



REPUBLIC OF GHANA

## MINISTRY OF FINANCE

# Workshop on Need-Based climate Finance for West Africa

Presented by

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# Content

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- 1. Climate Finance needs
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## Introduction

- Climate change before COVID-19 was the single greatest challenge humanity has ever faced.
- Climate change threaten water and food security, health, livelihoods, and the safety of billions of people.
- Yet, climate change is also the greatest investment opportunity in history valued at about 10% of global GDP.
- Ghana sees climate change as a developmental issue.
- That is why in the National Development Framework highlights key policy interventions to combat climate change in the medium-term.
- Ghana is a signatory to the Paris agreement which requires all parties to put forward their best efforts through Nationally Determined Contributions (NDCs).
- Ghana is committed to the NDCs to contribute our fair share to the attainment of the Paris Agreement and at the same time achieve the SDGs.
- Access to finance is a catalyst for achieving full implementation Ghana's NDCs

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## NDC Funding Opportunities

- Implementation of NDC interventions presents investment opportunities with the right enabling environment and strong political will.
- The NDC provide fantastic investment opportunity to green the Ghanaian economy.
- The US \$22.6 billion NDC investment requirements (~30% of the GDP) can bring substantial positive returns on the economy.
- Not only can the NDC investments help to build resilient and decarbonise the economy.
- It can bring foreign exchange to stabilise the cedi depreciation, reduce balance of trade, create decent green job and above all facilitate the transfer of green technology.
- Ministry of finance is making all efforts to incentivize climate-informed public expenditure and utilizing climate fiscal tools to prioritize the implementation of the NDC.

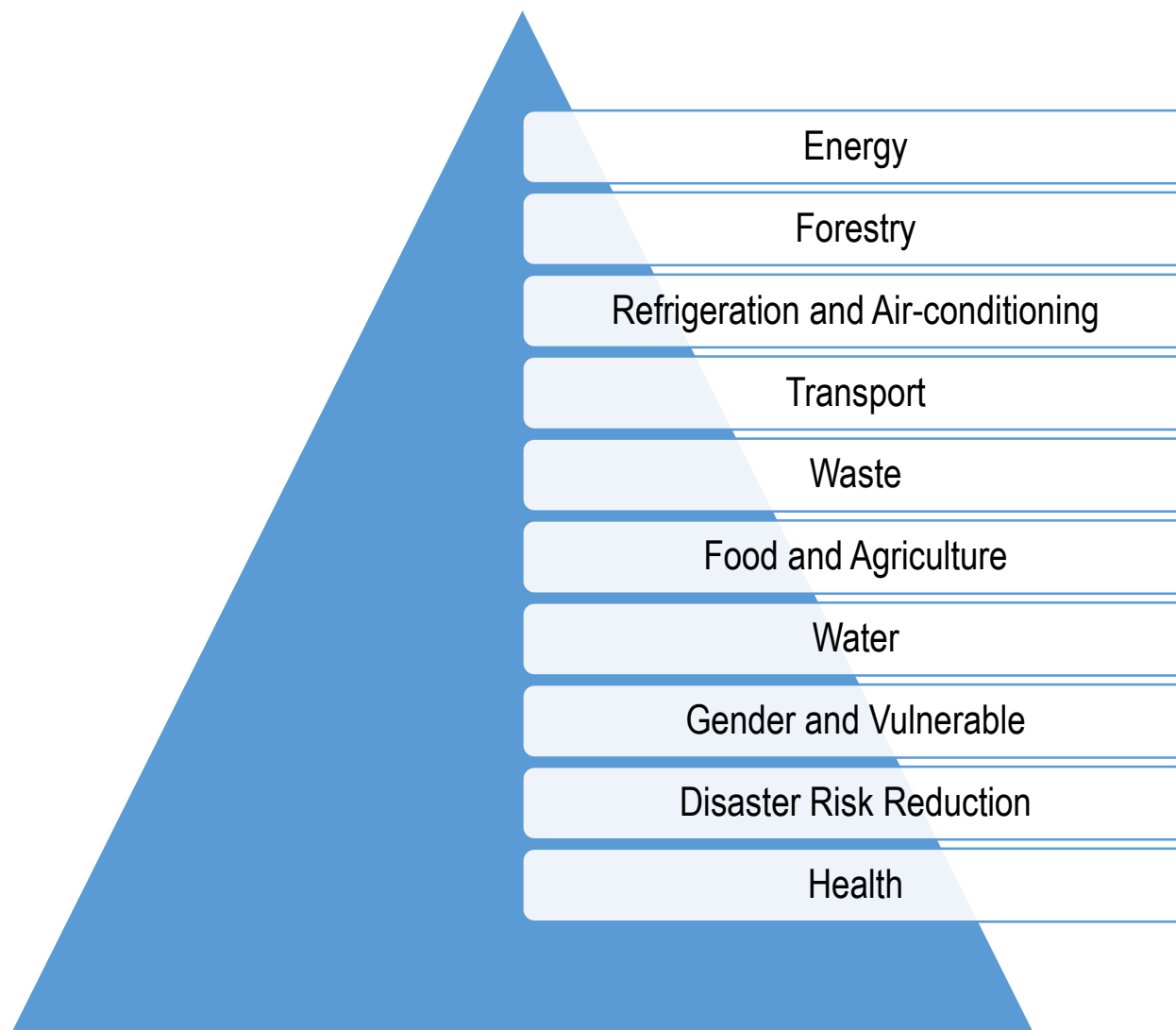
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## Overview of Ghana's NDC

- Ghana's includes 31 climate actions that cut across seven priority sectors.
- Implementation is scheduled for the period 2020-2030.
- The 31 actions are composed of 20 mitigation and 11 adaptation measures.
- The 20 mitigation actions include:
  - Scaling-up renewables; clean cooking and lighting; doubling energy efficiency in households and industry; promote mass urban transportation; REDD+; promote adoption of alternative solid waste management; etc
  - 2 measures are unconditional and the remaining 18 mitigation actions are conditional.
- The unconditional measures will require funding from national budget and public funding (such as the GCF).
- Whereas the conditional measures foresee mobilising investments from the private sector, donors, climate pricing instruments (carbon markets, Article 6, green bonds, carbon taxes etc)

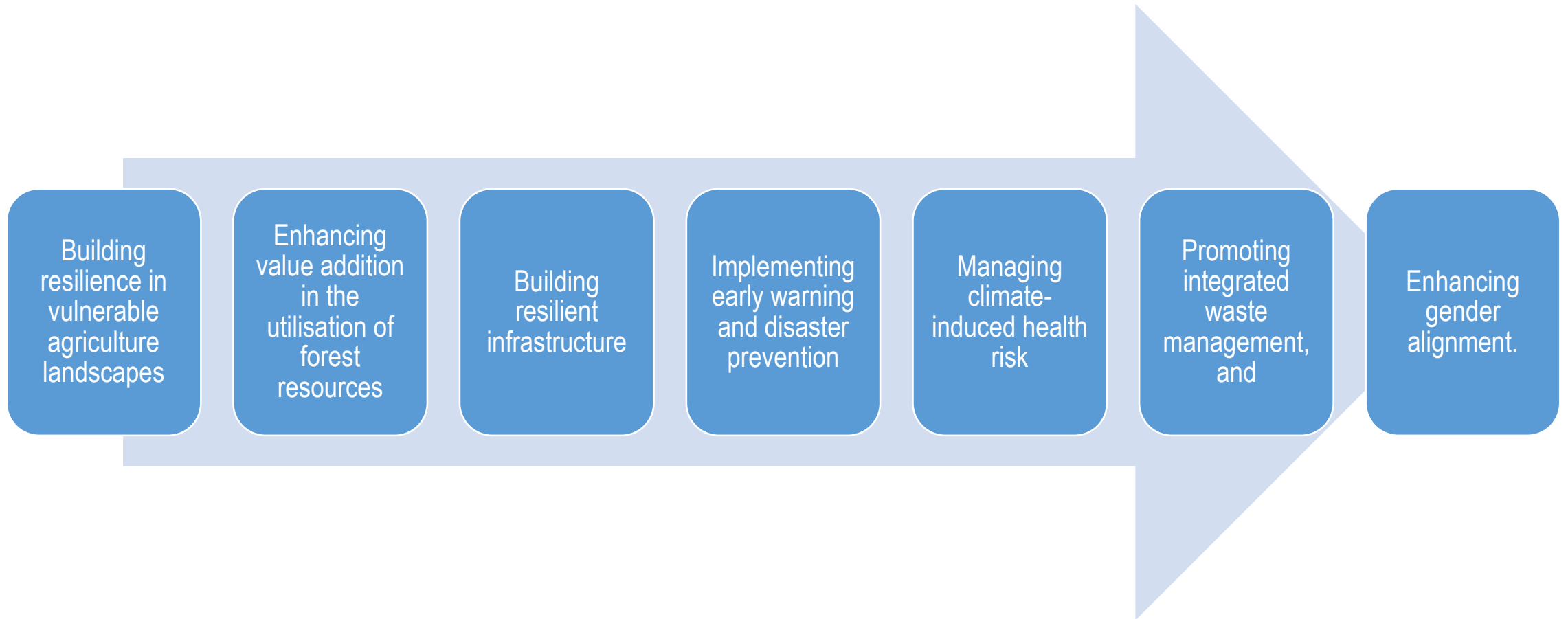
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## Prioritised NDC sectors



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Eleven adaptation actions contribute to:



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## Anticipated Funding Sources



The total cost of implementing Ghana's NDCs over the period 2020-2030 is **US\$ 22.6 billion**.

Of that amount, **US\$ 6.4 billion** will be mobilised from domestic sources (including existing public investments and fiscal incentives) and **US\$ 16.2 billion** from external sources.



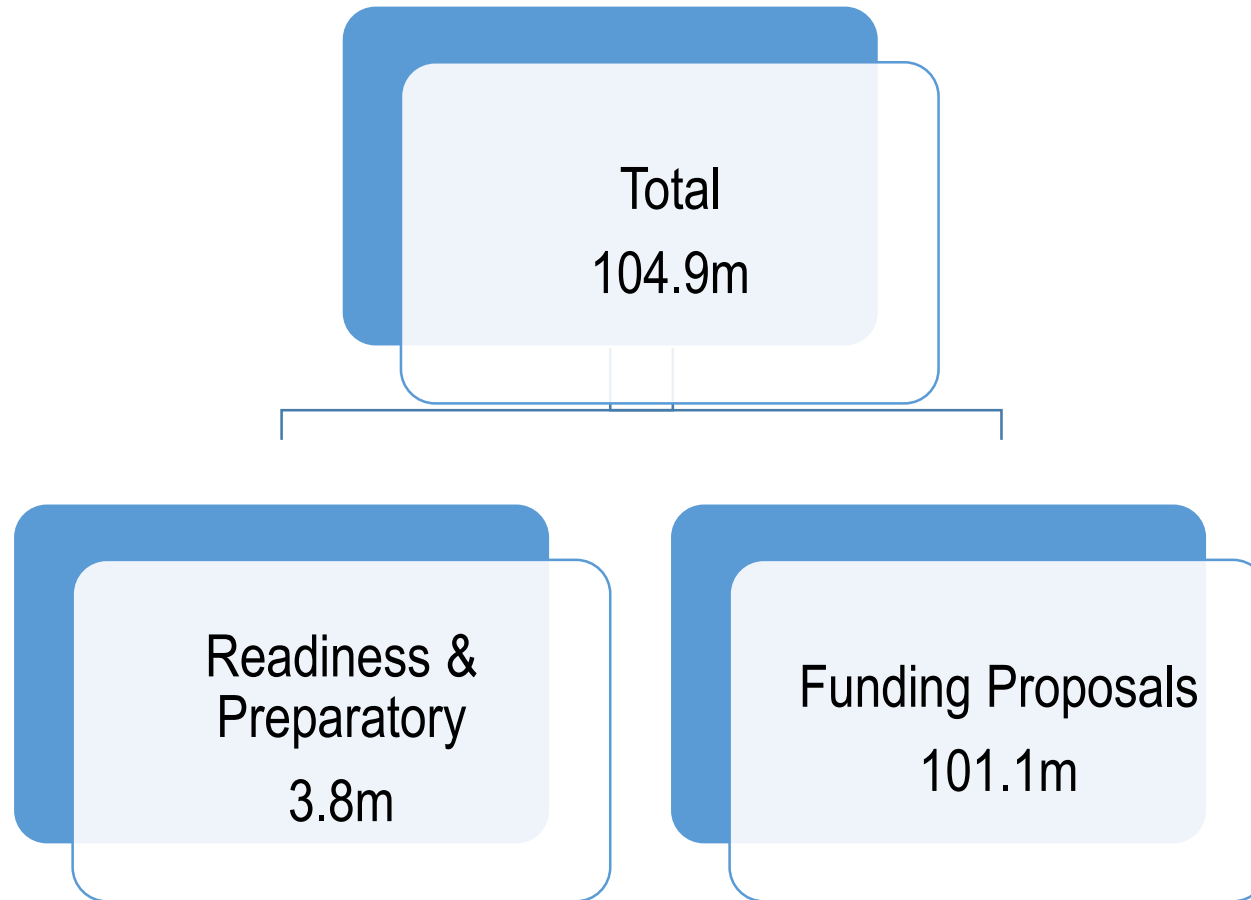
In all, **56%** of the total amount will be mobilised to implement adaptation programmes and **44%** will be allocated to mitigation programmes.



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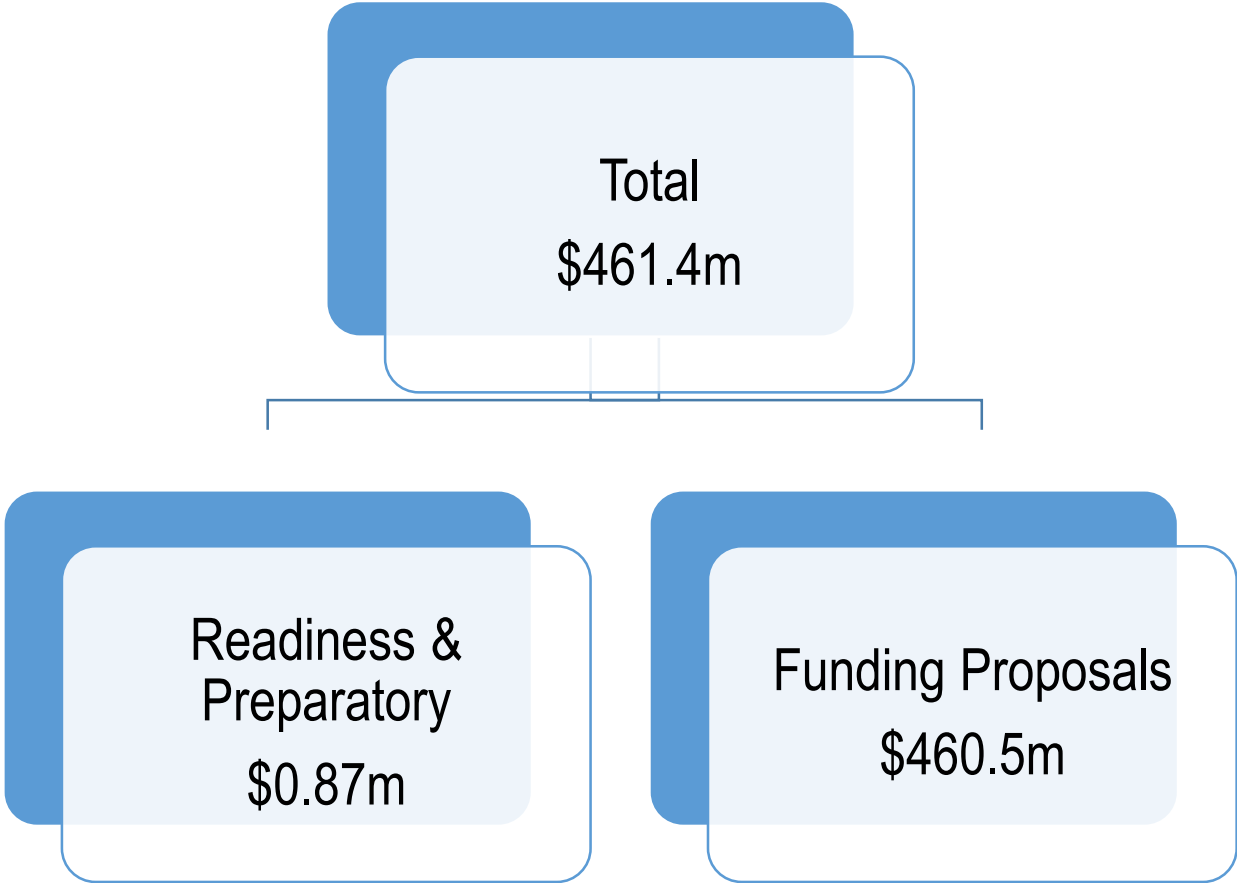
## Lessons from mobilising finance from GCG

### Approved GCF facilities



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# GCF Projects Awaiting Approvals



## Projects awaiting GCF approval

Project Title	Proposed Accredited Entity	Type of Instrument	GCF	Co-finance	Executing Entity		Date of submission	Status
			(\$)					
Accelerating Solar Action Programme	Ecobank	Grant	30m	200,000	Energy Commission		2020	GCF Review stage
Climate-resilient landscapes for sustainable livelihoods in Upper East and Upper West Regions	UNEP	Grant	44m	5m	Ministry of Food and Agriculture & Environmental Protection Agency		2018	Is in the review process at GCF
Accra City Electric Bus Project	MOT	Loan /grant	311.5m	72.5m	Ministry of Transportation		2019	Concept note developed
Greater Accra Climate Resilient and Integrated Development Project	World Bank	Grant /loan	49.5m grant :	200m (IDA-World Bank)	Ministry of Water Resources and Works Housing		2020	Awaiting GCF Comments
			25.5m loan					
Total			460.5					

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## Challenges

- Inadequate Co-financing due to budget constraint
- Inadequate private sector cooperation
- Delays in establishing the Ghana Green Fund (GGF)
- Delay in feedback from GCF secretariat
- Limited capacity in-country for the development of proposals
- Inadequate consultation with stakeholders e.g. NDA, Beneficiaries etc
- GCF accreditation process very rigorous
- Development of proposals in silos, limited time in submission and weak proposal development capacity among Institutions.
- Weak engagement with bilateral and multilateral entities on implementation of Ghana's climate change actions

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## Way Forward

- Complete the development of the GCF-Country Programme.
- GoG will enhance its prioritization of climate actions and funding towards NDC implementation actions.
- Ghana will continue to develop bankable funding proposal to access funding from other related donors.
- Green Bond option currently being explored will be deepened.
- Enhancing domestic revenue mobilization through improvements in compliance, widening the tax net, digitization and tax policies.
- A matching grant or concessional loan will be sought to support the domestically mobilized funds to finance the NDCs.
- Public Private Partnership.
- Creating enabling environment to attract private sector funds.

**Thank you**