



**Environmental Protection Authority
of the Federal Democratic Republic
of Ethiopia (EPA)**

INVESTMENT POTENTIAL

- Ethiopia has abundant investment potential to generate energy from hydro, solar, wind, natural gas and biomass.
- Ethiopia has also considerable investment potential, without impacting on food security, for the production of bio-fuel from energy crops/trees.

The vision of Ethiopia

Middle income country with a zero-net carbon emission by 2025

Ethiopia has envisioned doing all it can to build CNCRE because:

- Undertaking a carbon neutral economy is an opportunity for Ethiopia for it is in line with the resources that it is endowed with.
- Ethiopia's contribution to the emissions of GHGs is likely to increase with the growth of industrialization if BAU is to continue.
- Ethiopia shall take actions before the increasing scarcity of traditional energy sources drive the price to insupportable level.
- Dependence on traditional energy will trigger concerns related to the credibility of being responsible global neighbourhood.

At the systemic level

- The Constitution of Ethiopia
- The Environmental Policy of Ethiopia
- The policies issued in the energy and water resource and urban and rural development sectors
- Laws issued in connection to pollution control and energy development

At the organizational level

There is a dedicated environmental council:

- The Prime Minister (Chair Person)
- All the National Regional State Presidents
- Sectoral Federal agencies
- Representative of the Civil Society (Forum for Environment)
- The Ethiopian Trade Unions
- The Ethiopian Chamber of Commerce
- The Environmental protection authority

TARGET for CNE 2011 -2025

- Ethiopia has a clear target to enhance the diversified application of clean energy for eradicating poverty.
- These targets are contained under the environment component of the Growth and Transformation Plan of Ethiopia
- The Nationally appropriate Mitigation Actions of Ethiopia has also pronounced the targets of building a carbon neutral economy.
- For instance, the targets set from 2011- 2015 under the GTP are to:
 - generate 8000 mega watt from clean and renewable energy sources for multiple purposes
 - generate and avail for market, at least, 35 million liters of ethanol and bio-diesel for transport and household use
 - recover methane from a total of 20 million cubic meter of deposited waste within existing or new landfills

CHALLENGES

- Compared with the clarity of the vision of and level commitment by Ethiopia and the resources that it is endowed with, the use of clean and renewable energy sources for eradicating poverty is inadequate.
- Consequently, many social and development programmes; including the MDGs can not be implemented mainly due to lack of adequate access to modern energy services
- The main challenge is financial shortage to:
 - transfer technologies, techniques and good practices
 - enhance skilled human resources
 - cover investment costs

OPPORTUNITY TO DEAL WITH THE CHALLENGES

- The SREP resources will help Ethiopia to assess and remove constraints faced by public agents, individuals, community organizations, civil society and the private sector to know, explore, and fully utilize their own potentials in order to enlarge their choices for undertaking their respective functions in a climate-friendly manner

ACTIONS TO MEET THE CHALLENGES

- In this regard, in accordance with the particulars articulated under the SREP Guidelines and by using the resources of CIF-SREP, Ethiopia aims to:
 - Design and implement an innovative model that bundles together national and international public and private finance, investments and grants to pilot and demonstrate the viability of building a CNE
 - Enable community organizations, the private sector or public developers to start, run and sustain a market-based and yet environmentally and socially responsible investment on the generation, transportation and supply of renewable energy.
 - Demonstrate the contribution of a CNE towards ending poverty while achieving the goals of ecological, social and economic sustainability starting from the lowest level of rural and urban administrations
 - scale up private sector investment and thus ensure the complete transformation to carbon neutral or; if practicable, to a carbon negative path of economic development
 - Continually improve market for renewable energy with the objective of increasing and sustaining energy access to power economic growth opportunities

Climate benefits and development co-benefits

1. Increased generation and use of renewable energy
2. Reduced or avoided emissions of GHGs
3. Enhanced resilience of the resources base
4. increased national saving and income
5. enhanced market for climate friendly products and services
6. Enhanced capacity to pull finance from bilateral and multilateral sources
7. enhanced opportunity to generate carbon credits
8. enhanced resilience and reduced vulnerability
9. increased technological capacity and skill
10. increased number of new and decent jobs
11. Reduced adverse health impacts

First phase Key outputs

National consultation with the involvement of public agencies, the private sector, civil society, bilateral and multilateral agencies

- Establishment of a national dedicated team to domesticate SREP;
- Preparation of SREP-Lens to assess public documents
- Preparation of plan/TORs;
 - Capacity need assessed; geographical and thematic scope of SREP during the piloting phase determined.
 - Activities, methods and tasks for the implementation of each component contained under the SREP Guidelines elaborated

Second phase Key outputs

- All elements specified under the SREP Guidelines are in place
- Awareness raised and capacity built to support SREP
- Implementation commenced
- More in-depth analysis of SREP issues undertaken based on the M and E systems

Major milestones and budget

- From current status to completion of planning
- From completion of planning to final authorization
- From final authorization to commencement of construction or pre-operation phase
- From construction or pre-operation phase to operation
- From operation to recurring maintenance, management and reporting, including monitoring and evaluation

Third phase Key outputs

- All the capacity in terms of skill and an enabling environment required for scaling up SREP at the national scale put in place
- Effective and efficient strategies or regulatory infrastructure to foster SREP rolled out.
- Effective ME and environmental and social impact assessment systems in place to monitor progress and ensure continuous 'health check' of SREP, with remedies developed and administered when problems detected.

I Thank Each One of you

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