

**Meeting of FIP Pilot Countries  
Yogyakarta, Indonesia  
September 24-26, 2013**

**Progress Updates from FIP Pilots**

**GHANA**

<i>What activities have been undertaken to review progress and coordinate implementation of the FIP investment plan at the country level since the last Pilot Country Meeting? With what regularity do such reviews take place?</i>	
Inter-agency	<p>The Ministry of Lands and Natural Resources (MLNR) is the executing agency for the FIP. MLNR has responsibility for policy, legislation formulation, and monitoring and evaluation for the forestry and natural resources sectors. MLNR is supported in the implementation of this project by (i) the Ministry of Lands Environment, Science, Technology and Innovation (MESTI), which will ensure that climate change mitigation and adaptation policy actions under the programme are implemented in line with national priorities; (ii) the Ministry of Finance (MoF), which has the responsibility of coordination of donor support in the country. (iii) the Ministry of Food and Agriculture (MoFA), which is responsible for ensuring that there is increased carbon stocks within farms outside of forest reserves under the programme; (iv) The Ministry of Local Government and Rural Development (MLGRD), which will ensure that the decentralised structures at the local level are well integrated into the programme decision-making process.</p> <p>In addition to the Ministries there are a number of Government Agencies which would support programme implementation. These include the Forestry Commission (FC), which is the implementation of executory arm of MLNR and would be largely responsible for programme execution at the field level; the Forestry Research Institute of Ghana (FORIG), which is under MESTI and responsible for providing good quality seeds and seedlings for the enhancement of carbon stocks project under the programme.</p>
Development partners	Currently, the development partners in the environmental and natural resources sectors in Ghana have formed a group called the Environment and Natural Resources Sector Group

	(ENRSG). The group is led by the European Union (EU) and includes the World Bank (WB), Africa Development Bank (AfDB), Royal Netherlands Government, U.K Government and German Government. It is expected that for the implementation of the FIP the existing ENRSG will be expanded to include new donors to the REDD <sup>+</sup> programme including Switzerland, Japan, United States of America, the International Finance Corporation (IFC) and the Food and Agriculture Organization (FAO Regional Office in Ghana).
Multi-stakeholder	During the preparation of the Concept Note of the Forest Investment Plan, the Government of Ghana organized several meetings and set up arrangements to seek inputs from a broad range of stakeholders and interest groups, and to build awareness and support for the program. The major stakeholder groupings consulted include; Public Sector Agencies; Wood Industry Associations, Commercial plantation developers; Traditional Authorities; Civil Society Groups; Environmental Non-Governmental Organisations and local community groups (A detailed list is presented as Annex 1).

*Please provide an update on activities carried out, challenges encountered, and progress made to set up the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in your country.*

Under the Dedicated Grant Mechanism – DGM (additional FIP resources that the Government of Ghana secured from the FIP), will be available to further support community participation in the overall FIP Program. Preparation for the Dedicated Grant Mechanism for Indigenous People and Local Communities (DGM) is still in the naissance stage. The DGM will be channeled directly to communities and emphasis will be on capacity building. It is anticipated that a concept note will be finalized by early June with project preparation starting mid-year. Internal funds have been released for the Bank to prepare the concept note and develop governance structures. The linkages between the DGM and the FIP should be discussed during the mission.

Currently a consultant is being recruited to (i) Facilitate the selection of an executing agency for DGM implementation (ii) Ensure consensus building (iii) Facilitate broad stakeholder engagement and (iv)To ensure harmonisation of local community involvement of the different REDD<sup>+</sup> projects, including FIP.

*What are the opportunities and challenges you have encountered, or expect to encounter, with the implementation of the FIP results framework in the context of your country?*

Currently, the three projects that were proposed under the approved Concept Note of the FIP are under development. Hence they have not yet been implemented. We would thus share the experiences that have been encountered during project development.

First of all it has been realised that the FIP results framework is broad enough to be used by the different programmes being implemented within the Forestry sector of the Country. The kind of indicators selected would encourage the different data collection and reporting agencies within the forestry and environmental sectors to work together and share information in complying with the reporting requirements under the FIP Results Framework. The challenge is getting all the development partners to agree to the use of the FIP results framework to report on all aspects of the REDD<sup>+</sup> programmes being implemented in the country.

Another opportunity is that the FIP Results Framework is such that it provides public sector agencies, private sector groups and civil society with better means of tracking progress made in the implementation of activities carried out under the different REDD<sup>+</sup> projects. It also helps in promoting service delivery, planning and allocating resources, and demonstrating results, which are agreed on prior to programme implementation as part of accountability to key stakeholders.

The challenge is how to manage the information resulting from the three different FIP projects such that they contribute to the achievement of the results framework presented in the Concept Note. This is a challenge because the three different projects is being developed by Government with the support of the different development partners at different times and rates of progress, instead of being developed together as envisaged in the Concept Note. This is largely due to the different project development processes of the three different development partners who are supporting project development under the FIP in the country.

Another major challenge which is envisaged to occur during the implementation of the FIP results framework is the high cost of data collection to satisfy the requirements imposed on countries under the Results Framework. Ghana therefore appreciates the current effort by Pilot Countries and Development Partners resulting in the reduction of the number of indicators for annual reporting and also made it easier and cost effective for countries to comply with the annual reporting requirements.

*Please provide an update on the status of your country's FIP projects involving the private sector (note: this includes public sector projects with a private sector focus).*

**PROJECT DESCRIPTION:**

The GFIP in Ghana targets three investment areas: (1) Mitigation actions related to forests; (2) Investments outside the forest sector, primarily agriculture and cocoa sector, necessary to reduce the pressure on forests; and (3) Institutional capacity including forest management and information. The GFIP puts emphasis on the catalytic and transformational role of the interventions. The GFIP is designed with the aim of benefitting from the specific experience of three Multilateral Development Banks (MDBs), namely; the World Bank (WB), the African Development Bank (AfDB) and International Finance Corporation (IFC), to add value and building on the potential complementarity and synergies of their respective expertise. The WB will support the development and implementation of Project 1 where the strength and expertise of the WB will add greatest value to the investment programme. Project 1 will be dealing with coordination and enabling policy environment, underpinned by land use planning, piloting tree and carbon tenure and Forest Reserve management models, and landscape connectivity models.

The African Development Bank (AfDB) has a long experience of involvement of local communities in sustainable resource management, both in agriculture and the forestry sector. AfDB will be responsible for Project 2, dealing with piloting innovative approaches and climate smart agricultural models in the agricultural sector, with specific emphasis on the cocoa farming system. The International Finance Corporation (IFC) has extensive experience working with investments in the private sector, including with multiple forestry companies in Sub-Saharan Africa. Project 3 led by IFC will seek to engage the private sector in a REDD+ investment program, as well providing technical assistance and capacity building. Project 3 will complement the interventions of the two other projects, especially from the investment, and financial and market incentives angle, and provided the basis for scaling up successful actions.

Currently, Project 2 is completed and will be submitted to the FIP Sub-Committee for approval and subsequently to the Board of AfDB for further approval. Project 1 supported by the WB and Project 3 supported by the IFC are being developed.

### **FINDINGS OF PREPARATORY STUDIES / OUTCOMES OF IMPLEMENTATION ACTIVITIES:**

Preparatory activities have included detailed consultations with and studies on the forestry private sector in Ghana. The FIP consultation process included discussions with the private sector (the timber industry, wood workers associations, plantation developers, cocoa farmers, and those involved in charcoal production, agriculture, and finance). It was noted that there was the need to operationalise policy actions and incentives that support the full engagement of the private sector in the implementation of the REDD+ projects. One of the major outcomes was that there was a myriad of small private timber dealers whose activities impact on the forests and who should be supported to contribute to the reduction in deforestation and forest degradation, including working towards carbon enhancement through forest and plantation development.

Currently, it is only Project 2, namely "Engaging Local Communities in REDD+/ Enhancing Carbon Stocks" (ELCIR+) that has been developed. The ELCIR+ design and implementation arrangement have retained the same stakeholder consultation structures that include the private sector, civil society and community organizations. Specific activities have been identified to strengthen the participation of the private sector in the implementation of REDD+ actions. In fact Component 1 of Project 2 is aimed at "Supporting Enabling Mechanisms for Local Community and **Private Sector Engagement** in Restoration of Degraded Forests and Agricultural Landscapes". The project is also aimed at promoting and developing mechanisms for capacity building for transparent governance, equity in benefit sharing and public and private sector participation in forest and wildlife resource management. The capacity of participating private sector groups would be built to enable them work with the decentralised forestry governance system at the local community levels to ensure transparency, accountability and equity in access and benefits in resource utilisation.

The projects that are being developed seeks to encourage increased private sector involvement in the promotion of pro-REDD+ activities, including private sector plantation activities. The projects have also focused on the promotion of private sector investment in international best practice plantations and community woodlots to reduce deforestation in charcoal producing areas. It further proposes the removal of the principal barriers and puts in place the needed

incentives for private sector involvement and investment in pro-REDD<sup>+</sup> activities.

### **CHALLENGES ENCOUNTERED AND APPROACHES TO ADDRESS THEM:**

The major challenge has been on how to sustain private sector interest in the development of the different projects. Where the benefits to them have not been substantial, the private sector have not show active interest in the development of the actions. Secondly, the representatives the private sector agencies send to the meetings to represent them have been officers of lower status who are unable to contribute effectively to the policy decisions. In order to address this challenge the project development team had one-on-one discussions and consultations with the senior officers of the companies on their premises.

### **TRANSFER/APPLICATION OF KNOWLEDGE/LESSONS/EXPERIENCE BEYOND FIP ACTIVITIES:**

Lessons learnt has been on project development since none of the projects have been approved for implementation. Lessons learnt which have been considered in the design and implementation arrangement for ELCIR+ (Project 2) include: (a) importance of benefit sharing schemes for plantation development in degraded areas for sustainability (b) the need for enhanced access to improved seed varieties, farm land and extension services (c) institutional and community capacity building as an important building block for sustainability of project outcomes (d) alternative livelihoods/improved incomes through seedling sales, processing and value addition. Lessons learnt also include the need for linkages of knowledge generated at local level to policy development processes and overall natural resources governance, including adopting the low carbon green economy being implemented at the national level to the FIP Programme development.

*Please highlight any additional advances, challenges, lessons, or impacts you want to share from your FIP activities that have not otherwise been addressed in this update.*

The additional challenges encountered are as follows:

#### **1. DEVELOPMENT OF THREE PROJECTS UNDER THE FIP AT DIFFERENT TIMES**

The three projects under the FIP are being developed at different periods and therefore there has been a challenge in integrating activities aimed at the private sector in the different projects. Ensuring that there is no duplicity in actions to support the private sector has remained a challenge.

#### **2. MANAGING EXPECTATIONS OF THE DIFFERENT STAKEHOLDER GROUPS.**

The expectations of the different stakeholders are different and that has impacted on project development. For example, the expectation of the private sector is that the FIP will lead to an expansion of trade especially access to European and American markets for their wood products. The public sector are concerned with capacity building, whilst the Traditional Authorities and local community groups are interested in increased benefits to them. Managing such different expectations have proved in some instances to

be difficult resulting in conflicts.

3. **CHALLENGES IN COORDINATION OF DEVELOPMENT PARTNERS:** The challenge is that development partners are not speaking with one voice with respect to the priority areas facing the Forestry and Environment Sectors in Ghana and on how to address these challenges. Whereas there seems to be an active Government of Ghana and Development Partner collaboration in the development and implementation of the GFIP, there seems to be little coordination between bi-lateral and multi-lateral donor interests, leading to differences in policies and priorities.

#### **Annex 1: List of Key Stakeholders who have participated in the FIP process**

<b>NO.</b>	<b>ORGANIZATION</b>
1	Forestry Commission (FC), Headquarters, Accra
2	Forest Services Division (FSD) of the Forestry Commission (FC), Accra
3	Wildlife Division (WD) of the Forestry Commission (FC). Accra
4	Timber Industry Development Division (TIDD) of the Forestry Commission (FC), Takoradi
5	Resources Management Support Centre (RMSC) of the Forestry Commission (FC), Kumasi
6	Climate Change/REDD <sup>+</sup> Unit of the Forestry Commission (FC), Accra
7	Forestry Research Institute of Ghana of the Council for Scientific and Industrial Research (CSIR-FORIG), Kumasi
8	Crops Research Institute of the Council for Scientific and Industrial Research (CSIR-CRI), Kumasi
9	Soil Research Institute of the Council for Scientific and Industrial Research (CSIR-SRI), Kumasi
10	National Forest Forum, Kumasi
11	Food and Agriculture Organisation (FAO), Accra
12	International Union for the Conservation of Nature (IUCN-GFP), Accra
13	National Development Planning Commission (NDPC), Accra
14	Ministry of Finance (MoF), Accra
15	Ministry of Lands and Natural Resources (MLNR), Accra
16	Ministry of Environment, Science, technology and Innovation (MESTI), Accra
17	Ministry of Food and Agriculture (MoFA), Accra
18	Ministry of Local Government and Rural Development (MLGRD), Accra
19	Ghana Timber Millers Organisation (GTMO) grouping over 50 timber processing

<b>NO.</b>	<b>ORGANIZATION</b>
	companies, Kumasi
20	Furniture and Wood Workers Association of Ghana (FAWAG), which groups over 100 furniture producers across the country, Kumasi
21	Ghana Timber Association (GTA) grouping over 30 timber harvesting companies, Kumasi
22	Form Ghana, which is a commercial plantation developer, Berekum
23	FC/Industry Plantation Development Group, which is a commercial plantation developer, Kumasi
24	Traditional Authorities; over 20 Chiefs of some of the communities in the three (3) pilot areas have been consulted
25	Civil Society Groups. Several CSOs have been consulted in the preparation of the Concept Note of the FIP.
26	Non-Governmental Organisations (NGOs). Over 25 NGOs located within the three pilot areas were consulted in the preparation of the Concept Note of the FIP.
27	Local Community Groups, including Taungya Groups and Community Resource Management Area (CREMA) groups. Over 30 of such groups have been consulted