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A practical cross-border resource to inform legal minds

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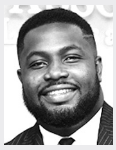

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1 Setting the Scene – Sources and Overview

1.1 What are the main substantive ESG-related regulations and who is driving the regulatory agenda in your jurisdiction?

At present, Ghana does not have a single comprehensive piece of legislation that provides a unified framework for ESG matters. However, various aspects of ESG are addressed through provisions scattered across multiple laws and regulations, including those governing environmental protection, social welfare and community development, as well as corporate governance practices. These include:

a. the 1992 Constitution of Ghana;
b. the Commission on Human Rights and Administrative Justice Act, 1993 (Act 456);
c. the Companies Act, 2019 (Act 992);
d. the Environmental Protection Act, 2025 (Act 1124);
e. the Forestry Commission Act, 1999 (Act 571);
f. the Ghana Gold Board Act, 2025 (Act 1140);
g. the Labour Act, 2003 (Act 651);
h. the Minerals and Mining Act, 2006 (Act 703) (As Amended);
i. the Renewable Energy Act, 2011 (Act 832) (As Amended);
j. the Petroleum (Exploration and Production) Act, 2016 (Act 919);
k. the Securities Industry Act, 2016 (Act 929) (As Amended); and
l. the State Interests and Governance Authority Act, 2019 (Act 990).

In Ghana, ESG regulation is primarily driven by industry regulators through the enforcement of ESG-related laws, ensuring compliance with statutory obligations, and encouraging voluntary disclosures. Beyond enforcement, regulators have taken proactive measures to address ESG concerns through the development and issuance of sector-specific frameworks and guidelines.

1.2 What are the main ESG disclosure regulations and how have they evolved during the past 12 months?

The main regulations governing environmental impact disclosures and reporting include:

a. The Environmental Assessment Regulations, 1999 (L.I. 1652) – requires companies granted environmental permits to submit annual reports on their undertaking.[1]
b. The Bank of Ghana (BoG) Climate-Related Financial Risk Directive (CRFRD), 2024 – requires Regulated Financial Institutions (RFIs) to disclose climate-related financial risks in their audited financial statements and annual reports, and to report to the BoG any climate-related risk exposures and steps taken to address them.[2]

In terms of social impact disclosures, the main regulations are:

a. The Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204) (As Amended) – requires operators to file annual local content performance reports with the Petroleum Commission, including details on the employment of Ghanaians (number, categories, training programmes), procurement of goods and services from local suppliers, and capacity building initiatives, among others.[3]
b. The Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I. 2182)[4] – requires companies to submit reports to the Minerals Commission on occupational injuries and accidents (fatal and non-fatal), safety measures and audits conducted, and risk assessments and hazard mitigation efforts, among others.[5]
c. The Minerals and Mining (Local Content and Local Participation) Regulations, 2020 (L.I. 2431)[6] – requires companies to report to the Minerals Commission on the number and categories of Ghanaians against expatriate employees, list of local goods and services procured, contracts awarded to local companies, and training programmes for Ghanaians, among others.[7]

Key corporate governance disclosure requirements are outlined in the following regulations:

a. the BoG Corporate Governance Directive for Rural and Community Banks, 2021;
b. the BoG Corporate Governance Directives, 2018;
c. the Securities and Exchange Commission (SEC) Corporate Governance Code for Listed Companies, 2020;
d. the SEC Regulations, 2003 (L.I. 1728);
e. the Securities Industry (Green Bond) Guidelines, 2024; and
f. the Securities Industry (Over-the-Counter Market) Guidelines, 2022.

As Ghana strives for sustainable development and economic growth, the importance of sustainability disclosures has gained significant traction with new regulations issued by regulatory bodies to incorporate sustainability and sustainability disclosures in the activities of Ghanaian businesses.

With the issuance of the CRFRD by the BoG in November 2024, several key trends have emerged in the evolution of ESG regulations in Ghana:

- Shift Towards Mandatory ESG Disclosure: under the CRFRD, RFIs are required to disclose climate-related risks in their audited financial statements and annual reports, making climate risk reporting a formal regulatory obligation rather than a discretionary practice.[8]

- Enhanced Governance and Oversight Responsibilities: the CRFRD places direct responsibility on boards of directors and senior management to develop and implement climate-related financial risk management strategies, guidelines, and standards.[9] These must be integrated into the institution's broader business strategy and risk management framework.
- Phased Implementation Approach: the CRFRD adopts a staggered implementation timeline, taking effect from 1 January 2026 for banks and 1 January 2027 for specialised deposit-taking institutions (SDIs) and non-bank financial institutions (NBFIs).[10]
- Expansion of ESG Regulation to Non-Traditional Sectors: traditionally, ESG disclosure requirements in Ghana were concentrated in sectors such as extractives and manufacturing. The CRFRD signals a broadening of scope to include the financial services sector, highlighting the growing recognition of the need to incorporate ESG concerns into all sectors.
- Alignment with International Standards: the CRFRD is informed by key global frameworks, including: the Basel Committee on Banking Supervision (BCBS) principles on the effective management and supervision of climate-related financial risks (June 2022); the Basel Consultative Document on Climate Risk Disclosures (November 2023); and the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures Standard issued by the International Sustainability Standards Board (ISSB) (June 2023).[11] This alignment underscores Ghana's commitment to harmonising its ESG disclosure framework with internationally recognised best practices.

Following the release of IFRS S1 and IFRS S2 by the International Accounting Standards Board (IASB), the Institute of Chartered Accountants, Ghana has published a roadmap for their adoption.[12] Under the roadmap, all entities are permitted to voluntarily apply IFRS S1 and IFRS S2 for annual reporting periods beginning from 1 January 2024.

The following entities must adopt the standards for annual periods beginning from 1 January 2027: listed entities on any recognised exchange in Ghana; regulated non-listed entities (including banks, insurance companies, corporate trustees, and registered pension schemes); public limited companies; and private companies that are holding companies of public or regulated entities.

Additionally, entities operating in the following industries are required to adopt the standards from 1 January 2027: upstream oil and gas exploration, development, and production companies with petroleum agreements; mining exploration and production companies; oil and gas refineries; automobile manufacturing companies; cement manufacturing companies; and non-renewable power generation companies.

All other companies incorporated under the Companies Act, 2019 (Act 992) except those classified as significant public interest entities or government organisations (excluding state-owned enterprises (SOEs)) must adopt the IFRS S1 and IFRS S2 for annual reporting periods beginning from 1 January 2028.

This roadmap represents a landmark step toward standardised sustainability disclosures in Ghana.

1.3 What voluntary ESG disclosures, beyond those required by law or regulation, are customary?

A number of ESG-related guidelines have been developed by regulators of some industries in Ghana to guide and encourage ESG disclosures by entities that operate in the industry. These guidelines seek to encourage voluntary ESG-related disclosures. They include:

a. Ghana Sustainable Banking Principles and Sector Guidance Notes (SBPs), which provide the guiding principles to underpin effective Environmental and Social Risk Management (ESRM) policy frameworks for banks.[13]
b. ESG Disclosure Guidance Manual for Listed Entities in Ghana, which complements the SEC Corporate Governance Code for Listed Companies, 2020 and guides how listed companies in Ghana and other organisations interested in ESG reporting can collect, analyse, and publicly disclose important ESG information using an approach that meets international standards in sustainability reporting.[14]
c. ESG Guidelines for the Insurance Industry in Ghana, which aim to encourage insurers and reinsurers to develop an approach to enhanced transparency and disclosure of financial risk management practice. According to the guidelines, insurers and reinsurers are required to disclose their approach to managing ESG risk in a way that is clear and useful to stakeholders on an annual basis. Additionally, they are required to disclose ESG issues in accordance with best practice international reporting frameworks and Ghanaian-specific guidelines.[15]

1.4 Are there significant laws or regulations currently in the proposal process?

a. The National Petroleum Authority (NPA) Bill, 2025: the NPA Bill is currently being finalised to be introduced in parliament. The Bill seeks to enhance the regulatory and operational framework within the downstream petroleum sector, while promoting greater efficiency, transparency and accountability.[16]
b. BoG Risk Management Directive, 2021: this Directive is currently in exposure draft stage and open for public comments. It aims to establish more comprehensive risk management obligations for RFIs.[17]

1.5 What significant private sector initiatives relating to ESG are there? To what extent are private companies reporting on ESG issues?

a. The Chartered Institute of Bankers Ghana (CIB Ghana), in collaboration with the Environmental Protection Agency (EPA) and the International Finance Corporation (IFC), has launched the ESG Certification Programme. This initiative is aimed at aligning Ghana's financial sector with global sustainability standards and enhancing its long-term resilience. The programme is designed to equip professionals within financial institutions with the knowledge and skills required to effectively manage ESG risks and opportunities in an evolving regulatory and business landscape.[18]
b. KPMG ESG Reporting Survey and Publication: KPMG Ghana conducted a nationwide survey on ESG reporting among listed companies. The findings were published in November 2024 in a report titled: "ESG Reporting in Ghana: Are Listed Companies Meeting Expectations?" This initiative is intended to assist private sector entities in their ESG journey by providing insights into current reporting practices and promoting greater compliance with ESG disclosure requirements.[19]

c. First Africa Global ESG & Sustainability Reporting Summit – Data Infrastructure and Stakeholder Collaboration Initiative: in September 2025, the maiden Africa Global ESG & Sustainability Reporting Summit was held in Accra, organised by TSL Sustainability in partnership with the Ministries of Energy and Green Transition, Lands and Natural Resources, and Environment, Science, Technology and Innovation (MESTI). This summit aimed to strengthen the private and public sectors' capacity to deliver credible ESG disclosures, strengthen green market participation, and help ensure Ghana meets global and local sustainability expectations.[20]

d. The Ghana Green Guard Initiative: Ghana has secured a significant partnership with the private sector through a USD 25 billion agreement aimed at addressing climate change and promoting sustainable development. The Ghana Green Guard Initiative, forged between the EPA, the developer CarbonPura, and Private Sector Participation in Health (PSPH), will provide a series of regenerative solutions designed to secure a healthier and more sustainable future for all.[21]

2 Principal Sources of ESG Pressure

2.1 What are the views and perspectives of investors and asset managers toward ESG, and how do they exert influence in support (or in opposition) of those views?

In Ghana, investors and asset managers increasingly view ESG considerations as integral to responsible and sustainable investment strategies. ESG factors are no longer treated as peripheral concerns but are recognised as central to shaping corporate purpose, long-term value creation, and risk management.[22]

Many investors and asset managers view ESG as:

a. Strategically essential, as these principles are recognised as key for driving responsible, inclusive, and equitable growth.

b. A source of competitive advantage. Companies with strong ESG performance are perceived as more resilient and may deliver superior returns over time.

c. Providing a framework for aligning investment decisions with the values and expectations of stakeholders.

d. A way to attract and retain top talent, especially with regard to considerations of the social benefits of ESG. Companies that adhere to high ethical standards and business practices often have a great reputation among high-performing employees.

e. A way to make a positive impact in the world through investing in green bonds and engaging in ethical sourcing of products.

Investors and asset managers exert their influence in support of these views through:

- Embedding ESG analysis into their financial and investment decision-making.
- Advocating for stronger ESG regulations and standards at the national and regional levels, while aligning policy frameworks with their sustainability goals.
- Active engagements on ESG issues with companies in which they invest.
- Adhering to national and international ESG codes, principles, and best practices.
- Collaborating with stakeholders to address ESG challenges and drive positive outcomes.

2.2 What are the views of other stakeholders toward ESG, and how do they exert influence in support (or in opposition) of those views?

Stakeholders, including employees, clients, boards, regulators, policymakers and other interested parties, hold diverse perspectives on ESG matters.

a. Employees: many employees are supportive of ESG initiatives, viewing them as opportunities for their employers to positively impact the environment. Engagement of employees often takes the form of participation in sustainability programmes, diversity and inclusion initiatives, or advocacy for responsible business practices.[23] There are, however, some concerns about potential implications of ESG for job security or financial performance, particularly where ESG measures are perceived to drive cost-cutting or restructuring that may lead to job losses.

b. Boards of Directors: increasingly, boards are acknowledging the strategic importance of ESG and integrating it into corporate decision-making by setting ESG goals, monitoring performance, and embedding it into long-term planning. Nonetheless, tensions sometimes arise when boards prioritise short-term financial results over long-term sustainability objectives, resulting in resistance to ESG initiatives perceived as potentially detrimental to profitability.

c. Regulators and Policymakers: regulators and policymakers play a central role in advancing ESG by developing and enforcing regulatory frameworks and policies that compel or incentivise businesses to address ESG issues. Their actions set minimum compliance thresholds while also shaping broader market expectations around responsible business conduct.

d. Clients and Customers: a growing segment of clients and customers that actively prefer to engage with companies that demonstrate strong ESG performance and align with their social or environmental values. For others, traditional factors such as price, convenience, or product quality continue to take precedence. Notably, clients are more likely to support a business when they are informed about its sustainability and social impact initiatives, highlighting the importance of transparent ESG communication.[24]

2.3 What are the principal regulators with respect to ESG issues, and what issues are being pressed by those regulators?

In Ghana, the main regulators for ESG issues are:

a. The EPA: the primary body responsible for enforcing environmental laws and regulations. This includes overseeing and ensuring compliance with pollution control, waste management, and sustainable resource use.[25]

b. The SEC: oversees and encourages ESG disclosure and integration among companies listed on the Ghana Stock Exchange (GSE). It promotes and provides guidelines for sustainable financing to enhance transparency, integrity, and quality in the market.[26]

c. The BoG: oversees the adoption of sustainable banking practices to promote financial inclusion, social responsibility, and environmental awareness within the banking sector.[27]

d. Office of the Registrar of Companies: oversees corporate governance-related filings and disclosures to ensure transparency and accountability.

Other government agencies and bodies that oversee specific facets of ESG issues in Ghana include:

a. MESTI: responsible for creating and enforcing environmental policies and regulations. It works closely with the EPA to tackle environmental challenges.
b. Ministry of Lands and Natural Resources: tasked with the regulation and management of Ghana's land and mineral resources, particularly in the context of the mining industry. It oversees matters related to land tenure, mining concessions, and the extraction and exploitation of mineral resources.[28]
c. Ministry of Energy and Green Transition: involved in the creation and regulation of the country's energy policies, including those related to renewable energy and energy efficiency.[29]
d. National Labour Commission (NLC): addresses labour disputes, labour rights, and concerns linked to equitable labour practices.[30]
e. Social Security and National Insurance Trust (SSNIT): manages the nation's pension system and ensures that employees' social security contributions are effectively handled.[31]

2.4 Have there been material enforcement actions with respect to ESG issues?

In 2025, Ghana took significant enforcement actions to strengthen compliance with ESG standards. These measures reflect increasing regulatory focus on addressing illegal activities that undermine environmental protection, sustainable development and governance integrity.

In July 2025, President John Mahama inaugurated the GOLDBOD Task Force, a multi-agency unit comprising security and military officers. The task force was established to combat illegal gold mining (popularly known as "galamsey") and smuggling. The initiative follows the creation of the Ghana Gold Board in January 2025 as the sole authority mandated to regulate small-scale mining transactions and exports.[32]

2.5 What are the principal ESG-related litigation risks, and has there been material litigation with respect to ESG issues, other than enforcement actions?

Litigation linked to ESG issues can arise from multiple sources, including the following:

a. Disclosure and Transparency Failures: investors and stakeholders may institute actions against companies that misrepresent ESG performance, engage in greenwashing, or fail to disclose material ESG risks and impacts.
b. Regulatory Non-Compliance: companies that fail to adhere to ESG-related laws and regulations risk enforcement actions or lawsuits. For example, non-compliance with employment standards may expose a company to claims under labour laws.
c. Consumer and Employee Claims: ESG-related litigation may also stem from claims by employees or consumers. Common issues include workplace discrimination, unfair termination, unsafe working conditions, and product safety concerns.[33]
d. Non-Governmental Organisations (NGOs) and Stakeholder Actions: NGOs and other stakeholders may initiate litigation, often in the public interest, to compel companies to improve their ESG practices and accountability.

2.6 What are current key issues of concern for the proponents of ESG?

Currently, the primary areas of concern for ESG proponents include:

a. Lack of Standardised Metrics: companies measure ESG performance in different ways, making comparisons difficult. Without standardised metrics, investors often rely on company-provided data, which may be unreliable and allow poor practices to go unnoticed.
b. Complex Regulatory Environment: ESG regulations vary across countries and regions, creating a challenging compliance landscape for companies operating globally. Frequent updates and new requirements may also affect the value of existing ESG investments and increase reporting obligations for businesses.
c. Inconsistent Data Reporting: ESG data is often reported inconsistently, even within the same industry. For example, two companies may measure and report their carbon emissions differently. This inconsistency makes it difficult for investors to evaluate performance fairly and compare companies.

2.7 Have ESG issues attracted shareholder activism, and from whom?

In recent years, ESG concerns have increased shareholder activism typically from the following sources:

a. Shareholders and Investors: investors are increasingly demanding that companies integrate ESG principles into their operations. They use their ownership rights to raise ESG concerns, file shareholder resolutions, and vote on ESG-related proposals at meetings. When directors breach their fiduciary duties or fail to comply with ESG regulations, shareholders may also pursue legal action.
b. NGOs: advocacy groups and NGOs often apply pressure on companies to act responsibly and adopt sustainable practices.
c. Regulators and Government Initiatives: regulatory bodies such as the SEC can encourage activism by requiring listed companies to make ESG-related disclosures and reports.
d. Global ESG Initiatives: international frameworks such as the United Nations Principles for Responsible Investment (PRI) influence local investors in Ghana to prioritise ESG issues and engage in activism.

3 Integration of ESG into Strategy, Business Operations and Planning

3.1 Who has principal responsibility for addressing ESG issues? What is the role of the management body in setting and changing the strategy of the corporate entity with respect to these issues?

The primary responsibility for addressing ESG issues rests with the company's board of directors and senior management. They must ensure that effective processes are in place to identify, assess, and manage ESG-related risks and opportunities. Nevertheless, the board retains ultimate accountability for the company's ESG performance.[34]

When developing or adjusting the company's strategy on ESG matters, management plays several roles, including the following:[35]

a. engaging regularly with internal and external stakeholders to understand their needs and address their concerns;
b. assessing the materiality of ESG metrics and integrating their evaluation into the organisation's routine performance management processes;
c. formulating ESG metrics and integrating their evaluation into the organisation's routine performance management processes;
d. developing and implementing a capacity-building plan to raise awareness of current and emerging ESG topics and to strengthen competencies in ESG management;
e. evaluating the potential impact of current ESG issues on organisational performance, including monitoring ESG metrics and making appropriate decisions;[36]
f. monitoring and reviewing the impact of current trends, regulations, and international ESG standards on the organisation;[37]
g. collaborating with other management committees to address interrelated themes, such as human rights, and to identify ESG risks and opportunities;[38]
h. providing recommendations to the board on ESG matters, including resourcing, ESG-related investments, and performance management;[39] and
i. serving as a checkpoint in the ESG reporting process.[40]

3.2 What governance mechanisms are in place to supervise management of ESG issues? What is the role of the board and board committees *vis-à-vis* management?

A company's internal governance framework for managing ESG issues can vary, as there is no single standard approach. In Ghana, for example, boards of listed companies and certain insurance companies often establish dedicated committees to oversee ESG matters, including the ESG reporting process. The committee responsible for sustainability matters is typically known as the Sustainability Committee. This committee supervises the management of ESG issues and carries out other duties, such as:[41]
a. setting and ratifying the organisation's ESG strategy;
b. approving policies to guide senior management in implementing ESG directives;
c. ensuring that a robust process exists for assessing stakeholders and understanding their needs;
d. determining the materiality of ESG topics in the context of the business and its stakeholders;
e. regularly evaluating ESG metrics and incorporating them into organisational and management performance appraisals;
f. ensuring ESG factors are considered in strategic decision-making, including market entry, product development, recruitment, and other business decisions; and
g. disclosing ESG performance to stakeholders annually through the ESG reporting process.

The board holds the CEO and senior management accountable for corporate sustainability performance as part of its fiduciary duty to stakeholders.[42] While the board sets and ratifies the ESG strategy, management is responsible for implementing the ESG directives.[43]

3.3 What compensation or remuneration approaches are used to align incentives with respect to ESG?

A growing number of organisations are tying executive compensation to ESG performance.[44] In industries such as agriculture and forestry, construction and real estate, manufacturing, oil and gas, and power, companies are now expected to set measurable ESG targets for their CEOs and embed these targets within executive remuneration packages.[45] This requirement also serves as part of the due diligence criteria applied by banks.[46]

Furthermore, under the SEC Corporate Governance Code for Listed Companies, 2020, the remuneration of executive directors in all listed companies in Ghana must include a component linked to corporate performance.[47] This linkage prioritises long-term sustainable performance over short-term outcomes.[48]

3.4 What are some common examples of how companies have integrated ESG into their day-to-day operations?

Companies have fostered a culture of sustainability through measures such as:
a. developing sustainability-related policies, approved by the board and senior management, and communicating them to all staff. These policies often include a Human Resources Policy, Environmental Policy, Health and Safety Policy, and Community Engagement Policy;[49]
b. establishing a code of conduct, approved by the board and senior management, and observed by both management and staff. The code incorporates provisions that comply with Ghana's labour laws as well as international labour and social standards, including those of the International Labour Organisation (ILO) and the United Nations Declaration of Human Rights;
c. introducing staff awards to recognise proactive leadership in implementing the company's internal sustainability strategy;
d. considering ESG factors in strategic decision-making, including market entry, product development, recruitment, and other business activities;[50]
e. disclosing ESG performance annually to stakeholders through the ESG reporting process;[51]
f. creating the role or function of Chief Sustainability Officer or Sustainability Director;[52]
g. organising regular initiatives that involve employees in community projects, such as tree planting, blood drives, and climate change education;
h. providing sustainability-focused training during the on-boarding process for new employees, emphasising its importance in daily operations; and
i. incorporating diversity considerations such as gender, culture, and expertise into recruitment processes.

3.5 How have boards and management adapted to address the need to oversee and manage ESG issues?

In Ghana, boards and management are increasingly strengthening their oversight and management of ESG issues by forming sustainability committees, providing ESG-related training for board members, and embedding ESG considerations into corporate strategies.

4 Finance

4.1 To what extent do providers of debt and equity finance rely on internally or externally developed ESG ratings?

Debt and equity finance providers are increasingly relying on ESG ratings to gauge the sustainability and ethical impact of their investments. In Ghana, the majority of these providers are in the banking sector. Under Principle 1 of the SBPs, banks are required to identify, measure, mitigate, and monitor environmental and social risks in their operations. As part of this process, banks require their clients to report on environmental and social performance to ensure compliance with the bank's risk management policies and procedures.

4.2 Do green bonds or social bonds play a significant role in the market?

Green bonds and social bonds are becoming increasingly important in Ghana's financial market as instruments for promoting sustainable development and social equity.

In 2024, the SEC issued the Securities Industry (Green Bond) Guidelines to support the development of a domestic green securities market.[53] The Guidelines aim to maintain the credibility of green securities through transparency, disclosure, integrity, and quality,[54] while preventing "greenwashing" by avoiding misleadingly labelled green bonds.[55]

Gender bonds, also known as "gender equality bonds" or "women's bonds", are debt securities issued by governments, corporations, or multilateral organisations to finance projects that directly advance gender equality and women's empowerment.[56] In 2023, the GSE took a significant step by encouraging the issuance of gender bonds in the fixed-income market to promote the inclusion of women-owned businesses on the Ghana Alternative Market.[57] The GSE is also developing guidelines to facilitate capital raising for female-led businesses on the exchange.[58]

4.3 Do sustainability-linked bonds play a significant role in the market?

Sustainability-linked bonds are a relatively new concept in Ghana. In April 2022, the Ghana Fixed Income Market Listing Rules were amended to include requirements and guidance for issuing sustainable bonds. This provides both corporate and government issuers with an opportunity to strengthen their green, social, and sustainability strategies while meeting growing investor demand for such instruments.[59]

The Government of Ghana has also established a Sustainability-Linked Finance Framework (SLFF) as part of its broader Sustainable Financing Framework.[60] The SLFF demonstrates the Government's commitment to achieving specific environmental and social objectives under key flagship policy initiatives. Meeting the targets set out in this framework will contribute to Ghana's progress towards the Sustainable Development Goals (SDGs) and Africa's Agenda 2063.

4.4 What are the major factors impacting the use of these types of financial instruments?

While green bonds are supported by established guidelines, there are currently no dedicated guidelines for social bonds, sustainability-linked bonds or gender bonds, an absence that affects investor confidence and limits market growth.

4.5 What is the assurance and verification process for green bonds? To what extent are these processes regulated?

Paragraph 7 of the Securities Industry (Green Bond) Guidelines, 2024 sets out the assurance and verification process for green bonds in Ghana.[61]

Issuers are required to obtain an independent external review of the green nature of eligible projects and their compliance with the applicable obligations.[62] This review must be conducted by a qualified, independent expert in line with the International Capital Market Association (ICMA) Green Bond Principles.[63] The report must be submitted to the SEC at the time of issuance, together with the issuer's Green Bond Framework, outlining:[64] how the proceeds of the green bond will be used and managed; the rules and criteria for project selection; procedures for tracking spending; and the approach for assessing the environmental impact of funded projects.

Issuers may seek further assurance through:

a. certification under recognised standards;[65]
b. third-party assurance confirming compliance with external references or best practices;[66]
c. green bond scoring or rating based on a recognised methodology from a rating agency or other external body;[67] or
d. verification by an external party against criteria set by the issuer, which may cover project selection, fund management, account monitoring, and adherence to environmental impact requirements.[68]

4.6 What other developments and factors are driving or hindering the financing of green projects?

Driving factors for green financing in Ghana include:

a. regulatory incentive policies such as tax incentives, subsidies, exemptions and price support are strong drivers of green financing;[69]
b. financial motives have also largely influenced green financing growth. Five economic drivers are shortlisted: favourable macroeconomic conditions and investment returns; improved access to and lower cost of capital; reduced business and financial risk; a reasonable maturity/investment period; and preferential capital requirement for low-carbon assets;[70]
c. non-pecuniary drivers, such as investors' pro-environmental preferences, have been identified as a major reason behind green financing growth. This is because investors are willing to sacrifice returns for environmental objectives;[71]
d. the existence of grants and public sector support from government agencies, international organisations, and others for small and medium-sized enterprises (SMEs);[72] and
e. the introduction of crowdfunding to support projects that meet specific green criteria.

Factors that hinder green financing in Ghana include:

a. greenwashing and credibility concerns. Greenwashing is where issuers of green bonds exaggerate or misrepresent their sustainability efforts. This practice severely undermines trust in green finance. Investors and stakeholders become sceptical of companies' sustainability claims, leading to a lack of confidence in green bonds;
b. high initial capital costs hinder the financing of green projects.[73] Green projects do not have the predictable cash flow streams as traditional projects with fewer operational costs;[74]
c. SMEs often have limited awareness of funding options for their projects, and the high initial costs discourage the pursuit of green projects;

d. there are no direct measures that incentivise financing for green projects.[75] For instance, carbon tax credits have not been developed in Ghana;[76] and
e. inability of financial institutions to quantify the risks associated with green finance investments.[77]

5 Trends

5.1 What are the material trends related to ESG?

The passage of Ghana's new Environmental Protection Act, 2025

The passage of Ghana's new Environmental Protection Act, 2025 (Act 1124) represents a significant milestone in the country's ESG trajectory. The Act establishes a modern and comprehensive framework for environmental protection, with Part V of the Act specifically addressing climate change.[78] The Act incorporates Ghana's international climate obligations under the Paris Agreement domestically.

Under the Act, the EPA is formally designated as the national authority for administering market-based and non-market instruments linked to climate change. This includes oversight of carbon markets, voluntary carbon mechanisms, and domestic carbon pricing tools.

A key innovation introduced by the Act is the establishment of the Ghana Carbon Registry, a digital national database designed to track and regulate carbon market activities within and beyond Ghana. The registry is expected to provide transparency, accountability, and credibility in carbon trading, thereby positioning Ghana as a leader in carbon governance within the African region.[79]

This legislative development reflects Ghana's commitment to environmental governance. It underscores Ghana's effort to embed sustainability into its economic growth strategy while creating an enabling environment for green investment, responsible corporate conduct, and long-term resilience.

Ghana's pioneering role in carbon credit trading

In 2025, Ghana became the first African country to officially trade carbon credits under Article 6.2 of the Paris Agreement, marking a significant milestone in international climate cooperation.[80] On 8 July 2025, it transferred 11,733 tonnes of verified emission reductions to Switzerland, generated through a clean cookstove initiative. The transfer is part of a bilateral agreement signed in 2020 between the two nations, in accordance with Article 6 of the Paris Agreement. While other African countries such as Senegal, Malawi, Tunisia, and Kenya have signed bilateral carbon trading agreements, Ghana is the first to successfully execute a transfer.[81] This achievement demonstrates Ghana's capacity to not only meet its climate obligations but also to leverage carbon trading as a tool for sustainable development.

Building local capacity for carbon market participation

As global carbon markets expand, there is growing concern that African countries could remain confined to lower-value roles, such as project hosting, while critical functions like verification, auditing, and project design are led externally.[82]

In response, the Accra Metropolitan Assembly (AMA), in collaboration with Bloomberg Philanthropies and other international partners, launched the second phase of the Youth Climate Action Fund (YCAF) in 2025. The initiative is designed to empower young people between the ages of 15 and 24 to lead innovative climate projects across the metropolis.

By equipping youth with technical and regulatory expertise, the programme seeks to ensure Ghana develops the local skills necessary to actively participate across the full carbon value chain.[83]

Integration of carbon trading into agricultural value chains

Ghana is witnessing new developments in sustainability through the integration of carbon trading into agriculture, especially in the cocoa sector. At the 2025 Africa Singapore Business Forum (ASBF), Afarinick (a leader in landscape restoration and farm management), CJ Commodities (a licensed cocoa buyer with a 10% market share in the 2024–25 season), and Oman Carbon (a Pan-African carbon project developer) signed a landmark Memorandum of Understanding. The partnership will launch four scalable carbon projects, agroforestry, clean water, clean cookstoves, and biochar, directly embedded in Ghana's cocoa value chain. This initiative positions the cocoa industry as a new frontier for generating high-integrity, Paris-aligned carbon assets, reflecting the broader ESG trend of linking climate finance with sustainable commodity production.[84]

As the world's second-largest cocoa producer, contributing about 25% of global cocoa supply,[85] Ghana's move to align sustainable cocoa production with climate finance highlights a transformative governance and market trend. It signals a shift in ESG priorities where agricultural production is not only a source of export revenue but also a frontier for climate action and social impact.

Championing ESG reporting and green finance in Africa

Ghana is strengthening its position as a leader in sustainable business practices, having hosted a number of conferences and seminars on sustainability and compliance. In September 2025, it hosted an Africa Global ESG & Sustainability Reporting Summit, which brought together industry leaders, policymakers, investors, and sustainability experts to discuss the rising importance of ESG reporting in Africa.[86] Key issues on the agenda included the adoption of Global Reporting Initiative (GRI) Guidelines by the GSE, the growth of green financing, and the role of ESG in key sectors such as infrastructure and mining.

Development of a National ESG and Climate Disclosure Roadmap

Ghana is in the process of formulating a National ESG and Climate Disclosure Roadmap to establish standardised sustainability reporting across all sectors. The roadmap is designed to enhance transparency and attract green capital inflows, while also mitigating the risks of greenwashing.[87]

In an address, President John Mahama noted that this initiative is being developed along with an Energy Transition Investment Pipeline and a Sustainable Finance Framework, both intended to channel private and public finance into climate-aligned projects. He further emphasised that Ghana's broader green transition strategy is anchored on three core pillars: energy security; industrial decarbonisation; and inclusive development.

This integrated policy approach underscores Ghana's commitment to embedding ESG principles into national economic planning and positioning the country as a credible destination for sustainable investment.

Embedding ESG governance in public institutions

Another notable development in Ghana's ESG landscape is the State Interests and Governance Authority's (SIGA) commitment to embedding sustainable practices across public institutions under its oversight. In June 2025, SIGA, in partnership with the Association of African Sustainability Practitioners (AASUP), conducted capacity-building training on ESG principles for its staff. The initiative is designed to strengthen SIGA's oversight of SOEs while integrating sustainability into their operations.

This marks a deliberate shift towards aligning Ghana's public institutions with global best practices in sustainability and accountability. By designating its staff as ESG ambassadors across all divisions, SIGA is laying the foundation for the long-term integration of ESG principles into the management and regulation of SOEs.[88]

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