

This case study explores what it means to pursue just transitions in key natural resource management (NRM) sectors. Sectors such as agriculture, forestry and mining sustain millions of people worldwide, especially in the global south, but in many countries the way these sectors are practiced requires significant change if global climate and sustainable development goals are to be met. Drawing on examples of projects financed by CIF in Ghana, the study identifies lessons about effective practices and ways to achieve just transitions to sustainable land use.

THE IMPERATIVE OF A TRANSITION TO SUSTAINABLE LAND USE

Preventing the worst effects of climate change will require transforming the way many goods and services are produced and how land is used—globally, on a massive scale, and in very little time. Around 25 percent of global greenhouse gas (GHG) emissions come from land use and land use change, a share second only to that of the energy sector. Around half of these emissions come from deforestation and forest degradation. Protecting and restoring forests are thus critical elements of the global effort to tackle climate change. Halting forest loss and degradation and restoring forest ecosystems has the potential to contribute to over a third of the total climate change mitigation required by 2030 to meet the objectives of the Paris Agreement.

Broad, deep, and potentially disruptive changes are required in the NRM sectors that drive deforestation. Such changes can be highly sensitive, especially in the global South, where large segments of the population work in agriculture, forestry and mining. These transitions need to be managed well to avoid negative impacts on individuals, communities, governments, and businesses.

WHAT ARE JUST NRM TRANSITIONS?

The concept of just transitions is increasingly used to describe deliberate efforts to address equity issues that arise as structural changes are implemented through climate action. It requires recognizing the distributional impacts of the transition, particularly who bears risks or losses, and working to reduce those impacts, especially on people who are already living in poverty, marginalized, or otherwise vulnerable.



QUICK FACTS

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RELEVANT COUNTRIES

Ghana

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The process by which these transitions are undertaken is critical: Just transitions should be genuinely inclusive, involving meaningful participation across society. An inclusive process is more likely to be perceived as fair, and can thus create the buy-in and ownership needed to succeed. Moreover, strong involvement by local communities can produce better outcomes, by ensuring that knowledge of the local context and culture and local visions for the future drive the transition.¹

Just NRM transitions are driven by socially inclusive processes to:

- 1 mitigate the potential negative effects of change on certain workers, communities, and regional economies that currently depend on today's natural resource economies;
- 2 tap into new economic opportunities associated with more sustainable practices;
- 3 addresses the environmental legacies of mining, agriculture, overexploitation of timber and other forest resources, and deforestation itself.

More transformative visions for just transition will also seize the opportunity to tackle historical (preexisting) inequalities and vulnerabilities, through wider structural reform, so the society and economy become more just than before.²

GHANA'S TRANSITION CONTEXT

The rate of forest loss in Ghana is among the highest in the world, driven by practices in key NRM sectors including agriculture, mining and forestry, and by a broader context of poverty, food insecurity and rising inequality. Forest loss negatively impacts individuals and communities: forest-related activities provide livelihoods for an estimated two-thirds of the roughly 11 million people living in Ghana's forest areas. Deforestation thus hinders sustainable development and results in broader environmental degradation and biodiversity loss, while it also drives up GHG emissions.

Key actions needed to reverse forest loss include changes in how cocoa, the country's main crop, is produced, as well as changes in mining and timber production and harvesting (see Table 1). The nature of the changes needed is well understood, however if not managed improperly these changes could lead to an unfair distribution of losses and gains – and could end up reinforcing the poverty and hardship that drives at least part of the deforestation in the first place. For these NRM transitions to be just, they will need to tackle significant structural challenges, including poverty, rising income inequality, a highly informal (sometimes illegal) and precarious workforce, and reform institutions that may currently make it difficult for some people (including women and migrants) to access and use land sustainably.

It is in this context that the Government of Ghana, its international development partners, and private sector actors involved in planning and implementing NRM transitions need to ensure that the planning process is socially inclusive, including local communities, and that potential risks or losses that may be created through these changes are addressed in ways that improve, rather than undermine, the economy, local livelihoods, and the natural environment.

1 Atteridge and Strambo 2021

2 Atteridge and Strambo 2020; Hirsch, Matthes, and Fünfgelt 2017

Table 1:

TACKLING FOREST LOSS IN GHANA REQUIRES TRANSITIONS IN NATURAL RESOURCE MANAGEMENT SECTORS THAT AFFECT PEOPLE

***This summary table is not an exhaustive list of NRM transitions in Ghana. It is designed to illustrate the transitions required and the need for a just transition approach.*

AGRICULTURE			
Context: the need for transition	Target outcome	Transition risk	Vision for a just transition
<ul style="list-style-type: none"> • Conversion of land for agriculture (particularly cocoa) is considered the largest cause of deforestation • Land conversion for cocoa is likely to expand due to growing global demand for cocoa and declining yields, coupled with a reliance on expanding cultivation rather than improving efficiency or productivity 	<ul style="list-style-type: none"> • Agro-deforestation stops • Agro-forestry practices support land restoration 	<ul style="list-style-type: none"> • Cocoa is a major export earner. As of 2019, cocoa exports were valued at US\$1.6 billion making it the country's third -largest export earner • Cocoa production is a major source of rural employment, much of it informal: about 850,000 households (roughly 15 percent of all households) are involved in farming the crop • Cocoa farmers are paid little for their crops, and many may lack the financial resources to change practices without support 	<ul style="list-style-type: none"> • The shift to sustainable agro-forestry production methods enhances resilient livelihoods and rural communities • Farmers and communities have a greater share of value from produce, and play an essential role in shaping the transition • Where the shift to sustainable agro-forestry is infeasible, the local economy is reoriented to create new green jobs
MINING			
Context: the need for transition	Target outcome	Transition risk	Vision for a just transition
<ul style="list-style-type: none"> • Unregulated surface mining, particularly for gold, has catastrophically scarred the landscape, while contaminating water courses • Small-scale gold mining affects food production and contributes to food price spikes by degrading arable lands, contaminating water sources, and shifting labor from food production to mining 	<ul style="list-style-type: none"> • Eliminate illegal, small-scale gold mining • Mining practices become less damaging for the environment 	<ul style="list-style-type: none"> • Gold is Ghana's top export commodity, worth US\$10.8 billion in 2019 • Including both direct and indirect jobs, it is estimated to employ 500,000 to 1.1 million Ghanaians, about half of them informally and between a quarter and a half of them are women • There are claims that mining indirectly benefits 4.4 million people, including women who provide supporting services in mining communities, such as petty trading and food preparation • An estimated 30–40 percent of gold production involves artisanal and small-scale miners (ASGM) including unlicensed and informal miners 	<ul style="list-style-type: none"> • Mining is stopped in forest areas • Historically-mined areas are rehabilitated, and land is able to be re-used for sustainable agriculture, reforestation or other productive uses for local communities • Illegal ASGM are supported to re-skill, if needed, and move into other forms of employment • Economic diversification, including of mining areas, creates alternative pathways for the local and national economy
FORESTRY			
Context: the need for transition	Target outcome	Transition risk	Vision for a just transition
<ul style="list-style-type: none"> • Harvesting of forests for fuelwood, charcoal, and timber contributes to forest loss 	<ul style="list-style-type: none"> • Shift harvesting of timber from native forests to plantations on historically-cleared lands 	<ul style="list-style-type: none"> • Illegal chainsaw milling alone employs around 130,000 people and provides indirect livelihoods for another 650,000 • Many Ghanaians' depend on charcoal and fuelwood for energy, in both urban and rural areas • Illegal chainsaw logging supplies most of the domestic timber market and is also the main source of supply for overland export to neighbouring countries, generating significant revenue for its mostly urban financiers 	<ul style="list-style-type: none"> • Achieve greater community involvement in producing sustainable timber in off-reserve areas, and greater benefit sharing with forest-adjointing communities • Support illegal chainsaw loggers with re-skilling and new employment opportunities
<p>There are a number of reforms that could support just transitions across NRM sectors:</p> <ul style="list-style-type: none"> • Strengthen social safety nets for those who are informally employed and unemployed • Reform land tenure practices in ways that improve the ability of women and other vulnerable groups like migrants to participate in sustainable NRM practices • Developing new curricula tailored to preparing the workforce for new kinds of jobs • Improve access to education for some groups, such as women • Repurpose any current perverse subsidies (i.e. those which may be driving expansion of areas under agricultural production rather than higher productivity of existing production) and aligning fiscal incentives with the goal of reducing pressures on forests 			



CIF IN GHANA

The CIF Forest Investment Program (FIP) has been active in Ghana's High Forest zone since 2012, mainly in the Western and Brong Ahafo regions, working through partnerships with the World Bank and the African Development Bank. The CIF portfolio, most of which is ongoing in 2022 and totals US\$67 million in funding, includes:

- The promotion of sustainable wood supply through timber plantations;
- Reforestation, afforestation, and enrichment planting to restore degraded forest areas;
- Agroforestry and sustainable agriculture to increase the presence of trees in the agricultural landscape;
- Working with illegal gold miners to transition away from mining and engage in reforestation or other activities;
- Direct funding to local communities, to support the creation of more sustainable livelihood opportunities at the local level.

The FIP programs and projects examined in the study were not developed with an explicit focus on just transitions, so the analysis does not “evaluate” them against this benchmark. Instead, a just transitions lens is applied to draw insights that may be relevant to future efforts by CIF and others to explicitly support just NRM transitions, in Ghana and elsewhere. Examples are provided of how CIF-financed programs have approached the core components of just transitions—ensuring social inclusion and distributional justice—as well as the extent to which they have encouraged the transformation of existing systems and structures as part of an effort to reduce historical inequality or marginalization.

SOCIAL INCLUSION:

- **Fostering meaningful participation:** The Ghana Dedicated Grant Mechanism (DGM) exemplifies the value of adopting a diverse, tailored approach to ensure different stakeholders can participate in and influence new NRM practices. Yet, when applying for grants, individuals/communities had to choose from a predefined list of what they wanted to seek funding support for. This, arguably, limited their options to diversify away from NRM activities.
- **Capacity building:** Most FIP projects in Ghana have sought to build the capacities of local communities. This is crucial to enable local actors to play a significant role in shaping their own transitions. The DGM, the only FIP funded initiative that focused solely on community led sustainable NRM, tailored capacity building to different groups within communities, including women and migrants, to ensure they could meaningfully participate and benefit from the project.
- **Gender sensitive programming:** Gender inequality is acknowledged in all FIP projects, and measures to ensure equal participation in project activities are built into the design of the FIP's landscape interventions. However, these projects were not designed with gender outcomes as the primary focus, and they did not address structural inequalities or the underlying reasons for gender inequality.
- **Programmatic approach:** At the national policy level, the FIP programs have been able to bring together different institutions that are crucial for making decisions about landscape management, but that have previously tended to work in isolation from one another.

DISTRIBUTIONAL IMPACTS:

- **Scope of FIP:** The FIP-financed projects in Ghana were not designed using a just transition lens, so they do not systematically consider all the risks or losses that just transition planning might address.
- **Environmental and social safeguards:** Environmental and social safeguards provide project level mechanisms to identify and mitigate local risks, but a wider lens, and other mechanisms, are required to ensure just transition outcomes at the local and national level.
- **Benefit sharing:** Different benefit sharing models have been tested by FIP projects. They include the DGM's direct community-led grant financing; models more akin to financial equity (including via enabling tree tenure); and more indirect benefits that may arise from locally generated employment and indirect economic activity.



TRANSFORMATIONAL INTENT:

- **Landscape approach:** FIP projects demonstrate integrated approaches to tackling deforestation on a landscape scale, by tackling the different sectors driving forest loss and, at the same time, working to improve the livelihood prospects of communities.
- **Programmatic approach:** FIP's programmatic approach demonstrates integrated approaches to tackling deforestation on a landscape scale, which helps with the intention to address multiple drivers simultaneously and more coherently, and breaks down institutional silos.
- **Policy reform:** FIP's support for reform of several major policies or institutions – such as tree tenure – illustrates the value of targeting some of the rules or norms that create and perpetuate vulnerability or inequality or which prevent wide benefit sharing from sustainable NRM practices.
- **Localized focus:** The emphasis of the DGM in particular, but also of other FIP projects, to place local communities at the center is a good example of how to ensure NRM interventions are closely aligned with local sustainable development priorities. The DGM model is challenging to scale up, however, in part because of the high transaction costs associated with deep, broad community engagement.
- **Testing financial models:** FIP programs have tested different financial models to enhance community ownership and scale up investment in NRM, from the DGM's local community-led financing, to Form Ghana's attempts to catalyze private sector interest in financing sustainable timber production via Ghana's first public-private partnership (PPP) in the forestry sector.

INSIGHTS, IMPLICATIONS, AND OPPORTUNITIES

Applying a just transitions lens, the case study shares insights from CIF projects that may be relevant for future efforts by CIF and others to deliberately support just transitions, in Ghana and elsewhere.

- **Distributional impacts:** *To understand who needs what kinds of support, the complex distributional impacts (especially risks or losses) created by transition need to be well understood.* Especially in NRM transitions, the distributional effects of changes in one sector may ripple across different sectors. As a result, common approaches to the assessment of risks in NRM-focused projects are usually inadequate, in part because some of the necessary measures to address risks or losses might ultimately be outside the scope of individual projects. Just transitions therefore require initiatives that build broad, programmatic engagement across sectors and different government ministries. This can help ensure that the full spectrum of needs and issues triggered by the socioeconomic transition are identified and managed simultaneously. Initiatives should also support whole communities that are affected by transitions, not only workers who are directly affected by changing technologies or practices.
 - **Structural reform:** *The support needed by communities to ensure just transitions includes livelihood support and reskilling, but also broader structural reforms to ensure sustained impacts.* A just transitions approach will be transformative only if it produces lasting structural change, which requires tackling the underlying reasons for marginalization and gender disparities. In practice, this means, for example, integrating gender equality goals more deeply at the project conceptualization and initial design stages, and identifying additional activities—beyond the immediate NRM-focused programs—that address pervasive problems for women. These might range from empowering women by developing networks, to policy reforms that address resource ownership, to tackling barriers that limit women’s access to education or to finance. Reforms in tree tenure, economic and labor market diversification, and possibly agricultural subsidies also represent opportunities to bring about structural change and just transitions.
 - **Social inclusion:** *Local communities should be empowered to lead the visioning of local development and influence funding decisions to execute their vision.* Just transitions require deep and well-tailored community engagement and their representative participation in development decisions, as well as ensuring local communities can influence funding decisions. CIF’s Dedicated Grant Mechanism for Indigenous Peoples and Local Communities, a unique small-scale, locally led
- finance model, has these characteristics and could be a valuable complement to larger programs from multilateral development banks by helping to address key aspects of just transitions.
- **Governance:** *The quality and resourcing of local governance is critical in facilitating just transitions.* Local ownership is a key characteristic of just transitions, so local governance structures need to empower and mobilize community stakeholders and be locally accountable. Local authorities, including traditional authorities where they exist as in Ghana, have many important roles to play in managing the NRM transition process and preparing for its impacts. In some contexts, they also have significant influence over NRM decisions themselves. Mechanisms such as the Ghana Dedicated Grant Mechanism may be needed to ensure that funding and programs can overcome the complex political economy and ensure that communities have direct channels for engaging with the planning process and deciding on how funding should be used.
 - **Finance:** *Pursuing just NRM transitions will be resource-intensive, partly because of the need to ensure meaningful social inclusion and bottom-up planning while operating on a wide geographic scale.* On top of this, the demand for finance at individual and community levels is usually far greater than the funding available. There is a need for interventions to deliberately explore and (ideally) resolve how a project’s positive outcomes are going to be sustained and scaled up once the initial intervention is over. Beyond “more finance,” another key issue is how that finance works to support planning, promote social inclusion, address risks or losses, and benefit a wide range of different (and particularly, vulnerable or marginalized) stakeholders. CIF’s use of diverse financial models in Ghana provide interesting examples, including on how to deploy locally led finance and mobilize private sector capital for NRM transitions.
 - **Global transformation:** *To deliver just transitions in the global South, transformations at a global level are required.* Two of the main drivers of deforestation in Ghana are cocoa and gold mining, both export commodities. It is essential that consumption patterns in the global North are transformed—as well as the power structures that enable multinational corporations and international markets to inhibit communities in developing countries from pursuing more sustainable land use practices. Just NRM transitions therefore require that a fair share of any value created accrues to local stakeholders, including communities, farmers, and migrants. Only then can it be ensured that globally, low-carbon transitions are just, and that they reduce, rather than increase, disparities between the North and South.