

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

## EXECUTIVE SUMMARY

Ghana's Cocoa Forest REDD+ Program is the first REDD+ program in the world to focus on an ecological landscape that is defined by the production of a globally important agricultural commodity—cocoa—which is responsible for significant emissions in the landscape. The program is therefore unique and would bring diversity to the portfolio of emission reductions programs under the Carbon Fund. It would also provide the Forest Carbon Partnership Facility (FCPF) with the opportunity to learn from Ghana's experience in trying to establish a multi-institutional, public-private sector, programmatic REDD+ approach to reducing degradation and deforestation from agricultural expansion. To date, Olam, Touton, Solidaridad West Africa (implementing body for the UTZ standard), Rainforest Alliance (implementing body for the SAN standard), IUCN-Netherlands, and SNV have expressed strong interest and support for the program, and Ghana's Forestry Commission (FC) and Cocoa Board expect private sector and civil society engagement to grow and contribute additional funds that can be leveraged.

The issues underpinning this program date back more than 100 years. For nearly a century, degradation and deforestation in Ghana's High Forest Zone (HFZ) have largely been driven by low-yielding, expansive agricultural practices—predominantly cocoa—coupled with the progressive growth of other extractive industries, like timber production. For much of this time, conversion of forests was not viewed as a problem, but by the mid-nineties recognition of the degraded state of Ghana's forest reserves, the growing area under low shade cocoa farming systems at the expense of forests and trees, and the increasing loss of biodiversity in the HFZ landscape was becoming increasingly clear. The government and private sector also recognized that Ghana was underperforming in terms of national production, despite the growing area under cocoa. The responses to these problems from the forestry sector and the cocoa sector, however, remained detached, producing limited results, if any, and the deforestation continued unabated.

Twenty years later, with a strong commitment to REDD+, Ghana is proposing an innovative, unique, and highly ambitious approach to reduce deforestation and degradation in a sub-national landscape that follows the ecological boundaries of the HFZ and covers approximately 5.9 million ha. **The program seeks to significantly reduce emissions driven by expansion of cocoa into forest areas, coupled with illegal logging, whereby over 820,000 ha of forest have been lost between 2000 and 2010. 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 across the program area.**

Ghana's strategy to achieve these emissions reductions across the program area is one which bridges the following interventions, with the clear understanding that no single intervention will yield the expected results on its own:

1. Facilitate multi-stakeholder dialogue and institutional collaboration;
2. Improve rights and tenure regimes through forward-thinking, innovative implementation of forestry policies to foster a positive change in *de facto* management of trees and forests;
3. Link farmers' and farming communities' access to packages of critical farming resources, which work together to improve yields and incomes, with their adoption of climate-smart practices on-farm and emission reductions management systems across the landscape;

4. Implement localized landscape-level planning and the development of local by-laws to guide sustainable and socio-culturally appropriate use of land, agriculture and forest resource use, and to support effective forest law enforcement;
5. Develop an integrated data management platform and MRV system that supports results-based implementation and monitoring at different scales.

Ghana's ER Program conservatively anticipates that it will produce **18.5 MtCO<sub>2</sub>e of emission reductions from deforestation in the first 5 years (2016-2020) of the program**. Given the effort required to implement a landscape scale, cross sector, inter-governmental, multi-stakeholder, results based program, and acknowledging that fostering changes in how people use the land and manage trees takes time; Ghana feels that this represents a highly *ambitious* and *significant* target. It also recognizes the many challenges inherent in such a program, and is therefore prepared to make exceptional efforts to realize these emissions reductions. In return, Ghana would expect the Carbon Fund to purchase the full magnitude of ERs produced up to 2020, after which other buyers would follow-suit, bolstered by the CF's early support. As the program's performance effectiveness improves in the ensuing years (2021-2036), the program expects to generate **255.0 MtCO<sub>2</sub>e of total emission reductions from deforestation**.

If no effort is made to curb deforestation in the program area, then Ghana expects the **business-as-usual scenario to carry forward and produce at least 598.2 MtCO<sub>2</sub>e of emission from deforestation**, based on a **10 year historical deforestation rate** (2000-2010) of **1.4% per annum**. Given that emissions from degradation have yet to be quantified, but are anticipated to be even more significant than deforestation, and that reforestation has not been included in the Forest Reference Level (FRL) for the time being (this will be reconsidered during the design phase), the program's FRL is considered to be conservative.

Ghana's Forestry Commission and Cocoa Board are the main government institutions that will be responsible for managing and implementing Ghana's ER Program, in concert with the Ministry of Lands & Natural Resources (which is responsible for the Forest Investment Program (FIP)). Together, they will establish a program Steering Committee, comprised of key stakeholders that will be responsible for the design, management, investment and implementation of the program. The Steering Committee will be linked to the National REDD+ Steering Committee and will liaise directly with the NREG program. The proposed Cocoa Forest REDD+ Program represents the first time that the FC and the Cocoa Board have ever agreed to work together, and the effort that has gone into envisioning and drafting this program has required the highest level of political commitment. This represents not only an historic commitment, but also a very timely and potentially transformative commitment given that the sustainability of the two sectors (forestry and cocoa) ultimately rides on the successful implementation of this program<sup>1</sup>.

The decision to pursue a programmatic, landscape strategy to mitigate these drivers was largely influenced by the recognition that there is a serious lack of coordination and planning amongst implementing agencies, companies, organizations and governance bodies across the landscape. In

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<sup>1</sup> Ghana's forests, for example, are under threat from multiple drivers, including cocoa expansion, and the country has seen timber revenue decline by nearly 30% since 2009. As a global commodity that accounts for approximately USD 2 billion in annual investment in Ghana and is one of the country's primary foreign exchange earners, cocoa is highly dependent on the forest's ecosystem services and highly vulnerable to a changing climate.

addition, farmers' and forest users' decision-making is still being driven by economic and policy constraints, including limited access to resources (information, economic, agronomic) and tree tenure regimes that do not incentivize retention of trees on-farm. It was recognized that these barriers cannot be addressed at a project or single institutional level, which has been the practice to date, but necessitate a landscape scale, long-term, integrated approach in order to foster the large-scale changes in farming practices and land use decision-making required to reduce deforestation and degradation, and to foster the growth of forests and trees in the off-reserve farming landscape. Therefore, the development of the Cocoa Forest REDD+ Program is an effort to overcome these barriers.

As described, the program's strategy to reduce emissions within the program area rests upon a set of broad interventions that are linked to Ghana's REDD+ Strategy Options. In terms of actual implementation, the strategy will be realized using a suite of activities, mechanisms, and systems that are scaled-up, adapted, and/or tested with an aim to achieving emissions reductions, supporting social and environmental safeguards or facilitating benefit sharing. Depending upon the particular drivers and actors at play, these are likely to include (but are not limited to) the Community Resource Management Area (CREMA) mechanism, PES and results-based activities, extension and inputs packages linked to farmer credit and risk management facilities (e.g. yield index insurance), community-based forest monitoring paired with forest law enforcement, agroforestry and tree planting initiatives, focusing cocoa and other tree crops onto appropriate soils and climate conditions, and implementation of tree tenure and benefit sharing policy reforms. All of these activities will align strategically with the FIP projects and components in the landscape. Ghana views the FIP as critical to the success of the proposed ER Program because it provides significant upfront funding to support policy reforms and implementation of activities, while benefiting from the MRV and carbon finance of the ER Program.

It is envisioned that the associated activities will be implemented across the landscape using a phased approach that initially targets sub-landscapes within the program area, which offer the best opportunity to tackle drivers and produce emission reductions early on, before activities are scaled out over time into the other sub-landscapes. The main proponents and stakeholders of the program are likely to include the private sector, bilateral and multilateral donors, government institutions, communities and farmers, civil society organizations, and traditional authorities. They will play roles related to program investment, management, implementation, data management and MRV, and ER payments.

At a national level, progress is being made on the implementation of SESA and the development of the ESMF. This work will directly contribute to the ER Program by informing activities linked to the relevant Strategy Options and furnishing relevant procedures. Conversely, the program will also enhance this work by practically informing the thought process. In a similar vein, the design of Ghana's ER Program will benefit from and inform the development of benefit sharing arrangements in the country.

Though this program is driven by a desire to reduce deforestation and degradation in the Cocoa Forest Mosaic Landscape, it equally aims to generate substantial non-carbon benefits. In fact, the long-term success of the program rests upon its ability to catalyze economic, ecological, and socio-political benefits on a scale equal to that of the carbon benefits.