

Policy overview - Ethiopia Climate Resilient Green Economy

The CRGE is a vision to build a middle-income climate resilient green economy by 2025 (USD 1,000 GDP per capita) through zero net carbon growth. This development strategy is laid out in the Growth and Transformation Plan (GTP). Climate change is impacting across the whole economy. The future impacts and costs of climate change, without adaptation at the national and local level could put this middle-income ambition at risk.

Introduction

This policy overview seeks to provide information on the Climate Resilient Green Economy (CRGE): vision, process, structure and implementation. It then highlights ACCRA's engagement through the SCIP (Strategic Climate Institutions Programme) CRGE project. Finally it gives some analysis on the key opportunities and challenges with the CRGE going forward based on ACCRA's learning from the local level.

Climate finance mechanisms need to take into account the following issues in the support provided to Ethiopia as CRGE moves forward.

- ACCRA is working at the local level, where there are still CRGE-related data gaps that impede informed planning and decision-making.
- This data and knowledge collection would be stronger if it combined scientific and participatory approaches.
- In order to effectively prioritise parts of CRGE at the district level, planning and decision-making needs to be forward-looking, transparent and participatory.
- Additionally, measuring progress towards achieving CRGE objectives should take into account those economic, social and environmental positive and negative impacts that may take longer to materialise.



Men farmers harvesting crops in Gemechis Woreda, Ethiopia

What is CRGE?

Established in 2011, CRGE is an innovative vision for achieving national green and resilient growth. It is being designed to support Ethiopia achieve this indigenous policy agenda. CRGE's accompanying implementation strategies and tools are currently under development. Ethiopia is the first country in Africa to try and implement an initiative such as CRGE. The Ministry of Environmental Forests (MoEF) is developing the capacity of *woredas* and regions to implement CRGE at the district-level through Woreda CRGE Investment Planning. This is being done through the design of the *woreda*-level CRGE investment-planning manual, a pilot to test the approach and then production of investment proposals to submit for funding. ACCRA is working with the MoEF to develop this manual and by so doing seeks to bring local-level input into regional and national-level CRGE planning, policy and practice.

CRGE looks at three different but inter-related objectives.

1. Economic growth/viability
2. Reduction of vulnerability to climate change/increase in climate resilience
3. Reduction of greenhouse gas emissions

The problem that CRGE seeks to address

Ethiopia faces multiple climate-related challenges. GHG emissions are increasing due to population growth, industrialisation and the expansion of agricultural activities. Its climate is varied and complex, and this is a challenge to policymaking. There is evidence of climate change in Ethiopia over the past 50 years. Although there is significant uncertainty in climate prediction models, high levels of climate vulnerability are turning hazards into disasters. Droughts and floods have increased in frequency which, when combined with increased variability, have had a major negative impact on growth in agriculture. Additionally, agricultural livelihoods are extremely vulnerable to climate, so the climate change impact and cost to agriculture are potentially large. A hotter and drier scenario, with increased droughts, could reduce GDP by 10% by 2050. This would increase food insecurity and the vulnerability of communities, which will struggle to survive. It will also limit the CRGE middle-income ambition.¹

¹ Presentation by MoEPF (2012) 'Ethiopia's Climate Resilient Green Economy (CRGE)'

The CRGE process

The CRGE initiative was set up to achieve the overarching objective of creating a resilient and green economy. Its main elements, process and financing are structured in the following way:

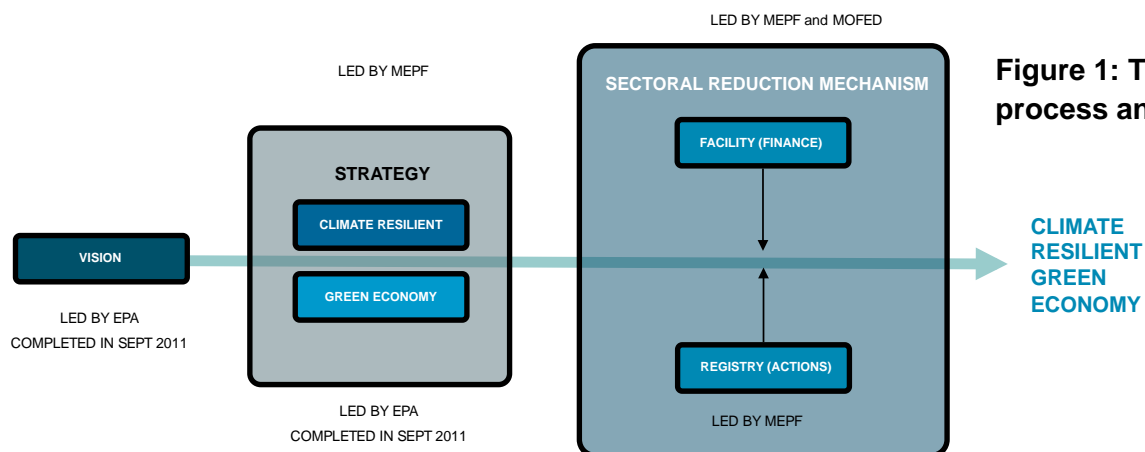


Figure 1: The CRGE process and structure



Figure 2: The different levels of CRGE

The SCIP project

In partnership with MoEF, ACCRA is developing the institutional capacity to put the CR strategy into practice. It does this with funds from the Department for International Development's (DfID) Strategic Climate Institutions Programme (SCIP) and a grant from the German embassy. This is happening through several parallel strategies. ACCRA has developed the guidelines for CRGE proposal writing, in partnership with MoEPF, a prerequisite for *woredas* (districts) to access funds.

ACCRA's unique approach to capacity building is being used to train four pilot *woreda* to write proposals and assemble the relevant documentation to show how the CRGE might happen at the local level. The data and learning accumulated through this will also serve to focus ACCRA's policy support and to make recommendations to the MoEPF. In so doing, ACCRA is bridging the gaps between local, regional and national levels of CRGE.

CRGE going forward

CRGE heralds both opportunities and challenges for Ethiopia, its citizens and those sectors vulnerable to climate change.

1. CRGE implementation has *woreda*-level implications for planning and decision-making in different sectors.
2. Where gaps in local and national CRGE-related data exist, it may prevent informed public participatory planning and decision making. Support could be provided to ensure that this data is collected, collated and analysed.
3. Where these gaps exist, the process of data collection should combine scientific and participatory approaches to ensure that appropriate data for all three areas of CRGE are collected.
4. Evidence from ACCRA's work with the DRMFS and CRGE, suggests that it is crucial that planning and decision-making processes are forward looking, transparent and participatory, so as to help prioritising parts of CRGE.

5. As with any policy decision or prioritisation of options, there are some trade-offs. In an ideal situation, CRGE actions are 'win-win-win' solutions. In practice, this may not be the case, and decisions on the CRGE policy and investment options will involve some trade-offs. This means that planning of CRGE investment should use innovative ways of analysing options and prioritising solutions, basing these on the local context.
6. Additionally, measuring progress towards achieving CRGE objectives needs to take into account economic, social and environmental factors. The use of natural resources in interventions also means that impact and benefits take time to materialise whilst some gains or impacts may happen faster than others.



ACCRA in Ethiopia is a consortium made up of Care International, Oxfam, Save the Children, World Vision and key government actors.

The last of these include the Disaster Risk Management and Food Security Sector (DRMFSS), the Ministry of Agriculture (MoA), the National Meteorological Agency (NMA), the Ministry of Environmental Protection and Forests (MoEPF). Internationally, ACCRA works on climate change adaptation and disaster risk reduction across Ethiopia, Mozambique and Uganda.

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