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Report No: RES00422

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

Ghana Landscape Restoration and Small-Scale Mining Project

APPROVED ON 30-Aug-2021

TO

The Republic of Ghana

Environment, Natural Resources & the Blue Economy
Western And Central Africa

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ABBREVIATIONS AND ACRONYMS

CD	Country Director
EGPS	Extractives Global Programmatic Support
E&S	Environmental and Social
EPA	Environmental Protection Authority
ESRC	Environmental and Social Risk Category
DO	Development Objective
GEF	Global Environment Facility
GLRSSMP	Ghana Landscape Restoration and Small-Scale Mining Project
GoG	Government of Ghana
IDA	International Development Association
IP	Implementation Progress
IPF	Investment Project Financing
ISR	Implementation Status and Results Report
MFD	Maximizing Finance for Development
MLNR	Ministry of Lands and Natural Resources
MoF	Ministry of Finance
PCE	Private Capital Enabling
PROGREEN	Global Partnership for Sustainable and Resilient Landscapes Multidonor Trust Fund
USD	United States Dollar

BASIC DATA

Product Information

Operation ID	Operation Name
P171933	Ghana Landscape Restoration and Small-Scale Mining Project
Product/Financing Instrument	**Geographical Identifier**
Investment Project Financing (IPF)	Ghana
Approval Date	**Current Closing Date**
30-Aug-2021	30-Sep-2027

Environmental and Social Risk Classification (ESRC)

Substantial

Organizations

Borrower	Responsible Agency
The Republic of Ghana	Environmental Protection Authority, Ministry of Lands and Natural Resources

OPERATION STATUS

Project Development Objective (DO)

Original Development Objective

to strengthen integrated natural resource management and increase benefits to communities in targeted savannah and cocoa forest landscapes

Disbursement Summary (in USD million)

Source of Funds	Net Commitment	Disbursed	Undisbursed	% Disbursed

IBRD	--	--	--	0
IDA	75.00	46.86	28.14	62.48
Grants	42.30	21.07	21.23	49.81

Policy Waivers

Does this restructuring trigger the need for any policy waiver(s)?	No

TABLE OF CONTENTS

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING 1
II. DESCRIPTION OF PROPOSED CHANGES 2
III. PROPOSED CHANGES 2
IV. DETAILED CHANGE(S) 3

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. **Project Overview.** The Ghana Landscape Restoration and Small-Scale Mining Project (GLRSSMP) targets interventions in agriculture, forest, and mining, contributing to Ghana's resilience to climate change. The project development objective (PDO) is to strengthen integrated natural resource management and increase benefits to communities in targeted savannah and cocoa forest landscapes. The project was approved by the Board of the International Development Association (IDA) on August 30, 2021 and became effective on February 10, 2022. The project is implemented by the Environmental Protection Authority (EPA) under the Ministry of Environment, Science and Technology, responsible for landscape restoration activities, and Ministry of Lands and Natural Resources (MLNR), responsible for sustainable mining activities.

2. **Project Financing.** The project is financed with (a) credit from IDA in the amount of US$75.00 million (Credit No. IDA 6969-GH); (b) grants from Global Environment Facility (GEF) in the amount of US$ US$12,756,881 (Grant No.TF0B5958) and in the amount of US$13,942,064 (TF0C9303); (c) grant from Global Partnership for Sustainable and Resilient Landscapes (PROGREEN) in the amount of US$15.00 million (Grant No.TF0B5979); and (d) grant from Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund in the amount of US$0.60 million (Grant No.TF0B5977).[1] Current disbursements stand at US$68 million, approximately 60 percent of the total project financing.

3. **The project focuses on the following core interventions:** (a) land-use planning for integrated landscape management to optimize land use; (b) formalization of artisanal and small-scale mining for sustainable mining; (c) restoration of degraded lands for agricultural productivity; (d) strengthening of sustainable management of forest landscapes for biodiversity conservation and ecosystem services; and (e) investments in the cocoa crop value chain.

4. **Progress towards achieving PDO** is assessed as *Moderately Unsatisfactory* as of June 2026. The project is on track to achieve some of the PDO indicators, with good progress on the landscape restoration indicators. However, substantial cost increases and ongoing implementation delays have impacted the ability to meet certain targets by the closing date of September 30, 2027. The PDO achievement is further constrained by several factors external to the implementing agencies, including disbursement delays, and increase in the global and local prices of inputs, especially fertilizer, and fuel.

5. **Implementation progress** is assessed as *Moderately Unsatisfactory* as of June 2026. In January 2025, the Government of Ghana paused all disbursements, capped IDA allocations, and required new commitment authorizations from the Ministry of Finance (MoF). These prevented new disbursements in 2025 and significantly constrained project implementation, particularly the landscape restoration activities that are seasonal and dependent on rainfall.

6. **Environmental and social risk management** is assessed as *Moderately Satisfactory* as of June 2026. The ongoing IDA disbursement pause is affecting continuity of robust E&S monitoring activities, which poses risks given the project's areas with significant environmental and social sensitivities. However, the project continues to be implemented in accordance with the Borrower's E&S commitments as captured in the Environmental and Social Commitment Plan (ESCP), despite implementation constraints.

7. **Financial management** is assessed as *Moderately Unsatisfactory* as of June 2026. The rating reflects a *Moderately Satisfactory* assessment for the EPA PCU and a *Moderately Unsatisfactory* assessment for the MLNR PCU, driven by slow implementation of financial management actions, inadequate expenditure documentation, and the Recipient's failure to refund GHS 6.8 million swept from MLNR's designated account.

8. **Procurement management** is assessed as *Moderately Satisfactory* as of June 2026. However, all outstanding commitments for existing contracts financed by IDA must be completed by September 2026 to avoid reputational harm to both the Government and the World Bank.

[1] The EGPS grant closed after full disbursement.

9. There are currently no outstanding audits or legal covenants.

II. DESCRIPTION OF PROPOSED CHANGES

10. In a letter dated April 1, 2026, received by the Bank on April 10, 2026, the Government of Ghana (GoG) requested the partial cancellation of US$27.64 million in IDA funds, equivalent to nearly 37 percent of the current IDA commitment and 98 percent of the undisbursed IDA credit. The cancellation became effective on April 10, 2026, the date the Bank received the GoG request. Annex 1 presents the revised allocations by disbursement category. Following the cancellation, the revised IDA commitment totals US$47,360,000. The project will remain open to continue landscape restoration activities financed by PROGREEN and Global Environment Facility (GEF) trust funds, totaling approximately US$21 million.

11. The project's implementation and fiduciary arrangements remain adequate to support project implementation through closing of IDA financed activities, subject to the resolution of the MLNR designated account issue and continued progress on outstanding financial management actions.

12. This restructuring is limited to cancellation of funds. A subsequent restructuring to adjust landscape restoration activities under the EPA, cancel all remaining activities under MLNR, reassess project risks, adjust the results framework, and revise the project's theory of change will be processed July 2027.

III. PROPOSED CHANGES

Operation Information	Proposed Changes	Operation Information	Proposed Changes
Disbursements Estimates	Yes	Loan Cancellations	Yes
Development Objective	No	Reallocations	Yes
Summary Description (Operation Abstract)	No	Loan Closing Date Extension	No
Legal Operational Policies	No	Financial Management	No
MFD/PCE	No	Procurement	No
Results	No	Institutional Arrangement	No
Risks	No	Implementation Schedule	No
Legal Covenants	No		
Conditions	No		
Implementation Modalities	No		
Disbursements Arrangements	No		
DDO	No		
Clients	No		
Appraisal Summary	No		

Components	No		

IV. DETAILED CHANGE(S)

COSTS & FINANCING

Private Capital Facilitation

Is this an MFD-Enabling Project (MFD-EP)?

Is this project Private Capital Enabling (PCE)?

LOANS

Cancellations

Loan/Credit/ Trust Fund	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-69690-001	Disbursing	USD	75,000,000.00	27,640,000.00	10-Apr-2026	47,360,000.00	BORROWER'S REQUEST FOR COUNTRY REASONS
TF-B5958-001	Disbursing	USD	12,756,881.00	0.00		12,756,881.00	
TF-B5977-001	Disbursing	USD	600,000.00	0.00		600,000.00	
TF-B5979-001	Disbursing	USD	15,000,000.00	0.00		15,000,000.00	
TF-C9303-001	Effective	USD	13,942,064.00	0.00		13,942,064.00	

Reallocations

IDA-69690-001 | Currency: USD | Cancellations (if any): 27,640,000.00 | New Allocation: 47,360,000.00

Category No.	Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
					Current	Proposed
1	GD,WK,N/CS,TR&OC, P1.3,2exce,3.5&4.2;	34,500,000.00	15,218,197.24	15,850,335.00	100.00	100.00
2	Refund of Preparation Advance;	3,000,000.00	3,046,333.33	3,046,334.00	0.00	0.00
3	GWNCTO,P1.1,1.2,3.1c,3.2exf,3.3,4.1;	32,105,000.00	23,722,412.36	26,113,022.00	56.00	56.00
4	Performance-Based Payments Pt 3.2f;	415,000.00	0.00	0.00	66.00	0.00
5	GD,WK,N/CS,TR&OC, Pt 3.4;	4,980,000.00	2,140,308.99	2,350,309.00	66.00	66.00
6	Emergency Expenditures Pt 5;	0.00	0.00	0.00	100.00	100.00
	Total	**75,000,000.00**		**47,360,000.00**		

TF-B5958-001	Currency: USD	Cancellations (if any): 0.00	New Allocation: 12,756,881.00

Category No.	Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
					Current	Proposed
1	GWNCTO P1.1/2,3.1(c),3.2exf,3.3,4.1;	12,756,881.00	8,143,472.40	12,756,881.00	22.00	22.00
	Total	**12,756,881.00**		**12,756,881.00**		

TF-B5977-001	Currency: USD	Cancellations (if any): 0.00	New Allocation: 600,000.00

Category No.	Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
					Current	Proposed
1	GDs,NCS,CS,TRN&OC Pt2.1(e);	600,000.00	600,000.00	600,000.00	100.00	100.00
	Total	**600,000.00**		**600,000.00**		

TF-B5979-001	Currency: USD	Cancellations (if any): 0.00	New Allocation: 15,000,000.00

Category No.	Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)

					Current	Proposed
1	GWNCTO,P1.1,1.2,3.1C,3.2exf,3.3,4.1;	12,260,000.00	8,925,059.95	12,260,000.00	22.00	22.00
2	Performance-Based Payment 3.2f;	210,000.00	0.00	210,000.00	34.00	34.00
3	GDs,WK,NCS,CS,TR&OC,Pt 3.4;	2,530,000.00	1,099,837.63	2,530,000.00	34.00	34.00
	Total	**15,000,000.00**		**15,000,000.00**		

TF-C9303-001	Currency: USD	Cancellations (if any): 0.00	New Allocation: 13,942,064.00

Category No.	Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
					Current	Proposed
1	Gds,Wrks,NCS,CS,Tr,OCpt1.4,3.6,4.3;	13,942,064.00	0.00	13,942,064.00	100.00	100.00
	Total	**13,942,064.00**		**13,942,064.00**		

DISBURSEMENTS

Operation Dates & Projection Details

Reasons to change the full Disbursement date and/or the projection

Implementation Start Date	Operation Closing Date
30-Aug-2021	30-Sep-2027

Projected Date for Full Disbursement

31-Jan-2028

Expected Disbursements (in US $) (Absolute)

Year	Original Estimation at Preparation (Approval Package – 30 Aug 2021)	Revised Estimation	Actual
FY2022	6,642,974.25	7,250,000.00	19,191,442.33
FY2023	15,320,000.00	15,320,000.00	11,571,132.92
FY2024	19,430,000.00	19,430,000.00	15,742,661.79
FY2025	21,580,000.00	22,580,000.00	16,963,552.00
FY2026	22,790,000.00	26,790,000.00	4,464,286.00

FY2027	16,390,000.00	24,390,000.00	0.00
FY2028	600,000.00	1,028,630.00	0.00

ENVIRONMENTAL & SOCIAL

Environmental & Social Assessment

According to the E/S Specialist are there changes proposed to the operation's design that would impact the Bank's E&S assessment?"	No

Annex 1. Revised Withdrawal Table

Category	Amount of the Financing Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
MLNR (1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 1.3, 2 (except 2.1 (e)), 3.5 and 4.2 of the Project	15,850,335	100%
(2) Refund of Preparation Advance	3,046,334	Amount payable pursuant to Section 2.07 (a) of the General Conditions
EPA (3) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Parts 1.1; 1.2; 3.1 (including Subprojects under Part 3.1(c) of the Project; 3.2 (except 3.2(f)), 3.3; and 4.1 of the Project.	26,113,022	56%
(4) Performance-Based Payments under Part 3.2(f) of the Project	0	Category cancelled
(5) Goods, works, non-consulting services, consulting services, Training and Operating Costs for Subprojects under Part 3.4 of the Project	2,350,309	66%
(6) Emergency Expenditures under Part 5 of the Project		100%
Subtotal	47,360,000	
Cancelled as of April 10, 2026	27,640,000	
Original Amount	75,000,000	