



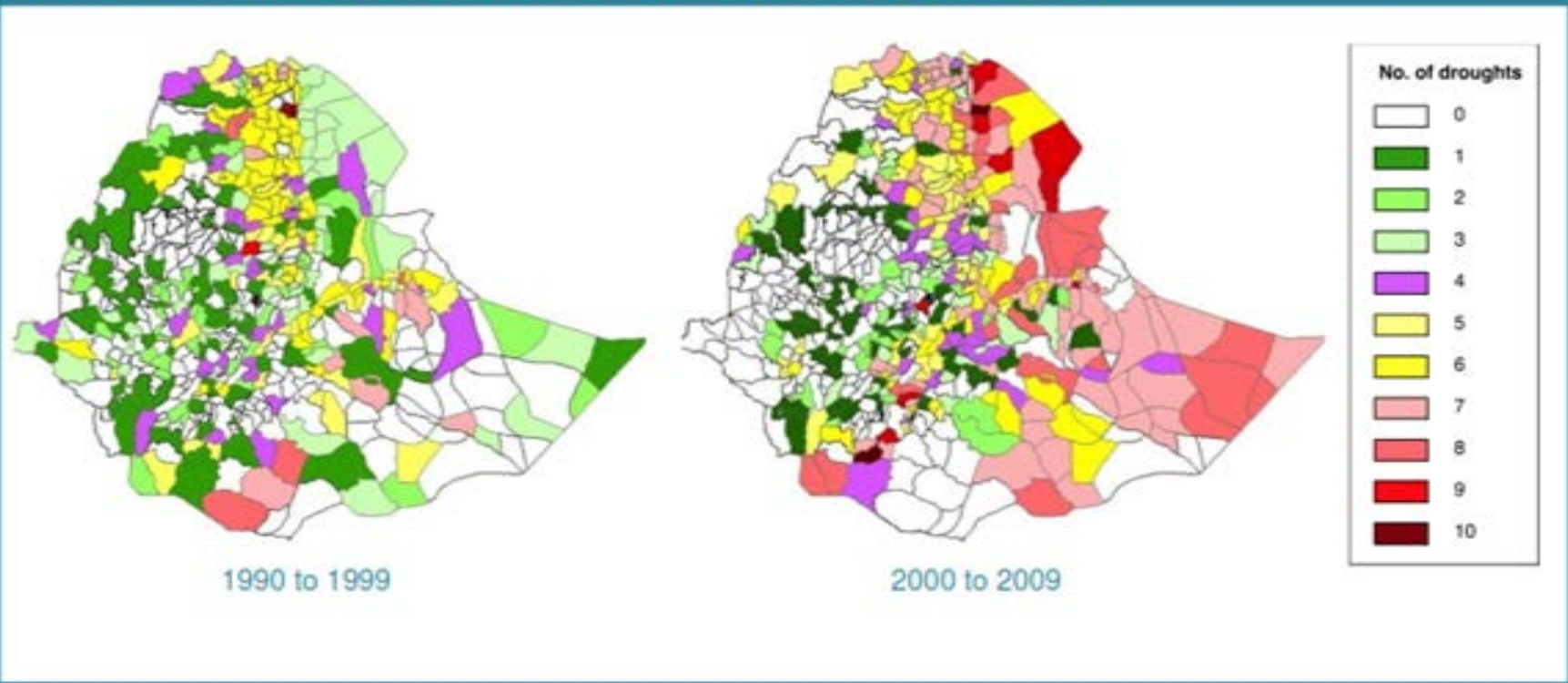
# **Multi-Sector Investment Plan for Climate Resilient Agriculture and Forest Development 2017-2030**



PPCR Sub-Committee Meeting,  
Washington, DC  
8 June 2017

# Ethiopia's Commitment to Climate Change Action

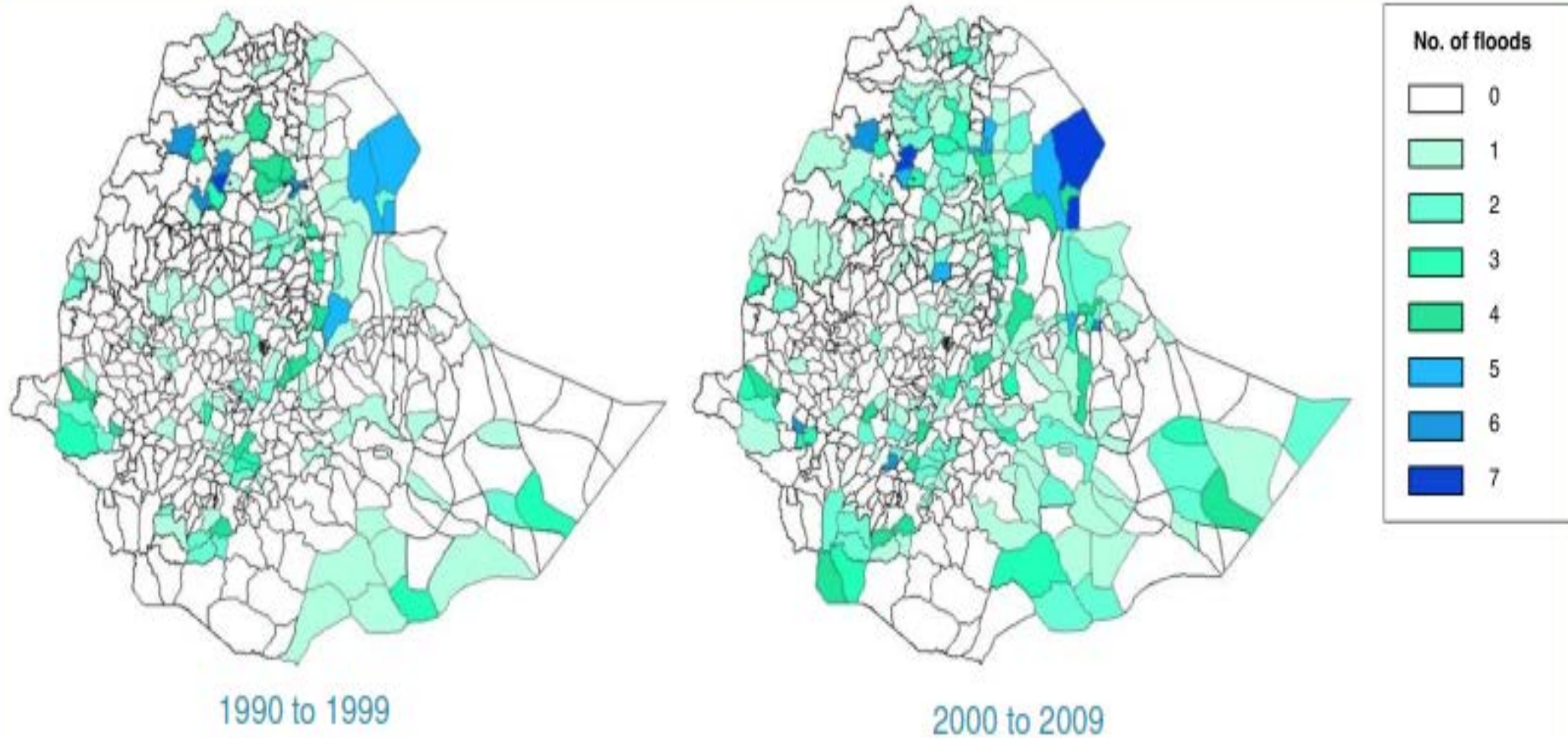
FIGURE 3 : FREQUENCY OF DROUGHTS BY WOREDA



- Ethiopia have been seriously affected by climate change induced impacts;
- Climate change model predictions indicate substantial rise in mean temperatures and an increase in rainfall variability, higher frequency of extreme events such as flooding and droughts;

# Ethiopia's Commitment to Climate Change Action

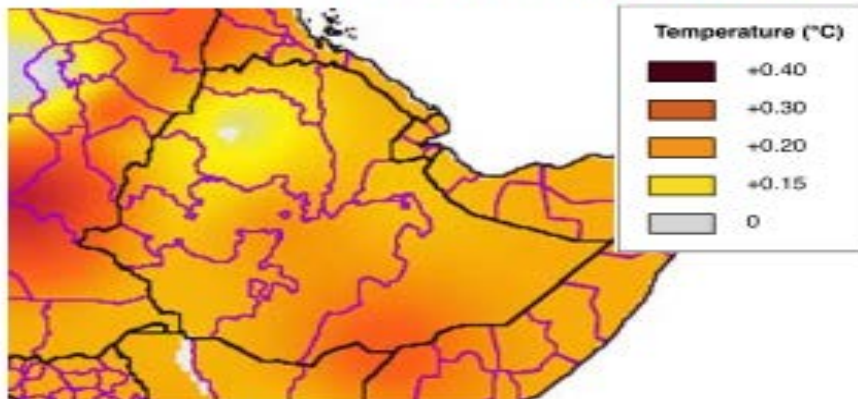
FIGURE 4 : FREQUENCY OF FLOODS BY WOREDA



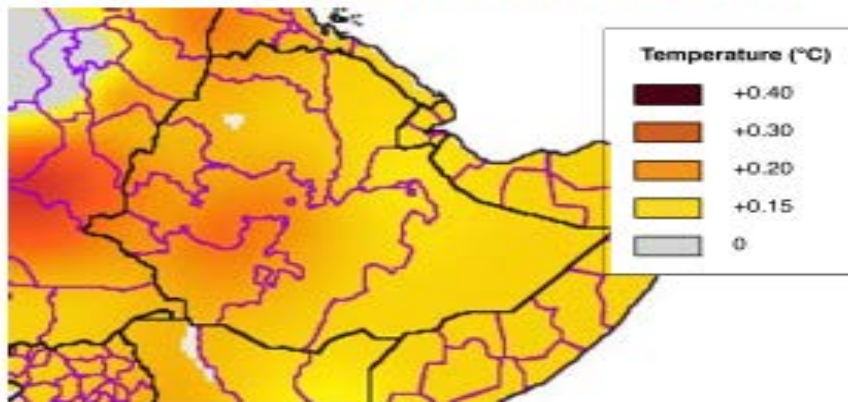
# Ethiopia's Commitment to Climate Change Action

FIG 1 : TEMP. TRENDS

Temperature trends for March - June



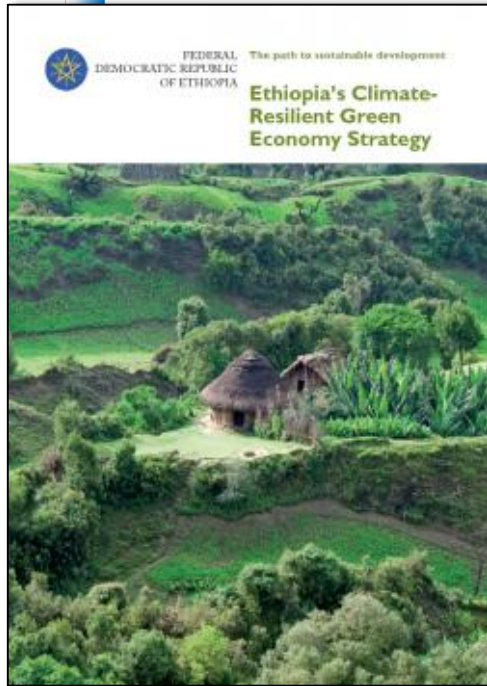
Temperature trends for June to Sept.



*Note figures are °C per decade relative to 1960s average.*

- According to the IPCC **mid-range emission scenario**, the mean annual temperature for Ethiopia will increase in the range of **0.9 -1.1 °C by 2030**, in the range of **1.7 - 2.1 °C by 2050** and in the range of **2.7-3.4 °C by 2080** compared to the 1961-1990 normal;
- If no adaptation measures are taken, climate change may reduce Ethiopia's GDP in the range of 2-10% by 2045 relative to baseline growth;

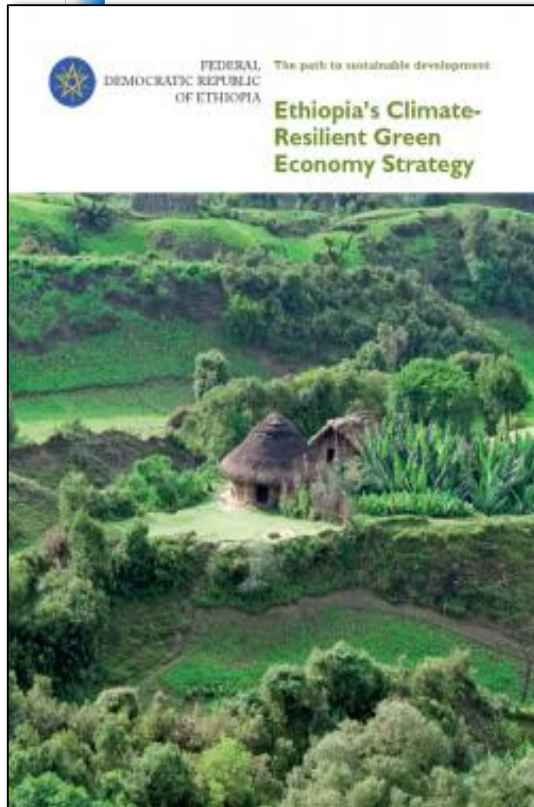
# Ethiopia's Commitment to Climate Change Action: Climate Resilient Green Economy Strategy



- **Vision 2025:** Become a lower middle income country;
  - The economy needs to grow by 10+% per year;
  - Under BAU, emissions would go up 167%;
- In 2011, GoE introduced a cutting edge of green growth, low carbon, resilient development strategy- **CRGE**

Realizing national goals (Middle income+ Carbon neutral and climate resilient economy) requires rapid, scaled-up investments in priority sectors: agriculture, forestry, water, energy- >\$150 Billion

# Ethiopia's Commitment to Climate Change Action: Climate Resilient Green Economy Strategy



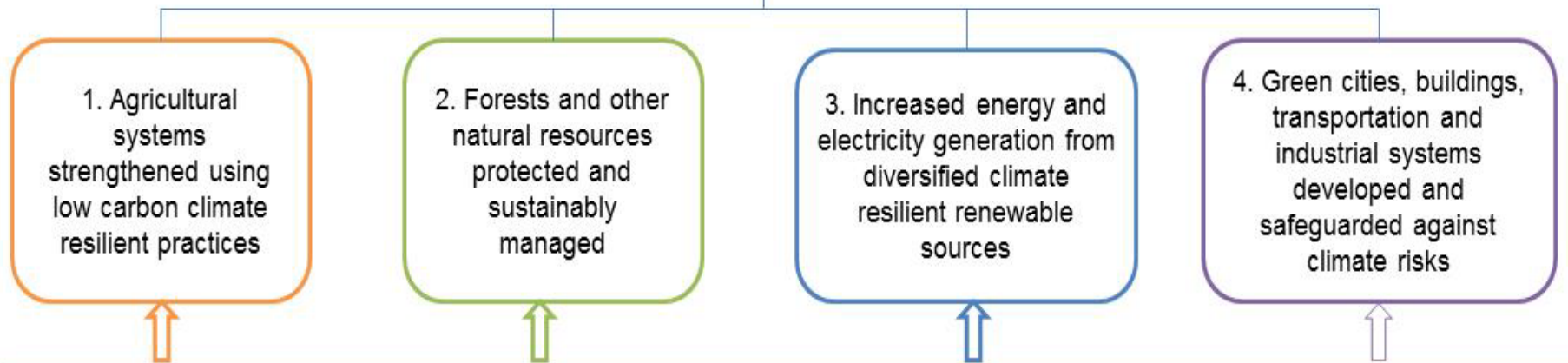
## Major Progresses since 2011:

- MOFEC set up a CRGE facility to mobilize climate finance;
- Re-designation of the EPA as the Ministry of Environment and Forests (MEF) and now as MEFCC;
- Line Ministries established and operationalized CRGE units;
- Economy wide integration of climate change;
- One of Africa's most ambitious NDCs;
- Mobilization of international climate finance;
- On the ground implementation;

# Ethiopia's MSIP supports GTP & CRGE Strategy

**GTP Vision:** Become a lower middle income country by 2025

**CRGE Vision:** Build a Climate Resilient Green Economy that is equitable, inclusive and addresses vulnerability to climate risks



## Multi-Sector Investment Plan for Climate Resilient Agriculture and Forest Development 2017-2030

**Activity Group 1 -**  
Enhancing Climate Resilient Agricultural Production and Food Security

**Activity Group 2 - :**  
Climate Resilient Forest Landscape Development, Conservation & Utilization

**Activity Group 3 -**  
Ensuring Climate Resilient Livestock Management and Livelihoods

**Activity Group 4 -**  
Improved access to climate-smart energy

**Activity Group 5 -**  
Enhanced climate-related disaster risk management and response systems

# Multi Sector Investment Plan for Strategic Program on Climate Resilience - Development Process





# MSIP SPCR – Inclusive Development Process

1

**Scoping to define the MSIP process / boundaries**

- Joint missions in February and July 2016;
- Preparatory grant of \$1.5m from PPCR;
- Determined scope of MSIP (boundaries);

2

**Analysis and stocktaking and agreement on prioritization criteria**

- Portfolio review and gap analysis;
- 15 donors, 4 NGOs, 4 line ministries consulted;
- Findings presented at Stakeholder workshop;
- Prioritization criteria developed;
- Finalized outputs based on stakeholder feedback

3

**Prioritization to identify bankable activities**

- Sector ministries identified 77 prioritized Activity Packages;
- Initial prioritization work conducted;
- Combined with findings of step 2 to complete prioritization and grouping

4

**Finalization of MSIP**

- Finalization of MSIP document
- Endorsement by CRGE Facility Management

# MSIP SPCR – Inclusive Development Process

- Government-owned - led by MoFEC with MoANR, MEFCC, MoWIE, & MoLF
- CSOs, women, academics, & development partners participated at each step
- More than 230 people directly involved in the consultative processes
- Resulting MSIP is responsive to multiple int'l climate finance opportunities



# Comprehensive & Inclusive Prioritization Criteria Resulted From Consultation

1. Contribution to GTP II, CRGE, + NAPA, INDC, DRM target
2. Impact on poverty and distributional issues, & lowest 40%.
3. Impact on climate resilience at HH level or macro level
4. Impact on climate change mitigation
5. Cross-sectoral synergies and co-benefits
6. Cross-sectoral trade-offs – positive & negative effects across
7. Value for money, Cost-effectiveness
8. Readiness – Institutional capacity for effective implementation
9. Planning horizon – near future
10. Scale-up potential across sector or region
- 11. Social inclusiveness**, considering vulnerable groups including women, youth, elderly, disabled, minorities



# PPCR MSIP – Screening, Prioritization, Packaging and costing



# Screening of Activity packages

List of Activity packages  
77

Contribution to GTP II, CRGE, + NAPA, INDC, DRM target

Value for money, Cost-effectiveness

Cross-sectoral synergies and co-benefits

Impact on climate resilience at HH level or macro level

**Social inclusiveness**, considering vulnerable groups including women, youth, elderly, disabled, minorities

Prioritized Activity packages- about 60

# Portfolio review and gap analysis

- A portfolio of 102 projects committed between 2010-2020 was identified for gap analysis

## 145 Identified

- Initially identified projects

## 43 Drop-out

- 37 failed to meet the first criteria of minimum budget of \$3 million
- 6 projects didn't have enough information

## 102 Reviewed

- Finally reviewed number of projects

# MSIP Examined Four Types of Gaps to Prioritize Investment Potentials

Gap Type	Explanation
Gaps against GTP II targets	how much activity is addressing climate resilience objectives stated in GTP II
Financial gaps	difference between currently committed level of investment and the projected, required investment needed to achieve climate resilience
Thematic gaps	gaps in activities according to the climate resilience themes-agricultural and forest as well as water and energy
Spatial gaps	activities and needs to address climate resilience objectives relative levels of vulnerability geographically – at woreda level

# Main Summary of the Gap Analysis

## 1. Alignment with GTP-II



- Donor investments tended to focus on specific GTP II targets
- The prioritized activity packages are aligned with the GTP II targets



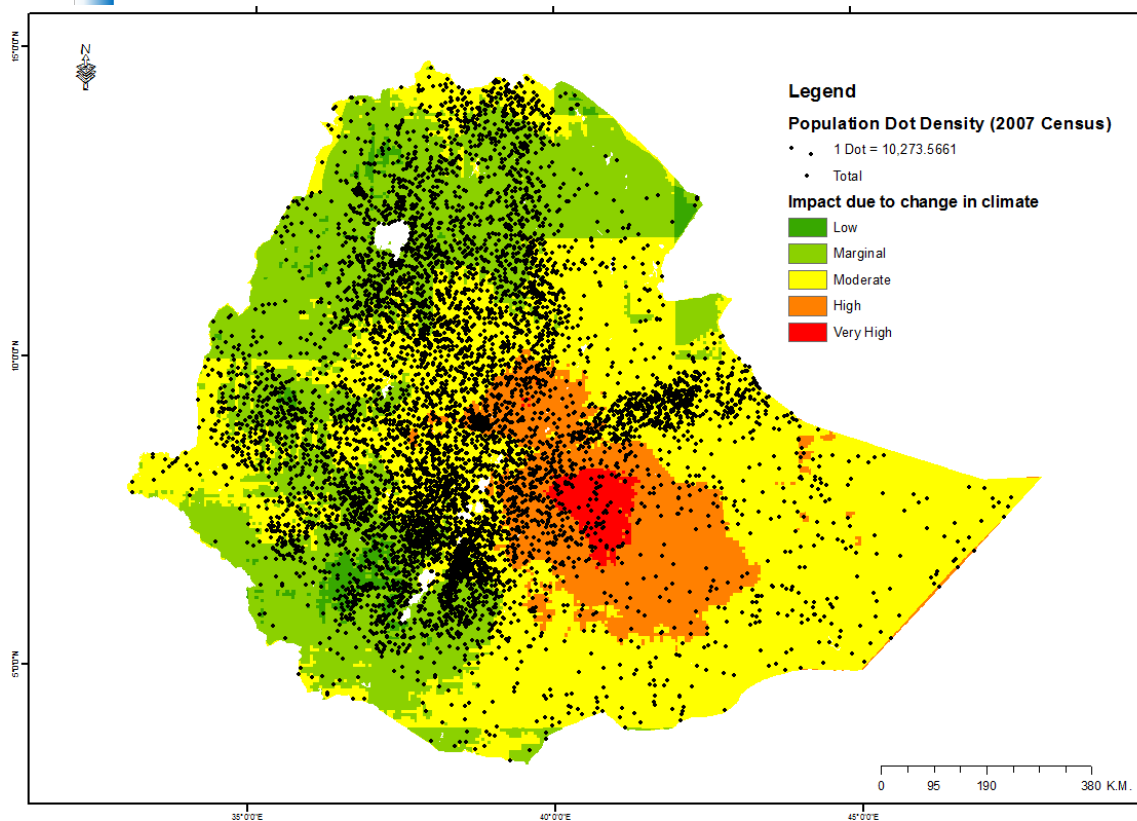
# Main Summary of the Gap Analysis

## 2. Finance

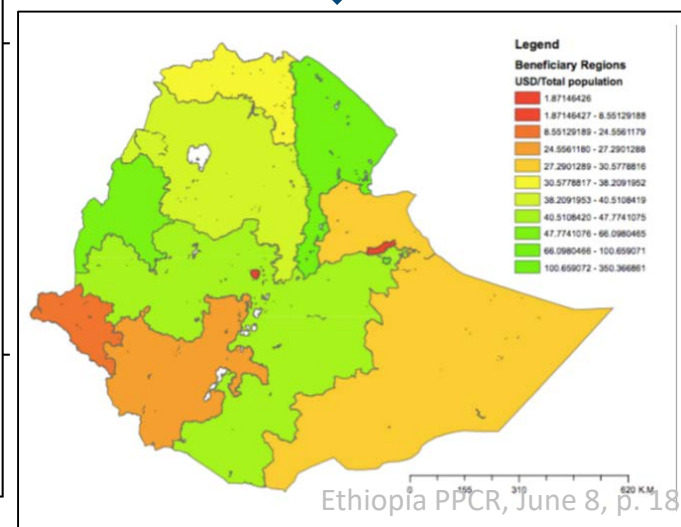
<b>ESTIMATE OF ETHIOPIA'S TOTAL CLIMATE RESILIENCE INVESTMENT NEED</b>	<b>US\$ BILLION</b>
<b>Estimate built up from activity packages</b> (Reduced estimate to account for over-estimation due to co benefits, synergies, & coverage of similar activities)	US\$ 8-9
<b>Estimate based on GoE's climate resilience strategies (2001-14)</b>	US\$ 5.9
<b>Estimate of climate resilience value of existing partner projects</b>	US\$ 1.8
<b>Remaining climate resilience investment need</b>	<b>US\$ 4-6</b>

### 3. Spatial Analysis of Investment gaps by area, population, and vulnerability at Woreda level

- Central, SW & N had highest # of projects, aligned w pop'n density
- East saw moderate climatic shifts since 1970 + ~ high vulnerability
- Climate shifts may have high impacts on livelihoods & food security
- Low pop'n East saw lower levels of partner support *per capita*



Geospatial analysis of climate variability and change since 1970 and population density, compared to existing flows of funds



# Main Summary of the Gap Analysis

## 4. Thematic



- Climate and market information as well as relevant scientific data is a major gap both for policy making as well as smallholder farmers.
- Currently inadequate investment in disaster risk reduction.

# MSIP – Activity Groups

- This approach has created five Activity Groups designed to address these fundamental Climate Risks

Activity Group 1: Enhancing Climate Resilience in Agriculture

Activity Group 2: Climate Resilient Forest Landscapes for Development, Conservation and Utilization

Activity Group 3: Ensuring Climate Resilient Livestock Management and Livelihoods

Activity Group 4: Improved Resilience through Affordable Access to Climate-Smart Energy

Activity Group 5: Enhanced Climate-Resilient Disaster Risk Management and Early Warning Systems

# Overview of Activity Group 1: Enhancing Climate Resilience in Agriculture

Overview	Comprises a suite of activity packages that reduce vulnerability to climate related shocks and increase climate resilience in the agricultural sector
Number of Activity Packages	19
Sectors covered	Agriculture, Forestry, Livestock, Water, Energy
Main components	<ul style="list-style-type: none"><li>➤ Climate smart and gender sensitive agricultural support services</li><li>➤ Reduced vulnerability to rainfall variability and water supply uncertainty</li><li>➤ Increased resilience through crop productivity improvements</li><li>➤ Increased resilience through income diversification</li></ul>



# Ethiopia PPCR - MSIP Summary and Next Steps

# Ethiopia's Values the PPCR – MSIP Process

- We are greening our growth through an ambitious development program
- Yet, we remain very vulnerable & must focus on poverty alleviation & resilience
- We have committed support from both development & civil society partners
- We are now scaling up investment based on well tested models & practices
- Ethiopia clearly has a great need for climate finance and continued development assistance
- We welcome partner countries' support now and in the coming years



# MSIP - Potential Sources for Mobilizing Finance for Climate Resilience

## **Government of Ethiopia - Own Financing Sources**

### **Multilateral Climate Sources:**

- Green Climate Fund; Global Environment Facility / LDCF;
- Adaptation Fund; Climate Investment Funds – PPCR;

### **Bilateral Development Partners**

- Austria, Norway, UK, Denmark, DANIDA, EU, Korea, others,, USAID and others

### **International Partner Support:**

- UNDP, FAO, GGGI

### **Multilateral Development Banks:**

- African Development Bank; World Bank Group (IBRD, IDA and IFC), EIB

### **Private Sector & individual agents' investment & spending**



# MSIP Summary of Request to PPCR

- Ethiopia's MSIP lays out a sound strategic investment framework
- Specific project concepts and proposals will be developed at the next stage of seeking financing from specific multilateral and bilateral funds including PPCR
- Approach can yield tangible scaled up financing in a few years

- When CIF / PPCR gains new financing for investment, Ethiopia proposes for consideration

Project Concept Title	MDB	Potential PPCR	Expected co-finance	Prep Grant
Resilient Landscapes and Livelihoods operation	WB	48.5	>400.0	0.0
Ethiopia's Cook Stove Situation Analysis for PPCR Investment Opportunity	AfDB	50.0	tbd	0.5



# Thanks for your kind attention!

Zerihun Getu

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and Economic Cooperation

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## Overview of Activity Group 2: Climate Resilient Forest Landscapes for Development, Conservation and Utilization

Overview	A suite of activity packages that support a sustainable increase in the forest sector's contribution to GDP and reduces the vulnerability of forests and other landscapes to climate shocks.
Number of Activity Packages	27
Sectors covered	Forestry, Agriculture, Livestock, Water, Energy
Main components	<ul style="list-style-type: none"><li>➤ Expanding forest resources and improving their management</li><li>➤ Reducing pressure on landscapes from extension of the agricultural frontier</li><li>➤ Reducing degradation due to fuelwood harvest</li><li>➤ Reducing pressure on landscapes from grazing-related land clearance.</li><li>➤ Increased resilience through livelihoods diversification.</li></ul>

# Overview of Activity Group 3: Ensuring Climate Resilient Livestock Management and Livelihoods

Overview	Comprises a suite of activity packages that improve the climate resilience of Ethiopia's livestock sector and reduces the sector's climate and environmental impact.
Number of Activity Packages	16
Sectors covered	Livestock, Agriculture, Energy, Water
Main components	<ul style="list-style-type: none"><li>➤ Climate smart and gender sensitive livestock extension services</li><li>➤ Intensified livestock production, increased market value of livestock and reduced vulnerability to disease;</li><li>➤ Reduced environmental impact from livestock production</li></ul>

# Overview of Activity Group 4: Improved Resilience through Affordable Access to Climate-Smart Energy

Overview	Comprises a suite of activity packages that reduce reliance on energy resources like fuelwood that are vulnerable to climate shocks.
Number of Activity Packages	9
Sectors covered	Energy, Agriculture, Forestry, Water, Livestock
Main components	<ul style="list-style-type: none"><li>➤ Improved efficiency of wood and charcoal stoves, brick kilns and charcoal kilns, and development of alternative sources of energy</li><li>➤ Increased access to electricity in a climate smart manner</li></ul>

# Overview of Activity Group 5: Enhanced Climate-Resilient Disaster Risk Management and Early Warning Systems

Overview	Comprises a suite of activity packages that improve the capacity to anticipate and manage climate related disaster risks
Number of Activity Packages	6
Sectors covered	Agriculture, Livestock, Forestry, Water
Main components	<ul style="list-style-type: none"><li>➤ Improved spatial, drought and flood risk assessment and early warning systems, including historical data analysis, prediction and early warning.</li><li>➤ Coordinated food and non-food responses to climate related disasters.</li><li>➤ Address long-term risks as part of disaster risk assessment; ensure households &amp; communities can “build back better” after an event</li></ul>