Forest Finance to Ghana Focuses on Making Cocoa Farming More Sustainable

April 21 2016 | WASHINGTON, D.C. | Forest Trends, a non-profit organization that tracks global forest developments, has released the most comprehensive analysis to date of forest conservation finance flowing to Ghana.

The report shows finance for forest conservation under the U.N.’s Reducing Emissions from Deforestation and Forest Degradation (REDD+) initiative has grown steadily since 2009, with a large portion of the funding focused on designing and preparing to implement the country’s Climate-Smart Cocoa initiative—which will cover 5.9 million hectares and include significant private sector participation and investment. Ghana’s forests are disappearing at a rate of 2% per year, with half of this deforestation coming from agricultural expansion, particularly cocoa production.

“Ghana has done a tremendous job of using its early REDD+ finance to design an ambitious program that aims to improve the livelihoods and incomes of its small-scale cocoa farmers, while also enhancing the environmental sustainability of the country’s cocoa production and reducing deforestation,” said Dr. Rebecca Asare from the Nature Conservation Research Centre (NCRC). Brian Schaap, REDDX senior program associate, added “It’s a win-win model for Ghana’s people and forests.”

This process has relied on a coalition of government, environmental groups and industry representatives, including the Government of Ghana’s Forestry Commission, the National Cocoa Board, and environmental groups including Forest Trends and the Nature Conservation Research Centre (NCRC), together with key private sector cocoa companies.

The research by Forest Trends’ REDDX (REDD eXpenditures) initiative in partnership with the NCRC—a Ghanaian NGO—and the Forestry Commission tracked the flow of REDD+ finance to Ghana for the years 2009 to 2014, identifying $98.2 million in total finance that had been committed to support REDD+ programs in the country.

Key findings of the new report show:

- Of the $98.2 million committed, $59 million is being channeled through the multilateral Forest Investment Program (FIP), including $30 million through the World Bank, $15.3 million through the African Development Bank, $10 million through the International Finance Corporation, and $3.7 million from the Government of Ghana itself. The FIP program aims to reduce emissions from forest loss in Ghana, while also conserving biodiversity and reducing poverty.
- Other large REDD+ funding commitments to Ghana have come from the Forest Carbon Partnership Facility (FCPF) managed by the World Bank ($8.6 million), the government of Japan ($7.8 million), and the United States Agency for International Development ($5.7 million).
- Payments of promised funds have grown steadily, reaching $29.3 million by the end of 2014, or 30% of total committed funding.
- The government of Ghana provided an estimated $7 million of its own resources to supplement the $91.2 million committed by international donors, showcasing the government’s commitment to conserve its forests.
- The Ghanaian government will receive 73 percent of the total funding, represented primarily by the Ministry of Lands and Natural Resources (MLNR) and the Forestry Commission (FC).
- Ghana is in the process of finalizing its eligibility for up to $50 million dollars in additional
performance-based payments for successful reductions in deforestation from 2017-2021 under the Carbon Fund, managed by the World Bank FCPF program.

The research conducted by Forest Trends and NCRC is unique in that it is based on annual surveys and in-person interviews on financial flows, and also validated by in-country stakeholders.

For more information, visit:

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**REDD+ Finance to Ghana, 2009-2014**

![Diagram showing REDD+ finance to Ghana, 2009-2014](chart.png)

- **2009**: $2.7 M (31%), $0.8 M (0.8 M)
- **2010**: $14.3 M (39%), $5.6 M (5.6 M)
- **2011**: $15.2 M (60%), $9 M (9 M)
- **2012**: $23.1 M (64%), $14.8 M (14.8 M)
- **2013**: $42.6 M (46%), $19.7 M (19.7 M)
- **2014**: $98.2 M (30%), $29.3 M (29.3 M)

- [O] Funds committed  - [●] Proportion of funds committed already disbursed