

Ghana
Forest Investment Program
Joint Mission Terms of Reference for the Development of the FIP Investment Plan
February 25, 2011

A joint mission of the Multilateral Development Banks and their partners will take place in Ghana between May 30 and June 06, 2011, and will be led jointly by the Government of Ghana (through the Ministry of Lands and Natural Resources (MLNR)) and the Multilateral Development Banks (The African Development Bank, the World Bank and the International Finance Corporation). The overall objective of this mission is to support the Government of Ghana in preparing its FIP Investment Plan.

1. Background

The Climate Investment Funds (CIF) is a financing mechanism designed to initiate transformational change towards low-carbon and climate-resilient development through scaled-up financing channeled through the Multilateral Development Banks (MDBs), including the triumvirate of African Development Bank (AfDB), the International Finance Corporation (IFC), and The World Bank (IBRD). The two CIF funds are the Clean Technology Fund (CTF), financing scaled-up demonstration, deployment and transfer of low-carbon technologies for significant greenhouse gas (GHG) reductions within country investment plans; and the Strategic Climate Fund (SCF), financing targeted programs in developing countries to pilot new climate or sectoral approaches with scaling-up potential. The current programs financed under the SCF are the Pilot Program for Climate Resilience (PPCR), the Small-Scale Renewable Energy (SREP), and the Forest Investment Program (FIP).

The main purpose of the FIP is to support developing countries' REDD-efforts, providing up-front bridge financing for readiness reforms and public and private investments identified through national REDD readiness strategy building efforts, while taking into account opportunities to help them adapt to the impacts of climate change on forests and to contribute to multiple benefits such as biodiversity conservation, protection of the rights of indigenous peoples and local communities³, poverty reduction and rural livelihoods enhancements. The FIP will finance efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so. (FIP Design Document)

Ghana has been selected by the FIP Sub-committee as one of the three pilot countries for the Forest Investment Program in Africa, the others being Burkina Faso and Democratic Republic of Congo. Five other countries were also selected to be FIP Pilot countries. The FIP subcommittee confirmed Ghana as a pilot in March 2010. The Government of Ghana confirmed its interest to participate in the program by sending a letter to the FIP Committee with the completed questionnaire in April 2010. A Scoping Mission was undertaken in September 2010 for which the objective was to plan the further preparation of the Ghana FIP, and to initiate stakeholder consultations with private sector, local communities¹ and civil society, and to prepare for the fielding of a the Joint Mission.

The three concerned Multilateral Development Banks (AfDB, IFC, and IBRD) in consultation with development partners, private sector, local communities and civil society, will be supporting the

¹ For the purpose of FIP Ghana, the Government suggests using the term "Local Communities" rather than "Indigenous People". These aspects will be further refined in the Joint Mission.

Government of Ghana in its efforts to prepare the FIP Investment Plan. This plan will lead to the articulation of the Ghana Forest Investment Program which will build organically on the ongoing national REDD+ readiness process which is being supported by the Forest Carbon Partnership program (FCPF), as well as related bilateral partners (such as Government of Japan funded assistance for REDD+ monitoring systems), and programmatic assistance (such as the Natural Resources and Environmental Governance Program, NREG, supported by France, The Netherlands, United Kingdom, European Commission, and the World Bank).

2. Challenges in the forestry sector

The most recent inventory analysis of natural forests found alarming results. It results in an annual cost of degradation of about 3.5 percent of Ghana's GDP. Data across 46 forest reserves and comparisons with inventories in the 1950s, 1970s, and 1990s, shows that the forest is degrading with a negative basal area of -0.13m²/ha/year: damage from logging is greater than new growth. Off-reserve, loss arises from the combined expansion of farming (especially cocoa) and demand for timber from the timber industry while on-reserve, degradation has accelerated dramatically in the last decade from excessive logging, encroachment, illegal logging by chainsaw operators, and bushfires that the Forestry Commission has been unable to prevent. Only 1.6 million hectares of reserved forests in Ghana remain in a reasonable to good condition from an initial area of 8.1 million hectares.

A New National Plantation Development Program was launched in January 2010 by the government. The program has an annual target of 30,000 ha and is to be implemented nationwide both within and outside forest reserves using paid/contract labor. The program seeks to generate employment as a means to reduce poverty, restore degraded forest cover, improve the environmental quality, and provide an avenue for the country to tap emerging benefits from the climate change markets for carbon sequestration.

Within this context, the FIP will finance efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so, through targeted investments which might include all forest mitigation options identified under the Cancun COP 16 agreement.

3. Institutional arrangements for Ghana FIP

The official Government FIP Focal Point is Hon. Mike Hammah, Minister, Ministry of Lands and Natural Resources (MLNR), who is succeeding the previous Minister, Honorable Collins Daouda, in this role. The contact address is as follows:

Hon. Mike Hammah
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For day-to-day coordination, the Government of Ghana has designated Mr Franklin Ashiadey, Principal Economist of the Ministry of Finance and Economic Planning (MoFEP) who works closely with Dr Victor Agyemang of the Forestry Research Institute (under the Ministry of Environment, Science and

Technology, MEST), and Sasu Oppon of the Forestry Commission (under the Ministry of Lands and Natural Resources, MLNR).

In terms of Technical Coordination, the NREG Technical Coordination Committee (TCC) which has been operational for three years will form the basis for overall guidance of the FIP and will be expanded with additional members (including two from private sector, two from civil society, one from Forest Forum representing community point of view, one from research institution, one from traditional authorities, one from Ministry of Agriculture, one from Ministry of Environment, and one from the Lands Commission). In this new configuration the TCC will be renamed TCC+, and will be responsible for guiding Ghana's REDD+ agenda. The TCC+ will be coordinating among others Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance and Trade (FLEGT), National Forest Forum, NREG, Non-Legal Binding Instruments (NLBI), the country's REDD+ activities, and the FIP. The TCC+ is expected to meet four times per year. In addition, there will be Ad Hoc Working Groups formed as needed, and would include initially an Ad Hoc Working Group for the preparation of the FIP Investment Plan. The current REDD+ Committee is an existing Ad Hoc Committee, and will cease to exist when the REDD+ R-PP financed by the Forest Carbon Partnership Facility (FCPF) is concluded. It is expected that this process will benefit from broad consultations with a wide range of stakeholders at national, regional and local levels.

The harmonization of Development Partners (DP) in support of FIP is assumed by the designated DP Sector Lead in the Environment and Natural Resources Sector Group, Mr Ton van der Zon of the Royal Netherland Embassy.

4. Joint Mission

The Ghana FIP Joint Mission entails the undertaking of a country-led joint MDB mission to assist the Government in the development of a FIP Investment Plan. The objective of the joint mission is to assist the Government of Ghana in developing the FIP Investment Plan, through broad-based consultations, dialogue with key stakeholders, and analysis of key development plans, policies, and strategies.

Prior to fielding the Joint Mission, the following activities are proposed to be led by the Government of Ghana with support from the MDBs as necessary:

- (i) **Stock taking** of relevant information on forestry, natural resources management, rural development and climate change. This will include review of policies, climate change strategy, forest strategy, national development plans, programs and activities. The Government of Ghana lead institutions (MoFEP with MLNR and MEST) will assemble these documents while the MDBs under the leadership of AfDB may provide assistance in consolidating background material and identifying main analytical gaps through a scoping mission to prepare for the joint mission.
- (ii) **Discussions of key issues for the FIP** via by audio or video conferences and in-country meetings between the Government and MDB's to allow: (a) more in-depth discussion and information sharing about FIP (programming and financing modalities); (b) identification of analytical gaps and activities that will be required leading to the investment strategy prior and post-joint mission; (c) discussion and agreement on an adequate in-country multi-stakeholder engagement strategy (collect and assemble all contact details of key stakeholders); (d) definition of roles and responsibilities of AfDB and WBG and other relevant partners; and (e) discussion and agreement on the joint mission TOR's, including schedule of workshops, meetings, consultations.

- (iii) **Initial consultations with relevant stakeholders**, in particular discussions with private sector, civil society and local community representatives would take place. This process will build on the results of the recently concluded Regional consultative meetings amongst indigenous peoples and local communities held in Accra from November 18 to November 20, 2010 for the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities, under the FIP.
- (iv) **Refining Joint Mission detailed programming** including selection of topics, speakers, field visit, and logistics.

The Joint Mission will draw upon the Forest Carbon Partnership Facility Readiness work and focus on the definition and establishment of key priorities to be covered by the FIP Investment Plan, including a) Key actors to be involved in the implementation of the plan with respective roles and responsibilities, and b) Implementation arrangements including mechanisms for institutional coordination of FIP related interventions.

Broad-based consultations and validation processes will be used to ensure engagement from all relevant stakeholders in the Analysis and discussion of the stocktaking analysis findings and other key documents and for the definition of arrangements for ongoing collaboration with relevant partners.

The joint mission will assist the Government in developing and costing a FIP Investment Plan for programs and projects to be implemented in line with FIP objectives. Such programs and projects will be required to meet the investment criteria for programming priorities under FIP and will include provisions for the development of a results framework, monitoring mechanism and a component for information sharing lessons learning across all the activities under the FIP. The mission will seek to enhance the readiness of the Government and its key stakeholders in preparing the Investment Plan and will advise on the guidelines for requesting for a preparation grant.

The mission will also review environmental and social safeguards issues and in this process build on the ongoing sponsored by the Forest Carbon Partnership Facility REDD+ Readiness Grant under which a Social and Environmental Strategic Assessment (SESA) is being prepared.

It is expected that a second mission will be needed to validate the draft FIP Investment Plan to be produced following the Joint Mission.

The Government intends to finalize the FIP Investment Plan and projects concept notes for submission to the FIP Sub-Committee in November 2011.

6. Joint Mission Composition

The joint mission will be composed of the following people (list may be refined upon availability of the experts and additional expertise needed).

Expertise	Institution	Location	Name
Government of Ghana			
Overall Mission Leader	Ministry of Finance and Economic Planning	Accra	Mr. Fredua Agyeman
Economic planner	Ministry of Finance and Economic Planning	Accra	Mr. Franklin Ashiadey
Forestry Specialist	Ministry of Lands and Natural	Accra	Mr. Opong Sasu

	Resources		
Forestry specialist	Ministry of Lands and Natural Resources	Accra	Mr. Robert Bamfo
Forestry specialist	Ministry of Lands and Natural Resources	Accra	Mr. Abu-Juam
Forestry specialist	Ministry of Lands and Natural Resources	Accra	Mr. Tabi Agyarko
Mining specialist	Minerals Commission	Accra	Mr. Ben Aryee Mr. Richard Afenu
Environment	Environment Protection Agency	Accra	Mr. David Amlalo
Climate Change	Ministry of Environment Science and Technology	Accra	Mr. Kwesi Tabi
Strategic Social and Environmental Assessment	Environment Protection Agency	Accra	Ms. Christine Asare
Forestry Research	Forestry Research Institute	Accra	Dr. Victor Agyemang
REDD+ Policy and Strategy	Consultant	Accra	TBC
Private Sector Development	TBD	Accra	TBC
Multilateral Development Banks			
Forest Management Specialist	African Development Bank	Accra	TBC
CIF Coordinator (Climate Change Specialist)	African Development Bank	Tunis	Mafalda Duarte
FIP Focal Point (Forestry Specialist)	African Development Bank	Tunis	Albert Mwangi
Environmentalist	African Development Bank	Tunis	Musole Mwila Musumali
Private Sector Specialist	African Development Bank	Accra	Nanette Derby
Social Science Expert	African Development Bank	Accra	TBC
Economist/Carbon Markets Expert	African Development Bank	Accra	TBC
Environment and Social Safeguards Specialist	African Development Bank	Accra	TBC
Natural Resources Management Specialist	IBRD, World Bank	Accra	Flavio Chaves
Sustainable Development	IBRD, World Bank	Washington, DC	Peter Kristensen
Safeguards Specialist	IBRD, World Bank	Accra	Moses Duphey
Private Sector Development	IBRD, World Bank	Accra	Alan Moody
Carbon Finance Specialist	IBRD, World Bank	Accra	Neeta Hooda
Monitoring and Evaluation Specialist	IBRD, World Bank	Accra	Anders Jensen
Senior Operations Officer	IFC, World Bank	Accra	Ken Key
Operations Officer and IFC Coordinator for FIP in Africa	IFC, World Bank	Dakar	Miriam van Gool
Investment Officer	IFC, World Bank	Nairobi	Paul Mukasa
Senior Forestry Specialist	IFC, World Bank	Lima	Steven Paul Gretzinger
Other Development Partners			
Financing REDD activities/Participatory Forest Management	Netherlands Embassy	Accra	Dr.Ton van der Zon,
Public Financial Management	Netherlands Embassy		Martin van der Linde
Climate Change	DFID	Accra	Sean Doolan
Private Sector Representative	Portal Woods	Accra	Wellington Baiden

CSO Representative	KASA Initiative	Accra	TBC
Local Community Representative		Accra	TBC
IUCN – The World Conservation Union		Accra	TBC

Broad stakeholder participation is intended to ensure program ownership and implementation support by the government, national stakeholders and development partners. The mission is expected to engage representatives from the following stakeholders among others:

- Ministry of Finance and Economic Planning
- Ministry of Lands and Natural Resources
- Ministry of Environment Science and Technology
- Ministry of Food and Agriculture
- Ministry of Energy
- Lands Commission
- Environmental Protection Agency
- The Forestry Commission
- Minerals Commission
- Non Governmental Organizations
- Forest Forum
- Civil Society
- Local Communities
- Private Sector
- Local Government
- Development Partners

7. Joint Mission Outputs

The output of the Joint Mission will include two elements: a) an Aide Memoir outlining the issues, process, key findings and recommendations of the mission, and b) a draft Proposal of Investment Plan which will incorporate the findings of the stocktaking analysis, the outcomes of the consultations prior and during the Joint Mission and a tentative schedule with roles and responsibilities of the different stakeholders in completing the Investment Plan for the planned November 2011 submission.

8. Mission Dates and Schedule

The tentative program of the Joint Mission is as follows:

Session	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7
Morning	Mission meeting	FIP Workshop	Meeting with NREG Technical Coordination Committee (TCC+)	Consultations with Civil Society	Consultations with Development Partners	Field Trip	Field Trip
Afternoon	FIP Workshop	FIP Workshop Wrap Up	Consultations with private sector	Consultations with Local Community representatives	Protocol with Ministers		
Evening			Mission meeting				

Session	Day 8	Day 9	Day 10	Day 11	Day 12		
Morning	Investment Plan Preparation	Investment Plan Preparation	Discussion Aide Memoir points	Finalization of Aide Memoire	Mission Debrief		
Afternoon	Investment Plan Preparation	Investment Plan Preparation	Discussion Aide Memoir points	Finalization of Aide Memoire			
Evening		Mission meeting					