

Carbon Fund Participants' Consolidated Comments on Ghana's Advanced Draft ER-PD

The FCPF Carbon Fund Participants (CFPs) congratulate Ghana on the preparation of a detailed ERPD. CFPs appreciated the acknowledgement of remaining challenges to implementing the ERP. Further, CFPs were encouraged by the TAPs assessment that Ghana has come a long way in meeting the criteria and indicators in the Methodological Framework, even though some issues still remain.

CFPs recognise the important nature of some of the issues highlighted below and recommend that Ghana takes sufficient time to adequately respond to the comments before submitting its final draft.

CFPs found the Carbon Fund TAP Assessment helpful, and we agree with many the findings of this review. **We urge Ghana to address the sections of the ER-PD that have been identified by the TAP as not currently compliant with the Methodological Framework.** Several issues would need improvement and clarification before CFPs could consider the ERPD. In particular, we wish to highlight the following areas:

Carbon Accounting

- On Forest monitoring/Reference level/MRV, the advanced draft ER-PD from Ghana indicates that a lot of technical work has been done but that some work is still needed. This is underlined by the TAP assessment, that assess several indicators as met. The following are a few comments from the CFPs on what we see as remaining carbon accounting issues.
- Several forest types ("open" and "closed") in several ecological zones, and with several post-deforestation land uses are proposed for the accounting. Such level of detail might be challenging to detect with a mainly medium resolution satellite imagery based approach applied, and it was not clear to CFPs exactly how the classes were treated in the analysis (e.g. how the nine land-uses were spatially estimated for each time period and how land cover trajectories were treated). The negative TAP assessment of indicators 6.2, 7.2, 8.1, 9.1 and 9.2 is relevant in this regard. The TAP also points out that it is not clear how Ghana has calculated the overall uncertainty for the numbers, so this should also be clarified in a revised ER-PD. A clear description of how closed and open forests are separated is also lacking in the ER-PD, and this needs to be added.
- More justification for the inclusion of different carbon pools for each REDD+ activity is encouraged in the final ER-PD.
- Relevant to the above; A proper accuracy assessment of the change detection will be paramount. This accuracy assessment should utilize higher resolution imagery and the available ground data. The ERPD sends mixed messages in this respect, but one

table provided (p. 90f.) focuses on the accuracy of classification of different land cover classes (which is a bit above 80%) – most likely this will result in (very) low accuracies for change detection when several maps are compared.

- Reference period – Ghana argues that a reference period ending in 2015 should be accepted. The argument presented is that this will lead to a somewhat higher reference level than if an end date that is compliant with the MF is used. CFPs do not consider this justification to be in line with the intention of the relevant indicator in the MF, and would propose that the end date is set in e.g 2014. Further justification should also be provided for the choice of a 15 year reference period.
- We note that in some cases, the deforestation of open natural forest followed by establishment of tree based agricultural crops (like citrus, palm oil, rubber etc.) resulted in net removals, and not emissions. Ghana proposes to account this as a conversion category that results in 0 emissions/removals. While this can be interpreted as conservative (i.e. not being "rewarded" for this net removal), it also poses the risk that natural forest could be substituted by agricultural land, as there would be no "penalty" in the accounting for such substitution. E.g. the Chile ER-PD assumes plantations substituting natural forest to have 0 carbon stock in order not to incentivize such substitution, and this is deemed a more suitable approach to ensure environmental integrity.
- While the legal logging indicator of degradation seems to be developed on a strong data basis, the indicators for fuelwood and illegal logging are more uncertain. The reference level for these two indicators are based on measurements done in a single year, and not on a full reference period containing several data plots. Using a single year as the basis for a reference level is challenging, as there is always the risk that the single year used is not representative for the past or the future. CFPs would encourage Ghana to explore if there are other possibilities of estimating historical levels of these emissions. Given the significant volume estimated for illegal logging, special attention should be given to this indicator.
- Ghana is seeking enhancement ERs from removals following establishment of commercial tree plantations. It is stated that accounting will be simplified by assuming that "committed removals" are accounted in the year of plantation establishment. This may be problematic, as ERs are then "front loaded" in the accounting, meaning that ERs are brought to market before we know how successful the plantations are in terms of growth, survival etc. Please note that the TAP of Vietnam voiced concern about this approach as not being IPCC compliant. CFPs note that the approach should be revised to be IPCC compliant.

Safeguards

- Indicator 24.1/25.1: There is hardly any information on the design, state of development and institutional set-up of the future Safeguard Information System

(SIS). As the establishment and operationalization of a SIS involves more than the so far commissioned consultancy, there should at least be provided a timeline for further milestones.

- Indicators 24.2/25.1: The ESMF prepared should serve as guidance for site-specific Safeguards Plans to manage environmental and social impacts of the ERP. However, the ESMF is not yet readily applicable in practice: Risks/concerns and mitigation measures are not clearly attributed to REDD+ activities (tables 5 and 6). Breaking down the information e.g. in a flow-chart, showing how and in what sequence mitigation responses are triggered, would be very helpful and would make sure that project managers and field staff could, whenever necessary, draft and apply sound Safeguards Plans.
- Indicator 26.1: there is little description of the final Feedback and Grievance Redress Mechanism specific to the ERP area, and no information on the availability of expertise and resources for the FGRM's operation in this area. As the ERP lacks the description of specific benefit-sharing arrangements, no reference on the FGRM's functioning in this context can be made
- In the next version of the document we would expect more details and information on the benefit sharing plan (at least as a further developed draft).

Sustainable Program Design

- While the TAP qualified indicator 27.2 (measures and drivers) as met, it mentions a "significant degree of uncertainty" and also mentions under 2.1 that from existing data conclusions could be drawn that cocoa is not the most significant driver of deforestation. We therefore have doubts that this indicator is met and would like to ask Ghana to clarify the significance of this driver
- One of the identified barriers to the implementation of multi stakeholder programs, such as the REDD+, in Ghana is the lack of coordination and planning amongst implementing agencies, companies, organizations and governance bodies across cocoa and forestry sectors. The responsibility for coordinating the GCFRP should be clearly spelt out to ensure the success of the program.
- As the increase in domestic demand is cited as a key driver, Ghana could have described more of their efforts under the VPA that they are implementing to increase the legal supply of timber. For instance, Ghana has drafted a public procurement policy, is working together with timber associations to help chainsaw loggers to understand legal requirements, and to encourage their registration. Also, there are a number of social aspects in the VPA process that are relevant for benefit sharing, such as social responsibility agreements as a focus area in audits and enforcement.
- Illegal small scale gold mining (Galamsey) and illegal chainsaw operations are major drivers of deforestation in Ghana. These activities have resulted in the destruction of large tracts of cocoa farms and forests. Galamsey and chainsaw operations therefore

have the potential to undermine the successful implementation of the program and achievement of desired results. More attention should be given to this driver in a revised ER-PD. This was also highlighted in the CFPs comments to the ER-PIN.

- The GCFRP program is proposing to set up a multi-ministerial task force and Rapid Response Unit teams to address these issues. In Ghana however, task forces and rapid response teams have typically not been effective in carrying out their mandate due to a variety of reasons, including corruption. The Government of Ghana should be encouraged to explore other options to address this challenge. For instance, a more comprehensive multi-stakeholder approach and mechanisms to allow local communities to request more accountability and to encourage them take action against such illegal activities could be considered.
- Major private sector actors have indicated their willingness to participate in the program implementation. This is important since private sector involvement in the program may be instrumental for successful implementation. However, most of the private sector actors currently identified are foreign owned companies. How will local private sector actors get involved, as this may help in securing the long term sustainability of the program and its results?

ER Program Transactions

- To encourage community involvement and private sector investment in the program implementation, modalities relating to ownership of carbon credits transactions should be clearly spelt out. Carbon credit trading is a new phenomenon in Ghana and so there is the need for clarity and education regarding various aspects of the trade, particularly as it relates to benefit sharing.

Other issues

- The volume of ERs Ghana expects to generate is not very high. Ghana expects to reduce emissions by a bit more than 1 million tons per year as compared to a approx. 46 million ton/yr reference level. However, as the TAP points out, is the last few years' high deforestation rates are descriptive of the coming years, the reference level can still be considered quite ambitious. However, it would be interesting to hear from Ghana if the volumes foreseen are considered a viable financial volume for this program to be attractive. The expected price seems to be 10 USD/ton, and as this is above the currently stated willingness to pay, and this also relates to the attractiveness/viability question.
- More information should be given on the financing plan for the program. How will sufficient volumes of finance be mobilized? The program seems to expect a price premium for the cocoa produced in the program area, and as such, will be an important source of finance. How realistic is this expectation?