

# Review of Readiness Preparation Proposal Ghana

## INTRODUCTION

This Participant Committee review of the Readiness Preparation Proposal Ghana (R-PP) to the Forest Carbon Partnership Facility (FCPF) of the World Bank has been conducted in preparation of the PC5 meeting in Gabon, March 22-25, 2010. The review, which has been coordinated by Denmark, consolidates comments received from Norway, the European Commission (headquarters and Ghana delegation) and Denmark.

The PC review team would like to commend Ghana for the progress made to formulate the R-PP with limited financial support. Ghana's R-PP is a sufficient basis for moving forward with financial support from the FCPF Readiness Fund. With certain adjustments to the R-PP following to recommendations by the TAP, the WB and the PC, it has the potential over time to provide very useful lessons to other countries in implementing a REDD-plus strategy.

## COMPONENT 1: ORGANIZATION AND CONSULTATION

### 1a: National Readiness Management Arrangements

1. The review praises Ghana for the significant progress in establishing the needed structures for coordination and consultation, between government agencies and between government agencies, civil society groups, industry and donors.
2. The R-PP demonstrates strong commitment to coordinating REDD activities across sectors, including agriculture, mining, and energy. It describes several cross-sectoral committees for achieving this, including the National Climate Change Committee and the National REDD Steering Committee. There also appears to be fairly high level government buy-in for coordination in terms of the Natural Resources Environmental Advisory Council, which reports to the Cabinet.
3. Yet, the review questions why REDD is framed and led by the Forestry Commission and Minister of Lands and Forests. The R-PP does not adequately follow-up on the TAP advice to explore whether it would be more effective to coordinate the REDD efforts from a higher government level. In a sense the R-PP portrays REDD as a "project" that may bring future rewards, not as part of a broader and long scale plan. If key challenges relate to agriculture and energy this may point towards REDD efforts being co-ordinated at cross-sectoral level by e.g. the Ministry of Finance and Economic Planning. ***The review thus recommends*** Ghana to further consider whether the Forestry Commission is best suited to host the cross-sectoral co-ordination aspect within the National Readiness Management Arrangements.
4. Further, the review acknowledges the need of strengthening the REDDplus Secretariat and National REDD Steering Committee as stipulated in the R-PP. ***The review recommends*** that Ghana considers the amalgamation of the National REDD Steering Committee with the VPA Steering Committee in order to ensure appropriate co-ordination and synergies between the two processes.

5. The R-PP proposes strengthening of the National Forest Forum in order to ensure sector co-ordination. ***The review recommends*** that the role of the National Forest Forum be more specifically described in the R-PP.

### **1b: Stakeholder Consultation and Participation**

1. The review notes that concerns have been raised by civil society regarding the consultation process, which is characterised as basically a fast-tracked token exercise, and much less comprehensive than the consultation process for the VPA/FLEGT process. From 'information sharing' through 'consultation' to 'validation' took a total of 5 months and there is a general feeling that this timeframe did not allow sufficient time for stakeholders to have a proper grasp of the REDDplus concept and therefore they were unable to have an informed consultation process. In particular, the intended validation process (step 4, page 24) has not been fully achieved.
2. On this background, ***the review recommends*** that the consultation process is viewed more as an ongoing process and that the validation process be continued, e.g. by providing the R-PP document to all relevant stakeholder groups and giving them a reasonable deadline (e.g. a month) for providing written comments, which could subsequently be uploaded on the REDDplus website. Further, it is recommended to organize a workshop/seminar to discuss comments received and how they may (or may not) be incorporated in the R-PP.
3. Further, the review finds that the R-PP plans for an appropriate level of events, but lacks opportunities for stakeholders to provide concrete input into the readiness preparation process, e.g. to comment on draft legislative changes. Therefore, ***the review recommends*** the development of a detailed Consultation and Participation (C&P) work plan going into much greater detail than is the case in the current R-PP. This plan could take into consideration the positive experiences with stakeholder consultation and participation from the VPA/FLEGT process. ***The review suggests*** that the C&P plan should be clearly separated from the awareness raising activities. In the view of the review, the C&P plan should provide a clear role of civil society, i.e. major components of the plan should be led by civil society, e.g. to allow voices from forest fringe communities to influence the process. This is contrast to the R-PP document which largely provides a role for civil society in information sharing.
4. ***The review team suggests*** that a key principle in the C&P plan could be to invite stakeholders at relevant points in time during the R-PP implementation period to comment on specific documents/proposals in writing, and subsequently to organize consultations (workshops or similar) around the discussion of such comments. This specifically relates to proposed activity 1b.5, which consequently could be expanded to the entire implementation period.
5. It follows from the above that the proposed Consultation Working Group may not be required, and that the National REDDplus Steering Committee can oversee the implementation of the C&P work plan.
6. The review praises the R-PP for its elaborate proposals for information sharing through stakeholder based consultations. The R-PP acknowledges a broad range of stakeholders in general terms, including government actors across different sectors, the private sector and civil society. It does not, however, begin to identify the major actors within these fairly

general groupings. *The review thus also recommends* a more specific and prioritized plan for information sharing.

7. The review praises the proposals for the FC website to maintain and continuously update with information and input. In light of its importance, the review suggests that this function may not be appropriately catered for in the budget (Table 1b).

## **COMPONENT 2: PREPARATION OF REDD STRATEGY**

### **2a: Assessment of Land Use, Forest Policy and Governance**

1. The review finds that the drivers of deforestation and forest degradation are identified and described, but the R-PP lacks analysis of drivers. It is also acknowledged that more research is needed to assess the drivers and related potential strategies. A political economy analysis of the forest sector and drivers will presumably form part of the SEA, which should analyse the interaction of political and economic processes in the society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time. *The review recommend that* a political economy analysis of the forest sector in Ghana be part of the SEA.
2. Related to the above point, governance issues, including low institutional capacity, lacking regulatory control, corruption and rent-seeking are not adequately addressed in the R-PP, neither as a barrier to implementation nor as a direct cause of deforestation and forest degradation. *The review suggests* that a political economy analysis of the forest sector be undertaken, and that measures to target illegal logging and corruption in the forestry sector be included in the REDDplus strategy, building on the VPA process.
3. In relation to the individual background studies proposed (research gaps- page 40-41), the review is concerned about their apparent poor linkage between these studies and the actual policy options (c.f. 2b below). The result of this is likely to be more unfocused study. *The review suggests* that the need for studies be addressed under component 2b, i.e. integrated into the work of the Expert Consultations and Working Groups.

### **2b: REDD strategy options**

1. The review considers that the R-PP remains far too much of a situation analysis rather than an analysis of actual policy options proposed by the government or stakeholders. Of central importance are changes linked to land tenure, benefit sharing and tree tenure. All very challenging subjects, but absolutely central to any positive direction on REDD in Ghana. They are highlighted as issues, but there are no clear proposals for change. *It is essential* that tenure change is introduced in advance of piloting carbon payments, else the pilots in the view of the review make little sense.
2. The options appear to be framed around an interpretation of REDD as a payment mechanism for forest carbon units (to individuals/ entities for unit areas of forest carbon conserved). The review recognises that this is a real and important option to be explored in Ghana, but there are other ways GoG could reduce emissions that would not necessarily relate to a direct payment mechanism, e.g. clarity on private harvest rights to trees, better

regulation, etc. Such policy actions could in some cases yield results at a national level at much lower cost (opportunity as well as implementation cost).

3. The R-PP states that it will be important to integrate REDD activities and institutions into the ongoing reform processes such as NREG and FLEGT, including by utilizing existing consultations platforms and policy processes when possible. The success of REDD in Ghana will likely depend on the ability of the Government to successfully exploit these synergies. Yet, the R-PP does not provide any details how this alignment will be ensured.
4. The R-PP makes the right point about linking REDD and FLEGT, but fails to capture the policy changes/ proposals that were agreed under the VPA negotiation and which REDD could seek to take forward (or challenge). It does not summarise the expected benefits in terms of improved governance or law enforcement and does not really make the case for how FLEGT contributes to establishing positive conditions for REDD.
5. The review finds that the mandates for the two proposed National Expert Consultations are closely related, and that they cannot be separated in a meaningful way. Hence, the review team suggests an amalgamation of the two groups. Further, the review finds that the mandate for the proposed National Expert Consultation on Timber Supply which is envisaged to test the hypothesis: “Existing and planned benefit sharing mechanisms in the forest sector will suffice for the REDDplus in Ghana, and also ensure the long-term provisioning of the country’s timber need” to be far too passive, since the trends documented in the background document (and a host of other documents published over the past decade) testify to the inadequacy of these measures. The review rather suggests the ToR of the National Expert Consultation to be formulated in the way that it is tasked with an assessment of the underlying and immediate causes of deforestation and forest degradation, and drawing on the outcomes of the recent Review of Forest and Wildlife Policies and Law, to assess and make recommendations on policy options. This will naturally also address the issue of tree tenure, and consequently terrestrial carbon rights. The Expert Consultation may commission research as found required.
6. However, the review is skeptical as to the appropriateness of the proposed quantitative scenario building, since such activities will require expensive (and long-term) inventory work in order to enhance the information already available. This is unlikely to be achieved within the timeframe of the R-PP.

## **2c: Arrangements for REDD Implementation**

1. The general concern is that FLEGT VPA and REDD are both treated as “projects”, and not appropriately co-ordinated and mainstreamed, c.f. review comments to previous sections.
2. The review comments that gender is not addressed specifically in the R-PP, except when the social and environmental impacts activities (SESA) are presented. *The review recommends* that the specific role and need of women in forest management be further acknowledged and addressed in the R-PP.

## **2d: Social and Environmental Impacts**

1. TOR for a SESA is included and it is clearly spelled out how the SESA will be executed. Yet, the review finds that the suggested study team of three experts does not seem appropriate, since more technical expertise will be required to adequately address the key issues to be included in the SESA.

### **COMPONENT 3: DEVELOPMENT OF REFERENCE SCENARIO AND COMPONENT 4: DESIGN OF MONITORING SYSTEM**

1. The review praises the plan for developing a reference scenario for being technically sound and up-to-date with international requirements and IPCC good practice guidance. It lays out a fairly straight forward approach for the development of a reference scenario development.
2. The R-PP recommends a forest definition with a 15% crown cover threshold. *The review comments* that this definition may reduce the scope of REDDplus activities in the Savannah and transition zones, and recommends that the implications of this decision be further considered. More generally, the review comments that the R-PP is almost entirely focused on the High Forest Zone. In particular in relation to “plus” activities, Ghana may benefit from broadening the scope and further consider the specific drivers and conditions in the Savannah and Transition Zones as part of the R-PP.
3. *The review suggests* that activity 3.1 could be slightly revised in order to concentrate capacity building to activities specifically linked to reference scenario development and to key players involved herewith. At present, there are some overlaps with general information dissemination and capacity building activities (component 1b).

### **COMPONENT 5: SCHEDULE AND BUDGET**

1. *The review suggests* that the financing of the R-PP should be integrated in the NREG finance mechanism in order not to establish a parallel financing mechanism, thereby reducing transaction costs and speeding up disbursements.

### **COMPONENT 6: DESIGN A PROGRAM MONITORING AND EVALUATION**

1. The review team recognizes the efforts to ensure co-ordination and prevent overlap in M&E, by linking efforts to NREG.
2. The review team takes note of the suggested, potential indicators, but comments that they are indeed tentative, and that *a full list of indicators be developed* in close collaboration and coordination with NREG.
3. The monitoring and evaluation system is not based on a result-based framework. *The review suggests* that a results framework with targets and indicators be linked to the monitoring and evaluation plan. A results approach involves shifting management attention away from a focus on inputs, activities and processes to a focus on benefits – from what has been done to what has been achieved. *Clear outcomes of all processes need to be defined.* Indicators for monitoring of communication and consultation are lacking.