

**Transformative  
Land Investment**



# Assessing the Enabling Environment for Transformative Land Investment in Ghana

Enabling Environment Appraisal Series Edition: 2023 (draft version)



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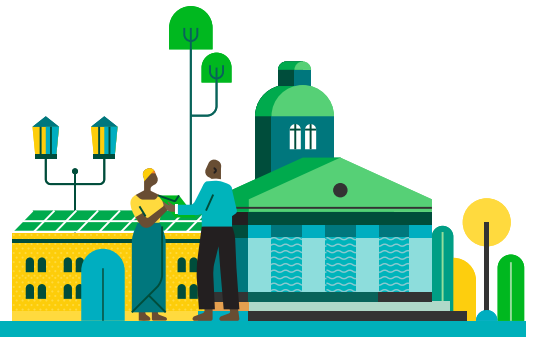


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# Conditions to prevent and address irresponsible investment practices



## 1. Statutory and Customary Land and Resource Rights

Ghanaian law is characterized by legal pluralism, grounded in the 1992 Constitution and subsequent legislation, written and unwritten legal precedent, and common law to include both English common law and customary law.<sup>1</sup>

The Constitution of Ghana recognizes the rights of all citizens to own property (Article 20) under the rules governing each land tenure system. Foreign nationals are not permitted to own land outright, but may acquire leasehold which must not exceed 50 years.

The law recognizes both customary and statutory tenure systems. Public lands are managed in accordance with State laws and Acts, while customary lands are administered accordingly through customary laws and traditions, with the 1992 Constitution (Article 36) reaffirming the fiduciary duty of chiefs and traditional authorities over customary lands under their control.

More than 80% of lands in Ghana remain under customary control while just 20% are managed by the state (18% obtained through compulsory acquisition for the public good, and 2% vested in the state as trustees on behalf the customary owners). Customary land therefore comprises the primary land market for land-based investments.

There are three major land tenure systems which have bearing on the land acquisition and administrative procedures, as well as ongoing host

community relations: (1) Customary lands (stool/skin and family/clan lands), (2) Public (state) lands, and (3) Vested lands.

Under each of these tenure systems, there are different tenure arrangements. The 2020 Land Act establishes six types of interests in land: (1) allodial title; (2) customary freehold; (3) common law freehold; (4) usufructuary interest; (5) leasehold interest; and (6) customary tenancies. Tenure typologies within these categories vary across geographies and traditional areas, and in many instances, are nested or overlapping on the same parcels of land.

“Individual lands” are those which are privately owned by individuals, corporations, or institutions under one of the above tenure arrangements recognized by the 2020 Land Law (excluding customary tenancies).

Due to the complexity of tenure systems and legal pluralism in Ghana, disputes over land administration are common. Investors must exercise due diligence and risk management by consulting with the allodial, customary freehold and usufruct interests for all land transactions, as well as the land administration units responsible. This section outlines the (1) tenure arrangements under each tenure system; (2) statutory and customary laws governing these tenure arrangements; and (3) administrative and institutional framework.

### (1) CUSTOMARY LANDS

Customary lands include collectively owned community lands or family/clan lands managed under a diversity of tenure arrangements.<sup>2</sup> Control

1. The 1992 Constitution (Article 11) maintains legal pluralism: The laws of Ghana shall include The Constitution, Enactments made by or under the authority of the Parliament established by the Constitution [or legislation]; any Orders, Rules and Regulations made by any person or authority under a power conferred by this Constitution [or subsidiary or subordinate legislation]; the existing law or the written and unwritten laws of Ghana that existed immediately before the coming into force of the 1992 Constitution; and the common law [or the English common law, English doctrines of equity, and the rules of customary law].

2. Customary law is not codified. Under Sections 42 and 43 of the Ghana Chieftaincy Act, 1971 (Act 370), as amended by Chieftaincy (Amendment) Decree, 1973 (NRCD 166), Chieftaincy (Amendment) (No. 2) Decree, 1973 (NRCD 226), Chieftaincy (Amendment) Law, 1982 (PNDCL25) and Chieftaincy (Amendment) Law, 1993 (PNDCL 307), the National House of Chiefs and/or a Regional House of Chiefs, can draft their declaration of customary law for approval and publication as a legislative instrument by the President after consultation with the Chief Justice. Since 2006, the National House of Chiefs in partnership with the Ghana Law Reform Commission has commenced a project for the Ascertainment and Codification of Customary Law, especially in the areas of land ownership and family life. The project is still in progress.

and administration over these lands is vested in designated customary leaders under the principle of trusteeship.

**Stool lands and Skin lands.** Traditional authorities are symbolized as stools in Central and Southern Ghana, or skins in Northern Ghana (and Upper East, Upper West), which hold ancestral stool and skin lands in trust for their people. Chiefs, principal elders, and/or spiritual leaders (tendana) are designated as the custodians of these communal lands with the constitutionally guaranteed authority to administer land transactions on behalf of their subjects. Leaders and their representatives are established according to the customs of each traditional area.

**Family and Clan lands.** Family and Clan lands are owned by family or clan heads, together with their principal family members with longstanding lineage claims to the areas through conquest, settlement, or outright purchase. This type of customary tenure system is practiced by certain ethnolinguistic groups (for example, the Ewe) in the south and east of the country.

**Tenure arrangements** under customary systems may include allodial title, customary freehold, customary tenancy, or leasehold. This section explains how these tenure arrangements are defined under customary tenure systems in Ghana, how interests are acquired, rights they confer, and how they are transferred (alienability and transfer of interests).

**Allodial title** refers to *absolute ownership or original heritage* without any other obligations or encumbrances. Under stool and skin lands, allodial title is vested collectively in the community bounded by the traditional area and is administered by the Traditional Leaders. In the case of family or clan lands, the allodial title is vested in the families, clans, or sometimes, in individuals, and administered by their heads. Allodial land is held intergenerationally on behalf of the *living, the dead, and those yet unborn*. These rights are not transferable; any transactions on allodial land transfer only derivative land interests (customary freehold, leasehold, or customary tenancy). In practice, for any land interest, must do due diligence

and identify the allodial title holder. Customs of the land area may require that derivative interests continue to observe customary services or obligations (offerings, payments) to the Traditional Leaders.

**Customary law freehold** derives from allodial title.<sup>3</sup> Section 3 of the 2020 Land Act defines customary law freehold simply as those interests arising from transactions conducted under customary law (customary sales transaction, customary gift, or customary will), and is not exclusive to members of the stool or skin, clan or lineage group. The 1992 Constitution and successive legislation, however, prohibit non-citizens from acquiring freehold interests.<sup>4</sup> Customary freeholders have exclusive access and control over their land and cannot, in principle, be alienated from the land by the allodial interest without their informed consent (ibid). Customary freehold is held in perpetuity (or as long as the superior title of the stool is acknowledged) and may be transferred through inheritance or succession. While the 2020 Land Act states that the land is alienable without the consent of or payment to the stool or skin, or clan or family, it stipulates that this is subject to the customs and distinct cultural rights of the stool or skin, or clan or family. In certain traditional areas, a land investor may be expected to observe customary services at the time of acquisition or on a regular calendar basis.

**Usufruct interests** are further distinguished from customary freehold as a point of legal clarification in the 2020 Land Act (Section 5(1)), which were hitherto used interchangeably in common parlance and by the Ghanaian courts.<sup>5</sup> Usufructuary interests are reinforced in the 2020 Land Act (Section 5) as inherent rights accessible to members or subjects of the stool or skin, clan or family, acquired through possession and development of an unappropriated piece of land, habitual cultivation or settlement for a period of not less than fifty years. In practice, this means descendants to the allodial landowners may exercise their usufructuary rights according to the custom of the traditional area. Under certain circumstances (Section 5), non-indigens may acquire usufruct rights having settled for a period of not less than fifty years, with written permission of the allodial title holder and the performance of established customary obligations in recognition of

3. Sub-stools or other subgroups, lineages, families, or individuals may have historically acquired customary freehold through uncontested occupation, inheritance, or have been granted or gifted rights from the customary authorities of the stool or skin, or clan or family. Where customary law permits, the land may be purchased outright (2020 Land Act, Section 3).

4. The acquisition of customary law freehold interest by a non-citizen in respect of stool and skin lands has, been prohibited since 1969. The 1969 Second Republican Constitution reduced all freeholds to foreigners from perpetuity to 50 years and this was upheld in the 4<sup>th</sup> Republican Constitution (1992 Constitution).

5. See [here](#) for explication about differences between customary and usufructuary rights.

the interests flowing from the stool, skin or lineage claims. The duration of usufructuary rights is not prescribed by law though the rights are customarily passed through inheritance or succession. The rights of the usufruct cannot be transferred without the express permission of the allodial interests, and the allodial landowners cannot alienate usufructs without their informed consent and compensation. With this disambiguation in the 2020 Land Law, usufructuary rights are thus legitimized but inherently less secure than customary law freehold rights which arise from customary land transactions (inheritance, gift, or purchase).

**Customary tenancies** involve land sharing agreements between the legitimate land holder (allodial landowners, customary freeholders, or usufructs) and a tenant, typically taking the form of a sharecropping arrangement or rental agreement. These agreements may be verbal or written and must recognize the superior landlord in the stool or skin, family or clan through customary obligations. Sharecropping arrangements most commonly include division of the crop yields into half shares (abunu) or third shares (abusa). Customary tenants are not protected under statutory land laws but may be protected in some circumstances under contract laws.

**Leasehold rights** are derived from common law but may be granted under customary tenure systems by the allodial title holder, customary freeholders, or usufructs. Leasehold rights are granted to an individual, a company, or an institution for a specific parcel of land for a specific period.<sup>6</sup> Leasehold arrangements are permitted on stool and skin lands for periods of up to fifty years for foreign entities (non-citizens) and up to ninety-nine years for Ghanaian citizens, both subject to renewal. There are currently no restrictions on the size of landholding for leasehold. Leases can be granted for residential use, industrial areas or other land investments, provided that the proposed land use is approved by the Lands Commission. Lease holders may sublease land parcels within the lease period and with the consent of the lessor (and except where they are expressly prohibited).

Revenue from customary lands are administered by the **Office of the Administrator of Stool Lands (OASL)** to ensure that stool lands are developed in a manner that benefits the community, revenue from stools are mobilized and used to the benefit of the entire community and for preventing the unauthorized use or sale of stool lands (Stool Lands Act).<sup>7</sup> Its functions include: providing advocacy for registering, surveying, and demarcating stool lands; issuing leases, licenses, and permits; managing, preserving, and protecting stool lands and their resources; advising the government. Office of the Administrator of Stool Land Regulations, 2019 (LI 2377) mandates the Office to conduct public hearings with stools and traditional authorities on matters related to the administration and development of stool lands.

The Article 270 of the 1992 constitution establishes an institution of chieftaincy together with traditional councils as established by customary laws. Land Act, Act 1036 also regulates the use and management of customary lands in Ghana and establish the **Customary Land Secretariats (CLS)** at the district level. CLS are tasked with the registration of customary lands, resolution of disputes and conflicts over land, and advise on land-related matters in partnership with traditional leaders and other stakeholders.<sup>8, 9</sup> The CLS mandate is to protect the rights of all stakeholders in customary lands, and to ensure that the use of customary lands is in line with sustainable development principles.<sup>10</sup> As of 2021, there are 37 CLS active in the country where they effectively reduced land disputes.

**The Community Land Management Committees (CLMC)** as local organizations represented by different interest groups (farmers, women, youth, and traditional leaders) and tasked with managing, protecting, and resolving land disputes over community lands. (2) *Public (state) Lands*

Public lands are those in which absolute ownership is vested in the State. The 1992 Constitution gives the President of Ghana fiduciary responsibility over all public lands on behalf of and in trust for the people of Ghana (Article 257(1)).

6. FAO, Gender Land Rights database

7. [Office of the Administrator of Stool Lands \(OASL\), Ghana. About us.](#)

8. [LandPortal, Act 936](#)

9. [LandPortal, The Role of Customary Land Secretariats in Ghana](#)

10. Bitir, Samuel and Nara, Baslid (2016) *The role of Customary Land Secretariats in promoting good local land governance in Ghana, Land Use Policy* 50 (528-536)



Public lands have been acquired by the State through various legal actions (lawful proclamation, ordinances, statutory procedures or international treaties).<sup>11</sup> The Lands Commission Act, 2008 empowers the Lands Commission, to acquire land for public purposes. The State Lands Act, 1962, Act 125 also empowers the Minister responsible for Lands and Natural Resources to acquire public land for public purposes. The Minister or the Lands Commission may acquire land through purchase, exchange, or compulsory acquisition (Land Administration Act, 1962, (Act 123), State Lands Act (Act 125); State Lands (Amendment) Act, 2000 (Act 586). The state Lands Act and Administration of Lands Act have all been repealed by Act 1036)

Compulsory acquisition is the process by which the state can acquire land for public purposes without the willing consent of the owner. The State Land Act 1962 requires the GoG to publish a declaration when designating land for the public interest. The Lands Commission or Minister responsible for Lands and Natural Resources can acquire land by serving a notice of acquisition on the owner and offering compensation. Once surrendered, all previous interests in the land are extinguished.

State lands must be allocated for public purposes such as public works, infrastructure development, and settlement schemes (1962 Constitution, Act 20, Article 20(a)). The 1992 Constitution clarifies and delimits State power of eminent domain in response to what was previously perceived abuses of authority.

Tenure arrangements on public lands may include allodial title (state), common freehold (established prior to 1992 Constitution), or leasehold.

**Allodial title** on public land is vested in the State and held in trust on behalf of the people of Ghana.

**Common law freehold** is an interest derived from the allodial owner, through sale or gift transactions governable under common law. Common law freehold is not permitted on stool/skin lands under the 1992 Constitution (Article 267).<sup>12</sup> Foreign individuals or entities are not entitled to freehold on

any type of land in Ghana (ibid, Art 266). Common law freehold rights may be perpetual and held free from any obligations to other persons, are inheritable and alienable; however, the 2020 Land Act stipulates that these rights are subject to the interest of the State, the jurisdictional and cultural rights of the stool or skin, or clan or family which holds the allodial title. While existing common law freehold rights may be transferred, no new common law freehold interests may be granted under the current statutory framework.

**Leasehold rights** on public lands may be granted for periods of up to fifty years for foreign entities (non-citizens) and up to ninety-nine years for Ghanaian citizens, both subject to renewal, and are not limited in size. Leasehold rights may be granted to an individual, a company, or an institution for a specific parcel of land for a specific period, with permission from the Lands Commission for the proposed land use. Subleases are allowable unless otherwise restricted.

Public lands are managed by the Public and Vested Land Division, Lands Commission.

### (3) VESTED LANDS

**Vested lands** are stool or skin lands which are vested in the State for the benefit of their customary owners (Land Administration Act 1962). Because the allodial title remains with the stool or skin, and the customary rights holders do not receive compensation (as with compulsory acquisition). The state maintains statutory authority over vested lands, and customary authorities are legally entitled to any benefits which accrue from their utilization (for example, proportion of land revenues collected by the government, proceeds from land transactions).

Tenure arrangements may include allodial title (stools/skins), and leasehold.

Land transactions are administered the same as with public lands. Vested lands are managed by the Public and Vested Land Division, Lands Commission.

11. 1992 Constitution; The land can also be acquired in terms of one of the state property and contract Acts: 1960 (CA 6), the land (Statutory Wayleaves) Act, 1963 (Act 186).

12. The acquisition of common law freehold interest in respect of stool and skin lands has, since the 22nd day of August, 1969, been proscribed (2020 Land Act).

## LESSONS FOR TLI

The statutory recognition of customary land rights in Ghana is exceptional, but it is not without problems. Legal pluralism presents significant challenges for institutional alignment, policy coherence and legal efficiency and consistency in the application of laws governing statutory and customary land administration.<sup>13</sup> The 2020 Land Act aims to resolve outstanding issues regarding land registration, land tenure, and land-related disputes and codify legal decisions into a single document (Ministry of Lands and Natural Resources, 2020).<sup>14</sup>

Indeterminate boundaries of customary lands means that land disputes are common within and between collective interests. It is important for land investors to conduct due diligence, including obtaining legal advice, before purchasing any land in Ghana. This means (1) checking whether there are disputes over a parcel of land by conducting a search at the Lands Commission (2) checking with local authorities such as the chief or the assembly member of the area where the land is located to confirm if there are any disputes or controversies surrounding the land; and (3) Conducting a physical inspection of the land to confirm the ownership and to check for any visible signs of disputes such as multiple occupants or conflicting land markers.

The majority of land users in Ghana remain tenure insecure and lack legal protections under customary laws.<sup>15</sup> The Ghana LAP reports that only 10-15% of land holders in Ghana have formal documentation to support their tenure claims, leaving them vulnerable to both localized evictions and protection against outside land interests.<sup>16,17</sup>

### Challenges for recognition and protection of land rights:

- **Lack of state oversight.** The Constitutional authority given to chiefs and Traditional Leaders over customary lands has, in many areas, meant that the state presence at the local level is minimal in land matters. Although public agencies play an important role in the governance of land and investment, there has been insufficient State oversight and social protection to customary land users.

- **Lack of transparency.** Land administration is often characterized by corruption and lack of transparency which can lead to arbitrary allocation of land, multiple claims on the same land parcel, and lack of proper land management.<sup>18</sup> No effective monitoring of land stewardship due to the absence of a lead institution to monitor compliance with the legislative provision on fiduciary responsibility of stool, skin, clan and family land stewardship.
- **Lack of accountability to trustees, disempowered communities.** Although the fiduciary responsibilities of customary leaders require accountability to their trustees, in practice power imbalances between paramount chiefs and their sub chiefs' subjects makes it difficult to enforce oversight. Customary and statutory channels for holding fiduciaries responsible to land rights holders are often disregarded; communities and their citizens are not well informed or empowered to act on their rights. Recommendations range from empowering communities to demand accountability to introducing community-based strategies for checks-and-balances on the powers of customary authorities (such as sanctioning customary leaders act in self-interest, staging protests to demand social accountability, etc).
- **Abuse of State powers for compulsory acquisition.** The system for compulsory acquisition by the State has been in some cases misused and open for abuse, with land expropriated for a specific purpose reallocated or sold for other purposes. Customary authorities complain that the land is often misappropriated for land users who are not acting in the public interest.
- **Lack of due diligence.** Lack of coordination and coherence between customary and statutory systems, between different administrative and institutional structures, etc, have been blamed on an antiquated land administration system in need of modernization. Even with the LAP reforms, land deals continue to be executed without the knowledge or authorization of designated State institutions such as the Lands Commission.

## 2. Gendered Land

13. Gockowski, J. (2003). Customary land tenure systems and the challenge of land reform in Ghana. *Journal of Modern African Studies*, 41(4), pp. 575-598.

14. This Act repeals the 1962 Lands Act and the 1962 Land Registration Act (Act 126) (Ministry of Lands and Natural Resources, 2020).

15. Nugent, P. (2004). Property rights and economic development: the case of Ghana. *Journal of Modern African Studies*, 42(2), pp. 277-298.)

16. World Bank, 2017

17. Land Administration Project (2018). Land Administration Project: Project Appraisal Report, Report No. 131809. World Bank, Washington D.C.

18. Lands Commission (2020)

## and Resource Rights

The 1992 Constitution grants women equal rights to own and inherit property as men, including land rights (Article 17).<sup>19</sup> It acknowledges that customary laws often discriminate against women's land rights and requires that provisions be made to provide women with equal rights in the application of customary law.

The 1998 Customary Lands Act reaffirms the rights of both men and women to own, inherit, and use customary land, while also recognizing that traditional practices may discriminate against women.<sup>20</sup>

Patriarchal systems are most prevalent in Ghana and shape the customary laws and cultural norms which limit women's rights to own and inherit land, as well as access natural resources.<sup>21,22</sup> Women derive their land use rights from male members of their households or lineage groups through marriage, gifts, sometimes inheritance or contracts. Women's access rights are rarely formalized or documented, and often conditional to the rights of the men who may revoke or change agreements at any time.

In matriarchal systems in Ghana, women have significant control over land and property, including the right to inherit and pass on land to their male or female children. However, studies have shown that even in matriarchal communities, women are able to access customary land for agricultural production but often unable to secure formal ownership.

Subsequent legislation has further recognized the rights of women to own, inherit, and use land, as well as providing avenues for women and vulnerable groups to register land and resolve land disputes, including the National Land Policy (1999) (Section 2.4), Land Administration Act (2016), Ghana Land Use and Spatial Planning Act (2019).

The Land Administration Project (LAP) further aims to increase awareness of women's land rights, provide support for women to enforce their rights, and promote gender-sensitive land governance practices.<sup>23</sup>

## LESSONS FOR TLI

### Challenges for implementing gendered land rights include:

- **Lack of enforcement:** Despite the recognition of women's land rights in the National Land Policy and the LAP, traditional cultural practices and gender biases enable the discrimination and exclusion of women from exercising their rights, accessing and controlling land.
- **Lack of awareness:** Many women in Ghana are unaware of their land rights and are unable to enforce them due to a lack of knowledge and resources.
- **Limited access to justice:** Women in Ghana often face barriers in accessing the legal system to enforce their land rights, including financial and logistical challenges.
- **Persistence of patriarchal norms:** Traditional cultural norms that prioritize men's control over land continue to restrict women's access to and control over land, even in cases where the law recognizes their rights.
- **Inadequate representation in decision-making processes:** Women are often excluded from decision-making processes related to land, including the allocation of land and the development of land policies.
- **Inadequate legal support:** The high cost of accessing justice to enforce women's land rights, along with limited legal support, can make it difficult for women to defend their rights.

### Investors in Ghana can safeguard the rights of women when acquiring land by taking the following steps:

- **Conducting due diligence:** Investors should conduct a thorough investigation of the land they intend to acquire to ensure that the land is not owned or used by women who may be disadvantaged by the sale. This process should also involve engaging with the local community and consulting with women's groups to identify

19. Constitution of the Republic of Ghana. (1992).

20. Customary Land Law (PNDC Law 152). (1998).

21. Adomako Ampofo, K. (2017). Gender, Property and Inheritance in Africa: An Overview. In *Gendered Perspectives on Property and Inheritance in Africa* (pp. 1-18). Cambridge University Press

22. Owusu, R. E. (2016). Women's Property and Inheritance Rights in Ghana. In *Women's Property and Inheritance Rights in Sub-Saharan Africa* (pp. 67-86). Routledge.

23. Ghana - Second Land Administration Project : Ghana - Second Phase of Land Administration Project. Washington, D.C. : World Bank Group.

any potential concerns.<sup>24</sup>

- **Obtaining informed consent:** Investors should obtain the informed consent of all landowners, including women, before acquiring land. This process should involve providing clear information about the purpose and terms of the acquisition and ensuring that women could express their concerns and negotiate for fair compensation.<sup>25</sup>
- **Respecting customary laws and practice with consultation of women's representatives:** Investors should respect the customary laws and practices of the communities where they intend to acquire land, including those that relate to the ownership and use of land by women. This may involve working with local authorities and women's groups to ensure that customary laws and practices are followed and respected.<sup>26</sup>
- **Providing compensation and support:** Investors should provide fair compensation for the land they acquire and offer support to women who may be affected by the acquisition. This may involve providing alternative land, financial assistance, or training opportunities to help women maintain their livelihoods and access to resources.
- **Monitoring and reporting:** Investors should establish mechanisms to monitor the impact of their land acquisitions on women's rights and regularly report on their progress and any challenges they face. This process should involve engaging with local communities, women's groups, and other stakeholders to ensure that women's rights are protected throughout the land acquisition process.<sup>27</sup>

### **3. Land Administration, Planning and Management**

#### **LAND ADMINISTRATION**

**Several legal reforms have been implemented in Ghana to improve land administration:**

- The Administration of Lands Act (1962) established the legal framework for the administration of land, including the registration of land transactions, the resolution of disputes over land, and the management of customary land.<sup>28</sup> The new Lands Act in 2020 aimed to modernize the land administration system, provide a more efficient and transparent process for land registration and allocation, and reconcile customary land rights with formal land rights.
- The Ghana Land Administration Project (LAP) is a program of the GoG with support from the World Bank. LAP 1 was launched in 1999 to modernize the land administration system, improve transparency and accountability, and address challenges such as overlapping land tenure systems, inconsistent land records, and land disputes.
- LAP 2 (2009-2016) aimed to consolidate and advance the successes of the LAP 1 and LMP with a more narrow focus on land administration to establish a reliable land information system, develop a robust land valuation system, further modernize the land registration process, and strengthen the capacity of land management institutions.<sup>29</sup>
- The World Bank has lauded the achievements of the LAP, including, the development of a national spatial data infrastructure, the digitization of land records, and the automation of land transactions. These achievements have contributed to the improvement of land administration in Ghana and have attracted foreign investment in the country's real estate sector.<sup>30</sup>
- The Lands Commission (LC) is the main governmental body responsible for the administration of land in Ghana. The LC currently have 16 regional offices in all the regional capitals in Ghana. It has the power to allocate land for various purposes, to enforce planning

24. Ghana Investment Promotion Centre. (2020). Guide to investing in Ghana: Land acquisition.

25. International Finance Corporation. (2018). Land acquisition and involuntary resettlement: Performance standard 5.

26. World Bank Group, 2017

27. United Nations Development Programme, 2021

28. Land Administration Act, 2016 (Act 986)

29. Ghana Land Administration Project. (2021). About the Project.

30. World Bank. (2022). Ghana - Land Administration Project.



regulations, and to resolve disputes over land. The Commission is divided into three separate divisions, each with specific responsibilities and functions.<sup>31</sup>

- The Land Valuation Division is responsible for the valuation of land for various purposes, including compulsory acquisition, land transactions, and payment of land related taxes such as property rates and stamp duty. The division provides valuation services to individuals, businesses, and government institutions to ensure that land is valued fairly and accurately.
- The Land Title Division is responsible for the registration of land titles and the issuance of land title certificates. The division also manages the land registration system in Ghana and ensures that land registration is done efficiently and transparently.
- The Land Use and Spatial Planning Division is responsible for the development and implementation of land use and spatial planning policies in Ghana. The division provides guidance on land use and development, prepares land use plans, and regulates land use activities to ensure sustainable development and environmental protection.

## LAND USE PLANNING AND ZONING

The Land Use and Spatial Planning Act (2016) replaces the Physical Planning Act (1963) and the Town and Country Planning Act (1965) as the primary legislation governing land use and spatial planning.

### The Act introduces several changes and updates for a more comprehensive and participatory approach over previous legislation:

- **Institutional and administrative changes:** The new Act establishes the Land Use and Spatial Planning Authority (LUSPA) as the main agency responsible for land use planning and spatial planning. A Land Use and Spatial Planning Fund finances land use planning activities and a Land Use and Spatial Planning Tribunal for dispute resolution. The MLNR is responsible for the implementation of the Act and the overall management of LUSPA.
- **Comprehensive planning:** The LUSPA requires the development of comprehensive land use plans at the national, regional, and local levels. The land use plans must consider

a wider range of factors than previous zoning requirements, including environmental and social considerations, and provide for the sustainable use of land.

- **Public participation:** There is greater emphasis on public participation in the land use planning process, including consultation with traditional authorities and other stakeholders in the development of land use plans and that public hearings are held prior to the approval of such plans.
- **Environmental considerations:** The Act requires that environmental impact assessments be conducted for major development projects. It also provides for the establishment of buffer zones around environmentally sensitive areas.
- **Enforcement:** The Act introduces a range of enforcement measures, including fines, penalties, and imprisonment, for violations of land use planning regulations. It also provides for the revocation of land use permits for non-compliance.

The procedure for registering land in Ghana involves several steps, including conducting a search, completing the necessary documentation, paying the required fees, submitting the documentation for review, and receiving a certificate of title.<sup>32</sup> Currently, Ghana runs a dual registration system; deed registration and title certification. The kind of registration is dependent on the region where the investment is located.

Rules for zoning commercial agriculture and forestry operations in Ghana are intended to promote sustainable development, protect the environment, and ensure that agricultural investments are compatible with the needs and priorities of local communities and other stakeholders.

The LUSPA requires that agricultural projects be situated in areas designated for agricultural purposes, which are identified and demarcated by the planning authority. Zoning regulations outline the types of agricultural activities that are permitted in different zones, based on factors such as soil type, topography, and proximity to urban areas. Agricultural projects must comply with environmental standards and regulations, such as those related to water quality, waste management, and land use practices.<sup>33</sup>

31. <https://www.lc.gov.gh/>

32. Ministry of Lands and Natural Resources. Land registration. Accra, Ghana: Ministry of Lands and Natural Resources.

33. Government of Ghana. (2016). Land Use and Spatial Planning Act 925.

The Ghana Investment Promotion Centre (GIPC) has also developed guidelines for the establishment of commercial agricultural projects, including the establishment of a land use committee to oversee the implementation of the project and ensure compliance with zoning regulations.

The zoning regulations for commercial forestry projects are outlined in the Forest and Wildlife Policy of Ghana (2012) and the Forest Plantation Development Fund Act (2010). Forestry projects must conform to the land-use plans established by the appropriate planning authority. The policy also outlines the types of forestry activities that are permitted in different zones, based on factors such as soil type, topography, and proximity to urban areas.<sup>34</sup>

The Forest Plantation Development Fund Act provides guidelines for the establishment and management of forest plantations. The Act requires that forest plantations be established in areas designated for forestry purposes by the appropriate planning authority, and that they conform to environmental standards and regulations related to water quality, waste management, and land use practices. Forestry projects must also obtain a permit from the Forestry Commission of Ghana, which is responsible for regulating and monitoring forestry activities in the country.<sup>35</sup>

## LAND ACQUISITION

Land acquisition is governed by several laws and institutions. The main ones include: The Constitution of the Republic of Ghana (1992) (Art. 266); The Land Act (2020); The Lands Commission Act (2006); The Lands Valuation Division of the Survey Division.

Commercial land investment is also governed by a number of laws and institutions. The main ones include: The Constitution of the Republic of Ghana (1992) (Art. 267); The Investment Code Act, 1994; The Companies Code, 1963; The Companies Act (2019), The Lands Commission Act, 2008 (Act 767); The Land Title Registration Act, 1986.

The 1992 Constitution (Art. 267) outlines the rights of individuals and corporations to acquire, hold and dispose of property, including land.<sup>36</sup>

The Investment Code Act, 1994 provides a framework for investment in Ghana and outlines the incentives and guarantees available to investors.<sup>37</sup>

The Companies Code, 1963 amended in the Companies Act, 2019, provides for the incorporation and regulation of companies, including those engaged in commercial land investment.<sup>38</sup>

The Lands Commission Act, 2008 establishes the Lands Commission as the principal agency for the administration and management of public lands in Ghana. It gives the Commission powers to regulate the use of lands in Ghana and to allocate lands for various public purposes.<sup>39</sup>

The Land Title Registration Act, 1986 provide for the registration of title to land and ensures that the title to a piece of land is clear and marketable.<sup>40</sup>

The Ghana Investment Promotion Centre (GIPC) has also developed guidelines for the establishment of commercial agricultural projects in Ghana. These guidelines outline the procedures and requirements for obtaining a land lease, registering a company, obtaining permits and licenses, and complying with environmental and social impact assessment requirements. A commercial agriculture investor can acquire land in Ghana through the following steps: (1) Conduct a search for available land: The investor can conduct a search for available land through the Lands Commission or through private real estate companies; (2) Identify and evaluate potential sites: The investor should identify and evaluate potential sites based on factors such as access to water, soil quality, infrastructure and proximity to markets; (3) Obtain a lease or purchase the land: If the investor decides to lease the land, they should obtain a lease from the relevant authorities, typically the Lands Commission or the owner of the land. If the investor decides to purchase the land, they should ensure that the title to the land is clear and marketable and obtain the necessary permits and licenses for commercial agriculture; (4) Comply with relevant

34. Government of Ghana. (2012). *Forest and Wildlife Policy of Ghana*.

35. Government of Ghana. (2010). *Forest Plantation Development Fund Act 897*.

36. *Constitution of the Republic of Ghana (1992)*.

37. *Investment Code Act, 1994 (Act 478)*.

38. *Companies Code, 1963 (Act 179)*.

39. *Lands Commission Act, 2006 (Act 767)*.

40. *Land Title Registration Act, 1986 (Act 122)*.

regulations: The investor must comply with relevant regulations, such as obtaining the necessary permits from the Environmental Protection Agency and the Min

The acquisition of land for agricultural investment is governed by the Lands Act (1962), which gives the government the power to grant leases for the use of state lands for agricultural purposes. The Ministry of Lands and Natural Resources (MLNR) is the agency responsible for the management of state lands, including the allocation of state lands for agricultural investment.

The acquisition of state lands for forestry investment is regulated by the Forestry Commission Act of 1999, (Act 571) and the Forestry Commission Act of 1971. The Forestry Commission is the agency responsible for the management and allocation of state lands for forestry investment. Companies interested in acquiring state lands for forestry investment must first apply for a forest concession from the Forestry Commission. Companies interested in developing a timber plantation in Ghana must apply for a forest concession from the Forestry Commission, which is the agency responsible for the management and allocation of state lands for forestry investment (Forestry Commission, 2020).

Companies interested in acquiring stool or skin land for agricultural investment must follow a different process than the acquisition of state land. The acquisition of stool or skin land for agricultural investment involves the following steps: (1) Negotiating with the traditional rulers or the traditional authorities to gain access to the land; (2) Obtaining the consent of the traditional authorities and the customary land owners to use the land for agricultural investment; (3) Registering the land with the Lands Commission to formalize the transfer of ownership or use rights.

## LESSONS FOR TLI

**Civil society organizations in Ghana have criticized the administration of land for several reasons.**

- **Transparency and corruption.** One of the major critiques is the lack of transparency and accountability in the process of land allocation and distribution.<sup>41</sup> Additionally, there have been concerns about corruption and bribery in the allocation process, which undermines the fair distribution of land.
- **Inclusiveness and Equity.** One of the main proposed reforms is to increase transparency, inclusiveness, and equity in the process of designating areas for specific land uses. This could be achieved through greater involvement of local communities and stakeholders in the decision-making process and ensuring that the designations are based on a thorough understanding of the local context. Furthermore, civil society groups argue that the current land administration system does not adequately address the land rights of women and marginalized communities, leading to their exclusion from the land market.
- **Enforcement.** Another proposed reform is to improve the enforcement of land use zoning regulations, especially regarding commercial agriculture and forestry activities taking place in areas where they are not allowed. This could be achieved through stronger penalties for non-compliance, improved monitoring and enforcement mechanisms, and better coordination between the relevant government agencies.

**There are several challenges for agricultural investors in acquiring land in Ghana, including:**<sup>42</sup>

- **Lack of clear title to land:** One of the major challenges for agricultural investors in acquiring land in Ghana is the lack of clear title to land. This can make it difficult for investors to secure financing for their operations and can increase the risk of disputes over land ownership.
- **Pluralistic tenure systems.** Acquisition of stool or skin land for agricultural investment can be challenging due to the lack of clarity in the

41. Akosa, C. A., & Amoako, F. K. (2017). Women's land rights and access in Ghana: The role of customary law and practice. *Journal of Human Rights and the Environment*, 8(1), 33-58.

Oppong, C. (2018). Corruption, land rights and sustainable development in Africa. *Journal of Sustainable Development*, 11(6), 145.

Yeboah, E. K., & Obeng-Odoom, F. (2018). Land administration in Ghana: An assessment of effectiveness and implications for land tenure security. *Land Use Policy*, 76, 245-255.

42. Ghana Ministry of Food and Agriculture. *Agricultural Investment in Ghana*. Ghana Investment Promotion Centre. Agriculture.; Adomako-Twum, A. (2018). The challenges of land acquisition for agricultural investment in Ghana. *Journal of Agriculture and Biology*, 18(6), 994-1001; Agyekum, K. (2017). Access to land for agricultural investment in sub-Saharan Africa: Evidence from Ghana. *Land Use Policy*, 64, 350-358; Kpodo, A. D., & Dzodzomenyo, M. (2018). Agricultural land tenure systems and their implications for smallholder farmers in Ghana. *Land Use Policy*, 68, 547-555.

customary land tenure system, conflicting claims over the land, and the limited legal protection for customary land rights.

- **Inefficient land administration:** The land administration system in Ghana is often slow and bureaucratic, making it difficult for investors to acquire land quickly and efficiently.
- **Lack of transparency.** Continued efforts are needed to increase transparency and reduce the influence of political factors in the allocation process.
- **Limited access to finance:** Agricultural investors may face difficulties in accessing finance, as banks are often reluctant to lend to agriculture projects due to the perceived risks involved.
- **Poor infrastructure:** In many parts of Ghana, the infrastructure is poorly developed, making it difficult for agricultural investors to transport their products to market and obtain inputs such as seeds, fertilizer and water.
- **Unfavourable government policies:** Agricultural investors may also face challenges due to unfavourable government policies, such as high taxes and regulations that make it difficult to operate in the sector.
- **Competition for land:** Agricultural land is in high demand in Ghana, and there may be competition for the best land from other investors, particularly those in the mining and real estate sectors.

## 4. Social Protections and Safeguarding

The Land Act of 2020 outlines the rights of communities over their lands, including the right to use, occupy, and transfer lands, and to participate in decisions regarding the use of their lands. In addition, the National Land Policy (1999) recognizes the need to ensure that the rights of communities and other vulnerable groups are protected in the context of land investments.<sup>43,44</sup>

Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (FAO, 2012) provides guidance on ensuring that land investments respect the rights of local communities and other stakeholders. The guidelines recommend that states, investors, and other relevant actors engage in transparent and participatory decision-making processes, and that adequate compensation and benefits be provided to affected communities.<sup>45</sup>

The legal requirement for companies to conduct social impact assessments (SIAs) for commercial agricultural investments in Ghana is stated in the Environmental Assessment Regulation (1999). Section 34 requires all new development activities, including commercial agricultural activities, to undergo an Environmental and Social Impact Assessment (ESIA) prior to the grant of an Environmental Permit.<sup>46, 47</sup>

Developers are required to obtain the consent of customary land in accordance with the 2020 Land Act, which recognizes the rights of customary landholders to their lands and provides for their consultation and participation in decisions affecting their lands. The Act requires that developers consult with and obtain the consent of customary landholders prior to acquiring or using their lands for any purpose.<sup>48</sup>

The law requires that people impacted by land investments and commercial agriculture be compensated for any losses or damages they may incur as a result of such investments. The

43. Land Act, 1962 (Act 125) (as amended in 2019).

44. Ministry of Lands and Natural Resources. (2017). National Land Policy.

45. Food and Agriculture Organization (FAO). (2012). Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.

46. Government of Ghana. (1999). Environmental Assessment Regulation, 1999 (LI 1652).

47. Environmental Protection Agency of Ghana (EPA). (2013). Guidelines for Environmental and Social Impact Assessment (ESIA) in Ghana.

48. Ministry of Lands and Natural Resources. (2002). Land Act, 2002 (Act 767).



2002 Land Act (Section 28) provides for the compensation of persons who may be displaced or otherwise impacted by the acquisition of their lands for investment or commercial purposes. The compensation must be fair and adequate, considering the social and economic rights of the affected persons, as well as the purpose of the acquisition. The compensation must be paid promptly, and any disputes over the compensation may be resolved through alternative dispute resolution mechanisms or through the courts.

The valuation of land in Ghana to determine compensation for losses or damages incurred as a result of land investments is typically done by a qualified valuer or a team of valuers. The valuation process must be transparent and impartial, and that the compensation offered should be acceptable to the affected persons and adequate to cover their losses or damages. The valuer will consider various factors such as the market value of the land, the current use of the land, the income generated by the land, the extent of any improvements made to the land, and any other relevant factors that may affect the value of the land. The valuer will provide a report indicating the fair market value of the land and the amount of compensation that should be paid to the affected persons.

The dispute resolution process for people impacted by land investments and commercial agriculture is governed by the country's judiciary system and laws. The country has an independent judiciary with the mandate to interpret and enforce the law, including laws and regulations related to land and property rights. In addition, the 1992 Constitution also provides for the establishment of specialized courts, such as the Land Appeal Court, to handle disputes related to land and property rights

The Lands Commission Act (1962) also provides for the resolution of disputes related to land, including disputes related to land investments and commercial agriculture. The Act establishes the Lands Commission and confers on it the power to hear and determine disputes and make

recommendations for the resolution of disputes that it is unable to resolve.

## LESSONS FOR TLI

### Challenges faced by communities impacted by land investments in Ghana:

- **Limited implementation of legal protections:** While there are legal protections to ensure social safeguarding, key factors hindering the implementation of these protections include weak institutions, inadequate monitoring, and lack of political will.<sup>49</sup>
- **Lack of access to legal remedies:** Rural communities often face challenges in accessing legal remedies when their lands and resources are impacted by large-scale investments, including commercial agriculture. Common challenges include a lack of awareness of their rights, insufficient resources to engage in legal proceedings, and weak enforcement mechanisms.<sup>50</sup>
- **Unclear processes for land acquisition:** Other challenges include a lack of clear processes for land acquisition, compensation, and conflict resolution. These challenges are often exacerbated by the limited capacity of government institutions responsible for protecting the rights of affected communities.<sup>51,52</sup>

### Role of chiefs in protecting communities:

- **Chiefs as mediators:** The traditional role of chiefs in Ghana, as recognized by the 1992 constitution, has been to serve as intermediaries between the central government and their communities. In many rural areas, they still hold significant authority and are seen as respected leaders, decision-makers, and mediators.
- **Chiefs as fiduciaries:** Chiefs can play a valuable role in ensuring compensation agreements are honored and protecting the rights of communities. Chiefs may be faced with competing demands from different stakeholders, including investors, government agencies, and their communities, but are required to honor their fiduciary responsibilities.<sup>53,54</sup>
- **Chiefs as self-interested actors:** Chiefs'

49. Gomado, K., Ntiamoah, A., & Adomako, D. (2018). Community protections in the context of large-scale land investments in Ghana: A review of legal frameworks, policies and practices. *Journal of Environmental Management*, 206, 465-474. doi:10.1016/j.jenvman.2017.10.016

50. Koudou, N. B., & Annan, J. E. (2018). Analysis of land rights and community livelihoods in large-scale land acquisitions in Ghana: Evidence from two case studies. *Land Use Policy*, 75, 58-66. doi:10.1016/j.landusepol.2018.03.045

51. Oteng-Ababio, M. (2017). Land acquisition and compensation practices in Ghana: An analysis of the law and practice. *Land Use Policy*, 66, 241-250. doi:10.1016/j.landusepol.2017.05.029

52. Bryceson, D. F. (2010). African struggles for social justice and the quest for inclusive development. Inaugural Lecture Series, University of Edinburgh.

53. Mare, C., & Jonsson, J. B. (2019). Power and paradox: Chiefs and the politics of controlling land in Ghana. *Journal of Modern African Studies*, 57(2), 161-182. doi:10.1017/S0022278X19000027

54. Addo-Yobo, F., & Kpobi, L. N. (2019). The role of chiefs in the management of land resources in Ghana. *Land Use Policy*, 86, 165-173. doi: 10.1016/j.landusepol.2019.05.022

effectiveness in protecting communities can vary based on circumstances and power dynamics; in some cases, chiefs may be aligned with investors and overlook community rights. In other cases, they may be faced with competing demands from different stakeholders, including investors, government agencies, and their communities.<sup>58</sup>

**Responsible investors can take various steps to protect communities impacted by their land investments and commercial projects:**

- **Engaging with communities** in a transparent and participatory manner, to ensure their informed consent and to address their concerns.<sup>55</sup>
- **Implementing environmental and social impact assessments (ESIAs)** to identify potential impacts and risks, and to design appropriate mitigation measures.<sup>56</sup>
- **Ensuring compliance** with relevant laws and regulations, such as the Environmental Protection Agency Act (1994) and its regulations.
- **Integrating social and environmental considerations** into the project design and management processes, to minimize harm and maximize benefits for communities and the environment.<sup>60</sup>
- **Monitoring and reporting** on the social and environmental impacts of the project and addressing any issues that arise.<sup>59</sup>
- **Building partnerships** with local organizations and institutions, such as NGOs, community-based organizations, and government agencies, to enhance the effectiveness and sustainability of the project.<sup>60</sup>

## **5. Environmental Protections and Safeguarding**

The Environmental Protection Agency (EPA) has the legal mandate to regulate the environmental impact of development projects, including land investments and commercial agriculture, through the implementation of environmental impact assessments (EIAs). EPA is responsible for the issuance of environmental permits for new projects, as well as monitoring and enforcement of environmental regulations.<sup>57</sup>

The Environmental Assessment Regulations (1999), Act 490 outlines the procedures for conducting EIAs. Projects that are likely to have significant environmental impacts are required to undergo a comprehensive EIA, while projects with low environmental impacts may undergo a simplified environmental impact screening procedure. The regulations also require developers to submit an EIA report to the EPA for review and approval before construction can commence.

The Environmental Assessment Regulations, 1999 (LI 1652) as the enabling regulations for operationalising Act 490 prohibits the commencement of an “undertaking” without prior registration and environmental permit. Undertakings or activities are grouped into Schedules to facilitate screening and registration through the EA system. The schedules include undertakings requiring registration and environmental permit (Schedule 1), EIA mandatory undertakings (Schedule 2), and Schedule 5 which relates to undertakings such as proposals located in or near Environmentally Sensitive Areas in Ghana

In addition to the EPA, the Minerals Commission of Ghana also has a role in regulating the environmental impacts of mining activities, while the Forestry Commission of Ghana regulates the impacts of forestry operations.

55. Wily, L. A. (2011). Land rights and the rush for land: Findings of the global commercial pressures on land research project. Rome: International Land Coalition.

56. International Finance Corporation. (2012). Performance standards on environmental and social sustainability.

57. Environmental Protection Agency. (2021). Environmental impact assessment guidelines for Ghana.

**According to the Environmental Protection Agency of Ghana, the steps for a company to conduct an environmental impact assessment (EIA) in Ghana include the following:<sup>58</sup>**

- **Screening:** Determine if the proposed project requires an EIA by referring to the EPA's Environmental Assessment Regulations (1999).
- **Scoping:** Determine the scope of the EIA, including the impacts to be evaluated and the level of detail required.
- **Preparation of the EIA report:** Prepare an EIA report in accordance with the EPA's guidelines and the scoping determination. The report should include the project description, the baseline environment, the predicted impacts, and mitigation measures.
- **Public consultation:** Provide an opportunity for the public to review and comment on the EIA report.
- **Review by the EPA:** The EPA will review the EIA report and decide on the environmental permit for the proposed project.
- **Monitoring and follow-up:** Implement the mitigation measures and monitor the impacts of the project.

The Forest and Wildlife Policy of Ghana (1994) and the Forest and Wildlife Act of Ghana (1992) regulate the use of forest resources and protect the country's forests and wildlife. The Environmental Protection Agency Act (1994) also requires companies to conduct EIAs before commencing commercial agriculture or forestry investments in forests. Additionally, the National Biodiversity Act (2011) establishes the National Biodiversity Authority to promote the conservation and sustainable use of Ghana's biodiversity, including its forests.

The Water Resources Commission Act (1996) provides a framework for water resource management, including water quality management. According to the Act, the Water Resources Commission is responsible for ensuring the sustainable management and protection of water resources, including monitoring and managing water quality, but says nothing specific about investments. All water users, including companies, are required to obtain a water use permit from the Water Resources Commission (WRC) before extracting water for any

purpose, and must pay water user fees to the WRC, which are used to manage the country's water resources.<sup>59</sup>

The Environmental Protection Agency Act (1994) further requires companies engaged in commercial agriculture to conduct an EIA before extracting water, including a detailed analysis of the potential impacts of the water extraction project on water resources and the environment.

The EPA requires companies to also comply with the National Ambient Air Quality Standards (NAQS) which outline regulations for air pollution and emissions. After obtaining an EIA permit, companies must submit regular reports on air quality monitoring to the EPA. The regulations also outline guidelines for the control of air pollution and emissions, including the use of pollution control technologies and best management practices.<sup>60</sup>

With regards to waste and wastewater, EPA regulations require that agrochemical waste be handled, transported, and disposed of properly to protect human health and the environment.<sup>61</sup> The Waste Management Regulations (2011) of the EPA also regulate the handling, storage, and disposal of agrochemical waste.<sup>62</sup>

National Environment Policy, 2013 makes provision for integrated and holistic management system for the environment. It seeks to unite Ghanaians in working towards a society where citizens have access to sufficient and wholesome food, clean air and water, decent housing and other necessities of life; further enable them to live in a fulfilling spiritual, cultural and physical harmony with their natural surroundings

Forest and Wildlife Policy of Ghana, 2012, aims at conservation and sustainable development of the nation's forest and wildlife resources for maintenance of environmental quality and perpetual flow of optimum benefits to all segments of society through promotion of agroforestry among smallholder farmers and cultivators to enhance food and raw material production and environmental protection. It also encourages community involvement in protecting forest resources

58. Environmental Protection Agency of Ghana. (2016). *Environmental Impact Assessment Procedures for Projects in Ghana*.

59. Water Resources Commission. (1996). *Water Resources Commission Act (Act 522)*.

60. Environmental Protection Agency of Ghana. (2021). *Environmental Assessment Regulations 1999 (LI 1652) and National Ambient Air Quality Standards*.

61. Environmental Protection Agency. (2018). *Guidelines for the disposal of hazardous and non-hazardous waste in Ghana*

62. Environmental Protection Agency. (2011). *Waste Management Regulations, 2011 (LI 1859)*.

## LESSONS FOR TLI

Responsible investors can take several steps to protect the environment impacted by their land investments and commercial projects. These steps include:

- Conducting comprehensive EIAs that consider the impacts of their projects on the environment and local communities, and ensuring the assessments are reviewed by an independent body. This is triggered when more than 40 ha of land are converted or when more than 20 households are to be resettled
- Engaging with local communities and stakeholders to identify and mitigate any potential environmental impacts.
- Implementing best practices for environmental management, such as using sustainable agricultural practices, managing waste and pollutants, and reducing greenhouse gas emissions.
- Monitoring the environmental impacts of their projects and reporting on their environmental performance, such as through sustainability reporting.
- Ensuring that their projects comply with relevant environmental laws and regulations, including those governing water, air quality, waste management, and protected areas.
- Investing in environmental rehabilitation and restoration programs to address any negative environmental impacts of their projects.
- Collaborating with local and international organizations to advance environmental sustainability in the agriculture sector, such as through initiatives to reduce greenhouse gas emissions, conserve biodiversity, and protect water resources.

## 6. Civil Society Monitoring and Advocacy

Over 10,000 CSOs are registered with the Department of Social Development in Ghana. As one of the most democratic countries in Africa, CSOs are autonomous and generally free from political interference. They can therefore openly challenge government policy and engage in advocacy. Many therefore successfully engage in policy dialogue and electoral monitoring (USAID 2021), as is reflected in the close coordination with government on the proposed NPO Bill.

However, few domestic CSOs advocate against irresponsible corporate conduct, as the limited campaigning against land grabbing prevalence in Ghana illustrate. This partly stems from funding constraints. Since the government does not fund CSOs in Ghana and crowdfunding opportunities are limited, most CSOs depend almost exclusively on foreign donors. Consequently, to survive, CSO agendas must align with donor agendas, which tend to support more non-confrontational approaches (e.g. since many also engage the state and private sector). On the other hand, land acquisition processes in Ghana are comparatively opaque since alienations can be directly negotiated with traditional authorities without government or civic oversight. Since larger CSOs with mobilization capacity are generally urban-based, capacitated CSOs generally become aware of displacement-related issues and rights infringements well after land has been alienated and agreements are finalized. INGOs such as ActionAid, FIAN and Africa Faith & Justice.

With declining donor funding for Ghana since its designation as a low-middle income country, competition for funding has risen (USAID 2021), with the overall financial viability of the sector poor. Coordination between CSOs is consequently weak, resulting in poor harmonization between CSO activities and excessive duplication. Most CSO coalitions are accordingly dormant. A notable exception is the (exclusively) member funded Ghana CSO Platform on the SDGs, with more than 300 members clustered into sub-groups corresponding with each of the 17 SDGs. Itself acknowledging lack of sub-national presence, how well the platform manages to align practices and programming on the ground is questionable.



## LESSONS FOR TLI

Domestic CSOs lack the information, capacity and networks needed to effectively advocate against irresponsible corporate conduct. This can be addressed with greater transparency in relation to land titling, ESIA submission and GIPC registrations. Greater awareness about impending land deals will help domestic CSOs better respond to investment-related issues and represent societal interests, especially preventatively (e.g. company-community contract negotiations and contesting displacement). This could be achieved through actions that strengthen communications and collaboration between urban and rural CSOs, public portals with relevant investment information and greater participation in ESIA consultations, amongst others. While competition for funding threatens coordinated action in the sub-sector, INGOs are well-placed to attract dedicated funding for developing an infrastructure for strengthening communications and information flows between CSOs and identifying opportunities for joint advocacy, collaborative fund-raising, coordination, and resolving duplication.

## 7. Transparency In Business Regulation and Practice

The government is committed to further improving ease of doing businesses in Ghana by *inter alia* addressing corruption, red tape, and various bureaucratic inefficiencies.

The Government of Ghana and various development actors are actively working to shorten supply chains and improve product quality and price transparency. A Warehouse Receipt System is, for example, emerging in the cereals sector. This includes the government-owned Ghana Commodity Exchange with a warehouse in most regional capitals that offers grading, weighing and certification services and price discovery. A similar system is run by the Ghana Grain Council, with a network of 12 private sector operated warehouses. Such services connect farmers directly with major buyers and processors, generate market intelligence, allow farmers to engage in temporal arbitrage, and enable farmers' warehouse stocks to be collateralized (e.g. to obtain loans). However, since such systems involve considerable transaction costs, not least transportation, the primary depositors are generally commercial producers, cooperatives and farm-based organizations. As such, the member base of both initiatives is still small. GCX, for example, only has 75 members (buyers and financiers included),

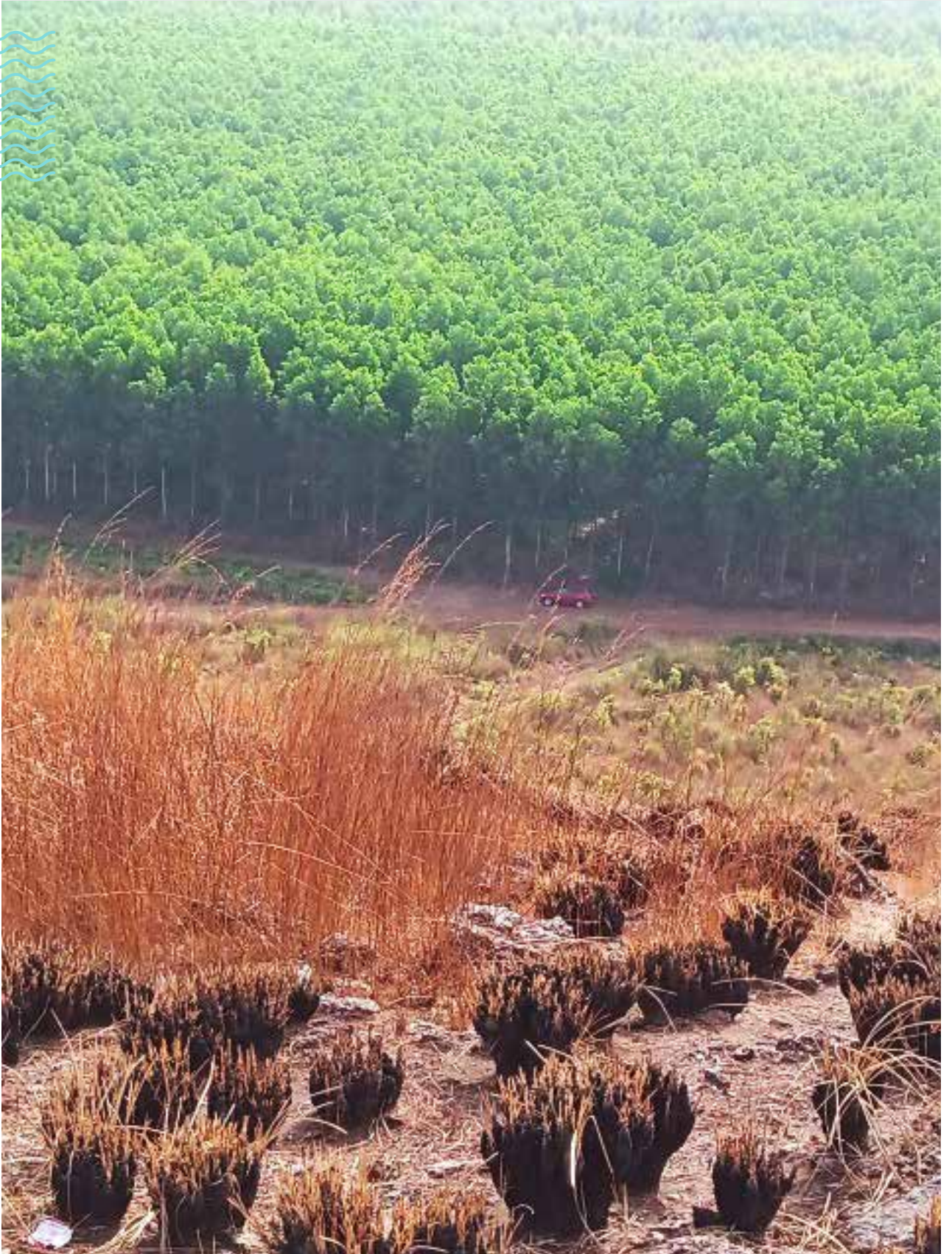
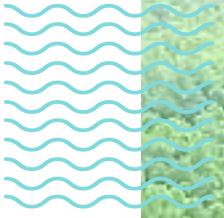
accounting for under 500 MT of maize sales in the 2022 harvesting season (August – September).

While the various markets innovations help smallholders access formal, quality-controlled markets and agribusiness reduce transaction/search costs, access to these innovations is variable and elusive to more remote, unorganized smallholders. Contract farming arrangements supported by many donor-programs and NGOs could help ameliorate intermediation problems, while strengthening smallholder access to services and higher-value markets. However, in numerous sectors agribusinesses are scaling down their involvement in contract farming due to widespread contract breaches. This is largely attributable to competition with the informal sector. Not only do informal traders have a cost advantage due to tax avoidance but are generally able to pay and collect more promptly than agribusinesses (though this is changing with gradual mainstreaming of mobile money/B2P payment services in Ghana). The magnitude of side-selling problems depends on market structure, which varies according to sector and geography. Deconcentrated sectors like oil palm and cereals are especially susceptible to opportunistic trading practices, though even more concentrated sectors like rubber are not immune. In Ghana's border regions, (illicit) traders from neighboring countries also regularly engage in opportunistic trading practices to exploit price differentials between countries. This deters private sector from investing in backward linkages with smallholders.

## LESSONS FOR TLI

Warehouse Receipt Systems (WRS) can help address systemic coordination problems in Ghana's agricultural sector, while contributing to shortening supply chains, improving product quality, and resolving collateral problems. Though their reach remains limited, the Ethiopia Commodity Exchange showed how at scale WRS can be an effective strategy to enhance market transparency, cut out middlemen and thwart uncompetitive business practices. This has the potential to reduce side-selling problems pervasive in cereal sectors served by WRS and by extension improve the viability of contract farming. However, since WRS in practice only appear to be accessible to organized smallholders with scale/bulking efficiencies (e.g., to manage transaction costs), the system has not proven transformative quite yet. This may change in future with continued public investments in district-level warehousing infrastructure, though would benefit from incentive mechanisms to deepen private investment in warehousing. This would only apply to non-perishable crops.





# Conditions enabling green and inclusive investment



## 1. Incentive Schemes for Responsible Business

Businesses that register as Free Zone Enterprises benefit from full tax holidays for 10 years and reduced rates thereafter. Through the [1995 Free Zone Act](#), any corporate body can apply for this status, provided they engage in value addition, export at least 70% of production, and do not produce ‘environmentally-hazardous goods’.

In contrast to some countries in the region, domestic and foreign enterprise have access to the same fiscal benefits. Given minimal capital requirements imposed on foreign business registration (US\$ 500,000 for wholly foreign owned investor), domestic enterprises are partially protected from small foreign businesses.

Legislation in Ghana does not privilege smallholder-inclusive over plantation production models. Ghana has yet to develop dedicated certification or incentive systems for inclusive business, contract farming, etc. Businesses benefiting from fiscal incentives are neither incentivized to adopt improved environmental and responsible business standards.

Ghana has yet to devise green public procurement mechanisms. Such mechanisms would help increase demand for products from greener investors.

### LESSONS FOR TLI

Seeking to “[build the most business friendly economy in Africa](#)”, Ghana is exceptionally investor-friendly, offering extensive fiscal incentives to foreign and domestic investors alike. This reflects Ghana’s private sector led development ethos, as enshrined in its [Ghana Beyond Aid charter](#). This charter views private investment as integral to achieving government agricultural modernization, food import substitution, and agricultural export growth priorities.

## 2. Incentive Schemes for Agrifood Systems Transformation

The [2015 Income Tax Act](#), as amended, offers reduced income tax rates to companies engaged in priority sectors and activities (normal corporate income tax rates are 25%). For example, businesses involved in farming tree crops and cash crops (understood as cassava, pineapple, rice, yam, and maize), as well as agro-processing, only incur 1% income tax for between 5 to 10 years. Thereafter, reduced tax rates apply, depending on location. These can be as low as 5% in the Northern Savannah Zone. Income over ‘non-traditional’ exports is taxable at a rate of 8%. This includes horticultural, wood and “processed and raw agricultural products grown in Ghana other than cocoa”.

The [2015 Customs Act](#) exempts most agribusinesses from import and excise duties on equipment, parts and machinery.

Through the [2013 GIPC Act](#), additional incentives can be granted to ‘strategic investors’ upon approval by the President. The GIPC Board currently considers agribusiness investments exceeding US\$50 million strategic.

### LESSONS FOR TLI

While such policies can certainly improve Ghana’s macroeconomic fundamentals, more is however needed to transform its food system. For example, it cannot be assumed that the benefits from incentivizing exporting (especially of raw agricultural products) and corporate farming necessarily trickle down to rural communities, help Ghana adapt to climate change and green agriculture. Eligibility for fiscal incentives should therefore become conditional on sustainability performance – for example, by demonstrating compliance with good agricultural practices (standards), agroecology



principles and/or [Responsible Agricultural Investment Principles](#).

In similar vein, the current incentive framework does not encourage investors to engage, support and develop more explicit coordination mechanisms with Ghana's many smallholders. Much emphasis is placed on attracting (new) investments that help enhance national agricultural output and add value, but there lack incentives for promoting investments that contribute to improving the productivity, efficiency and competitiveness of *existing* producers, despite persistently large yield gaps for most crops. Explicit promotion of investment in private extension, agro-input provisioning, rural (labor) services, supply chain shortening, and contract farming initiatives is therefore warranted – for example, by expanding incentive eligibility conditions to such businesses and/or discouraging new investment in direct cultivation/industrial farming that are especially likely to compete with existing producers. By means of illustration: Ghana currently imports over half of rice consumed. Since farmers can more than double their yields with the right support and market conditions, self-sufficiency can be achieved without bringing more land into production.

Furthermore, traders of both raw and processed agricultural products pay fewer taxes on products sold overseas than domestically. This perverse incentive risks undermining national import substitution objectives. The current definition for 'non-traditional exports' in the Income Tax Act should be revised to include only those products for which Ghana is systematically self-sufficient and has the potential to be(come) competitive within international markets.

### **3. Financial Services** **(Enabling Policies/Schemes** **of Lending Institutions)**

Ghana is members of the Sustainable Banking and Finance Network and has with support from IFC finalized the [Ghana Sustainable Banking Principles](#) in 2019, along with [agriculture-specific guidelines](#) on Environmental and Social Risk Management (ESRM). 23 commercial banks endorsed the principles, and are since 2021 required to integrate and report on ESG (performance). Banks are therefore expected to develop systems to screen prospective agriculture sector clients on social and environmental risks, refrain from servicing businesses involved in unethical practices and promote gender equality, financial inclusion and resource efficiency both internally and through their lending activities and services. Initially, banks are expected to periodically report qualitatively on their performance in this regard.

Ghana's Securities and Exchange Commission is presently discussing development of a green bond framework. The recently established [Green Exchange](#) is currently developing operations in Accra, which will allow businesses to issue green bonds and for investors to trade these on secondary markets.

Ghana is the second largest impact investment market in Africa, with Ghana based investment projects attracting more than [US\\$ 1.2 billion](#) between 2015-2019. Development Finance Institutions (DFI) are responsible for over two-thirds of this. These prioritize larger ticket and growth-stage deals, with an average transaction size of US\$ 45 million. Four deals in this period involved agriculture. With an average transaction size of US\$ 2.8, non-DFI deals are smaller, but more plentiful. Between 2015-2019, 37 deals were executed in agriculture. DFIs largely deploy debt, while non-DFIs increasingly prioritize equity-based transactions.

While concessional debt markets often target large corporates and sectors less risky than agriculture, impact investment funds (e.g. in the form of private equity, venture capital and blended finance) are slowly becoming more accessible to agricultural MSMEs in Ghana. Notable funds explicitly targeting agricultural MSMEs include [AV Venture Capital Ghana](#), [Injaro Agricultural Capital](#), [Agri-Business Capital Fund](#) and the government spearheaded [Industrial Support Fund](#).



Over 90% of businesses in Ghana are MSMEs, which are responsible for about 70% of private sector output and 80% of employment (MOTI 2019). Since only a fraction have access to impact capital and there is limited supply of other forms of equity due to underdeveloped capital markets with limited cash out options, commercial credits are the most accessible form of finance for most MSMEs. However, the 23 commercial banks that account for over three-quarters of financial sector assets are reluctant to lend to MSMEs and for agriculture. Even though projects like [USAID FinGAP](#) and [AfDB/IFAD-Rural Enterprise Programme](#) and have encouraged commercial banks increase agricultural MSME lending through on-lending facilities, less than 20% of bank credits goes to MSMEs and only 4% to agriculture (ANDE 2021). This is not proportionate to MSME and agriculture's contribution to GDP. Since interest rates are some of the highest in Africa (well over 20%), in part due to high returns on treasury bills, there is generally low demand for credit. Pervasive informality in the MSME sub-sector, weak accounting/bookkeeping capacity, high default rates and the perceived market and climatic risks in agriculture also pose significant supply-side constraints, especially for long-term credit.

The [Ghana Development Bank](#), established in June 2022, could improve both demand and supply-side challenges. It will function largely as a wholesale financier to support commercial banks provide longer tenor credit (3+ years) to MSMEs, with agriculture one of the focal sectors. While banks can still charge market rates, increasing loan duration is expected to significantly reduce MSMEs loan service burden. This will be facilitated by [partial credit guarantees](#), which is expected to simultaneously drive reduced MSME collateral requirements. Because the Income Tax Act offers reduced income tax rates on loans to agro-processing, these recent innovations could spur agricultural MSME lending. The [AfDB Ghana Incentive-Based Risking-Sharing for Agricultural Lending \(GIRSAL\)](#) has since 2019 begun to similarly offer partial credit guarantees to commercial banks. By 2022, 23 financial institutions participate in the initiative, which catalyzed lending to [98 agribusinesses](#). With an average loan size of almost US\$ 700,000, this facility does not explicitly target MSMEs, however.

Though facing similar demand-side issues, because of Ghana's many rural and community banks and micro-finance institutions, smaller credits (e.g. < US\$1000) are comparatively more accessible in

Ghana. Though such credits are small and similarly expensive and short-term, they offer valuable finance to micro-enterprises and farmers looking to make small investments and needing working capital. However, such financial institutions are recently facing greater regulatory pressures since the passing of the [Banks and Specialized Deposit Taking Institutions Act](#) in 2016. In 2019, for example, 347 of 527 microfinance institutions had their [licenses revoked](#) for, amongst others, corporate governance, solvency and risk management issues. The Capital Adequacy Ratio of 10% established under the Act is likely to further constrain, particularly long-term, lending.

Recognizing poor access to formal credits, numerous projects have in recent years begun to promote village savings and loans associations (VSLA), generally offering credit at considerably lower rates than commercial banks and microfinance institutions. This includes projects from Solidaridad, CARE, USAID, World Vision, MEDA and SEND-Ghana. In 2019, Ghana had about [24,000 VLSAs](#) with 630,000 members, three-quarters of which women. These have helped reduce the [financial burden](#) of businesses engaged in contract farming, incentivized investment in agro-dealerships, and helped [empower women](#).

Various donors are furthermore supporting the establishment of matching grants funds. For example, in 2021 12 businesses including but not limited to agriculture received matching grants through the EU-supported annual [GrEEen Innovation Challenge](#). Under the World Bank supported [GCAP](#) project, 38 small agribusinesses received grants for productivity investment, including for their outgrowers. IFAD also has a long history with matching grants in Ghana, supporting over 60 small agribusinesses working with smallholders in climate vulnerable areas with procurement of equipment and inputs and infrastructural investments under [GASIP](#). The Matching Grants Fund (MGF) of the Rural Enterprise Program (REP) is most significant in scope, having supporting almost [3,000 MSEs](#) by 2022. Majority of funds are allocated to women. The average grant size is though significantly smaller than other facilities, averaging about US\$1,000 per client (GCAP exceeds US\$300,000 per client). GASIP and GCAP focus primarily on the maize, rice and soy value chains.

The KfW-supported [Outgrower and Value Chain Fund \(OVCF\)](#) is a medium to long-term refinancing vehicle that exclusively targets contract farming initiatives. OVCF supports tripartite partnerships

agreements between farmers, financial institutions and agribusiness. Through this structure, OVCF offers contract farmers access to loans at concessional interest rates for on-farm improvements. By the end of its second phase in 2018, 4610 farmers contracted to 8 different agribusinesses secured credit through OVCF.

## LESSONS FOR TLI

Compared to its peers, in Ghana, agribusinesses (MSMEs included) benefit from many financial support initiatives. Various impact investment and concessional credit facilities and matching grants funds target agribusiness in the country. Many supports smallholder inclusion, sustainable product and process upgrading and climate resilience. Some of the matching grants funds explicitly target investors in sectors critical to food security and self-sufficiency. Such initiatives contribute to mainstreaming more inclusive business models and more sustainable and productive agricultural practices.

Whether some of these investments can be sustained long-term is debatable, given reliance on project-oriented development monies increasingly targeting low-income countries. Many large initiatives also involve concessional loans to the Ghanaian government. However, World Bank in 2021 classified Ghana as a ‘[High Debt Distressed Country](#)’, as loan repayment are expected to surpass 70% of GDP by the end of the year. The government’s ability to attract more debt for such programs is reduced. Under IDA rules, high debt distressed countries are no longer eligible for loans (only grants). With sovereign debt default [looming](#), a potential collapse of Ghana’s banking sector, as the largest investor in public securities, is conceivable. This may reduce MSME access to finance in the foreseeable future and negatively influence commercial interest rates.

Cost of capital is high in Ghana, with many MSMEs and farmers unable/unwilling to pay the necessary interest rates. Large agribusinesses with better access to international sources of debt and impact investment opportunities have a comparative advantage over smaller/domestic businesses in this regard. This could pose a competitive disadvantage for smallholders and MSMEs, but at the same time also an opportunity. Larger businesses that explicitly integrate MSMEs and smallholders into their business plans/models and maintain adequate liquidity, can leverage access to cheap capital to forward finance MSME and smallholder working capital requirements. This would allow

capital-constrained actors to indirectly benefit from (concessional) finance opportunities. To benefit from these opportunities, additional efforts are needed to deepen linkages between large agribusiness, MSMEs and smallholders. This could be achieved through introduction of local sourcing requirements (as is done in India for FDI), by changing fiscal incentive structures, promoting investment by diaspora and domestic market oriented investment ([more likely to build linkages](#)), and enhancing the capacity of GIPC to better support new investors forge local partnerships.

The many VSLAs emerging across Ghana could furthermore address working capital issues. While many such institutions will lack the resources to support investment in fixed assets with long-term repayment schedules (e.g. plantation establishment, farm infrastructure, processing facilities), agribusiness involved in rainfed annual crops that rely largely on variable inputs can be well-placed to build tripartite relations with informal lenders, especially those with excess capital problems. If underpinned by offtake guarantees, such tripartite arrangements can help ameliorate default risks by leveraging social pressures to repay. For most VSLA, repayment rates exceed 99% (compared to [~15% Non-Performing Loans](#) in the commercial banking sector).

## 4. Fair Competition Policies and Mechanisms

Except for the centralized and regulated cocoa value chain, most major agricultural value chains in Ghana are highly bifurcated. Formal and informal markets co-exist but linkages are weak. Formal markets are generally articulated to urban and foreign markets, with comparatively strict quality - and in some sectors sustainability - controls. For most food crops, informal markets are typically localized involving small-scale traders or direct retail in local markets. Due to lack of storage infrastructure, post-harvest losses are especially high in the informal sector. Nevertheless, many farmers market through such channels to minimize transportation costs and benefit from immediate payments, with access to formal markets also geographically variable. Because informal traders/intermediaries can be transient, under-resourced and rely on social contracts, few invest in backward linkages (e.g. inputs, technical services). Though helping reduce farmer transaction costs, they are widely associated with uncompetitive pricing

practices and reduced farmer wellbeing ([Abokyi et al. 2022](#)).

The government-owned National Food Buffer Stock Company ([NAFCO](#)) was established in 2010 to stabilize cereal prices and ensure strategic reserves of staple crops in the country. NAFCO uses a network of licensed buying agents purchasing at farmgate against predetermined prices to absorb surplus, for example. While confronted by operational and financial challenges, NAFCO's warehousing capacity is slated to increase under the [One District One Warehouse](#) initiative. NAFCO is planning to purchase [200,000 MT](#) of maize in 2022, equivalent to approximately 7% of national maize output. While effects on market prices at such volumes will be minimal, NAFCO's activities have shown to contribute to reducing intermediary problems and postharvest losses, as well as improve welfare of participant farmers through minimum pricing ([Abokyi et al. 2022](#)).

While such contracts are governed by the 1960 Contract Law, enforcement capacity in Ghana is limited, with Ghana one of the [slowest countries](#) in Africa to resolve dispute through its courts. Few agribusinesses will therefore pursue legal action in practice, implying that switching costs for smallholders are low.

Despite significant [appetite](#) for competition law, Ghana continues to lack a functional competition regime. A competition bill covering consumer protection was drafted in 2004, though has [yet to be enacted parliament](#). Though some sectoral legislation tangentially cover competition, anti-competitive and predatory practices are seldom regulated. As a signatory to the African Continental Free Trade Area (AfCFTA) agreement, commitment to passing competition laws could increase in future.

## LESSONS FOR TLI

While a promising innovation, as conceived, even at scale WRS has limitations. Though improving availability of finance, they cannot by themselves resolve the high cost of capital in Ghana that frustrate on-farm sustainability and efficiency investments. Furthermore, it has been widely shown that realizing returns on such investments requires technical guidance. The backward linkages and input pre-financing services offered under contract farming (type) initiatives offer more holistic solutions for farmers and remains an important complementary market innovation, especially to smaller, more remotely located and less well organized and capitalized farmers. For

such innovations to prove more durable than they currently are, side-selling problem will need to be more deliberately addressed. As done in some countries, contract farming and other smallholder sourcing agreements would benefit from formal registration and approval procedures that are currently absent. Registration could become conditional on buyer compliance with fair contracting rules. A consistent and common understanding of what constitutes fair contracting would then need to be developed, drawing on past experiences promoting such initiatives. Furthermore, effective communications and monitoring systems will need to be designed. Such a system could involve village focal points, leadership or public or private extension infrastructure equipped to signal opportunistic trading practices at the village-level. Effective sharing of that information with local-level government will allow for more effective conflict mediation. A centralized reporting system would be appropriate for this, to ensure local-level government adequately fulfill their conflict mediation mandate and identify systemic issues requiring state-level intervention and regulation. This would allow for conflict mediation outside of Ghana's sluggish legal system.

The desirability of informal trading (especially in Ghana's border areas) deserves attention too. Ghana should, for example, examine whether informal exports of cereals and horticultural crops serves national interests, both from a food and nutritional security and a fair-trading perspective. More generally, greater regulation of (farmgate) trading is warranted if Ghana wants to improve market efficiencies, reduce postharvest losses, raise product quality, and shorten supply chains.

Successful governmental efforts in some Asian countries (e.g., Viet Nam) to build linkages between farmers and supermarkets, for example (e.g., matchmaking, supporting cold-storage infrastructure, tax breaks), should be explored in Ghana, where a supermarket and 'safe food' revolution is similarly starting to take shape.

## 5. Business Support Services for Land-Based Investors

GIPC furthermore actively assists investors with various permit applications, liaising with different ministries and agencies, gathering investment intelligence and procurement of operational resources. This includes identifying and liaising with traditional authorities willing to alienate land.

MOTI also support investors under the [One District One Factory initiative](#), one of Ghana's 16 Flagship programs. This includes assistance with obtaining commercial credits and accessing necessary public utilities.

Coherence between the many agricultural development initiatives in Ghana is facilitated through the MoFA-led Agricultural Sector Working Group (ASWG) consisting of diverse governmental, donor, NGO, and private sector representatives. ASWG coordinates the annual CAADP Joint Sector Review and aims to improve consistency of development programming with national agricultural priorities, as enshrined in the [Coordinated Program of Social and Economic Development and Agenda for Transforming Ghana's Agriculture](#). Coordination with private sector is enabled through the MOTI-led Private Sector Working Group (PSWG).

Agricultural and forestry R&D capacity in Ghana is [comparatively high](#) relative to other countries in SSA. The [majority of agricultural R&D FTE](#) in Ghana are employed at 10 of its CSIR organizations, notably the Crops Research Institute and Cocoa Research Institute of Ghana. Public spending on agricultural research relative to agricultural GDP is nevertheless low by international standards and is yet to reach the 1% established under CAADP. The [2017 Science, Technology and Innovation Policy](#) and [2019 National Research Fund Bill](#) sought to address this, though the envisioned fund is yet to be established and progress toward policy priorities slow. Due to continued underfunding, research staff are generally underpaid, contributing to significant [brain drain](#). Because of funding limitations, linkages between research, extension systems and industry are considered [weak](#). A Presidential Advisory Council on Science, Technology and Innovation ([PACSTI](#)) established in 2019 could help increase the visibility and political profile of agricultural research, though with Ghana forced into fiscal austerity more resources for R&D is unlikely forthcoming.

The cocoa sector, as the largest agricultural foreign exchange earner in Ghana involving almost 10% of Ghana's households, receives particular attention. Large projects involving amongst others SNV, CARE, Agriterra, Solidaridad, Fairtrade Foundation, Save the Children, World Vision, Rainforest Alliance, IDH and ICCO, often in collaboration with and/or financially supported by major global cocoa companies like Mondelez and Olam and private-sector foundations such as the World Cocoa Foundation have emerged in recent years to help clean up the sector and support adaptation to climate change. This includes [Cocoa Life](#), [Cocoa and Forest Initiative](#), and [African Cocoa Initiative](#). Initiatives such as these have been key in mainstreaming climate smart production practices, rehabilitating Ghana's many moribund cocoa farms, and reducing the sector's forest footprint

CGIAR institutions are reasonably well represented in Ghana. IITA, IFPRI, IWMI have small offices in Ghana, all hosted by CSIR. Most other centers have active projects in Ghana for their respects crops/sectors. The work of particularly IITA has played a critical role in leveraging climate change adaptation commitments for cocoa, disseminating climate smart technologies, and helping build research capacity of National Agricultural Research Systems (NARS).

Ghana public agricultural extension system is also viewed as underdeveloped. With less than one extension office per [700 farmers](#) that generally lack the resources necessary to perform field visits, coverage of public extension is poor. Since most extension officers in Ghana are products of MoFAs many [agricultural colleges](#) across the country, capacity of extension officers is nevertheless comparatively high. However, decentralization reforms have resulted in declining spending on agricultural extension, with elected officials generally prioritizing more [visible investment](#) (e.g. social and physical infrastructure). These reforms have also decentralized the Research-Extension-Farmer Linkages Committee ([RELC](#)) to the regional level. While allowing for more demand-driven and context appropriate extension systems, the interface with national R&D and sectorial priorities has consequently deteriorated, further reducing how well research institutes - many of which based in Accra - can disseminate technologies and conduct demand-driven research.

Because of deficiencies in public extension, many (I)NGOs offer extension services. In addition to the organizations involved in the above highlighted projects, NGOs such as [Trax](#) and [Trias](#), as well as



numerous faith-based NGOs, offer professionalized extension services. Since many involve district agriculture, such organizations enable public extension agents to engage farmers and build their technical capabilities. However, since many NGOs operate through 3-5 funding cycles and their extension support is designed around (specific) donor priorities, they are not necessarily consistent with farmer, district, and national priorities (USAID 2015), or necessarily in keeping with food systems perspectives.

Given the coverage challenges, the government has started exploring e-extension, as detailed in the 2022 [Agricultural E-extension Strategy](#). This aims to build on positive experiences and investments made by projects such as GESSIP. The strategy amongst others envisions developing e-extension hubs in region in concert with regional RELCs to offer demand-driven and region-appropriate services to farmers.

## LESSONS FOR TLI

Few domestic CSOs appear to (have to necessary experience and capacity to) productively engage agribusinesses that seek to improve their business models and practices. In theory, through their social capital with communities and local embeddedness, particularly rural CSOs have a comparative advantage over other types of CSOs in this regard. They are therefore well-placed to, amongst others, help align local knowledge with agroecology and GAP principles, ensure technological packages and extension support services are demand-driven, and mediate contractual/commercial disputes. Because 'responsible' businesses rarely possess these capabilities, they generally rely on locally embedded CSOs to interface with and represent interests of communities. But since such CSOs do tend to lack the necessary private sector engagement, agronomic and value chain development skills, some form of capacity development, partnership brokering, and technical backstopping support is needed. Tripartite partnership configurations, involving specialized INGOs and/or urban CSOs, will likely need to be forged.

Ghana clearly attracts considerable donor support for agricultural development, much of which channeled through large INGOs. With emphasis on climate change adaptation, farm productivity, upgrading, entrepreneurship, and commercialization, much of this is consistent with government policy priorities and maps onto government flagship programs. The focus on cereal crop production in the country's north also illustrates commitment to addressing pervasive food

insecurities in Ghana's drylands.

Most initiatives, includes those led by government, aim to build the productive capacity and the supply base of local MSME processors and buyers, as well as facilitate smallholder intensification (particularly by enhancing fertilizer access) and commercialization (e.g. building market linkages), in support of national agro-industrialization objectives. How well socio-environmental trade-offs of such interventions are considered and addressed appears variable. Many of the INGO initiatives explicitly pursue climate resilience, offering technical guidance and technologies that help ensure intensification is sustainable and climate smart. Government-led initiatives in the sector however - except for GASIP – are less climate- and tradeoff oriented. As has been shown elsewhere, promoting increased (inorganic) fertilizer use without effective trade-off management mechanisms and safeguards could incentive mono-cropping, reduce agrobiodiversity and soil organic matter, enhance soil acidity and increase emission intensities. Such trade-offs are not in keeping with sustainable food systems principles (e.g. reduced dependence on purchased inputs, input self-sufficiency, diversification, soil health, etc.) and can perversely undermine the sector's climate resilience/ smartness. To address this, ASWG could work to more explicitly integrate agroecological and food systems perspectives into especially public-sector programming and explore avenues for strengthening alignment and synergies between initiatives. More systematic involvement of national and international research institutions working on agroecology, as well as environmental agencies, might be necessary to institutionalize more integrated perspectives and science-based understandings of food systems priorities and agroecological practices appropriate to the Ghanaian context. This could help instill political direction and commitment to food systems sustainability – the principles of which not fully and consistently integrated into the Agenda for Transforming Ghana's Agriculture.

Collaborative efforts to develop common understandings of appropriate agroecological and climate smart practices would help increase coherence between the many different extension support initiatives in the country (agribusiness-led extension included). While the cocoa sector has collaboratively produced a field officer training manual on climate smart cocoa that helped align the sector's many private and public (e-)extension systems, this is currently absent in the agricultural sector at large. As some other countries have

done, Ghana should consider embarking on a GAP national interpretation and standard development process (like KenyaGAP, ThaiGAP, etc.) for this purpose. The development of national standards on GAP not only offer agribusiness performance benchmarks but can also be incorporated into public incentive structures (e.g., fiscal incentives conditional on compliance with 'GhanaGAP').

CSIR and CGIAR institutions are well-placed to support these efforts. The different institutions offer significant crop/sub-sector specific expertise that can be well leveraged to design standards relevant to Ghana's diverse agricultural production systems. These demands coordinated action and dedicated funding.

## **6. Bridging Support for Equitable Participation and Benefit Sharing**

Coordination with and between INGOs, as funding gatekeepers, is much stronger. Currently, several hundred INGOs are registered in Ghana, though a fraction is active in food, forestry and/or agriculture. These are important sources of funding for domestic NGOs, including CBOs.

### **Notable INGOs in the sector include:**

- World Vision, supporting village saving groups, offering trainings on sustainable production and strengthening smallholder market linkages through its Household Food Security and Resilience program. This work is focused on Ghana's northern drylands.
- Solidaridad largely focuses on the cocoa and oil palm sectors supporting, amongst others, small enterprise development, village savings and loans, and trainings on sustainable production and processing through its two flagship programs, CORIP and SWAPP.
- CARE recently completed the Agro Source project that sought to improve smallholder access to inputs by supporting development of small-scale agro-input dealerships and improved seed production in Northern Ghana.
- SNV leads a large multi-country inclusive agribusiness initiative, 2scale, that helps producer organizations and SMEs across a range of food crops develop and commercialize products for BoP in local and regional markets.
- IFDC runs a number of regional initiatives to improve private-sector led agricultural fertilizer

service delivery systems under the USAID Feed the Future program. It is also actively engaged in 2Scale.

- AGRA supports numerous initiatives across the country. This includes an AFAP-led consortium to strengthen smallholder access to inputs and markets in maize and soybeans value chains in northern and central regions (Smallholder Inclusive Productivity and Market Access (SIPMA) project), a cassava commercialization project led by Agri-Impact training farmers on GAP and strengthening market linkages (Ghana Cassava Industrialization Partnership Project (GCIPP)), and a project to strengthen quality of existing agricultural extension systems in northern and central Ghana (Ghana Extension Systems Strengthening Project (GESSIP)).
- GIZ recently established a Green Innovation Center in Ghana, which offers farmers cultivating rice and maize trainings on amongst others GAP, as well as assist in accessing finance, inputs and markets.
- MEDA leads the Greater Opportunities for Rural Women 2 project, which amongst others offers business advisory services to female farmers and businesses in the North's soy, groundnut and vegetable sectors and helps women access land, inputs and climate smart technologies.
- ACDI/VOCA led the Agricultural Development and Value Chain Enhancement (ADVANCE II) project, a follow-up to the ADVANCE I conceived in 2011. This project focused on developing inclusive rice, soy, and maize value chains in Northern Ghana, supporting development of over 400 outgrower businesses that help farmers improve production and post-harvest handling practices. The project closed in 2020, though played an important role in out-scaling more inclusive business models in comparative vulnerable areas of Ghana.

## **LESSONS FOR TLI**

Various development interventions in Ghana have sought to improve agribusiness inclusivity – for example, by strengthening linkages between farmers and processors and supporting development of contract farming business models. Lessons learnt on effective brokering approaches, contractual terms and conditions, and impactful backward linkages across different sectors should be captured and systematized. A better understanding of what works, where and why is needed to better facilitate smallholder-agribusiness partnerships at scale. Because such partnerships can be risky (e.g. due to trade-offs), are not always viable (especially in highly competitive, deconcentrated markets), and are not

necessarily self-sustainable without grant funding, a better evidence base is needed to inform future intervention. Ultimately, Ghana should endeavor to design a technical support system for agribusiness to devise more sustainable and inclusive business models, and forge the partnerships needed (e.g. with existing extension systems, financiers, knowledge institutions, rural CSOs) to deliver on such models.

## **7. Financial Services For Engaged Value Chain Actors**

The government's 16 flagship programs also include – in addition to One District One Factory (1D1F) - the Planting for Food and Jobs (PFJ) and Planting for Export and Rural Development (PERD) programs. PFJ is largely an input subsidy initiative, offering smallholders with less than 2 ha of land improved seeds and fertilizers at subsidized prices (50% of commercial rates) for a wide range of food crops. PERD aims to diversify agricultural exports by promoting (more productive) tree cropping. While over 1.9 million farmers benefited from PFJ in 2020, IFPRI research suggests that the program is crowding out commercial inputs, raising concerns over potential long-term shocks to inputs markets should PFJ be phased out. The same research also suggests that eligibility criteria are not applied in practice, implying that intended beneficiaries (e.g., poor, marginalized farmers) are not explicitly targeted. PERD is primarily a decentralized seedling distribution initiative, offering free certified seedlings to farmers for two priority tree crops per district. By 2022, more than 30 million seedlings were distributed to farmers. Both programs also include budgets for improving extension support services.

This is complemented by the presence of major funders in Ghana, such as the European Commission, USAID, IFAD, AfDB and World Bank, support various large development initiatives implemented by the Government of Ghana typically through concessionary lending.

This includes GCAP, Rural Enterprise Program and GASIP that in addition to financial sector support also helped link farmers to outgrower businesses (GCAP and GASIP), strengthened MSME business management/development skills (REP), and strengthened the capacity of FBOs on GAP, climate smart technologies and business/financial management (GASIP).

## **Conclusion**

Ghana has several legislations to control and incentivise land-based investment. These legislations have been borne out of the country's commitments to international treaties, guidelines and protocols. This also reflects the country's vision for socio-economic and political development.

The implementation gaps identified in the legislations provide ample opportunity for state and non-state actors to participate in the finding and fashioning out solutions that work and can contribute towards transformative land investment.

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