounts officers at these agencies. An assessment of the financial management arrangement at the implementing agencies has been carried out and found to be adequate for the operation of the Project Accounts.

Diagram 3.2 Schematic representation of fund flow arrangement



Procurement

17. **Capacity Assessment of PCU:** An assessment of the capacity of the Implementing Agency to implement procurement actions for the project has been carried out and has concluded that even though the Ministry has successfully implemented LAP 1, it has experienced a high turnover of its procurement staff and as a result does not presently have staff with adequate experience and

capacity to carry out procurement activities related to the proposed project. Although, the procurement specialist in charge now is familiar with Bank procurement procedures through his involvement with implementing past projects financed by the Bank, he needs more hands-on training to gain confidence. It is recommended that a proficient procurement specialist knowledge and experience in Bank procurement be recruited to support and also offer hand on training to the present team. As a result, procurement risk is assessed as substantial. Risk mitigation measures have been discussed with the Project team and agreed. The procurement plan for the first eighteen months has been completed and presented to the Bank. It will be updated at least annually (or as required) to reflect project implementation needs.

18. The overall project risk for procurement is substantial. The key risks for procurement include: (i) Lack of adequate capacity and experience to undertake and manage complex procurement; and (ii) Delays in Evaluation of bids and Technical Proposals. The following measures are proposed to be agreed with the Borrower to mitigate the remaining risks:

- Appointment of a highly qualified procurement consultant to support the procurement staffing for the project.
- A procurement needs assessment will be undertaken within the IAs and focused capacity building will be developed to address areas of weakness, i.e., capacity building program will be developed to respond to address specific gaps during the assessment.
- Preparation of Project Implementation Manual with a section on procurement, detailing out instructions for handling procurement and clarifying that Bank Guidelines should be followed in case of conflict between National Procurement Law and the World Bank Guidelines and the Financing Agreement. This should be disseminated to all staff involved in the project implementation at project launch.
- Close monitoring of procurement plans on a monthly basis and closely monitor and exercise quality control on all aspects of the procurement process, including evaluation, selection and award.
- For NCB procurement, a list of exceptions to the PPA enumerated in paragraph 12 below must be incorporated to take account of deviation of Bank Procurement and the revised Bank's Fraud and anti-corruption.

Frequency of Procurement Supervision

19. In addition to the prior review supervision which will to be carried out by the Bank, the procurement capacity assessment recommends one supervision mission each year to visit the field to carry out post-review of procurement actions and technical review. The procurement post-reviews and technical reviews should cover at least 20 percent of contracts subject to post-review. Post review consist of reviewing technical, financial and procurement reports carried out by the Borrower's executing agencies and/or consultants selected and hired under the Bank project according to procedures acceptable to the Bank.

Use of Bank Procurement Guidelines

20. Procurement for the proposed project would be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, revised October 2006 and May 2010; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised October 2006 and May 2010, and the provisions stipulated in the Legal Agreement.

Exceptions to National Competitive Bidding Procedures

21. The procurement system of the Borrower, including Standard Bidding Document, has been assessed and found to be, to a large extent, acceptable. In the light of this, for Goods and Works procurement under National Competitive Bidding, the Borrower may follow its own national procedures that are governed by the Ghana Public Procurement Act 663 of 2003 **after incorporating the following exceptions:** (a) foreign bidders shall be allowed to participate in National Competitive Bidding procedures; (b) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of the availability of bidding documents, whichever is later; (c) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (d) in accordance with paragraph 1.14 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Grant shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the World Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the World Bank; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.14 (a) (v) of the Procurement Guidelines.

Procurement of Works

22. Works contract expected to be procured under this project will be minimal. No ICB works contracts are anticipated. Contracts estimated to cost above US\$ 5,000,000 equivalent may be procured through NCB. However, relevant NCB works contracts, which are deemed complex and/or have significant risk levels, will be prior-reviewed. Such contracts will be identified in the tables and also in the procurement plans. Contracts estimated to cost less than US\$ 100,000 equivalent per contract may be procured using shopping procedures in accordance with Para. 3.5 of the Procurement Guidelines² and based on a model request for quotations satisfactory to the Bank. Direct contracting may be used in exceptional circumstances with the prior approval of the Bank, in accordance with paragraphs 3.6 and 3.7 of the Procurement Guidelines.

Procurement of Goods

23. Goods procured under the project would include office equipments and vehicles, at an estimated total cost of about US\$ 9.94 million. Contracts for goods estimated to cost US\$ 500,000 equivalent or more per contract shall be procured through ICB. Goods orders shall be grouped into larger contracts wherever possible to achieve greater economy. Contracts estimated to cost less than US\$ 500,000 but equal to or above US\$ 50,000 equivalent per contract may be procured through NCB.

Procurement of non-consulting services

24. Procurement of non-consulting services such as transport services, mapping and servicing of office equipment, will follow procurement procedures similar to those stipulated for the procurement of goods, depending on their nature. The applicable methods shall include NCB and shopping. The SBD to use for bidding is “Procurement of Non-Consulting Services & User Guide, December 2002 revised April 2007”.

Selection of Consultants

² Shopping consists of the comparison of at least three price quotations in response to a written request. Additional information on how to do prudent shopping is contained in the *Guidance on Shopping* available at the Bank’s external web site for procurement under Procurement Policies and Procedures.

25. Consulting services would consist of various studies, field work, surveys and technical assistance to be carried out by both national and international consultants at about US\$ 16.49 million would be provided under the project and includes the following categories: financial, technical and procurement audits, economic and technical feasibility and design studies, supervision of construction works, institutional studies, monitoring and evaluation studies and technical assistance to the implementing ministries.

26. Contracts for consulting services, each estimated to cost US\$ 100,000 equivalent or more, will be awarded following the procedure of Quality and Cost-Based Selection (QCBS). Consulting services estimated to cost less than US\$100,000 per contract under the project would be procured following the procedures of Selection Based on Consultants' Qualifications (QBS). Selections under Fixed Budget Selection (FBS) and Least Cost Selection (LCS) methods will be applied in the circumstances as respectively described under paragraphs 3.5 and 3.6 of the Consultants Guidelines. For all contracts to be awarded following QCBS, LCS and FBS the Bank's Standard Request for Proposals will be used. Procedures of Selection of Individual Consultants (IC) would be followed for assignments that meet the requirements of paragraph 5.1 and 5.3 of the Consultant Guidelines. LCS procedures would be used for assignments for selecting the auditors. Single-Source Selection (SSS) procedures would be followed for assignments that meet the requirements of paragraphs 3.10-3.12 of the Consultant Guidelines and will always require the Bank's prior review regardless of the amount.

27. Assignments estimated to cost the equivalent of US\$ 200,000 or more would be advertised for expressions of interest (EOI) in Development Business (UNDB), in dgMarket and in at least one newspaper of wide national circulation. In addition, EOI for specialized assignments may be advertised in an international newspaper or magazine. In the case of assignments estimated to cost less than US\$ 200,000, but more than US\$ 100,000 the assignment would be advertised nationally. The shortlist of firms for assignments estimated to cost less than US\$ 200,000 may be made up entirely of national consultants, if at least three qualified firms are available at competitive costs in Ghana. However, foreign consultants who wish to participate should not be excluded from consideration.

Capacity Building and Training Programs, Conferences, Workshops, etc.

28. A total amount of US\$ 9.72 million would be provided for these activities, which will be geared towards building capacity and improving management and staff skills within the implementing agencies All training and workshops will be carried out on the basis of the project's Annual Work Plans and Budget which will have been approved by the Bank on a yearly basis, and which will *inter alia*, identify: (i) Strengthening the institutional capacities for human resource development of key land sector agencies and institutions in the public and private sectors including the Lands Commission, the OASL, the T&CPD, traditional authorities, customary land secretariats, and the judiciary, with particular emphasis on: (a) carrying out a comprehensive assessment of capacity needs of said agencies and institutions; and (b) preparing and implementing human resource development plans, through provision of technical advisory services, Training and Operating Costs; (ii) Construction of a regional office for the Lands Commission in Kumasi; (iii) Establishing a gender and social development unit in the Lands Commission to spearhead the implementation of the gender strategy and action plan; and (iv) Establishing public communications units in key land sector agencies and institutions, and implementing the communications strategy.

Operating Costs

29. Operating Costs financed by the project are incremental expenses arising under the Project, and based on Annual Work Plans and Budgets approved by the Association pursuant to Section I.E of Schedule 2 to this Agreement, on account of office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and *per diem*, salaries of Local Contractual Staff, but excluding the salaries of the Recipient's civil service. The procedures for managing these expenditures will be governed by the Borrower's own administrative procedures, acceptable to the Bank.

Prior-Review Thresholds.

30. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank. However, relevant contracts below prior review thresholds listed below which are deemed complex and/or have significant risk levels will be prior-reviewed. Such contracts will also be identified in the procurement plans. Summary of Prior-review and procurement method thresholds for the project are indicated in Table 3.1. All terms of reference for consultants' services, regardless of contract value, shall also be subject to the World Bank's prior review.

Table 3.2: Procurement Thresholds

Type	Prior Review Thresholds Proposed (US\$ million)	Procurement Method Thresholds Proposed (USD million)							
		ICB	NCB	Shopping	QCBS	QBS	CQS	Least Cost	SSS
Goods	0.5	≥ 0.5	< 0.5	< 0.05					
Works	5.0	≥ 5.0	< 5.0	< 0.1					
Consultancy Services	0.15 for Firms, 0.05 for IC SSS: All				Default	TBD	<0.15	TBD	All

Procurement Plan and Procurement Arrangements

31. The Borrower, has developed a procurement plan for project implementation which provides the basis for the procurement methods for discussion. This plan has been agreed between the Borrower and the Project Team on November 29, 2010 and is available in project files. This plan will be updated annually to reflect the latest circumstances. It will also be available in the project's database and in the Bank's external website and also available in the Project's database.

Table 3.3: Procurement Arrangement and Schedule for Works

1	2	3	4	5	6	7	8
No.	Contract (Description)	Estimated Cost (US\$ million)	Procurement Method	P-Q	Domestic Preference (Yes/No)	Review by Bank (Prior/Post)	Expected Bid Opening Date
1	Refurbishment of total of 24 district court rooms and district offices for the lands Commission	2.0	NCB	No	N/A	Prior	June 2011

2	refurbishment of the Records office	0.5	NCB	No	N/A	Post	March 2011
3	Construct one (1) new Office in Kumasi	0.5	NCB	No	N/A	Post	March 2011
4	Refurbishment of Courtrooms in Sekondi, Kumasi, and Tamale to be used as Land Courts and their registries and Judges Chambers	1.1	NCB	No	No	Prior	Sept. 2011

Table 3.4: Procurement Arrangement and Schedule for Goods

1	2	3	4	5	6	7	8
No.	Contract (Description)	Estimated Cost (US\$ million)	Procurement Method	P-Q	Domestic Preference (Yes/No)	Review by Bank (Prior/Post)	Expected Bid Opening Date
1	Procurement of Vehicles (60 No. 4*4 pick ups, 5No. Station wagons, 2No. Saloon Cars and 4 No. Mini Buses) for all Agencies	4.605	ICB	No	No	Prior	April 2011
2	Procurement of Motorbikes for OASL & TCPD	0.15	NCB	No	No	Prior	July 2011
3	Procurement of Desktops Computers and Accessories Laptops & Printers	1.23	ICB	No	No	Prior	April 2011
4	Procurement of Various Types of Photocopiers	0.25	NCB	No	No	Prior	April 2011
5	Procurement of Survey Equipments (GPS Dual Frequency 4 units each)	0.24	NCB	No	No	Prior	June 2011
6	Supply of Survey Equipments (CORS receivers)	1.5	ICB	No	No	Prior	July 2011
7	Supply of GIS Equipment and Soft wares	2.1	ICB	No	No	Prior	Oct. 2011
8	Supply of Office Equipment	0.4	NCB	No	No	Prior	April 2011
	Procurement of Court Automation Equipment	0.3	NCB	No	No	Prior	Sept. 2011

Table 3.5: Procurement Arrangement and Schedule for Consultancy Services

1	2	3	4	5	6
No.	Description of Services	Estimated Cost (US\$ million)	Selection Method	Review by Bank (Prior/Post)	Expected Proposals Submission Date
1	Development of Model/Software for the implementation of CAMA	0.2	QCBS	Prior	Sept. 2011
2	Consultancy for the ascertainment of Customary Laws	2.28	SS	Prior	July 2011
4	Consultancy for enumeration of properties in CLS areas	0.2	QCBS	Prior	July 2011
5	Consultancy for Land Rights and Vulnerability Studies	0.2	QCBS	Prior	July 2011
6	Consultancy for Farmland Demarcation	0.5	QCBS	Prior	July 2011
7	Ground Control Points Data and Aerial Photography execution and establishment of ground control	0.5	QBS	Prior	Dec. 2011
8	Production of draft orthophoto maps	0.4	QBS	Prior	Dec. 2011
9	Consultancy for the establishment of GRN and commission positioning services	0.31	QCBS	Prior	Sept. 2011
10	Survey Consultancy	0.4	QCBS	Prior	Nov. 2011
11	Preparation of National Spatial Development Framework	0.9	QCBS	Prior	July 2011
12	Consultancy for Human Resource Development Plan	0.5	QBCS	Prior	Sept 2011
13	Consultancy for re-engineering and automation of business processes	0.9	QCBS	Prior	Sept 2011
14	Consultancy for Land Registration	0.5	QCBS	Prior	Sept 2011
15	Consultancy for Completion of Land Bill	0.5	QCBS	Prior	Sept 2011

Publications of Awards and Debriefing

32. Publication of contract awards of the bidding process and debriefing for all ICB procurements, Direct Contracting, and the Selection of Consultants for contracts exceeding a value of US\$200,000 will be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, revised in October 2006 and May 2010; the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised in October 2006 and May 2010. In addition, where prequalification has taken place, the list of prequalified bidders will be published. With regard to ICB and large value consulting

contracts, the Borrower would be required to assure publication of contract awards as soon as the Bank has issued its “no objection” notice to the recommended award in UN Development Business (UNDB) online, dgMarket. All consultants competing for an assignment involving the submission of separate technical and financial proposals, irrespective of its estimated contract value, should be informed of the result of the technical evaluation (number of points that each firm received) before the opening of the financial proposals. The Borrower would be required to offer debriefings to unsuccessful bidders and consultants should the individual firms request such a debriefing. Publication of results of other procurement activities, including debriefing shall be subject to the stipulations in the Ghana Public Procurement Law of 2003, Act 663.

Fraud, Coercion and Corruption

33. All procurement entities as well as bidders and service providers, i.e., suppliers, contractors, and consultants shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.14 and 1.15 of the Procurement Guidelines and paragraph 1.22 and 1.23 of the Consultants Guidelines, the Anti-Corruption Guidelines in addition to the relevant Articles of the Ghana Public Procurement Act which refers to corrupt practices.

Environmental and Social Safeguards

34. The Project has conducted and disclosed widely in a timely manner and in the appropriate form and language understandable to key stakeholders an Environmental and Social Impact Assessment (ESIA) that embodies an Environmental and Social Mitigation Plan (ESMP). The ESIA and the ARAP were disclosed in country on November 27, 2010 and at the Infoshop on January 6, 2011. The ESIA report has assessed the potential impacts of implementing LAP 2 activities on physical, biological, socio-economic and potential impacts on human health and safety. Implementation of the ESMP would help to ensure environmental and social soundness and sustainability of the LAP 2 investments by preventing, and where not possible to prevent, at least minimize, or compensate for adverse project impacts and enhance positive impacts through environmental and social management and planning that includes the proposed mitigation measures, monitoring, institutional capacity development and training measures, an implementation schedule, and cost estimates. The project has ensured that there has been a broad-based involvement of stakeholders, including project-affected groups and local civil society organizations, traditional authorities, land-owning groups, women, youth and vulnerable and disadvantaged groups, as early as possible, in the preparation process and ensure that their views and concerns have been made known to decision makers and taken into account. Intensive consultations happened throughout the project preparation phase and this would be continued throughout the implementation phase of LAP 2. Although unlikely to occur, for environmental and social issues that may occur during the implementation phase the project has developed mechanisms for satisfactory redress including the use of independent advisory panels.

35. The project activities will result in displacement and loss of livelihood for people who are currently occupying land spaces and building earmarked for the development of a regional office for the Lands Commission in Kumasi. As a result, the Government has prepared and disclosed in country an abbreviated resettlement action plan (ARAP) (The ESIA and the ARAP were disclosed in country on November 27, 2010 and at the Infoshop on January 6, 2011). The preparation of the ARAP was based on broad-based consultations that started from project preparation and fed into the development and final ARAP document. The main impacts identified were livelihood-related. Since the PAPs are not owners of the land, their economic losses have been quantified through a joint assessment and different options have been granted. The PAPs opted for cash compensation and support to move so they can continue to ply their trade. The detailed outline of the grievance

redress mechanism will help address any outstanding or thorny issues related to the resettlement based on the entitlement matrix and the different categories of affected persons. These actions are carried out within the legal framework of Ghana and the World Bank policy on involuntary resettlement to ensure sustainability and enhance the social impact of the project.

36. LAP 2 has inherited robust supervision and monitoring systems from its predecessor LAP 1 that are currently being reviewed to ensure they are fully aligned with LAP 2 demands. A critical improvement from LAP 1 would involve enhancing participatory monitoring so that local stakeholders would actively undertake aspects of monitoring. Feedback loops would be strengthened and capacity development in M&E at all levels would be strengthened through tailored-made trainings. The Resettlement Action Plan has monitoring and evaluation of implementation of the agreed action. The team is composed of local government institutions, the project staff and an independent NGO that will ensure that all agreed actions, entitlements, compensation packages are fully implemented as agreed on for the benefit of all stakeholders especially the PAPs. The reporting and responsibilities for this are clearly indicated and the structure of reporting is bottom-up allowing the issues to be addressed at the local level with the participation of those concerned. The monitoring of the RAP implementation is also rolled into the M&E system of the project.

37. Within the proposed project scope, LAP 2 is unlikely to pose any significant adverse threats beyond those risks and impacts that have been elaborated in the PAD and other project documents such as the ISDS and PID. Given the satisfactory nature of the Client's capacity, it is expected that the Client would be able to foretell in advance the occurrence of any potential risks and should therefore be able to prevent, minimize or mitigate these threats before they occurred. Should any restructuring take place during the implementation of LAP 2, the Client would ensure full alignment of the ESIA and the ESMP with the restructured project.

38. As was the case under LAP 1, the project will be supporting the demarcation of customary land boundaries. This has potential for conflicts and misunderstanding between and among land owners, individuals, tenant farmers and traditional authorities. There is a remote possibility that customary boundary demarcation could result in confirmation of boundaries in locations slightly different from those currently observed in practice on the ground. One possible outcome of this is that tenants located on the land in question might find their land confirmed as belonging to a different stool from the one that granted them their tenancy. Hence, such tenants may be vulnerable to displacement. Under LAP 1 the boundary land demarcation resulted in only a few cases of localized land disputes. Most of the cases were successfully and peacefully adjudicated through ADR mechanisms. This mechanism has proven to be very effective and LAP 2 intends to continue and expand its use in the implementation process where needed. Some local disputes under LAP 1, however, have not been resolved and the status quo has been left in place at such locations pending mutually-agreed resolution of these disputes. None of the cases has resulted in the displacement of land users. In LAP 2, a social assessment would be undertaken and steps taken to minimize and mitigate potential adverse social impacts, including securing advance agreement from participating traditional authorities to ensure that no displacement results.³

³ As OP 4.12 does not apply to disputes between private parties related to the titling of land, it will not be triggered by project support for demarcation of customary boundaries or of individual private or customary landholdings in the context of systematic title registration or documentation undertaken by CLS. However, as noted in OP 4.12, it is good practice in such instances to undertake a social assessment and to minimize and mitigate potential adverse consequences, especially for the poor and vulnerable. The Project will undertake measures consistent with this good practice.

Monitoring and Evaluation

Monitoring and evaluation of outcomes/results

39. The Monitoring and Evaluation system for LAP 1 is currently under review. If need be an updated monitoring, information and evaluation system and relevant reporting formats would be developed after the review is completed. Each implementing agency would monitor against agreed-upon results and outcome indicators described in the Results Framework. Performance indicators will be reported upon during the semi-annual and annual reports and discussed during NSC meetings.

40. An Annual Report describing project physical and financial progress, key issues, steps taken for resolving issues and future course of action shall be prepared by each implementing agency within one month of the close of the fiscal year. The format for reporting will be furnished by the PCU. The PCU shall synthesize the individual reports into the Project Annual Report which will be prepared within two months of the close of the fiscal year and after discussion with the NSC submit same to IDA and all participating donors and relevant stakeholders.

Midterm Project Review (MTR)

41. The PCU shall prepare all the documentation needed for conducting the project MTR and facilitate the carrying out of joint Government-DPs mid-term review 30 months after effectiveness date. The MTR is an important marker in assessing project progress, ascertaining reasons for under-performance and determining solutions to address implementation issues. It also affords an opportunity to revisit project development objectives, to restructure the project in view of emerging needs, and reset output and outcome indicators realistically based on lessons learned. Each implementing agency will prepare its own mid-term review report in a format supplied by the PCU. The finalized report will be collated and synthesized by the PCU before submitting to the NSC, DPs and relevant stakeholders after a workshop to validate the report.

Implementation Completion Report (ICR)

42. Preparation of an ICR is a mandatory requirement under the provisions of the DCA.

Role of Partners

43. The implementation strategy adopted by the project team in close consultations with the Government counterparts is to work closely with partners who are supporting synergic developments in related sectors such as agriculture, roads, environment, industry, communications and oil and gas. Therefore the project aims at complementing on-going interventions and work closely with the main donors supporting agriculture and other related sectors. CIDA has agreed to participate in LAP 2 and building on the support provided during LAP 1. Specifically, CIDA is interested in LAP 2 that would be designed to complement its current activities in Ghana, namely food security and environmental sustainability in the rural and northern regions, focusing on the outcomes on farmers' livelihoods. CIDA contributes to FASDEP implementation to ensure food security of the poor and vulnerable. CIDA's interest in LAP 1 is also to create the opportunities that will ensure all year round food security. The role of decentralization in promoting access to land and tenure security, particularly for smallholder farmers, and consideration of the related gender equality dimensions, would also be key areas of focus for CIDA's participation in LAP 2. The Bank will enter into an agreement with CIDA for management of the CIDA co-financing for the project (parallel financing).

44. FAO will support the establishment of open software LIS applications. GTZ has indicated willingness to provide continuing support for the ascertainment of customary law, as it did under LAP 1. Developing partnerships, identifying key strategic and interfacing activities, synergizing work plans, agreeing on joint implementation as feasible, establishing coordination arrangements will be key elements of the project implementation plan and annual work plan

**Annex 4
Operational Risk Assessment Framework (ORAF)**

Negotiations and Board Package Version⁴

Project Development Objective(s)									
<i>To consolidate and strengthen land administration and management systems for efficient and transparent land service delivery.</i>									
PDO Level Results Indicators:	<table border="1"> <tr> <td>1</td> <td>Turn-around time reduced from 3 months to 1 month maximum for Deeds registration</td> </tr> <tr> <td>2.</td> <td>Turn around time reduced from 7 months to 2 months maximum for Title registration</td> </tr> <tr> <td>3.</td> <td>Information on standard statutory Fees, land values and charges on land transactions (certificates, consents, deeds, searches, stamping, parcel plans) made publicly available through the media, on-line, website, brochures and LSA offices.</td> </tr> <tr> <td>4.</td> <td>Increase in the number of registered land transactions (disaggregated by gender) and associated revenue.</td> </tr> </table>	1	Turn-around time reduced from 3 months to 1 month maximum for Deeds registration	2.	Turn around time reduced from 7 months to 2 months maximum for Title registration	3.	Information on standard statutory Fees, land values and charges on land transactions (certificates, consents, deeds, searches, stamping, parcel plans) made publicly available through the media, on-line, website, brochures and LSA offices.	4.	Increase in the number of registered land transactions (disaggregated by gender) and associated revenue.
1	Turn-around time reduced from 3 months to 1 month maximum for Deeds registration								
2.	Turn around time reduced from 7 months to 2 months maximum for Title registration								
3.	Information on standard statutory Fees, land values and charges on land transactions (certificates, consents, deeds, searches, stamping, parcel plans) made publicly available through the media, on-line, website, brochures and LSA offices.								
4.	Increase in the number of registered land transactions (disaggregated by gender) and associated revenue.								

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measures
Project Stakeholder Risks	M-I	The risk that land owners and traditional authorities, land sector agencies, civil society and the judiciary will not cooperate with the proposed reforms.	Public awareness programs was incorporated into the program design through stakeholder consultations during preparation and will be central throughout project implementation. A communication and public outreach strategy has been prepared and will be rolled out during implementation. The design includes the engagement of communication specialists in each of the regions to enhance the implementation of the strategy. In addition, civil society involvement

⁴ This is the version that should be used for Negotiations and submission for Board Approval.

			in the sensitization and awareness, monitoring and evaluation programs will greatly enhance collaboration efforts and reduce any possible misunderstandings between parties.
Implementing Agency Risks	M-I	There is a risk of lack of willingness of land agency institutions to undertake institutional and business process reforms (Risk of resistance to change).	The project has devoted substantial resources for capacity and skill development for the various land sector agencies and other participating key groups This includes provision of technical assistance in areas where there is the need. There will be continuous retraining in different skills required for the change management and effective implementation of project activities to achieve the project's objectives.
Project Risks			
<ul style="list-style-type: none"> • Design 	L	The Project is spread throughout the country and aspects are demand driven which is quite new to project staff and stakeholders.	A decentralized project management system whereby regional management committee as well as regional oversight committee with representations from various stakeholders is envisaged. A robust M&E systems will also be set up to provide timely and adequate feedback to management.
<ul style="list-style-type: none"> • Social and Environmental 	M-I	<p>Land take resulting in loss of shelter or assets, loss of means of livelihood or income sources through relocation or displacement will occur in connection with project civil works to be undertaken at one site in the Ashanti region. The affected people are six farmers on the government land proposed for the LC regional building.</p> <p>Potential land disputes could arise due to border demarcation.</p>	The Client has prepared and disclosed an abbreviated resettlement action plan (ARAP) that includes issues related to eligibility criteria, census of project affected persons and scope of loss, procedures for consultations, mechanisms for dispute resolution. The plan will be implemented to the letter. The cut-off date which has been announced to the public will be monitored to avoid new encroachments and discourage inflow of people ineligible for resettlement assistance. The Client has prepared an environmental and social impact assessment (ESIA) and will ensure that the consultant and contractors fully comply with the country's building codes and procedures and the

			environmental and social management plan.
<ul style="list-style-type: none"> Program and Donor 	L	The Project is being co-financed by IDA and CIDA.	It has been agreed that CIDA's contribution will be managed by the Bank using the Bank's fiduciary and safeguards provisions.
<ul style="list-style-type: none"> Delivery Quality 	M-I	Financing assurance by Government and beneficiaries and weak monitoring and evaluation system.	Beneficiaries such have been consulted and have committed to provide their financial contribution. The major part of beneficiary contribution is also in kind in the form of land boundary clearing by communities. The M&E system is currently under review by international consultants and the recommendations will form the basis for the design of a new one for LAP 2.

Overall Risk Rating at Preparation	Overall Risk Rating During Implementation	Comments
M-L	M-I	The IL Risk Team believes that there are significant enough sustainability issues to warrant a rating of Medium - Impact for the Implementation stage

Annex 5: Implementation Support Plan

GHANA: Land Administration Project - 2

Strategy and approach for the Implementation Support Plan (ISP)

The implementation support strategy design is built on the following premises:

1. a. The project is a continuation of a previous successful project but represents a significant consolidation of gains and scale-up.
- b. Its implementation will be decentralized to the regions and as far as practicable to selected districts and customary lands secretariats.
- c. The project implementation entity, the MLNR has considerable experience in implementing World Bank funded projects.
- d. The project has significant technical complexity in terms of how the various components and sub-components lead to the attainment of the PDO.

As a result the proposed implementation strategy is as follows:

2. The project will be supervised by an experienced TTL with considerable knowledge about peculiarities of land administration projects and the country and with the active involvement of country based staff. In addition to AFTAR, safeguard and fiduciary team will include a number of high-level international consultants who have been involved in the project preparation (FAO/CP) and will continue to assist the Borrower during project implementation, in particular with the more technical aspects of the Project. CIDA will join all supervision missions and will field a team of experts when necessary.
3. Project implementation manual, financial management procedures manual and procurement plan which is being prepared will be finalized prior to Board presentation. Procurement for key staff, technical assistance and equipment will commence soon after Board Approval. Supervision will also start immediately after Board Approval and the project launched in all the regions in the country. The launching will be followed by a two day workshop in each region for all implementing agencies to explain the details of the project and their roles, respectively. Frequency of supervision is expected to be 2- missions per year.
4. Fiduciary and safeguards training will be a key component of the initial workshops and Bank staff will, in addition to missions, provide mentoring and guidance to project staff throughout project implementation.
5. Implementation Plan will be revised regularly during implementation on the basis of project progress and continuous risk assessment.

Implementation Support Plan

6. **Technical Support.** Most of the investments contemplated under the Project are technically relatively complex especially in terms of ensuring that the activities to be funded actually result in the expected efficiency improvements. A number of consultants will be provided in the form of technical assistance over the first two years of project implementation to provide hands on-training and mentoring to implementing agencies.

7. **Fiduciary Support.** MLNR has extensive experience with implementation of World-Bank funded projects. Specifically:

8. **Procurement:** prior review thresholds are established in the Procurement Plan, the scope of prior review should be not less than 15 percent of the contracts not subject to prior review by the Bank. Given the significant differences in the procurement capacity of existing and potential implementing agencies, each agency will have mandatory prior review of the first one contract per method and its personnel will have a mandatory training on procurement under the IBRD Guidelines. Bank’s task team will provide support. Frequency of post review should be not less than once a year as a part of regular Bank fiduciary responsibility.

9. **Financial Management.** FM supervision will consist of a mission at the time of effectiveness to ensure successful implementation of FM arrangements, review of annual audit reports to provide assurance regarding the proper use of funds, review of quarterly financial reports to monitor the implementation of the Project and at least one FM supervision mission every year.

10. **Safeguard support.** MLNR has extensive experience implementing projects with Bank safeguards. The project is a category B –partial and does not foresee large environmental or social impacts.

11. **Implementation main focus.** The following table summarizes the main focus of implementation during the life of the Project:

Table 5.1 Implementation Support Plan

Time	Focus	Skills	Resource Estimate	Partner Role
First 12 months	Project start up, setting up implementation structures orientation, workshops for all implementing agencies, procurement of all TAs, equipment and staff, scaling up of project activities.	Procurement, Safeguards, Financial management, LIS specialist Land Title registration specialist Urban/Spatial Planner Geodesist Photogrammetry Specialist Lawyer	Normal Supervision Budget plus FAO/CP	Provide additional skills required and participate in ensuring the project start up activities are implemented as planned

12 – 48 months	Ensuring effective field implementation of project activities contributes to the attainment of PDO	Procurement, Safeguards, Financial management, LIS specialist Land Title registration specialist Urban/Spatial Planner Geodesist Photogrammetry Specialist Lawyer M&E Specialist	Normal Supervision Budget plus FAO/CP	Provide additional skills required and participate in ensuring the project start up activities are implemented as planned
48 – 60 months	Drawing lessons learned and preparing and implementing exit strategy	Procurement, Safeguards, Financial management, LIS specialist Land Title registration specialist Urban/Spatial Planner Geodesist Photogrammetry Specialist Lawyer M&E Specialist	Normal Supervision Budget plus FAO/CP	Provide additional skills required and participate in ensuring the project start up activities are implemented as planned

Skills Mix Required

12. The following table summarizes the proposed skill mix and number of staff weeks during the initial phase of project implementation. It is expected that demand will increase and change with time.

Table 5.2 Skill Mix

Skills Needed	No of Staff Weeks	No of Trips	Comments
Land Sector Specialist	6	2	Washington based
Environmental Specialist	4	2	Field office based
Social/Safeguards Specialist	4	2	Country office based
Procurement Specialist	8	4	Country Office based

Financial Management Specialist	4	4	Country office based
Disbursement Specialist	2	1	Country Office based
Monitoring and Evaluation Specialist	6	2	Country Office based
Geodesist	4	2	FAO/CP resources
Title Registration Specialist	4	2	FAO/CP resources
Urban/Spatial Planner	4	2	FAO/CP resources
Surveyor	4	2	FAO/CP resources
Legal Specialist	8	2	FAO/CP resources
Land Information Systems Specialist	6	2	FAO/CP resources
Land Use Planning Specialist	6	2	FAO/CP resources
Remote sensing Specialist	4	2	FAO/CP resources

14. *Role of Other Partners* and expected input are summarized in the table below;

Table 5.3 Role of Partners

Name	Institution	Role
Director of Lands	Ministry of Lands and Natural Resources	Implementing Agency and Project Coordination • ensure completion of legal reforms
Chief Executive Officer	Lands Commission	Production of maps Title registration Improvement in business procedures Revaluation of Properties
Director	Town and Country Planning	Land Use plans and Spatial Planning

Administrator of Stool Lands	Office of the Administrators of Stool Lands	Customary boundary demarcation Customary Lands Secretariats Ascertainment of Customary Practices
Chef Justice	Judiciary	Partnerships with the Judiciary
Metro Chief Executive	Accra Metropolitan Assembly	Street Address and House Numbering
Representative	JICA	Street Address and House Numbering for Kumasi and Takoradi
Loree Semeluk	CIDA	Co-financier

Annex 6: Team Composition

GHANA: Land Administration Project - 2

World Bank staff and consultants who worked on the project:

Name	Title	Unit
Charles Annor-Frempong	Task Team Leader/Senior Rural Development Specialist	AFTAR
Jonathan Mills Lindsay	Sr Counsel	LEGEN
Christine Makori	Counsel	LEGAF
Jensen Anders	Monitoring and Evaluation Specialist	AFTDE
Edith Ruguru Mwenda	Sr Counsel	LEGAF
Christine Makori	Counsel	LEGAF
Tsehay Zerihun	Program Assistant	LEGAF
Rajiv Sondhi	Senior Finance Officer	CTRFC
Luis M. Schwarz	Senior Finance Officer	CTRFC
Elizabeth Alluah Vaah	Financial Management Specialist	AFTFM
Kadir Osman Gyasi	Agric. Economist	AFTAR
Frank Fulgence K. Byamugisha	Operations Adviser	AFTAR
Edward F. Dwumfour	Sr Environmental Specialist	AFTEN
Rose Abena Ampadu	Program Assistant	AFCW1
Beatrix Allah-Mensah	Social Development Spec.	AFTCS
Adu-Gyamfi Abunyewa	Procurement Specialist	AFTPC
Lynn Holstein	Land Registration Specialist	FAO/CP
Suha Satana	Economist	FAO/CP
Alex Schmidt	LIS Specialist	FAO/CP
Garth Seneque	Urban Specialist	FAO/CP
Ken Wright	Institutions Specialist	FAO/CP
Stephen Djaba	Survey Specialist	FAO/CP
Neil Pullar	Land Information Specialist	FAO
Ian Lloyd	Land Registration Specialist	FAO/CP

Annex 7: Economic and Financial Analysis

GHANA: Land Administration Project

A. Expected Benefits

1. The project is expected to generate at least three sets of benefits:

(a) improving land tenure security and the associated investment incentives by: (i) up-dating and harmonizing of land-related laws and regulations and disseminating them which will clarify land rights and raise awareness of rights of landholders; (ii) establishing land courts and strengthening existing ones, and expanding alternative dispute resolution mechanisms which will increase capacity and capabilities to resolve land disputes; (iii) demarcating boundaries of customary (community) land which will reduce conflicts between communities, protect the rights of communities against claims by outsiders and facilitate negotiations between local communities and investors from outside the communities; (iv) establishing Customary Land Secretariats (CLSs) and improving the operations of the existing ones which will increase transparency in the administration of customary land by traditional authorities thereby reducing the risk of unauthorized sales of community land by traditional authorities and protecting the land use rights of families especially those renting from traditional authorities; and (v) undertaking additional piloting of systematic land titling which will build a foundation for a cost-effective mass production of land titles for low income landholders;

(b) improving efficiency in registration systems and service delivery by: (i) decentralizing service delivery to regions and districts which will reduce registration costs for landholders including transport costs, time lost and accommodation and meal costs; and (ii) re-engineering and automating business processes which will reduce further the costs and time taken to process land titles, mortgages and other transactions thereby benefiting, among others, investors and financial institutions; and

(c) providing more, better quality and cheaper land information through modernizing and expanding the national infrastructure for producing and sharing geo-referenced land information, including base maps for use in building cadastres, land use planning, valuation for various purposes, street addressing and the planning, implementation and monitoring of infrastructure projects through the whole economy.

2. Empirical studies undertaken internationally indicate that land tenure security and efficiency in land transactions can contribute positively to: (i) increased incentives for investment and productivity; (ii) increased access to more and cheaper credit which would lead to increased investment and productivity; (iii) an overall increase in productivity as land moves from less efficient to more efficient producers through rental and sales markets; and (iv) financial deepening resulting from an increase in collateral-based lending and an expansion of the customer base boosted by the potential entry of new registered land owners. In addition, recent international studies have demonstrated that land information add considerable value to the growth of economies as measured by GDP. There is no reason why we should not expect these

positive impacts of land administration interventions to occur in Ghana as well. The challenge is to quantify these economic benefits given the limitations of data and the difficulties of isolating the impact of land administration interventions from other contributing factors.

3. In this economic analysis, we do not estimate the net economic benefits because it is very difficult to do so for this kind of projects as it would require a lot of data that is unavailable before the project is implemented. During project implementation, data will be collected to enable the analysis to be done at the end of the project. We have restricted our analysis to demonstrate, using a developed country model and simulations on spatial data impacts on GDP, the potential net economic benefits from investing in land information.

B. Methodology of Economic Analysis

4. A Cost benefit analysis (CBA) approach is used for the analysis. Where possible, it uses efficiency prices to estimate the net present value of a future stream of net economic benefits, and derives an internal rate of return that can be compared with those of alternative projects or project designs. Accordingly, the analysis below focuses on estimating the net economic benefits of value addition by the land information produced by the project.

5. The economic benefits of land information, generated mainly from component 3 of the project which constitutes about 50 percent of the base costs of the project, are estimated using an approach, pioneered by an Australian study which measures the impact of investments in spatial data on the macro economy as captured by GDP.⁵ The study completed in 2008 helps shed some light on the impact of spatial information on the whole economy. This study was a pioneering effort reporting that there were sizable aggregate economic impacts attributable to the spatial information (a proxy for LIS or the entire range of information from a land administration system), the full extent of which the national accounts (GNP and GDP calculation methods) did not capture.

6. The study revealed that spatial information was increasingly being used in most sectors of the economy where it was having a direct impact on productivity. In 2006-07 the accumulated impact of these direct impacts: (a) contributed to a cumulative gain of between \$6.43 billion and \$12.57 billion in Gross Domestic Product (GDP) - equivalent to 0.6 percent and 1.2 percent of GDP respectively; (b) increased household consumption by between \$ 3.57 billion and \$ 6.87 billion on a cumulative basis; (c) increased investment by between \$ 1.73 billion and \$ 3.69 billion on a cumulative basis; and (d) had a positive impact on the trade balance – exports were between \$ 1.26 billion and \$ 2.30 billion higher than they would otherwise have been. This was the world's first authoritative analysis on the economic impact of spatial information and demonstrated a higher than expected industry value. It was based on an analysis of 22 sectors of the Australian economy.

7. The cost of inefficient access to data was assessed to be disconcerting. Constraints on access to data were estimated to have reduced the direct productivity impacts in certain sectors by between 5 percent and 15 percent. It was estimated that this could have resulted in GDP and

⁵ The Value of Spatial Information - The impact of modern spatial information technologies on the Australian economy, March 2008, ACIL Tasman, http://www.cresi.com.au/uploads/publications/PUBLICATION_323.pdf

consumption being around 7 percent lower in 2006-07 (around \$ 0.5 billion) than it might otherwise have been.

C. Project Economic and Financial Returns

Demonstrative Economic Analysis of Component 3 (50 percent of costs)

8. Given that land administration efforts and the generated land information have an impact on the macro economy, we will hypothesize that LAP 2 (investment) and efforts by the Government to sustain the investments during the operation phase (recurrent expenditures), would exert an incremental influence on the GDP up to a certain degree. The pre-oil boom GDP in Ghana is about US\$ 17.7 billion in 2009, and forecasted at US\$ 18 billion for 2010.

9. It would be nearly impossible to individually identify and quantify the myriad of project benefits explicit (tangible) and implicit (intangible) in LAP 2, which encompasses a vast array of interventions within Ghana's plural setups (statutory and customary law co-existing, deeds and title registrations co-existing etc.). Hence, it is appropriate to consider an alternative and indicative economic analysis to demonstrate the potential returns to investment under certain assumptions. The analysis is therefore based on the below listed conservative assumptions which provide evidence of macro-economic linkages between the project investment and its incremental impact on the GDP using the above referenced macro-economic framework and the lessons learned from the CRCSI's study in Australia. The key assumption here is that the project investment will impact the GDP at a miniscule incremental rate of 0.01 percent per annum (the benchmark in the case of Australia was a cumulative 0.6 percent to 1.2 percent of GDP), and then try to estimate the corresponding economic efficiency parameters consisting of ERR, cost benefit (C/B) ratio and the net present value (NPV). Apart from demonstrating the potential impacts of investments in land information, the usefulness of this analysis is that it can be used to demonstrate the methodology for use at the end of the project when necessary data has been collected.

Assumptions Underlying the Indicative Economic Analysis:

10. Project Investment Cost: The project investment cost is US\$ 75 million (US\$ 50 M from IDA, US\$ 15 M from CIDA, US\$ 5 M from Government, and US\$ 5 M from users).

Project life: Project life (project implementation period for the investment) will be 5 years and investment funds will be evenly distributed over these 5 years.

Planning horizon: Total horizon over which the economic analysis is conducted is 20 years; of which 5 will be for implementation, and 15 for the operational period.

Recurrent Cost: Following the investment period of 5 years, the Government is assumed to incur US\$ 1 M annually.

GDP in Base Year: Ghana's GDP in the base year is US\$ 18 billion.

Non-Oil Annual GDP Growth Rate: 4 percent (conservative estimate)

Benefits with Project: No project benefits will accrue during project implementation. Benefits will start to emerge as of year 6, and continue through till year 20. Benefits will start at a rate of 0.04 percent of GDP, and stabilize at 0.08 percent of GDP.

Counterfactual Scenario (Possible Losses to be Incurred Without Project): The without project scenario would normally involve a reduction in the GDP without a sustained effort in land administration. But this effect is being ignored for the sake of performing a more conservative analysis.

Opportunity Costs of Capital (OCC): 10 percent

Results from Economic Analysis:

11. A very low level of impact of the project investment on the GDP (0.04 percent per annum or alternatively stated, 4 percent of 1 percent, or four parts in 10,000, as of year 6, and stabilizing at 0.08 percent in year 10) would suffice to generate an acceptable ERR of 15 percent for LAP 2, with C/B being 1.45 and NPV at a positive value of US\$ 28 million (see Table 1). We would normally expect a much higher value and resulting impact to the land information emanating from the project. This has constituted the sensitivity analysis around the assumed level of the impact, as found below (Table2). If annual incremental impact of the project on the GDP is raised to 0.1 percent, we would improve the ERR to 21 percent, the C/B ratio to 2.09, and more than double the NPV to US\$ 67 million. The highly optimistic case of 0.4 percent project impact on the GDP would generate an ERR of 49 percent, accompanied by a C/B ratio of 8.37.

Table 1: Ghana LAP 2 Indicative Economic Analysis (Base Case)

Year	Costs	Calculation of Benefits			Cash Flow
	LAP 2 Investments and Recurrent Cost	Ghana's GDP	Assumed % Impact of LAP 2 on GDP	Estimated Impact of LAP 2 on GDP	
	C_i			B_i	$= B_i - C_i$
	US\$ M	US\$ B	%	US\$ M	US\$ M
1	15.00	18.00	0.00%	0.00	-15.00
2	15.00	18.72	0.00%	0.00	-15.00
3	15.00	19.47	0.00%	0.00	-15.00
4	15.00	20.25	0.00%	0.00	-15.00
5	15.00	21.06	0.00%	0.00	-15.00
6	1.00	21.90	0.04%	8.76	7.76
7	1.00	22.78	0.05%	11.39	10.39
8	1.00	23.69	0.06%	14.21	13.21
9	1.00	24.63	0.06%	14.78	13.78
10	1.00	25.62	0.07%	17.93	16.93
11	1.00	26.64	0.08%	21.32	20.32
12	1.00	27.71	0.08%	22.17	21.17
13	1.00	28.82	0.08%	23.05	22.05
14	1.00	29.97	0.08%	23.98	22.98
15	1.00	31.17	0.08%	24.94	23.94
16	1.00	32.42	0.08%	25.93	24.93

17	1.00	33.71	0.08%	26.97	25.97
18	1.00	35.06	0.08%	28.05	27.05
19	1.00	36.46	0.08%	29.17	28.17
20	1.00	37.92	0.08%	30.34	29.34
				ERR	15%
				C&B Ratio	1.45
				NPV	27.82

Table 2: Ghana LAP 2 Indicative Economic Analysis (Simulation Results)

Efficiency Parameter	Assumed Project Impact on GDP at 0.04%	Assumed Project Impact on GDP at 0.1%	Assumed Project Impact on GDP at 0.4%
ERR	15%	21%	49%
C&B Ratio	1.45	2.09	8.37
NPV	27.82	67.34	454.11

Financial Analysis:

12. As the government and its agencies are the main stakeholders in the project, a financial analysis has been performed to assess the attractiveness of the project to the government and its ability to operate and maintain project investments taking into account the need to ensure that cost recovery charges are not a barrier to public access to the land registry, land information and land administration services. The analysis is based on estimating incremental revenue for the Lands Commission (LC). It is expected that government revenues accruing to the LC will increase as a result of improved service delivery, mainly via: (i) an increase in land transactions associated with improved land delivery services; (ii) an increase in service fees for assessing more properties via computer-assisted mass appraisal (CAMA) methods and land information generated by the project; and (iii) revenue accruing from the sale of land information generated by the project.

13. It is noted that in 2010, LC's consolidated budget for the four core divisions was GHC 18.46 M, while its consolidated revenues were GHC 10.2 M, resulting in a surplus of GHC 8.26 M. In order to perform the below financial analysis, data on LC's (i) consolidated budget expenditures; and (ii) consolidated LC revenues generated by LRD, LVD, VPLMD and SMD and the project investment costs were used in conjunction with the following assumptions (a detailed presentation and discussion of the assumptions can be found in the project file):

14. Without Project: (a) LC revenues will follow a linear pattern (i.e., conform with a trend line) established on the basis of the existing data series from 2003 to 2010, (b) as of 2011 the LC consolidated budgetary expenditures will be GHC 13 M with annual increments of GHC 0.25 M.

15. With Project: (a) LC revenues with the project will increase 20 percent the first year (2011) and increase by 10 percentage points per annum thereafter over and above those levels expected to prevail under the without project case until reaching 100 percent, and stabilize thereafter at 100 percent as of 2019, (b) LC consolidated budgetary expenditures will increase by

10 percent per annum as of 2011, (c) the project investment cost is US\$ 75 million distributed evenly over 5 years, but converted into GHC at 1.43 exchange rate, (d) the opportunity cost of capital is 10 percent, and (e) the planning horizon is 20 years.

Results from Financial Analysis:

16. The following table includes the essential calculations for financial analysis.

Table 3: Ghana LAP 2 Financial Analysis of LC Operations (GHC M)

Years	Without Project			With Project				Cash Flow S2-S1
	Reven.	Exp.	Surplus	Reven.	Exp.	LAP2 Costs	Surplus	
	R1	E1	S1=R1-E1	R2	E2	C	S2=R2-E2-C	
2003	5.56							
2004	8.42							
2005	6.15							
2006	7.23	4.57	2.66					
2007	15.95	7.73	8.22					
2008	14.54	8.00	6.54					
2009	16.50	13.46	3.04					
2010	18.46	10.20	8.26					
2011	20.42	13.00	7.42	24.51	13.00	21.45	-9.94	-17.37
2012	22.38	13.25	9.13	29.10	13.65	21.45	-6.00	-15.14
2013	24.34	13.50	10.84	34.08	14.00	21.45	-1.37	-12.21
2014	26.30	13.75	12.55	39.45	14.70	21.45	3.30	-9.25
2015	28.26	14.00	14.26	45.22	15.00	21.45	8.77	-5.49
2016	30.22	14.25	15.97	51.38	15.75		35.63	19.66
2017	32.18	14.50	17.68	57.93	16.00		41.93	24.25
2018	34.14	14.75	19.39	64.87	16.80		48.07	28.68
2019	36.10	15.00	21.10	72.20	17.00		55.20	34.10
2020	38.06	15.25	22.81	76.12	17.85		58.27	35.46
2021	40.02	15.50	24.52	80.04	18.00		62.04	37.52
2022	41.98	15.75	26.23	83.96	18.90		65.06	38.83
2023	43.94	16.00	27.94	87.88	19.00		68.88	40.94
2024	45.90	16.25	29.65	91.80	19.95		71.85	42.20
2025	47.86	16.50	31.36	95.72	20.00		75.72	44.36
2026	49.82	16.75	33.07	99.64	21.00		78.64	45.57
2027	51.78	17.00	34.78	103.56	21.00		82.56	47.78
2028	53.74	17.25	36.49	107.48	22.05		85.43	48.94
2029	55.70	17.50	38.20	111.40	22.00		89.40	51.20
2030	57.66	17.75	39.91	115.32	23.10		92.22	52.31
NPV	282.46	124.53	157.93	500.13	139.60	81.31	279.22	
	C/B=	2.26		IRR=	27%		NPV=	121.29

Adoption of these rather simple (and realistic) assumptions yields an FRR of 27 percent with C/B ratio of 2.26 (Table 3). If investment costs were to be increased by 100 percent, the FRR drops to 13 percent, still offering prospects for a largely feasible financial investment. If, on the other hand, the expected improvements in the revenue stream remained at 5 percentage points

annually as of 2011, and stabilized at a maximum of 50 percent improvement level, we would still obtain an FRR of 15 percent. These results suggest that the estimated FRR is rather robust to variations in the underlying assumptions involving cost overruns and under-achievement of incremental revenues.

D. Sensitivity Analysis

13. A sensitivity analysis was conducted around cost overruns of 20 percent, 30 percent and 48 percent, and the project ERR was judged to be rather robust with respect to these variations. It is only at 48 percent cost overrun that the project reaches switching value, where the $ERR = OCC = 10$ percent, and continues declining thereafter.

Table 4: Sensitivity Analysis for Economic Analysis

Parameter	Base Case	Costs Up 20%	Costs Up 30%	Costs Up 48%
IRR	15%	13%	12%	10%
C&B Ratio	1.48	1.24	1.14	1.00
NPV	29.85	17.53	11.37	0.00

14. Similarly, a sensitivity analysis was conducted around cost overruns of 20 percent, 30 percent and 250 percent, and the project FRR was observed to remain very robust with respect to these variations. It is only at 250 percent cost overrun that the project reaches switching value, where the $FRR = OCC = 10$ percent.

Table 5: Sensitivity Analysis for Financial Analysis

Parameter	Base Case	Costs Up 20%	Costs Up 30%	Costs Up 250%
FRR	27%	22%	21%	10%
C&B Ratio	2.26	1.93	1.80	1.00
NPV	121.29	105.03	96.89	0.00

E. Conclusions

15. Due to the lack of data, a qualitative description of the economic benefits of the project was undertaken. This was supplemented by an indicative economic analysis to demonstrate a methodology which will be used to estimate the net economic benefits of the project in an ex-post analysis. On the other hand a financial analysis was undertaken to assess the attractiveness of the project to the key government agencies involved in the project. The analysis, centered on the Lands Commission expenditures and revenues, reveals that the project's financial rate of return (FRR) would be around 27 percent and that the net financial benefits would be able to withstand shocks to the underlying variables such as significant increases in expenditures.

Annex 8: Statement of Loans and Credits
GHANA: Land Administration Project - 2

Project ID	FY	Purpose	Original Amount in US\$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements	
			IBRD	IDA	SF	GEF			Orig.	Frm. Rev'd
P120026	2010	GH:Sustainable Rural Water & Sanit Serv	0.00	75.00	0.00	0.00	0.00	73.41	0.00	0.00
P118188	2010	GH:Natural Resources Env Governance DPO3	0.00	10.00	0.00	0.00	0.00	9.67	0.00	0.00
P115247	2010	GH-Social Opportunities Project (FY10)	0.00	88.60	0.00	0.00	0.00	85.78	0.00	0.00
P110147	2010	GH Second Agriculture DPO	0.00	25.00	0.00	0.00	0.00	24.18	0.00	0.00
P102000	2009	GH-Transport Project SIL (FY09)	0.00	225.00	0.00	0.00	0.00	229.83	18.19	0.00
P074191	2008	GH-Energy Dev & Access SIL (FY08)	0.00	160.00	0.00	0.00	0.00	124.17	-6.38	0.00
P101852	2008	GH-Health Insurance Project (FY08)	0.00	15.00	0.00	0.00	0.00	12.81	11.66	0.00
P105092	2008	GH-Nut. & Malaria Ctrl Child Surv (FY08)	0.00	25.00	0.00	0.00	0.00	16.03	5.67	0.00
P100619	2007	GH-Urban Transport Project SIL (FY07)	0.00	45.00	0.00	0.00	0.00	36.78	12.38	0.00
P093610	2007	YGH-eGhana SIL (FY07)	0.00	84.70	0.00	0.00	0.00	74.34	20.22	0.00
P092986	2006	GH-Economic Management CB	0.00	35.00	0.00	0.00	0.00	13.60	-1.03	8.97
P088797	2006	GH-Multi-Sect HIV/AIDS - M-SHAP (FY06)	0.00	20.00	0.00	0.00	4.60	1.55	4.17	3.47
P085006	2006	MSME Initiative	0.00	45.00	0.00	0.00	0.00	36.61	29.77	0.00
P081482	2005	GH-Com Based Rural Dev (FY05)	0.00	82.00	0.00	0.00	0.00	8.68	-14.17	6.49
P056256	2005	GH-Urban Water SIL (FY05)	0.00	206.00	0.00	0.00	0.00	64.12	54.66	0.00
P050620	2004	GH-Edu Sec SIL (FY04)	0.00	78.00	0.00	0.00	0.00	27.72	26.00	0.00
P082373	2004	GH-Urban Env Sanitation 2 (FY04)	0.00	62.00	0.00	0.00	0.00	32.08	26.13	0.00
P071157	2004	GH Land Administration (FY04)	0.00	20.50	0.00	0.00	0.00	3.02	0.75	0.00
Total:			0.00	1,301.80	0.00	0.00	4.60	874.38	188.02	18.93

GHANA
STATEMENT OF IFC's
Held and Disbursed Portfolio
In Millions of US Dollars

FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic.	Loan	Equity	Quasi	Partic.
1990	AAIL	0.00	2.55	0.00	0.00	0.00	2.55	0.00	0.00
1998	AEF NCS	0.00	0.00	0.53	0.00	0.00	0.00	0.53	0.00
1997	AEF PTS	0.00	0.00	0.31	0.00	0.00	0.00	0.31	0.00
1994	AEF Shangri-la	0.93	0.00	0.00	0.00	0.93	0.00	0.00	0.00
1996	AEF Tacks Farms	0.43	0.00	0.00	0.00	0.37	0.00	0.00	0.00
2006	Barclays Bnk GHA	30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1989	CAL Bank Ltd	0.00	0.87	0.00	0.00	0.00	0.87	0.00	0.00
2001	Diamond Cement	2.50	0.00	0.00	0.00	2.50	0.00	0.00	0.00
2000	ELAC	0.00	0.10	0.00	0.00	0.00	0.10	0.00	0.00
1991	GHANAL	0.00	0.22	0.00	0.00	0.00	0.22	0.00	0.00
2006	Newmont Ghana	75.00	0.00	0.00	50.00	0.00	0.00	0.00	0.00
2005	Scancom	40.00	0.00	0.00	0.00	20.00	0.00	0.00	0.00
2005	School Fin Facil	1.03	0.00	0.00	0.00	0.25	0.00	0.00	0.00
Total portfolio:		149.89	3.74	0.84	50.00	24.05	3.74	0.84	0.00

FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic.
2005	Scancom	0.00	0.00	0.00	0.00
2004	Takoradi II	0.06	0.00	0.00	0.00
Total pending commitment:		0.06	0.00	0.00	0.00

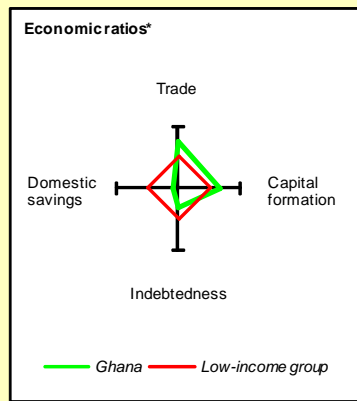
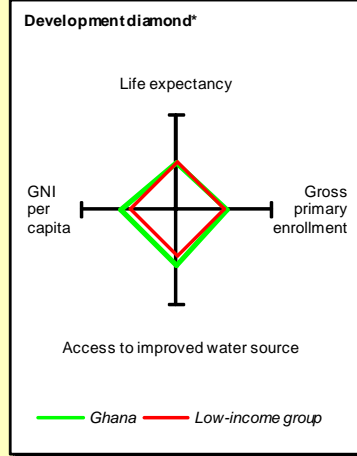
Annex 9: Country at a Glance

GHANA: Land Administration Project - 2

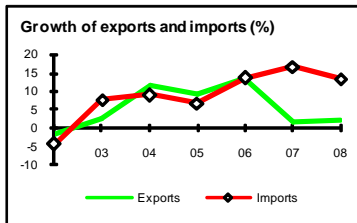
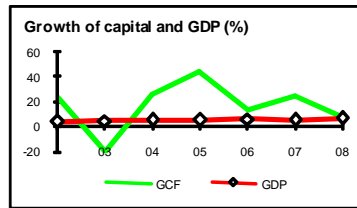
Ghana at a glance

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POVERTY and SOCIAL	Ghana	Sub-Saharan Africa	Low-income		
2008					
Population, mid-year (millions)	23.4	818	973		
GNI per capita (Atlas method, US\$)	630	1082	524		
GNI (Atlas method, US\$ billions)	14.7	885	510		
Average annual growth, 2002-08					
Population (%)	2.2	2.5	2.1		
Labor force (%)	2.4	2.8	2.7		
Most recent estimate (latest year available, 2002-08)					
Poverty (% of population below national poverty line)	29	..	..
Urban population (% of total population)	48	36	29		
Life expectancy at birth (years)	57	52	59		
Infant mortality (per 1,000 live births)	51	89	78		
Child malnutrition (% of children under 5)	14	27	28		
Access to an improved water source (% of population)	80	58	67		
Literacy (% of population age 15+)	65	62	64		
Gross primary enrollment (% of school-age population)	102	98	98		
Male	102	103	102		
Female	101	93	95		
KEY ECONOMIC RATIOS and LONG-TERM TRENDS					
	1988	1998	2007	2008	
GDP (US\$ billions)	5.2	7.5	14.9	16.7	
Gross capital formation/GDP	11.3	23.1	33.8	35.9	
Exports of goods and services/GDP	18.2	33.9	40.0	42.5	
Gross domestic savings/GDP	5.4	10.3	6.8	2.9	
Gross national savings/GDP	6.2	18.1	21.1	9.8	
Current account balance/GDP	-5.1	-5.0	-9.1	-17.2	
Interest payments/GDP	2.4	2.0	0.5	0.9	
Total debt/GDP	58.8	84.4	29.9	29.8	
Total debt service/exports	57.1	18.4	3.5	3.4	
Present value of debt/GDP	19.1	17.4	
Present value of debt/exports	54.8	41.6	
	1988-98	1998-08	2007	2008	2008-12
<i>(average annual growth)</i>					
GDP	4.3	5.2	5.7	7.3	9.5
GDP per capita	14	2.9	3.5	5.1	2.6
Exports of goods and services	9.8	5.1	14	2.0	17.5



STRUCTURE of the ECONOMY	1988	1998	2007	2008
<i>(% of GDP)</i>				
Agriculture	49.6	36.0	33.9	33.5
Industry	16.6	25.3	25.3	25.3
Manufacturing	9.6	9.0	7.1	6.3
Services	33.8	38.7	40.8	41.2
Household final consumption expenditure	84.9	79.4	74.6	76.7
General gov't final consumption expenditure	9.7	10.3	18.6	20.4
Imports of goods and services	24.1	46.7	67.0	75.5
<i>(average annual growth)</i>				
Agriculture	2.7	3.4	2.4	5.1
Industry	2.2	7.0	5.1	8.1
Manufacturing	-5.3	..	..	..
Services	6.6	6.2	8.3	8.6
Household final consumption expenditure	4.3	3.3	0.1	9.9
General gov't final consumption expenditure	4.9	-3.6	10.1	7.9
Gross capital formation	2.8	22.4	24.5	8.6
Imports of goods and services	10.0	5.5	16.6	13.3



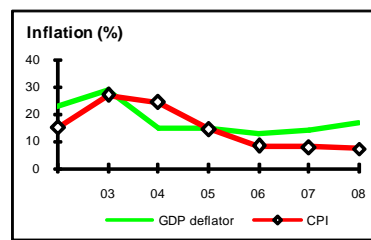
Note: 2008 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

*The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

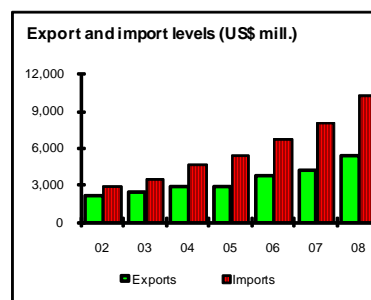
PRICES and GOVERNMENT FINANCE

	1988	1998	2007	2008
Domestic prices				
<i>(% change)</i>				
Consumer prices	314	19.3	7.7	7.3
Implicit GDP deflator	33.4	17.0	13.8	16.9
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	..	..	33.6	25.2
Current budget balance	..	..	9.9	-1.1
Overall surplus/deficit	..	..	-4.5	-16.8



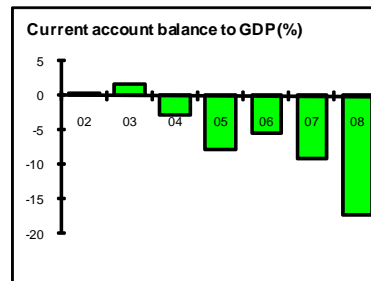
TRADE

	1988	1998	2007	2008
<i>(US\$ millions)</i>				
Total exports (fob)	881	2,091	4,172	5,270
Cocoa	462	621	1,000	999
Timber	106	171	255	274
Manufactures	81	151	405	379
Total imports (cif)	1,089	3,207	8,066	10,269
Food	163	481	663	691
Fuel and energy	157	236	902	938
Capital goods	489	1,665	1,648	1,791
Export price index (2000=100)	68	82	104	105
Import price index (2000=100)	93	158	125	126
Terms of trade (2000=100)	73	52	84	84



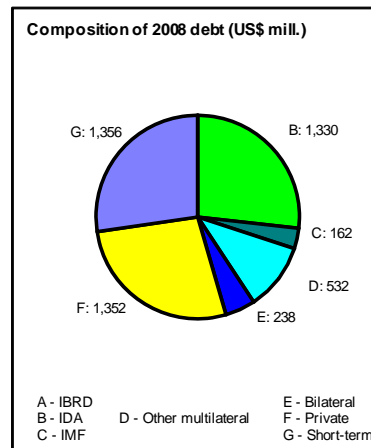
BALANCE of PAYMENTS

	1988	1998	2007	2008
<i>(US\$ millions)</i>				
Exports of goods and services	944	2,559	6,004	7,071
Imports of goods and services	1,250	3,519	10,065	12,569
Resource balance	-305	-960	-4,061	-5,498
Net income	-131	-152	-139	-259
Net current transfers	172	742	2,833	2,900
Current account balance	-264	-370	-1,366	-2,856
Financing items (net)	389	470	1,671	3,273
Changes in net reserves	-125	-100	-305	-416
Memo:				
Reserves including gold (US\$ millions)	..	0	2,396	2,753
Conversion rate (DEC, local/US\$)	2.02E-2	0.2	0.9	1.1



EXTERNAL DEBT and RESOURCE FLOWS

	1988	1998	2007	2008
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	3,056	6,311	4,463	4,970
IBRD	128	27	0	0
IDA	876	2,962	1,087	1,330
Total debt service	543	478	180	235
IBRD	24	6	0	0
IDA	8	36	8	10
Composition of net resource flows				
Official grants	171	240	742	764
Official creditors	254	321	255	367
Private creditors	-17	35	798	68
Foreign direct investment (net inflows)	5	167	855	2,112
Portfolio equity (net inflows)	0	0	0	0
World Bank program				
Commitments	270	147	355	257
Disbursements	205	261	231	257
Principal repayments	12	21	1	1
Net flows	192	241	230	256
Interest payments	20	21	8	9
Net transfers	173	219	223	247



Note: This table was produced from the Development Economics LDB database.

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