

CLIMATE INVESTMENT FUNDS

October, 2015

**Approval by mail: Endorsement of FIP Concept Proposals - Brazil and Ghana
Ghana Response to US and UK Comments**

RESPONSES TO COMMENTS SUBMITTED BY UK ON THE FIP ADDITIONAL FUNDING PROPOSAL

Ghana concept: Reducing degradation and deforestation due to mining - UK Comments

The Government of Ghana appreciates the comments submitted by the UK and will take these into account in further development of the project proposal. The Ministry notes that the submission to the FIP Subcommittee is a concept note that will be further developed to demonstrate how the site-specific interventions will contribute to national efforts to influence and bring under control the illegal mining situation. The Ghana Forest Investment Program (GFIP) as a whole uses the strategy of testing implementation of specific pilot interventions at the subnational level to demonstrate success on the ground with the aim of replicating lessons learnt at national level. This proposal follows the same principle. The interventions are being piloted at the subnational level in the Western and Eastern Regions and the success stories will be replicated at the national level. This activity will contribute as part of a wider suite of actions being undertaken by the Government, as explained further below.

Comments: The project title is slightly misleading in that the focus appears to be on reclaiming degraded land after degradation from mining has already occurred.

Response

The concept envisaged is to focus on reclamation and restoration of mined out areas as part of the GFIP's overall goal of reducing deforestation and degradation in Ghana, which has several drivers. The proposal is complementary to the Ghana Forest Investment Plan and the Natural Resource sector policy as a whole. Illegal mining is recognized as one of the causes of land degradation and deforestation, particularly in certain regions. The Government has put in place several programs – and devoted considerable resources – to address the underlying issues in the mining sector (detailed below). This proposed project would focus on the most visible negative results of past mining, as a way to engage communities in developing lasting solutions and demonstrate successful models that can be scaled up. By empowering communities to organize and improve the landscape, and by increasing the presence and visibility of forest protection and extension staff in these areas, the project will signal to illegal miners and to other communities that change is possible. As a co-benefit, this activity will capitalize on the opportunity to use these areas to improve community livelihood opportunities.

Comment: This is another interesting project with a focus on restoration/reclamation, and addressing an important driver of land degradation and deforestation. The strategic case to intervene is well made, but we are not entirely convinced that the intervention area that has been prioritised is sufficient to address the challenge.

Response

The Ghana Forest Investment Plan (GFIP) aims to demonstrate positive interventions on the subnational level with the aim of replicating lessons learnt at national level. This same principle applies to this proposal. The interventions are being piloted at the subnational level in the Western and Eastern Regions and the success stories will be replicated at the national level. The resources available from FIP are not sufficient to address all illegal mining activities in Ghana. Ghana proposes to use the available resources strategically in key locations on specific activities that empower communities and demonstrate visible results in a short time frame. Positive lessons can be scaled up with other resources and replicated to other communities based on their level of interest and commitment. This will contribute to building a constituency for more positive action and show local communities, officials, and district representatives that constructive alternatives are within reach, financially, technically and socially.

The criteria for selecting the focal areas are:

- Currently, Eastern and Western Region of Ghana are the hotspots of illegal mining in the country
- Government's pilot initiatives to enforce laws and guard against illegal mining are concentrated in these two regions, so that this intervention can complement ongoing effort.
- The two regions have witnessed the highest levels of degradation in terms of illegal mining.
- Carbon abatement potential studies conducted during the preparation of the Ghana Investment Plan showed that these regions have high emission reduction and carbon enhancement potentials.

Comment: The proposal, if understood correctly, focuses on reclaiming degraded land rather than addressing the fundamental problem which is one of a largely unregulated informal mining sector operating without restriction. There is little likelihood or incentive for the smaller scale "illegal" mining operation to formalise since meeting the stringent requirements set out by the environmental protection act are unlikely to lead to compliance without substantial support. It isn't clear how the project aims to deal with this fundamental issue. The proposal refers to other efforts to prevent the degradation from unregulated mining happening in the first place, but it is not clear whether these activities will indeed be complementary or of sufficient scale, in the geographical areas being targeted.

Response

A key component of the proposal is addressing illegal mining as a driver of deforestation and land degradation. Even though mining contributes about 5% as a driver of deforestation for the whole country (agricultural expansion and timber harvesting contribute 50% and 35% respectively), information from the EPA and field officers indicate that in areas like Western and Eastern Regions, the portion of deforestation pressure that can be attributed to illegal mining is around 40%.

Some of the causes of this high rate of deforestation through illegal mining are

- Challenges in the enforcement of laws,
- Inadequate capacity of human resources at the District level to manage natural resources
- Challenges in regulation of small scale mining activities

The Government recognizes these challenges. The Government through the Office of the President, the Ministry of Lands and Natural Resources, and the Environmental Protection Agency has put in motion both policies and operational measures to tackle these challenges. Some of the key measures include:

- Review of the Environmental Assessment Regulation by the EPA to clearly define the environmental requirements for small scale mining.
- Policy on simplification and regularization of small scale mining to incentivise illegal operators to regularise their activities.
- Conducting geological investigation to identify and block suitable areas for small scale miners to assess and regularise their operations to enable easy monitoring and regulation.
- Assistance to obtain fair market prices for their minerals by the control of illicit dealings and trading of minerals through appropriate licensing and providing necessary market information and training;
- A range of measures to facilitate access to finance, which may include co-operative savings, pooled equipment leasing arrangements and concessional lending schemes
- Assistance in business skills training.
- Capacity building and institutional strengthening at the District Assemble Level (Local Government) to manage mineral resources.
- Setting up of additional District Offices for the Minerals Commission to monitor the operations of Small Scale Miners and illegal operators
- Formation of District Mining Committee to assist Officers of the Minerals Commission and District Assemblies in the management and regulation of the use of mineral resources.
- Presidential Task Force at the National Level
- Rapid Response Teams at the Regional level to combat illegal mining and enforce the law in the country including Western and Eastern Regions.
- Passing of the local content law to allow local companies (Communities) to provide some mining support services to improve the socio-economic lives of mining communities.
- Alternative livelihood support to mining communities to help them move away from economic dependence on the “galamsey” operations

This proposed project will complement this wider range of efforts being undertaken by the Government. It will focus on visibly degraded sites as way to engage communities in devising and implementing solutions based on land rehabilitation and demonstrate successful models that can be scaled up. By empowering communities and increasing the visibility of forest protection and extension officers, the project will help to ward off new illegal mining in these areas and demonstrate the positive impact of integrated action by communities and government working

together. Communities will also get access to improved livelihood opportunities on rehabilitated land (natural and agroforestry trees).

It is worth mentioning that a similar approach has been successfully adopted by the Ministry in the implementation of two of the projects under the GFIP where we have partnered with key Government Agencies implementing activities that directly affect the forest landscaped to provide support to GFIP project areas. The IBRD coordinated project under the GFIP “Enhancing Natural Forest and Agroforest Landscapes has signed a Memorandum of Understanding with Ghana Cocoa Board to ensure timely supply of agro inputs to cocoa farmers and extension services to project beneficiaries. In view of this the project does not need extra funding to purchase agro inputs and engagement of services of Extension Officers since the COCOBOD is providing them.

Comment: It would be useful to have some political economy analysis making clear who the “galamsey” miners are, what their relationship is with local communities in the proposed project areas (are they outsiders, are they members of the communities where they are operating?).

Response

As has been mentioned earlier, the Government has put in place a number of activities to address the illegal mining issue. This is an issue of national concern at the highest levels and interventions developed to date have been built on and understanding of the political economy issues, especially considering the high value nature of much of the illegal mining. As noted above, the current submission is a concept note. As the concept is developed into a full-fledged project, we plan to commission socio-economic studies and political economy analyses to deepen understanding of the issues and potential alternative approaches that may prove fruitful in specific districts and communities.

In quick summary, studies undertaken on the issue of illegal mining and “galamsey” have found that;

- “Big Shot Financiers” of the illegal mining activities are usually people outside the communities.
- Middle management level for the illegal operations and the labour are often from the community or nearby communities.
- The labourers are engaged and paid for their services (meaning they are not profiting directly based on the value of the minerals extracted).

It is envisaged that with transformational initiatives underway – partially supported by other components of the GFIP (plus the FCPF and the NREG projects) – including policy on tree tenure and legislation on benefit sharing, community members will become more likely to commit to

ventures that have sustainable, long term and diverse benefits, rather than short term gains which are destructive to the environment and particularly water bodies.

This shift in attitudes and practices will be supported by information campaigns for awareness creation and community sensitization. In these ways, the project aims to affect behaviour and change the status quo.

RESPONSES TO COMMENTS SUBMITTED BY USA ON THE FIP ADDITIONAL FUNDING PROPOSAL

3. Ghana – Reducing Degradation and Deforestation due to Mining in Forest Landscapes USA Comments

The Government of Ghana appreciates the comments submitted by the USA and will take these into account in further development of the project proposal. The Ministry notes that the submission to the FIP Subcommittee is a concept note that will be further developed to demonstrate how the site-specific interventions will contribute to national efforts to influence and bring under control the illegal mining situation. The Ghana Forest Investment Program (GFIP) as a whole uses the strategy of testing implementation of specific pilot interventions at the subnational level to demonstrate success on the ground with the aim of replicating lessons learnt at national level. This proposal follows the same principle. The interventions are being piloted at the subnational level in the Western and Eastern Regions and the success stories will be replicated at the national level. This activity will contribute as part of a wider suite of actions being undertaken by the Government, as explained further below.

Comment: We appreciate the strong argument for a project dealing with deforestation caused by mining, given its importance as a driver of deforestation in Ghana. We also note the strong co-benefits provided by this project with respect to environmental well-being and livelihoods.

Response:

The Government appreciates this recognition for its efforts to address this key contributor to land degradation and deforestation. We have initiated efforts to address the underlying issues in the mining sector (detailed below). This proposed project would focus on the most visible negative results of past mining, as a way to engage communities in developing lasting solutions and demonstrate successful models that can be scaled up. By empowering communities to organize and improve the landscape, and by increasing the presence and visibility of forest protection and

extension staff in these areas, the project will signal to illegal miners and to other communities that change is possible. As a co-benefit, this activity will capitalize on the opportunity to use these areas to improve community livelihood opportunities.

Comment: The project's potential for reducing emission of/enhancing removal of ghgs is less clear and needs to be strengthened. This may require more emphasis on or explanation of the project's goals for preventing future deforestation caused by mining. (This is based on our understanding – possibly incorrect -- that the reclaimed areas would not necessarily be reforested, but may be used for agricultural purposes.)

Response

Emission Reduction

A key component of the proposal is addressing illegal mining as a driver of deforestation and land degradation. Even though mining contributes about 5% as a driver of deforestation for the whole country (agricultural expansion and timber harvesting contribute 50% and 35% respectively), information from the EPA and field officers indicate that in areas like Western and Eastern Regions, the portion of deforestation pressure that can be attributed to illegal mining is around 40%.

Some of the causes of this high rate of deforestation through illegal mining are

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The Government recognizes these challenges. The Government through the Office of the President, the Ministry of Lands and Natural Resources, and the Environmental Protection Agency has put in motion both policies and operational measures to tackle these challenges. Some of the key measures include:

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- Alternative livelihood support to mining communities to help them move away from economic dependence on the galamsey operations

This proposed project will complement this wider range of efforts being undertaken by the Government. It will focus on visibly degraded sites as way to engage communities in devising and implementing solutions based on land rehabilitation and demonstrate successful models that can be scaled up. By empowering communities and increasing the visibility of forest protection and extension officers, the project will help to ward off new illegal mining in these areas and demonstrate the positive impact of integrated action by communities and government working together. Communities will also get access to improved livelihood opportunities on rehabilitated land (natural and agroforestry trees).

It is worth mentioning that a similar approach has been successfully adopted by the Ministry in the implementation of two of the projects under the GFIP where we have partnered with key Government Agencies implementing activities that directly affect the forest landscaped to provide support to GFIP project areas. The IBRD coordinated project under the GFIP “Enhancing Natural Forest and Agroforest Landscapes has signed a Memorandum of Understanding with Ghana Cocoa Board to ensure timely supply of agro inputs to cocoa farmers and extension services to project beneficiaries. In view of this the project does not need extra funding to purchase agro inputs and engagement of services of Extension Officers since the COCOBOD is providing them.

Carbon Enhancement Potential

On the issue of enhancement, please note that the areas that would be reclaimed under the project would serve as pilot demonstrations for testing climate smart agroforestry and plantation development technologies that are being developed under the GFIP Program (comprising two projects coordinated by WB and AfDB - Engaging Local Communities in REDD+ and Enhancing Natural Forest and Agroforest Landscapes) for off reserve areas.

In the on reserve areas which is about 60% of the proposed project area of intervention are degraded permanent forest reserves which the Ministry intends to restore to a higher functioning ecological condition using enrichment planting and plantation development.

One of the motives behind the reclamation is to make land available to community members to engage in climate smart agroforestry practices so that they have less incentive to extend their agricultural activities into intact forests. As stated in the proposed concept, studies on soil carbon enhancement initiatives and incorporation of trees in agricultural farming systems in the GFIP will be tested and replicated using the reclaimed mined out areas. Thus, there is a synergy between existing GFIP interventions and this proposed additional one.

Comment: In general, there needs to be a stronger analysis of how the project will work to reduce forest clearance by miners. Who is undertaking such mining activities? Are they local people or others? Is such mining always illegal?

Response

As has been mentioned earlier, the Government has put in place a number of activities to address the illegal mining issue. This is an issue of national concern at the highest levels and interventions developed to date have been built on and understanding of the political economy issues, especially considering the high value nature of much of the illegal mining. As noted above, the current submission is a concept note. As the concept is developed into a full-fledged project, we plan to commission socio-economic studies and political economy analyses to deepen understanding of the issues and potential alternative approaches that may prove fruitful in specific districts and communities.

In quick summary, studies undertaken on the issue of illegal mining and “galamsey” have found that;

- “Big Shot Financiers” of the illegal mining activities are usually people outside the communities.
- Middle management level for the illegal operations and the labour are often from the community or nearby communities.
- The labourers are engaged and paid for their services (meaning they are not profiting directly based on the value of the minerals extracted).

It is envisaged that with transformational initiatives underway – partially supported by other components of the GFIP (plus the FCPF and the NREG projects) – including policy on tree tenure and legislation on benefit sharing, community members will become more likely to commit to ventures that have sustainable, long term and diverse benefits, rather than short term gains which are destructive to the environment and particularly water bodies. This shift in attitudes

and practices will be supported by information campaigns for awareness creation and community sensitization. In these ways, the project aims to affect behaviour and change the status quo.

Comment: To what extent is deforestation caused by small-scale miners as opposed to larger operators? What is the mechanism through which the project would discourage such mining?

Response

As mentioned earlier, based on the GFIP, mining in general contributes about 5% of the drivers of deforestation in the country as a whole, but the proportion of destruction is greater in the Western and Eastern Regions. It is noted that the proposal is a concept note and further studies will be conducted into the dynamics of the phenomenon of illegal mining at the project development phase. Notwithstanding this, it is clear based on field reports from Agencies under the Ministry that the large scale mining activities are fairly regulated and comply with most of the provisions in our mining law. The problem lies with the illegal, unregulated small-scale mining activities. The proposed sites for this reclamation exercise are illegally mined areas both in forest reserves and off reserve areas. With cooperation from various institutions and strong communication packages, we are confident that the interventions will yield positive results.

As above, note that this project will be one component of a larger set of efforts by the Government. By engaging communities in devising and implementing solutions in visibly degraded sites, the project will demonstrate an alternative path to local and district level stakeholders and provide evidence to support further replication and scale up. By empowering communities and increasing the field presence of Government agencies, the project will build constituencies and send positive signals to reduce/prevent illegal mining, while rehabilitating the effects of prior mining. This will be coupled with wider Government efforts to improve monitoring and enforcement.

Comment: The concept notes says that “proposed activities in illegally-mined forest landscapes will protect existing forests from further encroachment and degradation,” but it is not clear how, precisely, that would work.

Response

This refers to specific actions planned in forest reserves in the Western and Eastern Regions which are under the threat of illegal mining. Planned activities in these forest reserves will prevent further encroachment and degradation due to illegal mining because the project will increase the presence of officers from the Forestry Commission into the area and engage community members who will be actively involved in various restoration initiatives in the landscape. This presence will serve as a signal and warning to illegal miners. Furthermore, the

proposed interventions will provide communities with more secure access and use rights to these rehabilitated lands, so that the beneficiary communities will continue to see benefits over the long term (over 30 years).

On the general mining landscape, the project also plans professionally planned and executed awareness creation programs that will contribute to sensitizing the community members and illegal miners to change their behaviour beyond the lifetime of the project.

Comment: It would also be helpful to understand what stronger enforcement approaches would be piloted in these areas.

Response

The concept outlines a range of activities (page 8) by the Ministry which includes building capacity for law enforcement agencies and the judicial service. It is important to state that national systems for enforcement of laws will be used under the project to ensure sustainability beyond the project lifetime. The project will work in concert with efforts already underway to build capacity of these structures and institutions and establish a strong link to foster effective coordination. Key among the institutions are:

- Presidential Task Force on illegal Mining at the at the National and Regional Level
- Forestry Commission Rapid Response Unit Stationed at Forest Gates to Check Illegal activities
- Forestry Commission Prosecution Unit, which is also in process of establishing joint work activities with the Minerals Commission
- District Mining Committee
- Ghana Police Service

These institutions have been strengthened through action and resources at the highest political levels and exhorted to effect change in the sustainable stewardship of the nation's forests.