GHANA

Forest Investment Plan

Istanbul, Turkey

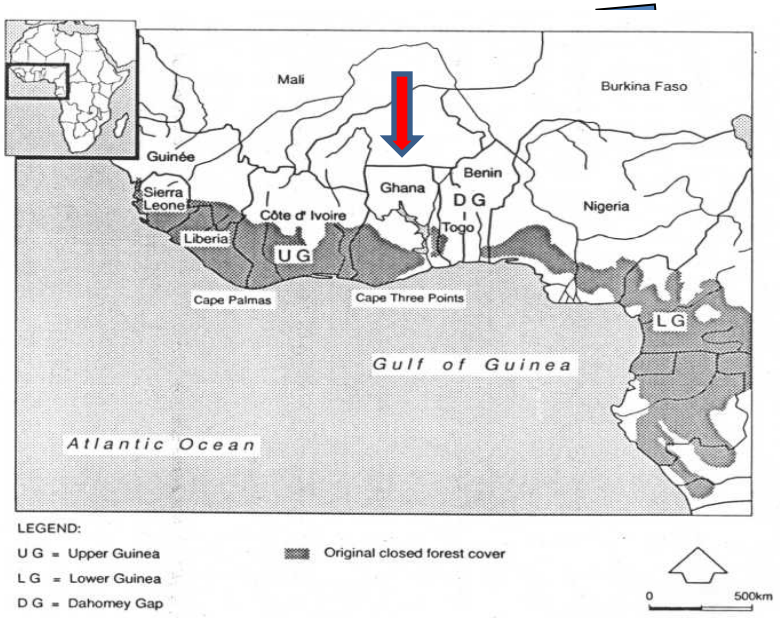
November 5th, 2012

Forestry Commission

PRESENTATION OUTLINE

CONTEXT

HOW GHANA's INVESTMENT PLAN (GIP)WAS PREPARED



SUMMARY OF GHANA's INVESTMENT PLAN

FINANCING PLAN

2012 National Climate Change Policy

2012 Forest & Wildlife Policy

Aim

Conservation & Sustainable Development of Forest and Wildlife Resources

Objectives & Strategic Actions

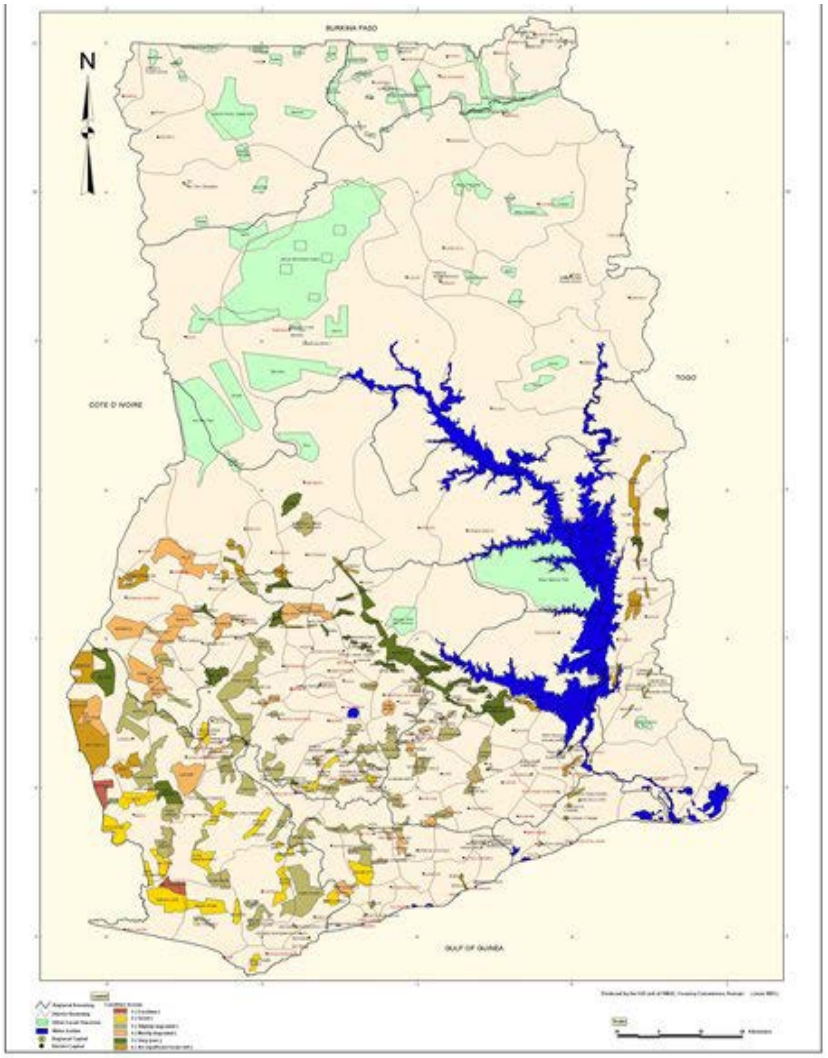
- Rehabilitation of Degraded Landscapes
- Reducing Emissions from Deforestation & Forest Degradation
- Sustainable Management of Forest & Savannah Ecosystems
- Development of viable forest & wildlife based industries
- Capacity Building

GHANA AND REDD

- Ghana is one of the first African countries to initiate the development of a national strategy on REDD+
- Ghana's Readiness Preparatory proposal (R-PP) was approved in March, 2010 at the *Forest Carbon Partnership Facility (FCPF)* 5th Participants Committee Meeting held in Gabon
- Support received from FCPF & SECO to implement certain aspects of the REDD+ Strategy
- Ghana's Investment Plan (GIP) is strongly linked to the National REDD+ Strategy

FOREST RESERVES AND OFF-RESERVE AREAS

- **Forest Reserve“:** Forest area constituted under Legislation; No utilisation rights are permitted except under permit.
  - 282 Protected Areas covering a total area of 23,729 km².
  - Forest and wildlife conservation areas = 16.2 % of land area.
- **Off-reserve areas (ORAs):** Forests outside the permanent forest areas
  - **1948 Policy** was to reduce conversion of ORAs to other landuses, including Agriculture
  - **1994 Policy** objective was to improved the management of ORAs
  - **2012 Policy** is to sustainably manage ORAs and where possible lead to aggradation.



Importance of the forestry Sector

Forest reduced from 8.2 to 4.94 million ha. over a century, of which 1.62 million ha. in FRs

Timber exports range between US$170 million and US$200 million per annum accounting for 18% of exports.

Forestry sector accounts for 2.8-4% of GDP (2008-2011)

Total traditional fuel (energy) collected from the forests for domestic use amounts to 2.2% of GDP

Extent of Forests				Annual Change Rate			
				1990-2000		2000-2010	
Forest area (1,000 ha)				Area (1,000 ha)	%	Area (1,000 ha)	%
1990	2000	2005	2010				
7,448	6,094	5,517	4,940	135	2.0	115	2.0

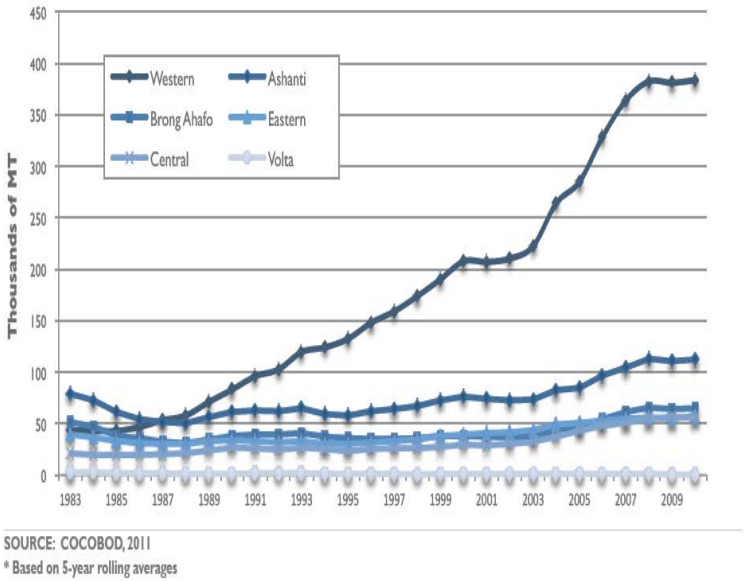
Social Implications

- Timber industry provides direct employment for 100,000 people and indirect employment for over 2.5 million people
- Resource users and forest dependent communities are not deriving optimum benefits from the forest
  - Tenurial Constraints
  - Benefit Sharing
- Forestry as a rural land-use has not done enough to alleviate rural poverty

Drivers of Deforestation (1)

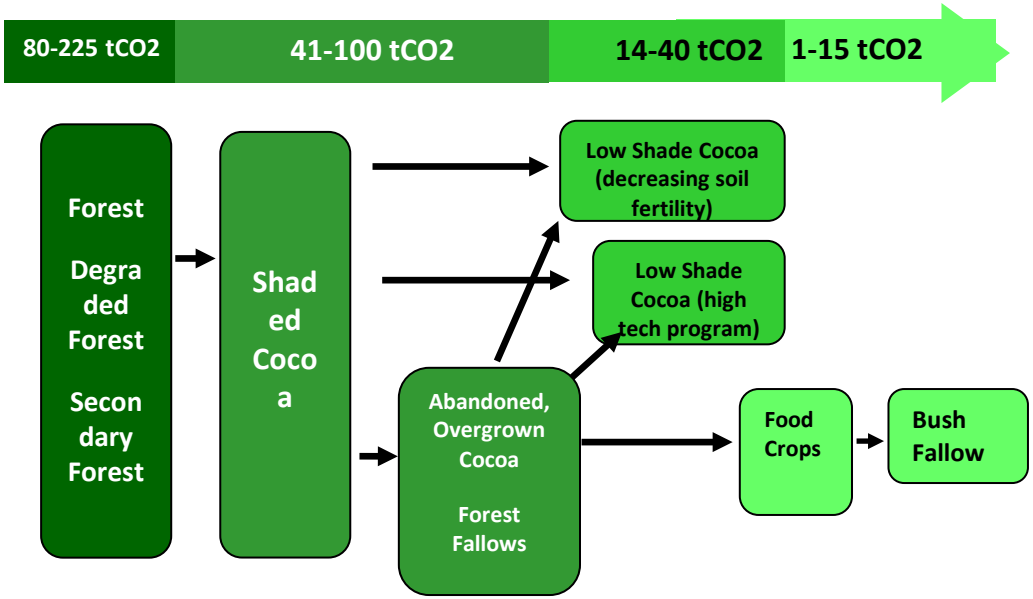
Agricultural expansion (50%)

- Expansion of Cocoa Farms within Off-Reserves in the High Forest Zone (HFZ): Between 1996 and 2008 the area under cocoa increased by 1 million ha (over 110%) at expense of natural forests
- Loss of Fallow Areas in HFZ cover 1.4 million ha
- Deforestation as a result of Food Crop Cultivation in HFZ covers an area of 1.2 million ha



SOURCE: COCOBOD, 2011

* Based on 5-year rolling averages



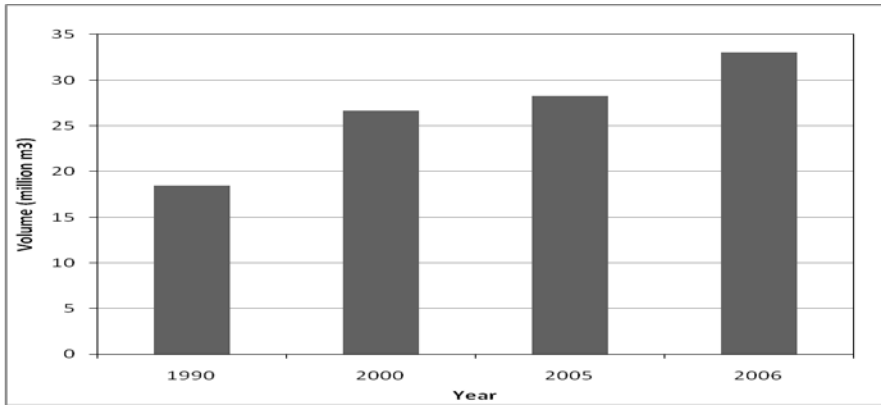
Drivers of Deforestation (2)

Wood harvesting (35%)

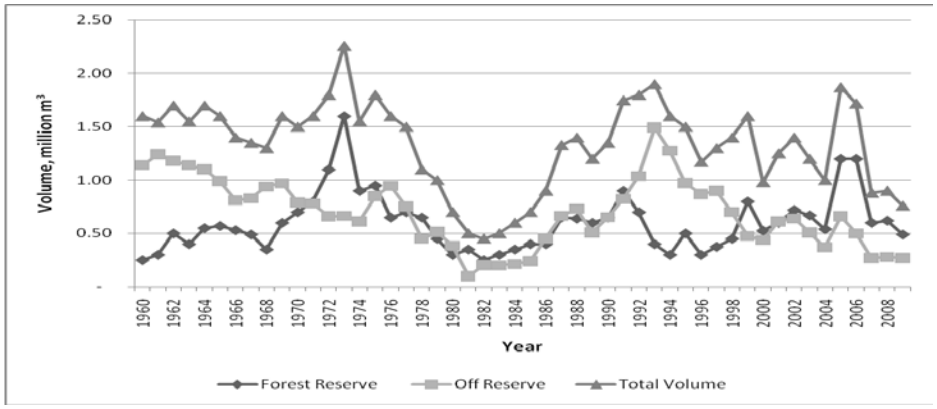
- —Wood removal for Fuelwood and charcoal estimated at 30 million m^3 $year^{-1}$
- —Timber harvest is currently 3.72 million m^3 $year^{-1}$
  - 2 million m^3 $year^{-1}$ is legal and from Formal sector
  - 1.8 million m^3 $year^{-1}$ is illegal and is mainly to supply the Domestic Market.

Urban sprawl and infrastructure development (10%)

Mining and mineral exploitation (5%).



Woodfuel Consumption (1990-2006)



On – and off-reserve recorded timber extraction (1960-2009)

Summary of Challenges facing the forest sector

1. **Forest loss (deforestation and Forest degradation)** is estimated at 65,000 ha yr^{-1} nationally, of which 22,000 ha yr^{-1} is in the high forest
2. **Present trends of exploitation are not sustainable** – exploitation rate is 2 times AAC
3. **Illegal harvesting -** Over 80% of Domestic lumber is derived from illegally processed chainsaw lumber
4. **Inequitable Benefit Sharing** and **Poor Local Community involvement** in management and decision-making
5. **Policy and Governance Failures**
   a. Poor resource allocation and regulation of timber industry capacity
   b. Poor tenurial framework
   c. Weak Sectoral institutions

Strategic Importance of Ghana's Investment Plan (GIP)

Fits into GOG's policy and strategic plan on REDD+

Will address the underlying drivers of deforestation …

Catalyse transformational change

a. ***Change in tenure and benefits regimes***
b. ***New models for management and benefit sharing arrangements***
c. ***New financial instruments and incentives***
d. ***Engaging the private sector in REDD+***
e. ***Improved coordination***
f. ***Knowledge Creation, Sharing and Innovation***

Provide upfront investment to support implementation of the REDD+ strategy

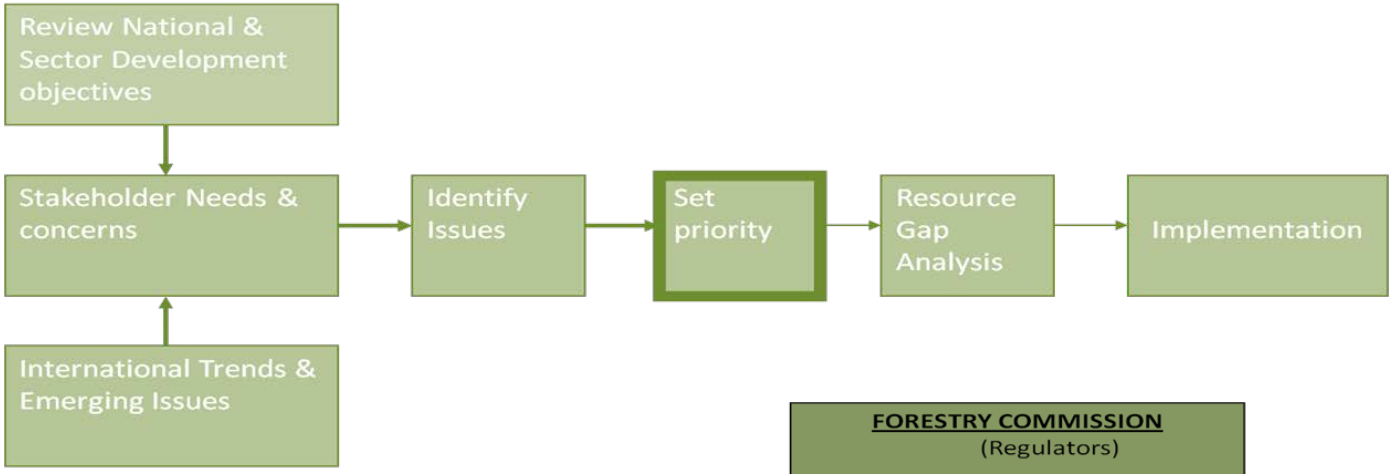
GHANA's INVESTMENT PLAN (GIP) PROCESS

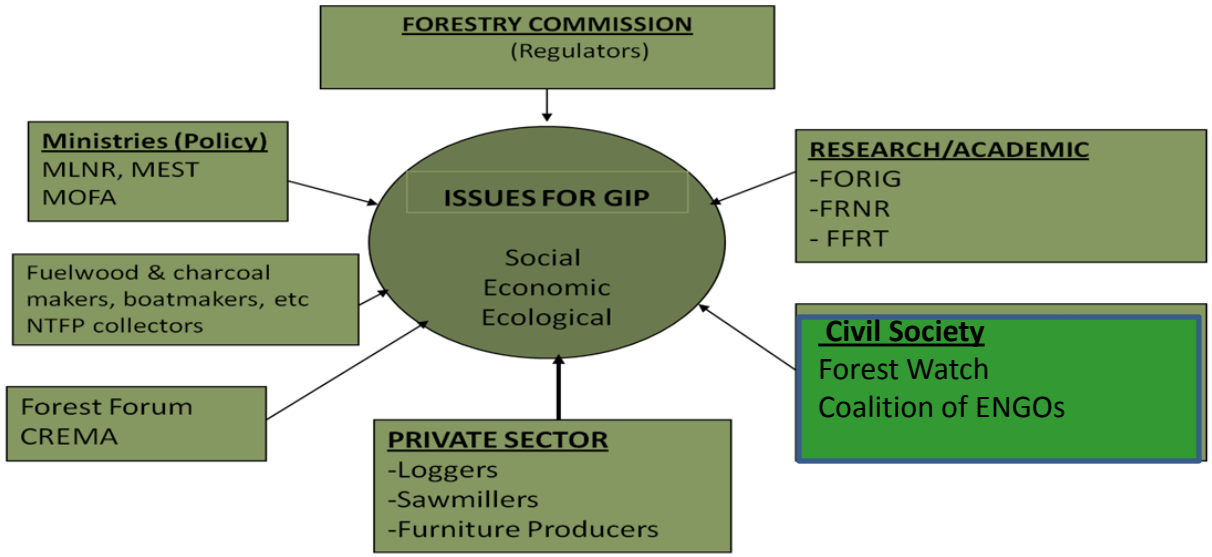
- Lessons learnt from previous programs
- Stakeholders Consultation
- Programmatic Approach
  - Landscape/multi-sectoral approach
  - Public-Private Sector Partnerships
  - Synergies (Coordinating and building on) with existing initiatives (NREG, FLEGT-VPA, NLBI, GFP, NFP, FCPF & SECO support on RPP implementation - REDD+ Strategy)
- Reviews by MDBs, Two Independent Reviewers as well as comments from FIP Sub-Committee in May 2012 led to the refinement of the GIP in the following areas:
  - More precise analysis of Transformational Impacts
  - Focus on 2 Regions instead of the whole country
  - Assessment of Carbon Mitigation potential of projects

Stakeholder Consultation - 1

- Built on past consultations such as the R-PP, VPA/FLEGT and NREG programs
  - Stakeholder engagement began with the drafting of Ghana's R-PP which underwent extensive stakeholder consultation and engagement process.
- Multi-Ministerial, Multi-Sectoral and broad-based stakeholder consultations
- Focus Group Discussions and Workshops
- Meetings and arrangements to seek inputs from a broad range of stakeholder
- Awareness Creation, understanding and support for the process.

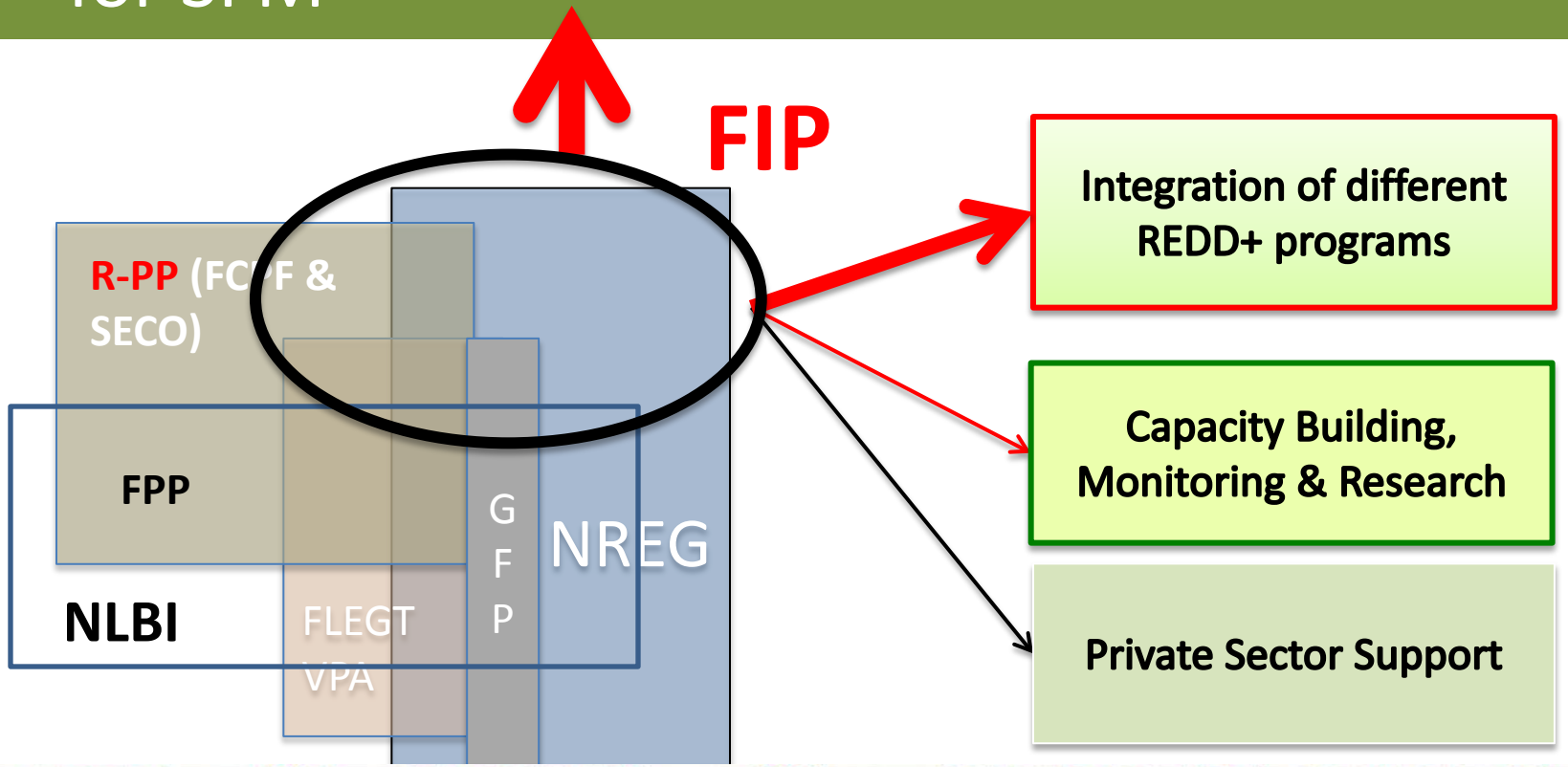
Stakeholder Consultation - 2





Synergies with ongoing programs

Creating Synergies and enabling environment for SFM



Ghana's Investment Plan: Rationale for selection of pilot areas

Western Region & Brong Ahafo Regions selected as pilot sites.

Why?

1. The carbon abatement potential;
2. The scale-up potential from demonstrations and pilots in this area
3. Potential socio-economic co-benefits but also considerable co-benefits for the conservation of biodiversity and sustaining ecosystem services.

Landscape Restoration Potential *per Region*

NON-CARBON CO-BENEFITS

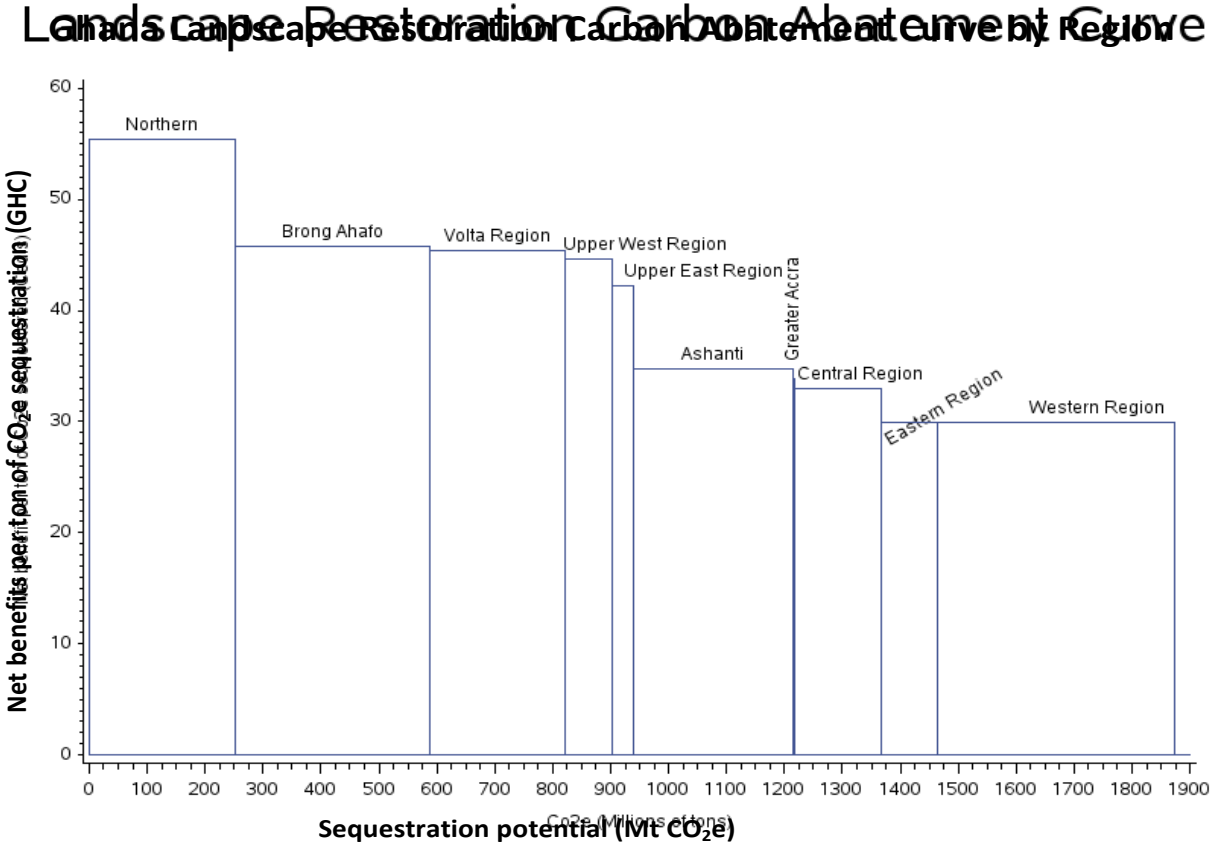
A. Timber & Fuelwood

B. Non Timber Forest Products

C. Soil Nutrient Replacement

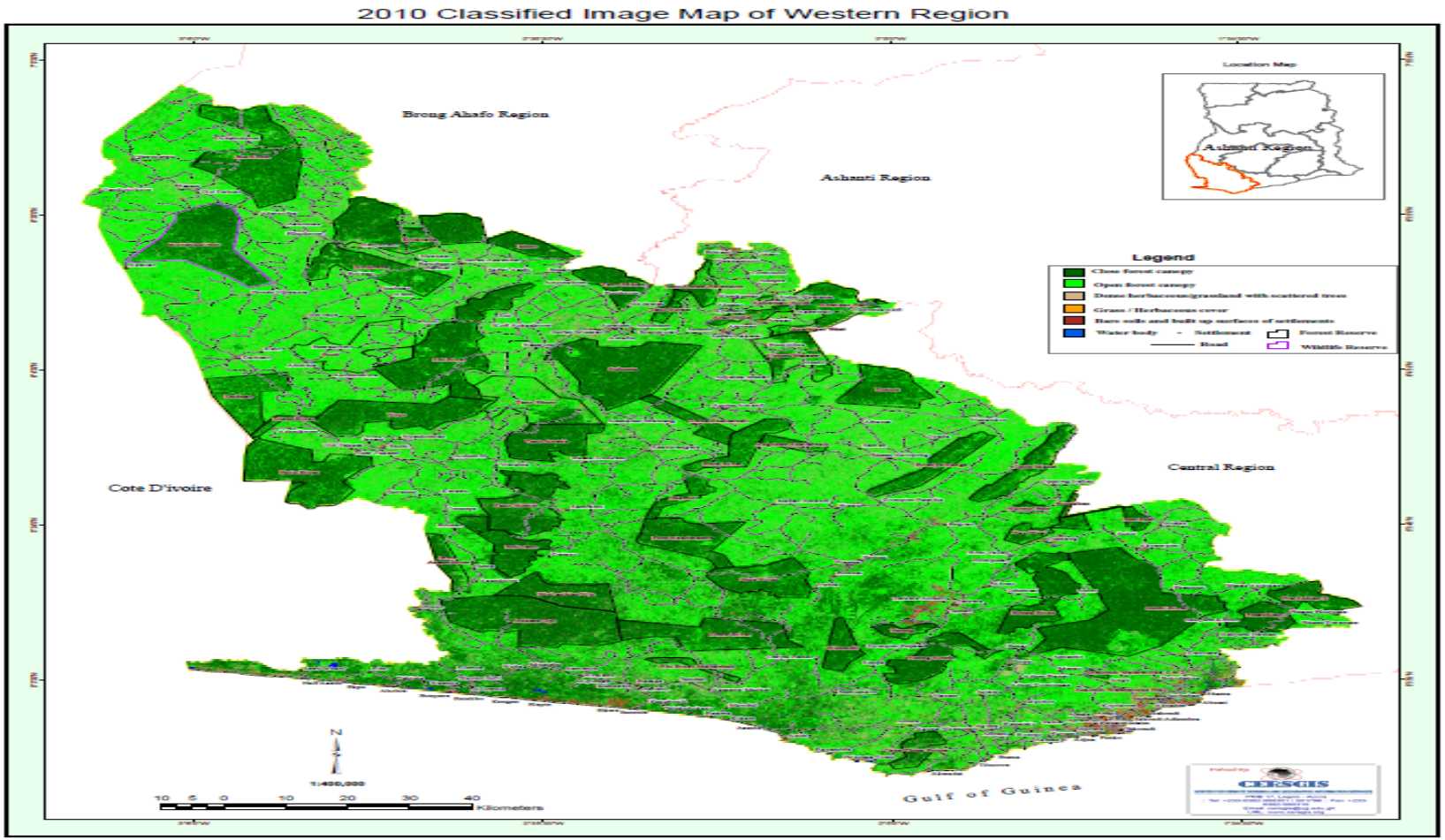
D. Avoided Crop Loss

E. Improved Yield of Fisheries

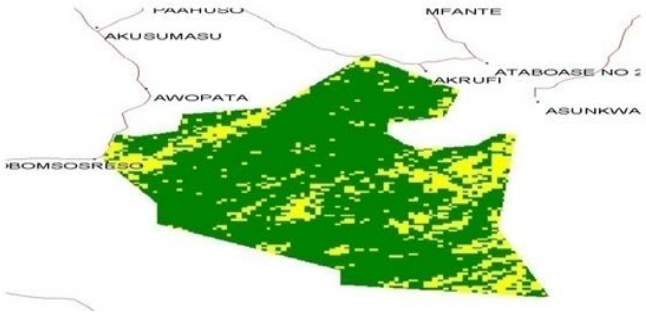


Landscape restoration potential per region *(unpublished material CERSGIS, IUCN, WRI, 2012)*

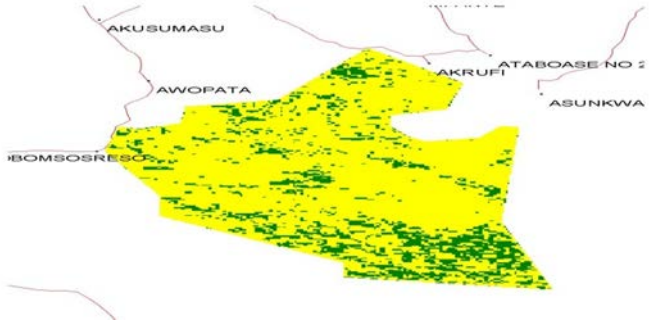
Western Region



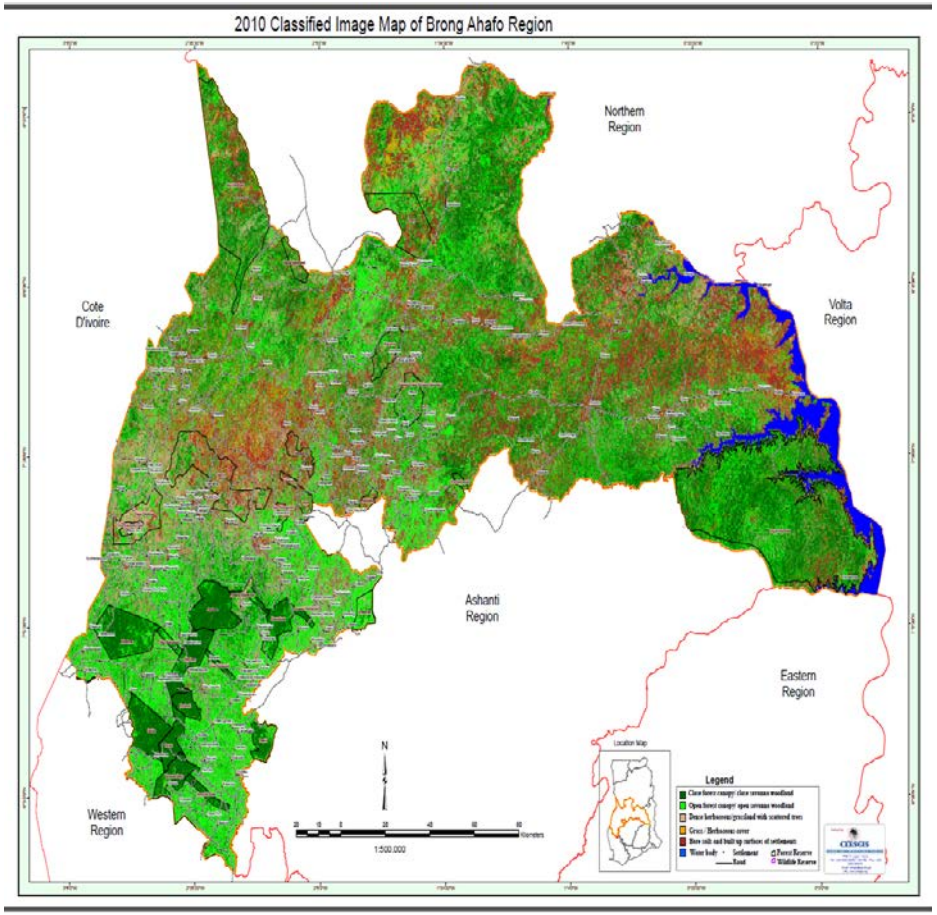
Brong Ahafo Region



Asubima FR - 1990



Asubima FR - 2000



Project 1 - Reducing pressure on natural forest through an integrated landscape - IBRD

OBJECTIVE

Reduced Pressure on Natural Forests thro' Participatory Landscape Approaches

OUTPUTS

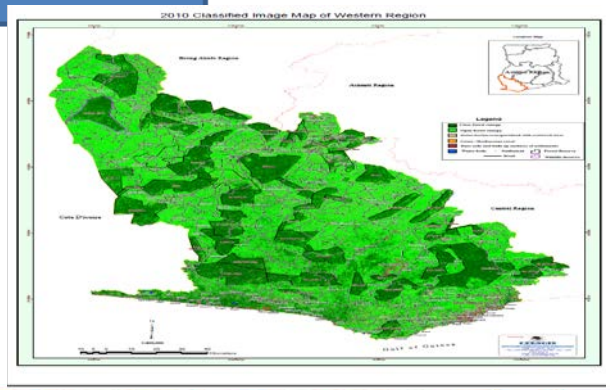
1. Improved Forest Management in place
2. Forest Fragmentation Reduced through Connectivity
3. Deforestation Rates reduced

COMPONENTS

1. Policy and Governance
2. Participatory Landscape Planning
3. Innovation and Capacity Building
4. Project Mgt. & Coordination

CO-BENEFITS

1. Empowerment & Poverty Alleviation
2. Biodiversity Protection & Ecosystem Resilience



Project 2 - Engaging local communities in REDD+ / Enhancement of Carbon Stocks - AfDB

OBJECTIVE

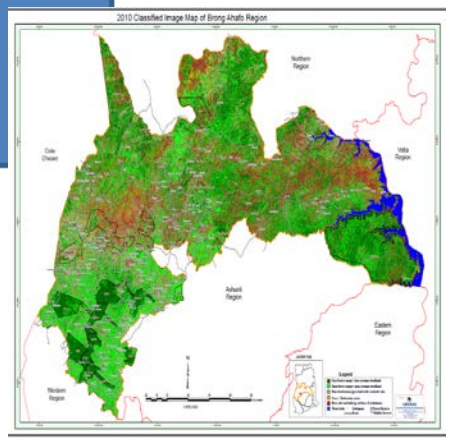
Enhance Carbon Stocks in Off-Reserve Areas through Community Participation

OUTPUTS

1.Innovative Tenurial, Carbon Rights & Benefit Sharing Systs.
2. Alternative Livelihoods Enhancement
3. Capacity of Local Communities Developed.

COMPONENTS

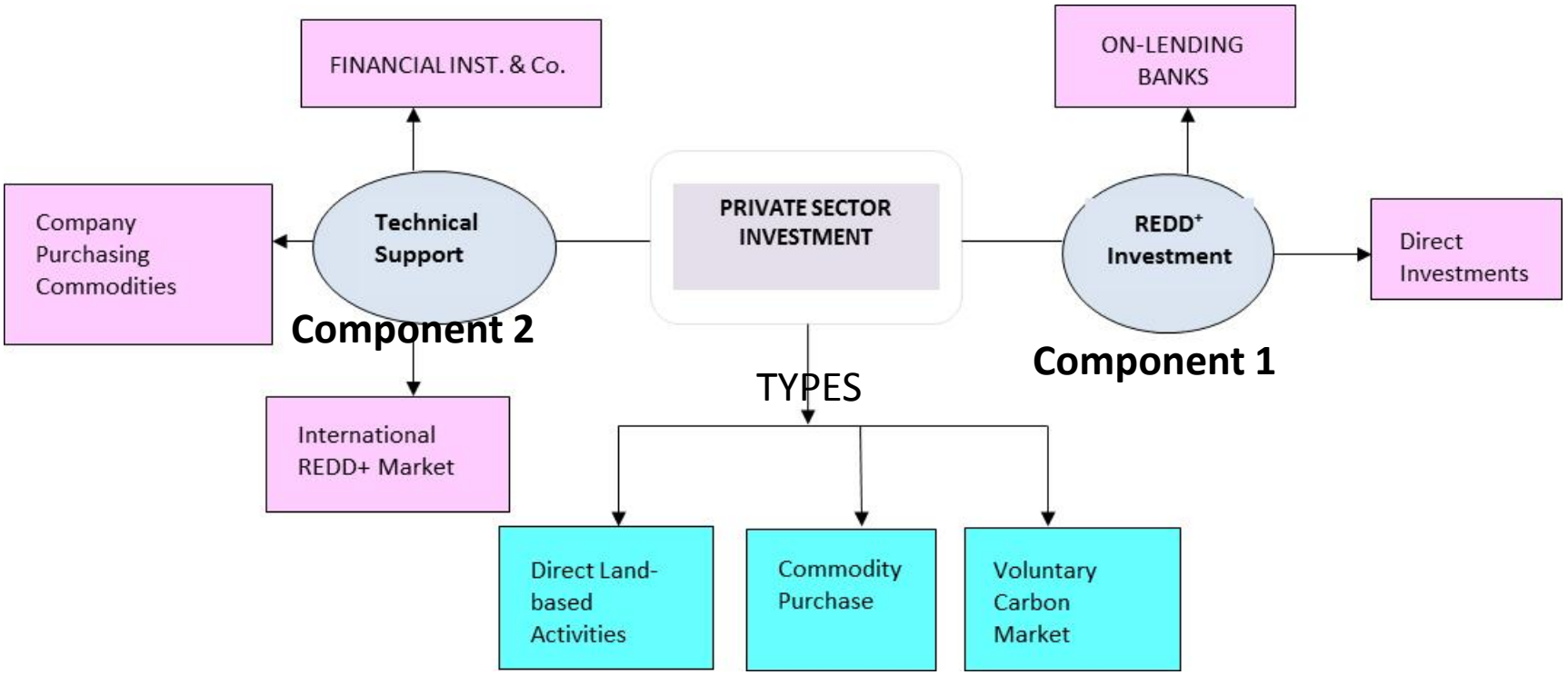
1. Enabling Mechanisms for Community Participation
2. Sust. Cocoa & Agroforestry Landscape Syst.
3. Community restoration of degraded forests
4. Project Management



CO-BENEFITS

1. Income and Food Security enhancement
2. Improved Biodiversity & Ecosystem Services

Project 3 - Engaging the private sector in REDD+ - IFC

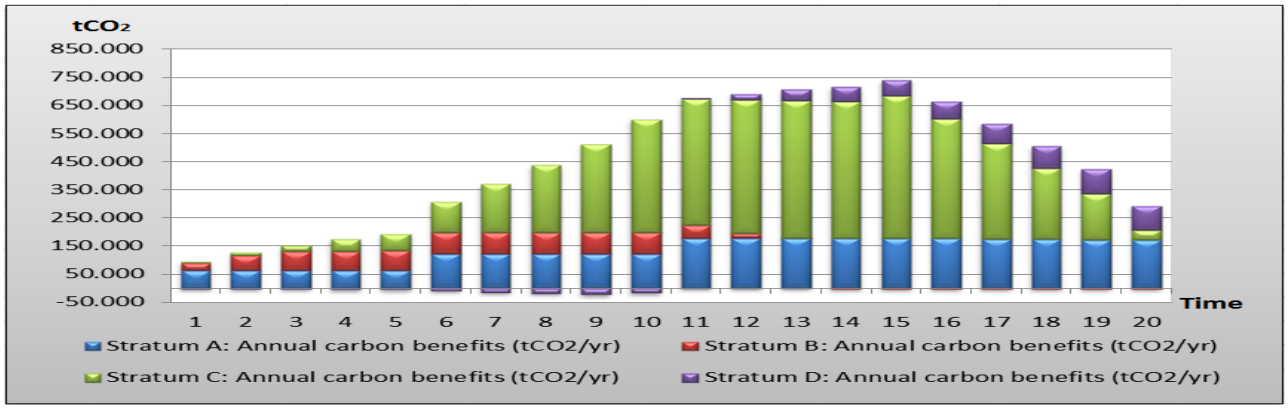


Carbon benefits under GIP (5 yr Period)

- **Improved Cocoa Agroforests** = 9.93 tCO_2 ha^{-1} yr^{-1} (**0.993 Mt CO_2** for 100,000 ha)

- **Plantations**
  - (WR) = 12.8 tCO_2 ha^{-1} yr^{-1} (**0.192 Mt CO_2** for 15,000 ha)
  - BA = 11.1 tCO_2 ha^{-1} yr^{-1} (**0.055 Mt CO_2** for 5,000 ha)

- **Connectivity**
  - (WR) = 10.17 tCO_2 ha^{-1} yr^{-1} (**0.36 Mt CO_2** for 35,000 ha)
  - (BA) = 13.6 tCO_2 ha^{-1} yr^{-1} (**0.204 Mt CO_2** for 15,000 ha)
- **Reduced Degradation of Natural Forests (2% to 1%):**
  - 251.63 tCO_2 ha^{-1} yr^{-1} (**10.07 Mt CO_2** for 40,000 ha)



Stratum A = on-reserve logged forest **(50,000 ha)**; Stratum B = unproductive high shade cocoa area (**1,200 ha**); Stratum C = medium shaded cocoa farms (**34,160 ha**); Stratum D = low shade cocoa area **(13,440 ha)**)

Dedicated Grant Mechanism

Complementarity to main FIP investment program by providing capacity at the grassroots level

Provide Support for GIP Coordinating Activities e.g inter-agency dialogue, working with the Decentralized Structures

GIP will work with Collaborative governance structures developed under the DGM

Provide Links between pilots maintained through a common Operational Manual

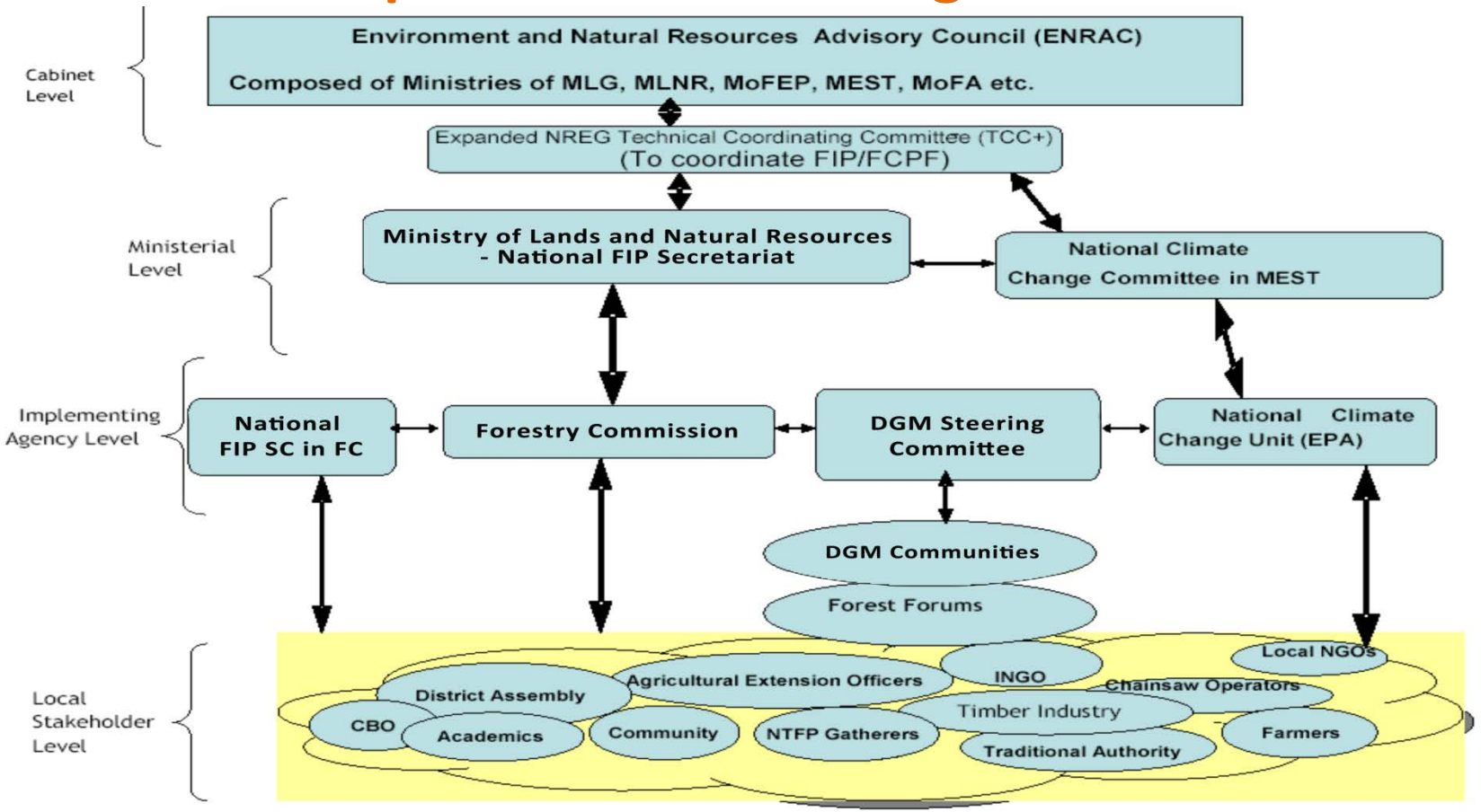
Lessons from country implementation of DGM captured and shared by the GIP

FINANCING MECHANISM

Components	FIP Financing	Co-financing	Sub totals
Project 1: Reducing pressure on natural forest through an integrated landscape approach - IRBD	30.0	15.0	45.0
Project 2: Engaging local communities in REDD+ / Enhancement of Carbon Stocks - AfDB	10.0	5.0	15.0
Project 3: Engaging the private sector in REDD+ - IFC	10.0	16.0	26.0
TOTAL	**50.0**	**36.0**	**86.0**

FIP – WHO?

Implementation Arrangements

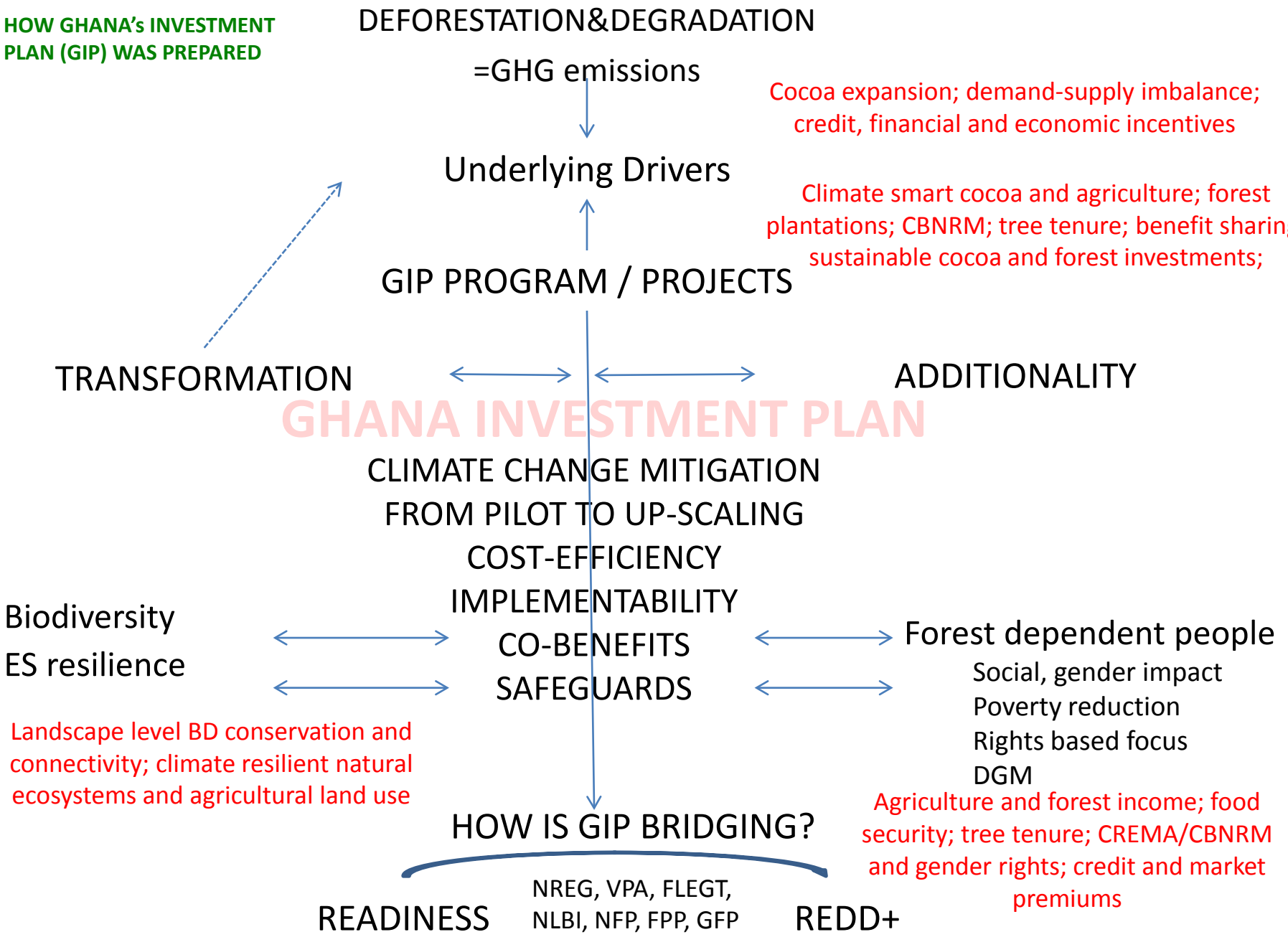


In summary ...

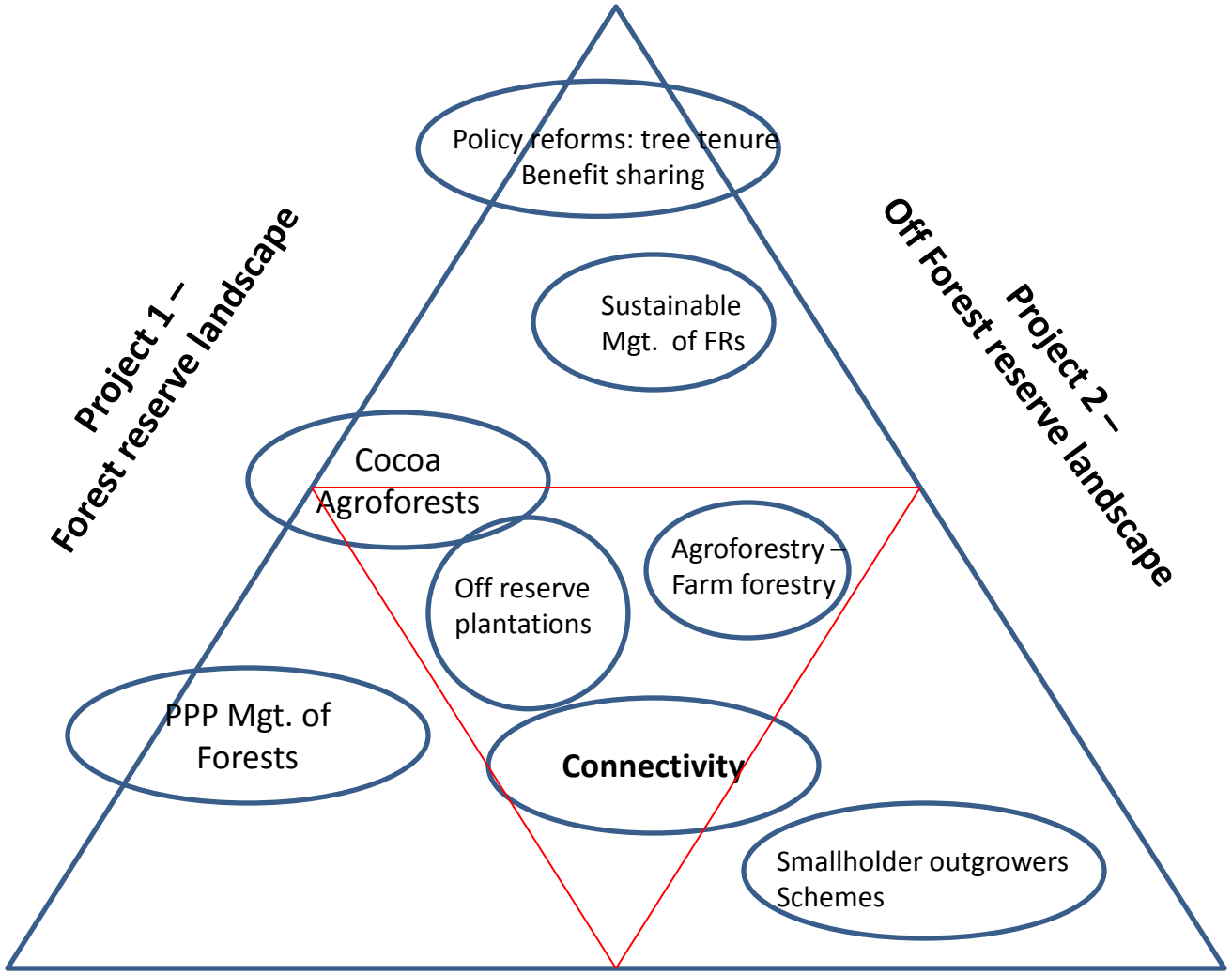
- Agricultural expansion and wood harvesting combined account for 85% of deforestation in Ghana
- Key issues: tenure & benefit sharing both on and off-reserve, supply-demand gap, governance & enabling environment, private sector participation.
- The programmatic approach adopts a landscape approach by addressing both forest in FRs and in the agricultural landscapes.
- Western and Brong Ahafo Regions most suitable for FIP pilots because of demonstration impact, potential for up-scaling, co-benefits & carbon sequestration potential
- Complementarity of DGM to GIP implementation process by providing capacity at the grassroots level

Thank you!

HOW GHANA's INVESTMENT PLAN (GIP) WAS PREPARED

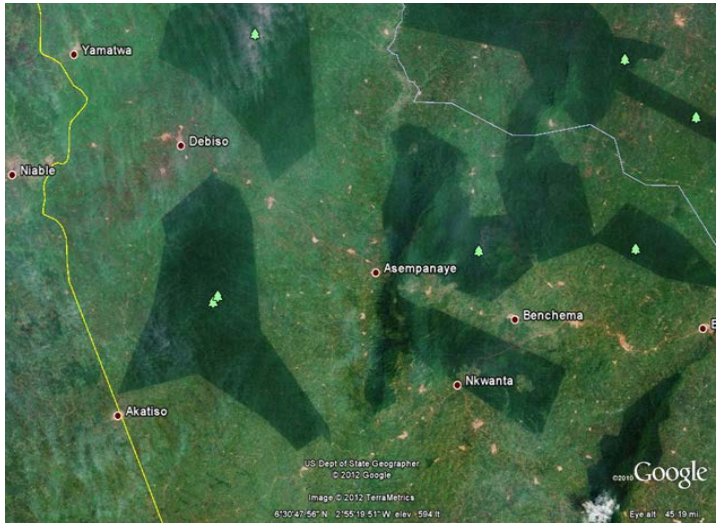


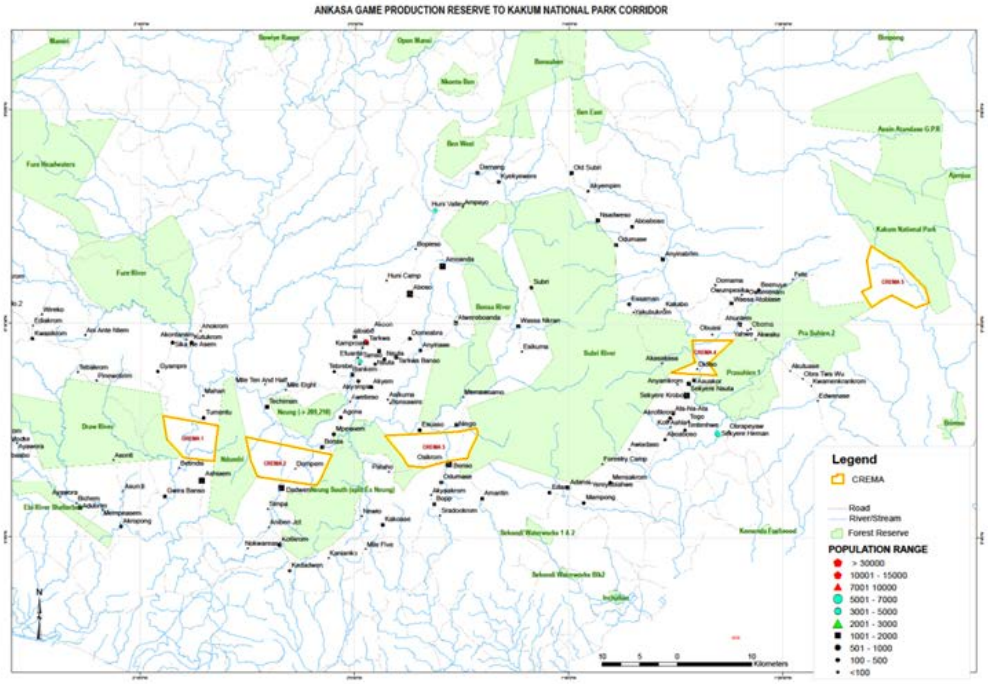
Programmatic Approach



Project 3 –
Private sector involvement

Fragmented landscapes and connectivity





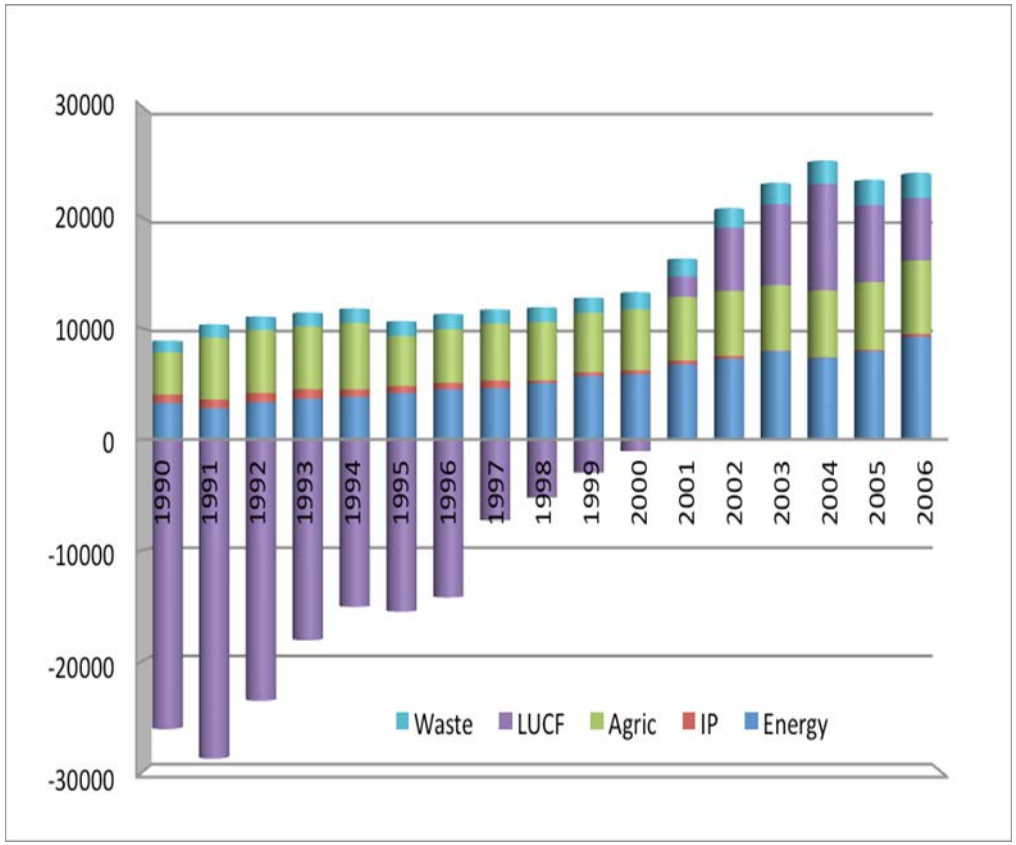
Interventions

1. **Coordinating activities:** Landscape planning, inter-agency dialogue and enforcement;
2. **Enabling activities:** Policy and legal reform on tree tenure and on private investment in the forestry sector
3. **Piloting activities:** Testing alternative, inclusive models of forest reserves management, benefit-sharing schemes, and incentives to retain trees on farm;
4. **Direct investments:** Investments in the private sector in sustainable forest and agriculture, through a REDD+ investment program and technical assistance program to scale up impact.

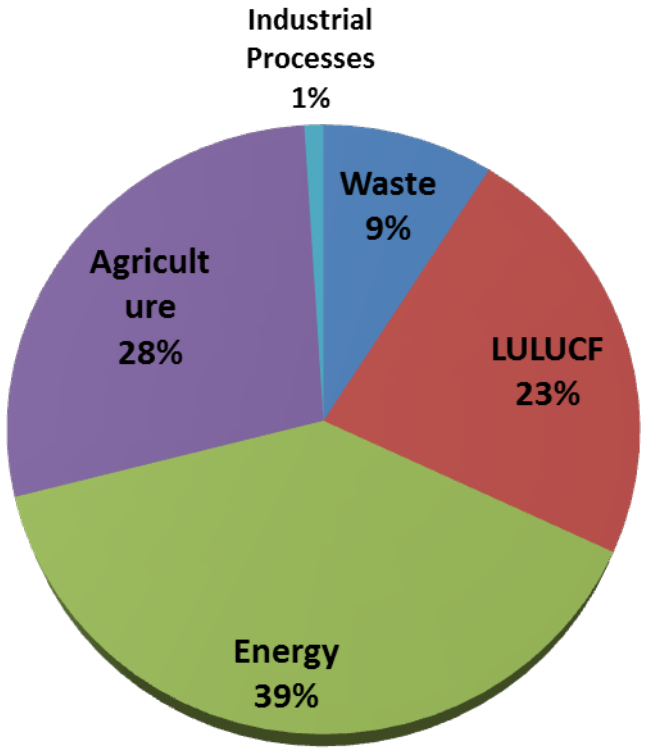
Total carbon stocks in various land-use systems

		Land-use systems			
Ecosystem		**Fallow**	**Cultivated**	**Natural Forest**	**Teak stand**
Savannah	**Mean**	**39.36**	**33.19**	**51.00**	**51.00**
	C loss (%)	22.82	34.92		0.00
DSDF	**Mean**	**64.08**	**30.87**	**212.46**	**76.78**
	C loss (%)	69.84	85.47		63.86
MEF	**Mean**	**95.46**	**75.12**	**326.75**	**138.33**
	C loss (%)	70.78	77.01		57.66

Trends and share of GHG by sector



Trends of emissions by sectors ($GgCO_2e$)



Share of GHG emissions by sectors in 2006 ($GgCO_2e$)

Programmatic Approach