

Introduction

Ethiopia is among the least developed countries in the world, with a per capita income of \$344 per year.¹ It is a large country, but about 90 per cent of the population lives in the highlands, on just 44 per cent of the land. The rest of the population, who are pastoralists, live in the lowlands.²

Despite economic reforms begun in the early 1990s, the country is highly vulnerable to climate change and variability partly because of widespread poverty. Other factors include heavy reliance on rain-fed agriculture, a poor health service, high population growth rate, inadequate or poor road infrastructure in drought and flood-prone areas, and limited access to government services in remote communities.

Policy Instruments and Participative Mechanisms

Ethiopia's strong vision for country-driven development is embodied in a number of policies on climate action. Last year, the Growth and Transformation Plan (GTP), also known as the Five-Year Plan, was completed. The GTP aims primarily to:

- double current economic growth and meet the Millennium Development Goals;
- curb reliance on foreign investment and shift to a locally-driven economy;
- implement policies on climate change, such as those related to the environment, agriculture and rural development, health, disaster prevention and biofuel strategies.

National policies also attempt to enhance social services, such as education and health care. These aim to boost provincial and local governance and institutions through decentralisation. For example, there is a shift in approach towards a situation where inputs are gathered locally, consolidated at the district level, sent to regional bureaus, and then to federal ministries for integration into national planning and reporting.

National Adaptation Programme for Action (NAPA)

The government's 2007 National Adaptation Programme for Action (NAPA) identified priority projects in human and institutional capacity building, improving natural resource management, enhancing irrigation agriculture and water harvesting, strengthening early warning systems, and awareness-raising. However, three years after the document was submitted to the United Nations Framework Convention on Climate Change (UNFCCC), global partners have shown little interest and no money has been made available from the LDC fund. As a result, not a single NAPA project has been implemented.



Urgent climate finance issues

- Although the NAPA identified 37 potential and 11 priority projects, no money was made available from the LDC Fund and global partners showed little interest. As a result, no NAPA projects have been implemented.
- The EPA identified 20 issues for climate change adaptation through a national consultation workshop. Following the workshop sector ministries and regional states prepared adaptation plans based on the issues selected.
- Several consultations to identify priority issues have taken place since the time of NAPA preparation but they are often criticised for allowing limited participation by the affected community.
- Ethiopia's Development Assistance Group of donors does not yet coordinate work on climate change actions, although it is considering a working group.
- The World Bank's consultation with local communities yielded a narrower set of priorities such as:³
 - investments in road connectivity to reduce regional disparities and isolation;
 - higher agricultural productivity through upgraded technology and flood control;
 - better weather forecasting;
 - non-farm diversification.

¹ World Bank, <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD/countries>

² Pastoralist Forum of Ethiopia, *Pastoral Updates* Vol. 1, Issue 1, www.pfe-ethiopia.org

³ Oxfam (2010), 'The Rain Doesn't Come on Time Anymore', <http://www.oxfam.org/en/policy/ethiopia-rain-doesnt-come-time-anymore>

Recently, however, a project identification format (PIF) preparation for the project, entitled “Promoting Autonomous Adaptation at the Community Level in Ethiopia” has begun. The project is aimed at reducing vulnerability and building resilience, especially in those communities that are particularly vulnerable. The fund is from the Global Environmental Facility with UNDP as the implementing agency.

Environmental Protection Authority (EPA)

The Environmental Protection Authority (EPA) was given overall responsibility for the coordination of climate change initiatives in 2009 by a Prime Ministerial declaration. Since then, the Government has stated its ambition for Ethiopia to become a Carbon Neutral Climate Resilient Economy by 2025, and to achieve this, the EPA has produced plans for the Ethiopia Programme for Adaptation and the Nationally Appropriate Mitigation Actions (NAMAs).

The EPA does not seem to see the NAPA document as essential to national climate change policy, partly due to the lack of funding and partly because it only took over implementation after the document was developed. There were also concerns within the EPA that NAPA’s project-focused approach was not the most appropriate way to strengthen climate resilience.

In March 2010, the EPA started developing a new Climate Change Adaptation Plan which requires both regional states and line ministries to develop their own sector Adaptation Action Plans. Following training and guidance, a number of regions and line ministries have completed their plans.

Climate Change Forum-Ethiopia (CCF-E)

The CCF-E is a multi-stakeholder group that meets regularly to discuss national responses to climate change. The forum includes representatives from the government, non-government and civil society organisations, United Nations agencies, embassies, donor agencies, research and academic institutions, and the business community.

Notably, the CCF-E serves a broader coordination function than the many other forums. It brings together government, national and international NGOs, academia and research institutes, bilateral, regional and multilateral donors to meet and co-operate on a wide array of climate issues. The inclusiveness of the forum, combined with its independence from any one interest group, positions it well to facilitate dialogue, promote collaboration and develop multi-stakeholder projects.

Ethiopia Civil Society Network on Climate Change (ECSNCC)

The Ethiopia Civil Society Network on Climate Change (ECSNCC) is a coordination network with more than 50 local civil-society members. It regularly disseminates information, produces publications, and provides members with training and opportunities to consult with government. The network has also been participating in climate change negotiations under UNFCCC.

4 See Oxfam (2010), ‘The Rain Doesn’t Come on Time Anymore’, Oxford: Oxfam.

5 EM-DAT: The International Disaster Database, Université Catholique de Louvain, Brussels, Belgium, cited in World Bank (2009), ‘Disaster Risk Management Programs for Priority Countries – Ethiopia’.

6 **Drought:** M. Webster, J. Ginnette, P. Walker, D. Coppard, and R. Kent (2008), ‘The Humanitarian Costs of Climate Change’, Medford: Feinstein International Center, p.16.

Flood: DFID (2009), Climate Change Facts – Ethiopia.

7 Woreda is a local administrative unit and is composed of several Kebeles –the lowest unit of administration.

Vulnerable groups: farmers, pastoralists and women⁴

- Between 1980 and 2008, Ethiopia has experienced eight droughts, five of which precipitated widespread food insecurity – as well as at least 42 incidences of floods throughout the country.⁵ Predictions indicate that the likelihood of floods increase with climate change, making planning and implementing adaptation policies, measures, and strategies in Ethiopia crucial.⁶ The areas most vulnerable to drought are the country’s ecologically arid, semi-arid, and dry sub-humid regions.
- Small-scale, rain-fed subsistence farmers and pastoralists are particularly vulnerable, alongside communities living on already-degraded land, and pastoral communities that regularly experience conflict over natural resources with agriculturalists and other groups.
- Gender is a major concern in assessing vulnerability, where cultural and socio-economic barriers prevent women gaining full decision-making powers:
 - In 2002, the government assigned the management and implementation of a national agenda to empower women to the Ministry of Women, Children and Youth Affairs (MWCYA). Locally, women’s issues are handled via ‘gender desks’ in the woredas;⁷
 - The Environmental Protection Authority recently began including the MWCYA in high-level and technical discussions. The MWCYA has much untapped potential as a catalyst for women-driven initiatives against climate change.

Financing Mechanisms and Issues

According to a recent World Bank study, the costs of adaptation to climate change in Ethiopia could amount to an average of \$258 million per year 2010-2050, over and above existing promises of overseas development assistance (ODA).⁸

While this finance should be provided in addition to existing promises of ODA, it should draw lessons from the provision of ODA. Historically, ODA has flowed through UN agencies, the World Bank or bilateral donors. Over recent years, to bolster governance and the economy, Ethiopia has been moving towards models of mixed implementation and fully government-managed implementation.

Donors must negotiate all major support through the Ministry of Finance and Economic Development and in consultation with other ministries. Many development partners finance development projects mainly through local NGOs, which are viewed as efficient and effective conduits. Embassies are reformulating their plans to include climate change. They predicted that climate change mitigation will be as, if not more, important than adaptation.

Ethiopia's Development Assistance Group (DAG) aims to improve coordination among 26 major donor agencies in their work with the government. However, since climate change is not yet on the DAG's agenda, another gap in adaptation financing remains. That gap could be filled by the creation of a National Implementing Entity (NIE) under the Kyoto Protocol's Adaptation Fund and/or a future adaptation window under the Green Climate Fund established in Cancun. The NIE modality gives countries direct access to funding. Ethiopia is likely to have a good chance of being approved for this financing scheme because of its experience in direct implementation of multi-donor funds.

Lessons Learned and Recommendations

Mitigation and Adaptation

Ethiopia must weigh the pros and cons of mitigation projects. For example, the government's plan to achieve a 'carbon-neutral, climate-resilient' economy by 2025 is a realistic goal, due to Ethiopia's already low carbon emissions, especially if major efforts are made in the agriculture sector. The 'climate resilient' aspect of this is likely to be more costly, but also more important, in terms of protecting the Ethiopian people and the economy. While both the Ethiopian Government and some proponents of Green Growth highlight the importance of a "development first" agenda that does not entail significant additional costs, there is still a risk that this commitment could skew decision making towards saving carbon and away from poverty reduction.

It is vital that opportunities for low carbon development options, which will have significant benefits for poverty reduction and adaptation co-benefits remain the key criterion for prioritising interventions, though without diminishing in any way the urgent need for substantial new and additional funding dedicated for adaptation.

Consultation and Participation

The government, donors, and other development partners should consult affected communities on specific needs regularly. Together, they can develop clear and coherent priorities and responsibilities.

⁸ World Bank (2010), Economics of Adaptation to Climate Change: Ethiopia Country Study
http://climatechange.worldbank.org/sites/default/files/documents/EACC_Ethiopia.pdf

Capacity-building is a necessity, especially for the *woredas* and *kebeles*. This participatory groundwork must be in place before financing starts to flow. It requires human and financial resources, as well as political will and broad social support.

Policies and activities must be tailored to the needs, schedules, cultural contexts and interests of women farmers, who are often marginalised because they are less literate, busy at home with family duties, and not invited to attend community meetings. Without sustained consultation and grassroots participation, there is no guarantee that assistance will reach these women and others who are most in need.

Information and Monitoring

Information on the impact of climate change in Ethiopia is not easily accessible. It is critical to compile all recent and current research in one place and to avoid duplicating work. Links must be set up with farmers and local communities, who must proactively seek information and also give relevant first-hand observation and analysis of their concerns and the production of sex-disaggregated data must be prioritised.

The EPA is fine-tuning guidelines for the different sectors to mainstream climate mitigation and adaptation into their work. It is drafting a manual that will detail appropriate technologies for vulnerable sectors. This is a progressive move, proving the government's foresight as it aims for future technology transfer or in-country development of such advanced tools.

Supporting Country Ownership

In addition to supporting strong consultation and participation provisions, climate finance providers should recognise the barriers to national ownership that current approaches to climate finance can entail. Firstly, a project-based approach can limit sustainability of funding, planning, and implementation as a result of varying donor disbursement cycles and rules. Secondly, the provision of climate finance, either in the form of loans or tied to conditionalities such as low carbon criteria, limits their beneficiaries' choices and the policy space needed to develop a genuinely country-owned approach. Both should be avoided in favour of supporting the capacity of national governments to design and implement long-term plans.

More information on this issue can be found in Oxfam's new briefing paper, *Owning adaptation: Country-level governance of climate adaptation finance*. To download your free copy of *Owning adaptation*, please go to www.oxfam.org.uk/publications.

As financing for climate change adaptation gathers pace, it has become fundamentally important to identify how it flows into developing countries. This is a major opportunity to shape the governance of funding at the national level so that the needs of the most vulnerable can be met. The core issue is country-level ownership of adaptation finance. Consequently, providers of adaptation finance must put developing countries in the driver's seat, and the countries themselves must exercise leadership and respond to the needs of those most affected by climate change. Most importantly, civil society and vulnerable communities must be able to steer and hold accountable the way in which adaptation finance is used.

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