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CLIMATE & ENVIRONMENTAL
GOVERNANCE · GHANA

TEN YEARS ON · A DECADE REVIEW, 2016–2026

Is Ghana's Budget Funding Its Environment?

A decade of environmental & climate allocations under the microscope

ICEG POLICY BRIEF · No. 01



Ten Years On: Is Ghana's Budget Funding Its Environment?

A decade review of environmental and climate allocations, 2016–2026 · Inaugural edition

KEY MESSAGES

- ▶ A decade of budgets has delivered rising ambition on paper. Whether public money has actually followed — in real terms, and to the point of being spent — is the question this brief opens.
- ▶ The Environmental Protection Act, 2025 created a National Environment Fund and a Mitigation Fund, but their capitalisation is not yet visible in the budget. New law without dedicated money changes little.
- ▶ The decisive test of an environmental budget is not what is approved but what is released and spent. ICEG will track that gap, line by line, every cycle.
- ▶ Ghana still self-finances only a fraction of the investment it says its climate goals require — leaving resilience dependent on uncertain external flows.
- ▶ A first, practical signal of intent would cost nothing: appoint substantive environmental oversight and publish an Act 1124 financing plan with named budget lines.

The stakes

Climate change is now a fiscal problem for Ghana, not only an environmental one. The World Bank has warned that at least one million Ghanaians could fall into poverty by 2050 if climate shocks go unaddressed, as erratic rainfall, flooding, coastal erosion and heat stress erode livelihoods and public finances alike. The government has itself estimated — in the 2022 Budget — that meeting Ghana's Nationally Determined Contributions would require roughly US\$9.3 billion in investment, to be met from public, international and private sources. Two of those three sources have since become constrained, which places a sharper spotlight on what the domestic budget itself is prepared to fund.

GH¢357.1bn
Total 2026 national budget

GH¢442m
Committed to climate disaster
& coastal protection

US\$9.3bn
Estimated investment to meet
Ghana's NDCs

1 million
Ghanaians at risk of climate-
driven poverty by 2050

Reading the budget through an environmental lens

Ghana's budget is analysed each year by capable institutions, but rarely through an environmental and climate lens. ICEG's Budget Tracker fills that gap, compiling allocations to the environment sector across the 2016–2026 decade and classifying each budget line using the Rio-marker relevance weighting that underpins Ghana's own Climate Change Budget Tagging. Four questions guide the analysis:

Real-terms trajectory	Is the environmental budget growing once the cedi's depreciation is stripped out, or only in nominal cedis?
The execution gap	How much of what is approved is actually released and spent on environmental lines?
Extraction vs remediation	How does revenue drawn from mining compare with money spent regulating and remediating it, including galamsey?
Self-financing vs dependence	How much of Ghana's climate action is funded from its own budget rather than external flows?

What the decade shows

1. New funds, an old question

The Environmental Protection Act, 2025 (Act 1124) is among Ghana's most ambitious governance reforms in decades. It upgraded the Environmental Protection Agency into an Authority and, crucially, created a National Environment Fund and a Mitigation Fund intended to give environmental protection more predictable resources than annual allocations or donor projects allow. The reform is real; the financing is not yet visible. As the 2026 mid-year position stands, there is no published account of these funds being capitalised. For scale, the Environmental Protection Authority's core compliance-and-enforcement programme was budgeted at about GH¢230 million for 2025, while the e-waste fund appears as a separate line of just GH¢6.5 million — a reminder of how thin dedicated environmental financing still is. A fund that exists in law but not in the accounts protects nothing.

2. The gap between promise and spend

The decisive number in any environmental budget is not the headline allocation but the amount finally released and spent — and the early evidence is stark. In 2024, Ghana's environment-and-science sector ministry spent about GH¢1.02 billion of the roughly GH¢1.17 billion approved (around 87%), but of its GH¢152 million approved government capital budget, only about GH¢26 million — roughly one cedi in six — was actually spent. Capital spending is precisely where climate and environmental resilience is built, and it is where the gap bites hardest. Across Ghana's public finances, environmental lines are among those most exposed to in-year cuts when revenues fall short; the sector rarely commands the protection that wages or debt service do. Quantifying that gap, year by year and line by line, is the single most valuable contribution ICEG's tracker makes.

3. The mining paradox

Ghana draws substantial revenue from mining while spending comparatively little on regulating and remediating its consequences. The costs of illegal small-scale mining — polluted rivers, degraded farmland, deforestation — accumulate faster than the budgets set aside to reverse them. Setting extraction revenue against remediation spending over the decade exposes an imbalance that sits at the centre of ICEG's mandate and of Ghana's environmental politics.

4. Financing the transition, mostly from elsewhere

Ghana's climate ambitions are still largely externally financed. Against the roughly US\$9.3 billion the government estimated it needs to meet its NDCs, the country had accessed on the order of US\$103.8 million from the Green Climate Fund for seven projects as of 2023 — meaningful, but a fraction of the need, and dependent on external decisions. The recent Green Investment Dialogue and the 2026 Budget's low-interest facility for sustainable ventures point in the right direction; the question the tracker keeps asking is how much of the transition Ghana is prepared to fund itself.

Recommendations

1. Provide substantive environmental oversight. Appoint a dedicated minister for the environment so the sector has clear political accountability for delivery and spending.
2. Publish an Act 1124 financing plan. Accompany the new law with a costed implementation strategy and named budget lines for the National Environment and Mitigation Funds.
3. Capitalise the funds transparently. Report actual inflows to the statutory environmental funds in each budget and mid-year review, so they are more than paper vehicles.
4. Report release and actuals, not just allocations. Publish what was released and spent against environmental lines, so execution — not intention — can be judged.
5. Align mining revenue with remediation. Ring-fence a transparent share of mineral revenue for environmental restoration and reclamation.
6. Institutionalise climate budget tagging. Make Ghana's Climate Change Budget Tagging results a published annex to the budget, enabling year-on-year tracking by Parliament and the public.

About this brief

This is the inaugural brief in ICEG's environmental and climate budget series, which reads Ghana's national budget through the lens of environmental protection, climate resilience and the low-carbon transition. Monetary figures cited here are drawn from the official sources listed below. The full 2016–2026 allocation series that underpins ICEG's analysis is compiled in the *ICEG Environmental & Climate Budget Tracker*, where the decade trend is referenced, final year-by-year figures are being validated for the accompanying full report. The brief is deliberately non-partisan: it reports across administrations on the same basis and addresses its recommendations to institutions, not parties.

Selected sources

- ▶ Republic of Ghana, 2026 Budget Statement and Economic Policy, Ministry of Finance (total appropriation ≈ GH¢357.1bn).
- ▶ Environmental Protection Act, 2025 (Act 1124); commentary on the 2026 Mid-Year Fiscal Policy Review, Citi Newsroom (2026).
- ▶ Ghana News Agency, 'Government commits over GH¢442m to climate disaster response, coastal protection' (May 2026).
- ▶ Republic of Ghana, 2022 Budget Statement (US\$9.3bn NDC investment estimate); U.S. International Trade Administration, Ghana climate commitments.
- ▶ World Bank, Ghana Country Climate and Development Report (2022) — poverty projection.
- ▶ Ministry of Environment, Science and Technology, 2025 Programme-Based Budget Estimates (MoF) — 2024 expenditure performance and 2025 allocations.
- ▶ Ghana Climate Change Budget Tagging / climate-sensitive PFM materials (MoF, NDPC, MESTI, EPA).

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About ICEG

The Institute of Climate and Environmental Governance (ICEG) is an independent research and policy institute based in Accra, Ghana. ICEG works at the intersection of climate change, environmental governance and public finance — producing evidence, analysis and practical tools that help government, civil society and citizens hold public resources to account for environmental and climate outcomes. Its work spans climate finance, circular economy and e-waste, sustainable mining governance, and urban environmental resilience.

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