



# Final Benefit Sharing Plan

## Ghana Cocoa Forest REDD+ Programme

**Climate Change Directorate/ National REDD+ Secretariat,  
Forestry Commission**

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## List of Acronyms

BSP	Benefit Sharing Plan
CAS	Country Approach to Safeguards
CCD	Climate Change Department
CF	Carbon Fund
CFI	Cocoa & Forests Initiative
CHED	Cocoa Health & Extension Division
CLP	Climate Law and Policy
COCOBOD	Ghana Cocoa Board
CSIR	Council for Scientific and Industrial Research
CREMA	Community Resource Management Area
CRMCs	Community Resource Management Committees
CSC	Climate Smart Cocoa
CSOs	Civil Society Organizations
DA	Dedicated Accounts
ERs	Emission Reductions
ERPA	Emission Reductions Payment Agreement
ERPD	Emission Reductions Programme Document
ER-PIN	Emission Reductions Programme Idea Note
ESMF	Environmental and Social Management Framework
EPA	Environmental Protection Agency
FAO	Food and Agricultural Organization
FC	Forestry Commission
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FWP	Forest and Wildlife Policy
FGRM	Feedback and Grievance Redress Mechanism
FSD	Forest Services Division
GCFRP	Ghana Cocoa Forest REDD+ Programme
GoG	Government of Ghana
HFZ	High Forest Zone
HIAs	Hotspot Intervention Areas
JCC	Joint Coordinating Committee
LBCs	Licensed Buying Companies
LD	Legal Department
LOI	Letter of Intent
LS	Landscape Standard
MESTI	Ministry of Environment, Science, Technology and Innovation
MRV	Monitoring Reporting & Verification
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MMDAs	Metropolitan, Municipal and District Assemblies
MLNR	Ministry of Lands and Natural Resources
NCRC	Nature Conservation Research Centre

NGOs	Non-Governmental Organizations
NRS	National REDD+ Secretariat
NTFPs	Non-Timber Forest Products
NREG-TA	Natural Resources and Environmental Governance- Technical Assistance
PMU	Programme Management Unit
PLRs	Policies, Laws and Regulations
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RDAs	REDD+ Dedicated Accounts
RPF	Resettlement Policy Framework
RRT	Rapid Response Team
SESA	Strategic Environmental and Social Assessment
SIS	Safeguards Information System
SNV	Netherland Development Organization
SFPs	Safeguards Focal Persons
ToR	Terms of Reference
TAs	Traditional Authorities
TBI	Tropenbos International
UNFCCC	United Nations Framework Convention on Climate Change
WCF	World Cocoa Foundation
WD	Wildlife Division

## 1. Introduction

Ghana's National REDD+ Strategy aims to reduce deforestation and forest degradation and produce emission reductions by focusing on the implementation of large scale, jurisdictional programs that follow ecological boundaries, are defined by major commodities, and address the main drivers of deforestation and degradation within each program area. As part of a nested<sup>1</sup> approach, these programmatic activities are supported by a set of over-arching actions and policies that are encompassed within the national REDD+ framework.

The Ghana Cocoa Forest REDD+ Programme (GCFRP) is the first program to be developed under REDD+ in Ghana. It is jointly coordinated by the National REDD+ Secretariat (NRS) of the Forestry Commission (FC), and Ghana's Cocoa Board (Cocobod). The FC is responsible for the regulation of the utilization of forest and wildlife resources, the conservation and management of those resources, and the coordination of policies related to them, while the Cocobod's mission is to regulate the production, processing and marketing of good quality cocoa.

The GCFRP was accepted into the Carbon Fund (CF) pipeline in April, 2014, with the successful submission of an Emission Reduction Program Idea Note (ER-PIN). In September, 2016, Ghana received endorsement from the FCPF Participants Committee for its R-Package, signaling the end of REDD+ Readiness, and then in June, 2017, Ghana presented its Emission Reduction Program Document (ERPD) to the Carbon Fund (CF) and the GCFRP was formally invited into the Carbon Fund portfolio. Ghana's letter of intent (LOI) with the CF was most recently updated and signed by the FC in May (2018), and Ghana started the process towards negotiations with the CF and signing of an Emission Reductions Program Agreement (ERPA) by January, 2019.

### 1.1. Overview of the Ghana Cocoa-Forest REDD+ Programme (GCFRP)

The GCFRP is the one of the first Emission Reductions (ER) Program to be centered upon the development of a sustainable commodity supply chain that hinges upon the non-carbon benefits that will be channeled to farmers as a result of significant private sector investments into the landscape and the supply chain. In practical terms, this means that climate-smart cocoa farmers that agree to shaded cocoa production and forest protection measures can expect significant yield increases from improved access to farming inputs and resources, that will result in increased incomes. The projected ER benefits from a potential carbon payments of \$50 million (against performance over time), coupled with the cocoa industry's annual \$2 billion dollar investment into the sector, can together drive this transition to a more sustainable cocoa production landscape, while providing added incentives to farmers, traditional leaders, and communities that support landscape governance and management activities that reduce deforestation and support the adoption of climate-smart practices.

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<sup>1</sup> The concept in Ghana's National REDD+ Strategy is that national level policy work supports programmatic REDD+ landscapes (jurisdictions defined by ecological-commodity boundaries) which in turn have target areas for interventions; Hotspot Intervention Areas (HIAs in the case of the GCFRP). Thus, HIAs are nested within the commodity program's Landscape, which is nested within national-level efforts. Therefore, in Ghana's case, the term nesting does not imply the development of sub-baselines for HIAs or other target areas. The baseline is for the entire program area and carbon will only be transacted on at the program level.

The program also represents the first time that the FC and COCOBOD have come together to jointly develop and coordinate a program of such scale and importance—a clear demonstration of how the program is already changing institutional business-as-usual practices.

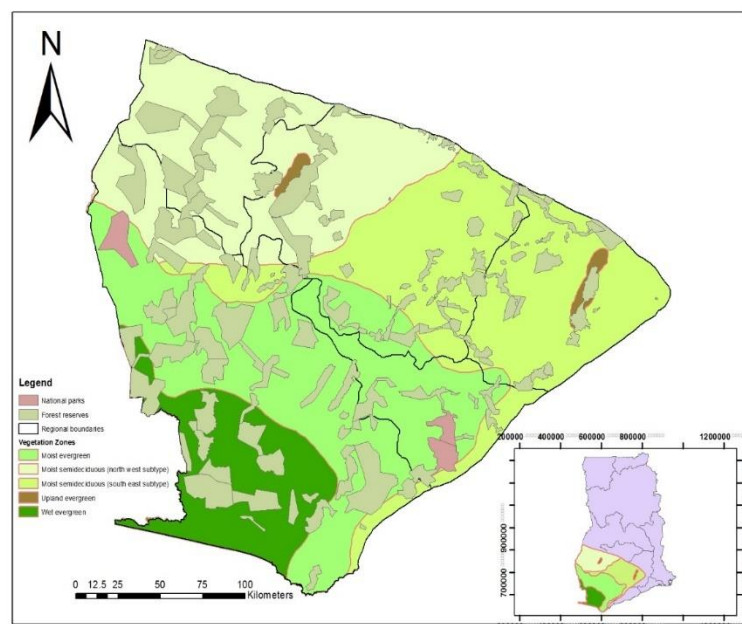


Figure 1: GCFRP programme area with regional boundaries, forest types and protected forest

The program area covers 5.92 million ha, is located in the southern third of the country, and forms part of the West Africa Guinean Forest biodiversity hotspot<sup>2</sup>, encompassing 5 tropical forest sub-types (Fig. 1). The program area overlaps with 92 administrative districts and 7 administrative regions, including the Eastern, Central, Ashanti, Western, Western North, Bono and Ahafo Regions. The bulk of Ghana's cocoa is produced within this landscape.

Given the size of the program landscape, priority target areas were designated based on a district by district assessment of the predominance of cocoa production, the area of forests under threat, and the presence of

major stakeholders who could implement programme activities. Using administrative district boundaries, these target areas were grouped into “Hotspot Intervention Areas” (HIA), within which there are numerous farmers, communities, and Traditional Authorities who preside over the land. The aim is for each of the HIAs to be governed by a duly constituted, multi-tiered governance structure that also includes Sub-HIA governance bodies. Carbon accounting will happen at the program scale, but GCFRP implementation will target at least six HIAs (Figure 2), which are spread across the entire landscape.

The selection of the six HIAs for the implementation of the REDD+ programme during its early stages occurred due to the presence and commitments of key stakeholders (private sector cocoa companies and NGOs) who will serve as the main investors and implementers in the HIAs, as well as being priority sub-landscapes for forest protection and cocoa production. These HIAs are therefore highly strategic for implementation and for achieving results. However, as stipulated in Ghana's REDD+ Strategy and considering that it is a 20-year programme framed on principles of equity and transparency, additional HIAs can (and will) be added over time as farmers, communities and leaders express interest, companies and NGOs make investments, and capacity is expanded to allow the programme to be scaled out to cover other parts of the landscape. The process to add and form HIAs will evolve as the programme is being

<sup>2</sup> GoG, 2002. National Biodiversity Strategy for Ghana, Ministry of Environment and Science (MES), The Republic of Ghana. <https://www.cbd.int/doc/world/gh/gh-nbsap-01-en.pdf>

implemented, but ultimately rests upon a strong stakeholder or landscape proponent expressing such a desire to the NRS and then working with them to align stakeholders in an agreed landscape.

However, as a starting point, focusing on six areas in no way detracts from the GCFRP's ability to achieve impact at the programme level. This is because the FIP is actively implementing activities in many of the key forest reserves and off-reserve areas in the Western, Western North, Ahafo Regions and parts of the Bono Region, which falls within the GCFRP accounting area. In addition, the FC will continue to implement and reinforce its existing policies, actions and measures. Taken all together, the initial HIAs, FIP areas, and ongoing FC activities provide the needed scale to achieve results under this program.

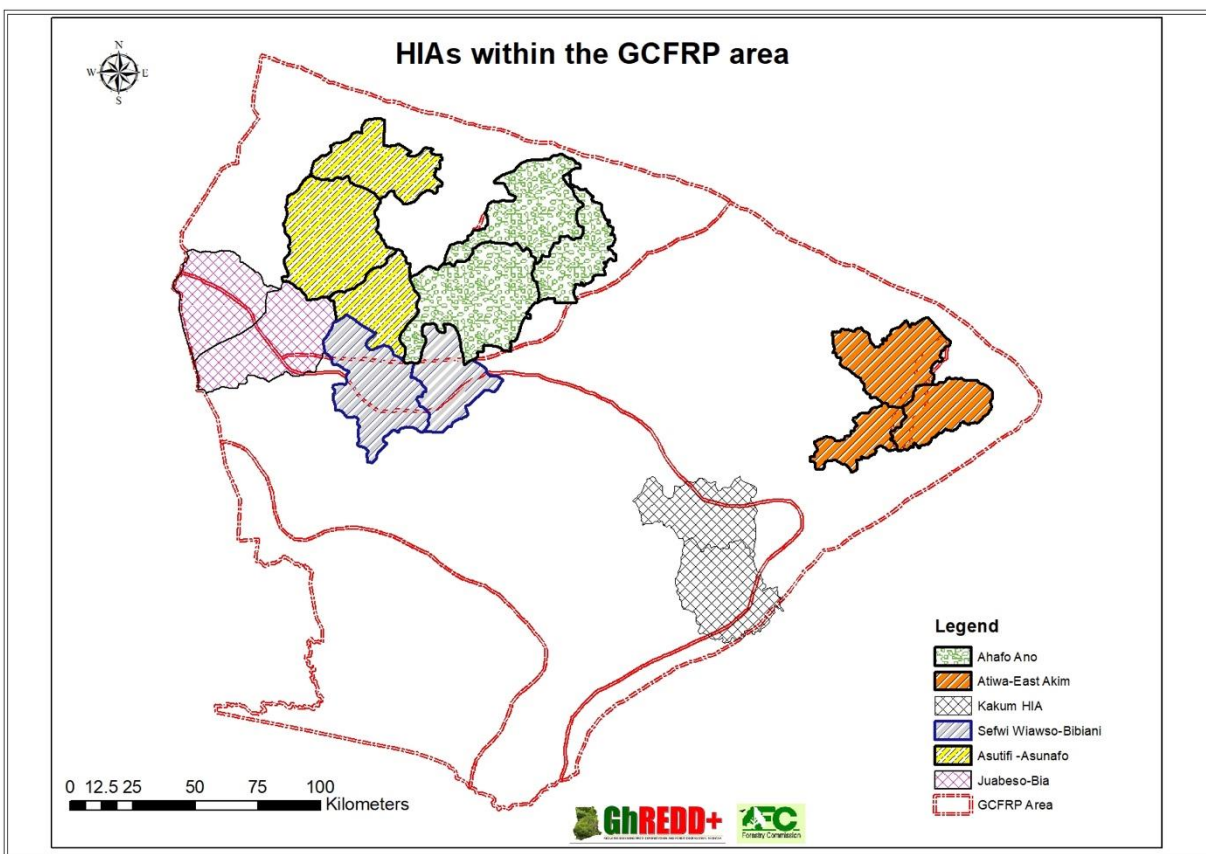


Figure 2: Map of the GCFRP with HIA target intervention areas

The goal of the GCFRP is to significantly reduce deforestation and forest degradation by promoting climate-smart cocoa production, landscape level land-use planning, strategic policy reforms, integrated coordination and monitoring, law enforcement as well as risk reduction efforts within priority Hotspot Intervention Area (HIA) landscapes. As a 20-year programme, the GCFRP estimates that it could produce a total of 294,395,567 million tCO<sub>2</sub>e emission reductions (following the removal of 102,535 million tCO<sub>2</sub>e placed in risk and uncertainty buffers), representing a 44% overall reduction against the reference level. Under a prospective contract with the Carbon Fund to cover the first 7 years of implementation (2019-2024, with final disbursement in 2025), Ghana estimates that it could generate significant reductions in deforestation and forest degradation against its reference level and produce approximately 10 million tCO<sub>2</sub>e emission reductions to be transacted under the ERPA. However, a requirement for Ghana to be



able to sign an ERPA contract with the CF, towards full execution of the programme and eventual payment against demonstrated emission reductions, a benefit sharing plan (BSP) needs to be developed in anticipation of the carbon and non-carbon benefits that the GCFRP will generate.

## 1.2. Design and Structure of the BSP

This BSP elaborates an equitable benefit sharing mechanism that is intended to effectively distribute carbon and non-carbon benefits as originally articulated by the ERPD. It describes the various beneficiaries, their eligibility, roles and responsibilities while specifying the scale and modalities for distribution. Additionally, the BSP describes the type of benefits to be transferred to the beneficiaries, the timing of the distribution, and the conditions (roles and responsibilities) to be satisfied for the payment of the benefits, and the appropriate indicators for monitoring, measuring and verifying compliance with modalities for distributing benefits to beneficiaries.

It was designed based on extensive field study (focus group discussions and key informant interviews), broad stakeholder consultations at the local and national levels and multiple expert reviews. Precisely, thirty focus group discussions were conducted comprising about 413 individuals. This includes 304 men and 109 women. In addition to the focus group discussions, twenty-seven (27) key informant interviews were conducted at the local level for informed individualized perspectives. Also, several consultative meetings with local communities, private sector players, civil society organizations, government, and expert groups were conducted to ascertain views on the draft benefit sharing plan. In all seven different consultative and expert review meetings were conducted (See Annex 1 for information on the consultation and expert reviews).

The structure of the BSP report is organized into eight main sections. Section 1 introduces the GCFRP, gives an overview of the legal context that underpins the benefit sharing plan, provides a brief description of the design process, and then outlines the basic principles and criteria that guide the plan. Section 2 describes the program's stakeholders and beneficiaries, outlining their rights, relative impact in reducing emissions from deforestation and degradation, as well as their roles and responsibilities under the program. Section 2.2 then describes the beneficiaries of carbon and non-carbon benefits. Section 3 discusses the types of benefits, including carbon and non-carbon benefits. Section 4 provides an overview of how ERPA payments will be channeled, the anticipated fixed costs of the program, and the distribution of benefits against reporting and verification time-frames. Section 5 describes how ER payments will be allocated to beneficiaries and scenarios of how benefits will be allocated in the case of under-performance. Section 6 provides an overview of the financial flows and governance structures that will support benefit sharing. Section 7 summarizes the existing safeguards instruments and mechanisms that are in place, and to which partners will adhere. Section 8 describes the roles and responsibilities for monitoring the BSP.

## 1.3. Legal Context of the GCFRP and the BSP

Ghana has a legally pluralistic governance regime with respect to land and tree tenure that recognizes both customary and statutory laws. About 78% of lands are customarily owned, while 20% and 2% are publicly and privatively owned respectively.

Customary land is owned by traditional authorities (commonly referred to as "Stools or Skins"), for families and clans, and is held in trust by the Chief or family head for the benefit of the people and

communities, or family concerned<sup>3</sup>. The rules governing customary land and its resources are predominantly characterized by oral codes and systems based on local norms and practices that are negotiable and location-specific<sup>4</sup>, and the majority of such lands have not benefit from formal registration processes. Customary title to land includes ownership of the forests and the Chief or family head has the power to grant user rights to the land and forest resources. However, under Ghana's statutory laws, the State has the economic management rights to all of the forest and wildlife resources, which are to be held in trust for the landowners<sup>5</sup>.

Partially due to this pluralistic divide, the system of land and tree ownership exists within a spectrum that has created some perverse incentives to sustainable tree and forest management. This is because the system creates scenarios where it is possible to "own" the resource, as with the case of Chiefs and landowners, and yet not have recognized, formal management rights to the trees or forests, and only partial economic rights to the revenue generated by the State. The nature of the tenure system has also excluded, to date, highly relevant land-users from having legal rights to trees or associated benefits, despite the fact that they exercise *de facto* management rights through day-to-day land-use decision making and farming activities, which can either have positive outcomes (farmers decisions to nurture and maintain trees on farms and in fallow areas that ensure the stock of timber trees in off-reserve lands) or negative outcomes (continual encroachment into forested areas and forest reserves to access fertile land for farming)<sup>6</sup>.

In an effort to bridge the gap between *de facto* and *de jure* rights, the revised Ghana Forest and Wildlife Policy (FWP) 2012 has sought to encourage active community and landowner participation in the management of forest resources. And more critically, work supported by the World Bank under NREG-TA has proposed solutions for resolving issues related to tree tenure and benefit-sharing in a manner that is consistent with the provisions of multilateral treaties that Ghana is a party to, and international best practices. The work by NREG TA culminated in legislative proposals to amend existing tree tenure and benefit sharing arrangements pertaining to off-reserve timber tree management, which is now being considered in developing the proposed guidelines for off-reserve timber tree management. They are also being piloted by the Ghana FIP for broader implementation under the programme as lessons are learned. These include the proposed legal reforms on the framework for tree tenure and benefit sharing scheme<sup>7</sup>, and the proposed off-reserve timber tree management and exploitation guidelines<sup>8</sup> by the Ministry of Lands and Natural Resources (MLNR), which would ensure that farmers receive greater economic benefits from exploited timber trees. Until these reforms are passed, it is recognized that the programme's HIA

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<sup>3</sup> Agidee, 2011

<sup>4</sup> Agbosu L. et al: 2007

<sup>5</sup> Boakye and Baffoe, 2006

<sup>6</sup> Several studies have shown that, farmers' enthusiasm to retain and maintain timber trees on farm and fallow lands has waned considerably (Acheampong, 2003; Amanor, 2005; TBI, 2009; Dumenu, 2010). Furthermore, during the ERPD development process, analysis of drivers clearly showed that farmers do not benefit from timber extraction or forest management inside forest reserves, and given that cocoa yields tend to be low and fertile land is limited, many farmers also opt to encroach into protected forests to expand their farmlands.

<sup>7</sup> Akapme, K. (2016). Development of a framework on tree tenure and benefit sharing scheme: Legal reforms proposals. Final Report. Ministry of Lands and Natural Resources.

<sup>8</sup> MLNR, (2017). Off-reserve timber trees management and exploitation guidelines. Draft Report. Ministry of Lands and Natural Resources.

governance structure is founded upon the CREMA mechanism, and CREMA provides a key avenue to give farmers rights to trees and resources with the boundaries of the CREMA / HIA, and this has been in practices for multiple decades.

Another major legislative advancement for REDD+ will be the passage of the Wildlife Resources Management Bill (2014), which will consolidate and revise the laws relating to wildlife and protected areas and serve as the final step in the formalization of CREMA—a community resource management and governance structure that devolves rights to communities. HIAs were designed based on the CREMA structure, and passage of the bill will buttress the establishment of the Hotspot Intervention Areas (HIAs), enabling them to serve as legal entities. To date, CREMAs and HIAs are supported (directly and indirectly) by the Forest and Wildlife Policy (2012) and receive certificates of devolution from the sector minister that authorize community-based management of the natural resources. Already, these certificates have been used to underpin legal agreements between CREMAs and private sector companies.

In relation to transfer and management of funds related to ER activities, Ghana's Financial Administration Act, 2003 (Act 654) stipulates that, the Government of Ghana, as represented by the Ministry of Finance (MoF), is the sole entity that can enter into a contract with the World Bank Carbon Fund on behalf of the program. Thus, the MoF will be responsible to formally transfer ERs from the program area to the Carbon Fund (CF), and in return receive performance-based payments on behalf of the identified beneficiaries. Subsequently, all benefits due the carbon beneficiaries will be distributed to them as laid out in the benefit sharing plan.

The main legal basis for the GCFRP and the BSP are summarized in Table 1.

*Table 1: Relevant legal basis for GCFRP and BSP*

Legal documents	Relevant implications
Ghana Forest and Wildlife Policy (FWP) 2012	- Encourages active participation of communities and landowners in the management of forest resources
Wildlife Resources Management Bill (2014)	<ul style="list-style-type: none"> <li>- Devolves management rights to local communities for wildlife and natural resource protection.</li> <li>- Provides legal basis for the formation and formalization of CREMA (community resource management area) and its governance structure. HIAs were designed based on the CREMA structure, and the bill buttresses the establishment of the Hotspot Intervention Areas (HIAs), enabling them to serve as legal entities for the REDD+ programme.</li> </ul>
NREG-TA	<p>The following amendments were proposed by the NREG-TA relating to benefit sharing and tenure</p> <ul style="list-style-type: none"> <li>- Right of farmers to adequately negotiate benefit sharing arrangements for planted or nurtured trees with the landowner.</li> <li>- Vest trees in off-reserve in the communities/stools, fringing the resource or based on the underlying land tenure systems and managed</li> </ul>

	by the Forestry Commission.
<b>Off-reserve timber trees management and exploitation guidelines (Draft). Ministry of Lands and Natural Resources</b>	- Ensures that farmers and landowners receive economic benefits from naturally occurring timber trees in off-reserve areas.
<b>National REDD+ Strategy 2016</b>	- Guides and provides framework for achieving REDD+ in a well-coordinated manner by pursuing a broad set of actions to tackle deforestation and forest degradation at the landscape level for a twenty-year period.
<b>Financial Administration Act 2003</b>	- Funds from the Carbon Fund to be transferred to the Ministry of Finance for onward releases to beneficiaries as laid out in the BSP.

#### 1.4. Principles and Criteria of the BSP

The benefit sharing plan for the GCFRP is premised on the following principles and criteria:

- The design and implementation of the BSP for the ER Program should comply with relevant applicable laws in Ghana, including agreements and customary rights.
- The design and implementation of the BSP for the ER Program are carried out in transparent and inclusive manner.
- Benefits are allocated to:
  - actors who take verified actions to achieve emission reductions (performance);
  - actors with legal rights (statutory or customary) to trees and forests;
  - actors who have proved effective facilitators and essential in facilitating emission reduction activities
- Local farmers, traditional leaders and communities are expected to benefit the most: the proportion of benefits allocated to local people should represent the most significant share of benefits, as they are the key actors whose behaviour (in terms of land use) need to change for ERs to be achieved.
- The BSP is periodically revised and updated based on lessons learnt following to monitoring and evaluation of its implementation. This will ensure the BSP functions in an effective and efficient manner incentivizing positive behaviour toward emission reduction.

## 2. Beneficiaries

### 2.1 ER Program Stakeholders and Beneficiaries

At its core, Ghana's ER Program is based upon the concept of community-based natural resource management<sup>9</sup>. The aim to use such a structure to enable locally-based governance and management of

<sup>9</sup> CBNRM refers to, "The collective management of ecosystems to improve human well-being. It aims to devolve authority for ecosystem management to the local (community) level, thereby empowering communities to manage

the landscape and its resources with partnership and support from key stakeholders, including relevant government bodies, private sector cocoa companies, and NGOs.

In the past, in Ghana, this type of natural resource management has been authorized and practiced through the CREMA<sup>10</sup> mechanism. Broadly speaking, CREMA is the government authorized CBNRM approach that has been developed, piloted, nationally approved, implemented and adapted over the past twenty-plus years<sup>11</sup>. Through this adaptation, it is now being transformed to the HIA and Sub-HIAs structures so as to accommodate a new scale and scope. Box 1 gives an example of an existing CREMA, which will be incorporated into a Sub-HIA within the Juabeso-Bia HIA.

In line with this approach, the process of identifying beneficiaries focused on engaging with and seeking input from local participants and leaders of the proposed HIAs, including cocoa farmers, community opinion leaders, and traditional authorities, as well as with the main stakeholders that will partner and support the HIAs. This served to align the process of determining beneficiaries with the logic and conceptual framework of the GCFRP's Implementation Plan. This process is described in Annex 1.

#### **BOX 1: KWAMEBIKROM STOOL LAND CREMA**

The CREMA concept was introduced in this area in 2006 to promote wildlife conservation. The Wildlife Division, on behalf of the Ministry of Lands and Natural Resources, granted the communities with the Certificate of Devolution of Authority on 27 November 2009. The CREMA involves nine communities.

*Location:* Bia District, Western Region of Ghana *Area of coverage:* 7,227 ha *Income generation activities:* Membership dues, hunting permit fees, penalties from offenders, sales of confiscated animals/NTFPs.

*Livelihood activities:* Group-based activities (beekeeping, soap-making and palm-oil extraction), Individual-based activities (tree planting and vegetable farming)

*Benefit sharing arrangement:* For every product harvested (NTFP, wild animal) for sale, 2% is paid to the traditional authority (land owners) and another 2% to the CREMA. The cost bearer of the products takes the remainder. The CREMA also pays 5 % of its annual income to the Bia District Assembly and the Wildlife Division.

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their own resources without permanently damaging, depleting or degrading them". Fabricius, C. and Collins, S. 2007. Community based natural resource management: governing the commons. Water Policy 9 Supplement 2, p. 83-97.

<sup>10</sup> Community Resource Management Area (CREMA).

<sup>11</sup> CREMA is defined as a geographically defined area that includes one or more communities that have agreed to manage natural resource in a sustainable manner. Institutionally, CREMA serves as a community-based organization that is built upon existing community decision-making structures, with an executive body and a constitution that guides the activities and regulations of the CREMA, and with District Assembly by-law which legitimize the constitution and provide a basis for enforcement (Wildlife Division, 2004. "A brief guide to the establishment of Community Resource Management Areas (CREMAs): A user manual". Collaborative Resource Management Unit. Accra).

With the GCFRP being the first program to focus on a global commodity supply chain, the range of stakeholders and beneficiaries of the program is diverse and cross-sectoral, as are the types of benefits that will accrue. The suite of key stakeholders who will benefit under the GCFRP are described below (Table 2), and their rights, roles and responsibilities in reducing deforestation and degradation are summarized in Table 3. They include three broad categories of beneficiaries who that will benefit from the carbon and/or non-carbon benefits of the program.

Table 2: GCFRP Beneficiaries as a Result of Carbon and Non-Carbon Benefits

**HIA landscape stakeholders** include farmers, communities and TA. They are all present in the landscape but roles and responsibilities towards producing ERS are distinct, as will be the types and scales of benefits to be received.

**Groups of farmers registered under the program:** The types of farmers include (but are not limited to) cocoa farmers, Non-Timber Forest Product (NTFP)<sup>12</sup> harvesters, and food crop farmers. The program will not operate via individual farmers but rather through farmer groups registered under an active HIA, Sub-HIA or similar CBNRM structure, who are willing participants who know their responsibilities and rights in the program. The programme requires the inclusion of female farmers in the farmer groups.

**Communities:** Communities located within active HIAs/ Sub-HIAs who are willingly and actively participating in the governance of the landscape.

**Traditional Authorities:** TA refers to the structure of traditional leaders (chiefs and queen mothers), as represented and organized under a Traditional Council (or similar body), with jurisdiction over all or part of an HIA/Sub-HIA landscape.

**Government agencies** with the responsibility to coordinate the program and/or implement key activities and actions at HIA or program level that affect outcomes within HIAs or across the entire GCFRP landscape. They include:

**Forestry Commission:** The main divisions of the FC to be involved include the Climate Change Department (CCD) which hosts the National REDD+ Secretariat (NRS), Forest Services Division (FSD), the Legal Department (LD), and the Wildlife Division (WD).

**Cocoa Board:** The main divisions at Cocobod include Cocoa Health & Extension Division (CHED), and the Research & Monitoring Division (RMD).

**Metropolitan, Municipal and District Assemblies:** As the local branch of administrative government under the Ministry of Local Government, MMDAs operating within HIAs/Sub-HIAs will be involved.

<sup>12</sup> NTFPs can include non-wood forest products, which consist of goods of biological origin other than wood, derived from the forest (FAO, 2017) or non-wood products grown or harvested from agroforestry systems.

### Private Sector

**Cocoa Companies:** Cocoa companies include licensed cocoa buying companies (LBCs), cocoa traders, cocoa processors, and end-user chocolate companies.

**Other private sector companies:** It is possible that other companies from the forestry sector, agriculture sector, or financial and climate risk management sectors will play a role in and benefit from the program.

The assumption is that these three groups will be the main stakeholder beneficiaries of the program<sup>13</sup> through their active involvement and change of behavior on the ground in HIAs, through the implementation of activities that reduce deforestation and degradation in HIAs, through investments into activities and actions that do the same or incentivize stakeholders, and through support and collaboration to the programs structures and processes. It is worth noting that while the HIA stakeholders (farmers, communities, TA) are all present in the HIA landscapes, their respective roles in generating ERs and the types of benefits expected are distinct and there is no issue with potential overlap. In addition, while the HIA is the key structure through which the program is being implemented, if entities want to propose and form HIAs (beyond those that have been recommended or developed) this is entirely possible.

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<sup>13</sup> The program also recognized the significant role that NGOs and other civil society groups will play in implementing activities within HIAs and Sub-HIAs and serving as key members of the HIA consortiums. However, NGOs are not regarded as “beneficiaries” of the program and therefore are not directly addressed in the BSP.

Table 3: Beneficiaries and rationale for their respective benefits

Beneficiary	Resource Rights & REDD+ Impact	Rationale
<b>HIA Landscape Stakeholders</b>		
Registered Farmer Groups	<ul style="list-style-type: none"> <li>Holds customary rights to farmlands based on various customary agreements.</li> <li><b>Direct impact on ERs</b> by agreeing to change behavior with respect to forest conversion and on-farm shade-tree management, resulting in reduced deforestation from cocoa farm expansion and reduced degradation from no-shade cocoa system or illegal logging.</li> </ul>	<ul style="list-style-type: none"> <li>Adoption of climate-smart cocoa farming practices including planting and management of shade trees on farms and farm lands;</li> <li>Avoid encroachment into forested areas for farming activities or illegal logging or illegal mining;</li> <li>Compliance with HIA landscape by-laws and management plan.</li> </ul>
Traditional Councils	<ul style="list-style-type: none"> <li>Hold statutory and customary ownership rights to land and natural resources and receives portion of timber revenue from the state.</li> <li><b>Direct impact on ERs</b> by agreeing to change terms of how land is leased and resources are managed, directly resulting in reduced deforestation from agricultural expansion into forests and illegal mining, and reductions in degradation from illegal logging.</li> </ul>	<ul style="list-style-type: none"> <li>Custodians of forest lands (including the REDD+ programme area) and hold ownership right to the lands;</li> <li>Support forest conservation activities and forest law enforcement against illegal logging and illegal mining.</li> </ul>
Communities	<ul style="list-style-type: none"> <li><b>Direct impact on ERs</b> by participating in the development and operation of HIA landscape governance mechanisms, including forest monitoring exercises and local enforcement of HIA bye-laws, resulting in reduced encroachment into forests and reductions in illegal-logging.</li> </ul>	<ul style="list-style-type: none"> <li>Support forest law enforcement and monitoring against illegal logging and illegal mining;</li> <li>Support forest management and forest conservation activities via collaborative natural resources management programmes such as CREMA.</li> </ul>
<b>Government Agencies</b>		
Forestry Commission	<ul style="list-style-type: none"> <li>Legal right to manage Ghana's forest resources;</li> <li><b>Direct impact on ERs</b> by coordinating implementation, monitoring and reporting, while supporting expansion of law enforcement activities in HIA and pursuance of legal action, resulting in the reductions of illegal activities that cause deforestation or degradation, including illegal</li> </ul>	<ul style="list-style-type: none"> <li>Responsible for forest management and coordinates forest conservation activities and programmes;</li> <li>Responsible for forest law enforcement against illegal logging and illegal mining;</li> <li>Responsible for and possess technical capacity for forest monitoring, verification and reporting;</li> </ul>



	logging, mining, and agricultural encroachment into forest reserves.	<ul style="list-style-type: none"> <li>Provides technical knowledge and capacity building for non-technical actors such communities in collaborative forest management.</li> </ul>
COCOBOD	<ul style="list-style-type: none"> <li>Legally responsible for the regulation and marketing of Ghana cocoa along the entire value chain.</li> <li><b>Indirect impact on ERs</b> through co-coordination of the program and implementation of climate-smart cocoa in HIAs.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible for climate-smart cocoa farming practices and coordinates climate-smart cocoa programmes and initiatives;</li> <li>Provides technical knowledge and extension services for climate-smart cocoa practices;</li> <li>Responsible for and possess technical capacity for monitoring, verification and reporting compliance to climate-smart cocoa practices.</li> </ul>
MMDAs	<ul style="list-style-type: none"> <li><b>Direct impact on ERs</b> by supporting by-laws, monitoring, and enforcement of HIAs, coupled with participation in HIA consortiums and support to HIA landuse planning.</li> </ul>	<ul style="list-style-type: none"> <li>Main and lead government agent in local governance system;</li> <li>Coordinate all government programmes and business at the sub-national level;</li> <li>Support forest law enforcement and monitoring against illegal logging and illegal mining;</li> <li>Enact and enforce by-laws to support forest management and forest conservation activities and programmes.</li> </ul>
<b>Private Sector</b>		
Cocoa companies	<ul style="list-style-type: none"> <li><b>Indirect impact on ERs</b> through investments into and/or implementation of CSC in HIAs, driven by a global commitment to a no-deforestation supply chain in Ghana.</li> </ul>	<ul style="list-style-type: none"> <li>Provide financial support and other incentives to farmers for adoption of climate-smart cocoa practices;</li> <li>Provides training and support capacity build programmes on climate-smart cocoa practices.</li> </ul>
Other private sector companies	<ul style="list-style-type: none"> <li><b>Impact to be determined.</b> Though not anticipated during the ERPA period, private sector timber companies, oil palm companies, or other agricultural commodity company with legally recognized concessionary rights to specific landholdings could seek to become a stakeholder and beneficiary to the program. At such time, the nature of the company's legal rights and impact on reducing deforestation and degradation will have to be reviewed and assessed.</li> </ul>	<ul style="list-style-type: none"> <li>Yet to be determined</li> </ul>

## 2.2 Carbon and Non-Carbon Beneficiaries

Though HIA stakeholders, government agencies, and private sector companies are essential to the successful roll-out of the GCFRP, the type of benefits that will accrue to each stakeholder varies according to their differential roles, rights, and interests in generating ERs under the GCFRP.

As clearly outlined in Ghana's ERPD, the program aims to generate two types of benefits:

- **Carbon benefits:** monetary or non-monetary goods, services, or other benefits related to performance-based payments received under the ERPA (contractual agreement with the Carbon Fund) by the ER Program Entity Government of Ghana (GoG) or funded with such received payments.
- **Non-carbon benefits:** in-kind or financial benefits produced by or in relation to the implementation or operation of the ER Program, other than those that directly derive from performance-based payments for ERs.

One unique strength of the GCFRP is that it hinges upon the importance and predominance of the non-carbon benefits and incentives that will derive from the project, including increased yields for cocoa farmers and verification of "sustainably" produced cocoa beans from HIAs that the private sector can use to validate its no-deforestation supply chain commitments. Increasing yields is entirely feasible. The average yield in Ghana is 400 kg/ha, as reported by COCOBOD. This is one of the lowest in the world, and has remained low simply because the majority of farmers have very limited access to cocoa extension, agronomic resources, and economic resources (credit facilities, business training, etc.). Indeed, numerous projects have proven and demonstrated the ability to significantly increase yields from approximately 400 kg/ha to 600-800 kg/ha, through the adoption of climate smart agricultural practices but the next step is to upscale such practices on a much wider scale. Examples of such programmes include Cocoa Life (Mondelez), Partnership for Productivity Protection and Resilience in Cocoa Landscapes (Touton), Partnership for Livelihoods and Forest Landscape Management (Rainforest Alliance and Olam), Cocoa Abrabopa Association and the Cocoa Forest Initiative. The feasibility of achieving higher yields at scale has also been demonstrated in neighboring Côte d'Ivoire, which produced over 1,600 tons of cocoa beans in 2016 with average yields of approximately 800 kg per ha. In terms of verifying sustainable beans, Ghana is already working with Verra (VCS) to develop and pilot a Landscape Standard (LS) for cocoa that will enable certification of sustainable landscapes and lead to differentiated marketing and pricing of beans from that landscape as a means to bring additional income to farmers for adopting climate smart cocoa practices. Thus, by generating significant gains beyond carbon benefits, livelihoods will be improved, buy-in will be stronger and performance risks substantially reduced.

Table 4 provides a breakdown of the GCFRP's carbon and non-carbon beneficiaries, and Annex 1 and Annex 3 provides a more comprehensive description of the consultation process and methods used to identify the beneficiaries and determine alignment with the types of benefits.

The determination of carbon beneficiaries was based up the stakeholder playing a direct role in reducing deforestation and degradation on the ground, performing essential monitoring functions, and having a regulatory or legal right to the land, forests, trees, or cocoa resources. The HIA stakeholders (farmers, TA, and communities) and the government agencies (FC, Cocobod and MMDAs) meet these criteria (as shown in Table 3) as they are ultimately responsible for halting the expansion of cocoa and food crop farms into forest reserves, reducing the widespread occurrence of illegal logging activities, planting and maintaining trees to bring about shaded cocoa systems, and reducing incidences of illegal mining (galamsey) and wildfires. Though the other

stakeholders' roles are also critically important in the implementation of the GCFRP, their roles and impacts are predominantly indirect.

Though private sector stakeholders are very important to the funding and implementation of the GCFRP, their commitments to be part of this program are linked to broader commitments under the industry's Cocoa & Forest Initiative (CFI), which aims to roll-out climate-smart cocoa interventions and facilitate a no-deforestation supply chain. The CFI complements the GCFRP in three (3) areas critical for the effective implementation of the REDD+ programme namely, forest protection and restoration, sustainable cocoa production and farmers' livelihood, and community engagement and social inclusion. As indicated in the CFI's implementation plan, the CFI will implement its field level activities in the HIAs (particularly focusing on the six (6) HIAs of the GCFRP) as its implementation area. At this stage, the private sector's primary interest is to show-case sustainable, climate-smart cocoa production that helps to protect and restore Ghana's forests. In the future, however, in the post-ERPA period when the quantum of ERs is likely to increase significantly, companies could explore possible carbon agreements with the GoG.

Table 4: GCFRP carbon and non-carbon beneficiaries

Stakeholders	Recipients of Carbon Benefits	Recipients of Non-Carbon Benefits
<b>HIA Landscape Stakeholders</b>		
<i>Registered farmer groups</i>	X	X
<i>Traditional Authorities</i>	X	X
<i>Communities</i>	X	X
<b>Government Agencies</b>		
<i>Forestry Commission</i>	X	X
<i>Cocobod</i>	X	X
<i>MMDAs</i>	X	X
<b>Private Sector</b>		
<i>Cocoa companies</i>		X

### 3. Types of Benefits

#### 3.1 Carbon Benefits

As defined in Section 2, the GCFRP program will generate both Carbon and Non-Carbon (from non-Carbon Fund sources) Benefits. The carbon benefits are primarily focused on incentivizing and appreciating key stakeholders contributing to changing behaviour of how cocoa is farmed and how the landscape is managed, while providing upfront and incremental support to the implementation of some key activities led by the government.

The GCFRP's main carbon benefits are laid out in Table 5, which provides an overview of all of the expected Carbon Benefits for the various beneficiaries, with clarity on the monetary or non-monetary type, and performance indicators to trigger "disbursement". Additional details on some of the main carbon benefits are provided in the highlighted the Boxes 1-3 shown below.

#### **BOX 2: CSC INPUT PACKAGE**

**CSC input packages to registered farmers in HIA groups**, valued at approximately **USD 142** per farmer, based on the assumption of approximately **23,457** farmers per HIA landscape, across **6** HIAs.

The input packages are likely to include a combination of fertilizer, hybrid cocoa seedlings, shade tree seedlings, farming tools (machete, scythe, wellington boots), and other inputs to support CSC. Farmers within each group, together with the HIA Management Board and Consortium will decide upon the most "beneficial" package of items depending on local HIA farming conditions, needs, and market prices.

Depending on availability and price, farmer groups may also choose to receive mechanised farming equipment, including motorcycle tricycles with trailers, motorized spray machines, mechanized pruning or weeding devises, etc., which would be shared by multiple members of the group.

#### **BOX 3: TA ROYALTY PAYMENTS**

**Royalty payments to Traditional Authorities via Traditional Councils** as performance-based payment for presiding over the lands and resources of the HIA and providing leadership that led to the generation of ERs at the local HIA level and commitment to adhere to agreed land use plans. The use of the royalty payments will be subject to a set of guiding principles that reflect the goals of the program and restrict unsustainable uses of funds.

**BOX 4: HIA COMMUNITY DEVELOPMENT PROJECTS**

**HIA Community's** will have access to support for **Community Development Projects**.

Communities will apply through the HIA Management Board & Consortium and will be selected based upon 1) environmental projects that align with the HIA management plan; or 2) development and social welfare projects for which there is a significant need. Projects that bring leverage funding from the private sector or from the MMDAs will be prioritized.

*Eligible types of environmental projects:* conservation of community lands under Management Plan, incentives (and rules) to support adoption of high-shade (climate-smart) cocoa, HIA forest monitoring teams and activities, diversification of sustainable agricultural livelihoods, etc.

*Eligible types of community development projects:* boreholes, school or health facility infrastructure, solar lighting, etc.

*Ineligible projects:* purchase of chainsaws, mining equipment, hunting tools/equipment, monoculture cash crop projects, road projects, projects that disproportionately benefit any individual or family.

Based upon an estimated **average project cost of USD 50,000**, a **total of 269 community projects** could be funded as Carbon Benefits, equally **approximately 38 projects per HIA**.

Table 5: Carbon benefits from Carbon Fund and performance indicators

Carbon Beneficiary (Priority Level)	Benefit Type	Description of benefit	Performance Indicator
<b>HIA Landscape Beneficiaries</b>			
<b>Farmers Registered in Groups in HIA</b>  <i>(Primary Beneficiary)</i>	Non-monetary	Farm input packages to support climate-smart cocoa production, with requirement that at least 30% female representation.	-No. of farmers registered to groups under HIA (at least 30% female representation) -No. farmers demonstrate adoption of CSC practices -No. new farms in forest reserves; -Farmer yield trends
<b>Traditional Councils</b>  <i>(Primary Beneficiary)</i>	Monetary	Performance based incentive payment	-Agreement signed with TC -Documents showing development of HIA / Sub-HIA landscape governance system (constitution, by-laws, management plan); -ER from HIA/Sub-HIA landscape or deforestation rate against estimated HIA baseline.

<b>HIA / Sub-HIA communities</b>  <b>(Secondary beneficiaries)</b>	Non-monetary	Community development projects	-Agreement to participate in HIA/Sub-HIA gov. system; -Developed HIA/Sub-HIA landscape documents (Constitution, by-laws, management plan; -Successful implementation and monitoring of plan
<b>Government of Ghana</b>			
<b>Forestry Commission</b>  <b>(Primary beneficiary)</b>	Monetary	Logistics for HIA forest monitoring and law enforcement. (Benefits money covers vehicle costs, while FC budget pays for additional staff).	-Procured monitoring equipment and logistics -Stationed Rapid Response Team (RRT) in HIAs -District forest monitoring reports - Increased tree/forest cover in the programme area
	Monetary	Support to legal unit for prosecution of cases	-Training and capacity development programmes conducted -Prosecuted cases of illegal activities
	Monetary	Support for implementation and monitoring of Safeguards	-Safeguards monitoring reports
<b>COCOBOD</b>  <b>(Secondary beneficiary)</b>	Monetary	Support for CSC extension teams in HIA.	-COCOBOD extension officers(s) attached to HIA; -No. of trainings and No. of farmers trained on CSC; -Report on CSC inputs and resources distributed to registered farmers. -No. of farms mapped and proportion on-reserve -Increased cocoa yields
<b>MMDAs</b>  <b>(Secondary beneficiary)</b>	Non-monetary	Support to DA to enable participation in HIA Consortium and support implementation of Management Plan	-Agreement to participate in Consortium; -Documentation of human resource support to HIA Management Plan
	Non-monetary	Support to DA to support passage of HIA by-laws	-Passage of HIA/Sub-HIA by-laws;

	Non-monetary	Support to DA to support FC forest monitoring and safeguards monitoring in HIAs	-Documentation of DA human resource support to forest monitoring and safeguards monitoring
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### 3.2 Non-Carbon Benefits

The GCFRP's priority non-carbon benefits have the potential to carry the program, even if performance is low, and are meant to secure engagement in the program and success over the long-term (past the ERPA time-frame) by ensuring that significant non-carbon monetary and in-kind benefits accrue to the main stakeholders across the landscape and in the cocoa supply chain.

Average cocoa farm-yields in Ghana are amongst the lowest in the world, and increasing yields sustainably, using climate-smart best practices is well documented<sup>14</sup> and proven<sup>15,16</sup>. Therefore, for farmers, the most important non-carbon benefit is the expected yield and income increases that will accrue from the adoption of CSC practices and resources. The estimated economic value of doubling yields from 400 kg per hectare<sup>17</sup> to 800 kg per hectare across an estimated target population of 23,457 cocoa farmers per HIA<sup>18</sup> (Table 6), over the seven-year ERPA period is just over **\$50 million**, equivalent to the total carbon benefits from the program. Across six HIAs, the estimated value is worth more than **\$305 million**. The value of doubling yields is based on the current producer price of \$1.69/kg<sup>19</sup> and the assumption that farmers will be reached incrementally and the value of yield increases will compound annually, as shown in Table 6<sup>20</sup>.

<sup>14</sup> See CCAFS "Mainstreaming climate-smart cocoa production in Ghana".

<https://ccafs.cgiar.org/blog/mainstreaming-climate-smart-practices-cocoa-production-ghana#.WPpNbcZBrIU>; and Forest Trends & NCRC, "Understanding and defining climate-smart cocoa: Extension, practices, yields and farming practices. [http://www.forest-trends.org/documents/files/doc\\_4359.pdf](http://www.forest-trends.org/documents/files/doc_4359.pdf)

<sup>15</sup> Asare, R., Asare, R.A., Asante, W.A., Markussen, B., Raebild, A. 2016. *Influences of shading and fertilization on on-farm yields of cocoa in Ghana*. Expl. Agric. (1-16). Cambridge University Press.

<sup>16</sup> McKinley, J., Lanier Nalley, L., Asare, R.A., Dixon, B.L., Popp, J.S., D'Haese, M. 2016. Managing risk in cocoa production: Assessing the potential of climate-smart crop insurance in Ghana. *Journal of International Agricultural Trade and Development*, Vol. 10:1.

<sup>17</sup> Ghana Cocoa Board, 2015. Ghana Cocoa Sector Development Strategy II, Draft Final, Accra.

<sup>18</sup> The estimated target farmer population per HIA is based upon Cocobod CHED data and 2010 census data, including records of the rural populations of individuals age 15-64 across HIA districts (productive age-range).

<sup>19</sup> The current producer price is GHS 7,600 per tonne. Assuming an exchange rate of 4.5 cedis to the dollar, this equates to US\$ 1.69 per kilo of cocoa.

<sup>20</sup> Computation of value per HIA: Assuming yield increment from 400 to 800 kg/ha. This results in additional 400kg of income (i.e. \$1.69 x 400kg = US\$ 676). To estimate annual values (row 4) and total value for 6 HIAs (row 5), multiply total number of famers doubling yields from CSC in the HIA each year (row 3), by US\$676.

Table 6: Number of new CSC farmers targeted per year and estimated value of doubling yields

	2018	2019	2020	2021	2022	2023	2024
No. of new farmers doubling yields from CSC per HIA	500	2,500	3,351	3,351	4,000	4,877	4,878
Total number of farmers doubling yields from CSC per HIA	500	3,000	6,351	9,702	13,702	18,579	23,457
Annual USD value per year per HIA	\$338,000	\$2,028,000	\$4,293,303	\$6,558,606	\$9,262,606	\$12,559,458	\$15,856,986
<b>Total value per HIA for ERPA period</b>	\$50,896,959		<b>Total value for all HIAs for ERPA period</b>		\$305,381,756		

Table 7 gives an outline of the expected Non-Carbon Benefits (benefits or incentives that will be made available to beneficiaries of the program from sources other than the Carbon Fund, like the private sector cocoa and chocolate companies) for the relevant beneficiaries and the source of the benefit or incentive, while indicating the monetary and non-monetary type, monitoring indicators, and a prioritization ranking. Though the CF methodological framework does not require performance indicators for non-carbon benefits, Ghana includes these indicators due to the importance of non-carbon benefits in the overall success of the program. As such, the High Priority Level Non-Carbon benefits will be monitored and reported upon, while monitoring (but no reporting) of the Medium and Low priority benefits will be conducted due to the monitoring requirement of other key stakeholders, including the private sector cocoa companies under their commitments, as part of the Cocoa Forest Initiative (CFI).

Table 7: GCFRP Non-Carbon/Non-Carbon Fund Benefits, Incentives and Indicators

Non-Carbon Beneficiary	Benefit /Incentive Type	Description of benefit	Source of benefits	Monitoring Indicators	Priority Level
<b>HIA Landscape Beneficiaries</b>					
<b>Registered Farmer Groups</b>	Non-monetary	Farmers receive input packages, trainings, and planting materials to improve capacity in CSC production	Private sector	-No. farmers registered per Sub-HIA/HIA -No. farmers practicing CSC in Sub-HIAs /HIAs -No. farmers who receive CSC package per Sub-HIA/HIA -All indicators disaggregated by gender	High



	Monetary	Access to financial credit and risk reduction instruments	Private sector	-Credit agreements for HIA farmer groups signed with HIAs and Consortiums	High
	Monetary	Increased yields and incomes through adoption of CSC practices	Private sector COCOBOD	-Average yield increase per HIA -Average income increase per HIA	High
	Monetary	Increased incomes from - farm diversification - CSC premiums/price -increased cocoa production	Private sector COCOBOD NGOs	-Average income from diversification, cocoa production or CSC premiums	Medium
	Non-monetary	Mapping of farm to improve land tenure and farm management	-Private Sector -COCOBOD -NGOs	-No. of farms mapped -No. of local land agreements signed	Medium
	Non-monetary	Improved tree and land tenure security	-Government -Traditional Authorities	-Documents citing tenure reform -Passage of Wildlife Bill -Tree registration	High
<b>Traditional Authorities</b>	Non-Monetary	-Improved landscape governance and management	-Government -Traditional Councils	-No. of HIAs / Sub-HIAs established -Women and minority groups have representation	High
<b>HIA / Sub-HIA Communities</b>	Non-Monetary	- Improved landscape governance and management	-Government -NGO	-No. of HIAs / Sub-HIAs established -Women and minority groups have representation	High
<b>Government</b>					

<b>Forestry Commission</b>	Non-monetary	Strengthened law enforcement and monitoring from collaborative forest management	HIAs	-No. of HIA /Sub-HIA partnering FC in forest monitoring -Passage of Wildlife Bill	High
<b>COCOBOD</b>	Monetary	Increased cocoa production and achievement of national targets	NA	-National production trends	Medium
	Monetary	Sale of CSC beans at premium price	Ghana CSC Landscape Standard	-Successful testing of Standard -Sale of CSC beans	Medium
<b>MMDAs</b>	Monetary	Improved landscape governance and management	-Passage of HIA/Sub-HIA by-laws		High
<b>Private Sector</b>					
<b>Private Sector</b>	Non-monetary	Achievement of cocoa sectors Cocoa & Forest Initiative, and Ghana Framework for Action, goals	NA	-See CFI actions and indicators	Medium
	Monetary / Non-Monetary	Meet sustainability targets thru purchase of sustainably produced climate-smart cocoa beans, or increase income from sale of sustainable CSC beans.	Ghana CSC Landscape Standard	-Verification by Verra (VCS) Landscape Standard	Low
		Reduced risk to sustainability of supply	NA	-ERs produced; -Forest cover change trends; -Ave. No. shade trees per ha; -No. farmers adopting CSC practices;	Low
	Monetary	Improved supply chain efficiency from HIA role in aggregating and securing farmer loyalty.	NA	-No. farmers registered per HIA; -Tonnage trends to LBCs in HIA Consortium.	Low

## 4. Distribution of ERPA Proceeds and Fixed Costs

Only verified reductions in deforestation and degradation will trigger carbon payments from the FCPF-CF to be shared between the identified beneficiaries. The total GCFRP budget will be supported by financing and investments from multiple sources. The FC and COCOBOD will together cover approximately 37% of program costs, coupled with an equal anticipated investment of 37% from the private sector and NGOs. The anticipated carbon finance will account for 21% of the program. It is likely that the government will need to secure grants or additional support to cover 5% of costs. To date, Ghana has secured over \$157.5 million from government, NGO and private sector stakeholders, with 5 major MOUs signed and more expected. Annex 4 provides a Table of committed funding.

By implementing the GCFRP, Ghana expects to produce 10 MT of emission reductions, which will generate approximately USD\$ 50 million in CF payments. The allocation of ERPA revenue shall be distributed to the various beneficiaries, as shown in Figure 3, based on demonstrated performance against indicators. Of the total carbon payments, 4% will cover the program's annual fixed costs, while 69% is designated for HIA Stakeholders and 27% for government stakeholders. After fixed costs, 3% of performance-based payments will go into a temporary benefit sharing buffer to cover potential short-falls that could result from under-performance or unexpected delays in transactions between the CF and GoG. However, if left unspent, it would be distributed to beneficiaries during the final disbursement. A series of performance scenarios have been provided to indicate how ER payments will be distributed (See Section 5.2). Figure 3 presents the distribution of carbon benefits (ER payments) and their respective beneficiaries:

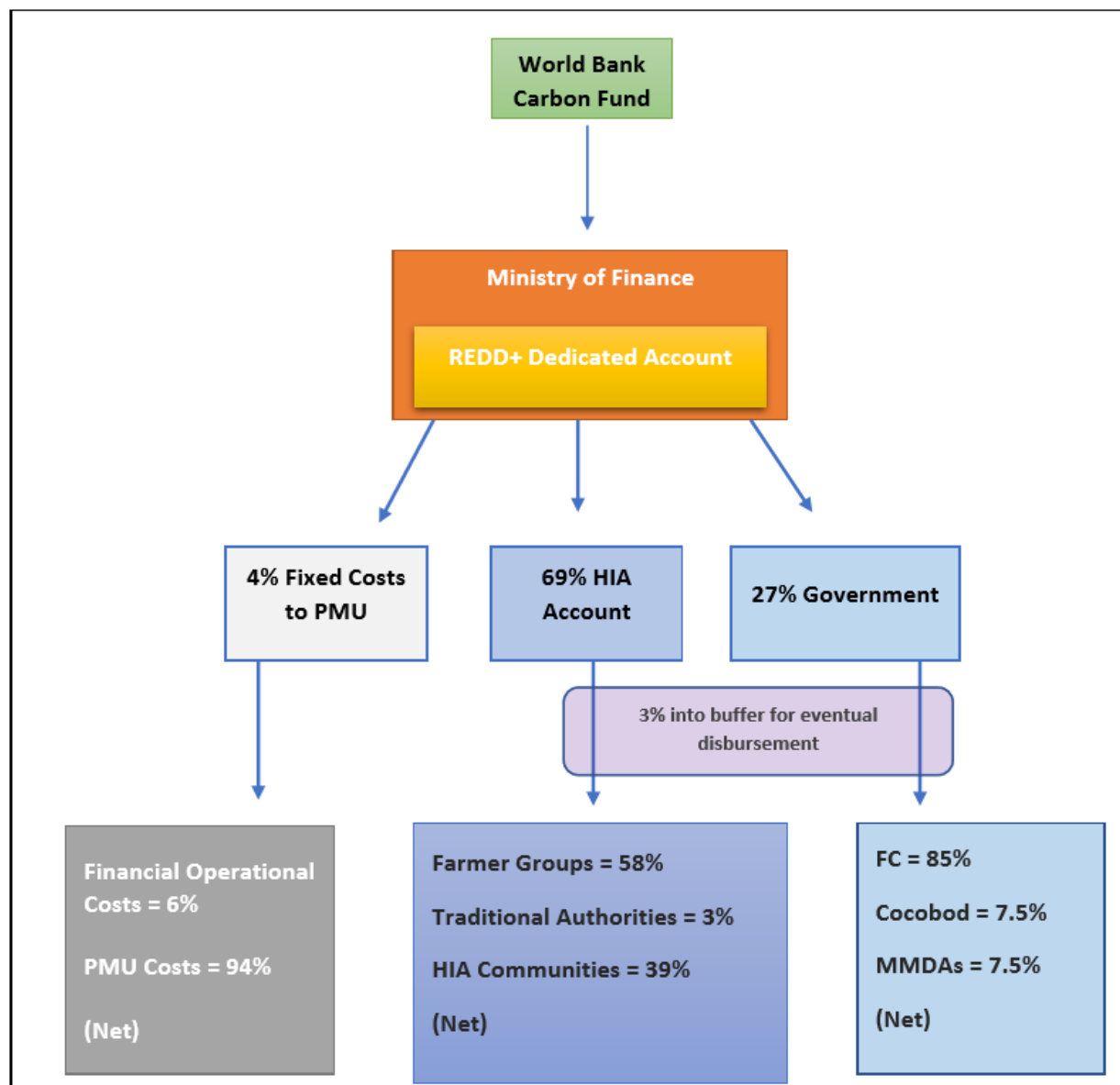


Figure 3: Allocation of ERPA proceeds

#### 4.1 Fixed Costs

Fixed costs will cover basic human resource, operational and financial expenses, as shown in Table 8. This includes financial operational costs, with support to the GCFRP's Program Management Unit (PMU) for the ERPA period, until the associated positions can be fully integrated into the FC and COCOBOD budgets, as well as the cost of forest monitoring and reporting and some logistical support to the PMU. As part of the NRS, the PMU will comply with World Bank procurement processes and standards, as has been the practice of the NRS to date. Third party verification of carbon audits will be borne by the World Bank-FCPF, and therefore is not included under fixed costs.

Table 8: GCFRP fixed costs

FIXED COSTS	2018	2019	2020	2021	2022	2023	2024	Total
<b>Operational Costs</b>								
Account audits	n.a.	4,000	4,000	4,000	4,000	4,000	4,000	24,000
RDA Board Operational costs	n.a.	15,000	15,000	15,000	15,000	15,000	15,000	90,000
Sub-Total								114,000
<b>PMU Positions and Logistics</b>								
PMU Coordinator	**	12,300	12,915	13,561	14,239	14,951	16,166	84,131
Deputy Coordinator	**	8,300	8,715	9,151	9,608	10,089	11,304	57,167
MRV Specialist	**	5,650	5,933	6,229	6,541	6,868	8,083	39,303
Safeguards Specialist	**	5,650	5,933	6,229	6,541	6,868	8,083	39,303
Governance Specialist	**	5,650	5,933	6,229	6,541	6,868	8,083	39,303
BSP Specialist	**	5,650	5,933	6,229	6,541	6,868	8,083	39,303
Private Sector Specialist	**	5,650	5,933	6,229	6,541	6,868	8,083	39,303
Consultants	n.a.	30,000	30,000	30,000	30,000	30,000	30,000	180,000
Forest Monitoring and Reporting Costs	n.a.	190,000	190,000	190,000	190,000	190,000	190,000	1,140,000
2 Vehicles	n.a.	150,000						150,000
Running of Vehicles (fuel & maintenance)		9,000	12,000	12,000	12,000	12,000	12,000	69,000
Sub-Total								1,876,812
<b>Total</b>		446,850	302,293	304,857	307,550	310,377	318,885	<b>1,990,812</b>

\*\* Costs covered for 2018

## 4.2 MRV Time-frames and Target ERs

The program has adopted an implementation start date of 2019 and will run until 2025. The last year, 2025, will be for the final disbursement of benefits. As outlined in Table 9, Ghana is eligible to request an upfront advance payment of up to US\$ 1.3 million subject to fulfillment of the conditions stipulated in the signed ERPA. This is to cover part of fixed costs towards program management and coordination (amongst others operations of RDA Board, MRV specialist, Safeguards specialist, Governance specialist, Forest Monitoring and Reporting Cost, PMU Coordinator) and operational expenditure for implementation of activities (amongst others, sensitization of forest fringe communities, operationalization of FGRM, strengthening governance structure in HIA, provision of viable livelihood options, procurement of seedlings to meet farmers demand for trees on farms; Establish MTS plantations within forest reserves with cocoa farms to grandfather cocoa farms out of forest reserve and Enrichment planting). The upfront

advance payment shall be recovered from the first periodic ER payment following first monitoring and verification. The ERPA period is summarized below:

- One (1) upfront advance payment- expected in 2020 after the Conditions of effectiveness have been met and the ERPA is declared as effective.
- Two (2) interim advance payment payments upon submission of interim progress reports- expected in 2021 and 2023
- Four (4) payments on verified Emission Reductions- 2021, 2022, 2024 and 2025

The annual performance monitoring and every-other-year verification (starting in 2020) ensures that Ghana and the GCFRP stakeholders maintain a clear picture of progress and any potential challenges. The first year of fixed costs, including financial costs and PMU operational costs, are either not necessary or have been met by the government for 2018. Therefore, the fixed cost request is for 2019 onward.

Table 9: Timing of MRV and carbon payments

Year	Actions	Payment Year	Type of Transaction
2019	ERPA signing and request for upfront advanced payment—USD 1.3 million	2020	
2020	Monitoring and reporting for 2019  Verification of ERs for first reporting period	2020	verification of ERs  Payment of Upfront Advance
2021	ER Payment for first verification	2021	Interim advanced payment upon submission of interim progress report for 2020
2022	Verification of ERs and ER payments post second monitoring and reporting for the period Jan 1, 2020-Dec 31, 2021	2022	ER Payment against verification
2023	Monitoring and reporting for 2022 (Jan 1, 2022-Dec 31, 2022)	2023	Interim advanced payment upon submission of interim progress report for Jan 1, 2022-Dec 31, 2022
2024	Verification of ERs and ER Payment post third reporting for the period Jan 1, 2022-Dec 31, 2023	2024	ER Payment against verification of ERs for 2022-2023
2025	Monitoring and reporting for 2024 (Jan 1, 2024-Dec 31, 2024) Verification of ERs and ER payments post fourth reporting	2025	ER Payment against verification of ERs for 2024

Ghana's advanced payment requests, estimated payments and target emission reductions over the program period are shown in Table 10, but are still subject to ERPA negotiations.

Table 10: Advanced payment & target emission reductions

Year	Payment	Reporting Period ending	ERs	Amount Paid	Advance Payment Recovery	Net Payment (\$)
2019	ERPA signing and ERP implementation	2019	300,000	No Payment	No Recovery	No payment
2020	Upfront advance Payment			1,300,000		1,300,000
2020	ERs Against first verification	2019	300,000	No Payment		
2021	ER Payment for first Reporting Period	2019	300,000	1,500,000	Full Recovery of Upfront Advance Payment	200,000
	Interim advance payment upon submission of interim progress report for monitoring period (2020)	2020	2,700,000	2,000,000	No Recovery	2,000,000
2022	ER payment for Second Reporting Period (2020/2021)	2020/2021	2,700,000	13,500,000	Full recovery of first interim advance	11,500,000
2023	Interim advance payment upon submission of interim progress report for monitoring period (2022)	2022	4,500,000	1,700,000	No Recovery	1,700,000
2024	ER Payment for Third Reporting Period (2022/2023)	2022/2023	4,500,000	22,500,000	Full Recovery of Second Interim Advance Payment	20,800,000
2025	ER Payment for fourth reporting period (2024)	2024	2,500,000	12,500,000	No recovery	12,500,000
<b>TOTAL</b>						<b>50,000,000</b>

## 5. ER Payments and Performance Scenarios

### 5.1 ER Payments

To determine the quantum of ER payments that beneficiaries at the HIA level receive, a weighting scale called '**Relative Performance Weight**' will be applied. It will be calculated by the MRV and Benefit Sharing Specialists of the PMU, and then reviewed and approved by the REDD+ Dedicated Account's Board of Trustees. **Relative Performance Weight** is determined by aggregating two (2) sets of factors, namely:

- **Social performance indicators:** these indicators include all actions that need to be taken by the beneficiaries to demonstrate their commitment to change behaviour. It also includes actions that lead to emission reduction in the HIAs. See Annex 2 for the list of indicators and their respective weights.
- **Emission reduction indicators:** the indicators describe the level of emission reduction in the HIAs based on monitoring and verification. See Annex 2 for the list of indicators and their respective weights.

**Relative Performance Weight** is given below:

$$\text{Relative Performance Weight } (P_w) = \frac{\text{HIA's social performance indicators}}{\text{Total social performance indicators}} * \text{HIA's emission reduction indicators}$$

The ER payment for each HIA is determined as the **product of 'ER Payment for a given category of HIA beneficiaries' and 'Relative Performance Weight'**.

$$\text{ER Payment for a given HIA} = \text{ER payment for the HIA's beneficiary category} * P_w \text{ of the HIA}$$

### 5.2 Emission Performance Scenarios

Ghana's ER Program envisages the possibility of both 100% performance and under-performance with respect to its emission reductions target. Under a "best case scenario", in which Ghana demonstrates 100% performance on projected ERs and there is quick disbursement of funds into the country, and then down the financial disbursement channels, all beneficiaries should expect to receive their allocated benefits (See Scenario 1). To reduce the risk of repayment or shortfalls in benefit sharing, Ghana will establish an "Under-Performance Buffer" and pay-in 3% of ER payments received per every accounting period (when verification has been conducted and actual ER payments effected). This buffer would be used to compensate HIA Stakeholders who have demonstrated performance despite overall performance of the programme having fallen below 20% in a given reporting year. In cases of under-performance that limit fixed-cost payments, the Government will cover the difference for fixed cost between what is received through ER payment and what is required as fixed cost for operating (100% scenario). Thus, \$2m is the foreseen total cost, but depending on delivery will be covered either through ER payments or, if needed, from Government budget as well.

The BSP describes four (4) performance scenarios and how ER Payments will be distributed to beneficiaries in the cases 100% and low performance:

- Scenario 1: Assuming 100% performance within the ER Program;
- Scenario 2: Assuming 50% performance within the ER Program;



- Scenario 3: Assuming 20% performance within the ER Program and
- Scenario 4: Overall non-performance within the ER Program (no reduction in deforestation in the ER Program area) albeit some isolated performance in some HIA(s).

***Scenario 1: 100% performance within the ER Program***

Under the 100% performance scenario, the ER Program will achieve 10 million tCO<sub>2</sub>e emission reduction worth US\$ 50 million for the period, 2019-2024. The carbon benefits generated will be distributed according to the defined benefit sharing arrangement (Figure 2). **Four (4%)** worth **US\$ 2 million** will be deducted to cover fixed cost, 27% (US\$ 13.5 million) for government level beneficiaries and 69% (US\$ 34.5 million) for HIA level beneficiaries. However, 3% of the respective share for government (US\$ 405,000) and HIA level beneficiaries (US\$ 1.035 million) worth **US\$ 1.440 million** will be transferred into the performance buffer fund. **Sixty-nine (69%)** of the net amount (after deducting for the buffer fund) worth **US\$ 33.465 million will be paid to HIA level beneficiaries** (farmer groups, traditional authorities, and HIA communities) according to their respective percentage shares as carbon benefit. **Government** (FC, COCOBOD, MMDAs) **will receive US\$ 13.095 million (27%)** of the ER payment. When 100% performance is achieved, the accruals in the performance buffer will be redistributed among all the beneficiaries as carbon benefit at the end of the programme. Table 11 illustrates how the performance-based payments may be distributed among beneficiaries when 100% performance is achieved in the various accounting years.

Table 11: ER payments to beneficiaries based on 100% performance (Scenario 1)

Year	ER (tCO <sub>2</sub> e)	Gross ER Payments (US\$)	Fixed Cost (4%) (US\$)	Gov't Gross ER Payments (US\$)	HIAs Gross ER Payments (US\$)	Beneficiaries							
						Performance Buffer (3%) (US\$)		Government (27%)			HIAs (69%)		
						Gov't	HIAs	FC (85%) (US\$)	COCOBOD (7.5%) (US\$)	MMDAs (7.5%) (US\$)	Farmer Groups (58%) (US\$)	HIA Communities (US\$) (39%)	Traditional Authorities (3%) (US\$)
2021	300,000	1,500,000	60,000	405,000	1,035,000	12,150	31,050	333,923	29,464	29,464	582,291	391,541	30,119
2022	2,700,000	13,500,000	540,000	3,645,000	9,315,000	109,350	279,450	3,005,303	265,174	265,174	5,240,619	3,523,865	271,067
2024	4,500,000	22,500,000	900,000	6,075,000	15,525,000	182,250	465,750	5,008,838	441,956	441,956	8,734,365	5,873,108	451,778
2025	2,500,000	12,500,000	500,000	3,375,000	8,625,000	101,250	258,750	2,782,688	245,531	245,531	4,852,425	3,262,838	250,988
Total	10,000,000	50,000,000	2,000,000	13,500,000	34,500,000	405,000	1,035,000	11,130,750	982,125	982,125	19,409,700	13,051,350	1,003,950

In distributing ER payments to HIA beneficiaries, the relative performance weight of the HIA will be applied to the total amount of ER payment available for each category of beneficiaries (farmer groups, HIA communities, traditional authorities). Assuming HIA #1 has fulfilled two (2) social performance indicators (i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure), but experiences increasing deforestation, its relative performance weight will be **0.0625**. HIA # 2 fulfils three (3) social performance indicators (i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure; participation of traditional authorities in management development and implementation), but experiences no net reduction in deforestation, its relative performance weight will be **0.25**. HIA # 3 fulfils four (4) social performance indicators (i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure; participation of traditional authorities in management development and implementation; establishment of HIA governance structure). It experiences reduced deforestation. The relative performance weight of HIA #3 will be: **0.6563**.

Therefore, the ER payment for a given HIA level beneficiary such as 'registered farmer group' in HIA #1 in year 2021 will be: **0.0625\*\$582,291 = \$36,393**. While ER payment for 'registered farmer group' in HIA #2 will be: **0.25\*\$582,291 = 145,573**; and ER payment for HIA #3 will be: **0.6563\*\$582,291 = \$382,158**. Table 12 describes the respective value of ER payments for HIA beneficiaries.

Table 12: ER payments to HIA #1 beneficiaries in 2021

HIA #	Relative performance weight	Farmer Groups (58%)	HIA Communities (39%)	Traditional Authorities (3%)
1	0.0625	36,393	24,471	1,882
2	0.25	145,573	97,885	7,530
3	0.6563	382,158	256,968	19,767

**Scenario 2: 50% performance within the ER Program**

In a case of 50% performance, the ER Program will achieve 5 million tCO<sub>2</sub>e emission reduction worth US\$ 25 million. ER payment generated will be distributed to government (FC, COCOBOD, MMDAs); and HIA level beneficiaries (farmer groups, traditional authorities, HIA communities) who achieved at least 50% emission reduction target according to the defined benefit sharing arrangement (Figure 1). In practice, **4% (US\$ 1 million)** will be deducted to cover fixed cost, 27% (US\$ 6.750 million) for government level beneficiaries and 69% (US\$ 17.250 million) for HIA level beneficiaries. However, 3% of the respective share for government (US\$ 202,500) and HIA level beneficiaries (US\$517,500) worth **US\$ 720,000** will be transferred into the performance buffer fund. **Sixty-nine (69%)** of the net amount (after deducting for the buffer fund) worth **US\$ 16.733 million will be paid to HIA level beneficiaries** (farmer groups, traditional authorities, and HIA communities) according to their respective percentage shares as carbon benefit. **Government** (FC, COCOBOD, MMDAs) **will receive US\$ 6.548 million (27%)** of the ER payment as carbon benefit. Table 13 illustrates how the performance-based payments may be distributed among beneficiaries when 50% performance is achieved in the various accounting years.

Table 13: ER payments to beneficiaries based on 50% performance (Scenario 2)

Year	ER (tCO <sub>2</sub> e)	Gross ER Payments (US\$)	Fixed Cost (4%) (US\$)	Gov't Gross ER Payments (US\$)	HIAs Gross ER Payments (US\$)	Beneficiaries							
						Performance Buffer (3%) (US\$)		Government (27%)			HIAs (69%)		
						Gov't	HIAs	FC (85%) (US\$)	COCOBOD (7.5%) (US\$)	MMDAs (7.5%) (US\$)	Farmer Groups (58%) (US\$)	HIA Communities (US\$) (39%)	Traditional Authorities (3%) (US\$)
2021	150,000	750,000	30,000	202,500	517,500	6,075	15,525	166,961	14,732	14,732	291,146	195,770	15,059
2022	1,350,000	6,750,000	270,000	1,822,500	4,657,500	54,675	139,725	1,502,651	132,587	132,587	2,620,310	1,761,932	135,533
2024	2,250,000	11,250,000	450,000	3,037,500	7,762,500	91,125	232,875	2,504,419	220,978	220,978	4,367,183	2,936,554	225,889
2025	1,250,000	6,250,000	250,000	1,687,500	4,312,500	50,625	129,375	1,391,344	122,766	122,766	2,426,213	1,631,419	125,494
Total	5,000,000	25,000,000	1,000,000	6,750,000	17,250,000	202,500	517,500	5,565,375	491,063	491,063	9,704,850	6,525,675	501,975

In distributing ER payments to HIA beneficiaries, the relative performance weight of the HIA will be applied to the total amount of ER payment available for each category of beneficiaries (farmer groups, HIA communities, traditional authorities). Assuming HIA #1 has fulfilled two (2) social performance indicators (i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure), but experiences increasing deforestation, its relative performance weight will be **0.0625**. HIA #2 fulfils three (3) social performance indicators (i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure; participation of traditional authorities in management development and implementation), but experiences no net reduction in deforestation, its relative performance weight will be **0.25**. HIA # 3 fulfils four (4) social performance indicators (i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure;

participation of traditional authorities in management development and implementation; establishment of HIA governance structure). It experiences reduced deforestation. The relative performance weight of HIA #3 will be: **0.6563**.

Therefore, the ER payment for a given HIA level beneficiary such as ‘registered farmer group’ in HIA #1 in year 2021 will be:  $0.0625 * \$291,146 = \$18,197$ . While ER payment for ‘registered farmer group’ in HIA #2 will be:  $0.25 * \$291,146 = \$72,786$ ; and ER payment for HIA #3 will be:  $0.6563 * \$291,146 = \$191,079$ . Table 14 describes the respective value of ER payments for HIA beneficiaries.

Table 14: ER payments to HIA #1 beneficiaries in 2021

HIA #	Relative performance weight	Farmer Groups (58%)	HIA Communities (39%)	Traditional Authorities (3%)
1	0.0625	18,197	12,236	941
2	0.25	72,786	48,943	3,765
3	0.6563	191,079	128,484	9,883

### Scenario 3: 20% performance within the ER Program

In the case of 20% performance, the ER Program will achieve 2 million tCO<sub>2</sub>e emission reduction worth US\$ 10 million. ER payment generated will be distributed to only HIA level beneficiaries (farmer groups, traditional authorities, and HIA communities) who achieved at least 20% emission reduction target according to the defined benefit sharing arrangement (Figure 1). Government (FC, COCOBOD, MMDAs) will not receive ER payments under the 20% performance scenario. In practice, **4% (US\$ 400,000)** will be deducted to cover fixed cost, 27% (US\$ 2.700 million) for government level beneficiaries and 69% (US\$ 6.900 million) for HIA level beneficiaries. However, 3% of the respective share for government (US\$ 81,000) and HIA level beneficiaries (US\$ 207,000) worth **US\$ 288,000** will be transferred into the performance buffer fund. **Sixty-nine (69%)** of the net amount (after deducting for the buffer fund) worth **US\$ 6.693 million will be paid to HIA level beneficiaries** (farmer groups, traditional authorities, and HIA communities) according to their respective percentage shares as carbon benefit having achieved at least 20% of their emission reduction target. Table 15 illustrates how the performance-based payments may be distributed among beneficiaries when 20% performance is achieved in the various accounting years.

Table 15: ER payments to beneficiaries based on 20% performance (Scenario 3)

Year	ER (tCO <sub>2</sub> e)	Gross ER Payments	Fixed Cost (4%)	Gov't Gross ER Payments (US\$)	HIAs Gross ER Payments (US\$)	Performance Buffer (3%)		Beneficiaries		
								HIAs (69%)		
						Gov't	HIAs	Farmer Groups (58%)	HIA Communities (39%)	Traditional Authorities (3%)
2021	60,000	300,000	12,000	81,000	207,000	2,430	6,210	116,458	78,308	6,024
2022	540,000	2,700,000	108,000	729,000	1,863,000	21,870	55,890	1,048,124	704,773	54,213
2024	900,000	4,500,000	180,000	1,215,000	3,105,000	36,450	93,150	1,746,873	1,174,622	90,356
2025	500,000	2,500,000	100,000	675,000	1,725,000	20,250	51,750	970,485	652,568	50,198
Total	2,000,000	10,000,000	400,000	2,700,000	6,900,000	81,000	207,000	3,881,940	2,610,270	200,790

In distributing ER payments to HIA beneficiaries, the relative performance weight of the HIA will be applied to the total amount of ER payment available for each category of beneficiaries (farmer groups, HIA communities, traditional authorities). Assuming HIA #1 has fulfilled two (2) social performance indicators

(i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure), but experiences increasing deforestation, its relative performance weight will be **0.0625**. HIA #2 fulfils three (3) social performance indicators (i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure; participation of traditional authorities in management development and implementation), but experiences no net reduction in deforestation, its relative performance weight will be **0.25**. HIA #3 fulfils four (4) social performance indicators (i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure; participation of traditional authorities in management development and implementation; establishment of HIA governance structure). It experiences reduced deforestation. The relative performance weight of HIA #3 will be: **0.6563**.

Therefore, the ER payment for a given HIA level beneficiary such as 'registered farmer group' in HIA #1 in year 2021 will be: **0.0625\*\$116,458 = \$7,279**. While ER payment for 'registered farmer group' in HIA #2 will be: **0.25\*\$116,458 = \$29,115**; and ER payment for HIA #3 will be: **0.6563\*\$116,458 = \$76,432**. Table 16 describes the respective value of ER payments for HIA beneficiaries.

Table 16: ER payments to HIA #1 beneficiaries in 2021

HIA #	Relative performance weight	Farmer Groups (58%)	HIA Communities (39%)	Traditional Authorities (3%)
<b>1</b>	0.0625	7,279	4,894	376
<b>2</b>	0.25	29,115	19,577	1,506
<b>3</b>	0.6563	76,432	51,394	3,953

#### **Scenario 4: Overall non-performance albeit some isolated performance in some HIA(s)**

In the case of overall non-performance of the ER Program (where the programme performs below 20% and is in default of the ERPA,) but some isolated good performance by some HIAs, the performance buffer will be triggered to distribute payments to such HIAs. Under this scenario, ER payments will be not made to government and HIAs as a whole because the ERPA is likely to be terminated. However, specific HIAs identified to have achieved at least 50% of emission reduction in relation to the actual emission reduction of the programme in the given accounting year could receive payments that would solely derive from funds paid into the performance buffer in previous years.

For example, if the programme achieves only 10% performance, translating into 1 million tCO<sub>2</sub>e emission reduction worth US\$ 5 million, **4% (US\$ 200,000)** will be deducted to cover fixed cost, 27% (US\$ 1.350 million) for government level beneficiaries and 69% (US\$ 3.450 million) for HIA level beneficiaries. However, 3% of the respective share for government (US\$ 40,500) and HIA level beneficiaries (US\$ 103,500) worth **US\$ 144,000** will be transferred into the performance buffer fund which will be used to pay identified HIA level beneficiaries who achieved at least 50% of emission reduction in relation to the actual emission reduction of the programme in the given accounting year as their carbon benefits.

In practice, assume that in year 2021, HIA #3 fulfils four (4) social performance indicators (i.e. registration of farmers/farmer groups; letter of agreement to establish HIA governance structure; participation of traditional authorities in management development and implementation; establishment of HIA governance structure); and significantly reduced deforestation. It achieved more than 50% of emission reduction relative to the actual emission reduction of the programme in that accounting year. Then, the relative performance weight of HIA #3 will be: **0.6563**. Therefore, the ER payment for the given HIA level

beneficiary ‘farmer group’ in HIA #3 will be:  $0.6563 \times \$2,506 = \$1,644$ . While ER payment for ‘HIA Communities’ in HIA #3 will be:  $0.6563 \times \$1,685 = \$1,106$ ; and ER payment for HIA #3 will be:  $0.6563 \times \$130 = 85$ . Tables 17 and 18 describe the respective value of ER payments for HIA beneficiaries.

Table 17: ER payments to HIA #1 beneficiaries against overall non-performance (Scenario 4)

Year	ER (tCO <sub>2</sub> e)	Gross ER Payments	Fixed Cost (4%)	Gov't Gross ER Payments (US\$)	HIAs Gross ER Payments (US\$)	Performance Buffer (3%)		Beneficiaries		
						Gov't	HIAs	HIAs (69%)		
								Farmer Groups (58%)	HIA Communities (39%)	Traditional Authorities (3%)
2021	30,000	150,000	6,000	40,500	103,500	1,215	3,105	2,506	1,685	130
2022	270,000	1,350,000	54,000	364,500	931,500	10,935	27,945	22,550	15,163	1,166
2024	450,000	2,250,000	90,000	607,500	1,552,500	18,225	46,575	37,584	25,272	1,944
2025	250,000	1,250,000	50,000	337,500	862,500	10,125	25,875	20,880	14,040	1,080
Total	1,000,000	5,000,000	200,000	1,350,000	3,450,000	40,500	103,500	83,520	56,160	4,320

Table 18: ER payments to HIA #3 beneficiaries in 2021

HIA #	Relative performance weight	Farmer Groups (58%)	HIA Communities (39%)	Traditional Authorities (3%)
3	0.0625	1,644	1,106	85

## 6. Flow of Funds & Governance

As depicted in Figure 1, the World Bank FCPF will disburse ERPA payments to the MoF, as required under the Financial Administration Act, 2003 (Act 654).

The MoF is in the process of establishing an account with the Bank of Ghana that will be “ring-fenced” for World Bank project funds; ensuring that the associated payments are secure. No fee will be taken for the management of the account. Within this, an account will be created which will be called the REDD+ Dedicated Account (RDA), into which CF performance-based payments will be received. The RDA will serve as the over-arching vehicle for the disbursement of monetary and non-monetary carbon benefits.

Funds intended for the government beneficiaries will flow from the RDA to the accounts of the beneficiary government agencies, including the FC, Cocobod, and designated DA under the Ministry of Local Government, following local monitoring, reporting and approval processes.

Funds intended for the HIA stakeholder beneficiaries will be transferred to approved HIA accounts and Traditional Council accounts for disbursement to TA, following a due diligence processes of monitoring, reporting and approval.

In order to reduce risks associated with under-performance, 3% of the funds intended for Government



and HIA Stakeholder beneficiaries will be held back in a performance buffer with the intention to off-set benefit sharing financing gaps, but if unused would be shared in the final disbursement.

### 6.1 Governance of REDD+ Dedicated Account

The RDA will be managed by an independent, multi-stakeholder board of trustees of 7-9 members, made up of representatives from government (not directly affiliated with the GCFRP), National House of Chiefs, private sector cocoa companies, civil society, and NGOs. The non-governmental and NGO representatives will have the majority. The Ministry of Finance (MoF), as the host, will invite a representative from four key public/para-public institutions and private sector. These will include a representative from MoF, the Office of the Administrator of Stool Lands (OASL), the National House of Chiefs, and the World Cocoa Foundation. These groups will select the representative that they deem to be the most appropriate to sit on the Board, in light of the Board's terms of reference (ToR). The remaining 3-5 positions will be decided based upon a competitive, open-call for expression of interest, in line with World Bank standards, for civil society and non-governmental organizations to propose candidates for Board membership. For balance, at least 40% of Board members must be women.

The members of the Board will be selected on the basis of their personal competence, and widely recognized independence. The selection of the civil society members of RDA Board will be guided by the RDA Operational Manual. The Manual will stipulate the criteria for selection of members such as extensive knowledge of REDD+, involvement in the design and development of REDD+ in Ghana, knowledge of the cocoa supply chain, considerable years of experience in project or program management (including finance and administration), extensive experience working at the community level, and knowledge of best practices in community fund management / disbursement, etc. In terms of the selection of the members of the RDA Board, a selection committee will be formed to interview the proposed members on their competence based on the criteria stipulated in the manual. The selection committee will be made up of a representative from Ministry of Finance (MoF), the former National REDD+ Working Group (NRWG) Co-chair, and a representative from the CSOs (level of a director or higher), preferably a woman. It is proposed that a smaller executive committee is carved out of the Board to allow the flexibility of meeting more frequently to oversee interim planning, communications with HIAs and NRS, and short-term and urgent decisions, while the full Board meets twice each year to receive formal calculations on HIA performance and benefit sharing allocation, receive HIA community-development project proposals from each HIA, review progress on previous disbursements and projects within HIAs, and agree current performance-based disbursements. Box 4 provides further details on the selection criteria for community projects and the NRS will develop a BSP manual that will further clarify criteria and the time-line of decision-making the Board of the RDA. Under consideration is whether to have approximately 40% of HIA projects support community development while 60% support REDD+ compatible projects.

The RDA Board of Trustees will be co-chaired by a senior official from the MoF and an independent observer to the program from civil society. Both co-chairs will serve as signatories to the account and will authorize disbursement of benefit sharing payments based on decisions made by the Board. The PMU Benefit Sharing Specialist will serve as a Secretary to the Board to provide administrative, technical and oversight support, but will not be a member of the Board and therefore will not have voting or decision-making rights. Neither the FC nor Cocobod will sit on the Board as this would represent a significant conflict of interest as both institutions are intended beneficiaries of the CF payments, who play lead roles in coordinating, monitoring, and implementing activities.

The RDA will report to the GCFRP's Joint Coordinating Committee (JCC), which has oversight of the program. The JCC is a six-person committee that was established in 2015 to support the development of the program, and under implementation will ensure high level institutional coordination and oversight. The JCC is made up of two representatives from the NRS, two representatives from the Forest Investment Programme (one from FC and one from the MLNR), and two representatives from the Cocobod.

To ensure accountability and transparency, activities of the Board shall be guided by an agreed term of reference and operating manual, so as to ensure systematization and consistency. The RDA and Board's activities shall be audited each year by an independent accounting firm that applies generally accepted international accounting standards and meets all donor and national government requirements. The audit and performance reports shall be made publicly available on the FCPF-CF website, as well on REDD+ Data Management Platform, and be submitted to the JCC for review and acceptance. The Operational manual for the FFM including RDA Board management, governance and selection, as well as HIA level governance and operational modalities will be added as an annex to the BSP.

## 6.2 Governance of HIA Benefit Sharing Funds

Funds that are obligated to the HIA Stakeholders will be transferred to designated HIA Accounts (for farmers and communities). Six HIAs will start opening accounts consistent with the roll-out of activities and formation of Sub-HIA and HIA governance structures.

Governance and implementation of the program at the landscape level is structured around the concept of HIAs (Figure 2) and Sub-HIAs<sup>21</sup>, which will be governed by a tiered structure starting at the community level with Community Resource Management Committees (CRMC), up to representatives on Sub-HIA Executive Committees, and then overarching HIA Landscape Management Boards with representatives from all HIAs and guidance from the Traditional Authorities (Figure 4). The CRMC representatives are selected by community members in an open vote process. Representatives from each CRMC will serve on a Sub-HIA Executive Committee. The Executives Committee will be nominated and elected (Chairperson, Vice Chair, Secretary, Treasurer, and Manager) with at least one being a woman. Across the various Sub-HIAs two representatives will be voted upon to sit on the General Assembly of the HIA Management Board (compulsory to have a man and a woman). This way, there will be gender-balanced representation right from the community through Sub-HIAs, to HIA levels for effective implementation, accountability, and transparency through a bottom-up governance structure.

Each HIA will work in collaboration with a formal Consortium<sup>22</sup> of key stakeholders, including private sector cocoa companies, NGOs and government agencies, through an established HIA Implementation Committee with representatives from both the HIA Management Board and the Consortium on this committee. The Implementation Committee will be formed to see to the day-to-day management of the activities within the landscape. The main purpose of the Implementation Committee is to ensure clear and open communication between the two entities (HIA members and private sector/civil society/government Consortium members) and designation of people who have the energy, capacity and knowledge to oversee actions and engagements across the HIA, including on issues relevant to the BSP.

<sup>21</sup> In areas where CREMAs exist, they may serve as the Sub HIAs or the structure adapted to include both (a three tiered approach). Overall, consideration would be given to existing governance structures in HIAs and possible pathways for aligning them to the HIA governance structure in the BSP.

<sup>22</sup> Drawing from Ghana's REDD+ Gender roadmap, National Gender Policy and most of our consultations, the consortiums will strive to have 30% women representation.

The Implementation Committee will be made up of an HIA manager, vice chair and an additional representative, and three (3) representatives from the Consortium of stakeholders, representing private sector, civil society and government agencies. In the instance where a member of any level of governance, including from the HIA Management Board/ HIA Implementation Committee, misconducts him/herself, such an individual can be removed based on a process laid-out in the HIA Constitution and replaced with a competent person.

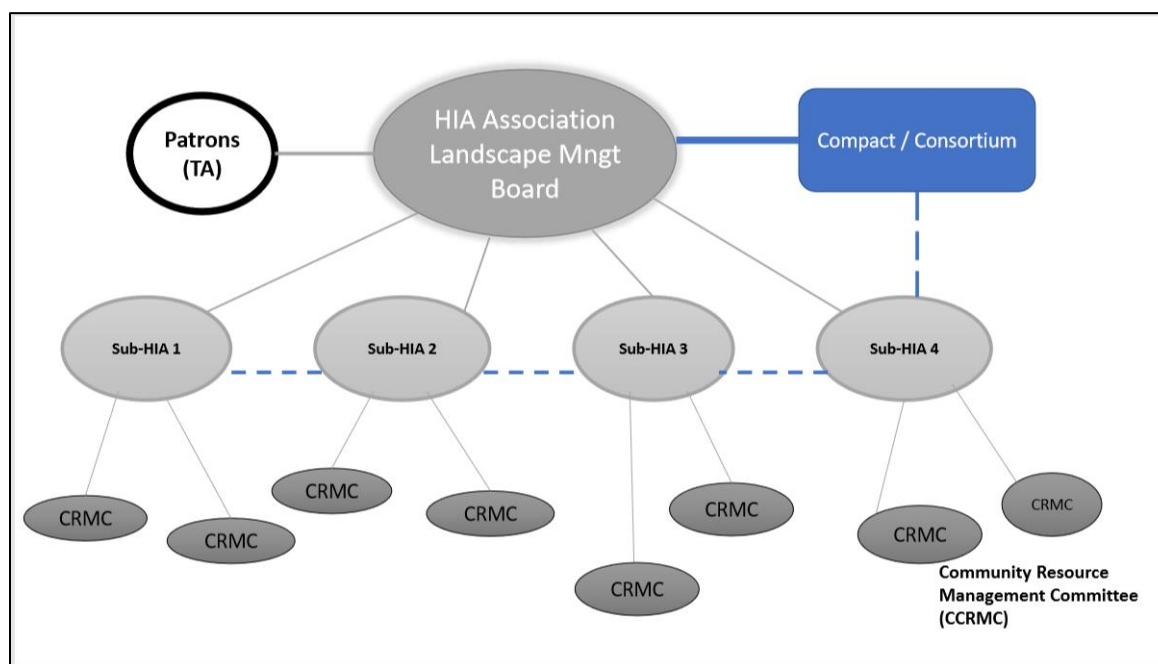


Figure 4: HIA landscape governance structure with key bodies

The Board of the RDA will communicate with the HIA Implementation Committee to coordinate monitoring of performance against indicators, the transfer of payments into the HIA Account, and the distribution of non-monetary benefits. This will then be shared to the PMU.

The logic is that the landscape will be divided into a series of sub-landscape HIAs (Sub-HIAs) which together will cover the area of the whole HIA. Each sub-HIA will provide localized leadership and governance within defined boundaries which reflect divisional or sub-chiefs jurisdictions and/or appropriate environmental/geographic boundaries. Key aspects of creating or supporting Sub-HIAs will be to determine the boundaries, the zoning of conservation areas and development areas, as well as the creation of sub-HIA and HIA bye-laws and then a Management Plan. At the landscape level, all of the Sub-HIAs will have representatives on an umbrella body—the HIA Landscape Management Board. This Board will also have a formal relationship with the Consortium and be advised by the highest level of Patrons from the Traditional Council.

Funding of the HIA structures is to be covered by the private sector and civil society investment, but in cases where this does not immediately materialized, and in the short-term (ERPA period), Ghana is considering using some of its fixed costs to support HIA Management Boards and Consortium in early

years, in case there is a gap in support from Private Sectors and/or NGO Investors. The operationalization of the HIA governance system and benefits/incentives structure will be further detailed in the POM, which is being drafted, but successful implementation and enforcement will be founded upon the HIA land-use planning process that will include drafting of HIA by-laws, which are then formally gazette by the District Assembly, and then the implementation of monitoring and enforcement activities at the local level, which work in collaboration with the FC's monitoring and enforcement activities. The two will be coordinated through the HIA Implementation Committee and be highly complementary. As such, the land-use management plans and aims of the HIA governance structure will speak to climate-smart cocoa but will also focus on stopping illegal logging (and improved tree tenure) and a halting of illegal mining<sup>23</sup>.

Figure 5 shows how the entire governance structure fits together and the agreements that will be put in place. It also contains the HIA Implementation Committee which will ensure coordination of implementation activities and monitoring, reporting and sharing of benefits to beneficiaries.

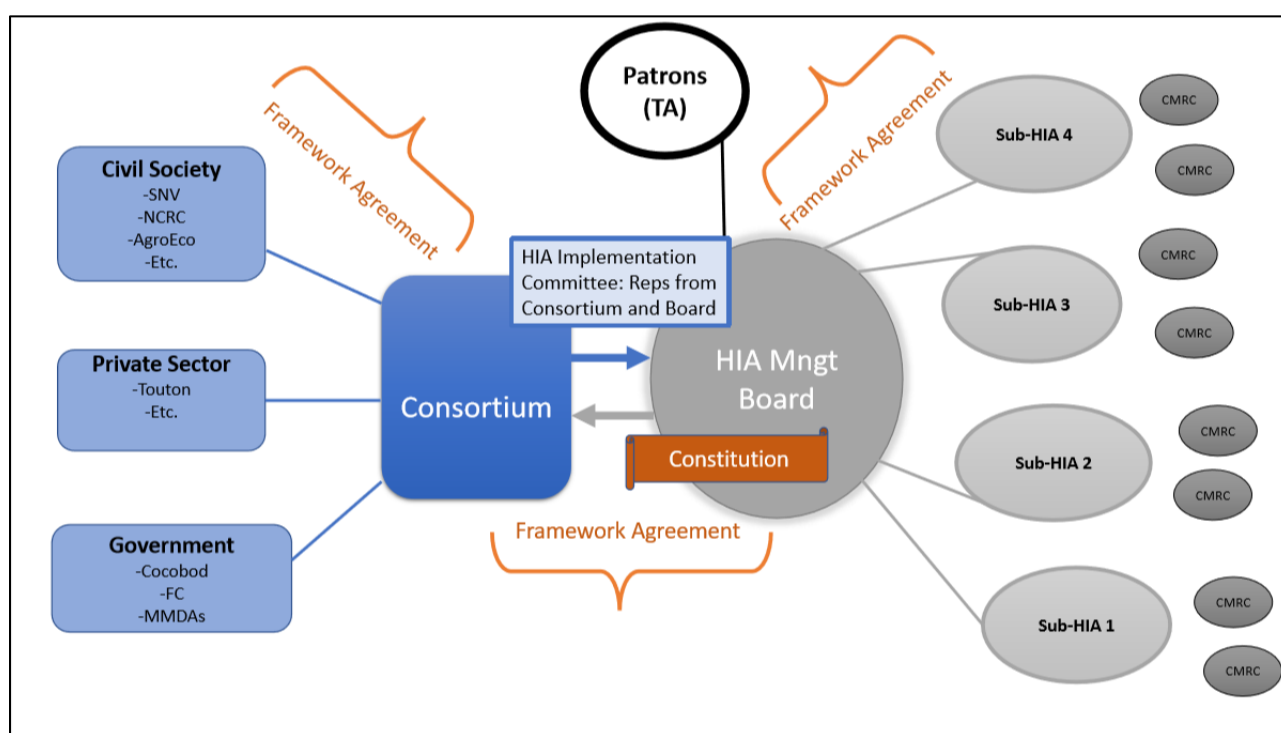


Figure 5: Relationship between Consortium stakeholders and HIA governance structure with key agreements and documents

As shown in Figure 6, benefit sharing funds will be transferred from the RDA to each HIA's account. This account will be opened and managed by an HIA Implementing Committee. There will be six members of the committee with three selected by the HIA Management Board and three selected by the Consortium.

<sup>23</sup> The programme also incentivizes change with respect to non-cocoa related drivers at higher levels. The MLNR as indicated above has a high-profile initiative to address illegal mining, that is documenting successes and will complement the programme. The MLNR is also implementing the Multilateral Mining Integrated Project (MMIP) to improve the management of artisanal small-scale mining in Ghana with the aim to reclaim degraded lands, review and enforce the legal regime and build capacity of ASMs and regulatory institutions.

Signatory rights will sit with a Committee Head and Treasurer from the Consortium; either representing the private sector partners or an NGO partner.

The designated benefits to the TA will be transferred to the Traditional Council's account directly. However, designated funds for farmers in registered groups will be shared as in-kind, non-monetary benefits. Therefore, the Consortium will work with the registered farmers to agree the appropriate items (as described in Boxes 1-3 (page 13-14)) to be given to each farmer or group of farmers. The Committee will then be responsible to designate Consortium partners to procure the items and distribute.

Benefits to communities will also be shared in the form of community development projects. Communities that receive co-financing from either the DA or from Consortium partners (private sector companies or NGOs) will be prioritized. The Committee will receive applications prepared by the HIA Management Board and then select those projects that can be supported. The Committee will then conduct a procurement and contracting process to identify the company that can realize the project. All such projects will have to adhere to internationally recognized "best practice" procurement guidelines and practices that also meet governments standards for small-scale infrastructure and development projects.

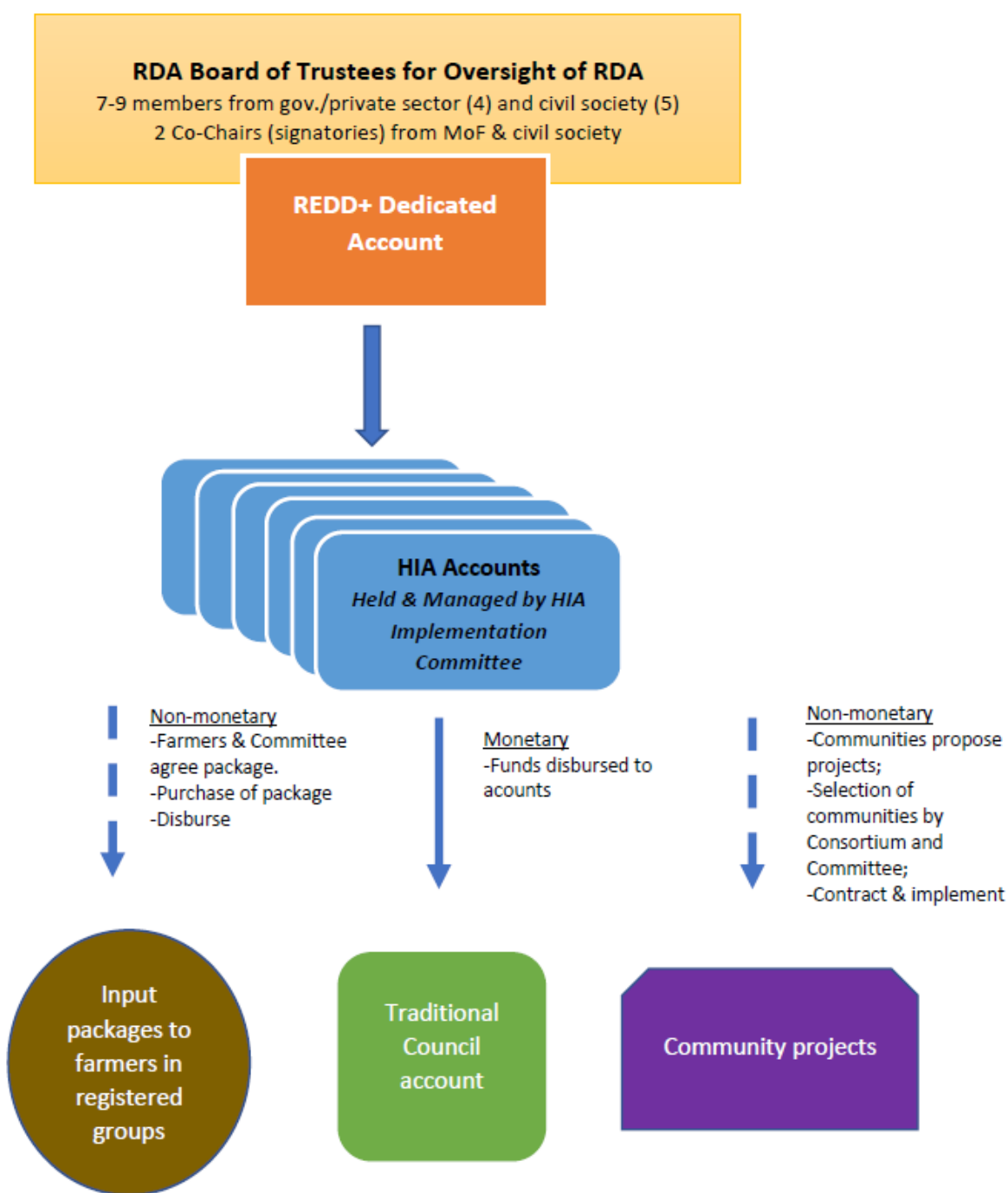


Figure 6: Flow of funds from RDA to HIA stakeholders

## 7. Safeguards

ERP payments will be made for verified ERS that comply with the safeguards policy of the World Bank. At the national level, under the first phase of readiness, Ghana carried out a Strategic Environmental and Social Assessment (SESA) using a consultative process, which was completed in 2014. The SESA took into account national and institutional sustainability policies, plans and strategies and also addressed World Bank Safeguards Operational Policies. By conducting the SESA, the relationship between national policies, laws, and regulations, and their effects on the proposed REDD+ interventions were identified. The SESA process also determined which World Bank Safeguards Operational Policies (OPs) would be triggered by planned REDD+ interventions, and this subsequently produced an Environmental and Social Management Framework (ESMF) with the necessary mitigation options for identified risks. The national SESA process for readiness produced three reports; the SESA report, the ESMF and the Resettlement Policy Framework (RPF). Two additional documents were produced under Ghana's FIP, based on the SESA conducted for readiness, these are the Pest Management Plan and the Process Framework for stakeholder engagement.

An updated SESA report was developed in 2016 to better understand the environmental and social concerns of the GCFRP, and to define the necessary mitigation mechanisms and safeguards compliance issues associated with the seven strategy options that are to be applied through implementation of the GCFRP. The strategy options include:

- I. Improving the quality of multi-stakeholder dialogue and decision-making
- II. Clarifying rights regime
- III. Addressing unsustainable timber harvesting
- IV. Mitigating effects of agricultural expansion (particularly cocoa in the HFZ)
- V. Strengthening local decentralized management of natural resources
- VI. Expansion of high biomass agroforestry /tree crops systems
- VII. Improving regulation of mining activities to reduce forest degradation

These safeguards instruments will need to be adhered to by all implementing partners. Forestry Commission has a strong institutional commitment in working with communities and there is a Collaborative Resource Management Department at the Resource Management Support Center (RMSC) which has developed series of guidelines to guide community engagements. This information can publicly be assessed on the Ghana Forestry Commissions website. ([www.fcghana.org](http://www.fcghana.org) -Guidelines on Community Resource Management Committees) The FC is also working with Proforest to develop guidance on engagement principles for the GCFRP. In addition, the ESMF has standard methods and procedures, along with appropriate institutional arrangements for screening and reviewing program activities and monitoring the implementation of mitigation measures to prevent adverse and cumulative environmental and social impacts that could result from the execution of proposed community projects.

All community projects that are currently being considered for the HIA will be subjected to the ESMF to avoid adverse impacts. As the ESMF is a living document, appropriate modifications will be made, as and when deemed necessary, to enable it to respond to future projects. In general, community development projects will be determined in consultation with community representatives in each of the HIAs. In addition to community development projects, communities are expected to select project activities that



will result in improved land-use management leading to emission reductions. These may include activities to enable (i) putting community lands into “conservation”, (ii) incentivizing and implementation of high shade cocoa agroforestry as buffer along national parks and forest reserves, (iii) support to community monitoring and activities to improve law enforcement of forests in HIAs (iv) promote ecosystem-friendly agro-industry development. The ESMF, which will be used for the ER program, provides standard methods and procedures, along with appropriate institutional arrangements for screening and reviewing program activities and monitoring the implementation of mitigation measures to prevent adverse and cumulative environmental and social impacts.

Ghana is defining its Country Approach to Safeguards (CAS) and developing a Safeguards Information System (SIS) in collaboration with SNV Netherlands Development Organization with technical support from Climate Law and Policy (CLP). This is funded by the German Government. A legal analysis has been conducted on each of the Cancun safeguards outlining what is on paper and what is being practiced, the gaps with respect to Policies, Laws and Regulations (PLRs) on paper and practice and recommendations for addressing the gaps. However, the results of the legal analysis and of the SESA clearly identify legislative and policy gaps which will require reforms.

Ghana’s SIS will provide information on how safeguards are being addressed and respected throughout implementation of the GCFRP ER programme. The SIS will contain indicators for monitoring the compliance on the World Bank Safeguards, Cancun safeguards and other Donor safeguards requirements, Feedback and Grievance Redress Mechanism (FGRM), benefit sharing, co-benefits, etc.

The SIS web platform has both online and offline versions. The online web platform is developed to host Ghana’s REDD+ SIS. The offline version aids the ease of information upload by administrators and safeguards focal persons. However, to access the information on both online and offline versions of the web platform, internet accessibility is needed. Ghana has defined a set of Principles, Criteria and Indicators (PCIs) to monitor REDD+ safeguards implementation. This data has been uploaded onto the SIS web platform. Ghana’s SIS web address is [www.reddsis.fcghana.org](http://www.reddsis.fcghana.org). People without internet access will obtain information from the SIS through SMS, FC frontline staff, Safeguards Team (MMDAs, Private sector partners, HMB). Hard copies will be available.

A SIS design document that clearly describes how the SIS will function (flow of information) has been initiated. Ghana has submitted its first Summary of Information (Sol) and could be found on the UNFCCC website. There are plans to improve the SIS overtime as REDD+ evolves and new information is gathered.

The National REDD+ Secretariat (NRS) has successfully trained Safeguards Focal Persons (SFPs) who are mainly Forestry Commission’s Assistant Regional Managers, Assistant District Managers, and Assistant National Park Managers. These focal persons are responsible for the effective monitoring and reporting of safeguards compliance in their various regions and districts. These SFPs led landscape level capacity building programmes where they sensitized relevant Ministries, Departments and Agencies (MDAs) as well as MMDAs and local community leaders who would be involved in the implementation of REDD+ and HIAs.

The SFPs will also lead the formation of safeguards teams at their various regions and districts for safeguards reporting purposes. The safeguards teams will compose the district/regional safeguards focal person, as well as representatives of HIAs and Consortiums from HIA Management Boards, the private



sector, NGOs, District Assembly members, Traditional Authority, and opinion/religious leaders. The teams will be responsible for ensuring safeguards compliance and reporting.

In terms of Safeguards reporting, the regional and district SFPs will collect data and information and in collaboration with the various partners and stakeholders. Once collected, they will ensure that the data and information is reviewed and verified by the safeguards team(s) before it is sent to the PMU Safeguards Specialist. The PMU Safeguard Specialist will then forward the programme's safeguard information and data on to the National Safeguards Specialist for final validation and approval, with the knowledge of the Acting Director for Climate Change. The Acting Director, will give final validation of safeguards information and then trigger reporting to the Environmental Protection Agency (EPA) for the UNFCCC (national communication), the World Bank, and enable web-based publication and updates into the SIS for relevant stakeholders and the general public.

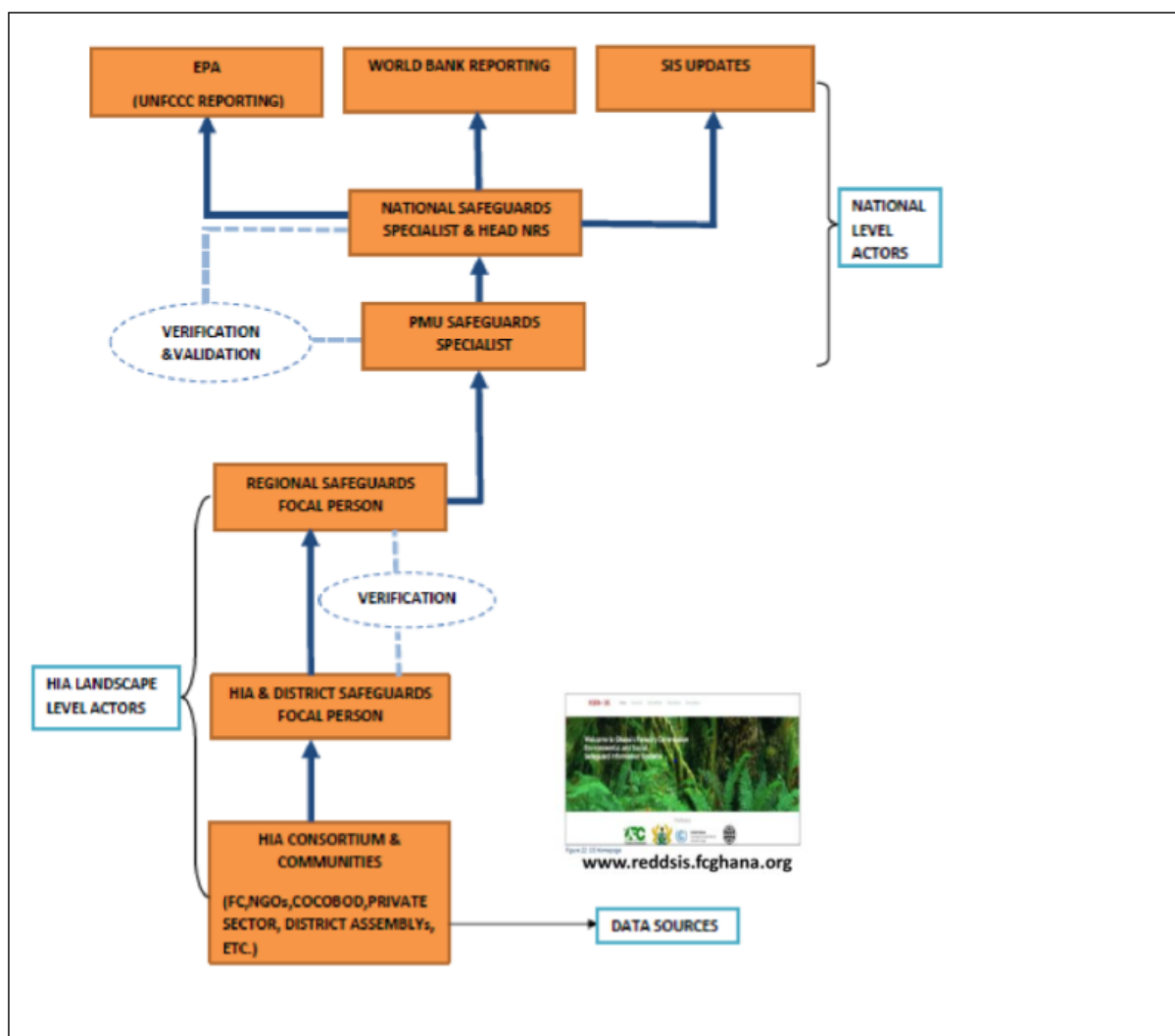


Figure 7: Safeguards reporting structure

## 7.1 Feedback and Grievance Redress Mechanism

The Feedback and Grievance Redress Mechanism (FGRM) is designed to receive, evaluate and address project-related grievances from affected communities or stakeholders at the community, HIA, region or programme level. Potential conflict sources could be resource use and access, land and tree tenure issues, benefit sharing, gender participation inclusiveness, and other related grievances. Responsibility for organizing and overseeing FGRM process will sit at three levels; 1) overall responsibility and oversight at the national level by the NRS, 2) responsibility and implementation at the programme level by the PMU Safeguard Specialist, and establishment of offices and adherence to processes at the district level by the district focal persons.

The FGRM will be operationalized in four steps. Parties seeking to have any REDD+ dispute resolved will file their complaint at the district FGRM office within the ER programme area where it will be received and processed before it is communicated to the National FGRM coordinator.

1. If the parties are unable or unwilling to resolve their dispute through negotiation, fact-finding or inquiry a mediator chosen with the consent of both parties would be assigned to assist the Parties to reach a settlement.
2. Where the mediation is successful, the terms of the settlement shall be recorded in writing, signed by the mediator and the parties to the dispute and lodged at the FGRM registry. The terms of the settlement will be binding on all parties.
3. If the mediation is unsuccessful, the Parties will be required to submit their dispute for compulsory arbitration, by a panel of five (5) arbitrators, selected from a national roster of experts.
4. The awards of the arbitration panel will be binding on the Parties and can only be appealed to the Court of Appeal. All questions of law would be referred to the High Court.

The five (5) member Arbitration Panel will be made up of a qualified arbitrator, a lawyer, a forestry/natural resources expert, a governance expert and a gender expert. At least one of them should be a woman. The proposed timelines for the FGRM process is forty-five (45) working days (Table 19).

*Table 19: FGRM steps and time-frame*

Step in Process	Number of Days
Grievance update and record acknowledgement	5 working days
Process, research and fact finding	15 working days
Response	5 working days
Implement agreed response	20 working days
<b>Total process timeline</b>	<b>45 working days</b>

FGRM speaks directly to benefit sharing. Disputes related to REDD+ including BSP will be resolved using the FGRM. As shown above, the mechanism will be operationalized at the HIA level to resolve instances and moments of disputes and disquiet about benefits received or not received. FGRM provides the channel for all beneficiary stakeholders to seek resolution of conflict and redress for infractions that might have been committed against them related to benefit sharing. In addition, FGRM focal persons situated at the HIA level will make for easy access to aggrieved stakeholders. On the other hand, the RDA board of

trustees will have access to FGRM reports and hearings, and their decision to distribute or not distribute benefits will partially depend on clearance from the FGRM officer at the HIA.

## 8. Monitoring of the BSP

The integrated coordination and monitoring of the GCFRP, including the BSP, is the responsibility of the PMU, which is the executive and coordinating agency for the GCFRP. Day to day oversight and monitoring will specifically fall to the PMU Coordinator and Deputy Coordinator, with support from the BSP Specialist, Safeguards Specialist, Governance Specialist, MRV Specialist, and Private Sector Specialist. Direct responsibility to coordinate and implement the sharing of benefits from CF payments, and therefore the BSP itself with associated monitoring and reporting, is the responsibility of the RDA Board of Trustees at the program level, and the HIA Implementation Committees at the HIA level.

**PMU responsibilities at the general program level** include:

- Developing GCFRP annual plans and linking to HIA planning through the HIA Implementation Committees;
- Supervising the implementation of annual plans across HIAs, and HIA plans within HIAs in collaboration with the HIA Implementation Committees;
- Coordinating discussions towards additional finance to fill gaps, as needed;

**PMU responsibilities for forest monitoring, reporting and verification (MRV)** include:

- Coordinating the forest monitoring at the program level, led by the MRV Specialist with oversight by the NRS MRV officer;
- Reviewing internal forest monitoring reports (non-verified) for responsive actions at the program and HIA levels;
- Submitting monitoring reporting on ERs generated to the CF for independent verification;
- Sharing reports to JCC, RDA Board, HIA Implementation Committee and making reports available to all stakeholders;
- Reporting ER transactions on the FCPF registry;
- Assessing each HIA's relative performance against the FREL and sharing with the HIA Implementation Committees and RDA Board;

**PMU responsibilities with respect to safeguards** monitoring and reporting include:

- Monitoring and guiding safeguards implementation, including application of SIS and implementation of the FGRM (as described in Section 7). This will be led by the Safeguards Specialist with oversight by NRS Safeguards officer;
- Submitting reports on safeguards implementation, the SIS, and the FGRM to the World Bank and CF, and making reports publicly available;
- Ensuring that an external independent SESA and ESMF audit is carried out at mid-term and at the end of the ERPA period to check correct implementation of safeguards.
- The audit team will report to the PMU and the World Bank, who will deal with the implementation of any corrective measures that might be required. The audits are necessary to ensure that (i) the ESMF process is being implemented appropriately, and (ii) mitigation measures are being

identified and implemented accordingly. The audit will be able to identify any amendments in the ESMF approach that are required to improve its effectiveness.

**PMU responsibilities with respect to the BSP** include:

- Overall coordination and monitoring of the implementation of the BSP, including supporting HIA Implementation Committees to report against HIA beneficiary indicators, disbursement of funds, and sharing of benefits to beneficiaries;
- Developing the RDA Board of Trustees operational manual and supporting the MoF in the establishment of the RDA and selection of Board members;
- Communicating and coordinating with the RDA Board of Trustees with respect to the Board's responsibilities.

**RDA Board of Trustees** responsibilities with respect to monitoring and implementing the BSP and disbursement of performance-based benefits include:

- Submitting bi-annual reports to the JCC;
- Supporting MoF to arrange for annual auditing of the RDA account and Board activities by an independent accounting firm that applies generally accepted international accounting standards and meets all donor and national government requirements. The audit and performance reports shall be made publicly available on the FCPF-CF website, as well on REDD+ Data Management Platform, and be submitted to the JCC for review and acceptance.
- Receive, review, and approve reports from each Government beneficiaries (FC, Cocobod, MMDAs) that include:
  - Reporting on indicators and explanation of un-met indicators (as required)
  - Request for funds
  - Descriptions of action plan for use of CF payments for each beneficiary group
  - Description of challenges, lessons learned and recommendations
- Authorize disbursement of funds to government accounts (FC, Cocobod, MMDAs) against approved reports and action plans.
- Receive, review, and approve reports from each HIA Implementation Committee for HIA beneficiaries (Farmer groups, TA, communities) that include:
  - Reporting on indicators and explanation of un-met indicators (as required);
  - Request for funds;
  - Descriptions of action plan for use of CF payments for each beneficiary group;
  - Community development project contracting proposals and progress/completion reports from on-going projects (from previous disbursements);
  - HIA account audit;
  - Description of challenges, lessons learned and recommendations
- Authorize disbursement of funds to HIA account (for sharing to farmer groups, TA, and communities) against approved reports and action plans.

**HIA Implementation Committees** responsibilities with respect to monitoring and reporting on the BSP, and disbursement of performance-based benefits at the HIA level include:

- Coordinating, with PMU and Consortium to support, monitoring of HIA stakeholder indicators.
- Receive requests for community development projects from HIA Management Board.

- Supporting process towards annual auditing of HIA account.
- Submitting reports to RDA Board for the HIA that include:
  - Reporting on HIA stakeholder indicators for farmer groups, TA and communities;
  - Requests for funds for each stakeholder group;
  - Developed action plans for use of CF payments for each beneficiary group;
  - Community development project contracting proposals and reporting on progress/completion of on-going community development projects (from previous disbursements);
  - Description of challenges, lessons learned and recommendations.

## Annex

### Annex 1: Approach to designing benefit sharing plan for GCFRP

In order to ensure the design of an equitable, effective and efficient benefit sharing mechanism for the REDD+ programme, the BSP has been a subject of several transparent and participatory processes. These processes took place at the local and national level with participation of different stakeholders including local communities, traditional authorities, civil society organizations (CSOs), government, private sector and experts. The information gathering process for the initial draft of a benefit sharing plan took a period of 3 months (October-December, 2017). Subsequently, the draft BSP was subjected to several consultation process and review for another period of 6 months (January-June, 2018).

Tables 22-28 provides details on various consultations with stakeholders and experts, while Table 29 summarizes all of the discussions, interviews, and consultation meetings that made up this process.

Additional details and participant information is available at the following link:

<http://fcghana.org/nrs/index.php/reports-documents/category/3-benefit-sharing>

### Design & Consultation Process

Information gathering on the determination of beneficiaries and their respective roles and responsibilities, types and scale of benefit to be distributed, and indicators for measuring performance was conducted through an extensive field study. The field study involved focus group discussions and key informant interviews.

Thirty (30) focus group discussions were conducted in ten (10) administrative districts located in six (6) HIAs within the Ghana Cocoa-Forest REDD+ Programme Area (Table 20, Figure 7). The focus group comprised 413 individuals, including 304 men (74%) and 109 women (26%). Focus group discussion members were of varying ages (young and old) drawn from farmers, extension officers, opinion leaders, MMDAs representatives, etc. In addition to the focus group discussions, twenty-seven (27) key informant interviews were conducted at the local level to obtain individualized perspectives.

Table 20: BS study areas

HIA	Region	Study Area (Districts)
4	Eastern	Begoro, Kibi
5	Central	Assin Fosu
6	Ashanti	New Edubiase, Fomena
7	Brong Ahafo	Goaso
8	Western	Enchi, Akontombra
9	Western	Juabeso, Debiso

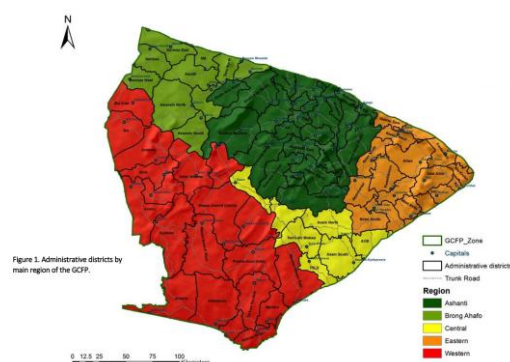


Figure 8: Administrative districts by main regions of the GCFRP

Table 21: Focus group discussion locations, gender make-up and dates

Districts	Male	Female	Date
New Edubiase	45	20	02 November, 2017
Goaso	35	9	02 November, 2017
Enchi	27	11	08 November, 2017
Juabeso	24	10	08 November, 2017
Akontombra	33	9	09 November, 2017
Debiso	33	11	09 November, 2017
Fomena	28	14	14 November, 2017
Assin Fosu	31	11	16 November, 2017
Begoro	25	8	07 December, 2017
Kyebi	23	6	08 December, 2017

Table 22: Key information interview locations, interviewees and dates

Districts	Designation/Designation	Date
New Edubiase	Community Chief (2) Chief farmer (1) Cocoa extension officer - PBC/Touton (3)	02 November, 2017
Goaso	UNDP (1) Municipal Planning officer (1) Chairman of cooperative union executive (2) COCOBOD (1) Forest Services Division (1) Municipal Assembly member (1) CREMA Executive (2)	02 November, 2017
Enchi	Assembly man District Manager (FSD) Assistant District Manager (FSD)	08 November, 2017
Juabeso	Chief farmer (2) UNDP-ESP (1) Mondelez (3)	08 November, 2017
Akontombra	Chief farmer (3)	09 November, 2017
Debiso	Chief of migrant community (1) COCOBOD (1) District president – Youth in Cocoa	09 November, 2017
Fomena	COCOBOD (1)	14 November, 2017
Assin Fosu	Plantation developer (2) District Manager (FSD)	16 November, 2017
Begoro	Forest Services Division (1)	07 December, 2017
Kyebi	COCOBOD Chief farmer (1) Forest Services Division (2)	08 December, 2017

The outputs of the synthesis of the results of the field study (focus group discussion, key informant interviews) was presented to representatives of the stakeholder groups that took part in the field survey and interviews for validation in a workshop. Subsequently, a draft benefit sharing plan was developed and subjected to three (3) consultation meetings with multiple stakeholders (private sector, CSOs, government, traditional authorities, experts) for comments. Subsequently, a revised draft was developed and subjected to three (3) expert reviews to produce a final BSP document for GCFRP. In all, about 100 individuals participate in the consultation and expert review meetings.

Information on the consultation and expert review meetings is provided below.

*Table 23: Private sector consultation as a group*

Private sector	Date	Venue
	30 November, 2017	Labadi Beach Hotel, Accra
Meeting agenda	Solicit the views of private sector actors on the benefit sharing plan for the GCFRP	
Main inputs/issues	Private sector actors indicated that, they are not interested in receiving any share of the carbon benefits. And that, they are committed to supporting farmers that will be engaged in the emission reduction programme through provision of farm inputs and other non-carbon benefits.	
List of Participants attached as pdf		

*Table 24: Private sector consultation exchange meeting on GCFRP*

Private sector	Date	Venue
	05 July, 2018	Tomreik Hotel, Accra
Meeting agenda	Presentation of the GCFRP. HIA concept further explained.	
Main inputs/issues	GCFRP pillars were thoroughly discussed. Sensitization of other private sector players about to other private sector players such as Touton have already engaged in the HIA implementation by forming a consortium made up on SNV, NCRC, Agro Eco, COCOBOD and FC.	
List of Participants attached as pdf		



## Stakeholders Consultative meetings

Table 25: 1<sup>st</sup> Multi-stakeholder consultation meeting

	Date	Venue
<b>1<sup>st</sup> Consultative meeting with various stakeholders</b>	19 January, 2018	Forestry Commission Auditorium, Accra
Meeting agenda	Validate results of the field study (focus group discussion, key informant interviews)	
Main inputs/issues	<p>Generally, participants confirmed that the results presented reflected the views they expressed during the field study.</p> <p>Regarding the scale of benefit, participants were pleased that farmers and local communities receive a significant portion of the carbon benefits. There was consensus that the percentage share of carbon benefits assigned to each beneficiary was equitable.</p> <p>However, a subject that came up for discussion was the 10% share of carbon benefits for traditional authorities. There was consensus that, traditional authorities' share is slashed with part of it converted into direct cash benefit while the remaining part is added to the percentage share of the communities. This was to keep up with long standing tradition of royalties' payment.</p> <p>Another issue that was raised was the need for the consultant to provide more information on the nature and structure of REDD+ Dedicated Fund.</p>	
<b>List of Participants attached as pdf</b>		

Table 26: 2<sup>nd</sup> Multi-stakeholder consultation meeting

	Date	Venue
<b>2<sup>nd</sup> Consultative meeting with expert stakeholder group</b>	02 March, 2018	Forestry Commission Auditorium, Accra
Meeting agenda	<p>Presentation of response and recommendations for questions and concerns raised in the previous consultative meeting</p> <p>Expert review of the draft report on the BSP</p>	
Main inputs/issues	<p>Generally, participants confirmed that the results presented reflected the views they expressed during the field study.</p> <p>Regarding the scale of benefit, participants were pleased that farmers and local communities receive a significant portion of the carbon benefits. There was consensus that the percentage share of carbon benefits assigned to each beneficiary was equitable.</p> <p>It was accepted that 2% of the traditional authorities' carbon benefits is paid to them directly as cash. The remaining 8% percent of their share was added to the local communities' percentage share of the carbon benefits. Local communities' share of the carbon increased to 28%. There was unanimous agreement to the new adjustment.</p> <p>Issue about the nature and structure of REDD+ Dedicated Fund was clarified by the consultant. It was agreed that, the Fund is lodged in any reputable bank other than Bank of Ghana as initially suggested in</p>	

	the earlier draft report. The reason was to avoid possible interference with Government.
<b>List of Participants attached as pdf</b>	

## BSP Experts' Review Meetings

Table 27: 1st Experts' BSP review meetings

	Date	Venue
1 <sup>st</sup> Expert review meeting	09-11 April, 2018	Aruba Guest House, Aburi
Meeting agenda	Discuss draft report on the benefit sharing plan (BSP) for GCFRP based on comments from the consultative meetings	
Main inputs/issues	Review consultant’s response to comments for a draft BSP report Review information accuracy and validity Review the proposed BSP Provide additional and latest information on private sector contribution to the emission reduction programme	
List of Participants		
Name	Institution/Organization	
Yaw Osafo	Legal expert on climate change financing and REDD+	
Michael Akowuah	Lawyer, Forestry Commission	
Alex Asare	Socio- economist, Forestry Commission	
Elijah Danso	Natural resource management consultant, PAB Consult	
Roselyn Fosuah Adjei	Climate Change Director, Forestry Commission	
Thoms Gyambrab	Assistant Manager, National REDD+ Secretariat – Forestry Commission	
Hilma Manan	National REDD+ Secretariat – Forestry Commission	
Flora Adu	National REDD+ Secretariat – Forestry Commission	
Rebecca Asare	REDD+ expert, NCRC	
William Dumenu	Lead consultant, CSIR- Forestry Research Institute of Ghana	

Table 28: 2nd Experts' BSP review meetings

	Date	Venue
2 <sup>nd</sup> Experts’ review meeting	30 May, 2018	Forestry Commission, Accra
Meeting agenda	Discuss revised draft report on the benefit sharing plan (BSP) for GCFRP	
Main inputs/issues	Review of the revised draft BSP Discuss emerging information for incorporation into the proposed BSP based on comments from World Bank	
List of Participants		
Name	Institution/Organization	
Michael Akowuah	Lawyer, Forestry Commission	
Alex Asare	Socio- economist, Forestry Commission	
Roselyn Fosuah Adjei	Director Climate Change, Forestry Commission	
Thomas Gyambrab	Assistant Manager, National REDD+ Secretariat – Forestry Commission	
Elijah Danso	Natural resource management consultant, PAB Consult	
Hilma Manan	National REDD+ Secretariat – Forestry Commission	
Flora Adu	National REDD+ Secretariat – Forestry Commission	
Rebecca Asare	REDD+ expert, NCRC	
William Dumenu	Lead consultant, CSIR- Forestry Research Institute of Ghana	

Table 29: 3<sup>rd</sup> Experts' BSP review meetings

	Date	Venue
3 <sup>rd</sup> Experts’ review meeting	22 June, 2018	Forestry Commission Boardroom, Accra
Meeting agenda	Discuss revised draft report on the benefit sharing plan (BSP) based previously identified emerging issues	
Main inputs/issues	Discuss current draft of the BSP Consultants directed to provide ER payments options for emission reduction scenarios	
List of Participants		
Name	Institution/Organization	
Michael Akowuah	Lawyer, Forestry Commission	
Alex Asare	Socio- economist, Forestry Commission	
Roselyn Fosuah Adjei	Director Climate Change, Forestry Commission	
Elijah Danso	Natural resource management consultant, PAB Consult	
Hilma Manan	Safeguard and information system, National REDD+ Secretariat – Forestry Commission	
Flora Adu	National REDD+ Secretariat – Forestry Commission	
Thomas Gyambrab	Assistant Manager, National REDD+ Secretariat – Forestry Commission	
Rebecca Asare	REDD+ expert, NCRC	
William Dumenu	Lead consultant, CSIR- Forestry Research Institute of Ghana	

**Experts' Advanced Draft BSP Review meeting; 21-23 Jan, 2020**

## List of Participants

Name	Institution/Organization
Alex Asare	Director, Resource Management Support Centre (RMSC), Forestry Commission (Chairperson of the Safeguards Sub-working group)
Roselyn Fosuah Adjei	Director, Climate Change, Forestry Commission
Michael Akowuah	Manager Legal Affairs-Legal Department, Forestry Commission
William Dumenu	Senior Research Scientist-Forestry Research Institute of Ghana (FORIG)/ Consultant for the development of the BSP
Thomas Gyambrab	Assistant Manager, National REDD+ Secretariat – Forestry Commission
Raymond Sakyi/Rhoda Donkor	Climate Change Directorate, Forestry Commission

Table 30: Summary of focus group discussion, interview, and consultations

Event	Date	Venue/Location	Agenda	Main inputs/issues
<b>Focus Group Discussions at Community Level</b>	2 <sup>nd</sup> November – 8 <sup>th</sup> December, 2017;	Ten (10) districts namely: New Edubiase, Goaso, Enchi, Juaboso, Akontombra, Debiso, Fomena, Assin Fosu, Begoro and Kyebi	<p>Gather stakeholders' view on the following:</p> <ul style="list-style-type: none"> <li>- Who (beneficiaries) should receive carbon benefits and/or the non-carbon benefits (priority) and why;</li> <li>- What type of benefits (carbon benefit and/or the non-carbon benefits) should be distributed to identified beneficiaries;</li> <li>- When and how (manner) should carbon benefits be distributed;</li> <li>- How should the performance of beneficiaries be assessed for payment or distribution of carbon benefits and non-carbon benefits;</li> <li>- What benefit sharing scheme(s) should be used in distributing the identified benefits to the identified beneficiaries.</li> </ul>	<p>The following are the outputs of the focus group discussions:</p> <ul style="list-style-type: none"> <li>-Determination of beneficiaries and their respective roles and responsibilities;</li> <li>- Identification of types and scale of benefit to be distributed;</li> <li>- Determination of indicators for measuring performance, and modalities for benefits distribution.</li> </ul>

<b>Key Informants Interviews at Community Level</b>	2 <sup>nd</sup> November – 8 <sup>th</sup> December, 2017	Ten (10) districts namely: New Edubiase, Goaso, Enchi, Juaboso, Akontombra, Debiso, Fomena, Assin Fosu, Begoro and Kyebi	<p>Gather stakeholders' view on the following:</p> <ul style="list-style-type: none"> <li>- Who (beneficiaries) should receive carbon benefits and/or the non-carbon benefits (priority) and why;</li> <li>- What type of benefits (carbon benefit and/or the non-carbon benefits) should be distributed to identified beneficiaries;</li> <li>- When and how (manner) should carbon benefits be distributed;</li> <li>- How should the performance of beneficiaries be assessed for payment or distribution of carbon benefits and non-carbon benefits;</li> <li>- What benefit sharing scheme(s) should be used in distributing the identified benefits to the identified beneficiaries.</li> </ul>	<p>The following are the outputs of the focus group discussions:</p> <ul style="list-style-type: none"> <li>-Determination of beneficiaries and their respective roles and responsibilities;</li> <li>- Identification of types and scale of benefit to be distributed;</li> <li>- Determination of indicators for measuring performance, and modalities for benefits distribution.</li> </ul>
<b>Private sector consultation on the BSP</b>	30 November, 2017	Labadi Beach Hotel, Accra	Solicit the views of private sector actors on the benefit sharing plan for the GCFRP	Private sector actors indicated that, they are not interested in receiving any share of the carbon benefits. And that, they are committed to supporting farmers that will be engaged in the emission reduction

				programme through provision of farm inputs and other non-carbon benefits.
<b>Round Table meeting on the draft BSP</b>	19 January, 2018	Forestry Commission Auditorium, Accra	Validate results of the field study (focus group discussion, key informant interviews)	<p>Generally, participants confirmed that the results presented reflected the views they expressed during the field study. Regard the scale of benefit, participants were pleased that farmers and local communities receive a significant portion of the carbon benefits. There was consensus that the percentage share of carbon benefits assigned to each beneficiary was equitable.</p> <p>However, a subject that came up for discussion was the 10% share of carbon benefits for traditional authorities. There was consensus that, traditional authorities' share is slashed with part of it converted into direct cash benefit while the remaining part is added to the percentage share of the communities. This was to keep up with long standing tradition of royalties' payment.</p> <p>Another issue that was raised was the need for the consultant to provide more information on the nature and structure of REDD+ Dedicated Fund.</p>
<b>Stakeholder Consultative meeting on the draft BSP</b>	02 March, 2018	Forestry Commission Auditorium, Accra	Presentation of response and recommendations for questions and concerns raised in the previous consultative meeting Expert review of the draft report on the BSP	<p>Generally, participants confirmed that the results presented reflected the views they expressed during the field study. Regard the scale of benefit, participants were pleased that farmers and local communities receive a significant portion of the carbon benefits. There was consensus that the percentage share of carbon benefits assigned to each beneficiary was equitable.</p>

				<p>It was accepted that 2% of the traditional authorities' carbon benefits is paid to them directly as cash. The remaining 8% percent of their share was added to the local communities' percentage share of the carbon benefits. Local communities' share of the carbon increased to 28%. There was unanimous agreement to the new adjustment.</p> <p>Issue about the nature and structure of REDD+ Dedicated Fund was clarified by the consultant. It was agreed that, the Fund is lodged in any reputable bank other than Bank of Ghana as initially suggested in the earlier draft report. The reason was to avoid possible interference with Government.</p>
<b>1<sup>st</sup> Expert Team Meeting on the draft BSP</b>	09-11 April, 2018	Aruba Guest House, Aburi	Discuss final draft report on the benefit sharing plan (BSP) for GCFRP	<p>Review consultant's response to the reviewers' comments on the draft report</p> <p>Review information accuracy and validity</p> <p>Review the proposed BSP</p> <p>Provide additional and latest information on private sector contribution to the emission reduction programme</p>
<b>Private sector meeting on the BSP</b>	24 May, 2018	Mensvic Hotel	The Technical Support Mission for REDD+ met private sector (Touton, Mondelez, etc.) to further engage with them on the BSP and to better understand their expectations (in terms of benefits)	

<b>2<sup>nd</sup> Expert Team Meeting on the draft BSP</b>	30 May, 2018	Forestry Commission's Meeting Room 3, Accra	Review latest draft of the BSP	Discuss current draft of the BSP
<b>3<sup>rd</sup> Expert Team meeting on the draft BSP</b>	22 June, 2018	Forestry Commission's Board Room, Accra	Discuss new outline of the BSP by reviewing the Mozambique draft BSP as an example	Discuss current draft of the BSP Review draft Mozambique BSP Work on scenarios for emissions
<b>Public-Private Exchange meeting on the GCFRP and BSP</b>	5 July, 2018	Tomreik Hotel, East Legon - Accra	This meeting had various private sector companies participating. Some of them were Hershey, Nyonkopa (subsidiary of Barry Callebaut, World Cocoa Foundation (WCF), Cargill, Mondelez and Touton.	The GCFRP was presented to them. The HIA concept clearly explained and the GCFRP pillars were discussed thoroughly.  The idea was to explain to them that other private sector such as Touton had already taken the lead and their HIA has been launched. They have also formed a consortium made up on SNV, NCRC, Agro Eco, COCOBOD and FC.
<b>Expert Team Meeting on the Advance Draft BSP</b>	21 <sup>st</sup> -23 <sup>rd</sup> Jan, 2020	World Bank Office, Accra	Review Advanced Draft of the BSP.	Review response matrix and address gaps in advance draft BSP  Update the relevant sessions in the Advance Draft BSP and finalize BSP



## Annex 2: HIA social performance/emission reduction indicators and their respective weights

Table 31: Social performance indicators and respective weights

Social Performance Indicators	Data/M Measurement Proxy	Weight
Registration of farmers/farmer groups	No. of farmers registered per HIA/Sub-HIA	0.5
Launching of HIA Consortium	Documentation of launch	0.5
Letter of Agreement/MoU to establish HIA governance structure	Letter/MOU	0.5
Development of management plan	Management Plan document	1
Verified participation of Traditional Authorities in development of management plan	Signature from TAs in MP	1
Establishment of HIA governance structure	Sub-HIA and HIA Constitutions and then	1.5
Adoption of CSC practices by farmer group & Implementation of management plan	By-laws	1.5
	HIA annual report	1.5
<b>Total</b>		<b>8</b>

Table 32: ER indicators and respective weights

Emission reduction indicators	Weight
Increased deforestation in HIA	0.5
No net change in deforestation	1
Reduced deforestation	1.5

### Annex 3: Determining Beneficiaries

Six (6) categories of beneficiaries related to carbon benefits were identified through field-based focus group discussions and key informant interviews. The recommended list of beneficiaries included: Farmers, Farming Communities, the Forestry Commission (FC) field officers, Ghana Cocoa Board (COCOBOD), Traditional Authorities, and Metropolitan, Municipal and District Assemblies (MMDAs). At least two-thirds of the total number of focus groups mentioned these categories of stakeholders as deserving to receive REDD+ benefits. Interestingly, farmers were mentioned in all the different focus group deliberations, followed by local communities (83%), Traditional Authorities (80%) and FC (80%). Some of the reasons cited for strongly recommending them as beneficiaries closely aligned with their roles in the landscape, either formal or informal, that can directly support sustainable forest management as well as activities that reduce deforestation and forest degradation.

For instance, farmers were identified as beneficiaries due to their role in integrating trees on farms and in fallow lands through planting and nurturing of trees, and the avoidance of illegalities such as encroachment on forest reserves. Local communities were also recognized for their potential critical role in local monitoring of illegality (particularly illegal logging and illegal mining) and protection of forests. The FC and COCOBOD were cited for the technical assistance they provide to farmers on tree management and sustainable cocoa farming practices. MMDAs represent the branch of local government and they were mentioned due to the support given on forest law enforcement, the enactment and enforcement of district bye-laws, and the provision of logistical support for monitoring of illegal logging and mining. Traditional Authorities were recognized as beneficiaries for being custodians of the land and their important role in enforcement of forest laws against illegal mining and illegal logging and encroachment. Table 29 presents the reasons that participants chose beneficiaries and their perceived respective roles and responsibilities in reducing deforestation and forest degradation respectively.

Table 33: Reasons for selection of beneficiaries

Beneficiaries	Reasons for the choice	Frequency	*Percent of respondents (N=30)
<b>Farmers</b>	Prevent deforestation and forest degradation, plant and manage trees on farms, avoid advancing farms into forest reserve (encroachment), respect local bye-laws	30	100
<b>Local Communities</b>	Critical role in monitoring of illegality (illegal logging, illegal mining), protection of forests	17	57
<b>Traditional Authorities</b>	Custodians of lands, critical role in project endorsement, backbone to community structure and organization	25	83
<b>Forestry Commission</b>	Protect forests, forest law enforcement, Education and awareness creation, provide technical knowledge or assistance	21	70
<b>COCOBOD</b>	Provide cocoa seedlings, provide technical knowledge or assistance	20	67
<b>Metropolitan, Municipal and District Assemblies (MMDAs)</b>	Local government development agents, enact and enforce bye-laws to protect the environment, provide monitoring logistics	21	70

## Annex 4: Secured Funding

Table 34: Secured funding and sources

Lead Stakeholder (and partners)	Amount US\$	No. Years	HIA *	Activities
Touton SA (working with SNV, NCRC, Agro-Eco, Cocobod, FC)	\$16,856,000	5	Juabeso Bia HIA*	HIA governance structure; CSC extension services; Tree seedlings distribution; Inputs supply; Testing “The Landscape Standard” Farm mapping
Mondelez (UNDP, Olam)	\$5,000,000	5	Asunafo North & South HIA, Juabeso Bia HIA, Ahafo Ano, Atwima Mponua, Atwima Nwabiagya	Support to CSC Tree planting CREMAS Landscape monitoring
Solidaridad	\$17,000,000		Across GCFRP, determining HIA	Cocoa Rehabilitation (Corip I, II) Engaging young farmers GAP & UTZ Certification Smart & Sustainable Landscapes
NCRC	1,000,000	4	Kakum Landscape HIA, Consortium under formation	HIA gov structure NTFP value chain Cocoa Agroforestry extension and CSC Input supply Shade tree seedlings Cocoa seedlings Testing “The Landscape Standard”
Rainforest Alliance and Olam	500,000	1 (to be extended)	Sefwi Akontonbra Sefwi Wiaso	Develop landscape partnerships Landscape Management Board Support CSC practices
Global Chocolate Industry	TBD			The CFI commitment is agreed and now individual companies (more than 40) are developing their company specific plans and investment packages. Plan to be announced in late 2018, but discussion underway for WCF to give more information earlier.
GoG—Cocobod	71,806,466	5	Across all HIA districts	Extension services Pruning and GAP

				Pollination Pest & Disease spraying Farm mapping
GoG—Forestry Commission	15,412,000			NRS, PMU Staff Field Staff and support Field work logistics
Ghana FIP	25,000,000		Western Region & parts of BA	CSC extension and inputs CREMA / HIA development Tree planting Stopping illegal mining
FIP—DGM (Solidaridad)	5,000,000			
<b>TOTAL</b>	<b>\$157,574,466</b>			

## Annex 5: Determination of percentage shares of carbon benefits

The percentage shares of carbon benefits were determined by quantifying the direct roles and responsibilities of beneficiaries, and their respective benefits. The quantified values were estimated in relation to net ER payments (gross ER payments minus transaction and implementation costs) to be received from the Carbon Fund. The direct roles and responsibilities of beneficiaries, and their respective benefits were determined through extensive stakeholder consultation process. The percentage determination process was subjected to benefit sharing experts' review in the light of cultural norms populations of the HIAs, and other relevant factors.

## Annex 6: Consultancy Assignment for the Development and Establishment of a Fund Flow Mechanism for Benefit Sharing of Emission Reduction payments for Emission Reductions Program (GCFRP) In Ghana

### Background

In June 2019, Ghana signed an Emission Reduction Payment Agreement (ERPA) with the International Bank for Reconstruction and Development. The ERPA indicates the condition of sale and purchases for any potential Emission Reductions from the Ghana Cocoa Forest REDD+ Programme (GCFRP) which is a joint programme by the Forestry Commission and the Ghana Cocoa Board for the next six years (2019-2024). Ghana through the Forestry Commission in partnership with Cocobod and other key stakeholders have developed an advance Benefit Sharing Plan (BSP) to guide the distribution of ERPA revenue to the various beneficiaries based on demonstrated performance.

The purpose of this consultancy is to facilitate the operationalization of Ghana's Benefit Sharing Plan. Specifically, this consultancy shall be responsible for:

***Development of the Fund Flow Mechanism through which Carbon Fund payments will be disbursed to beneficiaries and actors, in accordance with the agreed Benefit Sharing Plan.***

To complete this work, the consultant is expected to work both independently and in collaboration with the National REDD+ Secretariat, Forestry Commission's Finance Department, the Ministry of Finance (MoF), Hotspot Intervention Areas (HIAs) Consortium & Governance Board, World Bank and other key stakeholders, following best practice, and in the process ensure broad technical input and understanding from proponents and stakeholders.

It is envisioned that this consultancy will last up to 6 months, with a projected start in March 2020.

### **Scope of Assignment**

The Ministry of Finance (MoF) is aware of the on-going development of a Benefit Sharing Plan and REDD+ Dedicated Account (RDA). The MoF also has existing experience in setting up similar funds under World Bank supported projects. MoF has subsequently set up a REDD+ Dedicated Account to receive the Emission Reductions payments from the GCFRP. Therefore, the main activities under this consultancy will be:

- (i) Oversight of the setup, and operationalization of the RDA Board to ensure transparency of operations
- (ii) Development and operational readiness of the Fund Flow Mechanism that will enable disbursement of payments from RDA to beneficiaries and actors, in accordance with the agreed Benefit Sharing Plan.
- (iii) In context of tasks (i) and (ii) above, conduct fiduciary assessment, including risk identification, and measures to mitigate risk of Fund Flow arrangements including governance of all established/proposed accounts for managing the payments.

The main actions, activities aligned to this consultancy are described below:

- Hold inception meeting with MoF representatives, FC, NRS and WB Representatives to chart out the steps, time frames for the various tasks envisaged in the consultancy
- Hold meetings and/or working sessions to draft the terms of reference for RDA board members, based upon concept and qualifications outlined in BSP;
- Drawing on the BSP, fine tune and document the process that will be followed in selection of RDA Board members;
- Initiate parallel process on the development, and operationalization of a fund flow mechanism for the RDA and at the HIA level. This will include fiduciary assessment to mitigate risks of financial management at various levels in the flow of payments
- Support MoF, to issue a call for applications for selection of RDA board members;
- Post recruitment, facilitate Training of board members in roles, responsibilities, and procedures of the RDA and its FFM;
- Establish best practice knowledge on the development of operational steps, procedures and modalities to facilitate the disbursement of benefit sharing funds. The step-by-step process and details of how it will work, what key structures or agreements must be in place (e.g. HIA Account, Sub-HIA accounts, list of registered cocoa farmers, Traditional Chief with jurisdictional authority, etc), modalities for requesting benefits and determining allocation of benefits, and monitoring and evaluation system will be clearly articulated. Experts should be drawn from key government agencies, the private sector, and NGOs/CSOs. Facilitation and drafting of the mechanism will be led by the consultant but convened by the Forestry Commission in consultation with MoF;
- Hold consultation workshops with HIA Consortium and Board, stakeholders and government beneficiaries to share progress on and receive feedback about the emerging FFM. With each consultation, the FFM should be reviewed;
- Finalize the plan, validate and develop a Guidance/Implementation Document for the RDA FFM to accompany the BSP;
- Hold a training of HIA leaders, consortium partners, and government agencies on the FFM and establish draft plan to operationalize and implement in each HIA; and
- Support HIAs that are in operation to fully develop RDA MMF plan and to implement.

The key deliverables and timing of deliverables from contract signing are as follows:

- Inception report with agreed milestones, and timelines; (within 2 weeks)
- Draft ToRs for RDA Board Members (within 4 weeks) Final ToRs for RDA Board members (within 6 weeks)
- Bimonthly progress report (within 8 weeks)
- Draft RDA operational manual (within 12 weeks) which amongst others will include RDA selection process of RDA Board members, operational protocol of RDA selection process of Board members, procedures, roles and responsibilities;
- Conduct trainings of RDA Board members (15 weeks)
- Final RDA operational Manual (within 16 weeks)
- Draft Operational manual to guide the operations, roles and responsibilities of Fund Flow at the HIA and local levels; (within 18 weeks)
- Fiduciary Assessment report of FFM at all levels (national, HIA, Community etc.) (within 20 weeks)

- Final operational manual (HIA level) and summary report of assignment (within 22 weeks)

**Duration of Consultancy**

The work is expected to be completed within a period of 6 months from the signing of contract.

**Reporting**

The consultant contract will be signed with the World Bank task team leader for the Ghana Cocoa Forest Emission Reduction Programme, and reporting of deliverables will be to World Bank TTL. The consultant is expected to work in coordination with the Ministry of Finance, National REDD+ Secretariat -Coordinator and the World Bank Financial Management Specialist for technical matters and guidance. Feedback from core team (NRS coordinator, FM specialist of World Bank and the Ministry of Finance focal person), as well as other relevant stakeholders will be incorporated as relevant.

All outputs of this consultancy assignment shall be subject to the endorsement and clearances of both the GoG and the World Bank.

**Payment Schedule:**

The assignment will be a lump sum contract. Payments will be scheduled as follows:

10% on contract signing

40% on submission of final operational manual for REDD+ Dedicated Account (RDA)

50% on completion of assignment and submission of final operational manual for HIA, and summary report

**Consultant Qualification:****QUALIFICATIONS & EXPERIENCE**

- The Consultant should have a minimum of a bachelor's degree in Finance or Natural Resources and preferably a post-graduate degree or professional qualification in Finance, Business Administration and/or other related programmes;
- Not less than 10 years of demonstrated experience in the following fields; Strategic Analysis, Investment Due Diligence, Project Management, Financial Management Analysis, Investment Feasibility Analysis, Multi Stakeholder Engagements, Forest and Natural Resources Management;
- Understanding of Financial Management systems in Government of Ghana, and design of fund flow mechanisms for ensuring transparency in flow of funds to beneficiaries as part of government or donor supported projects'
- The consultant should have good communication, interpersonal, negotiation and presentation skills.
- Excellent writing skills in English