



Forest Carbon Partnership Facility

GHANA ER-PIN

Ghana's Emission Reductions Program for the Cocoa Forest Mosaic Landscape

(Ghana's Cocoa Forest REDD+ Program)

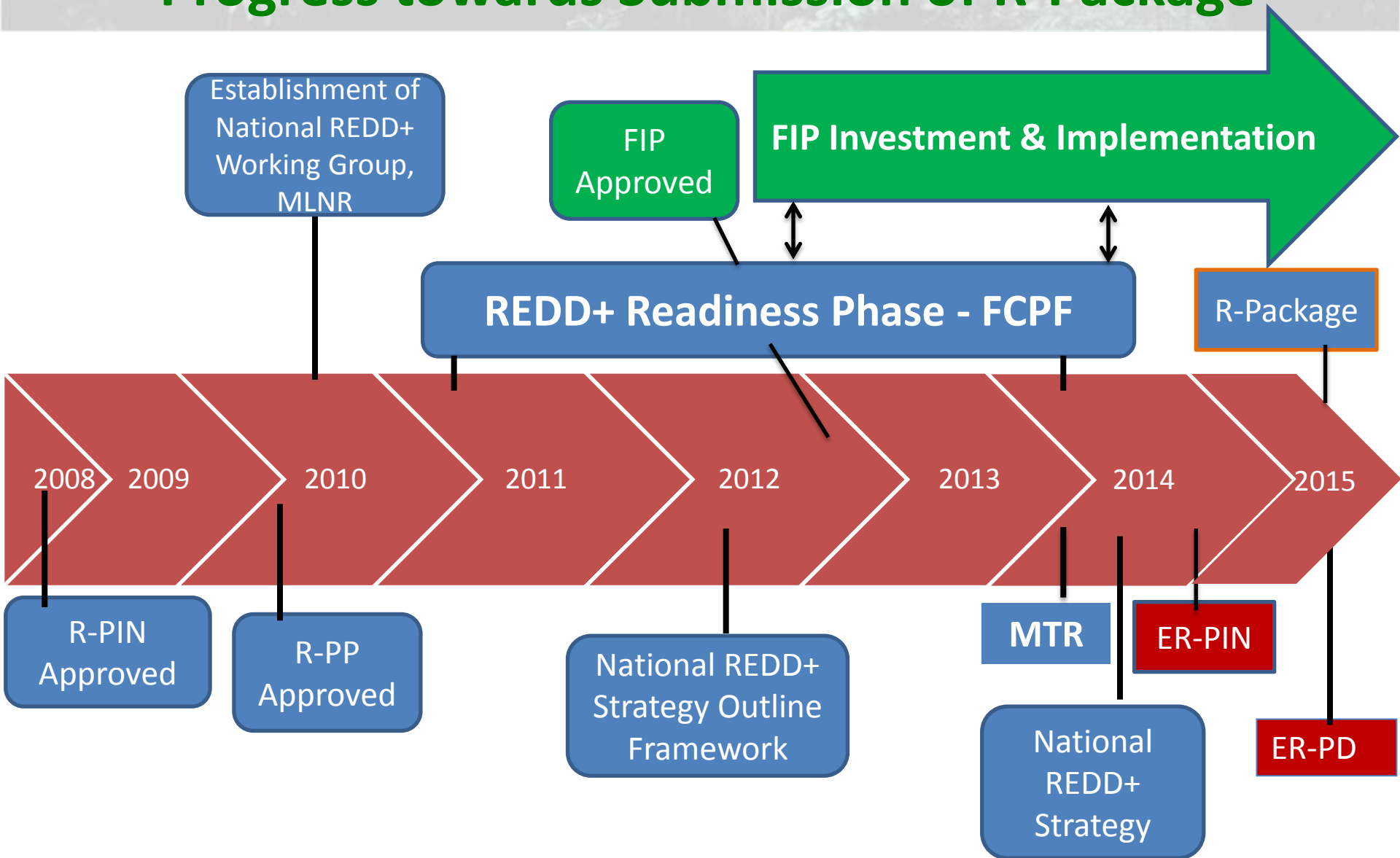
Ninth Meeting of the Carbon Fund (CF9)

Brussels

April 9-11, 2014

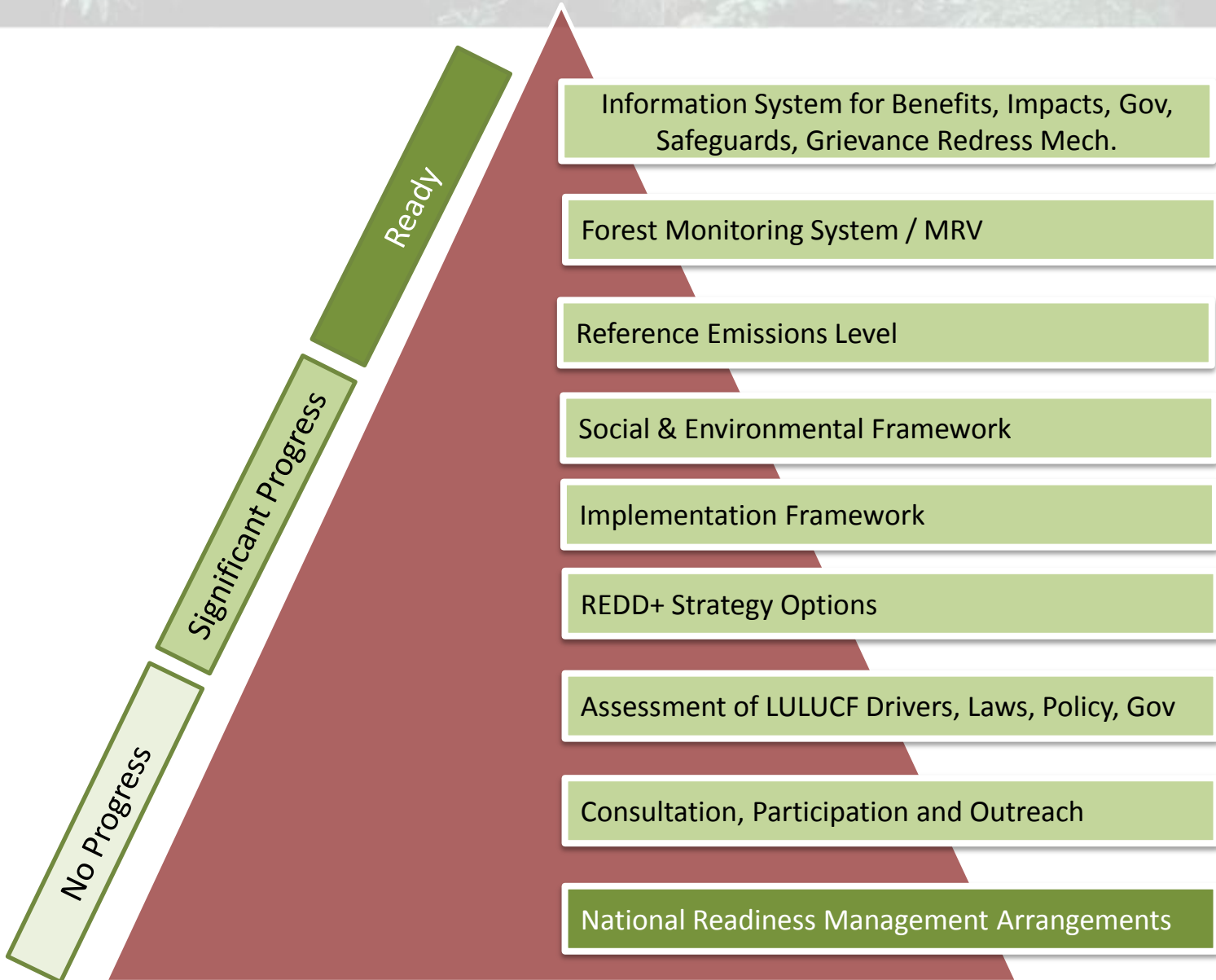
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Progress towards Submission of R-Package



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Progress towards Readiness

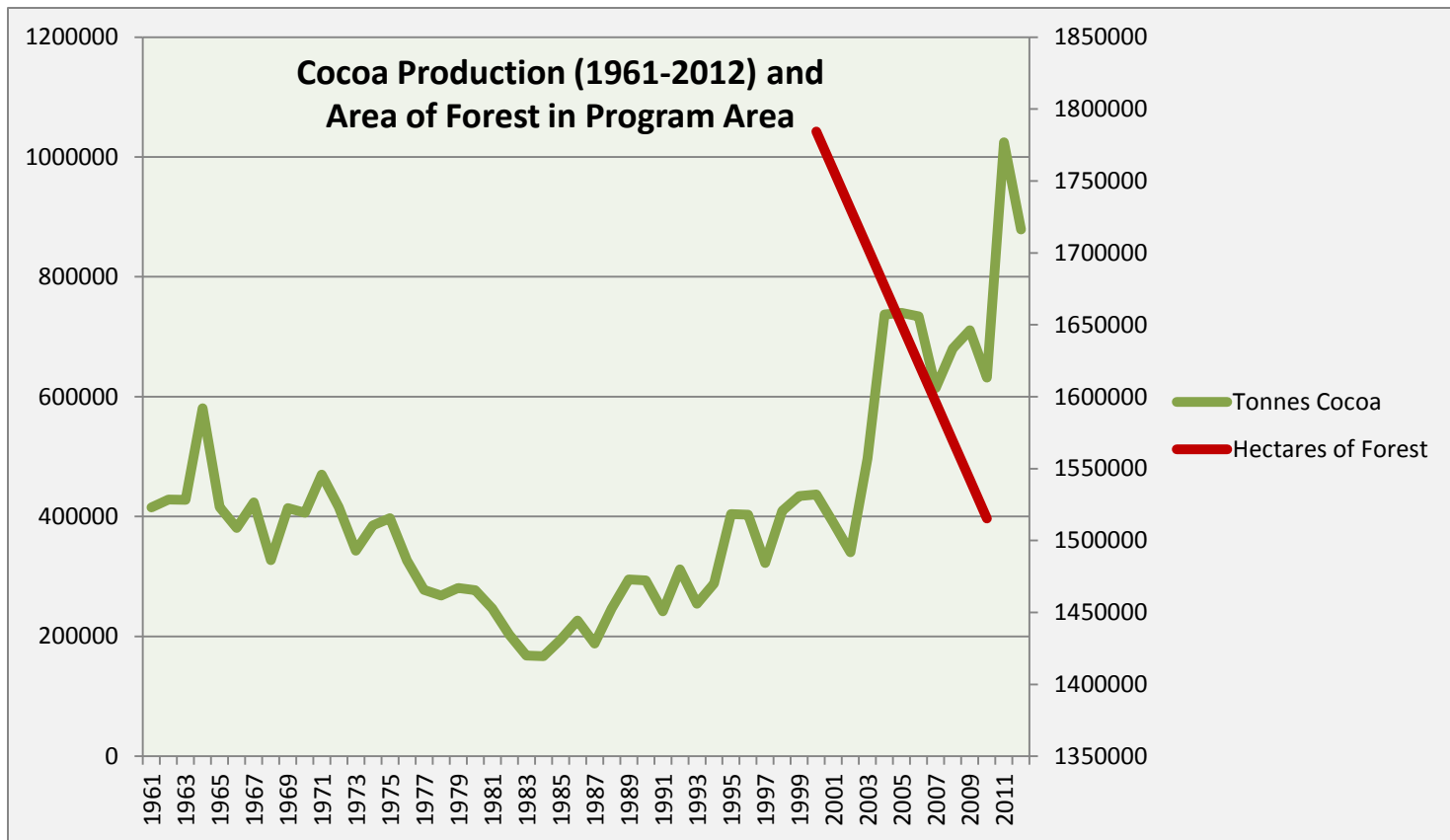


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Context of ER Program Idea

- Over the past century, Ghana's economic growth, largely driven by agriculture and timber production, has come at a huge cost to its forests .
- Ghana's R-PP identifies cocoa farming as the dominant driver of deforestation, followed by other agriculture & by illegal logging.
- In 1911, Ghana became the global #1 producer of cocoa and had approx. 8.2 million ha of high forest.
- 100 years later, Ghana achieved a cocoa production milestone—1 million tons and one of the top global cocoa producers!
- But area of forest reduced to 1.5 million ha.
 - Mainly gazetted forest reserves.
 - Majority are partially to mostly degraded

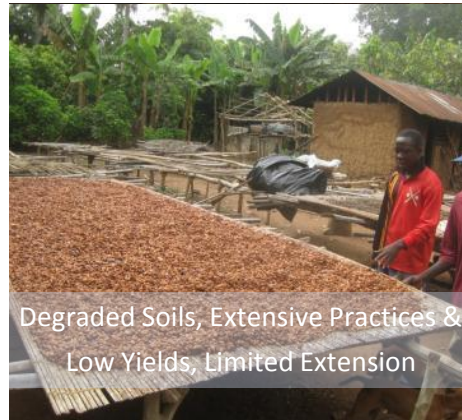




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Context of ER Program- BAU Scenario

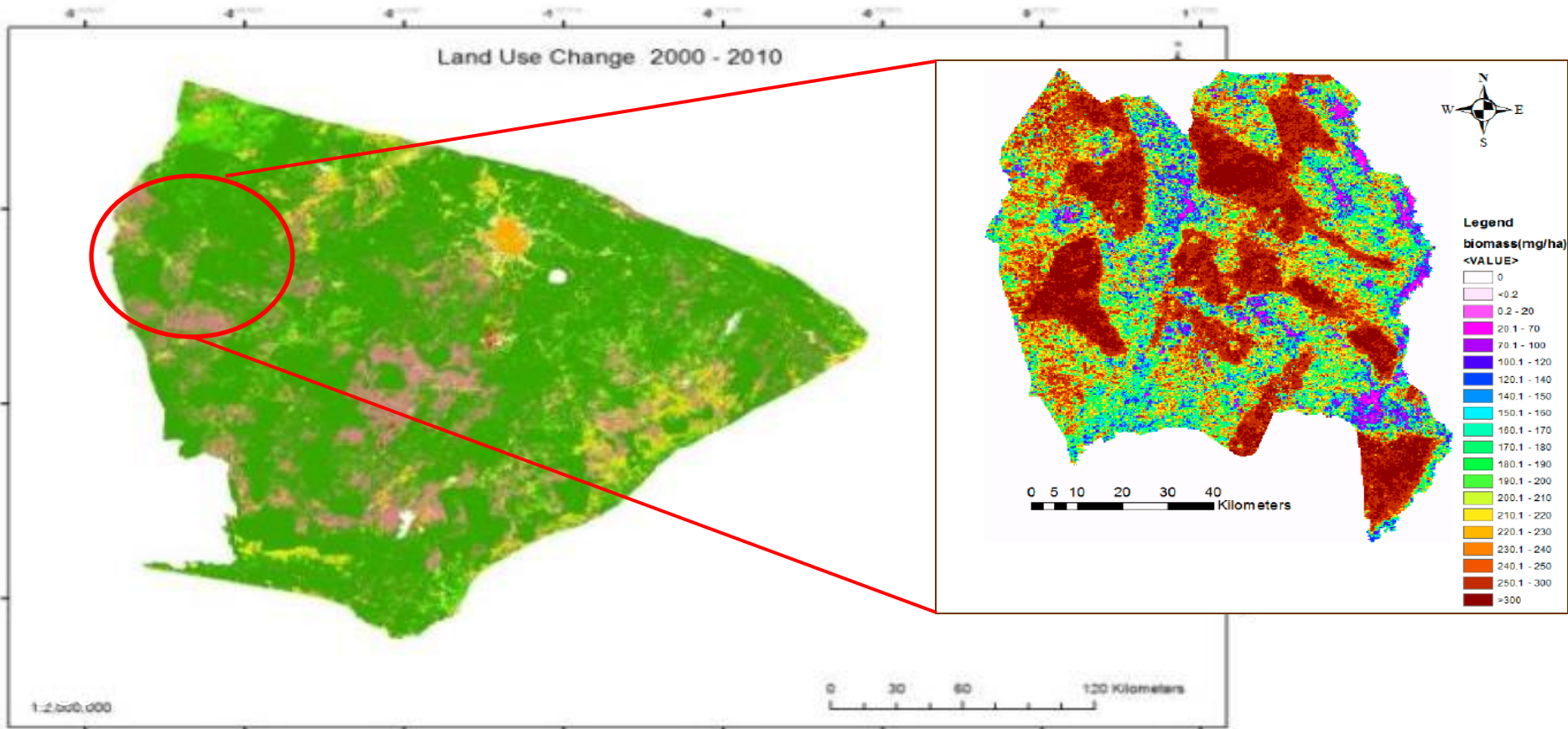
- Forest loss due to expansive practices and encroachment from cocoa farming & other crops.
- Decades of over-harvesting.
- Weak forest law regulation & enforcement.
- Reduction in number of trees in farmers keep in the agricultural landscape.
- Culminating in decline in timber production and loss forest ecosystem services to cocoa.
- Timber exports declined from \$383 million in 2009 to \$ 137 million in 2011.
- Cocoa production declined 2012 due to lack of rain

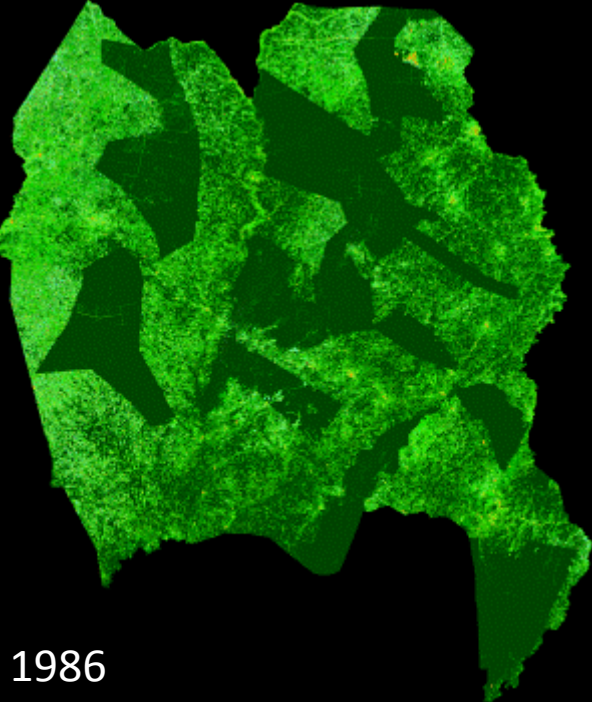


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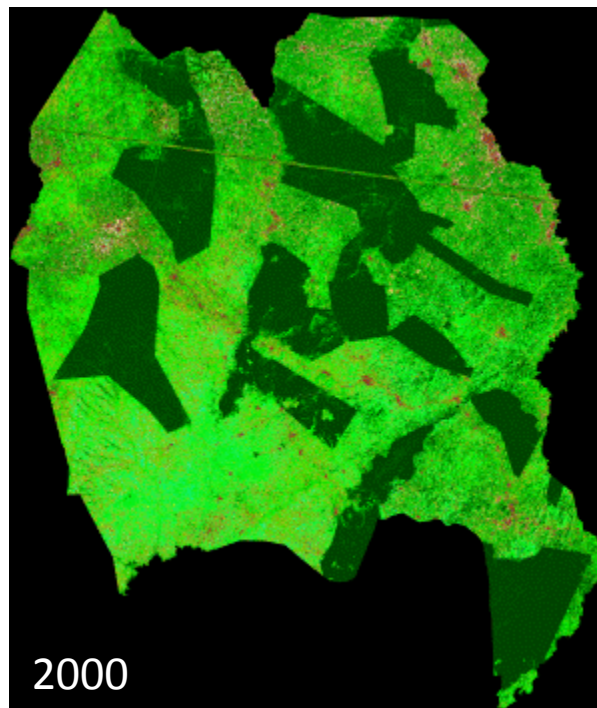
ER Program Idea Background- Cocoa Driver

- 10 year historical (2000-2010) deforestation rate of **1.4%** per year within ER Program area.
- 820,000 ha forest lost over this time period
- Strong evidence of degradation in sub-landscape

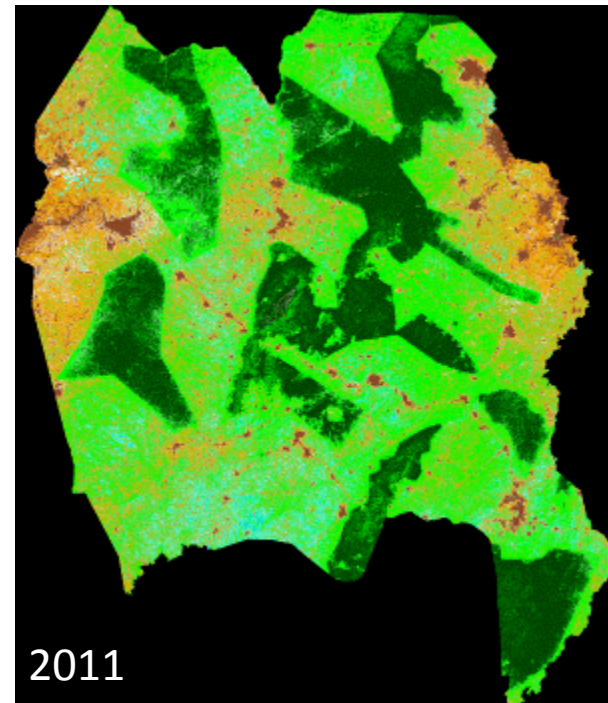





2.8% deforestation rate




6.1% deforestation rate



- Forest ●
- Shaded Cocoa ●
- No Shade Cocoa / Bush Fallow ●
- Agriculture ●
- Settlement ●

Over past 25 years 4.3%

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Evolution of ER Program Idea

Recognition that tackling the problem requires a landscape scale, cross-sector, multi-institutional, public-private approach

- Early 2012, Ghana began to explore a programmatic approach with the Carbon Fund
- Early 2013, REDD+ Secretariat convened a series of strategy sessions to draft Ghana's vision for an Emission Reductions Program in line with REDD+ Readiness and the FIP.
- 2013 / 2014 series of consultations with broad range of stakeholders
- Early 2014 ERP formally endorsed by the MLNR, and Cocoa Board and Forestry Commission took historic decision to work as co-proponents.
- Given mosaic nature of the landscape and the clear drivers, only at programmatic level can Ghana have impact in reducing deforestation.

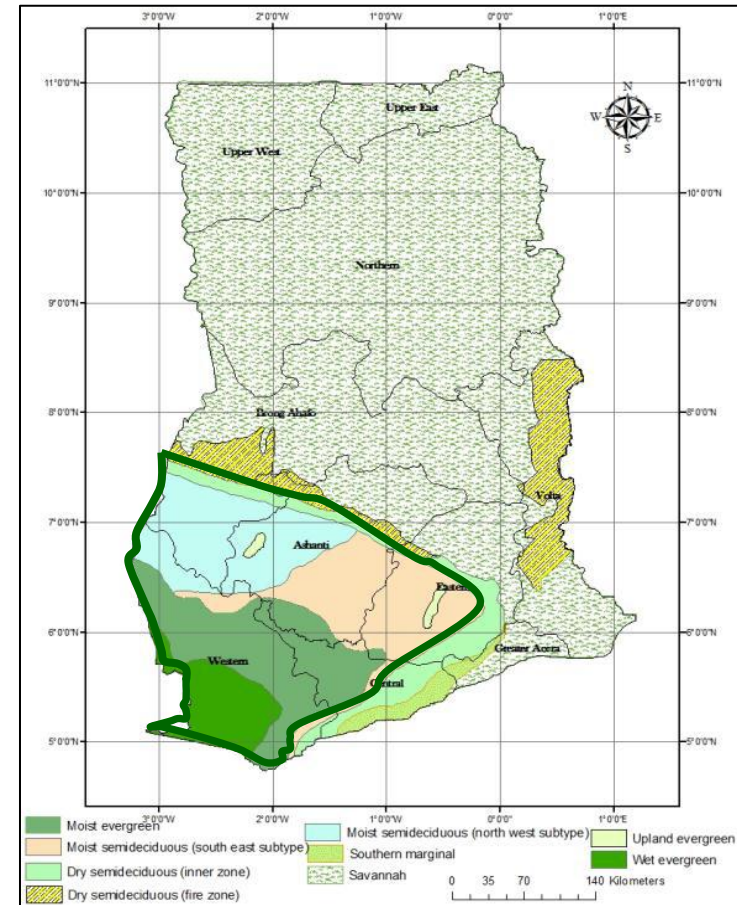


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Significant Scale

Ecological Sub-National Approach

- High Forest Zone Eco-Region- 5.9 million ha (25% of national land area)
- Mosaic landscape that produces commodities of international and national importance- cocoa, timber, palm oil, food crops
 - Cocoa = 1.8 million ha
 - Forest Reserves & National Parks = 1.6 million ha
 - Food Crops & other Tree Crops = 1.5 million ha
- Overlaps 5 administrative regions
- Population of approx. 18 million people
 - 50% in rural areas
- Global biodiversity hotspot- Guinean Forest
- Range of institutions engaged in landscape
 - **Ghana Cocoa Board**
 - **Forestry Commission**
 - **Ministry of Lands & Natural Resources**
 - Other Gov institutions: MoFA, MLGRD
 - Private Sector: LBCs, Input supply
 - Civil Society / Farmer Associations
 - Nat'l House of Chiefs
 - Research & Academia



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Program Highlights

The program seeks to significantly reduce emissions driven by expansion of cocoa into forest areas, coupled with illegal logging. By tackling these drivers, Ghana aims to secure the future of its forests and significantly improve income and livelihood opportunities for farmers and forest users.

Strengths

- Commitment & range of stakeholders
- Political & private sector support
- Alignment with REDD+ and FIP
- Thorough understanding of drivers
- Strong focus on landscape planning
- Strengthening forest law enforcement
- Enhance forest integrity

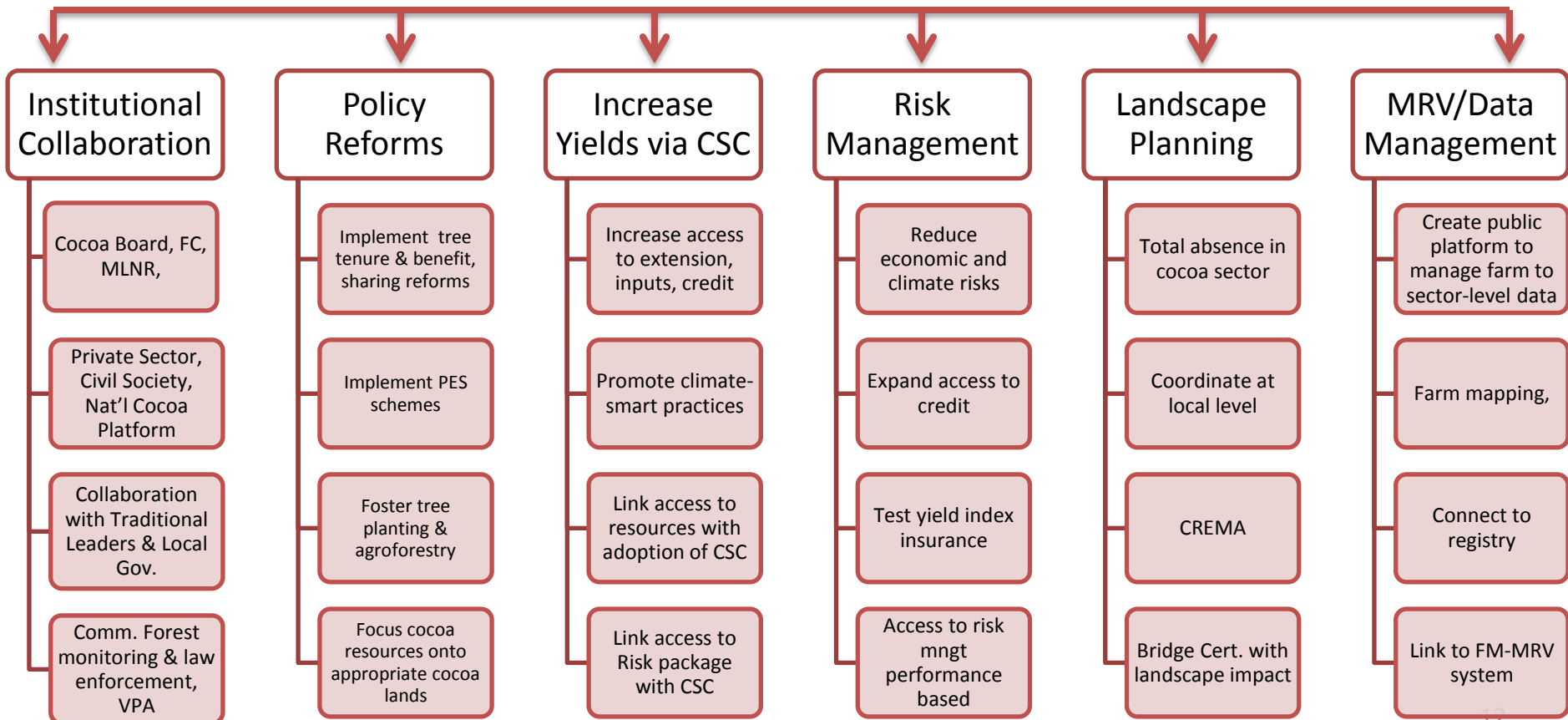
Uniqueness

- Eco-zone approach
- Forest & commodity focus
- Breakdown institutional silos
- Private sector & civil society engagement opportunity
- Coupling access to farming resources with adoption of climate-smart practices, resulting in emission reductions.

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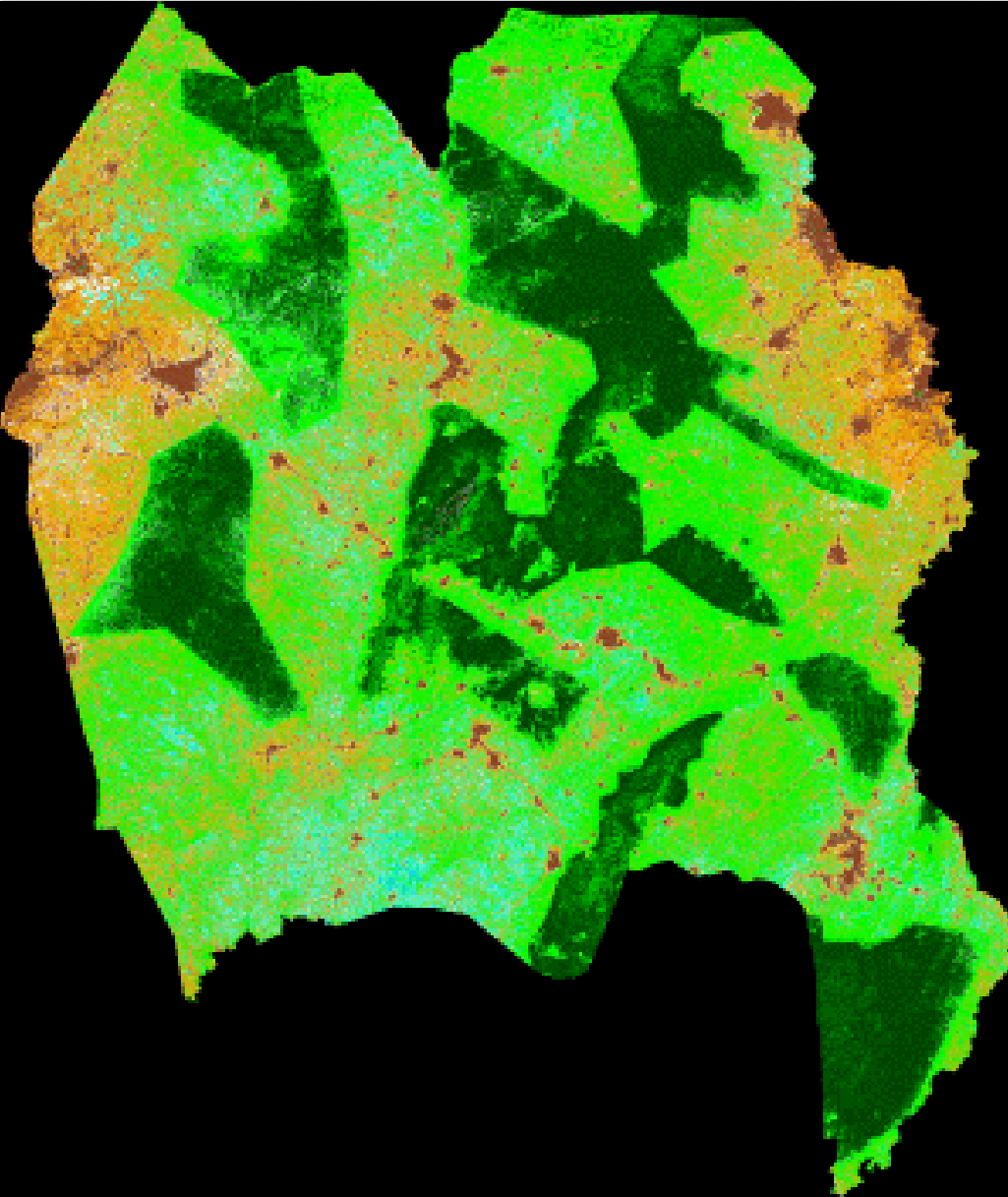
Program Highlights- Activities

- Broad interventions & activities to reduce emissions from **cocoa**, other **agricultural** drivers, and **illegal logging**.
- In isolation, no single measure can be effective to increasing sustainability and achieving desired state. Must be implemented in concert!



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Scenario in a Sub-Landscape



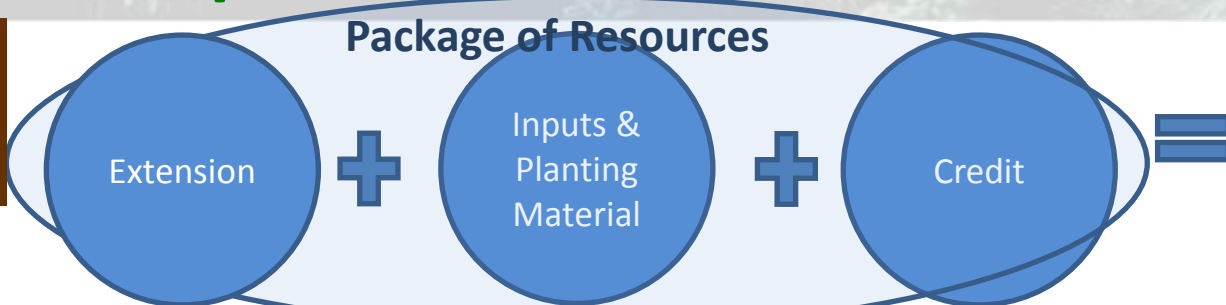
- Dominant forest-cocoa mosaic landscape
 - Ave. yield <400 kg/ha
 - Majority of farmers very limited access to resources
- 6 District Governments
- 5 Paramunicipalities
- 10 Forest Reserves
- 1 National Park
- 3 CREMAs being implemented
- 5+ Licensed Buying Companies
- 2 Trading Company
- 1 Farmer Association focused on yield increases
- Certification standards being implemented- limited scale
- **Deforestation rate increasing**

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Implementation in a Sub-Landscape

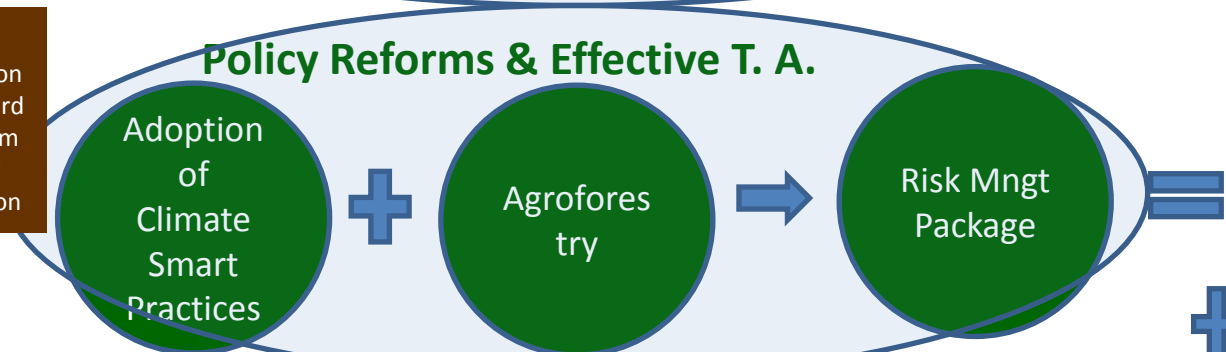
Cross-sector, Institutional Collaboration

LBCs
Certification
Cocoa
Board



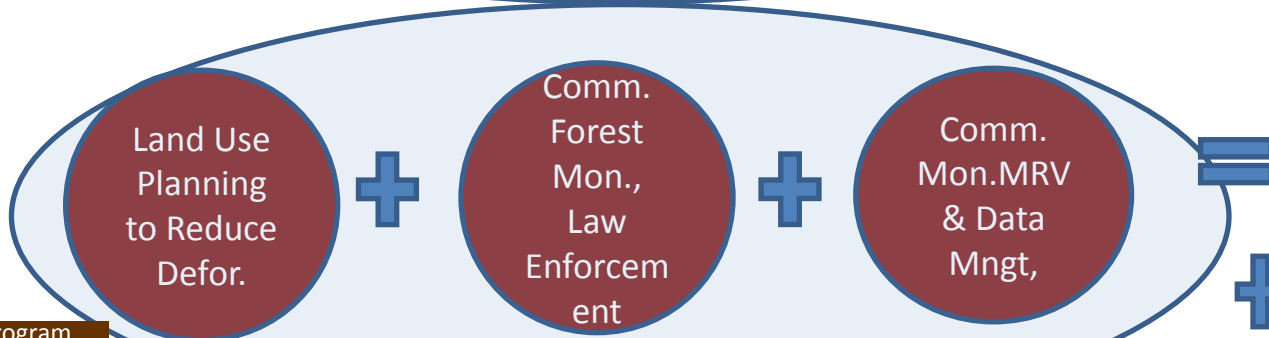
Yield Increase

LBCs
Certification
Cocoa Board
ER Program
Forestry
Commission



Climate Smart
Cocoa

ER Program
Civil Society
Forestry
Comm
DA
TA
Cocoa Board

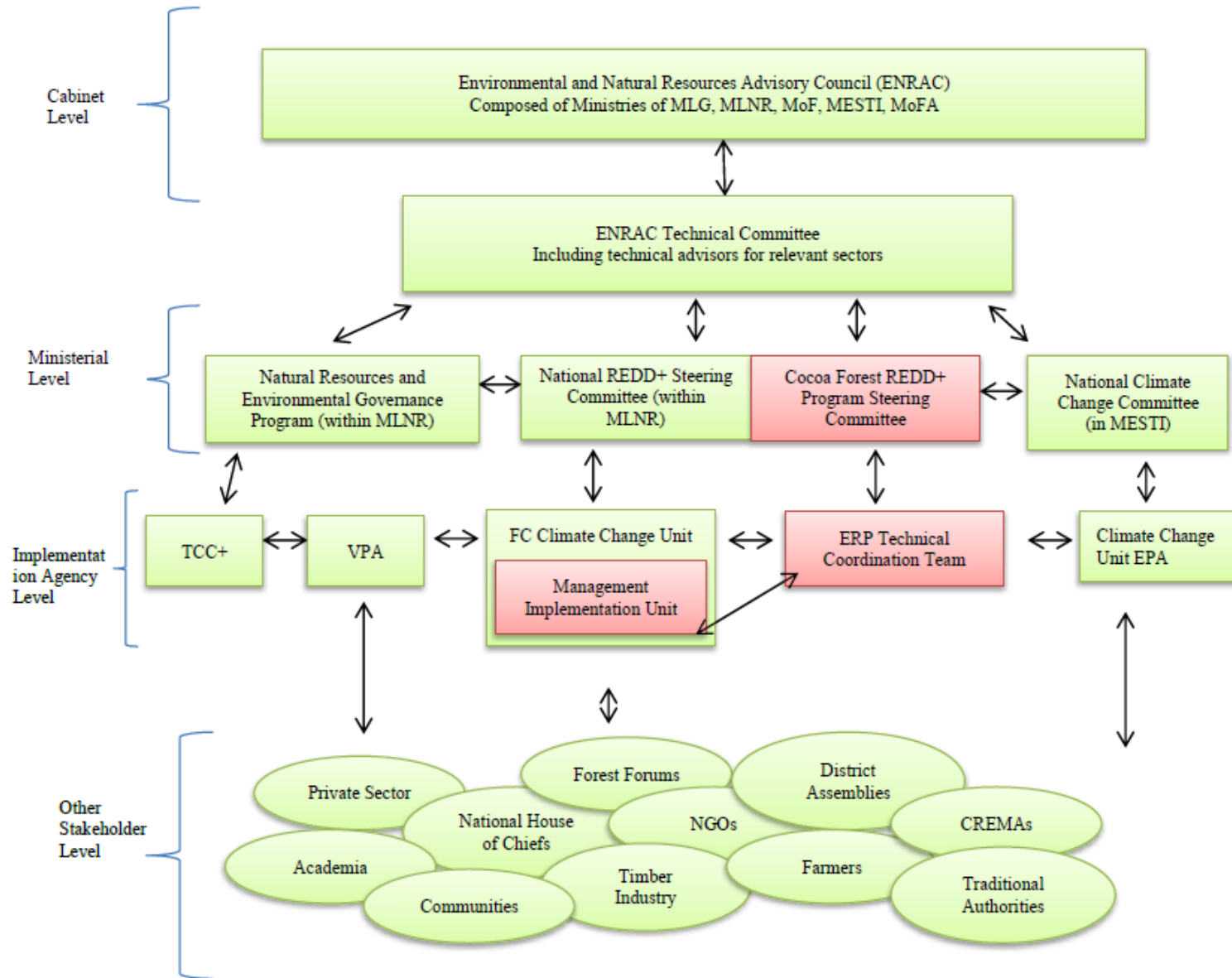


Emission
Reductions

Improved Livelihoods
Biodiversity
Sustainable Landscape
Strengthened Tenure

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Program Implementation Structure



Steering Committee

- Cocoa Board (Co-Chair)
- Forestry Commission (Co-Chair)
- MLNR

ERP Tech. Coord. Team

Relevant stakeholder reps

- Gov Ministries
- Minerals Comm.
- Div of FC
- Dept. of Cocoa Board
- Community
- CREMAs
- Traditional Authority
- Cocoa LBC / Input
- Nat'l Cocoa Platform
- Academia
- Districts

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Emission Reductions Generated

Program's FRL over twenty years (2016-2036), based on a 10 year historical average (2000-2010).

598,2 MTCO₂e

Anticipated emission reductions up to 2020

18,5 MTCO₂e

ER Program's total anticipated emission reductions up to 2036 (45% effectiveness)

255,0 MTCO₂e

** Early estimate, to be revised as FRL takes shape*

Anticipated ERs calculation: ((Area of deforestation by forest type x emission factor by forest type) - residual carbon stock) x ER program effectiveness factor

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Political commitment

Highest Levels of Support & Endorsement



NRAC & TCC+



Ministry of Finance



Forestry Commission



Cocoa Board



Ministry of Lands & Natural Resources



National House of Chiefs



Civil Society- Solidaridad / UTZ, Rainforest Alliance / SAN, National Cocoa Platform, IUCN-NL, SNV, NCRC



Private Sector- Olam, Touton, PBC

GHANA ER-PIN Consultations

MONTH	ACTIVITY/IES	DATE	PARTICIPANTS	MAJOR OUTCOMES
April, 2013	Development of Ghana's Vision for ER program – Initial Discussions/ consultations	10 th – 11 th	CCU/ CRIG/ FORIG/ EPA/ NCRC/ REDD+ Pilot Proponents/ Consultants	Vision document prepared
May – November, 2013	Various meetings and consultations with key stakeholders		World Bank/ OLAM/ COCOBOD/ Cocoa Abrabopa Assoc./ Climate-smart Cocoa Working Group	Buy in of key stakeholders
December, 2013	First technical session of the Ghana Cocoa platform	6 th	Consultant/ Farmer cooperatives/ COCOBOD	Four (4) Thematic Technical Committees set up
January, 2014	Meeting between CCU and Consultant	7 th	CCU/ Consultant	Consultant engaged
	Constitute and write to Drafting Team (DT)	14 th	CCU	Letters issued to DT members
	Meeting with Cocobod Officials	17 th	CCU/ COCOBOD/ Consultant	
	Preliminary briefing meeting for DT	21 st	Consultant/DT	Presentations
February	1st Working Session on ER-PIN Template	4th-7th	CCU/ CRIG/ MLNR/ COCOBOD/ FORIG/ RMSC/ Consultants (ER-PIN, MRV, SESA, Strategy)	Updated ERP vision document/ ER-PIN template
	ERP Multi-Stakeholder Workshop in Accra	14 th	See attached list of participants.	Workshop report/ presentations
	2nd Working Session on ER-PIN Template	17 th - 21st	Consultant/DT	Updated ER-PIN template
	FCPF Mission & ER-PIN Drafting Team Meeting	21st	WB/CCU	Updated ER-PIN template/ presentations
	High Level Meeting on Cocoa REDD Program	26th-27th	CCU/Cocobod/ relevant ministries and government agencies/ civil society/ private sector/ traditional authorities	Workshop report/ Communique/ presentations
March	3rd/Final Working Session on ER-PIN	4th-6th	DT members/ consultants	Final draft of ER-PIN
	Submission of ER-PIN to FCPF	7 th	CCU	ER-PIN submitted

- Building off of strengths of consultation process during REDD+ Readiness
- Broad consultation of all stakeholders for ER-PIN
- Strong focus on Traditional Authorities
 - T.A. own the land
 - Gov has economic management rights to the resources (timber)
 - To be determined, but Chiefs will likely need to transfer title to ERs to Government



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Non-carbon benefits

Livelihoods

- 800,000+ cocoa farm families
- 30% of Ghanaians rely directly upon the sector
- Increase access to farming resources
- Doubling yield = \$650/ha/yr.
- At scale, over 10 years, could result in \$4.3 billion in additional revenue for farmers.
- Women represent 25% of cocoa farmers, but disproportionately low access to cocoa resources, which program would address.

Tenure & Rights

- ER Program & FIP create political momentum to implement policy reforms.
- Strengthen land tenure at local level.
- Secure farmers and land owners right to manage & benefit from trees on-farms.

Sustainability & Security of Supply

- Enhance integrity of forests
- Cocoa threatened by climate change & loss of forest ecosystem services.
- Reducing deforestation and climate-smart production systems will enhance resilience & adaptive capacity of agriculture in the landscape.
- Secure cocoa beans for global supply chain- \$120 billion/yr industry

Biodiversity

- Program area encompasses national parks, GSBA, biologically diverse Forest Reserves.
- Guinean Forest Biodiversity Hotspot.
- Numerous threatened and endangered species.
- Maintaining forest and trees is good for biodiversity in the landscape.
- Reduce landscape fragmentation

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Diversity and Learning Value to CF Portfolio

Diversity

- *Eco-region program approach.*
- *Program that is targeting its biggest driver—expansion of cocoa farms into gazetted forests.*
- *Strong private sector interest and engagement driven by demand for a global commodity.*
- *Role of Community Resource Management Area (CREMA) and Traditional Authorities*



Learning Value

- *Test of how to change the negative relationship between forests & small-holder tree crop / agriculture production systems.*
- *Learning opportunity- models of institutional collaboration and cross-sector engagement in the landscape.*
- *Learning from and expanding the approach to support emissions reductions in forest and non-forest areas at scale*
- *Testing sustainable commodity supply chains— REDD+ cocoa beans*



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Consistency with Methodological Framework (1)

Level of Ambition

- Captures majority of national strategy options
- Targets main drivers of deforestation
- Multi-institutional, cross-sectoral, public-private, multi-scale approach
- Aims to reduce 255 MTCO₂e emissions
- Accounting area covers significant scale- 5.9 million ha
- Eco-regional (sub-national) approach covers 5 forest eco-zones

Carbon Accounting

- ER Program MRV system will be nested within and based upon national MRV system.
- Reference period from 2000-2010. More recent data points will be included, as more recent data becomes available.
- FRL captures emissions from deforestation, expects to capture emissions from degradation
- Accounts for ABG & BG biomass pools. Other pools will be assessed during design phase.
- As system is further developed, maintain focus on meeting methodological guidance.

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Consistency with Methodological Framework (2)

Safeguards

- National SESA framework and ESMF being developed in line with World Bank safeguards and safeguards in UNFCCC guidance for REDD+.
- Ghana's outputs from REDD+ readiness will inform the ER Program and guide its design and implementation.

Sustainable Program Design & Implementation

- Endorsed by multiple, relevant stakeholders, including government.
- Clear understanding of key drivers and measures to address these drivers
- Though complex, land and tree tenure regimes are well understood. Program will implement multiple measures that address tenure issues, including CREMAs.
- National benefit sharing options are being designed along a participatory pathway.
- Non-Carbon benefits will be monitored using proxy indicators in Data Management platform which links with Registry.

ER Program Transactions

- Government has authority to enter into an ERPA agreement with the CF
- During program design, the program will explore suitable sub-arrangement on transfer on title to ERs with the TA, CREMAs, and other considerations with respect to private sector investment

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Summary

Opportunity at Hand

- Conceptualization of this program has generated a lot of momentum for REDD+ in Ghana and transformation of cocoa sector
- Already transforming how institutions collaborate:
 - Cocoa Board taking lead role and represented at CF9 meeting is tremendous accomplishment.
 - Engagement and representation from National House of Chiefs is unprecedented.
- This program has strong synergies with REDD+ and FIP and Ghana sees the 3 as linked.
- Program critical to the future of Ghana's forests & sustainability of the cocoa supply chain.
- Ability to produce significant ERs over program's lifetime.

Challenges

- Designing an instrument doesn't resolve challenges.
- Program's major limitation is lack of upfront financing
 - Only \$ 6.5 million available to develop.
 - Facing a \$ 90 million gap for implementation.
 - Consideration on upfront payments against milestones would be desirable.
- We need & expect support and investment from private sector to get off the ground.
- Securing investment and producing ERs will take time.
- Ghana is committed to this program!

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Way Forward

Time Frame	Milestones
Oct 2014	Ghana complete first phase of Readiness using FCPF Readiness Prep Grant
	Options assessment of Benefit Sharing, SESA, Reference Level, Draft National Strategy
Nov 2014	Ghana will request additional financing to continue on Phase II Readiness
	MRV, Registry, Benefit Sharing Phase II
Oct 2015	Submit Readiness Package
May 2014 to Oct 20-15	Work on ER Program design will run in parallel until R- Package submitted, subject to outcome of this meeting.

Thank You

