



# Country Brief

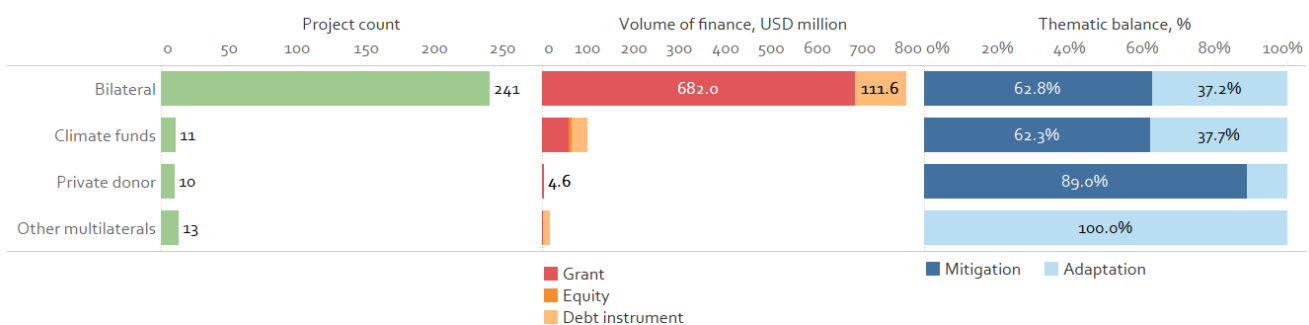
## GHANA

To analyse the climate finance landscape in Ghana, the evaluation team looked at the climate-related development finance data from the Organisation for Economic Co-operation and Development (OECD). The team considered activities with principal and significant contributions to climate objectives (calculated using the OECD's DAC Rio markers for climate) from 2015-2019.<sup>1,2</sup>

Against this backdrop, the main actors in climate financing are the bilateral partners: they finance 241 out of 275 projects. They are followed by multilateral partners with 13 projects, climate funds with 11 projects and private donors with 10 projects (Figure 1).<sup>3</sup> Climate funds and bilateral partners support the largest projects by average

project size, with an average of USD 1.8 million per project; private donors support smaller projects, with an average size of USD 0.4 million. From the financial instrument use perspective, climate finance is channeled to Ghana through grants, debt instruments and equity, with a general preference for grants among climate funds and bilateral partners. Looking at the financial balance between adaptation and mitigation, there is a gap, with more than half the finance focused on mitigation. This is especially true for private donors; 89 per cent of private donors' finance is channeled towards mitigation. In contrast, other multilateral partners are heavily concentrated on financing adaptation activities.

Figure 1. Portfolio of climate finance in Ghana



Source: OECD climate-related development finance (2015-2019), GCFTableau server data (2019).

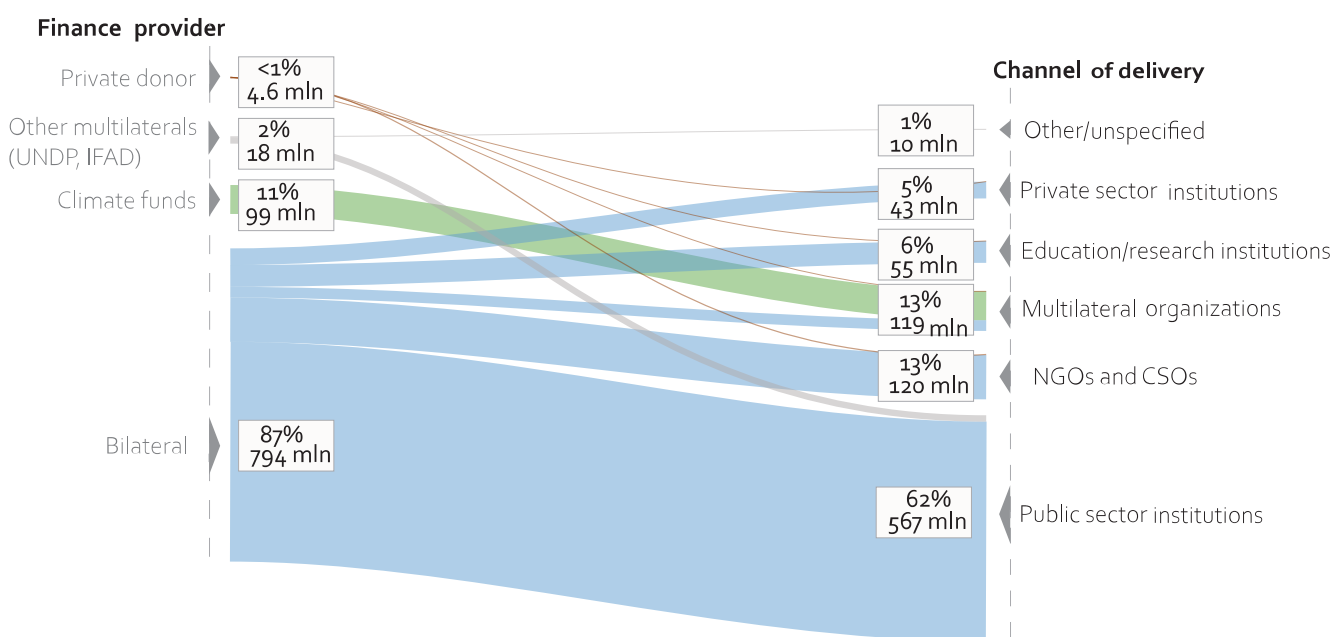
Note: At the time of climate finance landscape analysis, the most recent available update for OECD climate-related development finance data was for the year of 2019. Due to such availability, data cut-off date in the external finance section of the brief is 2019. Analysis of GCF finance has cut-off date of July 1st, 2021.

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From the programmatic perspective, the channel of climate finance delivery plays a crucial role in catalysing and mobilizing the private sector in countries. According to the newest available data on climate-related development finance (as reported to the OECD in 2019), the private sector is currently underused as a channel of climate finance delivery in Ghana. Less than 5 per cent

of climate finance is channeled through private sector institutions. This is a very small amount, and these institutions are mainly used as a channel by bilateral partners. Nearly all overall climate finance in Ghana is supported by bilateral partners (87 per cent), with most then delivered through public sector institutions (62 per cent) (Figure 2).

Figure 2. *Delivery channels of climate finance to Ghana*



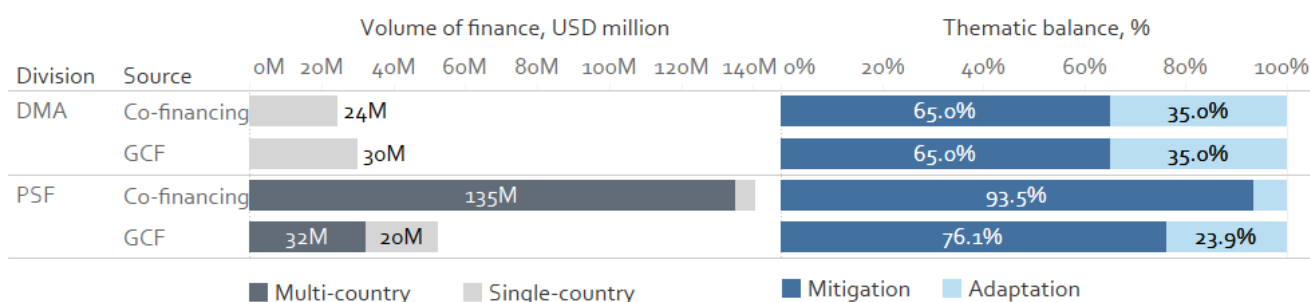
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Ghana is among the 21 countries that are not least developed countries but that are eligible to receive GCF financing in Africa. As of July 2021, USD 82 million of GCF financing and USD 165 million in co-financing have been approved for Ghana, which brings the co-finance ratio in Ghana to 2. The GCF channels all its finance through five projects: three multi-country projects (FP168, FP128 and FP078) and two single-country projects (FP128 and FP114). As previously observed at the macro level across other climate finance sources, the imbalance between mitigation (72 per cent)

and adaptation (28 per cent) persists in Ghana. In fact, this is especially true among Private Sector Facility (PSF) projects, with 76 per cent of PSF finance focused on mitigation. Division of Mitigation and Adaptation projects channel 65 per cent of their finance to mitigation as well. On a country-level thematic balance in the GCF portfolio is skewed; of the USD 82 million in Ghana (as of 1 July 2021), the Fund is channeling 61.7 per cent to mitigation and 38.3 per cent to adaptation (Figure 3).

Figure 3. Volume of finance and thematic balance across GCF divisions, Ghana



Source: GCFTableau server data (2021).

Note: Left – volume of finance across divisions, right – thematic balance across divisions. For multi-country projects, country allocations were based on shares indicated in the GCFTableau server.

Beyond the imbalance between mitigation and adaptation, there is a strong focus on the mitigation result areas of energy generation and access (receiving USD 32.2 million) under the PSF and forests and land use (USD 19.6million) under the Division of Mitigation and Adaptation. The adaptation theme receives only 28 per cent of the total GCF finance, which is sparsely distributed

among the theme’s result areas (Figure 4). In efforts to build the country’s capacity to be project ready, the GCF is thus providing readiness support through four programmes. In the GCF pipeline, there are five funding proposals, seven concept notes and two Readiness and Preparatory Support Programme proposals.

Figure 4. Finance by result area in USD million, Ghana

Mitigation	DMA	PSF	Adaptation	DMA	PSF
	Buildings, cities, industries, and appliances	0.0		0.0	Ecosystems and ecosystems services
Energy generation and access	0.0	32.2	Health, food and water security	0.0	5.3
Forests and land use	19.6	7.6	Infrastructure and built environment	0.0	0.0
Transport	0.0	0.0	Livelihoods of people and communities	0.0	5.3

Source: GCFTableau server data (2021).

Note: For multi-country projects, country allocations were based on shares indicated in the GCFTableau server.

## Endnotes

- 1 For details, see [https://www.oecd.org/dac/environment-development/Revised%2oclimate%2o%20marker%2ohandbook\\_FINAL.pdf](https://www.oecd.org/dac/environment-development/Revised%2oclimate%2o%20marker%2ohandbook_FINAL.pdf)
- 2 GCF's project approval began in 2015.
- 3 Terms such as "private donor" and "private sector institution" are used to maintain consistency with the standardized classifications provided by the OECD and used in its climate-related development finance data. The data is available at <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm>

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