

**Submission by Ghana to the call of submission by the Conference of the Parties serving as the meeting of the Parties of the Paris Agreement (CMA) on the Work Programme under the framework for non-market approaches referred to in Article 6, paragraph 8 of the Paris Agreement**

The government of Ghana welcomes this opportunity to share views on the call for submissions on the existing non-market approaches (NMAs) by the decision SBSTA 56.

Ghana, a country in sub-Saharan Africa is endowed with vast natural resources, both extractive and non-extractive. The country attained lower middle-income status in 2012 however, considered as a developing country. Ghana has two broad ecological zones, the Forest zone and the Northern Savannah Ecological Zone. Within these zones, it has six agro-ecological zones as Sudan Savannah, Guinea Savannah, Coastal Savannah, Forest/Savannah transitional zone, Deciduous Forest zone and the Rain Forest zone. Total annual rainfall ranges from 780 mm in the dry eastern coastal belt to 2,200 mm in the wet southwest corner of the country. Ghana's food basket is centred in the Northern Savannah Ecological zone where poverty rate is most felt and sees increasing risks to climate change. Ghana agriculture system is highly dependent on several climate-sensitive indicators. In the coming decades, Ghana is expected to experience a rise in sea level, an increase in the number of droughts, higher temperatures, and more erratic rainfall patterns at the same time experiencing shorter rainy season leading to the notion that there has been a considerable change in the climate in recent decades and is expected to continue changing throughout the 21st century. These changes in climate – which include decreased duration of the wet season, increased rainfall intensity, increased temperatures and increased frequency of floods and droughts – are having a range of negative impacts on Ghanaians. Because of climate change, Ghana is facing increased pressure on water, reduced yields leading to more poverty and food insecurity, and the loss of national revenue from cash crops such as cocoa. Other vulnerabilities include migration which puts pressure on urban services; deteriorating health due to increased disease; severe impacts on land use leading to loss of biodiversity and soil fertility, land degradation and increased deforestation; and exposure of fragile groups such as women and youth to climate change impacts.

In 2013, Ghana launched its National Climate Change Policy, which includes the three objectives of effective adaptation, social development and mitigation. Four thematic areas have been identified to address adaptation issues in Ghana: energy and infrastructure, natural resource management, agriculture and food security, and disaster preparedness and response.

The National Climate Change Adaptation Strategy (NCCAS) was released in 2012 and applies to the period from 2010 to 2020. The overarching goal of the NCCAS is “to increase Ghana's resilience to climate change impacts now and in the future” (NCCAS, 2012). To achieve this goal, the NCCAS proposes five objectives that should be worked towards and suggests a number of interventions in eight key areas, which are all geared towards reducing vulnerability and increasing resilience to climate change impacts. Ghana has also developed the Climate Change Masterplan 2015-2020 to guide future development planning and to bring together national adaptation priorities.

National policies on climate action are well development and ensuring it is localized is important. The National Adaptation Plan process is currently underway to produce a costed adaptation strategy for the country and provide the tools, mechanisms, systems and information with which to replicate the NAP process at regular intervals and to mainstream adaptation strategy into sector and District development plans.

Ghana updated and enhanced its nationally determined contribution under the Paris Agreement for 2020 to 2030 from what it put forward in 2015, per Article 4 of the Paris Agreement and UNFCCC decisions 1/CP.21 and 4/CMA.1.

The UNFCCC Synthesis report on views and information referred to in paragraph 6 of decision 4/ CMA 3 found that the LoCAL Mechanism is identified as one of the initial focus areas under the decision and facilitates the implementation of the three focus areas, i.e. adaptation, resilience and sustainability, mitigation measures that can contribute to sustainable development and development of clean energy sources.

The LoCAL Mechanism combines performance-based climate resilience grants (PBCRGs) that ensure programming and verification of climate change expenditures at the local level while offering strong incentives for performance improvements in enhanced resilience with technical and capacity-building support and monitoring and quality assurance across.

The submission will further present the Local Climate Adaptive Living (LoCAL) Mechanism as one of the key Non-Market Approaches (NMA) under Article 6.8. The government of Ghana submission responds to the request of Paragraph 6 of the SBSTA decision on the work programme under the framework for NMA.

**a) The elements of a draft decision on the schedule for implementing the activities of the work programme under the framework for non-market approaches (NMAs) referred to in Article 6, paragraph 8, of the Paris Agreement**

The government of Ghana welcomes the progress made on the work programme of activities under decision 4/CMA.3, annex. V. The LoCAL Mechanism implementing countries shared their view that the LoCAL Mechanism should be considered as an existing relevant NMA in the submission made to the UNFCCC in March 2022. As the LoCAL Mechanism responds to the mandates of decision 4/CMA 3 as an NMA that assists Parties in their implementation efforts of nationally determined contributions (NDCs) in the context of sustainable development and poverty eradication. In the UNFCCC synthesis report, the LoCAL Mechanism is also identified as an initiative, programme, and project for facilitating NMAs that support the implementation of NDCs to allow higher adaptation and mitigation ambition as per decision 4/ CMA 3 annex V, paragraph 8 (iii).

Before the Paris Agreement was adopted, the LoCAL Mechanism was already working with local governments to reduce vulnerability and enhance local communities' resilience by establishing a country-based system to channel climate finance to local government authorities for adaptation efforts. Following the Paris Agreement's recognition of the importance of adaptation efforts by countries, and the role of various levels of government interventions in government, including at the local and national level, for enhancing resilience, the LoCAL

Mechanism has continued supporting the implementation of the Paris Agreement. It offers an innovative approach for responding to climate change impacts and mobilizing resources for adaptation. Therefore, the schedule for implementation of the work programme for NMA could emphasise scaling up the implementation of a Mechanism such as LoCAL.

The government of Ghana is of the view that the period of the schedule for activities first cycle should be 2022–2023. The identification of NMA this year should lead to the piloting of existing and relevant mechanisms as LoCAL for enhancing the implementation of NDC and NAPs in 2023. The LoCAL Mechanism has reached more than 322 local governments, representing over 12.5 million people in 17 countries: Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, The Gambia, Ghana, Lao PDR, Lesotho, Malawi, Mali, Mozambique, Nepal, Niger, Uganda, Tanzania, and Tuvalu, since it was established in 2011. The government of Ghana is deploying its LoCAL country-based mechanism since 2016. Furthermore, the Parties to the UNFCCC have a role in the design and implementation of LoCAL as the Mechanism is overseen by the LoCAL Board, which comprises representatives of UNFCCC Parties and development partners. Most importantly, the LoCAL Board is co-chaired by the Chair of the LDCs group of the UNFCCC and the Chair of the Least Developed Countries Group of the United Nations. UNFCCC and UNFCCC financial mechanisms are observers to the LoCAL Board.

**b) The specifications for the UNFCCC web-based platform referred to in paragraph8(b)(i) of the annex to decision 4/CMA.3**

The government of Ghana welcomes a web-based platform to enhance the engagement of UNFCCC Parties with the relevant stakeholders, including civil society, the private sector, and intergovernmental organizations, to support the implementation of NMAs. The web-based platform should record information and implementation of NMAs and share best practices and experiences for implementing climate action. The platform should also support the scale-up of successful NMAs; the LoCAL Mechanism as a multi-country and multi-partner Mechanism that supports the local and sub-national dimensions of adaptation implementation is presented as an NMA for inclusion in the web-based platform.

The web-based platform could share information for mapping opportunities to support NMAs and the implementation of ambitious NDCs contributing to the achievement of the long-term temperature goal of the Paris Agreement. For example, the LoCAL Mechanism is an innovative financing tool recognized by the LDC Expert Group, Standing Committee of Finance (SCF) and Adaptation Committee as an instrument that supports the implementation of NDCs by government and sub-national governments.

The LoCAL Mechanism combines performance-based climate resilience grants (PBCRGs) that ensure programming and verification of climate change expenditures at the local level while offering strong incentives for performance improvements in enhanced resilience with technical and capacity-building support and monitoring and quality assurance across. PBCRGs constitute an innovative system to channel climate finance and incentivise continuous improvement in responses to climate change at the subnational and local levels. PBCRG

provide a financial top-up to cover the additional costs of climate resilient investments and are channelled through existing government fiscal transfer systems (rather than parallel or ad hoc structures) while ensuring traceability and additionality.

The technical features for PBCRG include a set of minimum access conditions, performance measures and a menu of eligible investments aligned with the NDCs and NAPs. PBCRGs are set according to an allocation formula agreed upon with each country. The PBCRGs are large enough to provide an incentive, cover the additional costs of adaptation, and impact investments and service delivery across sectors critical to enhanced climate resilience.

**c) Actions that facilitate the implementation of nationally determined contributions and can be identified, developed and implemented through the framework for NMAs**

*LoCAL Mechanism - Promoting mitigation and adaptation ambition under NDCs*

The LoCAL Mechanism promotes enhanced adaptation ambition and adaptation-mitigation co-benefits and contributes to implementing NDCs and NAPs. The LoCAL Mechanism responds to the Glasgow Climate Pact of COP26 and the local, subnational, national, and regional dimensions of the impacts of climate change.

The goal of LoCAL Ghana is to promote climate change–resilient communities and local economies by increasing investments in climate change adaptation at the local level thereby contributing to the achievement of the Paris Agreement. The mechanism is aligned to the goal of the recently revised Ghana’s NDCs, of building a resilient society that can adequately withstand the impacts of climate change as well as collaborating with the national partner, in aligning to the NAP process at the local level.

The LoCAL Mechanism supports a whole society approach in the design of LoCAL country-led initiatives to support Parties’ NDCs through:

- **Information & Data:** information on climate change risks, vulnerabilities and assessments gaps in terms of knowledge, systems or guidance, especially at the local level and in participating local authorities;
- **Policies and Strategies & Institutional Arrangement:** climate-related policies and strategies, particularly relating to adaptation, mainstreaming and local authorities; institutional set-up, roles and mandates of central ministries (e.g. finance, planning), line ministries (e.g. agriculture, natural resource management, water and public works, health and education) and climate-related institutions in the context of decentralization, local development and climate change; local government legal framework, guidelines, and manuals; monitoring and evaluation, audit and reporting systems; and ongoing and planned climate change adaptation and decentralization/local governance programmes or initiatives by governments and development partners;
- **Budgeting & Financing Plans for Adaptation:** national development strategies and priorities, planning and budgeting guidelines and how they relate to climate change adaptation and local authorities; decentralization strategies and status, and level of

integration of climate change adaptation in decentralized authorities' public expenditure management systems; and existence and effectiveness of intergovernmental fiscal transfer systems and performance-based grant systems.

- **Technical and Capacity Needs:** technical and management capacities and needs of local authorities and ministries responsible for climate change, finance, planning and local government.

#### **d) NMAs related to initiatives, programmes and activities**

The LoCAL Mechanism enables Parties to implement their NDCs through local climate action and implementation by increasing local investments and related capacity building and technical support in countries, thereby building resilient communities and local economies and contributing to the achievement of the Paris Agreement and related Sustainable Development Goals and their targets. The LoCAL Mechanism mainly contributes to Poverty Eradication (SDG 1): Zero Hunger (SDG 2): Clean Water and Sanitation (SDG 6) Sustainable cities and communities (SDG 11), and Climate Action (SDG 13).

Ghana transitioned from the LoCAL pilot (Phase I) with the intervention being implemented in 3 local government authorities (LGAs) As into Phase II from November 2019 with the support from the European Union Trust Fund for Africa (EUTF) in 2019. In Phase II the mechanism in Ghana has channelled climate finance through the PBCRG system to additional 10 Metropolitan, Municipal and District Assemblies (MMDAs), being local government authorities (LGAs), across the country making a total of 13 MMDAs receiving support under LoCAL.

Since its implementation, the climate resilient investments that have been undertaken till 2021 under the oversight of MMDAs, have had a direct impact to approximately 76,000 of the population at the local government level through the implementation of 34, both hard and soft, interventions.

The LoCAL mechanism in Ghana supports the achievement of various Sustainable Development Goals (SDGs) with concrete actions at the local level. The LoCAL Mechanism particularly contributes to:

- **Poverty Eradication (SDG 1):** the LoCAL Mechanism in Ghana has contributed to improving the livelihoods for households and individuals by promoting green and resilient communities and local economies.
- **Zero Hunger (SDGs 2):** through LoCAL, Ghana invests in climate resilient agriculture, contributing towards achieving food and nutrition security. An estimated 3% of the investments financed under LoCAL in Ghana relate to the agriculture sector, with more related to water and transport.
- **Clean Water and Sanitation (SDG 6):** LoCAL countries invest in clean drinking water and sanitation, including climate proofing of water supply system. An estimated 20% of the investments financed under LoCAL relate to the water sector.
- **Sustainable cities and communities (SDG 11):** LoCAL countries invest in climate adaptative infrastructure which are resilient to climate change and/or contribute to

climate change adaptation. An estimated 95% of the investments financed under LoCAL in Ghana relate to construction, transport, storage, and other social and infrastructure services.

- **Climate Action (SDG 13):** The main SDG that the LoCAL Mechanism contributes to is SDG 13. The LoCAL Mechanism has promoted the following in Ghana:
  - increased awareness and capacities to respond to climate change at local level;
  - integration of climate change adaptation into local governments planning and budgeting in a participatory and gender-sensitive manner; and
  - increased financing available to local governments for climate change adaptation investments.

The LoCAL Mechanism is implemented by deploying an instrument for the programming and verification of climate change expenditure at the local level and using the demonstration of its effect to trigger other flows for local adaptation, including national fiscal transfers and access to global climate finance for local governments (through their national governments) and local public-private adaptation initiatives.

**e) How NMA initiatives and programmes, consistent with the framework for NMAs, have addressed the elements of chapter II, paragraph 3(e), of the annex to decision 4/CMA.3 and other relevant criteria determined by the participating Parties as relevant**

The LoCAL Mechanism is implemented in 322 local governments, representing over 12.5 million people in 17 countries: Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, The Gambia, Ghana, Lao PDR, Lesotho, Malawi, Mali, Mozambique, Nepal, Niger, Uganda, Tanzania, and Tuvalu. Between 2014 and 2021, it mobilized approximately \$125 million in grants, capacity building and operational support at the national and sub-national levels. During the same period, almost 2,000 climate change adaptation interventions were financed, benefiting directly some 3.8 million people. Another 15 countries have officially expressed interest in joining LoCAL and are preparing their country-based mechanisms (Côte d'Ivoire, Equatorial Guinea, Fiji, Guinea, Guinea Bissau, Jamaica, Liberia, Sao Tome and Principe, Senegal, the Solomon Islands, Somalia, Sudan, Tunisia, Vanuatu, and Zambia), bringing the total number of LoCAL countries to 32, of which 25 are LDCs, 7 are SIDS and 22 in Africa, with a potential scale-up reach over half a billion people, as countries go to scale.



**f) How NMA initiatives and programmes, consistent with the framework for NMAs, have addressed the elements of chapter II, paragraph 3(e), of the annex to decision 4/CMA.3 and other relevant criteria determined by the participating Parties as relevant**

The LoCAL Mechanism, by design, is a gender-sensitive and inclusive Mechanism for climate change adaptation, as it brings the planning and budgeting process for climate change adaptation closer to the communities – especially those disproportionately affected by climate change effects such as women and youth. It also promotes the participation of local communities in implementing the Mechanism from planning, implementation of the interventions, and monitoring.

LoCAL Ghana is committed to include gender mainstreaming as an important component of its implementation in Ghana hence, addresses gender issues in climate change.