

TRAINING OF SELECTED MDAs ON CLIMATE FINANCE TRACKING TOOL

Background

The Green Climate Fund (GCF) Readiness Programme, a joint partnership between UNDP, UNEP, and World Resource Institute (WRI), is a global programme to support countries for enhanced access to international climate finance. The Programme in Ghana aims to support the government in strengthening their national capacities to effectively and efficiently plan for, access, manage, deploy and monitor climate financing in particular through the GCF. The Programme will target two important aspects of the GCF approach, 1) access to funds and 2) private sector engagement, both of which will require significant preparatory work in many countries before GCF financing will be possible at scale. The GCF Readiness Programme will focus on a range of preparatory activities to a) build and strengthen the institutional capacity of national entities in Ghana, with a focus on enabling direct access; and to b) help Ghana prepare climate change mitigation and adaptation investment strategies, programmes and projects, including through the active involvement of the private sector.

The Natural Resources, Environment and Climate Change (NREC) Unit under Real Sector Division of the Ministry of Finance (in collaboration with the Overseas Development Institute (ODI) and the Institute of Statistical, Social and Economic Research (ISSER)) carried out a Climate Change Finance Study (or Climate Public Expenditure and Institutional Review) for Ghana in 2015. The study presented a comprehensive overview of public climate finance landscape in Ghana. The findings from the study highlighted a strong need to develop a national tracking tool for climate finance. This tool then can be used to capture the budget and expenditure related to climate change in Ministries, Departments, and Agencies (MDAs) as well as at Metropolitan, Municipal, District Assemblies (MMDAs) level.

It is with this background that the Green Climate Fund (GCF) Readiness Programme has been supporting the development of the Climate Change finance tracking tools for Ghana. The Consultants (Overseas Development Institute (ODI) and the Institute of Statistical, Social and Economic Research (ISSER)) with support from the technical oversight committee (TOC), set up by the NREC for this study, submitted the final set of tools after a validation meeting with the (TOC) in May 2016. The only outstanding component was to organise training on the tools for selected Ministries, Departments and Agencies (MDAs). These MDAs were primarily those that were identified in Ghana's National Climate Change Policy as key in achieving the policy objectives.

Objectives

The training exercise on the developed tools had the overall objective of building the capacity of key personnel of the selected MDAs whose activities are linked to Climate Change. In achieving this the following specific objectives were foreseen:

- Provide clear direction on the utilization of the tool;
- Identify key potential challenges with the use of the tool;
- Establish a climate finance monitoring mechanism; and
- Identify key implementation roles and responsibilities.

Summary of Training and Key Outcomes

DAY 1

Training started with introduction of all those present and was followed by brief opening remarks from Professor Felix Asante (ISSER), Robert Mensah (NREC) and Ayirebi Frimpong (GCF Readiness - PMU). The trainers for the two days were Simon Bawakyillenuo (ISSER) and Neil Bird (ODI).

Simon started with a session on the background to the training and study; highlighting what Climate Change is and the link with climate finance and its tracking. This was followed by a discussion, which led into the next session led by Neil Bird. This session focused on Tool 2 (of the set of tracking tools) and took participants through the Climate Change Budget Code fact sheet. After this participants were divided into groups and taken through an exercise with the Policy Objective budget codes – using the 2015 budget estimates. This was followed by a discussion on feedbacks from the exercise.

After lunch participants were taken through Tool 1, which is the Climate Change Actions Manual. This session allowed the various MDAs to provide inputs on the lead agencies, keywords and climate change actions to be used in the tool. The day ended with a session on Tool 3 which looked at the description of the international funded Climate Change projects in Ghana based on the EPA/MESTI Climate Finance Data Hub. This drew attention to the issue of off-budget expenditure at the various MDAs.

DAY 2

The second day began with a re-cap on the three tracking tools; and this allowed participants from each MDA to give feedback on the tool and the existing processes of budgeting and coding of activities. Neil Bird then took participants through a session on the leadership role of key MDAs as indicated in the NCCP. There was a look at the huge gap between the projected or estimated budget for Climate Change activities in achieving the objectives of the policy and the role of MDAs in looking at how to acquire the resources needed to meet the NCCP priority actions.

The training exercise ended with a discussion on how to establish a climate finance monitoring system to aid effective tracking with tool. It was agreed that any monitoring system would be anchored on how well roles of MDAs and the Ministry of Finance and its units are defined and effected.

Roles and responsibilities

The following roles were identified to be key in the effective utilization of the tool:

At the level of the MDAs the two clear roles were:

- i. The correct application of the 30 policy objective budget codes; and
- ii. Need to provide information to the NREC unit on any off-budget activity.

At the level of the NREC unit the key roles were:

- i. Need to develop a template to be used in requesting for information on both on and off-budget activities from MDAs – in relation to the 30 policy objective budget codes
- ii. Need to provide a short paragraph to be included in the budget guidelines which is submitted to the MDAs to guide them in climate change activities
- iii. Need to collaborate through (quarterly) meetings with MESTI/EPA on gaining information related to international funded projects

Within the Ministry of Finance, four key division were identified as having key roles in tracking of climate finance these were: Real Sector Division/NREC Unit, External Resource Mobilization Division, Debt Management Division and the Budget Division. These divisions would need to develop a mechanism for internal collaboration to enable easy monitoring of climate finance. The units will work with the Controller and Accountant General's Department on gathering relevant information on the Ghana Integrated Financial Management Information System.

Way forward

The support from the GCF Readiness Programme in the development of the tracking tool and training of key MDAs is seen as a huge step and follow up to the initial study on climate finance in Ghana. There is still work to be done to institutionalize the process of tracking climate finance and in doing so the following actions were identified to be key:

1. Need for further training on Metropolitan, Municipal and District Assemblies on the use of the tools;
2. Need to strengthen existing policy and related codes; and
3. Providing further support for future work in this regard.

In conclusion, the training exercise was seen by participants as very relevant and an eye-opener and they expressed their appreciation for being part of such an exercise. A total of 26 people from 20 MDAs were trained on the tools.