



GHANA

Mapping REDD+ Finance Flows 2009-2012

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Rebecca Ashley Asare, Martin Yelibora, Roselyn Adjei and Hilma Manan

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Acknowledgements

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NCRC Nature Conservation Research Centre (NCRC) was founded in 1996 and is based in Accra, Ghana. It holds a core philosophy that conservation in Africa is best pursued in settings where there are economic and cultural incentives to support its implementation. Since 2008, NCRC has sought to position itself at the forefront of climate change issues, and is now a continental leader on REDD+ and Climate Smart Agriculture. NCRC's role has focused on informing REDD+ policy and MRV, building technical capacity, engaging the private sector, and screening, catalyzing, funding and providing early encouragement and guidance to the first generation of REDD+ projects and programmes in West Africa, and increasingly in the East and the Horn of Africa.

The Forestry Commission of Ghana (FC) is responsible for regulating and coordinating policies related to the utilization, conservation, and sustainable management of Ghana's forest and wildlife resources. It aims to be a corporate body of excellence, meeting both national and global standards for forest and wildlife resource conservation and development. Within the realm of REDD+, the Climate Change Unit (CCU) of the FC serves as Ghana's REDD+ Secretariat and is a partner to the REDDX initiative.

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Executive Summary

The Nature Conservation Research Centre (NCRC), the Climate Change Unit (CCU) of the Forestry Commission (FC), and Ghana's REDD+ Secretariat have been compiling information on the flows of finance for REDD+ activities as part of Forest Trends' international REDD+ Expenditures Tracking project (REDDX). Based on detailed surveys and interviews with key stakeholders including donors, implementing organizations, beneficiaries and government agencies, REDDX provides a transparent and publicly available account of financial flows for REDD+ in Ghana.

Compared to other countries in Africa, Ghana has only received modest public and private funds to support its REDD+ Readiness process, with less than US\$15 million disbursed between 2009 and 2012. Yet despite this limited support, Ghana remains one of the continental leaders on REDD+ as evidenced by its current transition to Phase II of the Readiness process, in which piloting and consultations to finalize the national REDD+ strategy take priority. This is an encouraging sign given that the country has suffered over a century of steady forest loss, and is currently struggling with a deforestation rate that is estimated at 2% per year. Given that Ghana is highly dependent on its forest resources, both in terms of the physical products that the forests produce and the ecosystem services that ensue, finding sustainable ways to reduce deforestation and enhance carbon stocks will be imperative to maintaining agricultural and forest-based livelihoods in the coming decades.

Covering a total area 235,500 km², the country contains two broad ecological zones; a high forest zone in the south and a savanna woodland zone in the north. Ghana houses an extensive diversity of floral and faunal species, the majority of which are now only found inside the approximately 2.5 million hectares of land gazetted as forest reserves or national parks. The remaining lands generally fall under woodlands, fallow systems, agroforestry systems (including tree crop farms), food crop farms, or settled areas. Ghana has a growing population of more than 24 million people, and there is strong pressure on the forests from agriculture, mining, fuel wood and timber production, and urban expansion.

The Ghana initiative has tracked 39 projects related to REDD+ in the country and the results show that by the end of 2012, Ghana had received US\$105.6 million in commitments, of which US\$14.3 million had been disbursed, reflecting a disbursement rate of 14%. The wide margin between commitments and disbursements is largely due to the fact that 2012 saw major, multi-year commitments from the multilateral development banks towards Ghana's Forest Investment Plan (FIP). However, Ghana has had to deal with slow disbursements of funds to support the implementation of its REDD+ Preparation Proposal (R-PP), and access to REDD+ finance remains a major bottleneck for piloting and testing activities and strategies in country.

The multilateral financing institutions are responsible for the largest commitments, accounting for just over 51% of total commitments (US\$54,308,716). Government of Ghana (GoG) agencies, however, constitute the second largest donor entity, having committed US\$39,171,441 in co-funding, which represents 37% of the total finance tracked over the entire period from 2009-2012. In addition to the FIP (US\$50 million) commitment, other major donor commitments include Japan's JICA (US\$7.8 million), the Forest Carbon Partnership Facility of the World Bank (FCPF) (US\$3.4 million) and the Government of Norway (US\$9.348 million).

Of all funding committed to Ghana through 2012, the GoG is slated as the recipient for 96% of these funds, with commitments to Ghanaian NGOs/academia accounting for 2.28% and international NGOs/academia to receive 1.27%.

Though the multilateral financing institutions and GoG have made the largest commitments to REDD+ in Ghana, the time frame between commitments signed and funds disbursed is protracted, with only 1% and 5% of the respective committed funds disbursed to date. While the total amount of funding from other types of institutions is much smaller, donor government agencies, private sector, local NGOs/academia, and international NGO/academia are responsible for the majority of REDD+ funding that has been made available in the country from 2009-2012.

The majority of funds flowed directly from the donor institution to the first and final recipient, but increasingly, funds are flowing from first recipients on to second and even third recipients. Of the funds disbursed in Ghana from 2009-2012, nine Ghanaian institutions received funding, including the GoG, local NGOs/academia, an international NGO, and the private sector.

Recipients are using funding to support a wide spectrum of activities that broadly cluster around three types of projects—those with a social and rights based orientation (Rights & Tenure and Safeguards), those focused on aspects of MRV (MRV & Reference Level), and projects that are geared towards landscape level, community based natural resource management and policies (Policies & Law, Forest Carbon Project Design, and Improved Forest & Land Management). Virtually none of the available funding was used with an aim to develop carbon offsets or performance based payments. This is also reflected in the fact that none of Ghana's seven national REDD+ pilot/demonstration projects have received REDD+ funding, with the exception of IUCN-Ghana.

The most urgent gap exists with respect to funding pilots. There is also a clear need to continue to expand the scope and depth of understanding about REDD+. In addition, there is also a need to introduce the concept of programmatic REDD+ and push forward thinking about how to link project level and programmatic approaches. Finally, improved communication about what constitutes REDD+ in Ghana, where funding is needed, and how institutions and organizations can collaborate and work in concert towards national REDD+ goals is required.

Slow disbursement rates particularly by the multilateral financing institutions are a major challenge for REDD+ implementation in Ghana. Additional challenges include the very limited involvement of the private sector, and the limited scope of inter-governmental agency collaboration and planning with respect to REDD+.

This report recommends an increase in donor support to pilots and programmatic initiatives from which projects can benefit, an increase in support for performance based activities, additional training opportunities to expand local understanding of REDD+, and the launch of the REDD+ registry to facilitate better communication and coordination nationally.

Table of Contents

Executive Summary.....	i
Acronyms	iv
Glossary and Common Reported Terms	v
Institutions.....	v
REDD+ Activities and Projects	vi
Introduction.....	1
Methodology	2
National Context	3
Efforts to Prepare for REDD+	3
Current State of Forests and Measures in Place for Protection	3
Current Impact of REDD+ and Transparency of REDD Finance	4
Synopsis of National REDD+ Strategy	5
Challenges and REDD+ Gaps and Needs	15
Recommendations.....	16
References	17

Acronyms

CCU	Government of Ghana's Climate Change Unit
CERGIS	Centre for Remote Sensing and Geographic Information Systems
C&P	Consultation and Participation
FWP	Forest and Wildlife Policy
FCPF	Forest Carbon Partnership Facility
FT	Forest Trends
FC	The Forestry Commission of Ghana
FDMP	Forestry Development Master Plan
FORIG	Forestry Research Institute of Ghana
GPRS	Ghana Poverty Reduction Strategy
MRV	Measurement, Reporting and Verification
MDGs	Millennium Development Goals
MEST	Ministry of Environment, Science and Technology
MoFA	Ministry of Food and Agriculture
MLNR	Ministry of Lands and Natural Resources
M&E	Monitoring and Evaluation
NCCPF	National Climate Change Policy Framework
NFDP	National Forest Plantation Development Programme
NHC	National House of Chiefs
NRWG	National REDD+ Working group
NCRC	Nature Conservation Research Centre
RA	Rainforest Alliance
R-PIN	REDD Project Idea Note
R-PP	REDD Preparation Proposal
REDD+	Reducing Emissions from Deforestation and Degradation
SESA	Strategic Environmental and Social Assessment
REDDX	Tracking REDD+ Expenditure

Glossary and Common Reported Terms

REDD+: REDD+ is defined by the UNFCCC as “reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries”. The details behind the “+” are not yet defined, such as eligibility of activities, requirements on land type, species, etc. Thus, some questions remain regarding how exactly the plus will work.

REDD+ finance: A working definition of “REDD+ finance” remains heavily debated within the international policy context. For the sake of this project and to promote consistency with other REDD+ tracking initiatives and broader international approaches to REDD+, it was agreed that REDD+ finance will include:

1. **International REDD+ Finance:** Any international financial transfers earmarked to support REDD+ mechanisms or initiatives, as currently defined by the UNFCCC, that are developed with the aim of reducing net GHG emissions from the forestry sector.
2. **National REDD+ Finance:** Monies earmarked and spent for any activities or actions that fall within the scope of the REDD+ definition found within an individual country’s approved REDD Readiness Preparation Proposal or other existing country REDD+ strategy.

Pledge: Pledges of REDD+ finance are often made as announcements of support from donor governments with no legal or formal indication that this funding will be released, no terms for how this might be spent, and whether this will be fully spent on REDD+ activities. Some donors pledge an amount and actually end up committing less. We are not specifically tracking pledges, but if known, they are recorded to compare with amounts actually committed.

Commitment: REDD+ defines “commitment” as a formal indication from a donor that they will fund REDD+ activities in a country. This “commitment” will be backed up by a legal or formal agreement specifying the total amount of funding for the recipient, a timeline for activities and a schedule for when finance will be spent. (This is not to be confused with a “pledge”).

Disbursement: A “disbursement” in the context of the REDD+ initiative is the transfer of funds from a donor to a recipient or from a recipient to an additional recipient in the funding chain.

Institutions

Donor government agency: A federal agency or ministry in the donor or recipient country. Examples of donor government agencies are GIZ (Germany), KfW (Germany), JICA (Japan), DEFRA (UK), and FORMIN (Finland). Donor governments are increasingly in both the developed and the developing world and are increasingly transferring funds outside traditional bilateral funding mechanisms (from a donor government to a recipient government).

Multilateral financing institution: International organizations that are comprised of members from many countries. Examples include the World Bank, UN-REDD, UNDP, UNEP, FAO, IDB, ADB, IFAD and ITTO. The UN-REDD Programme builds on the convening role and technical expertise of its three participating UN organizations: the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).

Private Foundation: A charity that receives the majority of its support from individual and corporate donations, not public funds, and whose funds and programs are managed by its own trustees or directors. Some examples are Climate Works, Ford Foundation, Rockefeller Foundation, Moore Foundation, and Packard Foundation.

International NGO/Academic institution: International NGOs/academia includes international, non-governmental organizations (NGOs) such environmental organizations *and/or* independent academic institutions with headquarters outside the recipient country. In general, academic institutions that are funded by governments, such as national universities and research centers are grouped under “donor governments”.

Many international institutions receive donor funding for REDD+ activities to be implemented at the international, regional and/or national level. Their finance is typically spent in the following ways:

- At headquarters on their own staff and operations supportive of donor and/or recipient country objectives;
- At regional or national offices on their own staff and operations supportive of donor and/or recipient country objectives;
- Passed on to other international organizations through sub-grants, or consultancies to implement activities (and who may, in turn, pass on to additional organizations);
- Passed on to other national organizations through sub-grants or consultancies to implement activities (and who may, in turn, pass on to additional organizations);
- Passed on directly to local communities or households for payments for environmental services.

Local NGO/Academic institution: Civil society organizations and academic institutions based in the REDD+ recipient country.

REDD+ Activities and Projects

Stakeholder engagement: Funding aimed at improving participation of non-governmental stakeholders through the design, implementation, and/or monitoring phases of REDD+, and/or funding that promotes media outreach.

Rights and tenure: Funding directed at addressing issues of rights and tenure – including clarifying land, property and carbon rights.

MRV and reference levels: Funding aimed at improving the monitoring, reporting and/or verification of REDD+, including changes in forest cover, forest degradation, biodiversity, or social and governance levels. Funding to define or implement reference levels to measure emissions, co-benefits and governance in country.

Safeguards: Funding aimed at identifying barriers to forest conservation and enabling social and environmental benefits.

Policy and law development: Funding aimed at promoting research, advocacy and outreach to policymakers including policy and law analysis, policy development, REDD strategy development & advocacy.

Institutional strengthening: Funding aimed at developing in-country public institutions, ministries, staffing capacity and resources for REDD+.

Forest Carbon Project Design: Funding aimed at developing project design documents (PDDs) and validation activities. This includes credited projects that go to the market and those that want REDD+ payments.

Improved forest and land management: Funding supporting protected areas, sustainable forest management, and reforestation management activities – including enforcement and compliance.

Carbon offsets or performance based payments: Funding aimed at carbon offsets, direct payments, actual benefits sharing, and actual payments such as incentive and performance-based payments.

Introduction

Over US\$7.3 billion has been pledged to support REDD+ Readiness in the run up to 2015. However, information remains limited on how much of this finance is actually flowing to national level initiatives, the types of REDD+ activities supported and the organizations managing and actually implementing REDD+ on the ground.

To address these gaps, Forest Trends developed REDDX, a REDD+ Expenditures Tracking initiative, in 2011 to follow REDD+ finance from donors to in-country recipients and ultimately REDD+ projects and activities on the ground to determine:

- ❖ Actual commitments and disbursements of REDD+ finance;
- ❖ Timelines between when funds are committed and actually disbursed;
- ❖ The types of organizations receiving and implementing REDD+ activities;
- ❖ Types of activities supported by the current financial commitments.

Through this initiative, REDDX seeks to improve transparency around REDD+ financing mechanisms and ultimately provide information that will help governments and other REDD+ stakeholders better assess gaps and needs against national REDD+ strategies.

Ghana is one of fourteen countries participating in a global initiative led by Forest Trends (FT), to track REDD+ finance from donors to in-country recipients to REDD+ projects on the ground. The other REDDX countries currently include Brazil, Colombia, Guyana, Mexico and Peru in Latin and South America, the Democratic Republic of Congo, Ethiopia, Ghana, Liberia and Tanzania in Africa and Indonesia, Papua New Guinea and Vietnam in Asia-Pacific. Emerging results and trends across the fourteen countries demonstrate that REDD+ financial commitments have slowly, yet steadily increased since 2009. Most commitments are multi-year grants with long disbursement schedules. At the end of 2012, 32% of REDD+ committed funds tracked had been released to first recipients/implementing organizations.¹ The majority of REDD+ finance continues to be committed by donor country governments and multilateral financing institutions but private foundations have also played a significant role particularly in the early years of the REDD+ process.

REDDX first began in Ghana in early 2011, and data has been collected on REDD+ financial flows spanning the past four years (2009 to 2012). The project, which has been jointly implemented by the Climate Change Unit (CCU) of the Forestry Commission (FC), Ghana's REDD+ Secretariat, and Nature Conservation Research Centre (NCRC), has shed light on the magnitude and time frame of commitments and disbursements, the sources of funding, the types of donors and recipient institutions, and the types of activities supported. Through two national validation meetings with stakeholders in 2012 and 2013, the project has also fostered important discussions about funding gaps and needs in country.

The main objectives of Ghana's REDDX project have been to:

1. Assess the funding that has been committed and disbursed to REDD+ in Ghana from 2009 through 2012.
2. Understand how REDD+ funds have (or have not) contributed to progress on REDD+ readiness in Ghana and the development of REDD+ activities and projects.

REDD+ financing results for REDDX countries and report series are published through Forest Trends' website at www.forest-trends.org. This report specifically focuses on the national results for Ghana.

¹ Based on REDDX results tracked in seven countries (Brazil, Colombia, Ecuador, Ghana, Liberia, Tanzania, and Vietnam).

Methodology

Data collection first began in Ghana in 2011 as a pilot country case study on REDD+ financial flows that was led by NCRC, with CCU backing. In 2012, efforts then focused on specifically tracking REDD+ flows from 2009 through 2011. This effort was followed by the first-ever national validation workshop in Ghana, which brought together the majority of REDD+ stakeholders in the country. The meeting was hosted by the CCU and led by NCRC.

The 2013 data collection initiative was officially a joint effort of the CCU and NCRC. The team sought to both build off of and improve data from 2009-2011, and then add new data collected for commitments and disbursements in 2012. Though not officially reported yet, the team also began to track commitments and disbursements for 2013. As with the previous year, the CCU hosted and led a national validation meeting to allow stakeholders to vet and provide input to the 2009-2012 finance tracking effort.

The full suite of data collection approaches included direct interviews, phone interviews and supplementary internet searches. Initially the team generated a list of potential and known REDD+ finance recipient institutions. This list was periodically updated and refined based upon insights from key informants or information in documents that they came across on the internet or as hard copies.

In order to gather data, the team opted to target the recipient organizations, as connecting with donors had proved challenging in the past. As a first step, the team reached out to all potential stakeholders through phone calls and emails. When it was confirmed that REDD+ funds had been received, the team set up interviews/meetings geared at collecting the full range of data about the funds. Whenever possible, the team sought to conduct interviews face-to-face in order to explain the project and begin the process of collecting information. In most instances, however, at least one follow up visit or phone call was required.

During interviews, the team used Forest Trends' global data template as a guide from which to ask questions. Information was usually written in a notebook and then reported formally through Forest Trend's research tool. The target groups for this survey were mainly organizations/ institutions working on REDD+ and related environmental and climate projects/programs in Ghana.

The National Validation Meeting, to which all REDD+ stakeholders, donors, and recipients were invited, was organized to present preliminary results, give participants the opportunity to correct data mistakes or omissions, and to serve as a platform to discuss trends, gaps, needs, and areas for collaboration on REDD+.

Whenever possible, data was tracked and then analyzed along its full trajectory from the *donor* to the *first recipient*, to the *second recipient*, and so on.

National Context

Efforts to Prepare for REDD+

Ghana entered the Forest Carbon Partnership Facility (FCPF) REDD process in 2009 with the expression of its REDD Project Idea Note (R-PIN), and at the end of 2010 received approval of its Preparation Proposal (R-PP). Despite the fact that it took more than a year for Ghana to receive the first tranche of its FCPF R-PP funds, the country has been able to move its readiness process forward due to the government's clear commitment to the initiative, as well as dynamic stakeholder engagement.

The importance of REDD+ in Ghana is demonstrated by the fact that forest degradation, leading to deforestation is estimated to be occurring at an annual rate of approximately 2.0%, across a forest estate (on-reserve and off-reserve) that is already significantly diminished as a result of agricultural expansion, logging activities, and fuel wood/charcoal harvesting.

Current State of Forests and Measures in Place for Protection

Ghana's total land area covers 238,535 km² and is made up of two predominant ecological zones: the high forest zone (HFZ), which covers the south-western portion of the country, and the savannah zone, which occupies the rest of the country. The HFZ accounts for approximately 34% of Ghana's total land area, approximately 8 million ha. In 2012, Ghana estimated its terrestrial carbon stock to total 7.46 GtCO₂e according to Ministry of Lands and Natural Resources (MLNR) 2012 estimations.

Forests in Ghana are classified for management and conservation purposes as being either "on-reserve" and designated for production or protection, or "off-reserve" and therefore open to agriculture or other land uses. There are 282 protected areas in Ghana covering a total area of 22,754 km² with 216 of them located within the high forest zone. Forest reserves and wildlife conservation areas constitute about 16.2 % of the total land area. Two types of forest reserves exist - production reserves exploited for timber (about 80 %) and protection reserves (about 20 %) that were established for conservation purposes. Other types of on-reserve protected areas include national parks and wildlife reserves.

Ghana's R-PP (2010) and the recent Forest Investment Plan (FIP) (completed in 2012) give a national deforestation rate of approximately 2% per year, but there is evidence from sub-national assessments that the rate could go as high as 6% per year in some areas. Thus, there are fears that Ghana could lose its natural forests in the coming decades if these trends continue.

In 1900 the area of high forest was estimated to be between 8 and 9 million ha. By the early 1950s, however, the unreserved forest area had been reduced by about 1.5 million ha, roughly similar to the area of reserved (protected) forest. In 1992, it was estimated that only about 1.5 million hectares of "intact closed forest" were remaining in Ghana, and in 1995 scientists argued that the majority of forest reserves were moderately to mostly degraded or worse. Ghana's forests are now characterized by excessive harvesting of logs, a reduction in standing volumes of species, dwindling resource base, species depletion and loss of biodiversity. The worst affected areas are the moist semi-deciduous North-west and South-east subtype of forest zones.

As of 2010, it is difficult to find any significant patches of off-reserve forest remaining in the HFZ landscape (i.e. greater than 100 hectares) as the majority of this landscape has been converted to food crops, tree crops, settlements, or is in fallow.

The principal drivers of deforestation and degradation are broadly: (1) Agricultural expansion (50%); (2) wood harvesting (35%); (3) urban sprawl and infrastructure development (10%); and (4) mining and mineral exploitation

(5%). Underlying these deforestation driving forces are forest policy failures, unrealistic forest fee regimes, external prices of timber, weak institutional structures, and population pressures (R-PP).

Ghana has a number of policies and initiatives in place to help change this scenario, though many challenges remain. These include:

- ❖ The 1994 Forest and Wildlife Policy (FWP);
- ❖ Revised 2012 FWP;
- ❖ 1996 Forestry Development Master Plan (FDMP) serve as guiding policies for the forest sectors development and regulation;
- ❖ Plantation Development Fund (1999) to provide funding to the private sector to invest in commercial plantation establishment;
- ❖ Series of legal reforms, including the Timber Resource Management (Amendment) Act 2002;
- ❖ National Forest Plantation Development Programme (NFPDP) (2001/2010);
- ❖ Engagement in FLEGT/VPA process—2006 to present;
- ❖ Engagement in CDM-Forestry—2000 to present;
- ❖ Engagement in REDD+ Readiness—2009 to present;
- ❖ 2nd National Communication to the UNFCCC and GHG Inventory (October 2011);
- ❖ Development of a Forest Investment Plan (2012);
- ❖ Proposed National Climate Change Policy Framework (NCCPF).

In addition, there have been measures led by government to ensure sustainability of the environment and development. Ghana's development agenda is underpinned by the objectives of the Ghana Poverty Reduction Strategy (GPRS) and the attainment of the Millennium Development Goals (MDGs), with a focus on three distinct pillars: private sector competitiveness, human resource development, and good governance with civic responsibility.

Current Impact of REDD+ and Transparency of REDD Finance

Ghana does not have a REDD+ fund in place and there is no indication that such a fund will come online in the near future. Despite the fact that Ghana has received over US\$100 million in REDD+ commitments to government agencies and civil society organizations, access to REDD+ finance remains a bottleneck for piloting and testing in country.

In January 2012, Ghana's National REDD+ Secretariat created a technical working group to advise on the development of a REDD+ registry for the country. As part of its deliberative process, the working group delegated a core team to draft a concept note about REDD+ registries and to make a set of recommendations for Ghana which would serve to guide the REDD+ Secretariat and National REDD+ Working Group on the development of such a registry. In April 2013, the document was completed and shared nationally and internationally. Ghana is yet to establish a formal REDD+ registry, but it is anticipated that when the first phase of a registry is operational, it will include a finance tracking role, in addition to other elements.

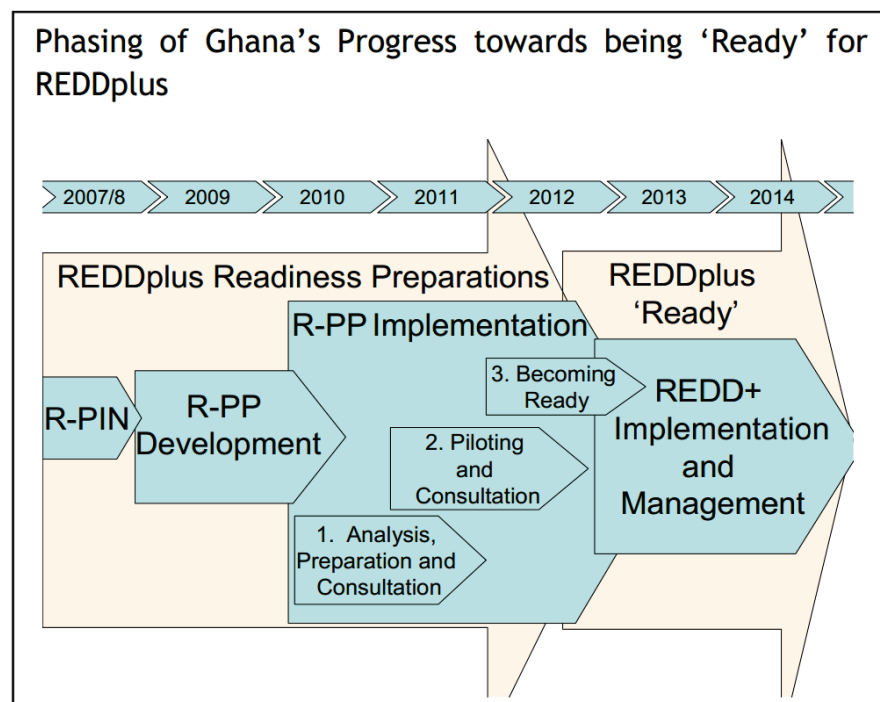
Ghana's REDD+ Secretariat, which sits at the CCU of the FC, holds the responsibility to coordinate national efforts on REDD+ in Ghana; in particular, implementation of the REDD+ readiness program. As such, the CCU has engaged in widespread stakeholder consultation and maintains both formal and informal contact with other institutions (government and non-government) receiving REDD+ funds. It should be noted, however, that the CCU is not in charge of funding surrounding Ghana's FIP. The responsibility for the FIP primarily sits with the Ministry of Lands and Natural Resources (MLNR) and the Ministry of Environment, Science and Technology (MEST).

With respect to on-going REDD+ finance tracking activities, the REDDX initiative is the only such project in the country. As Ghana's REDD+ Secretariat, the CCU is officially collaborating with NCRC to implement the initiative.

Synopsis of National REDD+ Strategy

The R-PP Implementation (Figure 1) has a total budget of US\$7.4 million. Of this, US\$3.4 million is to come from the FCPF. The document articulates that US\$1.7 million should come from the Government of Ghana and US\$2 million will be provided by a second development partner, but these pledges have not yet moved to commitments. Ghana is currently at the implementation phase of the REDD+ Readiness process. Though the time-frame has shifted due to delayed disbursement of funds, the country has made significant progress over the past two years and is now transitioning from Phase I (Analysis, Preparation and Consultation) to Phase II (Piloting and Consultation).

Figure 1. Ghana's REDD+ Readiness Process²



Seven pilot/demonstration projects were selected in 2012. All remain at the pre-feasibility or full feasibility assessment stage. The projects and their locations are as follows:

- ❖ K.A. Poku Farms proposes to work in Kwamisa Forest Reserve in the Offinso District, Ashanti Region.
- ❖ Cocoa Research Institute of Ghana (CRIG) working in Aowin-Suaman District of the Western Region.
- ❖ Permian Ghana which is working in Atewa & Atewa Extension/ Dadieso Forest Reserves in the Eastern Region.
- ❖ Conservation Alliance working in the landscape around Kakum National Park in the Central Region.
- ❖ International Union for the Conservation of Nature (IUCN) in Asankragwa, Western Region.
- ❖ Portal Company Limited is working in the Asikuma Odoben Brakwa District of the Central Region.
- ❖ Vicdor Limited is in the Nkoranza District of the Brong-Ahafo Region.

² Republic of Ghana(2010). Readiness Preparation Proposal-Ghana. Forestry Commission, Accra, Ghana. Accessed <http://www.fcghana.org>

Efforts to “implement” the pilots will commence as soon as funding is secured; however this has remained a challenge for the country. Out of the seven projects, two are located “on-reserve” and five are in the “off-reserve” landscape. The Swiss Government has pledged funds to support the development of the off-reserve pilots (approximately US\$5 million) and has subsequently gone ahead to commit funds for analytical and feasibility studies meant to inform the final outcome of project implementation.

Currently there is only a draft REDD+ strategy for the country. Five consultancies for the following thematic areas have already been commissioned:

- 1) Strategic Environmental and Social Assessment (SESA);
- 2) National REDD+ Strategy Options;
- 3) Benefit Sharing/Dispute Resolution Mechanisms;
- 4) Measurement, Reporting and Verification (MRV), and
- 5) REDD+ Communication Strategy.

The work done by the consultants and other independent studies will feed into Ghana’s REDD+ Strategy document, which is being put together by consultants.

It is worth noting that these consultancies are meant to work in collaboration with a variety of stakeholders, including the National REDD+ Working group (NRWG). The NRWG is an umbrella body constituting members from the Ministry of Lands and Natural Resources (MLNR), Ministry of Food and Agriculture (MoFA), Minerals Commission, a Traditional Ruler from the National House of Chiefs (NHC), the Energy Commission and the Ministry of Finance and Economic Planning (MoFEP) and the technical sub-working groups which would ensure that the right technical process is followed. The sub-working groups are Policy, Strategic Environmental and Social Assessment (SESA), National REDD+ Strategy Options, Measurement, Reporting and Verification (MRV), Consultation and Participation (C&P), REDD+ Demonstration and Monitoring and Evaluation (M&E) Sub-working groups.

An indicative list of strategy options for the national REDD+ strategy has been elaborated under the R-PP and shall serve as the basis for further dialogue on a REDD+ strategy. The final selection of strategy options and the eventual formulation of the REDD+ Strategy document will require further analytical work, consensus building, prioritization and operationalization through consultancies (PwC). A number of existing policies (e.g., Climate Change and Forest and Wildlife policies), projects (e.g., Forest Preservation Program) and programs (e.g., NREG), which are REDD+ related, will also provide inputs for the development of the REDD+ strategy. A further cornerstone of REDD+ strategy development, including the Strategic Environmental and Social Assessment process, is a series of multi-stakeholder consultation which would ensure that safeguards are put in place and that local communities and stakeholders are not disadvantaged at the end of the REDD+ process.

In all, this will support in-depth analytical work to assess and validate preliminary strategic options for the REDD+ strategy, including:

- a) Cost-Benefit analyses of different proposed REDD+ Strategy options (opportunity, implementation, transaction cost).
- b) Feasibility analyses of different proposed REDD+ Strategy options (including barrier analysis, and review of experiences from REDD+ pilot activities).
- c) Consultations to guide and validate analytical work, and to accompany REDD+ Strategy formulation.

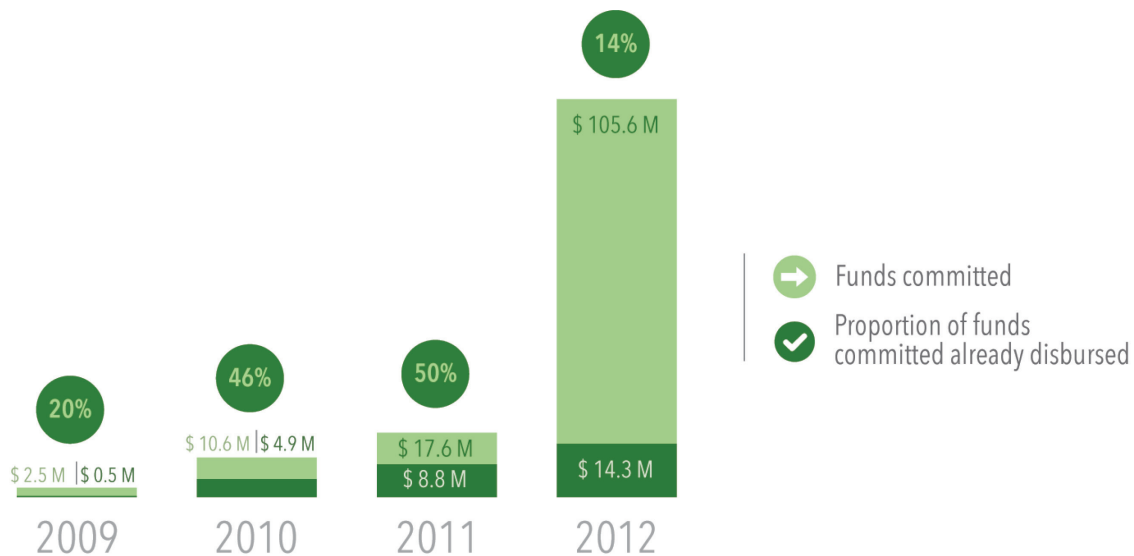
As noted earlier, the major challenge remains the commitment of REDD+ funding for the pilot/demonstration projects, which is holding back full implementation of the Readiness process.

Findings

The REDDX initiative has tracked 39 projects related to REDD+ in Ghana. The results show that by the end of 2012, Ghana had received US\$105,604,332 in total commitments, of which US\$14,313,191 was disbursed, reflecting a disbursement rate of 14% against commitments.

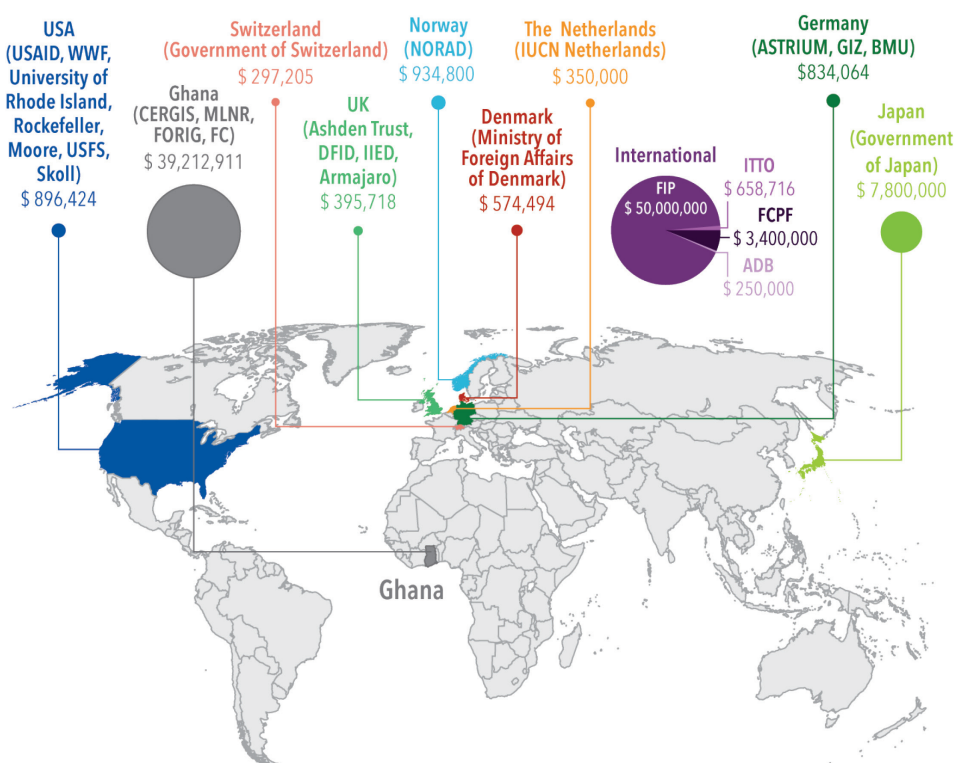
In 2011, the cumulative (2009-2011) disbursement rate was significantly higher, at 52% against US\$17,649,952 in commitments and 9,201,314 in disbursements. This shift reflects major commitments made in 2012 from the multilateral development banks towards Ghana's Forest Investment Plan (FIP). Figure 2 shows the trend in REDD+ commitments compared to disbursement from 2009 through 2012.

Figure 2. REDD+ Funds Committed and Disbursed, Ghana (2009-2012)



Globally, REDD+ donors to Ghana originate from 10 countries, including an international grouping. Figure 3 maps the location of these donor countries, the associated organizations, and the amount of country-level funding. The majority of committed funds are attributed to international institutions, followed by the GoG, Japan, Norway, USA, Germany, Denmark, UK, the Netherlands, and Switzerland.

Figure 3. Geography of REDD+ Funds Committed to Ghana (2009-2012)



With respect to the types of institutions committing to REDD+ in Ghana, the multilateral financing institutions are responsible for the largest commitments, accounting for just over 51% of total commitments (US\$54,308,716). Government of Ghana (GoG) agencies, however, constitute the second largest donor entity, having committed US\$39,171,441 in co-funding, which represents 37% of total commitments from 2009-2012. The multilateral financing institutions and GoG are followed by donor government agencies (US\$10,435,870), private foundations (US\$671,938), international NGOs/academia (587,486), private sector (US\$387,410) and local NGO/academia (US\$41,470).

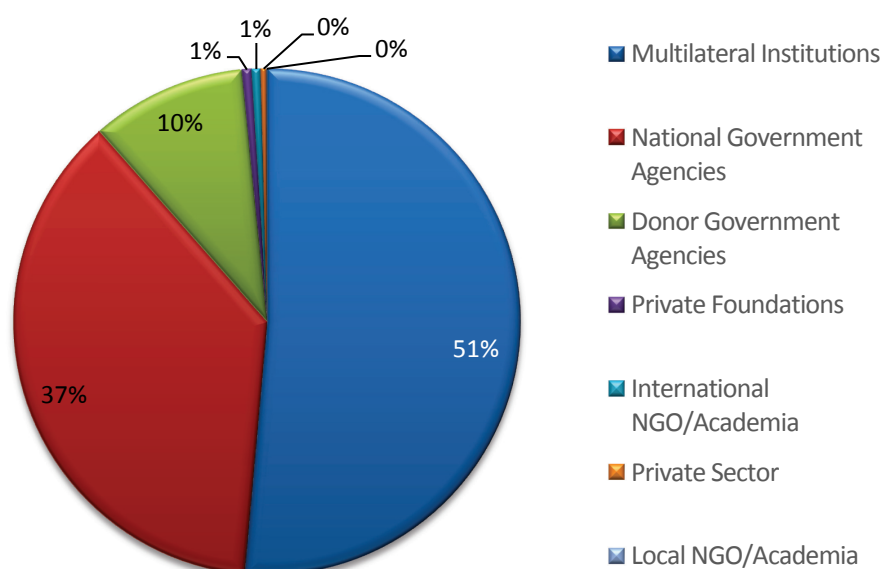
Co-funding from GoG and local agencies was required by donors on three different projects. In all cases, this came in the form of technical assistance / in-kind support from agency budgets, as opposed to outright grants, loans or investments to the project.

- ❖ MLNR committed US\$36 million (72%) as co-finance to the FIP.
- ❖ FC provided US\$2 million in co-finance to the JICA funded project on MRV. The Centre for Remote Sensing and Geographic Information Systems (CERGIS) provided US\$33,150 (6.5%) in co-funding to a project on building MRV capacity, which was funded by Astrium and GIZ.
- ❖ Forestry Research Institute of Ghana (FORIG) provided US\$69,749 (23.5%) in co-funding to a Swiss-ITTO project that conducted research and assessments of national pilots, and US\$101,692 (15.4%) to an ITTO project.

The FIP commitment of US\$50 million represents the largest external donor commitment to Ghana. It is made up of commitments from the World Bank (WB) (US\$30 million), the African Development Bank (AfDB) (US\$10 million), and the International Finance Corporation (IFC) (US\$10 million). The commitment is even larger when it includes the US\$36 million from the Ministry of Lands and Natural Resources (MLNR). The next largest external donor commitments came from JICA (US\$7.8 million in-kind), the FCPF (US\$3.4 million) and the Government of Norway

(US\$9.348 million). Figure 4 breaks down the types of donors making commitments and their proportion of the total commitment to Ghana.

Figure 4. Types of Donors and Levels of Funding Committed for REDD+ in Ghana (2009-2012)



Of all funding that was committed to Ghana through 2012, the GoG is slated as the recipient of 96% of these funds. Commitments to Ghanaian NGOs/academia (2.28%), international NGOs/academia (1.27%), and other types of institutions only account for 4% of committed funds [See Figure 5].

Though the multilateral financing institutions and GoG have made the largest commitments to REDD+ in Ghana, the time frame between commitments signed and funds disbursed is protracted, with only 1% and 5% of the respective committed funds disbursed to date. So while the total amount of funding from the other institutions is smaller, disbursement rates were significantly higher. For example, donor government agencies disbursed 94% of their commitments between 2009 and 2012, the private sector disbursed 81%, local, Ghanaian NGOs/academia disbursed 80%, and International NGO/Academia disbursed 67%), and thus, are responsible for the majority of available REDD+ funding that has come into the country from 2009-2012 [See Figure 6].

Five institutions (set out below) were responsible for the largest disbursements of funding to Ghana from 2009-2012.

1. US\$7,800,000- JICA to FC as part of the Forest Preservation Program (FPP).
2. US\$2,000,000- FC co-funding for the FPP.
3. US\$658,716- ITTO to FORIG.
4. US\$559,797- DANIDA to IUCN-Ghana.
5. US\$400,000- Forest Carbon Partnership Facility (FCPF) to FC as the initial disbursement of funds to support REDD+ Readiness.

Figure 5. Proportional REDD+ Commitments and Disbursements by Donor (2009-2012)

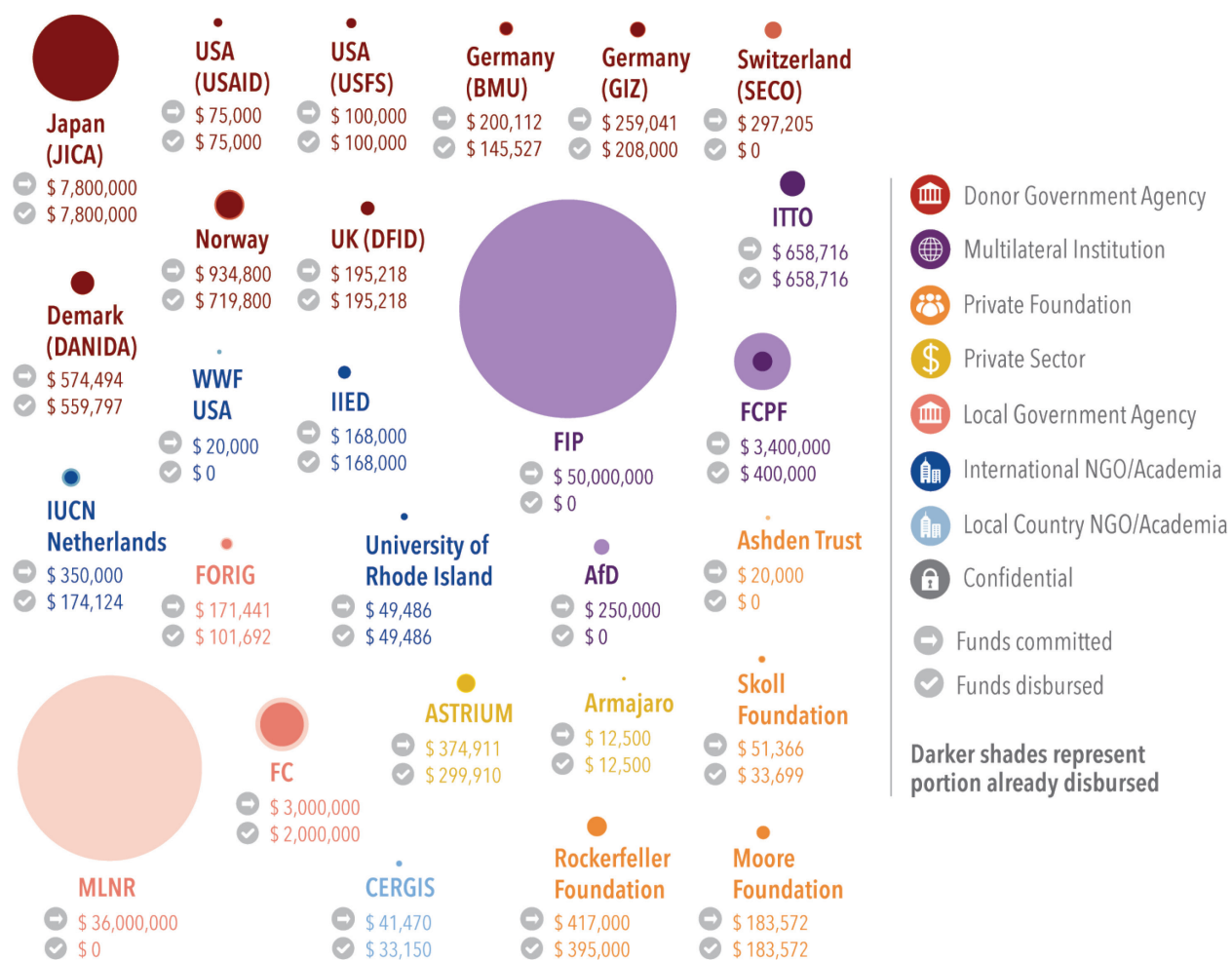
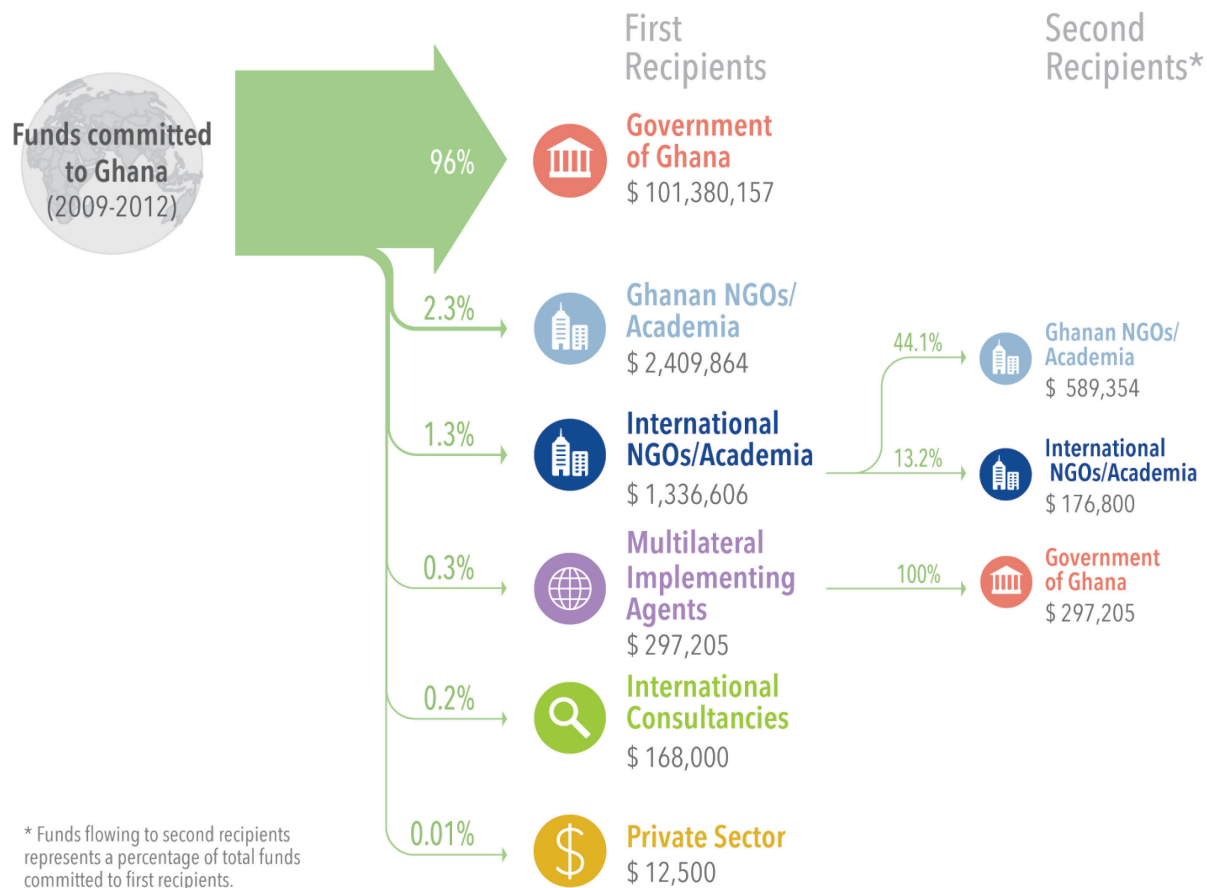
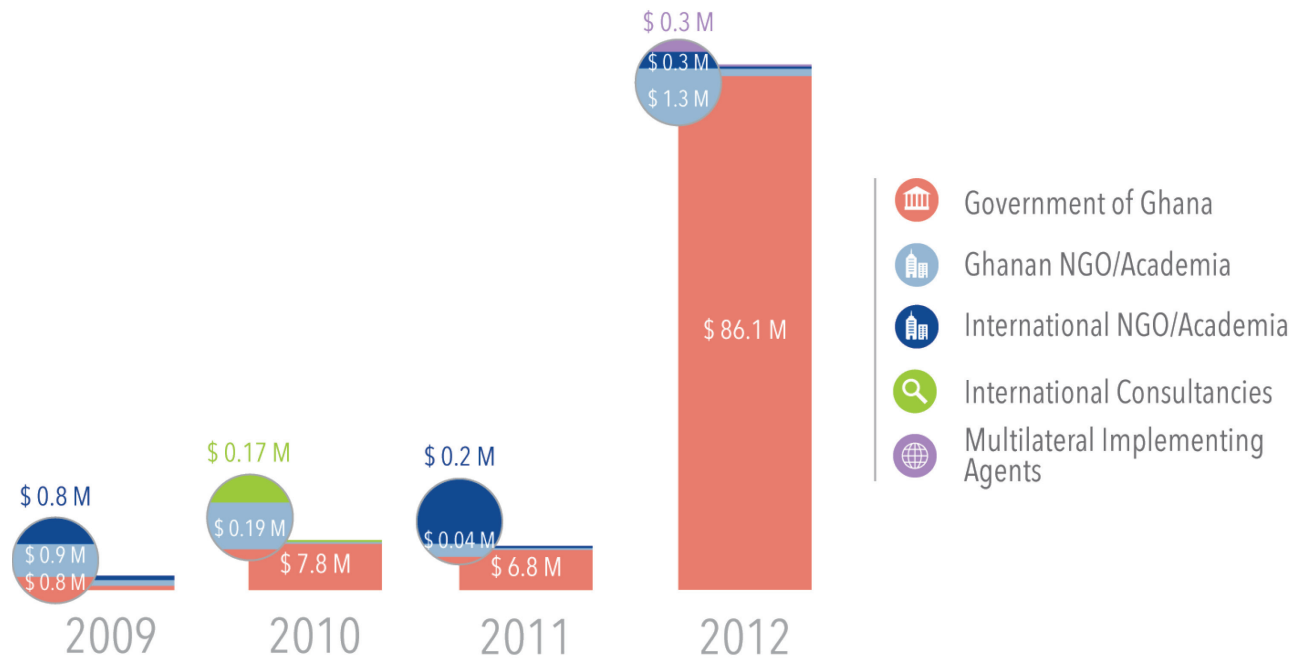


Figure 6. Recipients of Funds Committed to Ghana (2009-2012)



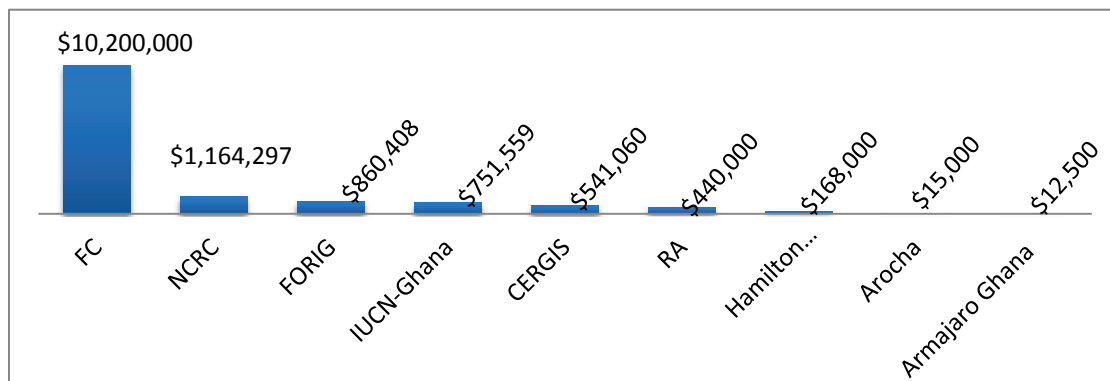
The majority of REDD+ funding flowing into Ghana has been committed to government institutions, as shown in Figure 7. In 2009, the proportion of funding committed to the government, as compared to other types of institutions was about equal, but since 2010, the government has continued to receive the majority of commitments. In 2012, the amount of funding committed to government grew significantly (from less than US\$7 million in 2011 to more than 86 million in 2012), primarily as a result of the FIP. Following the government, Ghanaian NGOs and Academia, and international NGOs are the next largest recipients of REDD+ finance.

Figure 7. Type of Recipients by Sector and Amount



Looking only at disbursements within Ghana, nine Ghanaian institutions received REDD+ funds from 2009-2012. The recipient institutions and amount of funding are shown below in Figure 8.

Figure 8. Ghanaian REDD+ Recipients, 2009-2012



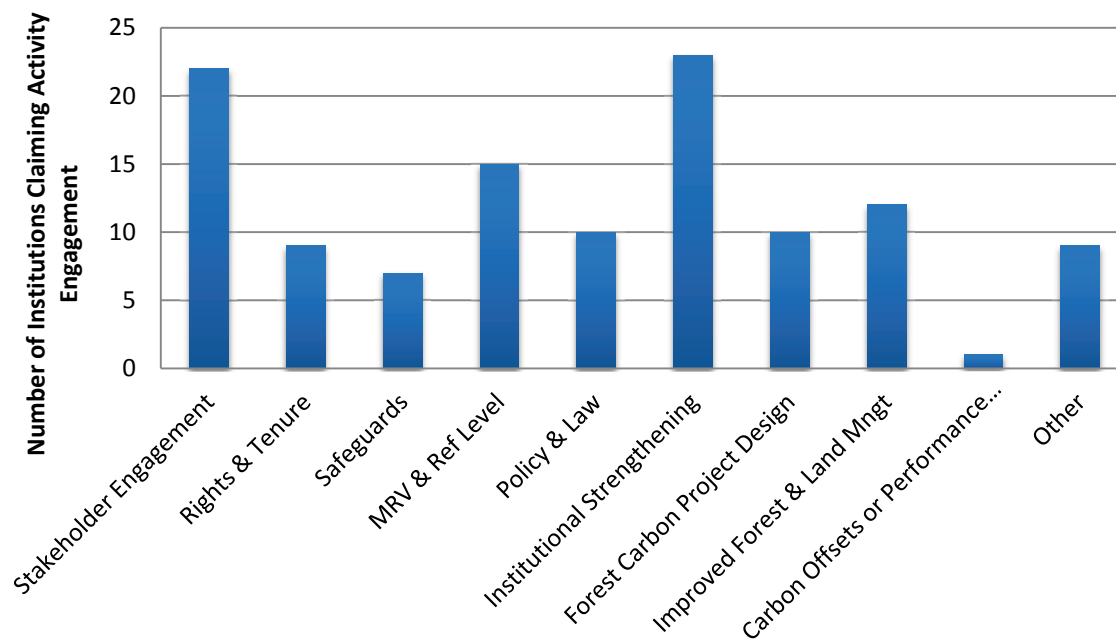
Recipients are using funding across a wide spectrum of activities. As shown in Figure 9, the majority of projects claim stakeholder engagement and institutional strengthening amongst their activities. What is particularly noteworthy, however, is that virtually none of the available funding was used with an aim to develop carbon offsets or performance based payments. This is also reflected in the fact that none of Ghana's seven national REDD+ pilot/demonstration projects have received REDD+ funding, with the exception of IUCN-Ghana.

Project activities broadly cluster around three types of projects—those with a social and rights based orientation (Rights & Tenure and Safeguards), those focused on aspects of MRV (MRV & Reference Level), and projects that are

geared towards landscape level, community based natural resource management and policies (Policies & Law, Forest Carbon Project Design, and Improved Forest & Land Management).

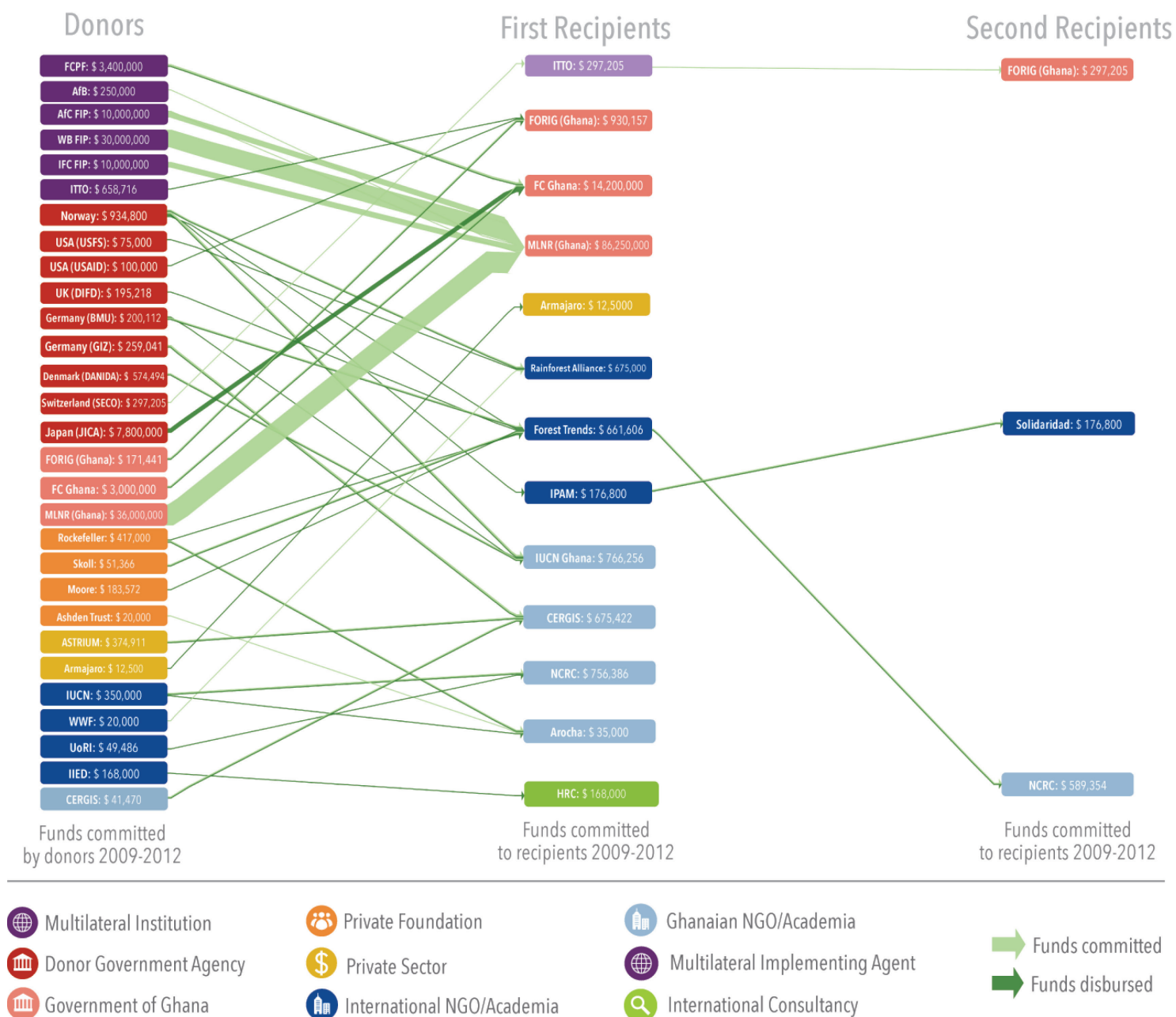
The “Other” category refers to cocoa certification, carbon stock measurement trainings (at a micro scale, thus not MRV), climate-smart agriculture, development of community resource management areas (CREMAs), developing the FIP, feasibility assessments, research, and undefined activities.

Figure 10. Types of REDD+ Activities Funded, 2009-2012



As shown in Figure 11, the majority of funds flowed directly from the donor institution to the first and final recipient. Forest Trends and NCRC reported individual flows that included second and third recipients. Figure 11 only shows the trajectory from the original donor to the first and then second recipients; however in two cases, funding actually continues on to a third recipient, NCRC, not shown here.

Figure 11. Flow of REDD+ Funds from Donors to Recipients



Challenges and REDD+ Gaps and Needs

The most urgent gap exists with respect to funding pilots. Ghana has committed to a Readiness process of “learning by doing”, but without support to take pilots and demonstration projects forward, there is little chance that the strategy can fully advance. The Swiss Government has indicated a desire to give more than US\$5 million over four years to support some activities for those national pilots that are located in the off-reserve landscape. However, additional support will be needed as it is unlikely that this funding will be sufficient to foster advancement or significant learning for all of the projects.

Despite the growing circle of individuals and institutions working in the REDD+ space, people’s understanding of the full scope and depth of REDD+ remains severely limited and is a second major gap. Following on this, there is also a very strong need to fill the gap in understanding about programmatic / jurisdictional REDD+, and how to link project level activities with programmatic REDD+ approaches. As the dialogue and funding shift to support large scale, jurisdictional initiatives, Ghana will need to shift its thinking to reflect the evolving REDD+ landscape.

There is also an evident gap in communication about REDD+ in Ghana. This gap exists with respect to how REDD+ is defined (e.g., what is and what is not REDD+ in the Ghanaian context) and ultimately the types of activities that are “REDD-able”. For example, some donors are claiming REDD+ funding for activities that do not nationally qualify as REDD+ and/or the Secretariat is unaware of. Some donors or recipient organizations also tend to define their support without engaging in dialogue with the national REDD+ Secretariat or adequately coordinating the funding to the needs of national strategy. There is also evidence that new funding is being formulated without considering project proponents’ self-defined needs or goals. Thus, the funds will have constraints that could severely limit the development of projects. Finally, some international NGOs are receiving REDD+ funds but are failing to link to the national process or to engage with other organizations involved in REDD+. This creates a silo effect that inhibits collective learning and collaboration, and in some cases has resulted in activities that are contrary to the national strategy and emerging thinking.

This project has also highlighted a number of important challenges. These include:

- ❖ The slow rate of disbursements from multilateral financing institutions, as evidenced by both the REDD Readiness process, which is supported by FCPF and the development of the FIP via the multilateral development banks. Despite this challenge, Ghana has continued to make real progress on REDD+ Readiness and has emerged as a continental leader on REDD+. This progress has been possible due to the government’s commitment to fill funding gaps until funds are disbursed and the willingness of a few local and international NGOs to operate in partnership with the government.
- ❖ The very limited involvement of the private sector to date. Though interest is growing, agriculture and forestry companies operating in Ghana are slow to understand the REDD+ space, its links to agricultural production trends, or the actual opportunity at hand. In many cases, companies perceive the existing risks associated with REDD+ to be too large to merit investment, though these perceptions are not always well informed.
- ❖ The limited scope of inter-governmental agency collaboration and planning with respect to REDD+. While the FC is the lead government agency on REDD+, there is a need to vastly expand the understanding of REDD+ amongst other government agencies like the MLNR, MoFA, MEST and most especially the Cocoa Board so drivers and threats can be tacked and REDD+ opportunities pursued in a realistic way.

Recommendations

The following is a list of recommendations emanating from the REDDX initiative validation workshop:

- ❖ Donors need to increase support for piloting or support programmatic efforts in which projects can nest and receive technical and financial support;
- ❖ Training should remain a top funding priority so that the understanding of REDD+ opportunities and limitations can continue to grow and expand, particularly with respect to the private sector and government agencies;
- ❖ Government should take steps to launch a REDD+ registry as a means to improve communication, collaboration, and coordination of REDD+ activities;
- ❖ The absence of funding to support offsets or performance based payments raises the question of what the ultimate aim of REDD+ is in Ghana. Funding in this direction is important to show that both Ghana and the international community are serious about making REDD+ a success in Ghana.

This report ultimately recommends an increase in donor support to pilots and programmatic initiatives from which projects can benefit, an increase in support for performance based activities, additional training opportunities to expand local understanding of REDD+, and the launch of the REDD+ registry to facilitate better communication and coordination nationally.

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