Restoration of Degraded Forest Reserves Through Certified Plantation

The state of Ghana’s forests has been in decline since the 1970s with many forest reserves heavily encroached, which has led to serious depletion and degradation of reserve stocks.

This project is restoring degraded forest reserves and more than doubling the size of sustainable forest plantations through a first-of-its-kind Public Private Partnership (PPP) in Ghana’s forest sector. It is also the first private sector blended investment made by the Bank in the forestry sector. The investment relies on a tripartite benefit-sharing agreement signed between Ghana’s Forestry Commission, the project company, and traditional land owners from local communities.

The Bank, FIP, and the Government of Ghana engaged Form Ghana Ltd., a forest plantation company contributing to large-scale reforestation of degraded forest areas across Ghana, to undertake this innovative PPP project.

The PPP aims to catalyze private sector involvement in large-scale, sustainable, commercial teak plantations in a section of Ghana’s degraded forest reserves by expanding an existing forest plantation - both Forest Stewardship Council (FSC) and Verified Carbon Standard (VCS) certified - from its current size of 5,000 ha to 11,700 ha of sustainable teak plantation (90%) and indigenous tree species (10%).

By restoring degraded land, this innovative, scalable PPP project is making significant contributions to long-term carbon storage (2.8 million tons CO2 eq. over 40 years) and improvements to climate resilience not only among local communities but also in the areas surrounding the recovered forests. Forests provide ecosystem services that contribute to human well-being and reduce social vulnerability, key considerations when planning adaptation policies and practices in areas of the economy beyond the forest sector.

Sustainable forest management requires substantial financial resources. Investments at the scale needed in nascent markets typically depend upon global corporations or joint ventures involving both local partners and development banks willing to cover the risk. Ghana’s PPP for the Restoration of Degraded Forest Reserves, funded under the CIF’s competitive private sector set-aside program, has taken on this challenge. The project is supporting a new business model, leading to the production of high-quality, sustainable wood products that will help meet increasing market demand without increasing pressure on natural forests.

The project is poised to have a significant transformational impact on the future of Ghana’s forest plantation sector by showcasing a model that can serve as an example to other investors. The wood products produced as a result of the project will benefit from a quality and sustainability stamp that will contribute to meeting increasing local, regional and global market demand. By striving for sustainable forest management practices, the project will promote inclusion of biodiversity conservation and ecosystem services at scale in a socially and environmentally friendly manner.

Certification from FSC, an independent, non-profit organization that protects forests for future generations, further requires companies to promote gender equality in employment practices, training opportunities, awarding of contracts, processes of engagement, and management activities.

While market incentives are driving the conversion of forests (where they exist and are not already totally degraded) to other land uses, such as agriculture, concessional resources from the FIP were instrumental in consolidating a business case for sustainable forest management that is able to lead to substantial carbon sequestration and enhanced environmental services in a market that still requires incentives to make innovative projects viable and accelerate market transformation.

Certification from FSC, an independent, non-profit organization that protects forests for future generations, further requires companies to promote gender equality in employment practices, training opportunities, awarding of contracts, processes of engagement, and management activities.

Over 200 jobs for men and women in 2018

11,681 Ghana Cedis paid to traditional land owners and communities in 2018 as part of benefit-sharing returns

Water infrastructure built in Kotaa village

Nearly 2,000 ha of degraded forest land restored and transformed into commercial forest plantations since 2017

1,760 ha of forest made more resilient against potential forest fires