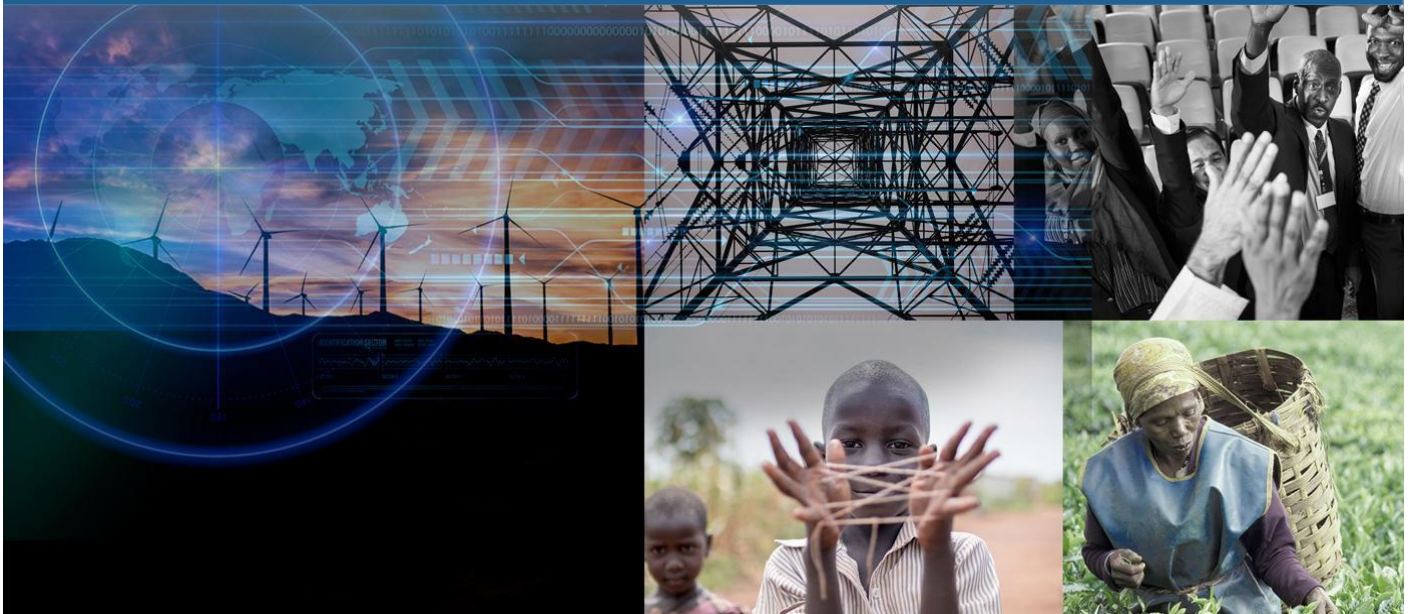


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INTRODUCTORY POLITICAL ECONOMY ANALYSIS OF THE CLIMATE PHILANTHROPY SPACE IN GHANA

For ClimateWorks Foundation
Prepared by Africa Practice

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1 INTRODUCTION

While Africa is not currently a significant producer of greenhouse gases (GHGs) at a global level, it has the potential to be in the future, and there is an opportunity to prevent large future emissions if the problem is addressed now. With a view to informing decision-making in this space, Africa Practice conducted a tailored, high-level political economy analysis of six countries – Kenya, Ethiopia, South Africa, Nigeria, Ghana and Senegal – to serve as an introductory resource for philanthropic organisations seeking to understand foundational climate change issues and opportunities across these countries.

The bespoke political economy analysis framework was designed to help identify and understand feasible entry points into the countries, as well as tangible opportunities for philanthropic engagement and potential partnerships. The bespoke framework developed for this analysis can be replicated and will enable philanthropy to build robust strategies for investment and engagement across the whole continent. The report below summarises our findings on Ghana.

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3 METHODOLOGY

We developed a bespoke framework of assessment, rooted in political economy analysis, but also focusing on Ghana's specificities vis-à-vis the five main structural transformations that drive emissions on the continent:

- **Urbanisation**, taking into account the housing demand for 900 million more urban residents by 2050.
- **Land use changes**, with agriculture set to feed a growing population and cause up to 84% of deforestation.
- **Industrialisation**, which constitutes the backbone of many African governments' development strategies over the next decade. Across the continent, manufacturing is growing faster than anywhere else in the world.
- **Electrification**, on which industrialisation itself is heavily premised. It is estimated that 1.6 TW of power generation would be needed in Africa by 2030 and 600 million people would require access.
- **Oil and gas**, with governments balancing international pressure to adopt more rigorous environmental standards against the imperative to exploit discovered resources in order to boost energy security.

We used our consultants' deep contextual knowledge, as well as intelligence from expert sources, to inform and triangulate our **qualitative research programme**, which comprised a review of:

- **Statistics and risk indices compiled by national governments, multilateral institutions, NGOs and think tanks.** These covered: data from the Ghana Statistical Service; World Bank (climate change) data and indices such as Ease of Doing Business and Governance; Yale University's Environmental Performance Index (EPI); UNEP climate change data (CDF, REDD+) and UNFCCC data; the Climate Change Performance Index (CCPI); IMF data and bilateral consultation reports; summary data from the Extractive Industries Transparency Initiative and local chapters including Ghana's GHEITI; Transparency International Corruption Perceptions Index; Mo Ibrahim Index; KPMG Africa Fiscal Guides; OECD Failed States Index; and the World Economic Forum's Global Competitiveness Report and Global Human Capital Report.
- **Other relevant grey literature.** This included, among others, recent reports by international donors, multilateral organisations, and European and North American state departments, as well as materials published by various government agencies focusing on climate change and relevant fields.
- **Media sources.** We examined open-access and subscription-based articles in English, related to recent and historical developments of relevance to the countries in question, both local and international.

4 EXECUTIVE SUMMARY

Ghana is among the most politically stable countries in sub-Saharan Africa, and does not have to contend with the same level of instability, conflict or insecurity as many of its regional neighbours. The December 2020 election proceeded peacefully and transparently, resulting in the re-election of incumbent President Nana Akufo-Addo. His ruling New Patriotic Party (NPP) lost its parliamentary majority, however, which will restrict the government's ability to implement its agenda over the next four years.

President Akufo-Addo will be unable to run in the 2024 election, but a degree of continuity is likely to remain since there is limited policy or ideological differentiation between the NPP and its main rival, the National Democratic Congress (NDC). Although the NDC is marginally more vocal on climate change, the party's track record in government prior to 2016 indicates limited divergence from the NPP.

Successive governments have developed comprehensive and wide-ranging environmental policies to address climate change. However, Ghana remains highly vulnerable to climate change owing to its limited ability to implement mitigation and adaptation strategies. The country is a signatory to key international initiatives, such as the Paris Agreement and the UN-REDD programme, and has a host of policies pertaining to individual areas and sectors, based on the areas for action identified in the 2013 National Climate Change Policy (NCCP). These include health and air pollution, renewable energy, and waste management, all of which represent opportunities for climate activism.

Ghana suffers from a lack of formal review mechanisms for progress on climate policy which has hindered implementation. Nonetheless, its regular submission of Greenhouse Gas Inventory reports to the UNFCCC shows that structures and resources exist to expand this capacity. Furthermore, Ghana will likely release the update of its Nationally Determined Contribution (NDC) under the Paris Agreement in late 2021, which will provide an insight into the current government's level of commitment to climate mitigation.

Ghana's institutional configuration lacks an overarching entity to guide its climate change response, as well as a clear framework delineating stakeholder responsibility. While nominally in charge of environmental policy, in practice, the Ministry of Environment, Science, Technology and Innovation (MESTI) is hampered by overlapping mandates with other ministries, which have caused tensions in the past. Strengthening institutional collaboration is among the key goals of the National Adaptation Plan, a three-year project launched in 2020 to improve Ghana's climate change response.

The government has dedicated limited budgetary resources to tackling climate change. While this trend preceded COVID-19, the economic downturn generated by the pandemic will serve to further exacerbate fiscal pressures. The onus for meeting climate change targets will therefore continue to fall on international partners. The context for doing so is amenable, with policies and programmes consistently formulated in dialogue with non-government actors, including the private sector, academia and NGOs. Despite President Akufo-Addo's "Ghana Beyond Aid" mantra, official policy documents recognise the importance of mobilising external funding for climate change initiatives.

Organisations advocating for action on climate change can target opportunities in urbanisation, electrification, energy and land use sectors such as cocoa production, forestry and agri-tech. Areas which have so far seen

high levels of activity include the management of air pollution in Accra – with the city pledging to reach carbon neutrality by 2050 – and building sustainability into the cocoa industry, which has historically been a driver of deforestation as well as a major source of export revenues, with Ghana being the world’s second largest producer behind Côte d’Ivoire. Rendering the production of natural gas cleaner and more efficient has in turn attracted a substantial proportion of climate-related financial inflows. This is set to continue given the importance of fossil fuels to Ghana’s electricity production.

5 ASSESSMENT MATRIX

METRIC	ASSESSMENT*	FINDINGS
POLITICAL		
Instability, conflict and insecurity		Very strong enabling context as a result of prolonged stability and the absence of conflict and security issues.
Government change		Moderate enabling context, with government changes occurring frequently and disrupting continuity, but unlikely to cause instability or major climate-related policy change.
Environmental policy and commitment		Fairly developed policy framework, with a number of policies targeting individual sectors and climate-related issues. Enabling context limited by partial implementation of policies. Most climate specific documents pre-date 2018, with limited review mechanisms in place.
International influence		Strong enabling context as a result of Ghana's prominent continental and international profile, and relations with key partners.
INSTITUTIONAL		
Governance and corruption		Corruption is less of a concern in Ghana than in most other countries on the continent. Public procurement irregularities and petty corruption, however, persist.
Environmental leadership		The institutional context severely limits the ability of potential environmental leaders. There is potential for leadership to be cultivated at the sub-national non-government level.
Reform commitment and budgetary prioritisation		Climate expenditure is not a priority for the government, and policies rely on international support for implementation. However, all line ministries are encouraged to mainstream climate change into annual budgeting, and 4th National Communication lays out a roadmap for the government to meet climate targets.
Structural capacity		The relevant ministries, departments, and agencies have reasonable access to human and financial capital and have experienced relative stability within their structures and leadership, however coordination between structures is not optimised.
Donor and development partners' support		Robust and continued donor and partner support essential to the realisation of climate and environmental policies.
Dialogue with non-government actors		Policy-making processes and projects involve multiple stakeholders, including development partners, the private sector, academia, and NGOs.
COVID-19 impact		The pandemic has restricted the spending ability of the government – climate change does not explicitly feature as part of the country's recovery programme.
SECTORAL		
Urbanisation		Strong opportunities in relation to housing and tackling air pollution in particular.
Electrification		Strong opportunities, including in hydropower, solar energy, rural electrification and off-grid solutions.
Industrialisation		Ambitious industrial plans centred around the development of manufacturing across the country, but no corresponding climate agenda.
Land use change		Strong opportunities in the cocoa, forestry, and agri-tech industries.

Oil and gas		Opportunities in relation to efficient natural gas production, which is set to continue to play a key role in national electricity production.
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*Assessment definitions:

1	Very strong enabling context for climate-spend impact with negligible limitations
2	Strong enabling context for climate-spend impact with some limitations
3	Moderate enabling context for climate-spend impact with several limitations
4	Weak enabling context for climate-spend impact with notable limitations
5	Challenging context for climate-spend impact with major limitations

6 Ghana

6.1 Political

6.1.1 Instability, conflict and insecurity (very strong)

Ghana is conflict-free and among the most stable countries in sub-Saharan Africa. Its relative stability has to a significant extent been underpinned by the economic growth of the past three decades. The country is likely to remain stable for the foreseeable future from both a political and a security point of view, although climate change and environmental degradation have the potential to undermine this.

Politically, Ghana is regarded as one of the most successful democracies on the continent, with free and fair elections, as well as high voter turnouts.¹ Since Ghana became a multi-party democracy in 1992, transfers of power have occurred peacefully. The 2020 election saw incumbent President Nana Akufo-Addo of the ruling National Patriotic Party (NPP) re-elected with 51.3% of the vote, narrowly defeating John Mahama of the National Democratic Congress (NDC), the NPP's main rival since 1992, which secured 47.4% of the vote. This was the third contest between the two leaders, with Mahama winning in 2012 and Akufo-Addo in 2016. Although the NDC contested the results and cited irregularities, this was refuted by regional organisations such as ECOWAS and international observers.

The NPP, however, lost its parliamentary majority in the 2020 election. As things stand, both the NDC and NPP have 137 seats, with an independent MP (formerly elected on an NPP ticket) completing the representation of Ghana's 275 constituencies.

The latter has said he will cooperate with the NPP, but in the absence of a firm majority, the ruling party is bound to face challenges in implementing its agenda.



¹ Voter turnout for the 2020 presidential exceeded 78%, with over 13 million of the 17 million registered voters casting their ballots.

#FixTheCountry

Despite Ghana's overall stability, there is discontent among the population, particularly among younger people, with the current administration. These forces have coalesced under the #FixTheCountry banner, which was sparked after the death of an activist. Prevented from holding a mass demonstration due to COVID-19 restrictions, organisers of the #FixTheCountry campaign went ahead with localised protests and social media campaigns.

While it can't be said that protestors have one united focus, a common theme uniting their demonstrations is the demand for politicians that are focused on sustainable outcomes rather than what some characterise as "growth without development." Many express an exhaustion linked to politicians who pander to the public while campaigning, only to enter office and enact policies that do not address what they believe to be the country's vital issues. These include rising youth unemployment, high living costs, corruption, the state of public healthcare, power cuts, and environmental pollution. Many young people fear that if these issues continue to go unaddressed it will affect their lives in a way that will be difficult to reverse in the future.

Like in many African countries, youth involvement within the political system is rare. While Ghana's youth play a large role in electoral processes, with youth under 35 making up a majority of registered voters and serving as an invaluable channel to transmit party messages, effective youth participation in politics is lacking. While citizens over 21 are eligible to stand for election to parliament, fewer than 9% of Ghana's MPs are under 35 years old. Barriers to increased youth participation include a lack of quotas or positive discrimination laws in favour of youth, as well as a scarcity of opportunities.

Unlike a number of other countries in West Africa, Ghana does not face outside threats or internal conflicts which pose serious threats to security. In the 2020 Global Terrorism Index of the Institute for Economics and Peace, Ghana was among the countries where terrorism had a "very low" impact.

6.1.2 Government change (moderate)

Ghana's relatively mature democracy has ensured frequent changes of administrations, with the NPP winning four and the NDC three of the seven elections held since 1992. These frequent and peaceful transfers of power have undermined some of the country's policy continuity, with administrations making U-turns to discredit their predecessors. However, this tendency has not had a material impact on current environmental and climate-related policies, which are not seen as controversial and do not hold many rent-seeking opportunities for government officials, unlike other sectors.

While many of the country's climate-related policies date back to the previous NDC administration, the NPP has built on these efforts, including through the Health and Pollution Action Plan 2019 and the National Plan to mitigate Short-Lived Climate Pollutants (SLCPs) developed between 2016 and 2018. Ghana is also developing its first Biodiversity Policy, which is currently in the consultation phase.

Owing to the high rate of leadership turnover in Ghana in the last decade, it is difficult to predict the outcome of the 2024 election. President Akufo-Addo is credited with transforming Ghana into a continental financial powerhouse; however, his administration's increasing heavy-handedness risks undermining his party's popularity, with Ghana's reputation as a "beacon of democracy" beginning to show cracks.

As yet there is no clear-cut successor to Akufo-Addo. Vice President Mahamudu Bawumia, a long-time ally of the president, harbours presidential ambitions, but does not appear to have the calibre to win the party nomination. Finance Minister Ken Ofori-Atta (a relative of Akufo-Addo's) seems a more plausible successor. As for the NDC, former president John Mahama retains the party leadership, despite having run an uninspiring campaign in 2020, and a lacklustre performance in office (2012-2017), during which corruption increased and power blackouts became commonplace.

Civil society movements such as the above-mentioned #FixTheCountry movement are expected to continue to gain traction in the lead up to the 2024 elections. This will provide an opportunity for youth groups and other activists to raise climate change on the national agenda. However, there is a risk that such movements will be met with growing resistance from economic pragmatists, many of whom denounce the adverse impact that climate change policies may have on certain poorer elements of society. For example, the new Sanitation and Pollution Levy aims to increase the price per litre of petrol to discourage petrol usage; this measure has been criticised for disproportionately impacting lower-income citizens.

6.1.3 Environmental policy and commitment (moderate)

Ghana has achieved substantial economic growth over the past 30 years, reducing poverty in the process and achieving lower middle-income country status in 2011. This is underpinned by reliance on natural resources and activity in sectors that have potentially high environmental impacts – agriculture, forestry, mining, and oil and gas. Changing climatic patterns, including more extreme and varied temperature and precipitation levels, are already affecting agricultural productivity, water resources and infrastructure. In 2020, Ghana ranked 168th out of a total of 180 countries in Yale University's Environmental Performance Index (EPI), which measures environmental health and ecosystem vitality.

Although development agendas have changed under different administrations, climate and environment-oriented policies have mostly remained in place. Over the past decade, successive governments have adopted overarching policy documents, as well as mitigation and adaptation plans, combined with more targeted and sector-specific programmes, along with adherence to major international initiatives. Implementation, reviews and updates remain an important issue, however, with considerable responsibility handed over to ministries and agencies which have severe capacity limitations and lack strategic and overarching coordination.

The guiding text for Ghana's environmental policy is the National Climate Change Policy (NCCP). Passed in 2013, it aims to "ensure a climate-resilient and climate-compatible economy which addresses a low-carbon growth path for Ghana while achieving sustainable development." The NCCP identified five main areas which establish the fundamentals for climate change action: agriculture and food security; disaster preparedness and response; natural resource management; equitable social development; and energy, industrial and infrastructural development. Each of these is addressed by specific government programmes, constituting important components of the national developmental agenda. The climate element, however, is sometimes lacking – when it comes to industrialisation, for example. Implementation to date has also been hampered by inadequate budgetary prioritisation and structural capacity, which in turn have affected environmental leadership.

Several other plans have stemmed from the NCCP, including the National Climate Change Master Plan Action Programs for Implementation (2015-2020) and the 2016 Low Carbon Development Strategy (LCDS). In July

2020, the government launched the development of a National Adaptation Plan (NAP) project, based on the NAP Framework published in 2018. A three-year project, the NAP seeks to build adaptive capacity and resilience, and to facilitate the integration of climate change adaptation into fiscal, regulatory development policies, programmes and activities. Under the plan, government decision-making on adaptation policies for the concerned sectors (namely water, energy, and transport) will be informed by long-term climate projects, such as temperature and rainfall scenarios. The key principles underlying the NAP process will be informed by and conform to the NCCP, NCCAS, and any existing national policies or development agendas that make mention of the environment and climate change. Adaptation programmes are already underway in the North of the country, which is highly vulnerable to climatic variations such as drought.

There are also a number of policies in place dedicated to more specific issues. These include the 2011 Renewable Energy Act, the 2012 Forest and Wildlife Policy, and the National Plastics Management Policy and the Renewable Energy Master Plan (both launched in 2019). To deal with the problem of deforestation, of which Ghana has one of the highest rates in Africa, an Emission Reductions Payment Agreement (ERPA) was signed in 2019 in partnership with the World Bank's Forest Carbon Partnership Facility (FCPF) Carbon Fund. This was designed in accordance with the Ghana Cocoa Forest REDD+ Programme (GCRFP). Ghana has also developed plans to inform climate policy actions, including the 2018 National Action Plan to mitigate SLCPs and the 2019 Health and Pollution Action Plan.

Ghana is also a signatory and participant in a number of international initiatives and programmes. The government ratified the Paris Agreement in 2016, and as part of its NDC, Ghana committed to reducing its greenhouse gas emissions by 15% by 2030. Under its NDC, the country could reduce emissions by an additional 30% if it receives sufficient external support – financial, as well as technical and technological. In May 2020, Ghana presented its Fourth National Communication (NC4) to the UNFCCC, where the minister of environment said measures agreed upon in the NDC were being implemented, with the focus on scaling action.

In September 2020, Ghana launched the revision process for its NDC – a process it completed in November 2021 on the sidelines of COP26. The enhanced NDC focuses on policies that drive the inclusion of new or missing technologies which lower carbon lock-in while reducing costs of transition, build resilience to protect vulnerable communities and ecosystems, increase institutional support by bringing sub-national non-state actors on board, and detail investment needs and approaches to drive finance. At COP26, Ghana also agreed to the Global Methane Pledge, Green Grids Initiative, Glasgow Leaders' Declaration on Forests and Land Use, Sustainable Agriculture Policy Action Agenda for the Transition to Sustainable Agriculture, and Global Action Agenda for Innovation in Agriculture.

Different sectors of Ghana's economy are exposed to varying levels of environmental pressure depending on their political influence. Where the continued exploitation of a sector's resources is threatened by the impact of environmental degradation and climate change, as is the case with agriculture and forestry, there is a higher focus on adaptation policies to promote sustainability, as well as greater sub-national stakeholder involvement. Small-scale farmers are highly influential in policy-making, owing to their ability to mobilise as an electoral constituency. In contrast, private sector agro-industries, while considered highly relevant to the topic of climate change in agriculture, have very low influence politically, and are thus subjected to different considerations.

Mining and energy are sectors where resources are less threatened by climate change and where adaptation policies accordingly place less emphasis on environmental sustainability. Mining activities comprise 5% of Ghana's GDP, as Africa's largest producer of gold, as well as an emerging producer of bauxite and manganese. This insulates the industry from pressure to change, despite the adverse impact on Ghana's environment, with artisanal and small-scale mining (known locally as "*galamsay*") causing deforestation and water pollution. While the current government has made moves to regulate *galamsay*, this has come at the expense of a focus on large-scale mining. The same can be said for the country's energy industry, which the government has stated they plan to exploit to maximise development. Like mining, oil and gas carries political influence as a result of its contribution to tax revenue. In the downstream sector, the Sanitation and Pollution Levy places the onus of the environmental impact of petroleum products on the consumer, rather than producers.

6.1.4 International influence (strong)

Ghana exercises international and continental influence through a number of channels. It was among the founding partners of the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants (CCAC) in 2012, along with the UNEP (which acts as coordinator and secretariat), Bangladesh, Canada, Mexico, Sweden, and the US. Ghana was also the first African country to join the World Economic Forum's multi-stakeholder platform to reduce plastic pollution and transition to a circular economy – the Global Plastic Action Partnership (GPAP). In September 2021, the country will host the International Ministerial Conference on Marine Litter and Plastic Pollution, in partnership with Germany and Ecuador. Ghana is also a member of the steering committee of the Global Methane Initiative (GMI), as well as its biogas, agriculture, waste, and oil and gas committees. It is among the 23 African REDD+ countries that are part of the Coalition for Rainforest Nations (CfRN).

Relations with the UN are strong and extensive, and include commitments to and implementation of a number of the organisation's climate and environmental initiatives. A significant number of UN entities have a presence in Ghana, including FAO, UNDP, WFP, WHO, IFAD, ILO, IMO, IOM, UN-Habitat, UNAIDS, UN Capital Development Fund, UNESCO, UNFPA, UNHCR, UNICEF, UNIDO, UNODC, and UNOPS. Since the 1960s, the country has continuously contributed to UN peacekeeping missions, serving in over 60 such missions across the world. To this day, it remains one of the foremost global contributors to UN peacekeeping, with over 2,000 Ghanaians deployed as of March 2021. This continued engagement has helped Ghana to raise its profile on the international scene, as have its strong democratic credentials.

Continently, Ghana has played an important role since 1957, when it became the first country in sub-Saharan Africa to gain independence from British colonial rule. Under its first head of state, Kwame Nkrumah, Ghana advocated for further decolonisation in addition to continental solidarity. As an indication of its continued influence over the years, Ghana was selected in 2019 by the AU to host the secretariat of the African Continental Free Trade Area (AfCFTA), amid competition from influential countries including Egypt, Ethiopia, Kenya and Senegal. In this capacity, Ghana will be at the centre of the implementation process of the AfCFTA, which aims to drive continental economic development and investment through trade liberalisation.²

Positioning on the AfCFTA

Ghana is a strong supporter of the AfCFTA, as one of the first countries to sign the agreement and the first to ratify it, and serves as the host country for the newly established AfCFTA Secretariat. Through the

² The AfCFTA was officially launched at the start of 2021, with AU member states who have ratified the agreement, 34 so far, able to trade under its provisions.

opportunities presented in the AfCFTA, Ghana is looking to become the new commercial capital of Africa, as well as a regional trade hub and international gateway to the continent. A national AfCFTA implementation strategy has been set and structures have been established to implement the Boosting Intra-African Trade Agenda, which seeks to address the key constraints and challenges of intra-African trade while significantly increasing the volume and benefits of trade for sustainable economic growth and development. The government has also urged the private sector to take advantage of the agreement by expanding production, with particular emphasis in the industrial and the agricultural sector. Ghana is in a position to spearhead discussions on climate change within the agreement.

Ghana also has the potential to influence regional matters, with Akufo-Addo serving as the current Chair of the ECOWAS Authority, enabling him to convene debates and place climate change high on the regional agenda, if he so chooses. However, ECOWAS' influence has been limited by a lack of regional integration between French and English speaking countries within the community, as well as protectionist and unilateral policies within the region, namely from major powers such as Nigeria.

6.2 Institutional

6.2.1 Governance and corruption (moderate)

The level of corruption in Ghana is lower and less pronounced than in most other countries in sub-Saharan Africa. In the latest Transparency International Corruption Perceptions Index in 2020, Ghana ranked 75th out of 179 countries, with a score equivalent to the global average (43), but higher than the average sub-Saharan country (32).

Despite this, inadequacies in public governance pose certain risks in Ghana. More than corruption, governance is likely to be an impediment to impactful climate philanthropy in certain areas. In the 2020 Ibrahim Index, Ghana was ranked as 46th out of 54 countries for its “sustainable management of land and forests.” This is largely down to structural issues, which we explore in further detail in section [6.2.1](#).

The Akufo-Addo administration championed anti-corruption when it first came to office, but has since been embroiled in corruption scandals itself. This has included accusations of political interference against the president from the anti-corruption Special Prosecutor Martin Amidu, who resigned shortly before the 2020 presidential election. Amidu was the first head of the Office of the Special Prosecutor, which was established in 2017 to deal with public corruption but has proven largely toothless and unable to act independently from government. In 2019, well into the first term of the current administration, the local chapter of Transparency International, the Ghana Integrity Initiative (GII), estimated the country was losing USD 3 billion annually to corrupt practices.

There are thus certain governance risks of relevance to organisations advocating on climate change policy. Interactions with public and tax services can pose integrity and reputational challenges, including the solicitation of bribes and irregular payments to facilitate the acquisition of operating or construction licences or to use public utilities. There are also salient risks when it comes to land ownership, notably due to overlaps between statutory and customary land rights, which is an issue across the continent. These overlaps increase the risk of fraud (mostly multiple sales), unofficial charges, unnecessary bureaucracies, and an overall lack of transparency that can lead to extortion and property loss. While issues with land acquisition are very common, only those with the time, resources, and, most importantly, connections to navigate the complex civil and

traditional legal systems are able to find recourse. This has particularly affected entities dealing with natural resources – in the mining, biofuel and forestry sectors.

6.2.2 Environmental leadership (weak)

Despite its relatively robust human capital and its environmental agenda, Ghana does not have strong environmental leadership. This is largely owing to the institutional context. In particular, limitations to structural capacity and the absence of an authoritative coordinating entity have constrained the ability for potential environmental leaders to emerge.

The stakeholders most relevant to climate actors will be those at the helm of the Ministry of Environment, Science, Technology and Innovation (MESTI), and its enforcement agency, the Environmental Protection Agency (EPA). There are multiple other ministries and associated entities tasked with environmental mandates: the National Development Planning Commission (NDPC), the Ministry of Lands and Natural Resources (MLNR) and the Forestry Commission, a MLNR agency; the Ministry of Finance and Economic Planning (MoFEP); the Ministry of Food and Agriculture (MoFA); the Ministry of Energy; the Ministry of Health; and the National Disaster Management Organisation (NADMO).

According to the NCCP, these entities, along with academic institutions and NGOs, are regrouped into a task force known as the National Climate Change Committee (NCCC). Abantu for Development, Conservation Alliance Ghana, and Friends of the Earth Ghana are all members of the NCCC, and have contributed to the Committee's mandate to review climate change policies and programmes. The NCC is not, however, endowed with overarching authority to guide Ghana's climate change response.

Ministry of Environment, Science, Technology and Innovation (MESTI)

The MESTI is the foremost government ministry in terms of environmental management and has jurisdiction over environmental policy-making. It also hosts the NCCC. The ministry is supported by the Land Use and Spatial Planning Authority (LUSPA), as well as by the EPA. LUSPA manages physical development in the natural environment, and works in collaboration with regional coordinating councils (RCCs), the EPA, Forestry Commission, and Minerals Commission (MC).

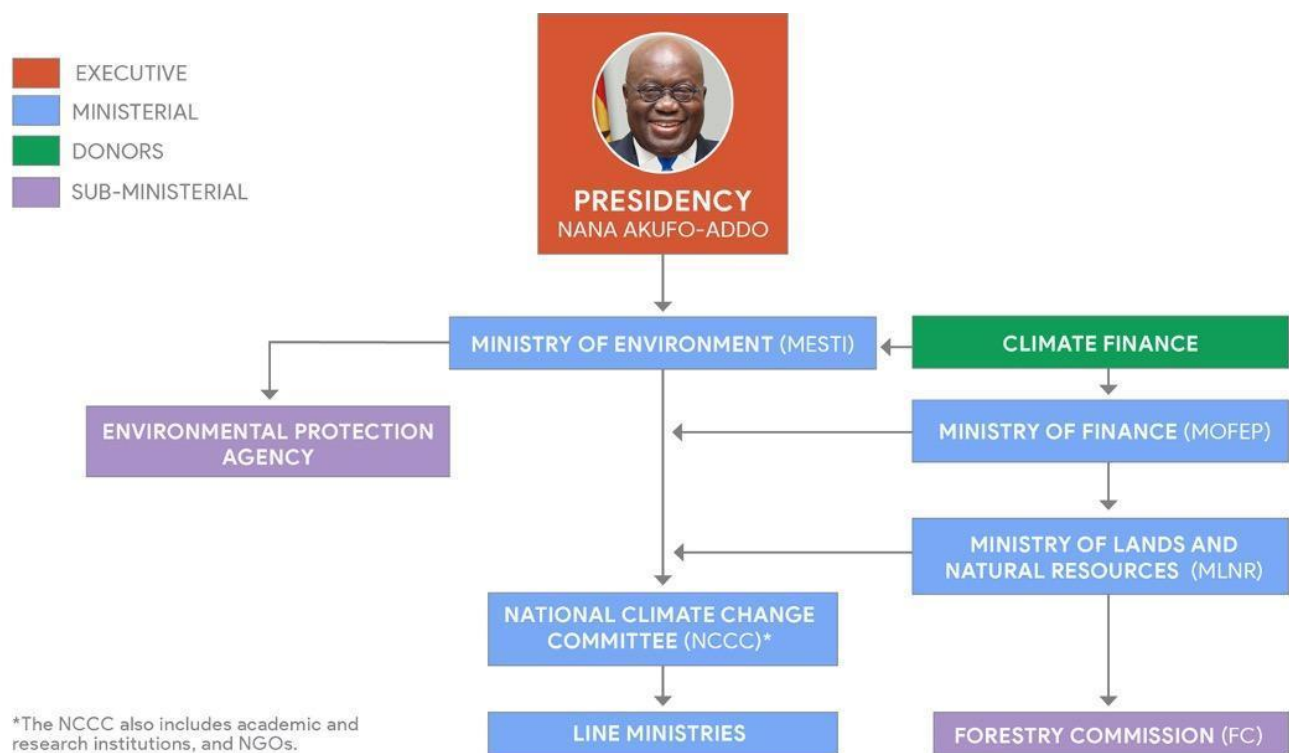
The current minister, Kwaku Afriyie, took office following the 2020 presidential election. Since his appointment, he has stressed the need for better enforcement and implementation of environmental protection legislation and regulation by the relevant ministries, departments and agencies (MDAs). He extended this to include Metropolitan, Municipal and District Assemblies (MMDAs). He has also made a commitment to the scientific community to work to ensure the government upholds its pledge to allocate 1% of GDP to research and development. During the first term of President Akufo-Addo, Afriyie was the regional minister for the Western region, and then minister of state interests and governance authority.

Environmental Protection Agency (EPA)

The EPA is the enforcement arm of the MESTI, and plays an important coordinating role with other MDAs and the private sector. It is currently in the process of reviewing the legislative instruments at its disposal in order to better enforce environmental protection measures. Henry Kokofu, the current executive director of the agency, assumed office in August 2020. He has advocated for increased and improved institutional collaboration, including with the mining sector. Dr Antwi-Boasiako Amoah, an EPA deputy director, is also the project coordinator for the NAP.

Ministry of Lands and Natural Resources (MLNR)

The MLNR is in charge of the management of lands, forests and wildlife resources. It also oversees the mining sector. One of the youngest members of the NPP government, Samuel Jinapor was appointed as minister of lands and natural resources in March 2021. Since then, he has attracted attention for his decisive actions against illegal mining. He previously occupied the role of Deputy Chief of Staff at the Presidency. A lawyer, Jinapor has long been affiliated with the NPP and was a campaign aide and advocate for Akufo-Addo in the 2008, 2012 and 2016 elections.



Forestry Commission (FC)

The FC is charged with regulating and managing forest resources and protected areas, assisting the private sector to implement forest policies, developing forest plantations, restoring degraded areas, and increasing forest cover for the production of timber. Its climate change unit hosts the REDD+ secretariat. Since 2017, Benito Owusu Bio has been the Deputy Minister for Forestry of the MLNR and CEO of the FC. Before then, he served on the parliamentary Lands and Forestry Committee from 2013 to 2016.

Ministry of Finance and Economic Planning (MoFEP)

The MoFEP plays a coordinating role for climate finance. It acts as the National Designated Authority (NDA) for the Green Climate Fund (GCF) and has a designated unit for green finance – the Natural Resources, Environment and Climate Change (NREC).

In office since 2017, Minister of Finance Ken Ofori-Atta is among the most high-profile and influential members of the current government. He is regarded as highly capable and was named as the 2018 “African Finance Minister of the Year” by the World Bank. In March 2021, when discussing the post-COVID-19 recovery strategy for Africa and Ghana, he stressed the importance of climate-conscious industrialisation, economic diversification and digitalisation. Ofori-Atta had a long and successful career in the private sector before turning to politics.

6.2.3 Reform commitment and budgetary prioritisation (moderate)

Although the government has established a strong climate agenda through its various policy initiatives and emissions targets, these efforts have not been backed by adequate levels of domestic funding.

Government climate allocations are internationally and nationally considered insufficient to meet Ghana's targets and to support implementing MDAs such as the MESTI and EPA. In 2020, the World Bank described funding provided for climate change activities in the national budget as "inadequate." This was echoed in Ghana's Fourth National Communication that same year. The NC4 additionally indicates that climate finance inflows between 2012 and 2017 were covered at 8.5% by the national budget, with 19% coming from loans and 72.1% from grants.

As such, external and donor support has proven essential to Ghana's implementation of environmental policies and programmes (see section [6.2.5](#)). This balance is readily acknowledged in key policy documents. For instance, Ghana's 2015 NDC estimated the cost for implementing the required programmes from 2020 to 2030 to stand at USD 22.6 billion (USD 9.8 billion for mitigation and USD 12.8 billion for adaptation), with USD 16.3 billion to come from international sources and the remaining 28% or so to be mobilised domestically. In the case of national communications to the UNFCCC for example, the Global Environment Facility (GEF) is the primary source of funding.

6.2.4 Structural capacity (moderate)

Financial and human resources dedicated to climate change policy are moderate considering its status as a middle-income country. The various bodies have experienced relative stability in policy and leadership; however, poor levels of coordination between relevant entities remains a considerable constraint. Both external and domestic actors have highlighted these as prominent issues.

From a coordination point of view, Ghana lacks an overarching entity to guide its climate change response, as well as a clear framework delineating stakeholder responsibility. There have been attempts to create such an entity in the past, but these lacked both budget and formalised or statutory authority. The NCCC's mandate is limited to reviewing policies and programmes, and holds no authority to guide climate change response. While nominally the main ministry in charge of environmental policy, the MESTI is, in practice, hampered by overlapping mandates with other ministries, which have previously caused tensions. Other jurisdictional overlaps between different MDAs also affect land use, agriculture and forestry among other sectors. Strengthening institutional collaboration is among the key goals of the NAP, but a roadmap for this is yet to be formulated.

This has affected the resourcing and funding of MDAs with environmental mandates, as well as their ability to achieve their objectives. The MESTI, for instance, struggles with information management, and has also proven unable to effectively disseminate information regarding environmental policies to other MDAs and at the public and local level. Similar problems hinder the EPA and its enforcement capacity, with inevitable attendant impacts on the environment and the economy, as illustrated in the case study below.

Pollution by steel companies

In November 2019, steel workers in the Greater Accra Region called on the EPA to shut down two steel companies, Rider Steel and United Steel, for causing severe air pollution. The workers had protested previously over health issues, and criticised the EPA for its failure to intervene. By mid-2020, both companies failed to provide the MESTI and EPA with a roadmap to how they would address pollution management and were ordered by the agency to cease operations. Rider Steel resumed operations at reduced capacity to meet emissions standards, while United Steel ceased operations in September 2020 and laid off 400 workers following the EPA's shutdown order.

6.2.5 Donor and development partners' support (very strong)

In light of insufficient domestic budgetary support and of the breadth of Ghana's commitments, external financing has proven essential to the country's ability to implement its climate agenda. In this regard, Ghana is in the same position as other African countries in that it will bear a disproportionate impact from climate change relative to its role in contributing to the phenomenon.³ However, weak domestic climate leadership and high reliance on external funding regularly results in international institutions determining policy rather than national priorities. In West Africa, Ghana was ranked as 6th out of 17 countries in terms of access to multilateral climate funding, securing USD 248 million between 2015 and 2018.⁴

According to Ghana's Fourth National Communication (NC4), the majority of climate-related financial inflows between 2011 and 2019 concerned the natural gas industry, some USD 14.2 billion out of a total USD 15.5 billion. Of the remaining USD 1.3 billion, close to USD 760 million went on other energy projects. In both cases, extensive support was provided by multilateral and bilateral sources.

The major donors we identified are:

- World Bank Group.** A key provider of climate finance to Ghana, the World Bank Group is currently developing a new Country Partnership Framework (CPF) for 2021-2026. The proposed CPF seeks to address three areas: human capital development, diversified growth and quality jobs, and resilient development, including improved natural resources management. Currently, its various agencies support areas such as education, finance, urban resilience, transport, agriculture, clean water, and energy, with a total portfolio of USD 3.26 billion in credits and grants across nearly 30 projects. Past examples of climate support include a USD 8.75 million grant in partnership with the GEF for a sustainable land and water management project, co-financed by the government of Ghana, which allocated USD 4.5 million.
- Global Environment Facility (GEF).** The GEF has been operating in Ghana since the 1990s and has worked on a total of 32 national projects, in partnership with agencies such as the World Bank, UNDP, UNIDO and IFAD. Total financing provided by the facility to date is USD 100 million, with USD 600 million in co-financing. Types of projects have included conservation, renewable energy and rural electrification, urban transport, as well as supporting Ghana's reporting to the UNFCCC.

³Source: [OECD](#)

⁴Source: [UNFCCC](#)

- **USA.** A key international partner for Ghana, the USA is also among the most prominent donor countries for climate change initiatives in the country. Grants are processed through various US agencies. For example, the Millennium Challenge Corporation (MCC) is currently supporting Ghanaian electrification with a USD 308 million grant, which is one of the largest commitments by any of Ghana's partners.⁵

Other prominent donors and partners include the governments and development finance institutions (DFIs) of Japan, China, Denmark, Norway, Switzerland, Germany, the Netherlands, UK, and Canada, with funds often channelled through the World Bank, the UNDP and or AfDB.

Key international influencers

After relative economic success in the last 30 years, Ghana has come to question the donor-recipient relationship it has with international actors like the EU, the UK, France and Denmark, which, through bilateral aid, have supported and set priorities in Ghana's development path. This is reflected in President Akufo-Addo's vision of "Ghana Beyond Aid." The government's efforts to reduce its dependence on international partners is reflected in the UK-Ghana development relationship, where a reduction in bilateral aid has been met with a renewed focus on mutually beneficial areas, such as trade and investment.⁶ Few other African governments are so keen to shrug off donor ties, despite this being an inevitable part of graduating to middle-income status.

China is also a key economic partner, constituting Ghana's main source of foreign direct investment. Beijing is also Accra's principal trading partner and infrastructure financier. With debt to China already amounting to USD 3.5 billion, recent deals have been done under a resource-for-infrastructure framework, such as the 2018 initiative where Ghana agreed to sell 5% of its bauxite reserves in return for a USD 2 billion investment in railways, roads and bridges to facilitate transportation. As well as close economic ties, Ghana has historically supported China diplomatically and politically, including aligning with its one-nation policy.

6.2.6 Dialogue with non-government actors (strong)

Climate-related policy-making and initiatives in Ghana are highly collaborative processes. Development partners, the private sector, academia and research organisations, CSOs, and NGOs are regularly involved in formulation, validation and implementation. The Institute for Environment and Sanitation Studies at the University of Ghana, Abantu for Development, Conservation Alliance Ghana, and Friends of the Earth Ghana are all influential bodies that have served on the NCCC currently or in the past. More broadly, Ghana has adopted a multi-stakeholder, whole-of-society approach to the implementation of the UN's Agenda 2030 for Sustainable Development.

These dialogues occur across different levels of government, from major policies to programmes more specific to certain ministries, and across sectors. For instance, Ghana's COVID-19 recovery plan – led by the Ministry of Finance – was supported by a technical working group involving trade unions, private sector associations, chambers of commerce and academics. Climate-specific examples include the ERPA with the World Bank, whose development involved more than 40 institutions, and the Health and Pollution Action Plan, for which there was a technical working group comprising representatives from the EPA, the Ghana Health Service

⁵ Signed in 2014, the original total grant stood at USD 498 million but was reduced by USD 190 million in October 2019. Over USD 200 million of the grant had been expended by 31 March 2021.

⁶ UK aid to Ghana dropped from GBP 44 million in 2018/19 to GBP 9 million in 2021/22, according UK [DevTracker](#).

(GHS), the UN Industrial Development Organisation (UNIDO), WHO-Ghana, the NGO Pure Earth, and the Public Council for Scientific and Industrial Research (CSIR).

However, local communities' involvement in these processes and in the broader decision-making can often be lacking. Rural and forest communities are therefore particularly marginalised.

6.2.7 Non-government influencers

350 Ghana Reducing our Carbon (G-ROC)

G-ROC is the Ghanaian subsidiary of the international organisation 350 Africa, a grassroots network which campaigns to cut carbon dioxide emissions while fostering a global movement for climate solutions. Coordinated by influential activist Chibeze Ezekiel, G-ROC uses social media campaigns, lobbying, media engagement and petition-signing to influence the government and sway public opinion. Notable work involves a successful mobilisation of public support against coal power, leading to the blocking of the 700-MW Ekumfi coal-powered plant in 2017.

Netherlands Development Organisation (SNV)

SNV is an international NGO focused on promoting sustainable development in agriculture, energy and water, sanitation and hygiene. With strong ties in Ghana since 1992, SNV is regarded as one of the most influential international NGOs in the region, especially in agriculture, due to high levels of collaboration with both local NGOs and state institutions, such as the Forestry Commission. The SNV has a history of promoting climate change policy to state institutions through evidence-based discussions or workshops. Notable work includes the 'Productive Use Of Thermal Energy In Agro-Processing' project, aimed at reducing dependency on traditional wood stoves in agricultural production which led to deforestation and high carbon emissions.

Green Advocacy Ghana (GreenAd)

GreenAd is an environmental NGO in Ghana which focuses on educational campaigns and community outreach to advocate for climate solutions. It also has a research and data collection capacity which has been used to contribute to projects inside Ghana. These include helping to identify over 231 heavily toxic sites since 2012, as part of the global Toxic Sites Identification Program developed by the NGO Pure Earth.

Friends of the Earth Ghana (FoE Ghana)

FoE Ghana was founded in 1986 and currently has a membership of over 15,000, representing the largest environmental organisation in the country. In its mission for sustainability and conservation, FoE Ghana supports community projects, campaigns for environmental action in the public and private sector, and exposes negative environmental impact. Recent work has included building public support, as well as lobbying to both Ghanaian and Chinese authorities about the adverse impact that bauxite mining will have on Ghana's Atewa forest.

Strategic Youth Network for Development (SYND)

SYND was established in 2008 with the aim of improving active youth inclusion in the governance of climate-related thematic areas in order to reduce fossil fuel related emissions. SYND hopes to engage Ghana's youth in the governance of natural resources and formulation, and implementation and review of existing environmental sector policies, programmes and projects, from local to national level. In 2020, the network met with the EPA to develop a roadmap for youth participation in developing and implementing the NAP.

6.2.8 COVID-19 impact (weak)

Ghana is among West Africa's most diversified economies, which underpins a level of resilience to economic shocks. The country was nonetheless severely affected by the pandemic, entering into recession for the first time in close to 40 years in Q2 and Q3 2020. This resulted in annual GDP growth falling from 6.5% in 2019 to 1.1% last year, exacerbating poverty. Public debt reached 76.1% of GDP at the end of 2020, with high debt-servicing constraining government spending. However, Ghana continues to espouse sound public financial management and enjoy the confidence of international markets. Finance Minister Ken Ofori-Attah took advantage of low borrowing rates to issue USD 3 billion of Eurobonds in March 2021, using part of the proceeds to repay old loans.

Climate spending and commitment will most likely continue to be neglected in the short and medium term. Neither climate change nor biodiversity are mentioned in the Ghana COVID-19 Alleviation and Revitalisation of Enterprises Support (CARES) Programme (also known as "Obaatampa"), whose USD 18 billion second phase aims to guide economic revival and transformation from 2021 to 2023.

Still, Ghana's COVID-19 response presents some opportunities for climate-oriented initiatives. In line with the broader discourse within the international community, the government has loosely referred to a "build back better" strategy centred on green growth. When speaking at the launch of Ghana's NAP in July 2020, then Minister of MESTI, Kwabena Frimpong-Boateng, stated that the COVID-19 pandemic was "a wake-up call to us as Ghanaians on self-sufficiency," placing emphasis on the need to "climate-proof" post-COVID-19 recovery investments and stimulus packages. The Minister of Finance's 2021 statement regarding environmentally sustainable industrialisation indicates that the country may dedicate more spending to climate issues that are closely integrated with national development priorities. With the NAP for example, the current administration intends to ensure future investments go towards projects that can boost climate resilience. However, unless sufficient external support is provided, climate-oriented programmes are likely to suffer at the expense of sectors such as mining and oil and gas, both key sources of revenue and growth.

6.3 Sectoral

GHANA

SECTOR OPPORTUNITIES & RISKS

Sector	 Opportunities	 Risks
Urbanisation 	<ul style="list-style-type: none"> • Low-cost, sustainable housing to help alleviate housing deficit • Promotion of climate-oriented construction • Promotion and action in relation to pollution management, in particular air and water pollution 	<ul style="list-style-type: none"> • Demographic pressure undermining sustainable construction • Weak enforcement of construction code • Frequent power cuts, including in Accra • Climatic risks such as floods and droughts
Electrification 	<ul style="list-style-type: none"> • Strong commitment to hydropower and interest in installing solar to supplement output in dry season • Hydroelectricity, including mini-hydro power plants • Solar energy (PVs, clean-cooking) • Rural electrification and off-grid solutions 	<ul style="list-style-type: none"> • Energy sector heavily indebted, constraining ability to invest • Expansion of natural gas for thermal power capacity at the expense of renewables • Climatic risks such as floods and droughts
Industrialisation 	<ul style="list-style-type: none"> • Climate-oriented industrialisation in the context of the post-COVID-19 recovery and the One District One Factory (1D1F) initiative 	<ul style="list-style-type: none"> • Low government commitment at the expense of quick economic recovery • Weak enforcement of environmental standards
Land use change 	<ul style="list-style-type: none"> • Initiatives to render the cocoa industry more sustainable and reduce associated deforestation • Reforestation projects • Agri-tech: improved data management and administration systems, tracking systems, and improving access to finance for farming communities 	<ul style="list-style-type: none"> • Weak governance and enforcement capacity, particularly in the forestry sector • Illegal and artisanal logging • Climatic risks such as floods and droughts • Food insecurity and intensive agriculture
Oil and gas 	<ul style="list-style-type: none"> • Offshore gas is replacing heavy fuel oil at thermal plants 	<ul style="list-style-type: none"> • Tema LNG facility signals long-term commitment to fossil fuels

6.3.1 Urbanisation (strong)

Already a highly urbanised country, Ghana has cities and urban areas that are expected to see further growth in the coming years, with attendant opportunities and risks for climate action. According to World Bank data, the urban population stood at 17.2 million in 2019, or 56.7% of the overall population. The Greater Accra Metropolitan Area accounts for the majority of urban dwellers, with its 4.5 million inhabitants. Urban demographic growth is expected to continue over the course of the next decade, with significant increases in cities such as Accra, Kumasi and Tamale. Ghana’s latest population and housing census, which was conducted in 2010,⁷ expected the urban population to reach 19.3 million in 2030 and 26.7 million in 2050.

There are a number of existing areas of opportunity for climate philanthropies, all of which are likely to become more pressing and in need of increased support given urbanisation trends. The two most pertinent ones for climate activists are construction and housing, and air and water pollution.

- **Construction and housing.** Given the share of construction in Ghana’s GDP – between 8% and 9% in 2016-2019 – this represents an important area for potential impactful action. In a bid to root out unsustainable construction practices and align with international standards, Ghana launched its first National Building Code in 2018. Stakeholders such as the IFC have since held seminars with local

⁷ A new census is set to take place in 2021.

construction professionals, engineers and architects to encourage the implementation of sustainable solutions as per the new code. While the latter is a boost for climate-oriented construction, Ghana still lacks an authority to oversee the enforcement of regulations in the sector. A bill to set up such a body – the Construction Industry Development Authority (CIDA) Bill – is still set to go through Parliament.

Promoting best practice is an immediate challenge as demographic growth and urbanisation have led to a housing deficit, despite national construction seeing significant growth since 2010. In 2019, the then minister of housing said the deficit had reached 2 million housing units, up from 1.5 million in 2015. The cost to bridge the gap was estimated at USD 3.4 billion annually over ten years. Together with the current government's pro-private sector stance, this offers a window of opportunity for donor support and for operators to provide low-cost, sustainable solutions. The government has already entered into several partnerships to address the problem, including in 2019 with the UN Office for Project Services (UNOPS) and with Solin, a Hungarian engineering firm. Both partnerships aim to build 100,000 homes.

- **Air and water pollution.** Both as a result of urbanisation and increased economic and industrial activity, air and water pollution have become significant problems in Ghana. To address this, initiatives are undertaken at both the national and city level. In 2019, the Health and Pollution Action Plan was published to respond to the health and economic consequences of pollution. Its technical working group identified six principal sources of pollution, and ranked them by order of priority. These were then re-grouped under municipal solid waste management, industrial pollution, and toxic pollutants of all forms at contaminated sites.

Accra in particular has sought to address air pollution. In 2016, the city was selected by the US Environmental Protection Agency (EPA) for its first Megacity Partnership programme. It addressed air quality and exposure to toxic chemicals by providing technical support and capacity-building to help in the formulation of an air quality management plan. From this emerged the Ghana EPA's Greater Accra Air Quality Management Plan in 2018, whose objectives include the reduction of air pollutants such as particulate matter, sulfur dioxide, nitrogen dioxide, carbon monoxide and ozone. The plan was launched alongside the CCAC's BreatheLife campaign – a WHO, CCAC, UNEP and World Bank global initiative to mobilise cities and communities to reduce air pollution – which Accra was the first African city to join.

At this stage, the prospect of an integrated policy focusing on air quality and greenhouse gas emissions is remote. However, the 2018 National Action Plan (NAP) to mitigate Short-Lived Climate Pollutants (SLCPs) outlines a number of specific policy actions to simultaneously address climate change and air quality, including the adoption of clean cooking, increasing natural gas for electricity production, the reduction of forest burning and the prevention of the open burning of waste.

6.3.2 Electrification (strong)

Ghana has one of the highest electrification rates in sub-Saharan Africa. In 2018, the World Bank estimated 82.4% of the population had access to electricity – with only the Seychelles, Mauritius, Cape Verde, Gabon, and South Africa attaining higher access. This figure has since stagnated at around 83%, despite investments in new power stations and upgrades to gas transmission infrastructure. It is projected that additional capacity of 225 MW will be needed by the start of 2024 if Ghana is to preserve a secure supply of energy, with an additional 220 MW needed by the start of 2025, according to the International Trade Administration.

Ghana's energy mix is dominated by hydropower and thermal power (which includes biomass, fuel oil and natural gas), with some wind and solar power. Installed generation capacity is approximately 4,500 MW, with 1,580 MW from hydroelectricity, 2,800 MW from thermal, and 22.5 MW from renewables.⁸

The country is currently under-exploiting its renewable potential, notably wind and solar power, although the government has commissioned mini-hydroelectric facilities in recent years. Ghana also has expressed interest in pursuing nuclear power as an energy source by 2030. In 2018, Nuclear Power Ghana (NPG) was set up as the eventual owner and operator of Ghana's first proposed nuclear plant.

Solar is gradually gaining ground, with government buildings acquiring PV panels and new projects being hooked up to the national grid. In April 2021, the Bui Power Authority (BPA) connected a 22.5 MWp solar PV power plant to Ghana Grid Company's (GRIDCo) transmission platform. GRIDCo's involvement in climate change policy is limited to the supply of primary data. The BPA aims to build solar power capacity to 250 MWp to hybridise the 400 MW Bui hydroelectric plant, whose generation is affected during the dry season.

Solar systems and mini and off-grid solutions are regarded as means to achieving rural electrification, which is another potential opportunity. Reaching rural communities, who rely on natural resources such as woodfuel for their livelihoods presents significant challenges in terms of cost-effectiveness – hence the emphasis on off-grid solutions in the Rural Electrification Master Plan.

Policy-makers are also pushing for Ghana to capitalise on its under-exploited potential in renewable energy power generation. The guiding strategy document for this is the 2019 Ghana Renewable Energy Master Plan (REMP), a USD 5.6 billion investment plan that goes up to 2030 and aims to avoid 11 million tonnes of carbon emissions over this period. It sets targets that include an increase in renewable energy capacity from 42.5 MW (2015 level) to 1,363.63 MW, the reduction of the use of biomass for thermal power stations, and the provision of decentralised renewable solutions for 1,000 off-grid communities. With 80% of the REMP's funding set to come from the private sector, this presents a major opportunity for donors.

Furthermore, in the framework of its NDC, Ghana has committed to reducing emissions by 2 million tonnes in the energy sector through the National Clean Energy Access Programme (NCEP). To this end, in December 2020 the government partnered with Switzerland to enable the adoption of green and low-carbon technology solutions. Under the partnership – which is looking to promote private sector investment – five million households as well as SMEs are targeted for the adoption of green and low-carbon technology solutions, such as improved cooking stoves and solar installations (PVs, lanterns and home systems). More project opportunities are expected to stem from the partnership. Similar initiatives had already been undertaken previously, including by the MESTI and EPA, and the UN-backed Clean Cooking Alliance (formerly Global Alliance for Clean Cookstoves).

Power cuts have in the last five or so years led to important challenges for the government from a macroeconomic perspective. Fitch Ratings in March 2021 said it expected that energy sector liabilities and COVID-19-related costs would cause government debt to continue to rise in 2021 and 2022. This stems from debt owed by the government to Independent Power Producers (IPPs), much of it accrued through Power Purchase Agreements (PPAs) signed in an uncompetitive process when Ghana was experiencing extensive

⁸ Renewable energy in Ghana is defined under the 2011 Renewable Energy Act, which considers hydropower capacity of up to 100 MW to be renewable.

power cuts in 2014-2016. The nature of these PPAs attracted considerable criticism, as they left the government paying for significant sums for excess electricity. Measures have been implemented to deal with this – the Energy Sector Recovery Programme (ESRP) – and have enabled the government to register savings of as much as USD 5 billion as of December 2020. Today, however, the government still pays USD 500 million for excess capacity. The government's approach to the issue is focused on negotiating more balanced contracts, and careful forward planning.

6.3.3 Industrialisation (moderate)

The industrial sector is a major source of pollution for water, air and land resources, but does not constitute a major source of emissions when compared with other sectors. Emissions from industry accounted for 1.04 MtCO₂e in 2016, according to NC4 (2020), relative to 15.02 MtCO₂e from energy and 22.92 MtCO₂e from agriculture, forestry, and other land use sectors. The 2016 figure was also down from the 1.52 MtCO₂e recorded in 2012.

The most pronounced opportunities in this sector are in manufacturing. Through the One District One Factory (1D1F) initiative, the government has pledged to transition Ghana away from an economic model reliant on imports and the exportation of raw materials to one based on manufacturing and the export of manufactured and processed goods. Launched in 2017, the 1D1F involves the establishment of at least one medium or large factory in each of Ghana's 232 administrative districts, and aims to achieve this through the private sector. It expects to lead to 6% growth in the manufacturing sector per annum, mainly centred around SMEs, which make up over 90% of Ghana's industrial sector. There are a total of 232 projects planned under the 1D1F, with 76 of these operational and 107 under construction.

Climate change considerations do not feature explicitly in the objectives set out by the 1D1F, although its dedicated secretariat is mandated to ensure the sustainability of projects. Its evaluation process is based on three main pillars: availability of raw materials, good corporate governance practices, and an available market for produce. In certain regional contexts, such as ensuring year-round water availability in the northern regions, climate change resilience is nonetheless an important factor for 1D1F projects.

In the context of post-COVID-19 recovery, key government stakeholders have stressed the need for Ghana's industrialisation and economic transformation to be climate-conscious. At the March 2021 Conference of African Ministers of Finance, Planning and Economic Development, Minister of Finance Ofori-Atta referred specifically to the government's COVID-19 recovery plan, the Ghana CARES programme, even though the latter does not explicitly cover climate change. As a boost for the enabling context, CARES outlines plans for legislative reform to facilitate economic recovery, pertaining to tax exemptions, public-private partnerships (PPPs), DFIs, and SME support. Target sectors of the programme – 70% of which is to be financed by the private sector – are commercial farming, light manufacturing, agro-processing, pharmaceuticals, textiles, and the digital economy.

6.3.4 Land use change (strong)

Agriculture, forestry and other land use account for most of Ghana's GHG emissions. Making these sectors sustainable is a major development challenge for Ghana not only on this basis, but also due to their vast contribution to the economy, in terms of GDP and employment,⁹ as well as to their role in food security and

⁹ In 2020, it was estimated 60% of the population were employed in the agriculture and forestry sectors, including 53% of women.

energy needs. In November 2021, Ghana joined 132 other nations participating in the COP26 conference in signing the Glasgow Leaders' Declaration on Forests and Land Use.¹⁰ This, coupled with the development of a comprehensive National Forest Monitoring System, indicates a continued commitment to addressing these issues.

Solutions and funding are needed quickly as Ghana is consistently among the countries in Africa with the highest rates of deforestation and is seeing its agricultural productivity suffer from both climate change and unsustainable practices. Between 2001 and 2015, deforestation amounted to annual losses of over 315,000 hectares. Between 2013 and 2015, increased losses in the northern savannah zone raised losses to over 500,000 hectares per year. Much of this has been down to an intensification of agriculture, with resultant land degradation and harmful impacts on productivity. Although policies are in place and a number of projects ongoing, action is impeded by weak structural capacity.

- **Agriculture.** Agriculture accounts for 19% of Ghana's GDP and over 30% of export earnings. Cocoa bean production is a particularly important sub-sector – Ghana is the world's second largest producer, behind only Côte d'Ivoire – but cocoa has historically contributed to extensive deforestation and land degradation. Conscious of this, Ghana and Côte d'Ivoire, in partnership with 35 major chocolate and cocoa companies, launched the Cocoa & Forests Initiative (CFI) in 2017. Actions taken under the CFI have included tree planting, enhancing the traceability of cocoa along the supply chain, capacity building and promotion of sustainable agricultural practices, and providing access to financing for farming communities.

A number of other partnerships and initiatives are seeking to make the cocoa industry sustainable. One of the two pillars of Ghana's plan with the FCPF Carbon Fund to lower carbon emissions and tackle deforestation is to promote climate-smart cocoa bean production. Consultations for the design and validation of the plan involved over 40 institutions, with stakeholders from both the government and the private sector, including majors such as Olam and Touton. This is anchored in the Ghana Cocoa Forest REDD+ Program (GCRFP), under which the FCPF has committed up to USD 50 million in results-based payments for reductions of 10 MtCO₂e between 2019 and 2025, as part an Emission Reductions Payment Agreement (ERPA). Also, in 2021, the Ghana FC and World Cocoa Foundation announced they would increase their collaboration on forest protection and restoration in cocoa farming communities in order to better align with the GCRFP and CFI.

In terms of agri-tech, Ghana is among the most promising markets on the continent, with a high number of agri-tech startups. This is owing not only to the scale and growth prospects of the agricultural sector, but also to the well-developed digital policy and regulatory landscapes. Recent policies like Planting For Food and Jobs emphasizes the important role the agricultural sector plays in Ghana, while providing packages and subsidies that facilitate digitisation and mechanisation throughout the value chain. There is a significant opportunity in terms of innovative and data-led management systems. For example, the current government-controlled marketing system for the cocoa sector, the Ghana Cocoa Board (COCOBOD), is inefficient and the government has outlined the need for an improved data and administrative system.

- **Forestry.** Once a prominent national employer and contributor to GDP, Ghana's forestry sector has significantly declined since the turn of the millennium owing to the depletion of timber resources.

¹⁰ Source: [UNFCCC](#)

Nonetheless, an important informal sector subsists as a result of local needs. Five years ago, the number of illegal chainsaw loggers was estimated at 100,000, supplying over 70% of the domestic demand for lumber, and supporting the livelihoods of 650,000 people. To mitigate against this, the FC worked with the EU, Tropenbos International and the Forestry Research Institute of Ghana to better regulate the sector by enabling small-scale loggers to gain legal recognition.

The government is also supporting important reforestation efforts. For example, it has partnered with forestry management company Form Ghana for a reforestation project in the Ashanti region, which aims to restore 11,700 hectares of degraded forest and turn it into a sustainable commercial forestry plantation. A USD 24 million loan from the AfDB and Climate Investment Funds' Forest Investment Program (CIF-FIP) was secured in 2017 to support the project.

Philanthropy in this sector will be facilitated by the local presence of key regulators and associations, including the Pan-European Forest Certification (PEFC) programme and the African Timber Association (ATO), who will be able to provide independent guidance. Ghana is also part of the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, a voluntary scheme which aims to reduce illegal logging by strengthening the sustainability and legality of forest management, improving forest governance, and promoting trade in legally produced timber. As of February 2021 Ghana was yet to launch the FLEGT licensing scheme – an EU assessment concluded it was not ready to do so owing to the absence of forest management plans and enforcement capacity.

6.3.5 Oil and gas sector (strong)

Ghana has been exporting oil since 2010, following the discovery of the offshore Jubilee oil field in 2007. Successive governments have looked to glean political advantage from the sector and the current NPP administration remains focused on increasing petroleum production. In October 2021, national oil company GNPC exercised its pre-emption rights to increase its stakes in the Jubilee and TEN fields, while espousing a desire to operate fields within five years. GNPC has also secured government approval to borrow USD 1.1 billion to increase its stakes in the Deepwater Tano-Cape Three Points and South Deepwater Tano blocks.

Oil revenues are a key source of financing for the country's developmental goals, and offshore gas remains critical to power-generation. The country's emergence as a regional hydrocarbons player has overshadowed renewables, with policy-makers viewing the need to cultivate the oil and gas sector as an important driver of the economy in the medium- to long-term.

The country's ability to achieve growth in 2020, despite the COVID-19 pandemic, was in significant part down to the global recovery in petroleum prices. Between 2016 and 2019, as Ghana was also recovering from a difficult economic period (2014-2016), oil and gas recorded the highest average annual growth among all industries, underpinned by global prices and the discovery of new reserves. In this time frame, the hydrocarbon sector's share of GDP jumped from 16% to 24%. Crude oil exports have in turn come close to becoming Ghana's most valuable export. In 2018, they accounted for 30.6% of export revenues – which stood at USD 14.9 billion that year – with only the gold sector contributing more, at 36.4%.

There are opportunities for climate spending in relation to the gas sector, which is contributing to marginal shifts in Ghana's energy mix. Eni's Sankofa gas fields, located in the Offshore Cape Three Points block, began production in 2018, establishing a new source of feedstock for thermal power stations that have historically

relied on imported heavy fuel oil. Works to the West African Gas Pipeline subsequently enabled gas from Sankofa to travel to the Tema power enclave outside Accra, reducing the sector's emissions profile.

Alongside these minor gains are additional risks. Despite an abundance of offshore gas, Ghana became the first country in sub-Saharan Africa to establish a Liquefied Natural Gas (LNG) import terminal, in Tema, ignoring the additional carbon emissions associated with liquefaction, transport and regasification. Ghana's petroleum commission has also turned a blind eye to sustained flaring at Tullow's Jubilee and TEN facilities, which the company claimed was necessary to maintain oil production levels. Such measures raise questions about the government's commitment to reducing its emissions profile.

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