## **Consultant Report on Fund Flow Mechanism Capacity-Building Training for HIA Stakeholders**

## **17th January – 2nd February 2023**

### **Locations**

1. Kakum HIA

Joees Plaza Hotel, Assin Fosu, Central Region

17 - 20th January 2023

2. Sefwi Wiawso Bibiani & Juaboso -Bia HIA HMB, SHEC, CEC representatives

John Baiter Recreational Centre, Sefwi Wiawso, Western-North Region

23 - 27th January 2023

3. Asunafo-Asutifi & Ahafo Ano South HIA HMB, SHEC, CEC representatives

Catholic Diocesan and Pastoral Centre, Goaso, Ahafo Ano Region

30th – 2nd February 2023

### **Introduction**

The consultant who has been engaged to prepare the necessary documentation to operationalize the Fund Flow Mechanism (FFM) of Ghana’s ERPA Benefit Sharing Plan led a team of consultants including an international community engagement expert and an accountant/financial systems expert to assist the National Redd+ Secretariat (NRS) build the capacity of the representatives of the HIA stakeholders serving on the various HIA and sub-HIA level bodies (HIA Management Board (HMB), Sub-HIA Executive Committees (SHEC) and the CREMA Executive Committees (CEC)) on the Benefit-Sharing Plan’s FFM Operational Manual.

Generally, the consultants aimed to enhance the HIA stakeholders understanding of the operations of the Fund Flow Mechanism. Specifically, this included:

* The governance arrangements to manage the benefit-sharing processes of the FFM.
* The roles of all bodies and actors in the FFM;
* The role of HIA Members in the control and operations of Bank accounts for the receipt and disbursement of benefits.
* Guidelines and controls in the operations of the HIA Implementing Committees and the HMBs related to benefit-sharing;
* The scope and process of the selection of community development projects/ farmer group benefits
* The process, checks and balances in the execution/ implementation of the final selected community level/ farmer group request for benefits;
* Financial management and Procurement processes (including the receipt, distribution, record-keeping and reporting) for the projects selected and implemented; and
* Recording documentation and archiving of records for auditing purposes.

They also worked to provide advisory support to the HIA stakeholders on their potential non-monetary benefit proposals (to be refined in their respective constituencies’) for community development projects (CPD) to ensure proposed activities are in line with the BSP.

The consultants also organised a simulation exercise where the participants were grouped in their respective HIAs to discuss proposals for the non-monetary benefits, one group focusing on farming inputs and the other focusing on community development benefits. The purpose of the simulation exercise was to assess their capacities and their understanding of the processes involved in identifying and selecting community/farmer groups projects and their role in outreach and consultations with respective sub-HIAs groups to derive consensus on identified projects. This includes the roles or functions of the HIA bodies in the benefit-sharing process and the processes for procurement and disbursement of the benefits after the consultants had taken them through the Operational Manual, in detail.

The goal at the end of the of the workshops was for the participants to have a better understanding of the roles and responsibilities of the HIA actors and the processes involved in the FFM before the funds are disbursed by the RDA Trustees. The workshops also aimed to receive practical feedback from the participants on their engagement and participation in the implementation of the FFM. This feedback would be considered and incorporated into the final draft of the Operational Manual FFM documents.

### **Summary of Presentations**

An overview of the assignment was presented describing the key provisions of the governance arrangements for the FFM including the roles and functions of the RDA Committee of Trustees, the HIC, HMB, SHEC and CEC; and in another presentation the consultants went into greater detail about the functions of the HIC, the HMB and the Consortium partners in the benefit sharing process. They also did a presentation on the timeline for submission of request for funds to the Trustees.

The was followed by a more elaborate and detailed presentation about how the funds will flow from the RDA at the Bank of Ghana to the HIA accounts, including details on the processes and guidelines to be followed in selecting or choosing non-monetary benefit packages by the Farmer groups and the HIA Communities, and reporting the choices made to the HIC. The presentation also highlighted the Performance Weights and Emissions Reduction measures used in calculating the benefits due beneficiaries within the HIA. Using detailed infographic diagrams, they highlighted the selection criteria for benefits and the steps involved in procuring, contracting and distributing the non-monetary benefits to the HIA beneficiaries. Some time was devoted to describing the measures and controls put in place at all levels to ensure accountability, value for money and ensure that beneficiaries benefit fully from the programme.

### **SUMMARY OF CONSULTANTS OBSERVATIONS**

Generally, the participants across all three workshops had excellent knowledge and understanding of the elements of the BSP. Most of the questions they asked were quite probing and often revealed some of the intricacies that need to be taken into account in finalizing the operational modalities for the flow of funds/benefits to the HIA stakeholders.

They absorbed the complexity of the benefit sharing process and discussed how the consultations among the numerous communities and farmers in the HIA could be conducted in a cost-effective way but be inclusive to avoid any misunderstanding or grievances. They also discussed the proposed modalities for the procurement and distribution of the non-monetary benefits, and determination of how the recipient communities should be selected given the limited funds available. There were meaningful discussions on narrowing down priorities in the selection of CDP and farming inputs to avoid repeating consultations, and where appropriate build on what the DA is doing. There were also discussions about the role of the DA planning and procurement officers, the role of the consortium partners, the need for office space, storage and generally logistics to enable the HIA actors perform their roles in the benefit sharing process effectively.

Concerns were raised about the transfer of monetary benefits to the Traditional Authorities through the account of the Traditional Council/Paramountcy and the real prospects of those funds being absorbed by Chiefs who did not participate or contribute to the success of programme. The discussions also considered how to mitigate against politicians and the District Assemblies taking credit for benefits.

A re-occurring issue across the 3 workshops was very strong calls for funds to facilitate the work of the HIA actors. The participants saw the need for consultations with CRECs, CECs/SHECS, TAs and HMBs post these workshops to iron out the details and get consensus on which community/ farmer groups benefits to select for the first tranche of the ER payments. This will be a big and complex undertaking that would require resources from a dedicated allocation of funds to finance these consultations as well as other administrative tasks and other activities that consortium partners are not engaged that they might have otherwise financed – there were discussions about where the money will come from. Can the private sector/consortia members step in? Can EnABLE support? What was unclear was the source of these funds, if they couldn’t be taken from the ER payments as some were suggesting.

### **RECOMMENDATIONS**

1. There is a need to train the Secretariat of the Trustees, the PMU Specialists and the NRS field team to be conversant with the Operational Manual and be able to train or build the capacity of other HIA actors and stakeholders about the benefit sharing modalities as effectively as the consultants have done once this assignment is completed. It is proposed that a 2-day retreat is organized to achieve this purpose.

2. The consultants recommend that a concerted effort is made to engage the Consortia Partners to clarify in a ‘Framework Agreement’ or a Memorandum of Understanding the support they are willing to commit to providing to assist the HIAs in the implementation of the benefit sharing process including support for office space, logistics, representatives on the HIC with financial backgrounds and et cetera.

3. Commission of a study on use of ER payments to setup small-scale processing industries for cocoa by-products. During the discussions about non-monetary benefits and how to maximize the benefits across a large body of stakeholders, the idea of using the ER payments to develop small-scale agro-processing industries owned and operated by the HIA or farmer groups to promote alternative livelihoods (extra income) whilst at the same time boosting cocoa production was discussed. This proposal envisages the setting up of cottage industries, which will process the waste from cocoa pods and other by products into commercial viable and products.

The Cocoa Research Institute (Tafo in the Eastern Region) has done significant amount of research which can be coopted in this proposal to actualize many of the research products developed from cocoa by-products by the CRI including:

1. From the pod husk - Animal feed for ruminants, pigs, poultry and potash for soft soap and bath lotions;
2. From the pulp juice – wine, vinegar, alcohol, jam, pectin and soft drinks; and
3. From the discarded beans - cocoa butter, pomade and soap.

Given the fact that the farmers already have the raw material (cocoa by products) which also serves as the input product for the factories, the farmers will be able to produce these products at competitive prices. The consortium partners will benefit from the likely increase in the production of CSC and the shoring up of their supply chains by the increase in the income of cocoa farmers, which benefits them in the long run. They could support the programme in various ways, including marketing and promoting the finished products on the international market. The consultants have some experience in this proposal and can prepare more detailed business proposal if it is commissioned.

## **KAKUM HIA - Questions, Answers and Feedback**

**Functions of the HIC**: In the discussions about the functions of the HIC, the participants proposed that since HIC members would require a certain level of capacity to effectively perform their roles, the benefit sharing arrangements should be revised so that of the three HMB slots, only the Chair of the HMB should hold the ex officio position. The remaining two HMB slots should be reserved for selection by the HMB so they can make competence the primary consideration instead of reserving a place on the HIC for the Vice Chair. A suggestion was also made about the need to build the capacity of the farmers or their executives to handle some of the administrative functions highlighted in the FFM, including record keeping, reporting etc. The consultants pointed out that the PMU has a responsibility towards making this possible.

Questions were also raised about the composition of the HIC and gender balance. The consultants explained that gender balance representation is a key principle in the FFM and throughout the benefit-sharing process so it is important that this is reflected in the HIC. They also referred to the National Gender Policy.

**Procurement**: Procurement was a topic that generated meaningful discussions among participants. They wanted to know when procurement would be done? Who would manage the process? How long the process would take? And, whether they the HMB members can play a role? Whether the District Assemblies (DA) procurement office can support the HIC to conduct the process or whether a consortium member(s) could do the procurement.

In the ensuing discussion, a participant explained that the DA are likely to nominate Planning Officers to serve on the HIC. Such a person may not have any knowledge of procurement. The consultants explained that all DAs have procurement units that also handle donor funding. This procurement person could work with the HIC to assist in handling the procurement process. A consortium partner suggested that the procurement person could be an ex-officio member of the HIC whose sole responsibility would be to help with procurement.

The consultants further explained that if a particular process requires certain expertise, the HIC would be able to bring in an expert in an advisory role. The NRS should also be available to help. The Consultants also pointed out that the HIC procurement process would have to be aligned with the WB procurement process; this expert should be conversant with that process.

There was a discussion about how the procurement could be competitive and consistent with the WB procurement process. Some suggested that rather than the HIC select one consortium partner to handle the tender, two consortium partners could be tasked to source bids. The consultants explained that it would be easier if one consortium partner sources proposals from other vendors since more than one partner reaching out for proposals would take time. The consortium partners are tasked with this in the BSP because they are in tune with what farmers and the communities; the DA Procurement officer will bring in-depth knowledge/experience with procurement, and this is important because an understanding of what is being done and doing it in a specific timeframe is always challenge.

A participant asked why the HIC did not assign this role to an HMB member? The consultants explained that that expertise may not be in the HMB but also this was a control issue. Additionally, this is an unpaid position, so getting people to commit to getting this done might be a challenge.

The consultants further clarified that during the procurement process, the vendor will have to pre-finance the purchase of the selected items. The vendor will not be given the ER payment monies to go and purchase the items. So, if the vendor does not have the ability to do this, they will not be selected.

**Resources for the HIC**: Questions around offices and storage space for the HIC to do its work, keep all documentations and distribute items from were raised. The consultants explained that the BSP envisaged the private sector as consortium partners will be able to help with this because they would have some of these facilities and the logistical support or system for distribution of items to farmer groups that they could deploy to support the programme. The Consultants emphasized the need to engage the consortium partners on this. Others explained that what the government normally does is to bring the items to a central location where the communities will hire Kia trucks to go collect and distribute their items from. Usually, some communities are sufficiently accessible that the government truck can deliver the items to them. It was proposed that the items delivery schedule could be aligned to the delivery schedules of the consortium partners including the private companies and the COCOBOD.

The consultants added that in the Benefits Request Forms being developed, there will be enough space for the HIA to list up to about 50 locations or communities where the items must be delivered to.

There were suggestions from the participants that the HMB themselves take charge of distribution including setting up a committee to handle this in the same manner that historically they built churches, schools and other social structures; they could mobilize the recipient community to make in-kind contributions to facilitate the process and reduce costs associated with the loading and off-loading of materials.

A key preoccupation of the participants was the concern that one farmer could be a member of 2 farmer groups and benefit twice. There was a brief discussion about how could this be prevented.

**Benefits for Stool**: A participant (a Chief) wanted to know how the consultants were going to ensure that the benefits due the Traditional Authorities[[1]](#footnote-1) (TA), goes to the TAs who have been on the ground supporting and helping the HIAs. This was deferred for further discussions with the chief after the day’s programme to gather more insight into the challenge. A meeting was held after the day’s session between the Consultants, Hady, the NRS, and the chief. It was clear from the discussions that there is a legitimate concern that the benefits due the TAs if not carefully directed could end up in the coffers of the Paramount Chiefs, with little or none getting to the chiefs doing the work on the ground. The consultants pointed out that the BSP intended for the benefits to reward those actually implementing the GCFRP, including the chiefs directly superintending over the HIA or sub HIA area[[2]](#footnote-2).

The consultants also noted the fact that the Traditional Councils have their own rules and processes which must be taken into account, and hence further consultation is needed to address this matter in order to avoid elite capture and ensure benefits go to Chiefs recognized and gazetted by the Traditional Council that are involved in the activities to implement the GCFRP.

**Funds for HIA Operations**: Questions were asked about how the HIAs and numerous farmer groups are to hold their consultations and engagements at the various farmer group and sub-HIA levels when no funds have been allocated for that purpose. They proposed that a percentage of their ER payments should be set aside for this purpose.

**Selection of Recipients for Benefits**: Also, there were questions on the selection process. Participants were interested in how the communities or farmer groups that will host or receive the benefits will/should be selected. In response, the consultants recognized the legitimacy of their concern and also pointed it out to them that the Consortium partners are expected to facilitate some of these engagements as long term beneficiaries of the program. However, there will still be the need to provide some funds to cater for the administrative and various engagements needed at all levels of the HIA and farmer groups, particularly at the levels or areas where consortium partners do not engage. Furthermore, the consultants reiterated the need to have consultations and seek consensus at sub HIA levels for the selection of communities/farmer group benefits. This they acknowledged would require resources and time.

The participants also requested handouts of the operational manual and/or the presentations. The consultants explained that this workshop is important for reconciling the desktop study they had done with experience on the ground. Once these workshops were concluded, and practical feedback received from the participant, the Operational Manual would be revised to reflect the feedback and then the finalized versions of the Manual made publicly available.

### **Simulation Exercise**

The consultants also helped the participants understand that the ER payments for farming inputs would not be enough to procure items for every farmer so they should factor that in their deliberations during the simulation exercise[[3]](#footnote-3).

Participants were divided into 2 groups for the simulation exercise both of which wanted to focus on the selection of Community Benefits. The first group considered the following in their deliberations:

1. Bore Holes
2. Community centre
3. Furniture for a school
4. Construction of a well
5. A Durbar Ground
6. Beds for a Clinic
7. A KVIP toilet

In their presentation they highlighted the importance of consultations with various stakeholder in the Community, including Chiefs, DA and Consortium partners, after which the arranged their choices in order of priority with justifications:

1. Beds for a Clinic
2. 200 pcs of furniture – This will serve a school in the community
3. Bore Holes
4. A Durbar Ground
5. An Oil Palm Mill – This will provide alternative livelihood for the farmers as well as serve the community
6. A KVIP toilet
7. Construction of a well

The Second group, in their presentation also highlighted their consultations with the DA, Traditional authorities and stakeholders in the community, taking into consideration the needs and development plan of the communities, and settled on the following projects arranged in order of priority.

1. A school football pitch– To serve 5 Communities
2. 200 pcs school furniture – for a school serving 4 communities
3. An Oil Palm Mill- to provide alternative livelihood for the farmers as well as serve the community
4. Completion of a KG Block (Roofing)
5. Completion of a Teachers Quarters
6. Construction of a Computer Lab

In the discussions one participant suggested that because of the number of communities to benefit from the ER payments and the limited amounts coming in, they use the money for the CDP for one big project that stands as a monument to support the “Assin nation” then the ER payments for farmer groups could be used to purchase items like fertilizer, overalls, cutlasses, knacksack sprayer and wellington boots that farmers value a lot.

.At the end of the workshop, the Chairman of the HMB summarised his demands:

1. Need for funds for operations of HIA actors. This will be used primarily to raise awareness and conduct consultations with stakeholders. The representative from the NCRC proposed that the Kakum HIA write NCRC a letter making such a request and the NCRC will endeavour to provide if the requested amounts was not large.

2. Concerns about elite capture in the payment of benefits to the TA should be adequately addressed; and

3. Need for hand-out or copies of the Operational Manual along with laptops to use for presentations to the local communities and perform general HIA administrative tasks.

Closing remarks were made by the District Manager of the Forestry Commission. He raised the issue of chainsaw operations in the area. He warned of the consequences of being arrested for illegal chainsaw operation and urged the participants to provide information that would help arrest chainsaw operators.

## **Sefwi Wiawso Bibiani & Juaboso-Bia - Questions, Answers and Feedback**

**HIA Accounts & Signatories:** A participant observed from the presentation that certain modalities from the BSP had changed. He cited the example of the signatories to the HIA account (originally the Chair of HMB and Treasurer of HIC). If the Treasurer was no longer going to be a signatory to the account then what would be their role? He pointed out that there is a Treasurer at the HMB and questioned why the Consortium Partner should provide a Treasurer and duplicate the role? Some wanted to know whether the HIA account would be the main HMB account to receive all funds from different sources. The consultants clarified that this was not the case nor would it be desirable because the HIA account is dedicated to receipt of Carbon Funds payments which per the modalities that have been developed could only be released with authorization from the HIC. Therefore the HIA will need a second or separate Bank account for their own internally generated funds or funds from other sources. The Consultants also pointed out that though the Bank account is being held at the HMB level, the HIC has oversight responsibility over it , which is why the treasurer position at the HIC is maintained.

Another participant inquired why the HIC was a 6-member committee? They proposed that in the event of a tie in decision-making the Chairman should cast the deciding vote. The consultant explained that the HIC wasn’t a decision-making body; it was actually an implementing committee as its name suggested and the even representation on the Committee (3 from the HIAs and 3 from the Consortium Partners) ensures a certain degree of consensus building.

There were quite a number of comments about the need for HMBs and SHECs to be resourced to perform their functions and finance their operations. A participant queried why the government agencies were getting the 27 pct and what they had done to earn this. In response the consultants referred to the Performance Indicators outlined for all beneficiaries in the BSP including the government agencies. Another complained that most LBCs were not helping; there were just 2 including Touton who were assisting. So the NRS should push the LBCs to help.

**Selection of Recipients for Benefits:** There were a number of questions on this topic. A participant wanted to know if at the HIA level the HMB could use performance indicators to determine which communities should benefit? A participant wanted to know whether non-CREMA areas would be part of benefit sharing? The participant suggested that if they were not included, it will not bode well for the programme. The NRS explained that this was part of the ‘old arrangements’. The NRS also explained that there were many communities, farmer groups and beneficiaries in each HIA – the benefits will depend on the amount of funds coming in – there is a need for good analysis especially on the HIC which requires capable people – so it was important to produce a good management plan that can benefit all. In response, a participant suggested that the workload and importance of the work of the HIC showed why there ought to be more than 3 HMB reps on the HIC.

In a related issue, one participant wanted to know what would happen if the actions of a farmer who is part of a registered farmer group was adversely affecting the project; whether he should receive benefits or not. Some participants felt he should benefit but be warned about his actions while others did not think he should receive benefits. Another wanted to where the farming inputs would be stored since they didn’t have offices. Another asked what would happen if the selected CPD is damaged by a storm and they cannot wait for the next ER payment tranche to repair and salvage the project? The consultant explained that normally a sum of money is set aside to cater for such contingencies, or eventualities and also highlighted the importance of the procurement process towards ensuring that projects are executed by contractors with the required experience and taking into consideration the environmental and social impact of the project– this is also the standard practice and expertise which the procurement officer of the DA will bring on board. Participants were concerned about the risk of politicization of the CPD by the two main political parties. A participants asked whether a sign or billboard advertising the GCFRP and benefits could be constructed. The consultants explained that this is World Bank practice – also the HIA’s names should be on the sign to receive credit for the project at the time of the inauguration of the project

**Non-Monetary Benefits Eligibility Criteria**: In the discussions on the selection criteria and the processes, the participants explained that equipment to help water crops during the dry season was a priority for them. They also contested some of the items on the list of ineligible items, including rice, chainsaws and oil palm. They explained that these are all things they need; they could plant oil palm, reforest farmlands and also maintain trees for cocoa without destroying trees. A participant explained that they were now doing cocoa rehabilitation so rice and oil palm farming was helping them make ends meet. They suggested that they could plant the rice and oil palm in buffer zones. They also pointed out that there are areas unsuitable for planting trees because of the volume of rain; previously, the trees they planted didn’t succeed because of the volume of rainfall. They were also of the view that oil palm is a very resilient crop and an alternative source of livelihood empowerment. COCOBOD and Ministry of Agriculture were encouraging oil plantations. A participant further explained that the State has different agencies for different crops – Cocobod focuses on cocoa, Ministry of Food and Agriculture focuses on other crops. So, he suggested that they allow COCOBOD and ER payments to promote CSC activities and let Ministry of Food and Agriculture promote rice and oil palm production activities. They expressed the intention of using the ER payments to finance buying lands to plant forests. They also pointed out to the consultants that the activity of the rehabilitation of cocoa farms is part of the GCFRP and this requires chainsaws to do this, so why couldn’t they use ER payments to buy chainsaws for that purpose. It was explained to them that oil palm and rice farming were usually drivers of deforestation. They cannot use these particular funds for those items because the overriding objective of the GCFRP and other REDD+ initiatives is to contribute to global efforts to mitigate against the impacts of climate change. The Consultants also highlighted the fact that the Farmer Groups under the HIA are being supported by the private cocoa companies whose interest and business is cocoa. It will therefore be a disincentive to them to support the programme if the benefits from their efforts goes to support other competing produce

Further still, on the issue of the eligibility of projects, participants wanted to know what would happen if they bought the tricycles “aboboya” for permitted uses and one farmer was borrowing it for wrong uses such as carting fuel wood from the farm? The consultants reminded the participants that they have a constitution/Management Plans that sets out rules of what was permitted and what wasn’t. They should consider these rules when deciding what items to buy with the ER payment and enforcement. On their management plans they said in Sefwi Wiawso they were developing it in collaboration with the DA; they consult them and get ideas. The NRS explained that in Goaso, ProForest had taken the lead in working with the HIA to develop their management plan. Touton and NCRC were doing similar in Juaboso.

**HIA Consultation**s: On how they conduct consultations in the HIA, some participants explained that they normally have monthly meetings. Normally the HMB will inform the SHEC about new developments and then the SHEC will meet to consider. One participant expressed the concern that in groups and community discussions, there tend to be situations where a few voices dominate even when most oppose what they are suggestions. The NRS advised that other consortium partners should be involved in these discussions to lend objectivity to those conversations. On expenses they explained that normally participants are only given TNT when meetings are called. They appealed to the NRS to liaise with Consortium Partners and help them raise funds. Others admitted that they hadn’t yet settled on a process for consultations. The NRS suggested formal consultations start at CREMA or Zonal level because of cost issue and not at the community level. Representatives on the CEC or Zonal level would be required to take information down to their communities because of the cost implications. The participants also appealed to the NRS to give them advance notice next time they were bringing experts/consultants to their locality so they can take them to the local radio stations as part of the awareness creation and sensitization programme of the programme and the benefit sharing programme.

### **Simulation Exercise**

Participants divided themselves into 2 groups for the simulation exercise, Group 1 to simulate the selection of Farmer benefits and Group 2 to handle the selection of CPD.

Group 1

In their presentation Group 1explained that they had settled on providing knapsack sprayers for the farmers, but given the fact that the funds available wasn’t enough to procure for each farmer, they decided on buying a number of Motorised Knapsack Spray machines to serve the various farming communities. These spraying machines will be managed by the farmer groups. Members will be expected to pay a token fee for the operation to cover for the maintenance of the equipment and the operators.

Group 2

In their presentation Group 2 pointed out that they considered various needs of the HIA community, but were guided by the fact that there isn’t enough money from the first tranche to provide benefits to all the communities in the HIA. They decided to select a project with wide reaching benefits to the community and one with counterpart funding and support from the DA. They therefore elected to commit their benefits towards completion of a CHIPS compound in the community which was started by the DA but has since stalled. They also agreed to put up sign boards at the construction site highlighting the fact that the project is being jointly executed by the DA and funds from the GCFRP.

## **Asunafo-Asutifi & Ahafo Ano South HIAs - Questions, Answers and Feedback**

**Procurement & HIC Roles:** A participant wanted to know if the role of procurement officer from the DA attached to the HIC was limited to procurement of farmer benefits. There was also interest in knowing whether the procurement officer would be paid for his time. It was pointed out to them that the HMB and HIC roles were unpaid. But in the case of the procurement officer his institution (DA) was getting monetary benefits from the ER payment to support the GCFRP. So, they were incentivized to support the programme. A participant expressed concern about the ability of the three HMB members that were part of the HIC to collude with third party friends to supply non-monetary items during the tender process in a way that rips the HIA off? There were strong calls from the participants for funds to finance the work of the HIA bodies.

A participant wanted to know if they were eligible to supply the non-monetary items if they were in the business of trading in those items. One participant asked whether an HMB member could send the invoice for a tender if they could supply the selected non-monetary items. The consultants explained that every tender has to be advertised for the public to be informed. They further explained that anyone including an HMB member could introduce a vendor in their community to the HIC and they would be formally invited to tender when the process commences. The Consultants however cautioned that the recommendation of a vendor by a farmer group is no guarantee the vendor will be awarded the contract. The HIC will outline the parameters by which a vendor will be selected. Another participant pointed out that price should not be the only determinant factor in the selection of the items; quality was also important. In a case where the quality of an item was higher but the price was more than other bids, what would happen? The consultants explained that this would be a decision for the HIC. The consultants explained that the Tender Review Committee will look at many things and not just the price. Sometimes they might look at compliance with SSNIT obligations, whether the vendor has adduced their tax clearance certificate, whether they have filed their annual returns etc. So, if they didn’t win the bid even with a cheaper price, it could be down to other factors. The consultants also advised on the need the Farmer Groups to be specific in the requests for benefits, by specifying the make, model, capacity , quantities and packaging of items requested. All these go to inform the procurement process.

**Eligibility Criteria:** Another participant asked about communities who were not in the Sub-HIA or part of its governance structures but were in the HIA; they wanted to know if they were also eligible to receive benefits. Another participant explained that most of the farmer groups were actually Cocobod cooperatives. They wanted to know how they would be incorporated in the delivery and distribution of benefits.

**Dispute Resolution:** A participant wanted to know the FGRM process for an aggrieved vendor who had lost a bid to a more expensive bidder. Another participant queried what would happen if the tender outcome was contested, a complaint filed with the FGRM and after the mediation and arbitration, the HIC loses; if there was compensation to be paid, who would pay it?

### **Simulation Exercise**

In the simulation exercise, the participants were grouped into two Groups.

Group 1 - Ahafo Ano South HIA were to simulate discussions to select a community development project

Group 2 - Asunafo Asitifi were directed to simulate discussions to select farming inputs

**Group 1** - Ahafo Ano South HIA: Community Development Project

**Name of HIA:** - Ahafo Ano South HIA

**Location** Ahafo Ano South

**Benefit Location**: Asempaneye krom

**HIA Designated Contact Person**: Augustin Dabo

**Contact Number** : xxxxxxxx

**Project objectives**

To provide Classroom furniture for 250 students to make for a comfortable learning environment and reduce stress and strain on the students from carrying chairs to school.

**Project description**

250 Dual desk furniture for primary pupils at Asempaneye DA Basic School

**Project Benficiary Communities**

* Asempaneye
* Dwenewoho
* Fedee eya
* Asuo Abena
* Darkokrom
* Mmaa mpe Hia

**Expected Outcomes**

500 pupils in the school to get comfortable desks and chairs to study in

**Estimated Cost or Break Down**

* Cost of Dual Desks = 50,000.00 (200 ghc each)
* Cost of Transportation = 11,875.00
* Labelling /Embossment= 1,750.00
* Estimated Total cost = 63,625.00
* Contribution / Counterpart funding from Chiefs = 1,875.00
* Free Labour off loading = Asempaneye CREMA

Group 1 were asked what consultation processes they undertook to get this proposal. They explained that they held discussions with each community. The information they came across helped them realize that Asempa Na Eye school was used by all the communities. Also, they went to the palace in each community to engage with the chiefs as part of the consultation process.

To secure the buy-in from all, they also told the other communities that this was the beginning. They would not be able to meet every community’s request at once but when the other ER payments installments were paid, their needs would be addressed. The consultants advised them that where there was contribution from a partner, there should be evidence of the contribution attached to the request for funds report to the RDA Trustees, and the funds should be available for procurement i.e. deposited into the HIA’s account and not just “a pledge”.

**Group 2** – Asunafo Asitifi HIA: Farming Input

The group realizing that there was not enough money to provide benefits to individual farmers, decided on providing benefits to be shared at the farmer group level.

**Name of HIA:** Asunafo Asitifi HIA

**Location:** Asunafo Asitifi HIA

**Delivery Location**: Ayumso, Driver Krom at PBC Shell and other locations

**HIA Designated Contact Person**: xxxxxxxxxxx

**Contact Number**: xxxxxxxx

**Project objectives**

To provide farm inputs to promote CSC farming.

**Selected Benefits with Details**

Machetes 105 pcs (Crocodile Brand

Insecticides 105 units (Adama brand 1 litre per bottles)

Safety Boots 105 pairs (Desert lion brand)

**Estimated Cost or Break Down**

* 105 Crocodile Machetes = 3,150.00 (30 ghc each)
* 105 bottles Adama Insecticide = 6,615.00 (63 ghc each)
* 105 pairs Desert lion Boots = 6,300.00 (60 ghc each)
* Estimated Total cost = 16,065.00

A participant considered that if in the selection of benefits process the HIC’s advice is that prices are too high and there wouldn’t be enough to benefit every farmer because of the limited budget, what would happen? He suggested that in such a scenario, the HIC should opt to procure 2 of the 3 items selected by the beneficiaries. The consultants reminded the participants of the discussions they had the previous day about prioritization i.e. listing the items they need in order of prioritization so that there is not a need to repeat consultations in a situation like this. The HIC will simply propose the procurement of the listed items at the top of the list. The consultants also advised that feedback from the HIC should flow all the way down to community level. The consultants further inquired how information would flow down to the registered farmer groups? Group 2 explained that firstly they were all farmers. Secondly, it was important to know the initial needs of the farmers. Further to this, when they go for meetings, they would raise these points (feedback from the HIC) and encourage their members to plant more trees so they could earn more. They will give each community or body a timeframe to do their consultations and submit their proposals for farming inputs. If they don’t meet the deadline they would be made to understand that their requests will be included in the next request for funds cycle.

Another participant added that to avoid delays, if the communities or farmer groups missed the deadline for compiling and submitting their proposals, the HMBs, knowing what they need will make proposals for them. The consultants pointed out that the SHEC members were representatives on the CRMC/CEC. So that rep should do his/her work and prod his community to select their items in time.

The consultants asked the participants why they didn’t they think of using the ER payments to establish a factory, processing plant or another revenue generating activity so they can earn more? They explained to the participants that the Final BSP gives them the option of pulling their resources and procuring equipment that they could use. Now that cocoa is being mechanized because of lack of labour – they could decide the monies at the SHEC or HIA levels is bigger than at each individual farmer’s level so perhaps they could procure equipment that could be used by every farmer/farmer group to make their work easier. The consultants described how at the workshop in Sefwi Wiawso the participants discussed building a factory to process waste from cocoa pods into soaps and other products. They advised that there were a lot of by-products that could be generated to bring additional income. The consortium partners would/should be interested in supporting such initiatives. A participant expressed support for this explaining that in some communities in the HIA, they had formed youth gangs to help elderly farmers. They used premiums they got from the cocoa to pay the youth. They were cultivating seedlings and selling to consortium partners as alternatives ways to earn money.

Another participant asked a question about prioritization. In the hypothetical situation where a zone has an infection/disease problem and needed chemicals to treat it while others have other important needs, how should the decision be made? The consultants explained that prioritization isn’t only about prices and numbers. But there were other factors. In this instance if there was a risk that the disease could spread to other farms and through the HIA then obviously that would be a very important consideration.

Some participants wanted to know if they were to consult only registered farmers and communities that had opted to join the programme? The NRS explained that the HIA is within the GCFRP area. It is not just those affiliated with the programme who are practicing Climate Smart Cocoa (CSC). Others with Cocobod are also doing CSC. The NRS is therefore updating its list to include them. Farmer benefits were logistically a more difficult proposition to deal with than CPD since there were many farmer cooperatives. Costs and time to conduct consultations with all the farmer cooperatives was an issue.

Final question was about whether the audit would be internal or external? The consultants explained that it would be both: the PMU will be auditing the process to make sure controls are being adhered to continuously and also keep archiving documents. Once the external audit comes [annually] they will review those documents as part of the audit process to meet statutory requirements and those of the Final BSP.

Y. B. Osafo

E. K. Afram

H. Sey

25th February 2023

**ANNEX 1**

**POWERPOINT PRESENTATIONS**

1. Governance Arrangements

2. Fund Flow Mechanism at HIA Level

3. Functions of the HIC, HMB and Consortium Partners

4. Timeline for Submission of Requests for Funds

5. Selection Criteria and Benefits

6. Procurement & Contracting

7. HIA Benefit Sharing Slides

8. Slides for Simulation Exercise

**ANNEX 2**

FARMER BENEFITS APPLICATION PARK



**ANNEX 3**

COMMUNITY BENEFIT APPLICATION PACK



1. Traditional Authorities refers to the structure of traditional leaders (chiefs and queen mothers), as represented and organized under a Traditional Council (or similar body), with jurisdiction over all or part of an HIA/Sub-HIA landscape. [↑](#footnote-ref-1)
2. Table 2 on page 14 of the BSP (March 2020) [↑](#footnote-ref-2)
3. In Kakum $29/farmer out of $343,000 spread over 11,933 farmers in the HIA. [↑](#footnote-ref-3)