

**REPUBLIC OF GHANA**



**ENVIRONMENTAL PROTECTION AGENCY**

**AND**

**MINISTRY OF LANDS AND NATURAL RESOURCES**

**GHANA LANDSCAPE RESTORATION AND SMALL-SCALE MINING  
PROJECT (GLRSSMP)**

**(P171933)**

**TERMS OF REFERENCE**

**(CONSULTING SERVICES)**

**ASSIGNMENT: THE ENGAGEMENT OF A CONSULTING FIRM TO  
CONDUCT A FIDUCIARY REVIEW OF THE GHANA LANDSCAPE  
RESTORATION AND SMALL-SCALE MINING PROJECT (GLRSSMP)**

**GH-EPA-414890-CS-CQS**

## **1.0 BACKGROUND**

### **1.1 Overview of the Ghana Landscape Restoration and Small-Scale Mining Project (GLRSSMP)**

The Government of Ghana has received financing in the amount of US\$75 million from the World Bank - International Development Association (IDA) and grants in the amount of US\$12,756,881 from the Global Environment Facility (GEF), US\$15 million from the Global Partnership for Sustainable and Resilient Landscapes Multi-Donor Trust Fund (PROGREEN) and US\$0.60 million from the Extractives Global Programmatic Support Multi-Donor Trust Fund (EGPS) for the implementation of the Ghana Landscape Restoration and Small-Scale Mining Project by the Environmental Protection Agency (EPA) and the Ministry of Lands and Natural Resources (MNL). The US\$103.36 million project has a coverage of twenty-six (26) Districts in the Northern Savanna and Southern Cocoa Forest Landscapes and comprises multiple activities with the objective to strengthen integrated natural resource management and increase benefits to communities in targeted savannah and cocoa forest landscapes.

The success of the project will be measured through the following outcome indicators:

#### *To strengthen integrated natural resource management*

- (a) Areas for which appropriate land use planning has been undertaken under spatial sub-basin plans (ha)
- (b) Land area under sustainable landscape management practices (as an aggregation of the following practices) (ha)
  - Area under conservation agriculture
  - Trees in production landscapes outside of forests
  - Area under collaborative, integrated and innovative management and with improved climate resilience (CREMAs)
  - Area under improved catchment management (riparian vegetation)
  - Area under sustainable forest management as a result of the project
  - Abandoned mine areas restored
- (c) Licenses issued for ASM operations (number)
- (d) Environmental and social management system for ASM established and operational (yes/ no)

#### *To increase benefits to communities*

- (e) People in targeted areas with increased benefits as a result of the project (disaggregated by (i) sustainable land management practices and (ii) alternative livelihoods (number), including female (number) and youth (number).

The Project is being coordinated by the Environmental Protection Agency (EPA) Project Coordinating Unit (PCU) which is coordinating the Land Restoration Option of the Project and the Ministry of Lands and Natural Resources (MNLR) Project Coordinating Unit (PCU) which is coordinating the Small-Scale Mining Option of the Project).

The main Beneficiary Agencies are the Environmental Protection Agency (EPA), Forest Services Division (FSD) of the Forestry Commission, Wildlife Division (WD) of the Forestry Commission, Resource Management Support Centre (RMSC) of the Forestry Commission, Crop Services Division of the Ministry of Food and Agriculture, Ghana COCOBOD, Ghana Geological Survey Authority, Minerals Commission and University of Mines and Technology.

## **1.2 The Project Development Objectives (PDO)**

The Project Development Objective (PDO) is to strengthen integrated natural resource management and increase benefits to communities in targeted savannah and cocoa forest landscapes.

## **1.3 Project Components**

The project has five components designed to meet its development objective, including:

- Component 1. Institutional Strengthening for Participatory Landscape Management at a cost of (US\$14.21 million, including IDA US\$10.66 million, GEF US\$2.51 million, PROGREEN US\$1.04 million)
- Component 2. Enhanced governance in support of sustainable ASM at a cost of US\$17.48 million, including US\$16.88 million from IDA and US\$0.6 million from EGPS.
- Component 3: Sustainable Crop and Forest Landscape Management at a cost of US\$60.28 million; including IDA US\$38.26 million, GEF US\$9.14 million, PROGREEN US\$12.88 million.
- Component 4: Project Monitoring and Knowledge Management at a cost of US\$8.39 million, including US\$6.2 million from IDA, US\$1.11 million from GEF, and US\$1.08 million from PROGREEN)
- Component 5: Contingent emergency response

## **2.0 RATIONALE FOR A FIDUCIARY REVIEW**

As part of the Project Implementation Requirements, the EPA PCU and the MNLRC PCU are required to conduct a **Fiduciary Review to assess the Financial Management performance and Procurement review of the project**. This Terms of Reference (TOR) has been developed for the purpose of selecting a Firm Consultant to conduct a financial management review and procurement review from project inception up to September 2024.

The essence is to perform a Review focusing on economy, efficiency, and effectiveness in the use of public resources as provided through donor funding. The rationale of the assignment is to complement regular project monitoring mechanisms through a more thorough review and independent assessment of Procurement and financial management systems and internal oversight and accountability mechanisms.

In summary, the rationale is to supplement and complement regular project supervision and audits through a thorough review of financial management, and implementation documentation and verify significant procurements to ensure compliance with processes.

## **3.0 OBJECTIVES OF THE ASSIGNMENT**

The primary objective of the assignment (Mid-Term Fiduciary Review) is for the EPA PCU and the MNLRC PCU as well as the World Bank and all stakeholders to conduct an assessment of the financial and procurement performance review during implementation to determine the adequacy of financial management and procurement arrangements to support implementation at the various levels of implementation (EPA PCU, MNLRC PCU, Beneficiary Agencies) and, in addition to obtain reasonable assurances that the funds provided under GLRSSMP are being used for the intended purposes in line with the relevant World Bank Procurement Regulations, Public Financial Management (PFM) Act, 2016 (Act 921), PFM Regulation 2019 and the Public Procurement Act, 2003 (Act 663) as amended. The independent fiduciary review serves an important role in the project review responsibility by:

- (i) Contributing to the project's ability to maintain its fiduciary responsibilities with regard to the financial management and procurement functions.
- (ii) Identifying weaknesses in both the Borrower's and the Bank's procedures with regard to the GLRSSMP and recommending corrective action.
- (iii) Identifying systemic weaknesses that may be apparent in the country and providing recommendations for corrective action.
- (iv) Contributing to the improvement of project implementation.
- (v) Reminding Bank Management, staff, and Borrowers of the importance of their respective fiduciary responsibilities.

- (vi) Creating a deterrent to negligence in financial and procurement management, decision-making, and oversight, to ensure that an environment conducive to fraudulent and corrupt practices is not allowed to develop and that any such practices are brought to light and eliminated.

The objective of the financial and procurement review is therefore to review the accounting, financial management, procurement, contracting, and implementation processes that have been followed to confirm consistency with the Public Financial Management (PFM) Act, 2016 (Act 921), PFM Regulation 2019 and the Public Procurement Act, 2003 (Act 663) as amended and the applicable edition, Bank Procurement Regulations and LA. Specifically, to:

- (i) Assess the staffing, assets and organizational arrangements for Financial Management and Procurement for the GLRSSMP.
- (ii) Verify that the required processes for Withdrawal of funds from the Bank have been followed.
- (iii) Verify that due processes have been followed for transferring funds from the EPA/MLNR PCU to beneficiary agencies and payment for expenses as well as to third parties.
- (iv) Undertake review of documentation and reporting of financial transactions in accordance with the Bank's requirements and Country systems.
- (v) Assess the systems for monitoring and supervision of financial management of the beneficiary agencies and their sub-offices.
- (vi) Verify that the procurement and contracting processes have been followed.
- (vii) Perform an independent review of the Bank's procurement supervision.
- (viii) Verify technical compliance, physical completion, and price competitiveness of each contract.
- (ix) Assess the overall financial and procurement capability of the Borrower to determine the efficiency and effectiveness of its internal controls.
- (x) Outline any potential risks identified to inform future funding decisions.

#### **4.0 SCOPE OF THE FIDUCIARY REVIEW**

##### **4.1 Financial Management**

The review shall be conducted by a firm Consultant, with an accounting and auditing background, who will work in close collaboration with the Project Accounts Unit of EPA PCU and MNLR PCU and Implementing Agencies. It is expected that the Internal Audit officials from

EPA and MNLIR as well as Implementing Agencies or their respective representatives will participate in the exercise.

The review is divided into the following themes:

**a) Review of Financial Management Systems and Internal Controls:** Financial management systems and internal controls through sampling of transactions. In this context financial management system is defined to include the processes and procedures for budgeting, accounting, internal controls, reporting, and general fiduciary oversight including the functional fiduciary supervisory roles and responsibilities of staff at the various levels of project implementation (EPA, MNLIR, Implementing Agencies).

**b) Review of Financial Management Arrangements at the Implementing Agency Level:** This is aimed at assessing the fiduciary performance of the project. For the purposes of this review, Financial Management is defined to include the specific arrangement for budgeting, accounting, internal control, funds flow, cash management and transfer processes, financial reporting, and auditing arrangements of the entity or entities responsible for implementing the project.

**c) Financial Monitoring and oversight arrangements:** A review of the capacity to monitor the fiduciary performance of the Project at different levels of implementation, including staff capacity, and a review of reporting arrangements to determine how they are formulated from the lowest implementation level through to consolidation at the highest level.

**d)** At the end of the assignment, the recommendations provided by the Consultant will focus on strengthening the organizational structures, its operational effectiveness, and the appropriateness of its internal controls as it relates to financial management and shall provide conclusions on the adequacy of the Ministry of Finance/Implementing Agencies' capabilities in implementing the Project.

## **4.2 Procurement review**

**The Procurement review** is for the GLRSSMP Agencies and the World Bank to obtain reasonable assurances that the funds provided under the project are being used for the intended purposes. The essence is to assess the cost-effectiveness as derived from the agreed procurement arrangements and requirements in the legal agreement and adherence to agreed work programs of the project. The audit will inform management about the quality of fiduciary work on procurement.

- The current procurement review shall cover all GLRSSMP procurement activities across all five (5) components undertaken over the period from January 2022 to September 2024.
- The current procurement review will cover 20% sample size of selected works, goods, and consultancy contracts which are financed from the proceeds of the credit.

- The Consultant shall conduct a thorough review of the sample of contracts that have been selected, making visits to project sites and physical inspections of the goods and works procured as needed. Where appropriate, prices and quality should also be compared with similar contracts financed by agencies in the country and the region and verified against international market prices for the items in question.
- The Consultant should give comments and observations on the procurement records, systems, and controls that were examined during the course of the audit; identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement; and report on the degree of compliance of each of the procurement contract with reference to the LA and give comments, if any, on the internal and external matters affecting such compliance.

To cover systematically the various objectives and scope defined in the TORs the review should focus on four main areas:

- (i) compliance of the procurement procedures, processes, documents, and decisions with the applicable edition of the Bank Procurement Regulations and LA;
- (ii) timeliness of the procurement/contracting processes and decisions including the Bank's reviews;
- (iii) compliance of the delivered goods and completed works and services with the requirements and specifications defined in the contract;
- (iv) Cost effectiveness of contracts.

To this end, the Firm will:

- (i) determine whether the procurement and contracting processes were carried out in accordance with the LA and achieved the expected economy and efficiency;
- (ii) determine to the extent possible whether identified non-compliance with the LA, inappropriate practices, or questionable decisions/actions, may have been related to corrupt practices;
- (iii) evaluate the quality, timeliness, and reliability of the Bank's reviews and checks in ensuring that procurement, contracting, and disbursement are being carried out in accordance with the LA; and
- (iv) in the light of any deficiencies, identify ways of improving the procurement and contracting process.

It is highly desirable that the Consultant becomes familiar with the applicable edition of the World Bank Procurement Regulation and also familiarized with the Ghana Public Procurement Act, 2003 (Act 663) as amended, Project Implementation Manuals, PAD, Legal Agreements, and Guidance Notes on conducting Procurement reviews and audits which explain the Bank's procurement reporting and requirements. The Regulation can be obtained from the Bank's

website. The Consultant will also familiarize itself with procurement processes outlined in the GLRSSMP Implementation Manual which will be shared by the EPA/MLNR PCUs.

Under the Bank's Procurement Regulations (the Regulations) the Bank is expected to assure itself that procurement and contracting for Bank projects is carried out in accordance with the procedures specified in the Legal Agreement (LA).

To this end, the Regulation provides for the following review procedures:

- (i) For those contracts specified in the PAD (refer to project procurement risk rating and review threshold) and LA, the Bank reviews all procurement documents and decisions prior to:
  - inviting applications for pre-qualification (where appropriate);
  - finalizing the list of pre-qualified bidders (where appropriate);
  - inviting firm proposals;
  - inviting bids;
  - extending a bid validity period by more than eight weeks and any subsequent extensions;
  - awarding the contract;
  - Modifying materially a contract already awarded. This is referred to as “prior review”.
- (ii) For all other contracts, the Bank reviews contracts and award decisions after the award of the contract (on the basis of documents provided to the Bank prior to the first withdrawal or replenishment application in respect of the contract). This is referred to as “post review”.
- (iii) For contracts on account of which disbursements are to be made on the basis of Statements of Expenditure (SOE), the Bank reviews most of these contracts and their award decisions ex-post, in the field during the Bank's supervision missions.

To facilitate compliance by Borrowers and review by the Bank, the Bank requires the use of its Standard Bidding Documents (SBD) and Standard Documents for Prequalification and Bid Evaluation in International Competitive Bidding. Nevertheless, the review of procurement is a very staff-intensive activity and often requires specialist procurement staff. It gives a significant degree of responsibility and discretion to staff but does not have a built-in system for routinely monitoring the quality, consistency, and timeliness of the reviews.

## 5.0 Methodology

5.1 The procurement review should follow three broad phases:



(i) Design of the scope and program of the review, defining the essential information requirements and contacts. Conduct desk study to sample contracts covering works, goods, and consultancy contracts.

(ii) Fieldwork.

(iii) Preparation of the review Report following discussions of the preliminary report with the Borrower.

5.2 The sample size should not be less than 20% of procurement undertaken within the period covering all the various types of procurement (Goods, Works, Non-Consulting Services, and Consulting Services) and the various procurement methods (ICB, NCB, Shopping, QCBS, LCS, FBS, QBS, CQS, SS, IC, etc), as well as zooming in on the complex, high value and probable problematic procurements.

5.3 In the design of the review report, the firm should use standard review methodologies. The firm is encouraged to give consideration to the notes on procurement sampling set out in Attachment 1 to this TOR as broad guidelines for the methodology. If the firm intends to introduce variations or substantial changes to these broad guidelines, it should be indicated in the technical proposal and agreed upon by the Bank.

5.4 The firm should perform its duties in the field with full respect for and communication with officials of the Borrower.

## **6. The procurement review Report (All reports will be in hard and soft copies on external hard drive)**

6.1 The Draft Final Review Report shall be submitted **14** calendar days after concluding the wrap-up meeting with all actors involved and discussing the main findings presented by the firm.

6.2 Except as otherwise justified by the Consultant, the report should be structured as follows:

- \* Summary of findings and recommendations
- \* Outline of the procurement review
  - objectives and TORs
  - scope, approach, and review sample
- \* Findings on:
  - specific contracts
  - specific Agencies
  - country issues
  - Bank's actions
  - general issues
- \* Risks and Recommendations (if any)

\* ANNEXES

1. Terms of Reference
2. Review Methodology
3. Procurement Review Data (by contract)
  - details of all findings of the review with evidence substantiating the findings.
  - tables and graphs illustrating the detailed analysis carried out during the review.

6.3 All reports will be in English.

6.4 The Consultant will be required to work with the EPA PCU situated at the Environmental Protection Agency-Head Office and under the Ministry of Environment, Science, Technology, and Innovation (MESTI) and the MLNR PCU which is under the Ministry of Lands and Natural Resources (MLNR).

6.5 One consolidated report is required for both the EPA PCU and the MLNR PCU.

**6.6 DURATION OF ASSIGNMENT:**

The duration of the Assignment is Eight (8) weeks.

**6.7 OUTPUTS/TIME – SCHEDULE:**

The expected outputs, timeline, and payment schedule are as follows:

<b>Output</b>	<b>Timeline</b>	<b>Payment Schedule</b>
Inception report	2 weeks after contract signing	20% of the contract sum
Progress report	4 weeks after contract signing	30% of the contract sum
Draft Final report submitted to EPA/MLNR PCUs	6 weeks after contract signing	20% of the contract sum
Final report submitted and stakeholder engagement sessions held	8 weeks after contract signing	30% of the contract sum

**7. QUALIFICATION AND EXPERIENCE**

7.1 The key personnel performing the Financial Management review and the Procurement review should have wide experience in Public Procurement and Financial Management under Bank-Financed Projects.

***Lead Consultant: Financial Management - Qualifications and Experience***

- The Consultant should be a Chartered Accountant. A master's degree in accounting and finance, Project Management, or Business Administration will be an added advantage.

- Must have a minimum of 10 years' experience in financial audits and contract management.
- Must have a minimum of 10 years' experience at management position of which at least 5 years must be in donor-funded projects;
- Must have good knowledge of the Public Financial Management Act and other relevant acts, policies, and procedures of Multi-Lateral Financial Institutions (e.g the World Bank, DFID, AfDB etc) and Development Cooperation Agencies; as well as good knowledge in public procurement and world bank procurement.
- Work experience in the management of donor-funded projects (particularly projects funded by multilateral agencies) within the last three years is an added advantage.
- Excellent skills in project management and communications (both written and oral) demonstrated in previous jobs;
- Proven track record in working effectively within multi-disciplinary teams
- Evidence of being able to work effectively in a high-pressure and dynamic environment and to tight delivery deadlines
- Candidate must be computer literate

#### ***Financial Officer - Qualifications and Experience***

- Should possess a minimum qualification of a First Degree in Accounting and Auditing, Project Management, Administration, Engineering, and any other related discipline.
- A minimum of 5 years of post-qualification experience in accounting and auditing, contract management with 2 years' experience at senior management position,
- Must have good knowledge of the Public Financial Management Act and other relevant Acts, Policies, and Procedures of Multi-Lateral Financial Institutions, and Development Cooperation Agencies;
- Work experience in the management of Donor-Funded Projects (particularly projects funded by multilateral agencies) within the last 2 years is an added advantage
- Excellent skills in project management and communications (both written and oral) demonstrated in previous jobs;
- Proven track record in working effectively within multi-disciplinary teams.
- Evidence of being able to work effectively in a high-pressure and dynamic environment and to tight delivery deadlines.
- Candidate must be computer literate.

#### ***Procurement Lead***

##### ***Qualifications and Experience***

The team leader and lead consultant should possess:

- Master's Degree in Procurement Management, Supply Chain Management, Procurement and Supply Chain Management, Logistics and Supply Chain Management, Project Management, or Engineering.
- Chartered Member of any of these Professional Bodies; CIPS, CILT, CISCM or GIPS
- Must have a minimum of 15 years' experience in procurement and contract management.
- 10 years' experience at the senior level of which at least 5 years must be in Donor-Funded Projects;
- Must have good knowledge of the Procurement Policies and Procedures of Multi-Lateral Financial Institutions (e.g the World Bank, DFID, AfDB etc) and Development Cooperation Agencies; as well as good knowledge of the Institutional, Technical, and Commercial aspects of Procurement;
- Work experience in the management of Donor-Funded Projects (particularly projects funded by multilateral agencies) within the last three years is an added advantage
- Excellent skills in project management and communications (both written and oral) demonstrated in previous jobs;
- Proven track record in working effectively within multi-disciplinary teams
- Evidence of being able to work effectively in a high-pressure environment and to tight delivery deadlines
- Candidate must be computer literate

***Procurement Officer - Qualifications and Experience***

- Should possess a First Degree in Procurement Management, Procurement and Supply Chain Management, Logistics and Supply Chain Management, Project Management, or Engineering with a minimum of 5 years post-qualification experience in procurement and contract management in donor-funded projects; and 2 years at senior level.
- Must have good knowledge of the Procurement Policies and Procedures of Multi-Lateral Financial Institutions and Development Cooperation Agencies; as well as good knowledge of the Institutional, Technical, and Commercial aspects of Procurement.
- Work experience in the management of Donor-Funded Projects (particularly projects funded by multilateral agencies) within the last 2 years is an added advantage.
- Chartered/Member in good standing of any of these Professional Bodies; CIPS, CILT, CISCM and GIPS
- Excellent skills in project management and communications (both written and oral) demonstrated in previous jobs;
- Proven track record in working effectively within multi-disciplinary teams.
- Evidence of being able to work effectively in a high-pressure environment and to tight delivery deadlines
- Candidate must be computer literate.

**Data and documents to be provided by the Client include:**

- Approved Annual Work Plans and Budgets for the GLRSSMP
- Approved Procurement Plan for the GLRSSMP
- Copy of previous PPR conducted on the project
- Copy of the PAD and PIM
- Information on all the Implementing Agencies – Contact person, etc.
- Introductory Letters

Other documents relevant to the Assignment to be obtained by the Consultant:

- Public Financial Management (PFM) Act, 2016 (Act 921), PFM Regulation 2019
- The World Bank’s Procurement Regulations for IPF Borrowers” July 2016, Revised November 2017, August 2018 and November 2020 (“Procurement Regulations”)
- The Public Procurement Act, 2003 (Act 663) as amended.