

2019 Budget Statement: Big Footprint, But No Investment for Environmental Sustainability

This paper reviews the 2019 Budget and Economic Policy statement presented by the Finance Minister, Mr. Ken Ofori Attah (Hon), to assess government's commitment to ensuring environmental sustainability targets of Ghana. It also presents the position of the Green Livelihood Alliance made up of A Rocha Ghana, Tropenbos Ghana and Friends of the Earth; looking at the extent to which the 2019 budget depends on environmental resources and assets for realization of set targets and further assesses the extent to which priority development areas will impact on environmental services and assets. Additionally, this paper reviews the extent to which the budget identifies and makes state driven investments towards climate change mitigation, adaptation and sustainable forest management; all of which are crucial for building community resilience against the impacts of climate change and providing safety-nets for the largely agrarian economy of Ghanaians.

2019 Budget Overview on Forest and Environment

The environment is mentioned just 6% of the time, not including mentions in the Appendix. Related references are only to the Environmental Protection Agency as an Institution with some focus on environmental standards particularly on air pollution monitoring, oil and gas sector and the mining sector. Climate change is mentioned less than 1%, basically focusing on existing initiatives under the Sustainable Land and Water Management Project (SLWMP), and the projects supported by the Adaptation Fund implemented by the United Nations Development Fund (UNDP). Afforestation is mentioned just three times in the main document, with relevant references to Youth in Afforestation and Urban afforestation. There is no mention of reforestation in the 302 paged document. Broadly speaking, interventions and investments focused on environmental protection and security issues such as: restoration; green value enhancing; supply of public goods like climate mitigation, watershed management and biodiversity conservation are very limited. For a government that has said a lot in respect of environmental protection and security, it is surprising that there is negligible state direct investment through budgetary allocation for natural resource assets enhancement and conservation considering the fact that, Ghana's economy depends greatly on environmental goods and services as the engine.

Environmental Sustainability Visioning within the Development Agenda

From the review, the government has adequately articulated a medium-term vision which recognizes a critical dependence on human and natural resources as fundamental to our development agenda. The vision is underpinned by four main development goals which are:

- Creating opportunities for all Ghanaians;
- Safeguarding the natural environment and ensuring a resilient, built environment;
- Maintaining a stable, united and safe society;
- Building a prosperous society.



Clearly, safeguarding the natural environment is a key element to achieving sustainable development as a country; and this the government has adequately acknowledged and articulated in all national development frameworks. The following sections, will however analyze to see if

indeed government is showing commitment to the environment or just using the rhetoric and narratives on environmental sustainability.

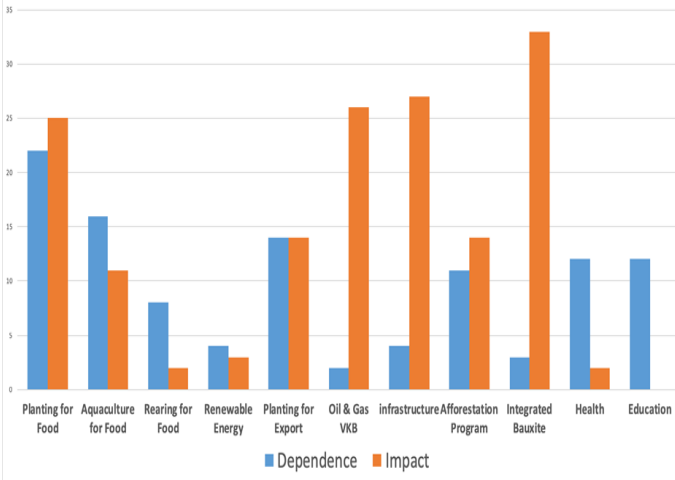
Development Prioritization Agenda for 2019

We identified eleven (11) key priority areas as set by government for development "Beyond Aid" in the 2019 Budget.

- 1) Planting for Food and Jobs
- 2) Aquaculture for Food and Jobs
- 3) Rearing for Food and Jobs
- 4) Renewable Energy
- 5) Planting for Export and Rural Development
- 6) Oil and Gas Exploration in the Volta and Keta Basin
- 7) Infrastructure, Roads and Railways

- 8) Integrated Bauxite Development
- 9) National Afforestation Programme
- 10) Health
- 11) Education

Dependence and Impact of Development Priorities on the Environment



On impacts of development interventions, planting for food, planting for export, infrastructure development, integrated bauxite and Oil & Gas in the Volta and Keta Basin will leave huge environmental foot prints and will therefore require deliberate and targeted environmental sustainability measures in the execution of these interventions. Undertaking Environmental Impact Assessments (EIAs) and holding public discussions will not be a sufficient measure. A clear and elaborate inclusive discussion on the trade-offs need to be undertaken and where necessary, strategies revised to ensure Ghana gets value for money while at the same time ensuring the sustainable management of resources not only for today but also tomorrow. Correctly checking a legality requirement does not necessarily mean it is responsible and sustainable. As such, all development interventions should be subjected to appropriate environmental safeguards and standards. The focus on job provision is no doubt critical to our developing economy, but that should not lead to short-term revenue focus developments, without recourse to the pursuit of inclusive, sustainable and intergenerational focused development agenda.

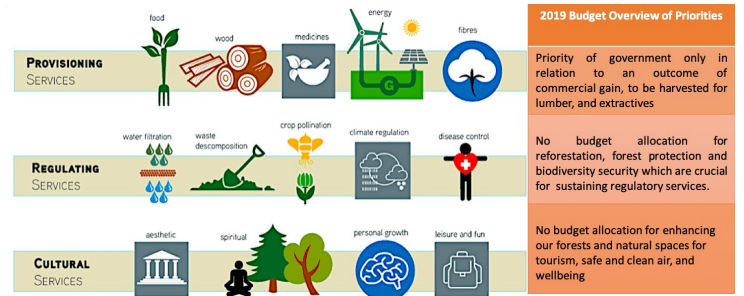
Environmental Goods and Services to Prioritize in Support of Development Agenda

The successful achievement of the government's policy statements and interventions will require deliberate attention to securing and enhancing the quality supply of water, ensuring productive and biologically diverse ecosystems, and paying attention to the security of genetic diversity. Erosion prevention and maintenance of soil fertility, pollination, and biological control is particularly crucial for achieving targets associated with planting for food, planting for export and rural development, aquaculture for food, all of which are critical avenues for generating jobs and incomes. Securing these services require attention to reducing the loss of forests, protecting watershed and increasing protection, and compliance with existing laws and regulations on the environment. Afforestation targets for 2018 were slightly over 50% met. Roughly 3,500ha planted so far is short of the 6000ha target for this year. Section 552 of the budget statement talks about government's effort to enhance our forests estates which was focused on plantation development, however, allocation in the budget to address protection and security of existing forests reserves is negligible. It is instructive to observe that **Plantations are not forests. The only purpose for plantations is an outcome of commercial gain, to be harvested for lumber.** Plantations development plans should come second to putting in place the necessary measures to ensure that existing forest estates receive sufficient protection from the increasing surge of illegal activities like mining, illegal poaching and farm encroachment.

Government backed mining activities in existing forests should be seriously discouraged. These measures are crucial to position Ghana on a pathway of reducing emissions from deforestation and forest degradation and other obligations under the Paris Climate Accord and the Convention on Biological Diversity.

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Budgetary Priorities for the Protection and Security of Environmental Goods and Services



Planting for food and planting for export will be supported by enhanced investment in agro-inputs and supplies, but the gains will be short lived if we do not pay attention to diversifying our farming technologies to practices that promote water and soil fertility conservation. The achievement of social development outcomes such as health and health services; food and nutrition security; population management and migration for development; poverty and inequality; water and environmental sanitation; child protection and family welfare; support for the aged; gender equality, empowerment of women and girls; youth development; social protection; disability and development; and employment and decent work, all require significant safeguards measures linked to a safe and healthy environment. There is also the need to address inequalities associated with gender access and use of natural resources services and goods. Of particular importance is the need to address inequalities in benefit sharing, tenure and informed consent associated with the development and exploitation of environmental goods and services.

Water as the Most Important Environmental Good to Prioritize

Based on the analysis, the most important environmental service and good to prioritize as we target development beyond aid is water. Water and related variables is key for Ghana's agriculture and irrigation development planning. Water is crucial for health delivery and critical for sanitation both in quality and quantity terms. Government interventions that compromise the water provisioning services of our forests and river basins should be critically examined. Trade-off analysis and planning for sustainability should eventually be the deciding factor.

Commitments to Achieving SDGs

The budget statement's focus on achieving sustainability is specific to the energy sector (Fuels consumption taxes, technology shift within the energy supply sector and waste management). In as much as these ambitions are good, critical SDGs indicators in relation to supporting the production base of Ghana's economy are not prioritized. Actions on forest protection, water and river ecosystem protection are mostly not prioritized. **We need to appreciate the linkages between SDG 5, 13 and 15, the indicators of which are interconnected and dependent on the other.** Sustaining the variables of SDG 15, are crucial for attaining SDG 6 and SDG 13 (on water provisioning and climate amelioration respectively). In Ghana, most water supply systems flow from forested habitats or have headwaters coming from forested ecosystems. **In as much as the government acknowledges the environment as a source of products for value addition and wealth generation, development planning fails to appropriately assess and integrate an analysis of dependencies, impacts an trade-offs associated with competing claims. The SDGs Budget Baseline Report as well as the 2019 Budget statement are crucially missing this dependence and trade-off analysis.**

Climate Change Interventions and Financing

The review has identified a serious gap in verbal commitments to addressing climate change and government direct investments to support adaptation and mitigation actions. **What is missing is deliberate and conscious financing, implementation and monitoring of climate and environmental sustainability actions captured in medium-term development plans. It is obvious the national budget needs to show by example how this is done.**

In conclusion, the government has identified environmental sustainability as a fundamental focal area for achieving development beyond aid. However, the 2019 budget fails to demonstrate and integrate the dependencies and trade-offs in its investment planning, which means a huge deficit exist in securing environmental services and goods. The current focus on an extractive development agenda to spearhead our development paradigm of "Ghana Beyond Aid", without a commensurate investment in planning and financing for environmental restoration and sustainability will leave huge environmental footprints for which our GDP cannot support and remedy. Moving forward, there is the need for government to ensure inclusiveness in the planning process and the critical attention to in-depth trade-off analysis and integrated landscape approaches.