
CLIMATE FINANCING, INSTITUTIONAL STRUCTURE, AND BUDGET TRACING IN ETHIOPIA

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Oxfam Discussion Papers

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ACRONYMS

BAU	Business as usual
CALM	Climate Action through Landscape Management
CO2e	Carbon dioxide equivalent
CRGE	Climate Resilient Green Economy
CSO	Civil society organization
ECRC	Environment and Climate Research Center
EDRI	Ethiopian Development Research Institute
EFCCC	Environment, Forest and Climate Change Commission
EU	European Union
FDI	Foreign direct investment
FDRE	Federal Democratic Republic of Ethiopia
FGD	Focus group discussion
GDP	Gross domestic product
GEF	Global Environment Facility
GHG	Greenhouse gas
GoE	Government of Ethiopia
GTP	Growth and Transformation Plan
IMF	International Monetary Fund
INDC	Intended nationally determined contribution
KII	Key informant interview
LDC	Least developed country
LT-LEDS	Long-Term Emission and Climate Resilient Development Strategy
MoA	Ministry of Agriculture
MoF	Ministry of Finance
Mt	Metric ton
NAP	National Adaptation Plan
NAPA	National Adaptation Program of Action
NDC	Nationally determined contribution
NEP	National Environmental Policy
NGO	Nongovernmental organization
OECD-DAC	Organization for Economic Co-operation and Development–Development Assistance Committee
PA	Paris Agreement
PIF	Agricultural Sector Policy and Investment Framework
PSNP	Productive Safety Net Program
REDD+	Reducing Emissions from Deforestation and Forest Degradation
SDG	Sustainable Development Goal
SWOT	Strengths, weaknesses, opportunities, and threats
TYDP	10-Year Development Plan
UK	United Kingdom
UNDP	United Nations Development Programme
UNDRR	United Nations Office for Disaster Risk Reduction
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States dollar

EXECUTIVE SUMMARY

This report is prepared for a study on climate financing, institutional structure, and budget tracing in Ethiopia. The general objective of the study is to identify the current situation and future trends of climate financing, institutional capacity, and budget tracing in Ethiopia so as to inform Oxfam, partners and all other stakeholders in the discussion for evidence-based decisions and actions to ensure meaningful and informed participation of citizens in social and financial accountability of climate financing at both national and local levels.

The study used a mixed methods approach that involves collecting and analyzing primary and secondary data generated through a literature review and qualitative data collection tools. The study undertook a review of relevant international-, national-, and regional-level policies, laws, agreements, and conventions related to climate financing, institutional structure, and budget tracing. The document review exercise facilitated identification of the global and national climate-related projects and programs implemented and the financial flow to the country over a range of years. In addition, the study conducted field visits to sample study areas to collect primary data using focus group discussions (FGDs), key informant interviews (KIIs), and secondary data from relevant sector ministries, bureaus, and offices. The study applied qualitative and quantitative data analysis, interpretation, and analytical report writing approaches.

The document review findings established a high level of vulnerability of Ethiopia and its population to climate change adversities. The vulnerabilities of the country emanate from its high dependence on rain-fed agriculture and natural resources, and its relatively low adaptive capacity to deal with the impacts of climate change. The high vulnerability and low adaptive capacity of the country are manifested in underdevelopment of water resources, low health service coverage, a high population growth rate, low economic development, inadequate road infrastructure, weak institutional structures, and low awareness (MoPD, 2022).

Droughts and desertification are the most destructive climate-related natural hazards in Ethiopia and have increasing intensity, frequency, and impacts. Climate models suggest that the country will experience 1.5–3°C warming by 2050 (World Bank, 2021a), unless remedial actions are taken as soon as possible.

The close links between climate change and Ethiopia's economy are reflected in the strong relationship between gross domestic product (GDP), growth rate and rainfall variability. A study by the World Bank on Economics of Adaptation to Climate Change (World Bank, 2010), projects that unless steps to build resilience are effective, climate change will reduce Ethiopia's GDP growth by between 0.5 and 2.5 percent each year. In a worst-case scenario, in 25 years, Ethiopia will have only half the potential total GDP it could have attained and this will be because of the negative impacts of climate change.

Increasing climate resilience is thus an urgent priority for Ethiopia. The issues of climate change have been accorded high attention by the current and previous administrations during the last three decades. The recent nationwide green legacy has been going on in all the regions, zones, woredas, and kebeles of the country. The country's climate change priorities are to reduce emissions by 68.8 percent by 2030, reforest and restore up to 15 million hectares of land, and implement diverse adaptation interventions across agriculture, water, forestry, transport, urban, health, water, sanitation, and health (WASH), health, and other sectors. The country has been implementing different climate change interventions, with strategic focus on climate change adaptation measures, followed by climate mitigation interventions.

The study reviewed and analyzed climate-related projects and programs implemented in Ethiopia, taking into account the Paris Agreement as a starting point and continuing up to the very recent years based on available data. The study relied on two databases for the purpose. It used the CRGE database from 2016–2022 and the Organization for Economic Co-operation and Development–Development Assistance Committee (OECD-DAC) database from 2016–2021. According to the findings of both databases, Ethiopia has attracted funding for thousands of climate-related projects and programs since the Paris Agreement. A review of the OECD-DAC data reveals that developed countries have funded 2,409 climate change-related projects and programs in Ethiopia between 2016 and 2021. The review of the CRGE database reveals that Ethiopia has registered a total of 1,747 climate-related projects and programs implemented between 2016 and 2022.

According to the OECD-DAC database (the recipient perspective), climate-related development finance provided to Ethiopia between 2016 and 2021 amounts United States dollar (USD) 8.8 billion (Commitment–2021 column of the database), with 62.3 percent dedicated to adaptation measures, while the climate-related development finance flow to Ethiopia stands at USD 8.14 billion (Commitment–Current column of the database), with 68.3 percent allocated to adaptation measures. The OECD-DAC database calculated climate finance flow applying the Rio marker. The database excludes general budget support such as the development cooperation modality, imputed student costs, debt relief, administrative costs, development awareness, and refugees in donor countries. Consequently, the total amount of financial resources recorded and indicated in the database for climate adaptation and mitigation purposes is relatively small compared to the figures provided by the CRGE database and other related reports.

The analysis of the CRGE database reveals a total of USD 88.5 billion committed budget and disbursement of USD 70.3 billion in the country between 2016 and 2022. This includes USD 40.6 billion committed and USD 31.9 billion disbursed in grant form, USD 41.2 billion committed and USD 35.4 billion disbursed loans, USD 4.5 billion committed and USD 1.6 billion disbursed financial support for technical assistance, USD 1.7 billion committed and USD 1.3 billion disbursed through in-kind supports, and USD 474 million committed and USD 87.9 million disbursed for treasury supports. The CRGE database lacks categorization of funding into adaptation and mitigation efforts, as well as which funding has overlapping measures (both adaptation and mitigation measures).

The climate change interventions in Ethiopia have clear governance. The country has put in place an institutional structure to implement CRGE and nationally determined contribution (NDC) interventions. The financial aspect of the CRGE is overseen by the CRGE Facility in the Ministry of Finance (MoF), while the Environment, Forest and Climate Change Commission (EFCCC) is responsible for technical aspects and day-to-day administration, as well as developing guidelines and rules for CRGE implementation. The institutional arrangements reflect a cross-sector, multidisciplinary approach organized through bodies like the inter-ministerial and management committee. Most relevant line ministries have in-house CRGE directorates, units, or bureaus that focus on climate change policy implementation. However, the climate financing governance of the country lacks transparency and accountability. It doesn't have strong institutional capacity and arrangements or involvement of communities and civil society organizations (CSOs).

Primary data collection across all the study areas revealed the complete absence of approaches and tools used to enhance the participation of citizens and CSOs in climate financing. There is no formal mechanism for enhancing community participation, transparency, and accountability in the efforts toward climate change adaptation and mitigation interventions. The projects and programs implemented using the government budget have no formal mechanisms of involving communities, other citizens, and CSOs in the planning, implementation, monitoring and evaluation, and budget tracking and the like accountability issues. Participation of citizens and CSOs in budget tracking and

tracing to enhance transparency and accountability lacked actual implementation across all the study regions, zones, and kebeles.¹

RECOMMENDATIONS

The following recommendations are forwarded to the Government of Ethiopia (GoE) and Oxfam and like-minded organizations.

GoE and Mandated Ministries and Regional Bureaus

1. The GoE should reform the CRGE database to the global standard. There is an urgent need to have organized climate financing data that are clearly tracked, tagged, and synchronized to a global working standard such as the one used by the OECD-DAC data system.
2. We recommend the CRGE's climate facility be strengthened and clearly directed to undertake the responsibilities of climate finance coding, tagging, tracking, and reporting in a transparent and accountable manner.
3. The GoE is advised to revamp and revitalize the private sector mobilization strategy developed by the CRGE Facility. The strategy should be strengthened through implementing an institutional structure that can engage the private sector, and through development of specific and workable guidelines on how to engage the private sector.
4. We recommend that the GoE revisit the rationale and merit of having natural resource management (NRM) in the Ministry of Agriculture (MoA) at regional, zone, woreda, and equivalent structures, with similar objectives and mandates as in the EFCCC. Unless there is strong justification for the existence of the two structures in the respective government bodies at the same time, we recommend that merging the structures under a single chain of command seems logical.
5. The woreda and zone agriculture offices and other government stakeholders are advised to devise ways of calculating the monetary value of labor and material contributions made by communities for climate change mitigation and adaptation work. If properly documented and accounted for, the monetary value of such contributions can be very significant, can clearly demonstrate the contributions of the country toward climate change mitigation and adaptation work, and can attract more global climate financing.
6. The GoE is advised to find ways of recognizing and meriting sectors, officials, and experts for their efforts toward mainstreaming climate change interventions in their regular roles and responsibilities. Recognizing and meriting can include, among other things, actions such as incentives, training opportunities, and certifications to encourage better performance.
7. The GoE is advised to make relentless efforts toward inclusive climate change adaptation and mitigation interventions and undertake genuine gender mainstreaming. This recommendation is aligned with UN Sustainable Development Goals (SDGs), both in the form of the dedicated Goal on Gender Equality (SDG5) and cross-cutting themes such as SDG5.A, SDG5.4, SDG2, SDG13.B, and others.

¹ Kebele is the lowest formally structured administrative unit in Ethiopia. The structure is at the neighborhood level and is the primary contact for most citizens living in both rural and urban Ethiopia. The administrative unit consists of an elected council, a cabinet (executive committee), a social court, and the development and security staff. Kebeles are accountable to their woreda/district councils and are typically responsible for providing basic education, primary health care, agriculture, water, and rural roads.

Oxfam and Other CSOs

1. Oxfam and other concerned CSOs are advised to consider subsequent studies that will build and capitalize on the findings of this study in the possible areas of government institutional capacities for preparation of fundable technical documents, study on the opportunities, prospects, and challenges that Ethiopia could have in accessing international climate financing, current status, gaps and challenges of climate finance tagging and tracing in Ethiopia, mapping international and domestic climate financiers, and the like.
2. We recommend that Oxfam and other concerned CSOs advocate and support the GoE to establish clear guidelines and tools for emission measurement and mobilize funding to strengthen public awareness and outreach efforts around climate issues.
3. We recommend that Oxfam and like-minded organizations advocate and lobby the GoE government to elevate the management of the CRGE strategy to the ministerial level. Such a ministry should be given the mandate of collecting and consolidating all institutions and structures working on natural resources management, forest development, and other climate change-related issues in an effective vertical and horizontal line of command.
4. The study team recommends the following three interrelated advocacy outlets. The first advocacy will have a global scope, aiming at raising the access of Ethiopia to international climate financing. The second is to advocate and lobby the GoE to implement a standard and internationally acceptable climate finance tracking and coding system. The third advocacy aims at advocating and lobbying the GoE to put in place meaningful and effective citizen engagement in climate change planning, budgeting, and implementation at the grassroots level for transparent and accountable decision-making.
5. Oxfam and like-minded agencies are advised to embark on advocacy and lobbying the GoE for establishment of a government and nongovernmental organizations (NGOs) climate change partnership.
6. Oxfam and other concerned CSOs should advise and support GoE to work aggressively toward diversified climate adaptation measures. To enable households and communities to build peaceful coexistence with the natural environment, the country should make undertaking climate adaptation interventions a strategic priority and highlight the comparative benefits of undertaking such interventions.
7. Oxfam and concerned organizations should make concerted efforts for global advocacy on behalf of Ethiopia to urge the multilateral and bilateral donors to step up grant-based climate financing for adaptation and mitigation work.
8. We recommend that Oxfam and other like-minded organizations find resources useable for capacity building for the CRGE coordination units and related ministries to identify and develop bankable project proposals that are attractive to international financiers, and to navigate and comply with the requirements of financial institutions.
9. Oxfam and other concerned CSOs should mobilize resources to provide tailored capacity-building supports to effectively integrate and mainstream climate change into the development interventions at all stages of the planning and implementation cycle.

1. INTRODUCTION

Climate change is one of the biggest threats to sustainable development, along with conflicts and poor governance in least developed countries (LDCs). Its widespread, unprecedented impacts disproportionately burden the poorest and most vulnerable communities. To make things worse, these countries lack the necessary resources to overcome the impacts of climate change. Large-scale capital, and appropriate institutional structure, budgeting, and financial management are needed for a low-carbon transition, to mitigate the effects of climate change, support solutions for climate adaptation, and reduce global greenhouse gas (GHG) emissions. Ethiopia is one of the LDCs hard hit by climate change. At the same time, the country is one of the least-contributing regions to the ever-rising climate change and its impacts.

There is overwhelming evidence that the global climate is changing and devastating countries like Ethiopia. Projections suggest that the rate of change will likely increase. For instance, Ethiopia's Climate Resilient Green Economy (CRGE) strategy document states the occurrence of climate warming across much of the country, and both the frequency and intensity of droughts have increased, inflicting severe damage to the livelihoods of millions of people. At the same time, increases in flooding have stressed social institutions and intensified the vulnerability of households (FDRE, 2011b). Climate models suggest that Ethiopia will see a further warming of 0.7°C and 2.3°C by the 2020s and between 1.4°C and 2.9°C by the 2050s (World Bank, 2008).

Ethiopia's low level of economic development, combined with a heavy dependence on rain-fed agriculture and high population growth, make the country particularly vulnerable to the adverse impacts of climate change. Intense pressure on the country's soil, water, and biodiversity resources add to the national challenge of responding to climate change. Climate change, therefore, has the potential to hold back economic progress, or reverse the gains made in Ethiopia's development and could exacerbate social and economic problems.

Thus, besides the formal official development assistance, Ethiopia direly needs to access international climate financing to mitigate the adverse impacts of climate change and build resilience through diverse climate change adaptation measures. To do so, the country should access global climate financing and have in place proper institutional structures, and national and local policy measures to intervene through mitigation and adaptation measures. The financial resources, institutional arrangements, and policy measures should be based on studies and informed decisions to bring changes and improvements in sustainable and impactful ways.

Cognizant of the above situations, Oxfam in Ethiopia engaged an external consultant to conduct study on climate financing, institutional structure, and budget tracing in Ethiopia. The study aims at informing Oxfam and its partners on current and future climate financing, institutional structures, and tracing of climate budgeting in the country for informed decisions and actions.

The study gave adequate consideration to gender issues, and took gender-responsive assessment approaches using pertinent questions. The study provides evidence on the current situation regarding the quantity and quality of climate financing, institutional context, budget tracing and accountability practices, and experiences of the country, and suggests options for improvements. The study made the utmost effort to produce a national report to inform national climate budgeting and advocacy work and develop a synthesis report that can be used by civil societies in the country to inform their monitoring and advocacy efforts. In general, it is hoped that the study will serve as an informative research document and help in ensuring all stakeholders are on the same page.

In general, the findings of this research contribute to the broader agenda of the food security and poverty reduction efforts of the government and other development partners. Hence, the study identifies key findings and suggests recommendations for organizational learning, capacity building, accountability, and advocacy for addressing the prioritized findings.

The report compiled from the study is structured as follows. The first part (this section) provides a brief background, introduces the report, and outlines the subsequent sections. Section two describes the study purpose and objectives. Section three presents the study's analytical framework in relation to the scope of the study and contains a summary of the stages and steps followed while conducting the study and compiling the report. The fourth section describes the study methodology. The fifth section provides a brief explanation of the significance of the study.

Section six of the report presents in detail the study major findings, focusing on challenges of climate change in Ethiopia's sustainable development, climate change and its gender implications, climate change and female food producers, relevant international conventions, protocols, and agreements, climate change-related policies and laws in Ethiopia and gender consideration in Ethiopia's policies and strategies, climate change mitigation and adaptation interventions in the country, gender considerations in climate change interventions, climate financing landscape of the country, climate finance governance in Ethiopia, the country's climate change institutional structures and prevailing institutional gaps, climate financing prospects of Ethiopia, and Ethiopia's strengths, constraints, and challenges to accessing climate financing. Section seven presents the conclusion and recommendations, and section eight, which is the final part of the report, consolidates the annexes.

2. INTRODUCTION

2.1. PURPOSE

The purpose of the study is to provide evidence on the current situation of climate financing, institutional structures, and budget tracing in Ethiopia and put forward recommendations based on evidence. The study provides a background and explains why the study is desired, clearly articulates the global and national climate financing, institutional arrangements, and budget tracing practices and experiences in the country by taking into account a sizable sample of years since the Paris Agreement so as to contribute toward effective legal and institutional setup and enhanced stakeholder engagement.

2.2. RESEARCH OBJECTIVES

1.2.1. Broad Objectives

The general objective of the study is to identify the current and future situation of climate financing, institutional capacity, and budget tracing in Ethiopia so as to inform Oxfam and partners on the contexts of climate financing, institutional structure, and budgeting in the country to ensure meaningful and informed participation of citizens in social and financial accountability of climate financing at both national and local levels.

1.2.2. Specific Objectives

With the above purpose and general objective, the study further envisages achieving two specific objectives. It endeavors to:

1. Develop a national report to inform national climate budget monitoring and advocacy work, including an overview of the current state of play in the country, and suggest promising strategies, methods, and tools;
2. Develop a synthesis report that can be used by civil society organizations (CSOs) to inform their monitoring and advocacy work on climate action planning, budgeting, and spending.

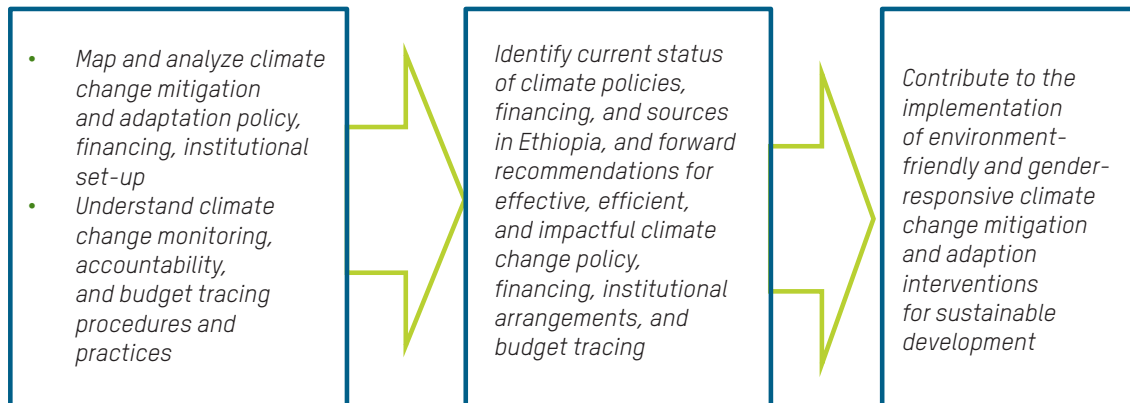
3. STUDY ANALYTICAL FRAMEWORK

The United Nations Framework Convention on Climate Change (UNFCCC) describes climate financing as local, national, or transnational finance used to support and implement climate change mitigation and adaptation actions with financial resources from public, private, and alternative sources. These resources are defined as “new and additional” and cannot include those previously committed, such as official development assistance (ODA).

Climate change financing is captured and used to reduce GHG emissions and enhance carbon sinks, or seeks to reduce vulnerability, as well as to maintain and increase the resilience of human and ecological systems to the negative effects of the climate crisis.

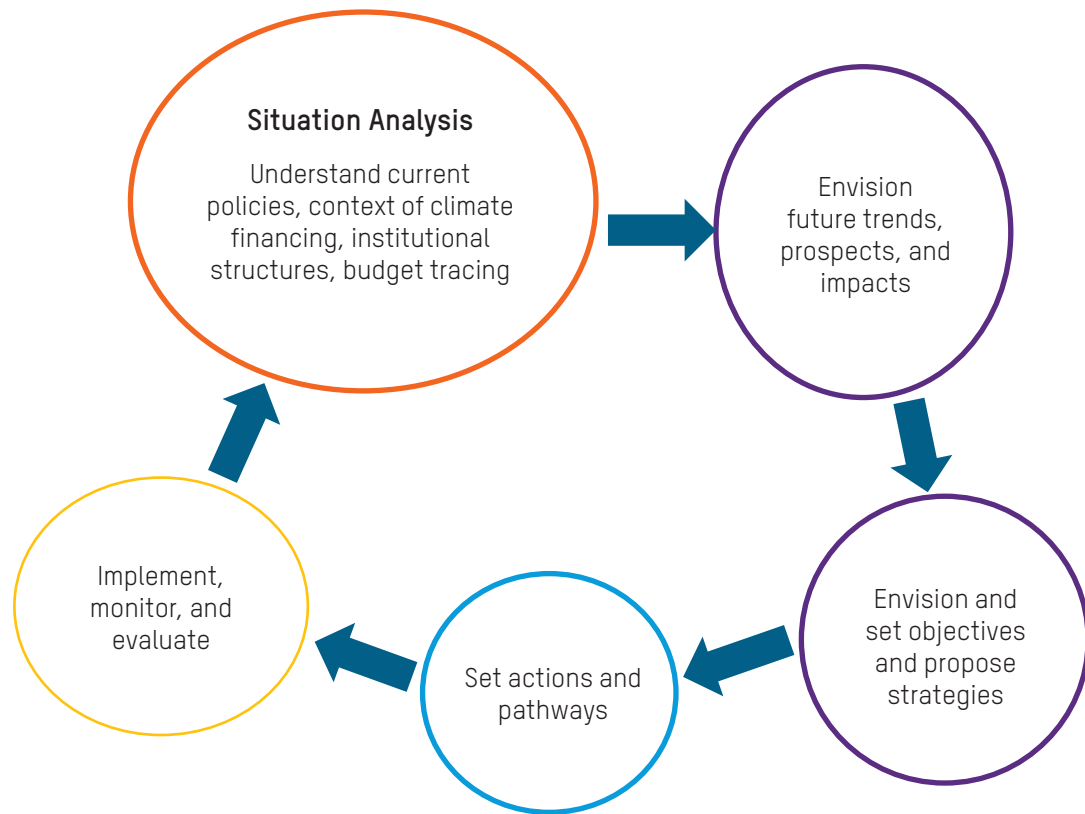
The analytical framework below helps to assess issues such as the availability of relevant climate change policies in Ethiopia, the quantity and quality of climate financing accessed by the country over the years, the institutional structures put in place, and the systems, approaches, and tools implemented for climate budget tracing so as to contribute to the implementation of environment-friendly and gender-responsive climate change mitigation and adaptation interventions for sustainable development. See **Figure 1** below:

Figure 1: Study analytical framework



To realize the above framework, the study undertook situation analysis regarding international and national climate financing, institutional structures, and budget tracing. The study predicted future trends and prospects, envisioned and set objectives, proposed strategies for improvements, and set actions and pathways for implementation, and monitoring and evaluation of the proposed actions and pathways. In short, the study framework implemented the stages and steps summarized in the diagram below (**Figure 2**).

Figure 2: Summary of the stages and steps of the study



In summary, the study assessed climate change-related financing s flow to Ethiopia and their sources, existing policy options to mobilize and deliver finance, and institutional frameworks for inclusive climate-related investments. The study undertook a detailed assessment and analysis of the climate financing supports received by the country, by focusing on the purpose of funding, such as mitigation or adaptation efforts. It also examined the financial instruments used, including grants, loans, and combinations of both. Additionally, the type of projects supported by the funding were reviewed and analyzed to determine if they were grants and credit lines, technical assistance, or readiness support. By following this structured research process, the study strived to provide a comprehensive and accurate analysis of climate funds and their allocation, institutional arrangements, and budget management accountability procedures prevailing in the country.

4. METHODOLOGY

The study used a mixed methods approach that involves collecting, analyzing, interpreting, and synthesizing primary and secondary data collected through a literature review and qualitative data collection tools. The study undertook review of relevant national- and regional-level policies, directives, and strategies related to climate financing, institutional structures, and budget tracing in Ethiopia. The document review exercise facilitated identification of the global and national climate change projects and programs implemented and financial flow to the country over a range of years (at least from 2016–2022). In addition, the study conducted field visits to sample study areas to collect primary data using focus group discussions (FGDs), key informant interviews (KIIs), strengths, weaknesses, opportunities, and threats (SWOT) analysis, and secondary data from relevant sector ministries, bureaus, and offices. The study applied qualitative and quantitative data analysis, interpretation, and analytical report writing approaches.

The study involved relevant federal ministries in Addis Ababa, as well as the regional offices in Oromia, Sidama, South Ethiopia, and South-West Ethiopia Regions, as sample study participants and as primary sources of information for conducting the field assessment. In order to ensure a representative assessment, a total of six zones, including Adama and its environs from East Shewa Zone, Shashemane and its surroundings from West Arsi Zone, and Jimma and its surroundings from Jimma Zone of Oromia Region, Hawassa and its rural areas from Sidama Region, Arbaminch and rural *kebeles* from Gamo Zone of South Ethiopia Region, and Bonga and its environs from South West Region. The selection of these regions and zones was based on clustering of the study's geographic areas and purposive selection of the sample zones and specific study locations.

The field data collection focusing on these specific areas enabled the study team to gain a comprehensive understanding on the extent of climate financing flow that has reached regional and zone sector offices, institutional actors, and stakeholders, the benefits gained by women in general and female food producers in particular from climate change-related projects and programs, their level of involvement in the financial and institutional set-up, and budget tracing of the projects and programs implemented.

Taking into account the 2015 Paris Agreement (PA), the study covered a total of seven years, from 2016–2022. We deliberately excluded 2015 from the study as it would be too long ago and 2023 as it would be too quick to assess and judge the implementation of climate change financing, institutional set-up, and budget tracing as per the provisions of the agreement.

The study was carried out through participatory processes involving relevant ministries like Ministry of Agriculture (MoA), Ministry of Finance (MoF), Climate-Resilient Green Economy (CRGE) coordination units in sector ministries and regional bureaus, Environment, Forest, Climate Change Commission (EFCCC), Reducing Emissions from Deforestation and Forest Degradation (REDD+) Ethiopia, Ministry of Irrigation and Lowland Areas, Ministry of Water and Energy, and Ministry of Women and Social Affairs. The corresponding regional bureaus and zone offices of these ministries as well as female food producers in the sample study areas took part in the study as primary data sources.

Document review was utilized extensively as one of the key data collection approaches. To understand the flows of global climate financing over the period of at least 2016–2021, the recipient perspective database of the Organization for Economic Cooperation and Development–Development Assistance Committee (OECD–DAC) was reviewed and analyzed. OECD–DAC generates a climate-related development finance dataset called “Climate Change: OECD DAC External Development

Finance Statistics.” This database is available from both the provider and recipient perspectives (in commitments, but not in the disbursements version). Thus, the dataset for Ethiopia was reviewed and analyzed over the period mentioned above. In addition, the study team reviewed relevant policy and strategy documents, particularly in the area of environmental protection, natural resource development, climate change, agricultural and rural development policy, and different studies and assessments. In addition, for comparison, the CRGE database from 2016 to 2022 was reviewed and analyzed.

Several KIIs involving a total of 51 participants were conducted throughout the field data collection at federal, regional, and zone levels. The KII participants included officials and experts from relevant government ministries, bureaus, departments, and zone offices. Structured interview guides were developed and used for facilitation of the KII discussions. The KII assessment aimed at identifying global and national climate change financed projects and programs, as well as the financial flow into the country over a span of several years. Furthermore, the KIIs identified the roles and responsibilities of organizations at federal, regional, zone, and local levels, climate change implementation institutional arrangements, as well as existing opportunities and constraints for promotion and scaling up interventions related to climate finance programming and implementation in Ethiopia.

Visits to rural *kebeles* were made to gather comprehensive primary data from community representatives using a participatory rapid field assessment approach, ensuring active involvement from the local community. A total of 15 FGDs involving 184 female food producers were conducted across the sample study regions and zones. FGD participants were selected purposively from the surrounding rural areas of zone capital towns.

The study team lacked the opportunity of relying on Oxfam for the arranging of FGDs and KIIs, and as a guide to rural *kebeles* and introduction to study communities, as the organization had no ground presence in the study areas. However, Oxfam had a close working relationship with gender and CRGE focal staff in the regional and zone agriculture offices, and this helped a lot for arrangement of FGDs and KII appointments and facilitation of initial introductions to the different offices and rural communities, and in smoothing field data collection. However, the study team took utmost precaution when using the focal staff in the mentioned offices as the local contact and guide, ensuring zero interference in the outcomes of the study or in creating any sort of favorable bias toward government.

The study assessed climate change financing, institutional capacity, budget tracing, and strengths and opportunities as well as weaknesses and challenges of the country. The study team developed a reasonable number of relevant questions and facilitated SWOT analysis in alignment with KIIs and FGDs.

A document review note-taking template was developed, and note-taking was done in a systematic way. The study followed “Oxfam’s Style Guide for Notes, References, and Bibliographies” for document review note-taking and for use of sources in the report. The document review results were grouped, categorized, and analyzed based on data similarity and reinforcement of each other. Facts, figures, and similar experience and lessons collected from different documents were grouped and assembled according to similarities and used as evidence for triangulation of the qualitative data generated from primary data sources.

During the facilitation of the different qualitative discussions, the study team used voice recording devices supplemented by personal note-taking. Audio recordings were listened to carefully and transcribed into word later on. Once all the qualitative data were transcribed, the researchers followed a causal design analysis for coding and analyzing the qualitative data using Excel Office Facility for the qualitative data analysis. The qualitative data and information were coded line-by-line, and by

themes and issues to develop theoretical constructs. Individual and group opinions, descriptions, and observations were grouped into themes. Data analysis was carried out with reference to wider bodies of literature and theories related to the respective analytical frameworks of the study subject matters.

At the report writing stage, detailed data interpretation was done based on the data analysis results. The study team ensured the complementarities, reinforcement, and mutually supportive nature of the qualitative data and document review findings. Utmost caution was taken to maintain synergy between the different sets of data. Close tracking was made to ensure proper aggregation and linking of the data generated from both document review and qualitative data sources to maintain the completeness and quality of the final report.

5. SIGNIFICANCE OF THE STUDY

The climate crisis knows no borders. It impacts people, ecosystems, and species around the world. Addressing this global crisis requires profound and innovative transformations in all facets of human life: the production of energy, food, and other goods; the design and construction of infrastructure; the use and management of terrestrial, marine, and freshwater habitats; the transport of people and products; and more. These systemic changes demand financial resources and sound investments. This is why we hear time and again that addressing climate crisis is costly and requires financing.

Climate finance flows and coordinated efforts at local, national, and global levels are critical to maintaining the momentum of the Paris Agreement (PA). Multilateral, bilateral, and private sector financing instruments are set for responding to climate change and supporting climate change adaptation and mitigation interventions at various levels. Countries are expected to develop institutional, policy, and operational frameworks and arrangements to effectively access and utilize those climate finance mechanisms to the best of their capacity. Despite progress made on capacity to access increased climate finance, there are indications that many countries have capacity gaps to increasing access to and utilization of climate support funding mechanisms from international sources (UNFCCC, 2019).

Ethiopia is one of the LDCs with critical gaps of capacity in accessing global climate finance and is benefiting the least from the existing global opportunities. Thus, this assessment is designed to contribute to knowledge and information on relevant national policy frameworks, global climate financial flows, and national, regional, and local institutional arrangements and aims to forward recommendations on capacity-building interventions to enable the country to mobilize resources for sustainable development. The study aims to support advocacy and capacity-building activities by identifying the capacity gaps related to increased access to climate finance for Ethiopia from the international support measures (ISMs).

6. MAJOR FINDINGS

6.1. CHALLENGES OF CLIMATE CHANGE TO ETHIOPIA'S SUSTAINABLE DEVELOPMENT

Ethiopia, as an agrarian nation whose major economic sector is dominated by subsistence and small-scale traditional farming, is highly vulnerable to climate change-induced hazards, namely rainfall variability, major droughts, floods, and consequent land degradation that puts the population at risk of food and water shortages. The key sectors that are highly linked and negatively impacted by climate variability and GHG emissions-induced climate warming include agriculture, water resources, transport, and energy. The adverse impact of climate warming on the agriculture and water resources has led to a decline in agricultural production and productivity. Drought, flood, storms, and other climate-induced severe climate events are seriously disrupting the food production and supply system and peoples' access to adequate and timely nutritious and healthy food.

Climate change is causing numerous challenges to communities in Ethiopia. Most significantly, the impacts of climate change are negatively affecting economic development, energy consumption, natural resources, and livelihoods. Ethiopia is extremely vulnerable to the effects of climate change because of, inter alia: poor socioeconomic development, inadequate infrastructure, low institutional capacity, and high dependence on natural resources. Climate change affects large numbers of vulnerable Ethiopian communities who rely on climate-sensitive economies, namely subsistence crop cultivation and livestock production (NAPA, 2007).

As a result of various environmental issues, including deforestation, overgrazing, soil erosion, desertification, water shortage, and pollution pressure, Ethiopia is already experiencing severe effects of climate change. Climate models show warming in all four seasons across the country, which may cause a higher frequency of heat waves as well as higher rates of evaporation. Increasing climate resilience is thus an urgent priority for Ethiopia. Currently the country ranks 163 out of 181 countries in the Notre Dame-Global Adaptation Initiative (ND-GAIN) Index (2016) for climate vulnerability. Ethiopia is the 22nd most-vulnerable and the 31st least-ready country. The country is vulnerable to, yet largely unready to, address climate change effects. The country's adaptive capacity is constrained by limited livelihood options for the majority of the population, inadequate ability to withstand or absorb disasters, and the prevailing biophysical shocks it faces (CARE and Consortium for Climate Change Ethiopia, 2020).

Transport links, both paved and unpaved roads, are highly vulnerable to the increases in rainfall and temperature in Ethiopia, with heavy rainfall washing away roads and high temperatures damaging road surfaces. The National Adaptation Program of Action (NAPA) identifies the infrastructure sector as particularly vulnerable to climate change impacts (Ministry of Water Resources, 2007). A World Bank study projects that climate change will increase the maintenance costs of the country's road network by between United States dollar (USD) 10 million to USD 21 million, depending on the climate model used (World Bank, 2010). These costs can be reduced and transport links maintained if road drainage and bridge designs were adapted to the expected climatic conditions.

Ethiopia's economic development will require an expansion of industrial activities. Some of the industrial sectors, such as textile and leather, will allow the country to increase its exports; others, such as cement and steel, will expand largely for domestic infrastructure development. While the growth of industrial sectors has the highest priority, Ethiopia will face a challenge related to GHG

emissions caused by these activities. Ensuring the transfer of modern and resource-efficient technologies is therefore an important component of growth plans.

The vast majority of Ethiopia's national energy needs are met by traditional biomass (fuel wood, crop residues, and animal waste), which accounts for over 85 percent of total energy consumption. Only around 5 percent comes from electricity, and approximately 90–95 percent of this electricity is generated by hydropower (World Bank, 2021b). This energy mix greatly increases the country's vulnerability to climate change. Reliance on fuel wood and charcoal brings widespread land degradation, exposing soil to flooding, wind erosion, and gully formation.

The health impacts of climate change are felt through an increase in morbidity and mortality because of temperature extremes, increases in vector-borne diseases, such as malaria and bilharzia, and increases in nonvector-borne diseases related to weather conditions. For example, diarrheal disease and cholera strongly associated with both floods and drought, health problems associated with weather-related air quality, injury and mortality through floods and storms, and the impacts of climate-related influences on food and water supply such as malnutrition can be cited.

The close links between climate and Ethiopia's economy are reflected in the strong relationship between the gross domestic product (GDP) growth rate and rainfall variability. A study by the World Bank (World Bank, 2010) projects that unless steps to build resilience are effective, climate change will reduce Ethiopia's GDP growth by between 0.5 percent and 2.5 percent each year. In a worst-case scenario, in 25 years, Ethiopia will have only half the potential total GDP it could have attained, and this will be because of the negative impacts of climate change.

The impacts of climate change on Ethiopia's sustainable development are summarized in the long-term emission and climate resilient development strategy of the country (2020–2050). The document states that Ethiopia is one of the most vulnerable countries to climate variability and climate change due to its high dependence on rain-fed agriculture and natural resources and its relatively low adaptive capacity to deal with these expected changes. Challenges include the underdevelopment of water resources, low health service coverage, a high population growth rate, low economic development, inadequate road infrastructure, weak institutional structures, and low awareness. Ethiopia has frequently experienced extreme events, like droughts and floods, in addition to rainfall variability and increasing temperatures, which contribute to adverse impacts on livelihoods. Primary environmental problems are soil erosion, deforestation, recurrent droughts, desertification, land degradation, and loss of biodiversity and wildlife. Given the nation's vulnerability to climate change impacts, there is a pressing need for climate change adaptation across all sectors (MoPD, 2022).

One unjust irony of climate change is that even though Ethiopia has one of the lowest shares of GHG emissions in the world (0.04 percent in 2019), it is highly vulnerable to the impacts of climate change. Droughts and desertification are the most destructive climate-related natural hazards in Ethiopia and have increasing intensity, frequency, and impacts. Climate models suggest that the country will experience 1.5–3°C warming by 2050 (World Bank, 2021a). In 2022, the country witnessed its worst drought in the last 40 years, severely affecting 7 million people in southern and eastern Ethiopia. With more than 75 percent of the workforce dependent on rain-fed agriculture (USAID, 2016), it is estimated that drought-induced impacts on agricultural productivity will reduce Ethiopia's GDP up to 10 percent by 2045 (World Bank, 2021a).

6.2. CLIMATE CHANGE AND ITS GENDER IMPLICATIONS

Across all the study areas, the study team assessed primary findings in relation to climate change and its gender implications in Ethiopia. FGD and KII participants across the study areas stated that the livelihoods of almost all rural communities in Ethiopia depend on rain-fed agriculture, which is very sensitive to climatic conditions. Discussants further indicated that agriculture is the most important employment sector for women in rural Ethiopia. The majority of men and women of the country directly or indirectly depend on environmental resources for livelihoods. Even though both segments of the population have inevitable exposure to the impacts of climate change, women experience climate change and its impacts differently from men and have different priorities concerning response measures. This is primarily due to women's economic and sociocultural contexts.

All FGD and KII discussants agreed that climate change and its social, economic, and physical impacts affect women and girls more severely. Across the country, women depend more on, but yet have less access to, natural resources. Women bear a disproportionate responsibility for securing food, water, and household energy needs. During periods of drought and erratic rainfall, women, as agricultural workers and primary producers, work harder to secure income and resources for their families. This puts added pressure on girls as well, who often have to leave school to help their mothers manage the increased burden. In drought-prone areas, the time absorbed by water collection significantly increases, as women and girls have to travel longer distances to find water. In semi-arid and arid areas, pastoral women may spend 4–5 hours a day to fetch water for household use. Walking long distances to fetch water and firewood can expose women and girls to harassment or sexual assault.

KII discussants at federal, regional and zone levels agreed that climate change is a threat multiplier for humanity in general. It escalates social, political, and economic tensions. As climate change drives conflict, women and girls face increased vulnerabilities to all forms of gender-based violence, including conflict-related sexual violence, human trafficking, child marriage, and other forms of violence. When disasters strike, women are less likely to survive and more likely to be injured due to long-standing gender inequalities that have created disparities in information, mobility, decision-making, and access to resources and training. In the aftermath of crisis, women and girls are less able to access relief and assistance, further threatening their livelihoods, well-being, and recovery, and creating a vicious cycle of vulnerability to future disasters.

On the other hand, women contribute significantly to climate change mitigation and adaptation efforts in Ethiopia, but their efforts are less recognized. All FGD and KII participants across the study areas agreed that women play key roles in climate change adaptation and mitigation actions to contribute to reduction of emissions and build household resilience, provide food, and improve livelihoods. However, their contributions in climate actions are not well recognized due to the social, cultural, and economic status they occupy and the prevailing gender imbalance. Women do not have decision-making power on issues that affect their lives most. Thus, all discussants suggested the strong need for consideration of gender issues at national and subnational levels to ensure the effectiveness of adaptation and mitigation actions. They indicated that climate programs, initiatives, and actions should contribute to the empowerment of women as key actors, beneficiaries, and leaders.

Document review results further agreed with the above qualitative findings. For instance, a study conducted by World Bank Group (2016) on "Gender Equality, Poverty Reduction, and Inclusive Growth" indicated that the level of impacts and coping strategies of populations depends heavily on their socioeconomic status, sociocultural norms, access to resources, and poverty, as well as gender. Climate change impacts are not gender neutral, as women and children are among the highest risk groups. Key factors that account for the differences between women's and men's vulnerability to climate change risks include: gender-based differences in time use; access to assets and credit;

treatment by formal institutions, which can constrain women's opportunities; limited access to policy discussions and decision-making; and a lack of sex-disaggregated data for policy change (World Bank Group, 2016).

Yalemzewud and others (2022) stated that women make up more than 40 percent of the agriculture labor force and head approximately 25 percent of all farming households in the country and are among the highest risk groups to climate change. Women farmers are more exposed to climate risks compared to men as they have fewer endowments and assets, have less access to information and services, and are less mobile. Gender-based differences in relation to demands on time for providing care for children and other family members and barriers to accessing financial services further constrain women's opportunities for economic activity and their participation in decision-making. In spite of their vulnerability, women are also active and effective agents and promoters of climate mitigation and adaptation interventions (Yalemzewud et al., 2022).

Aklilu and Alebachew further ascertained that women are the most vulnerable and least prepared for climate adversities. The researchers stated that women constitute nearly half of the country's population, and many of them are living in dire economic conditions, with endemic poverty and poor working and living conditions. The majority of the poorest groups are composed of women, the disabled, and those living with social and economic vulnerabilities. Not surprisingly, these social and demographic groups are the least prepared and likely to be worst affected by climate change (Aklilu and Alebachew, 2009).

A study conducted by Tesfamichael Wossen (2016) to assess the gender-differentiated impacts of climate variability in Ethiopia revealed that women are marginalized in major decision-making processes at all levels. Their limited access to resources and decision-making processes increases their susceptibility to the impacts of climate change. Female-headed households are the most vulnerable to the impacts of climate change compared to male-headed households. The income of female-headed households declined by 12.4 percent due to climate variability, while that of male-headed households declined by 5.7 percent (Tesfamichael Wossen, 2016).

Thus, it is well established that climate change affects poor and vulnerable people the most, particularly women and girls, as the existing structural inequalities that they face in many rural societies are further exacerbated by the effects of climate change on their lives and livelihoods. The vulnerability to climate change is shaped by the capacity of men and women to adapt, to access resources, information, and alternative livelihood options, and by existing decision-making processes and power dynamics that impact the social distribution of resources or support. In its fifth assessment, the IPCC (2013) clearly establishes that climate change hazards "increase or heighten existing gender inequalities, thereby contributing to the greater climate change vulnerability of many women."

However, it should be understood that women in Ethiopia are not a homogenous entity in terms of the social, economic, cultural, and climate vulnerabilities they face. It is important to disaggregate different groups of rural women into women heads of household, women in male-headed households, never-married women, women with children, women who never had children, women with adult children, divorced women, widowed women, women with or without land, and women with or without education. In addition, women with different ethnic backgrounds in the country have differentiated opportunities of accessing social, economic, and resource assets, and face different challenges and risks related to sexual and gender-based violence. Empirical experiences of the country show that lack of such disaggregation of women in different categories has resulted in ineffective interventions in the past. For example, the agricultural extension system of the country has failed to adequately address the practical needs and interests of female food producers, women in male-headed households, and young women and girls. Women in male-headed households have been

neglected by planning, capacity-building interventions, and production-enhancing input delivery services in most cases.

6.3. CLIMATE CHANGE AND FEMALE FOOD PRODUCERS

Besides the unique challenges that women, children, and other vulnerable community members face as a result of climate change, the study further assessed the implications that climate change has on female food producers of the country. To this end, primary findings were collected from qualitative discussions conducted across all the study areas. The FGD and KII participants from all the study areas reported that climate change and other sociocultural and economic factors in the country have unique impacts on the agricultural productivity of female food producers. Discussants expressed the existence of many social, cultural, economic, and climate change impacts that specifically affect the agriculture productivity of female food producers. The study findings identified the following unique situations:

- The agricultural productivity of female food producers is challenged by diverse constraints. Women have limited access to and control over productive resources such as land and livestock. Female-headed households have lower financial capital, resulting in limited access to credit and other financial services. Female food producers work with lower cultural capital scenarios and face different gender stereotypes, norms, attitudes, and perceptions. Female food producers have constraints of social capital, which include limited membership in cooperatives and groups, and limited access to technologies and innovation platforms. Female food producers have lower political capital compared to male farmers. They have limited political power and decision-making power in their households and communities.
- Female food producers have unique challenges in conducting farm labor. They may have small children who are too young to participate in farming activities to support them or older children who are engaged in their own family farm activities and can't extend helping hands to their mothers. Such women are forced to farm small plots compared to male farmers; their plots are tilled and planted and harvested late in most cases.
- Under adverse situations of climate change such as in context of a severe shortage of rain and the occurrence of drought and resultant crop failure and food shortages, female food producers and their households are affected most. Under a scarcity of food in the household, the burden primarily falls on the shoulders of such women to feed children. A shortage of rain results in a lack of water for household consumption, and under such circumstances women bear the burden of searching for and collecting water from a long distance away, leading to significant loss of time and energy. Under excessive rainfall and occurrence of flooding, women and children are the primary victims, facing the consequences of physical injuries, or loss of life under severe circumstances.
- The steady rise in cost of living, including the price of household goods and services such as edible oil, soap, salt, and other consumables, transportation costs affect female food producers more than their male counterparts. In seasons when household food resources get depleted, female food producers are required to purchase household food from local markets. As female food producers always have low food stock (because they produce less), they are the first to exhaust the household food stock and start buying food and to continue doing so for more months, up to the next harvest. Thus, with the exacerbated high food prices, such women face the challenge of feeding household members. They are forced to sell scarce household productive assets and borrow food or money at high interest rates, deepening the vicious cycle of food insecurity and destitution.

- Under severe climate change and its adverse effects, female food producers in a disadvantageous position in accessing irrigation land and water compared to their male counterparts. In drought-prone areas, the availability of irrigation water and land is scarce. In areas where these facilities are available, the ability of female food producers to access them is quite limited.
- Climate change and its resultant effects of erratic rainfall (such as late onset, early withdrawal, intermittent raining, etc.) affect female food producers the most. For example, female food producers around Shashemane area explained that *“During this production season, there was a serious erratic rainfall situation. At sowing and germination stage, there was a significant rain shortage, which came and went sporadically. So, the germination and growth of crops such as wheat faced serious challenges and resulted in slow take-off at the very beginning. Moreover, at peak of crop ripe[ning] and harvest season, untimely rain has occurred, causing damage to the crops ready for harvest. As female food producers have the tendency of having late seasonal calendar during plantation and harvest due to lack of adequate farm labor, the erratic and untimely rain situations affected them most. The majority of female food producers have taken loan and invested significantly through purchase of fertilizers, improved seeds, and agrochemicals to improve productivity. These female food producers incurred heavy financial loss apart from the reduced household food stock as a result of climate change and its impacts.”*
- Female food producers have limited information regarding improved farm practices. They have limited access to extension services and serious gaps in market information. The extension system and experience sharing improved farming techniques and market information in the country are biased toward male farmers. Thus, there is a high tendency of such support services to bypass female food producers, putting them at a disadvantage in all cases.
- Whenever household food and livelihood situations are at risk resulting from climate change and other causes, women are most affected. A discussant from Raafuu Hargissa Kebele around Shashemane reported that *“When moving around or go[ing out in] public or receiving guests, women have happy and bright face if they have enough food stock in household for family members. Otherwise, they get unhappy and distressed because they feel an implied guilt conscience for the looming misfortune. Because they know that the heavy burden of making ends meet and feed[ing] children rest on them. When children get hungry, they cry to their mothers, not to fathers or other male counterparts in a household.”* The discussant further stated that women clearly understand the Afaan Oromoo proverb that goes: *“Olkayaan fuudhan male Olka’aanif hin fuudhaan.”*² Thus, the crisis of climate change hits harder on women in general and female food producers in particular.

6.4. RELEVANT INTERNATIONAL CONVENTIONS, PROTOCOLS, AND AGREEMENTS

The study reviewed relevant international conventions, protocols, and agreements as some of the preludes to climate financing, institutional structure, and budget tracing in Ethiopia. Accordingly, the document review results summarize that the major sources of international climate change laws, including the UN Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, the Paris Agreement, and the decisions made by the UNFCCC in implementing these treaties. In addition, the Ozone Treaties, Vienna Convention and Montreal Protocol, Convention on Biological Diversity, Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal, Aarhus Convention, and the Convention on International Trade in Endangered Species of Wild Fauna

² *“You can retrieve something not because of standing up, but because of saving or putting aside.”*

and Flora (CITES) constitute international conventions, protocols, and agreements on climate change. The international climate conventions, protocols, and agreements are many, diverse, and comprehensive. Thus, it would be cumbersome in terms of space and time to describe all of them in this report. Therefore, the major climate change international conventions, protocols, and agreements are summarized below.

6.4.1. Montreal Protocol

Though not intended to tackle climate change, the Montreal Protocol was a historic environmental accord that became a model for future diplomacy on the issue. Every country in the world eventually ratified the treaty, which required them to stop producing substances that damage the ozone layer, such as chlorofluorocarbons (CFCs). The protocol has succeeded in eliminating nearly 99 percent of these ozone-depleting substances. In 2016, parties agreed via the Kigali Amendment to also reduce their production of hydrofluorocarbons (HFCs), powerful greenhouse gases that contribute to climate change.

6.4.2. United Nations Framework Convention on Climate Change (UNFCCC)

The UNFCCC sets out the basic legal framework and principles for international climate change cooperation, with the aim of stabilizing atmospheric concentrations of GHG emissions to avoid “dangerous anthropogenic interference with the climate system.” The convention established an international environmental treaty to combat “dangerous human interference with the climate system,” in part by stabilizing greenhouse gas concentrations in the atmosphere.

It was signed by 154 states at the United Nations Conference on Environment and Development (UNCED), commonly known as the Earth Summit, held in Rio de Janeiro on June 3 to 14, 1992. Until it remained open for signature (June 19, 1993), the number of signatory countries has reached 198. It entered into force on March 21, 1994 (UNFCCC, 2020).

The treaty called for ongoing scientific research and regular meetings, negotiations, and future policy agreements designed to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened, and to enable economic development to proceed in a sustainable manner (Jacobson, 2001).

The convention called upon the developed countries to adopt national policies and take corresponding measures on the mitigation of climate change by limiting their anthropogenic emissions of greenhouse gases as well as to report on steps adopted with the aim of returning individually or jointly to their 1990 emission levels (Ibid.). The developed nations were also called upon to provide new and additional financial resources to meet the costs incurred by developing countries in complying with obligations to produce national inventories of their emissions by sources and removals by sinks for all greenhouse gases. Developing countries for their part are required to undertake reduction of GHG emission through mitigation, build resilience to climate change through adaptation measures, and submit inventories to the UNFCCC secretariat. The financial assistance from the developed countries is supposed to support and enable the developing countries to undertake effective climate mitigation and adaptation interventions.

The convention describes climate finance as the type of local, national, or transnational finance used to support and implement climate change mitigation and adaptation actions, with financial resources from public, private, and alternative sources. These resources are defined as “new and additional” and cannot include those previously committed, for example, for official development assistance (ODA). Climate financing is accessed and used to reduce GHG emissions and enhance

carbon sinks, or seeks to reduce vulnerability, as well as to maintain and increase the resilience of human and ecological systems to the negative effects of the climate crisis.

6.4.3. Kyoto Protocol

The Kyoto Protocol is an international treaty that extends the 1992 UNFCCC objectives and commits state parties to reducing GHG emissions based on the scientific consensus that global warming is occurring and that human-made carbon dioxide (CO₂) emissions are driving it. The protocol was adopted in Kyoto, Japan, on December 11, 1997, and owing to a complex ratification process, it entered into force on February 16, 2005. There were 192 parties to the Protocol in 2020. The US did not ratify it, while Canada withdrew from the protocol, effective December 2012.

The Kyoto Protocol operationalizes the UNFCCC by committing industrialized countries and economies in transition to limiting and reducing GHG emissions in accordance with agreed individual targets. The Convention itself asks these countries to adopt policies and measures on mitigation and to report periodically.

The Kyoto Protocol is based on the principles and provisions of the UNFCCC and follows its annex-based structure. It only binds developed countries, and places a heavier burden on them under the principle of “common but differentiated responsibility and respective capabilities,” because it recognizes that they are largely responsible for the current high levels of GHG emissions in the atmosphere.

The Kyoto Protocol sets binding emission reduction targets for 37 industrialized countries and economies in transition and the European Union (EU). Overall, these targets add up to an average of 5 percent emission reduction compared to 1990 levels during the first commitment period, over the five-year period from 2008–2012. In Doha, Qatar, on December 8, 2012, the Doha Amendment to the Kyoto Protocol was adopted for a second commitment period, starting in 2013 and lasting until 2020. During the second commitment period, parties committed to reducing GHG emissions by at least 18 percent below 1990 levels in the eight-year period from 2013 to 2020.

6.4.4. Paris Agreement (PA)

The Paris Agreement, often referred to as the Paris Climate Accords, is an international treaty on climate change. Adopted in 2015, the agreement covers climate change mitigation, adaptation, and finance. The agreement is a legally binding international treaty on climate change. It was adopted by 196 parties at the UN Climate Change Conference of Parties (COP21) in Paris, France, on December 12, 2015. It entered into force on November 4, 2016.

As of February 2023, 195 members of the UNFCCC are parties to the agreement. Three UNFCCC member states (Iran, Libya, and Yemen) have not ratified the agreement. The United States withdrew from the agreement in 2020, but rejoined in 2021. The Paris Agreement is a landmark in the multilateral climate change process because, for the first time, a binding agreement brings all nations together to combat climate change and adapt to its effects.

The overarching goal of Paris Agreement is to hold “the increase in the global average temperature to well below 2°C above pre-industrial levels” and pursue efforts “to limit the temperature increase to 1.5°C above pre-industrial levels.” Additionally, the agreement aims to increase the ability of countries to deal with the impacts of climate change, and at making finance flows consistent with a low GHG emissions and climate-resilient pathway. The agreement envisages appropriate mobilization and provision of financial resources and a new technology framework. Enhanced capacity building

interventions are to be put in place to reach these ambitious goals. The agreement also provides for an enhanced transparency framework for actions and supports.

In order to make the Paris Agreement fully operational, a work program was launched in Paris to develop modalities, procedures, and guidelines on a broad array of issues. Since 2016, parties work together in the subsidiary bodies, including the Ad Hoc Working Group on the Paris Agreement (APA), Subsidiary Body for Scientific and Technological Advice (SBSTA), the Subsidiary Body for Implementation (SBI), and various other constituted bodies.

6.5. CLIMATE CHANGE-RELATED POLICIES AND LAWS IN ETHIOPIA

Ethiopia's policy framework for climate change mitigation and adaptation has progressively evolved since the ratification of the UNFCCC in 1994. Starting from the earliest up to recent events, Ethiopia's climate change-related legal and policy contexts have taken the course described in the following paragraphs.

The first and earliest response was the decision made to sign the UNFCCC, which was followed by submission to the UNFCCC of the country's Initial National Communication (INC) in 2001. The Government of Ethiopia (GoE) has committed to and accepted international obligations by becoming a signatory and ratifying many international multilateral environmental treaties, including UNFCCC, the International Convention on Biodiversity (UNCBD), and the Convention to Combat Desertification in Africa.

Based on the UNFCCC, Ethiopia has ratified various international climate-related conventions, protocols, and agreements. The country ratified the Convention on May 31, 1994 by Proclamation No. 97/1994 and issued Proclamation No. 97/1994. In addition, the Kyoto Protocol was ratified on February 21, 2005, and became a law through Proclamation No. 439/2005. Both international agreements are considered an integral part of the law of the country as provided in Article 9 of the Constitution. Ethiopia signed the Paris Agreement in March 2016.

With the ratification of UNFCCC, Ethiopia initiated the process of preparing specific climate change policies. These range from program documents like the NAPA (2007), the Nationally Appropriate Mitigation Actions (NAMA) in 2010, and Ministry of Environment, Forest and Climate Change, Ethiopian Program of Adaptation to Climate Change (EPACC) in 2010 (FDRE, 2011a) to strategy documents like the Climate Resilient Green Economy (CRGE) Strategy (2011) and proclamations like the New Energy Proclamation (2013). Broadly, these policy documents articulate the country's objectives around climate resilience and a sustainable economy.

Regarding climate change-related legal frameworks, the 1995 Constitution of the Federal Democratic Republic of Ethiopia (FDRE) under Article 44 (1) stipulates that all persons have the right to live in a clean and healthy environment, and the government shall endeavor to ensure that all Ethiopians live in a clean and healthy environment.

The country enacted the Environmental Pollution Control Proclamation No. 300/2002. According to the provisions of the proclamation, the protection of the environment, in general, and the safeguarding of human health and well-being, as well as maintaining of the biota and the aesthetic value of nature in particular, are the duty and responsibility of all. Hence, it is not only the government's duty, but also citizens are expected to protect the environment from degradation. Polluting or causing others to pollute the environment is a violation of this legislation and shall require the offender to pay the cost of cleaning up the polluted environment.

The National Environmental Policy (NEP) and the Environmental Protection Organs Establishment Proclamation of 2002 (No. 295/2002) provide the overarching policy and legal context for policy responses to climate change. The NEP outlines policy objectives that pertain to climate change, including a focus on climate monitoring, control of greenhouse gases, and use of renewable energy. Proclamation No. 295/2002 established the Environmental Protection Agency and gave it the statutory mandate to coordinate the national response to climate change. However, with Proclamation No. 803/2013 the GoE transferred this Mandate to the Ministry of Environment and Forests and Climate Change (FDRE, 2013b).

Ethiopia has set a vision to build a climate-resilient and carbon-neutral middle-income economy by 2025. The country has decided to make low-carbon development pathway a national policy through adoption of the Climate Resilient Green Economy (CRGE) strategy. The strategy was developed in 2010 and launched in 2011. The CRGE strategy is the first national policy document strategically focused on climate change responses. It is focused on climate change mitigation aspects and does not specifically address climate change adaptation or resilience. The gap was recognized and rectified through the development of sector-based climate resilience strategies. The sector-based strategies were developed for the agriculture, forestry, water, energy, transport, and urban sectors, as well as for the health sectors.

The CRGE strategy aims for an economy-wide GHG emission reduction of 255 metric tons (Mt) of carbon dioxide equivalent (CO₂e) per year in 2030. The realization of the CRGE vision requires strong political commitment, policy measures, institutional set-up, implementation capacity, and technology transfer. Most importantly, building a green economy requires an estimated total expenditure of around USD 150 billion from 2011–2030. The green economy plan is based on four pillars of improving crop and livestock production practices for higher food security and farmer income while reducing emissions, protecting and re-establishing forests for their economic and ecosystem services, including carbon stocks, expanding electricity generation from renewable sources of energy for domestic and regional markets, and leapfrogging to modern and energy-efficient technologies in transport, industrial sectors, and buildings (FDRE, 2020b).

The Agriculture and Rural Development Policy of 2003 identifies agricultural and rural development as a means of supporting rapid economic growth; enhancing benefits to rural people; addressing the country's food aid dependency; and promoting the development of a market-oriented economy. The proper utilization of agricultural land and dissemination of appropriate technology are identified as two approaches to developing agriculture in Ethiopia. The Agricultural Sector Policy and Investment Framework (PIF) (2010–2020) identified climate change as a "crosscutting issue that will be addressed in all areas of the PIF" (FDRE, 2010). Further, it sets milestone indicators to put in place mechanisms to support climate change mitigation and adaptation.

Ethiopia's priority objective of building a climate-resilient green economy was reinforced by the national development planning process when the CRGE strategy was integrated into the second mid-term development plan (GTP-II). The Growth and Transformation Plans addressed climate change as a crosscutting issue under the strategic priority of "environment and climate change" (MoFED, 2010). The plan outlined "building a climate-resilient green economy" as a strategic priority to counter development losses caused by climate change (FDRE, 2020b).

Ethiopia submitted its intended nationally determined contribution (INDC) in 2015 and ratified the Paris Agreement (PA) in March 2016, turning its INDC into an updated nationally determined contribution (NDC) in 2021. Ethiopia's first NDC aspired to reduce emissions from all sectors by 64 percent by 2030 from the business-as-usual (BAU) scenario. The updated NDC aspired to reduce emission by 68.8 percent. It intended to rely on the 10-Year Development Plan (TYDP) and be developed with extensive review and participation of relevant stakeholders.

The NDC is a comprehensive and ambitious plan that seeks to balance economic growth with environmental sustainability. The NDC Implementation Plan, launched in 2024, outlines specific actions and investments needed across various sectors, such as agriculture, forestry, energy, and transport.

The NDC is designed for costing and fundability, meaning it includes detailed financial requirements and potential funding sources to attract donor support. It provides a clear roadmap for achieving significant emissions reductions while addressing key social and economic issues.

The preparation of the NDC followed a consultative process and involved extensive consultations with various stakeholders, including government ministries, development partners, and civil society organizations. This inclusive approach ensures that the NDC aligns with national priorities and has broad support for its implementation. The updated NDC places a strong emphasis on gender equality, aiming to integrate gender considerations into climate actions and policies. It also focuses on enhancing the resilience of smallholder farmers by promoting sustainable agricultural practices and improving access to climate-resilient technologies.

As part of the endeavor to bolster national adaptive capacity, Ethiopia developed its National Adaptation Plan (NAP-ETH) in 2017. The plan provided an overarching framework to minimize the vulnerability of key economic sectors such as agriculture, forestry, health, transport, energy, industry, water, and urban development to the impacts of climate change by developing adaptive capacity and resilience. In order to implement the NAP, subsequent strategies, notably the gender analysis for NAP; the National Adaptation Plan (NAP) Implementation Roadmap; and NAP-ETH Resource Mobilization strategy, were developed between 2018 and 2020.

The country passed the Forest Development, Conservation and Utilization Proclamation No. 1065/2018. In its first paragraph, the proclamation affirms that the forest sector plays an important role in addressing the adverse effects of climate change in the country. The GoE considers the impacts of climate change in the Health Sector Transformation Plan (HSTP) for adaptation and mitigation of climate change issues. The health sector also developed National Framework of Climate Resilient Health Sector (NFCRHS), National Health Vulnerability and Adaptation Assessment (the first of its kind in the country), and the Health National Adaptation Plan (HNAP).

The 10-Year Development Plan: A Pathway to Prosperity 2021–2030 (TYDP) was formulated in 2020 and sets a long-term vision of making Ethiopia an “African Beacon of Prosperity.” As one of its strategies, the plan envisages increasing the policy space to make GHG emission reductions affordable. The plan has set objective of building a climate-resilient green economy as one of its strategic pillars. However, it is feared that the plan’s targets have significant implications for climate change, such as the intended increase in fertilizer application in agriculture.

Ethiopia’s Non-Motorized Transport Strategy, adopted in June 2020 by the Ministry of Transport, guides investment in walking, cycling, and public transport and manages private vehicle use. One aim of the strategy is to help achieve the transport emission reductions targeted by the CRGE (Ministry of Transport, 2020). The 10-year National Forest Sector Development Program, adopted in 2018, contains stronger mitigation targets for the sector compared to the CRGE (MEFCC, FDRE, and National REDD+ Secretariat, 2018).

To reaffirm its commitment to the Paris Agreement, as recently as the end of 2022, Ethiopia developed a Long-Term Emission and Climate Resilient Development Strategy (LT-LEDS), which spans a 30-year period, from 2020 to 2050. The strategy provides a roadmap for long-term de-carbonization and climate resilience. The strategy reaffirms the country’s commitment to an ambitious contribution to the Paris Agreement goals of containing the global average temperature increase below 2°C above

pre-industrial levels and pursuing efforts to limit temperature increases to 1.5°C. The LT-LEDS is expected to serve as a key tool, a guiding light, and a fundamental pillar for enhancing and raising ambition in the country's subsequent NDCs.

6.6. GENDER CONSIDERATION IN ETHIOPIA'S POLICIES AND STRATEGIES

As further document review results revealed, even though the practical implementations have huge gaps, Ethiopia has made different efforts at the level of policies and laws to promote gender-responsiveness to implement climate actions, including mitigation, adaptation, technology development, and transfer and capacity-building interventions. Some of the key efforts are discussed below.

The constitution of the country in its Article 35 clearly articulates that women shall have equal rights with men in the enjoyment of the rights and protections guaranteed to all Ethiopians. In alignment with the constitution, all executive organs are required to ensure integration of gender issues in policies, strategies, programs, projects, and actions. Likewise, gender equality and gender integration are considered in all the relevant environmental and climate change policies, strategies, and laws, including the Ethiopian Environment Policy, Climate-Resilient Green Economy (CRGE) strategy, NDCs, the National Adaptation Plan of Ethiopia (NAP-ETH), the Second Growth and Transformation Plan (GTP II), and the TYDP. All affirm equal participation and equitable benefit-sharing of women in all economic, social, and cultural development interventions of the country.

There is generally strong policy commitment in Ethiopia to gender equality at national and regional levels. Key informants describe that the Government of Ethiopia is committed to the implementation of the UNFCCC Gender Action Plan agreed in 2017 for gender-responsive climate action. According to the report titled "Landscape of Climate Finance in Ethiopia" (CPI et al., 2022), Ethiopia has a history of having progressive laws and policies on gender equality, such as the National Policy on Women (1993) and National Action Plan for Gender Equality (NAP-GE) of 2006–2010. According to a UNFCCC report, since 2017, Ethiopia has made concerted efforts to mainstream gender issues in climate change programming by creating gender directorates at various ministries and CRGE units. The CRGE mainstreaming guidelines and checklists also include gender considerations (UNFCCC, 2019).

Even though there are improvements in the situation of women in Ethiopia in general, the social, economic, cultural, and political status at national, regional, and local levels has not attained the desired level irrespective of the progressive policy commitment in the country to gender equality. The policy formulations have gaps in drawing lessons and experiences from evidence of informed research in the first place. The progressive policies and strategies have serious gaps in the practical implementation of them; have budget constraints and low institutional backup to strengthen implementation; have low evidence of robust monitoring, evaluation, accounting, and learning (MEAL) systems; and have weak reporting and accountability mechanisms. Thus, the gender equality commitments made in policies and strategies have not been adequately implemented to enable women to reap the desired benefits. Women continue facing daunting challenges of unequal access to and control of productive resources, shouldering heavy unpaid labor due to the unequal distribution of workloads related to reproductive, productive, and community responsibilities, and have limited participation in rural institutions and markets.

6.7. CLIMATE CHANGE MITIGATION AND ADAPTATION INTERVENTIONS IN ETHIOPIA

The issues of climate change have been accorded high attention by the current and previous administrations during the last three decades. The recent nationwide green legacy has been going on in all the regions, zones, *woredas*, and *kebeles* of the country. The country's climate change priorities are to reduce emissions by 68.8 percent by 2030, reforest and restore up to 15 million hectares of land, and implement diverse adaptation interventions across agriculture, water, forestry, transport, urban, health, water, sanitation, and health (WASH) and other sectors. The country has been implementing different climate change interventions, with strategic focus on climate change adaptation measures, followed by climate mitigation interventions.

The study reviewed and analyzed climate-related projects and programs implemented in Ethiopia, using the PA as a starting point and then continuing with recent years based on available data. The study relied on two databases for the purpose. It used CRGE database from 2016–2022 and the OECD-DAC database from 2016–2021.

According to the findings of both databases, Ethiopia has attracted funding for thousands of climate-related projects and programs since the PA. A review of the OECD-DAC data reveals that developed countries have funded 2,409 climate change-related projects and programs in Ethiopia between 2016 and 2021. As per the analysis of the OECD-DAC database, the total number of projects and programs is obtained by adding both adaptation and mitigation interventions and subtracting from the sum those of an overlapping nature (combined adaptation and mitigation measures). Thus, out of the total projects and programs, 2,174 of them contributed to adaptation interventions; while 1,317 contributed to mitigation measures, and 1,082 of the total projects and programs contributed to both adaptation and mitigation measures.

The OECD-DAC database marked projects and programs as principal when the objective (climate change mitigation or adaptation) is explicitly stated as fundamental in the design of, or is the motivation for, the activity, while others were marked as significant when the objective (climate change mitigation or adaptation) is explicitly stated but it is not the fundamental driver or motivation for undertaking it. Instead, the activity has other prime objectives, but it has been formulated or adjusted to help meet the relevant climate concerns. Projects and programs score "0" when the activity is found not to target the objective (climate change mitigation or adaptation) in any significant way. Apart from these classifications, certain Rio marker projects and programs are classified as having a climate component to cover climate-related funding by multilateral development banks (MDBs), multilateral climate funds, as well as other multilateral organizations funding committed to development operations for mitigation or adaptation to climate change in developing economies.

Based on the above marking of projects and programs, out of the total 2,409 projects and programs that the country has received, 63.8 percent were marked as significant, while 26.5 percent were marked as principal, and the remaining 9.7 percent were labeled as climate components. It is important to highlight that of the total 2,174 adaptation projects and programs, 66.7 percent were significant, and of the total 1,317 climate mitigation projects and programs, 61.1 percent were classified as significant (**Table 1**).

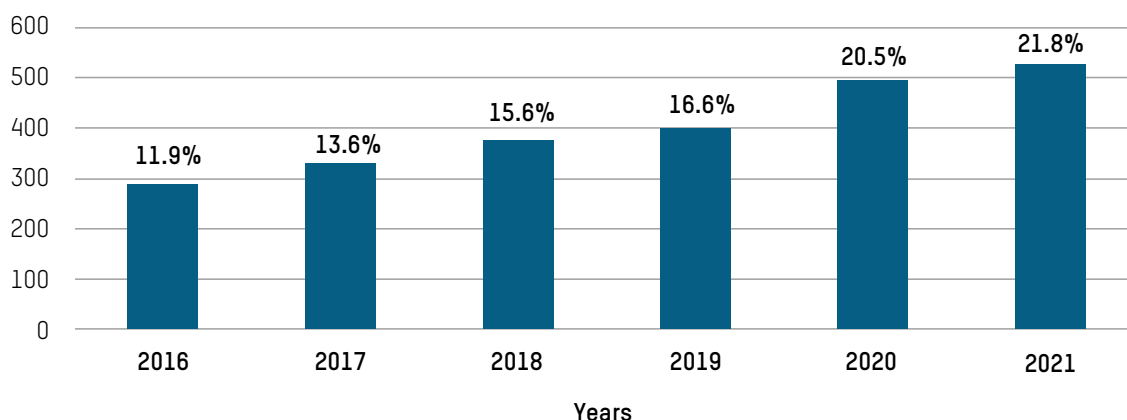
Table 1: Proportion of projects and programs by climate measures and objectives

Type of climate measures	Type of objectives			
	Principal (%)	Significant (%)	Climate components (%)	Total climate-related measures (%)
Adaptation	490 (22.5)	1450 (66.7)	234 (10.8)	2174 (100.0)
Mitigation	279 (21.2)	804 (61.0)	234 (17.8)	1317 (100.0)
Overlap	131 (12.1)	717 (66.3)	234 (21.6)	1082 (100.0)
Total (adaptation + mitigation-overlap)	638 (26.5)	1537 (63.8)	234 (9.7)	2,409 (100.0)

Source: OECD-DAC database

Further analysis of the OECD-DAC database reveals the number of projects and programs funded by international financial flow between 2016 and 2021. The yearly breakdown shows an increase from year to year, with fluctuation in the number of projects and programs. A significant increase was recorded between 2019 and 2020, while the least increase was seen between 2018 and 2019 (Figure 3).

Figure 3: Number of projects and programs by year (2016–2021)



Source: OECD-DAC database

The review of the CRGE database in the Ministry of Finance (MoF) reveals that Ethiopia has registered a total of 1,747 climate-related projects and programs implemented between 2016 and 2022. This database includes climate finance support for the country in 2022. While the CRGE database provides valuable information on the number and nature of projects and programs, it lacks the categorization of projects and programs based on their adaptation and mitigation measures. Thus, it is difficult to account, measure, and analyze climate change mitigation and adaptation resource allocation and spending categorically, in the absence of well-designed budget tagging or a coding system that identifies allocations and expenditures linked to CRGE. Such categorization is crucial for a comprehensive understanding of the impact and effectiveness of these initiatives.

The CRGE database provides valuable insights into the financial flow of climate change projects and programs in Ethiopia. Among the various forms of support, grants emerge as the primary source, accounting for a 61.6 percent of the total 1,747 climate change projects and programs. This underscores the commitment of the GoE and international community to promoting climate change endeavors in Ethiopia. In addition to grants, loans play a notable role in financing climate change initiatives, supporting 14.8 percent of climate change projects and programs. Six percent of the total projects and programs received financial support specifically for technical assistance, highlighting the importance of climate change-related knowledge transfer and capacity building. 16.7 percent of the projects and programs were supported for multipurpose support (for a combination of grants, loans, and technical assistance). Relatively smaller percentages, 0.7 percent and 0.2 percent, were in-kind contributions and treasury support respectively. The CRGE database reveals that almost all the projects and programs registered in the database were funded by foreign assistance (58 percent bilateral and 42 percent multilateral).

In terms of the sectors targeted by climate change adaptation and mitigation measures, both databases indicate agriculture, forestry, biogas, water supply, industry, energy, health, transport, tourism, and other multi-sector areas as key sectors that have received financial supports during the stated period. According to the findings of KIs conducted at federal and regional levels, these sectors were prioritized due to their significant impact on climate change and their potential for sustainable development. Financial assistance was provided to enhance the resilience of agricultural practices, promote sustainable forestry management, encourage the adoption of biogas technology, improve water supply systems, implement energy-efficient measures in industries, enhance health-care infrastructure to address climate-related health risks, develop sustainable transportation systems, and promote climate-friendly tourism practices.

The review of both databases reveals that climate financing in Ethiopia is predominantly contributed by international public financiers. According to a study titled “Landscape of Climate Finance in Ethiopia” (CPI et al., 2022) conducted in November 2022 the climate financing in Ethiopia is primarily dominated by international public financiers, accounting for 92 percent of the funding, while private finance only contributes 8 percent. The majority of public climate financing is channeled through grants (70 percent). Ethiopia attracted more climate finance for adaptation (56 percent) than mitigation (38 percent) projects. These show a stark contrast to the global average. For instance, according to a report on “State and Trends of Climate Adaptation Finance 2024” produced by Climate Policy Initiative and Global Center on Adaptation, only 5 percent of global climate finance flowed specifically to adaptation finance annually in 2021–2022, showing a 2 percent decrease from the 7 percent estimated for 2019–2020 (CPI and Global Center on Adaptation, 2024).

Both databases further show that multilateral development finance institutions (DFIs) and bilateral development partners play a dominant role in funding of the tracked finance. Among these financiers, bilateral institutions, particularly those from the United Kingdom (UK), US, Germany, France, Japan, Norway, Sweden, and China have been the major financiers in recent years. Some of the key bilateral funders included United States Aid for International Development (USAID), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Department for International Development (DFID), and many more. In addition, multilateral donors such as African Development Bank (AfDB), World Bank (WB), United Nations Development Programme (UNDP), Adaptation Fund (AF), Green Climate Fund (GCF), Global Environment Facility (GEF), Least Developed Countries Fund (LDCF), the EU, Global Green Growth Institute (GGGI), Food and Agricultural Organization (FAO), International Fund for Agricultural Development (IFAD), United Nation Environment Programme (UNEP), and similar institutions emerge as the largest contributors of climate financing in Ethiopia. MasterCard Foundation is one of the major private donors supporting the climate initiatives of the country.

6.8. GENDER CONSIDERATIONS IN CLIMATE CHANGE IMPLEMENTATIONS: PRACTICES IN ETHIOPIA

Gender assessment has been conducted by the Environment, Forest and Climate Change Commission (EFCCC), the Ethiopian Environment and Forest Research Institute (EEFRI), and regional environmental agencies to identify gaps in addressing gender issues in policies, programs, and projects implemented in the environment and climate change sectors. Based on the findings of the assessment, the Commission has developed and put in place a Gender Mainstreaming Guideline to support decision-makers, practitioners, and researchers to more effectively integrate gender considerations in environment and climate actions. The guideline and checklists support how to integrate gender issues in programs and projects working on climate-related interventions.

In recent years, gender analysis has been a common practice for most of the adaptation projects implemented under the EFCCC and has been supported by donors and governments. The National Adaptation Plan of Ethiopia is one to mention. To ensure gender integration in climate adaptation and mitigation, the Commission, in collaboration with NAP Global Network and International Institute for Sustainable Development (IISD), conducted a gender analysis and produced a document titled “Integrating Gender Considerations in Ethiopia’s National Adaptation Plan (NAP) Process: Analysis and Recommendations” (FDRE, 2019). The report is designed for stakeholders in Ethiopia involved in implementation of climate change actions.

The Commission has established a CRGE mainstreaming strategy, which is a practical framework to support the mainstreaming of gender equality and social inclusion in the operations of the Ethiopia’s CRGE Facility. The CRGE mainstreaming guideline and checklists include the gender dimension as one of the major components of the guideline and instructs relevant sector institutions to consider the impacts and benefits of their initiatives for both men and women.

Ethiopia’s CRGE strategy integrates gender considerations to ensure that climate actions are inclusive and equitable. As key gender aspirations, the CRGE:

- Aims to ensure inclusive participation of women, particularly those in vulnerable sectors like small-scale agriculture, mining, and nature-based enterprises, in decision-making processes to promote women’s leadership roles in climate-related projects and ensure their voices are heard in policy formulations.
- Advocates for economic empowerment of women, with the strategy of enhancing the economic resilience of women by affording them access to climate-resilient technologies and practices. For small-scale women food producers, this means support for sustainable agricultural practices that can withstand climate shocks.
- Includes initiatives to build the capacity of women in various sectors, such as training in sustainable mining practices and support for nature-based entrepreneurship. This involves improving access to financing, technical knowledge, and markets for women entrepreneurs.
- Includes social protection for women. Taking into account the disproportionate impact of climate change on women, the CRGE incorporates social protection measures to safeguard their livelihoods in the form of safety nets and insurance schemes tailored to the needs of women in the informal sector.
- Promotes the formulation of gender-responsive policies and supports the integration of gender consideration into all climate policies and programs to ensure that climate actions do not exacerbate existing gender inequalities but rather contribute to gender equality and women empowerment.

As per the KII and FGD findings, almost all the climate adaptation and mitigation projects and programs are gender sensitive in their targeting. Interventions take into account the household size during targeting, with implicit consideration that if the household is large, the probability of the presence of a large number of children in such households is high. Almost all the livelihood interventions related to climate change make utmost efforts to target women in the first place. In line with these arguments, one discussant claimed that *“Women participation in adaptation and resilience building as well in mitigation measures is more convenient for frontline facilitators than their men counterparts. Women are more obedient, responsive, committed, and responsible while involved in projects and programs. Thus, professionals prefer to involve and benefit more women than the target set in the implementation plan of projects and programs. Therefore, women targeting surpasses the 30 percent women and 70 percent men quota stipulated in most climate change adaptation and mitigation interventions.”*

All the sectors in the regional, zone, and *woreda* agriculture offices have gender focal staff. The gender focal staff member in each office is expected to address gender issues, mobilize women for development efforts, and safeguard women and child rights.

Some climate change-related projects and programs in the country have provision for gender-affirmative interventions. For example, the Productive Safety Net Program (PSNP) has provision for free entitlement for pregnant women as soon as the concerned women provide medical evidence of pregnancy. Furthermore, maternity leave for lactating mothers for one year, late entrance to work and early departure for women, as well as reducing the daily work amount for women compared to men are affirmed in the PSNP.

As mentioned earlier, even though Ethiopia has progressive gender policies and strategies relative to its past history, there are still some critical gaps in gender consideration in policies, strategies, and the practical implementation of climate change projects and programs. The study findings revealed the following gaps.

Some of the climate change policies and strategies showed the absence or weak consideration for gender issues. For instance, the CRGE strategy was weak in identifying gender equality issues and in elaborating on the challenges faced by women as a result of climate change. The accountability structure in the strategy does not have a mechanism in place to identify and allocate the responsibility related to addressing gender issues. Similarly, the sector-specific agriculture and forestry adaptation/resilience strategy does not have mechanisms in place to identify gender- and climate-related challenges, impacts, and follow-up actions, and women’s potential role and contributions in protecting the environment.

Moreover, the existing gender policies, strategies, and guideline were not translated adequately into the sphere of climate change on the ground. There are critical gaps in development and application of gender-specific mechanisms, approaches, and tools for addressing women-specific gender needs and priorities in climate change mitigation and adaptation interventions. A recent gender audit of the CRGE Facility programs reveals that gender integration exists at the planning stage, but lacks implementation on the ground (Ayalew and Mersha, 2020).

There is limited knowledge and awareness on gender policies and action plans among the implementers of climate projects at local government level. Ethiopia’s Program of Adaptation to Climate Change intended to look into providing avenues for women to access resources that will enable them adapt to and mitigate climate change impacts. But it also has shortcomings in identifying the accountability mechanism, including institutional responsibilities and ownership to implement the gender-relevant aspects of the plan (ACT Alliance, 2022).

Discussants across the different study regions and zones agreed that in the Ethiopian context a farmer is personified as a male who heads a household. Even the rural development professionals, including those in the agriculture sector, have such misperceptions. These contexts are the result of long-standing sociocultural norms and traditions and economic differences that prevail in the relationship between women and men. Thus, the participation of women in general and female food producers in particular in the planning, implementation, and monitoring and evaluation of projects and programs that work on climate change mitigation and adaptation interventions is much lower than for their male counterparts.

Women discussants across the different study regions and zones indicated the climate change planning and design of projects and programs produced in the country have impressive gender equality components, at least on paper. The policy formulation, strategies, laws, and guidelines have abundant spaces for gender consideration. However, the practical implementations on the ground lack mechanisms, systems, approaches, and tools for taking into account gender equality. For example, female food producers across all the study regions and zones indicated climate change mitigation and adaptation interventions have no practical consideration regarding the unique concerns of female food producers. Discussants admitted the existence of favoring women by development facilitators. However, such favoritism is out of convenience, which implies that facilitators target more women as they are readily available for mobilization and less resistant to following orders.

The contributions of the Ministry of Women, Children and Youth Affairs, and women affairs directorates in ministries and agencies were inadequate in improving the integration of gender into climate change actions. This is due to limited human and financial capacity and limited integration of these gender-mandated directorates in the ministries and agencies into the decision-making and planning processes of the respective institutions.

Interventions neither have their own gender specialist nor use the specialist expertise available in line ministries in project design or monitoring. There is limited capacity and understanding on gender issues by CRGE units in sector ministries as well as in the Facility. There is also limited technical capacity of the women affairs directorates in the area of climate risks that women and children can uniquely face. No specific budget is allocated to gender equality-related responsibilities, particularly to provide technical support. None of the sectors mentioned the existence of approaches and tools they have in place to enhance gender equality and equity. None of the sectors mentioned having mechanisms and approaches for tracking gender issues and ensuring accountability.

Similarly, there is a weak linkage between women affairs directorates and CRGE units in the sectors. Both gender and climate change are considered cross-cutting issues, with no established clear joint working modality. There is also the lack of country- and sector-specific gender mainstreaming guidelines, with the exception of a few institutions like the Environment, Forest and Climate Change Commission (EFCCC).

6.9. ETHIOPIA'S CLIMATE FINANCING LANDSCAPE

6.9.1. Climate Financing: The Concept

According to the UNFCCC's Standing Committee on Finance (2014), "Climate finance aims at reducing emissions and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of human and ecological systems to negative climate change impacts." Climate finance refers to the flow of funds toward activities aimed either at (i) "mitigation;" for example, investment in technologies and innovations that can reduce GHG emissions,

or (ii) “adaptation;” i.e., helping societies to develop resilience in adapting to the negative effects of climate change (UNFCCC, 2014).

A fundamental challenge in quantifying and monitoring climate finance is that there is no agreed definition of what counts as “climate finance.” Policy makers, investors, financial intermediaries, and analysts do not always have the same understanding of key climate finance terms and concepts. The literature offers two types of definitions related to climate finance. According to the broad definition, climate finance is the flow or allocation of funds toward activities that reduce greenhouse gas emissions or help society adapt to climate change’s impacts. It is the totality of flows directed to development projects that include climate benefits (Falconer and Stadelmann, 2014). A narrow definition of climate finance might include finance that supports discrete climate activities, but excludes activities in which climate considerations are mainstreamed into traditional development assistance through a “climate proofing” process (MoFEC, 2018).

The principle of the UNFCCC suggests that developed countries should mobilize “new and additional” financial resources to meet the “incremental costs” of climate change. The practical interpretation of this principle, however, has been a source of debate and controversy (Watson et al., 2012). According to this definition, only those financial commitments and investments beyond a “business-as-usual” case would be included under climate finance. Again, there is no common understanding on what is considered “additional.”

The Ethiopian version of adaptation and mitigation is aligned with the global interpretation of the concepts. Adaptation refers to adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities. An activity is classified as climate change adaptation-related if it intends to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience. Mitigation refers to human interventions to reduce the sources, or enhance the sinks, of greenhouse gases. Hence, an activity is classified as climate change mitigation-related if it contributes to reducing and avoiding GHG emissions, or enhancing GHG sequestration.

Another practical challenge in relation to the identification of climate change expenditure within the national budget is setting an operational definition of what constitutes climate finance in the Ethiopian context so that the most important aspects of climate change spending can be identified and analyzed. The CRGE strategy, sector climate-resilient (SCR) strategies, the nationally determined contribution (NDC) and other relevant documents are used to classify sector activities or programs. According to the CRGE strategy and Ethiopia’s nationally determined contributions (ENDC), programs and activities that contribute to reducing greenhouse gas emission and reducing the vulnerability of the Ethiopian population, environment, and economy to the adverse effects of climate change can be considered climate relevant, as can interventions that have a mix of mitigation and adaptation. In addition, for specific programs or initiatives where climate is the principal or significant objective, then they can be considered to be climate change related.

6.9.2. Ethiopia’s Climate Finance Needs

Ethiopia set up a national financial mechanism called the CRGE Facility Secretariat in 2013 to support the implementation of the priorities set out in the CRGE strategy and the development and implementation of CRGE Investment Plans. The Facility is based in and managed by MoF, with technical support from the Environment, Forest and Climate Change Commission (EFCCC). The CRGE Facility is a key to mobilizing climate finance for implementing the CRGE strategy and the NDC. The goal of the CRGE Facility is to mobilize, access, and consolidate finances required for implementing the CRGE from international, public, and private sources, and channel them to sector ministries for

implementation. It is jointly managed by the Ministry of Finance (MoF) and the Environment Forest and Climate Change Commission (EFCCC) responsible for budgeting and technical aspects respectively (FDRE, 2013a).

Since the formulation of the national CRGE in 2011, Ethiopia has articulated in different documents at different times its financial need to implement climate change mitigation and adaptation interventions. The CRGE strategy, National Adaptation Plan (NAP-ETH), and updated NDC have set out varying financial estimates. The CRGE strategy estimates investment requirements of about USD 150 billion (7.5 billion per year) to make the economy climate-smart and ensure the sustainability of economic growth between 2011 and 2030. However, this estimate doesn't provide a clear financing breakdown regarding the contributions of different stakeholders (i.e., government, communities, private sector, bilateral and multilateral development partners, etc.) or the mode of contributions (i.e., grants, concessional or non-concessional loans, etc.), and doesn't provide guidance on what constitutes climate finance for Ethiopia.

Ethiopia's National Adaptation Plan (NAP-ETH) estimates needing an approximate budget of USD 90 billion (USD 6 billion per year) for implementation of the plan over fifteen years (2016–2030). The NAP budget is an additional cost to the USD 150 billion of the CRGE strategy and is estimated to address the adaptation needs of the country. The NAP covers sectors such as agriculture, forestry, water transport, urban, health, land use, and natural resource management.

In the updated nationally determined contribution (NDC), Ethiopia proposed a more ambitious emissions reduction target of 68.8 percent compared to its first NDC target of 64 percent reduction compared to BAU projections by 2030. Twenty percent of this ambition will be implemented unconditionally while 80 percent is conditional (based on international support). Ethiopia also expressed a strong desire to participate in carbon market opportunities and acknowledged them as an important financing instrument to align with the Paris Agreement.

To implement the updated nationally determined contribution (NDC) in the next 10 years (2021–2030), Ethiopia estimated needing an investment of USD 316 billion. The mitigation interventions identified in the NDC require USD 275.5 billion, and adaptations efforts require approximately 40.5 billion. The financial estimates are derived from climate resilience plans of sectors and Ethiopia's 10-Year Development Plan (TYDP), which aims to build a climate-resilient green economy by 2030.

Ethiopia is committed to an investment of 63.2 billion (20 percent) on climate change mitigation and adaptation actions from domestic sources, but is expecting the remaining (conditional) finance of USD 252.8 billion to be received from international climate finance sources (FDRE, 2021).

6.9.3. Climate Financing Mobilized in Ethiopia (2016–2022)

In the Ethiopian context, climate finance refers to the flow or allocation of funds from public, private, and bilateral and multilateral sources toward financing adaptation and mitigation initiatives as specified in the CRGE strategy, GTP-II, and TYDP. Financial mobilization is expected from domestic and international sources. The mobilized domestic and international climate financing landscape of the country is summarized in the following sections.

6.9.3.1. Domestic Financing

Ethiopia has been at forefront on climate change actions in Africa and among developing nations across the world to develop policies, strategies, and institutional frameworks for climate action to advance an effective climate change response in the country. Ahead of many of its peers, it committed

itself to tackling climate change through a transformative economic development approach that focuses on low-carbon emissions, a green economy, and sustainable development.³

Ethiopia has a determination to deepen and enhance rapid growth and structural transformation to achieve lower-middle-income status by 2025 with net-zero GHG emission growth trajectories, while simultaneously building the resilience of the economy to climate shocks. In doing so, not only are substantial public investments being made to support the CRGE implementation, but also a considerable amount of CRGE-related investment is being delivered through community mobilization and non-state actors.

The CRGE strategy and supplementary documents such as the updated NDC and NAP articulated Ethiopia's commitment to continued green development while keeping its total GHG emissions as low as possible. Ethiopia aims to reach lower-middle-income status by 2025. To move toward this goal, it requires growth in all its major sectors (services, industry, and agriculture each contribute approximately a third of the country's GDP). It also requires an increase in productivity and revenue in agriculture and livestock farming, which employs an estimated 65 percent of Ethiopians. Similarly, it needs the benefits of growth to reach rural areas, where nearly 80 percent of Ethiopians reside. This context is relevant in evaluating the level of effort Ethiopia has invested in the realization of the CRGE strategy's vision of low-emissions growth, even as it pursues broader development goals under its development plans.

In line with the CRGE strategy and development plans, Ethiopia has been implementing diverse gigantic projects and programs aimed at green development. Since the formulation of the CRGE, all the projects and programs and other development interventions that the country implemented strived to reduce negative impacts of climate change. The country has implemented a host of significant climate change-linked initiatives with major mitigation and adaptation potential. Simultaneously, the country worked to safeguard its development gains from climate change threats by building adaptive capacity among communities through large-scale initiatives. The hydroelectric power development such as the Grand Ethiopian Reissuance Dam and other big initiatives in the country, the Green Legacy Initiative and related afforestation and reforestation programs, renewable energy sources such as development of wind power, ecological agriculture such as irrigation-based wheat production, and agro-forestry farming practices are some of efforts implemented toward mitigating and adapting to climate change.

Thus, it can be safely concluded that Ethiopia's public investment and spending have the potential to contribute to climate change mitigation and adaptation efforts in one way or the other. Ethiopia's focus on climate change and green growth are not limited to certain sectors alone, with interventions in the agriculture, forestry, transport, and energy sectors, as well as cross-cutting areas such as media coverage, education, women, youth and children's affairs, labor affairs, wildlife management, meteorology, disaster risk management, science and innovation, and research and development. The commitments of the country transcend the traditional climate-linked sectors. They are economy-wide, with all major areas of the economy having engaged in climate change response. This is particularly the case after climate change was mainstreamed into the country's overarching development planning architecture through the second Growth and Transformation Plan (GTP-II) and the TYDP.

However, Ethiopia has no governmental budget tagging or coding system that identifies spending linked to CRGE or climate change mitigation and adaptation work. Currently, there is no mechanism available to unpack activities funded under the country's development plans to determine climate

³ *Project of the United Nations Department of Economic and Social Affairs entitled "Strengthening the Capacity of Least Developed Countries to Develop Evidence Based, Coherent and Well Financed Strategies to implement the 2030 Agenda." Project ended October 2021.*

change-linked expenditure. Thus, it is a daunting challenge to estimate the amount of public spending Ethiopia has made on climate change mitigation and adaptation interventions over the last several years.

Other than the general development projects and programs that are planned and implemented using public funding, the country has no specific projects and programs that directly work on climate change mitigation and adaptation interventions funded and implemented by the government. Generally, funding allocation by the GoE from its own budget for standalone climate change mitigation and adaptation interventions is not common. However, the government may allocate matching funds for projects and programs funded by external sources through provision of office facilities, logistics, and technical and administrative staff in the form of matching funds for some of the projects and programs supported by external funders. The government facilitates tax exemption, and duty-free import of goods and equipment for externally funded projects and programs.

The involvement of the private sector in climate change funding is not common in Ethiopia. In 2016, the CRGE Facility developed a private sector strategy as a first step toward engaging the private sector in the achievement of the CRGE strategy. However, the document did not provide strategic guidance or direction on what needs to be done and how to mobilize and engage the private sector. The federal and regional government sectors that participated in KII discussions had no experience of mobilizing and involving the private sector.

There are significant efforts toward mobilizing and involving communities in climate change adaptation and mitigation work. Projects and programs like Climate Action through Landscape Management (CALM) have community involvement through contributions of labor, land, and cash contributions (through personal saving mobilization) for the implementation of the program. Each year, there is a month of community mobilization for physical projects of soil and water conservation interventions. All the assessed regions and zones indicated the existence of 30–45 days of community mobilization in all *woredas* and *kebeles* for soil and water conservation activities. However, there was no uniform calculation of community labor and materials contributions in monetary terms across all the assessed areas. However, one typical example was heard from Gamo Zone Agriculture Office. The discussants from the zone mentioned that they have already calculated an average annual community labor contribution of 436,612 man-days and a total of 1.3 million man-days in three years, with monetary value worth of birr 58.5 million calculated at birr 45.00/day/person, taking half of the Productive Safety Net Program's (PNSP) payment for community labor.

The voluntary community labor contributions have direct contributions to climate change adaptation and mitigation work. Voluntary community labor mobilizations are done for the rehabilitation of degraded communal lands, hillsides, and wastelands, with the direct intention of contributing to climate change mitigation and adaptation efforts. The mobilization efforts are done by agriculture offices, with the support of projects and programs working on climate change mitigation and adaptation interventions. The community labor contribution is semi-voluntary, as different factors interplay. High community awareness of the impacts of climate change plays a leading role in effective community mobilization. In addition, there are factors such as education and awareness-raising works from local agriculture experts, political push from local administrations and payment in the form of incentives from projects and programs.

6.9.3.2. International Financing

The international response to climate change in the form of external development finance plays a key role to support developing countries in their transition to a low-carbon, climate-resilient and sustainable development pathway (World Economic Forum, 2014). However, the response to these concerns is still evolving and progress is being achieved in a slow incremental manner. Delivery of

such finance occurs through technical assistance to strengthen enabling environments and build capacity in developing countries and through direct support to adaptation and mitigation activities. Financing climate change and development in an integrated manner can maximize climate and development results, targeting both climate and sustainable development goals (Swart et al., 2003).

Towards supporting the LDC work programs on climate change strategies and national initiatives, the UNFCCC came up with several financing vehicles for LDCs to address climate change challenges. These include among others: (A) The Global Environment Facility (GEF) which is established in 1992 to help tackle global environmental problems. It administers several funds, helping developing countries and countries with economies in transition to meet the objectives of the international environmental conventions and agreements; (B) The Least Developed Countries Fund (LDCF) which is established in 2001 to support the LDC work program, including the preparation and implementation of NAPAs. It is operated by the GEF; (C3) the Adaptation Fund, which was established under the Kyoto Protocol of the UNFCCC; (4) the Green Climate Fund (GCF), established in 2010, is mandated to invest 50 percent of its resources in mitigation and the remaining half in adaptation in grant equivalent. At least half of its adaptation resources must be invested in the most climate-vulnerable countries (Small Island Developing States, LDCs, and African states); (5) the Special Climate Change Fund (SCCF) was established under the Convention in 2001 to finance projects relating to adaptation, technology transfer, capacity building, energy, transport, industry, agriculture, forestry and waste management, and economic diversification (DESA, 2021a).

The climate financing, institutional structure and budget tracing study conducted KII with relevant sectors to have understanding on the context of international climate finance flow from developed countries to Ethiopia since the Paris Agreement. The KII results are summarized below.

The KII discussions with federal, regional, and zone participants revealed the existence of a significant increase in international climate finance at the initial phase of the Paris Agreement. The trend at the beginning of the agreement has demonstrated fast increase from time to time compared to the situations that prevailed before the agreement. There were strong commitments, different agreements, and a series of initial rounds of fund release. Therefore, one can conclude that the global financial flow to Ethiopia has shown a general trend of increase since the Paris Agreement.

However, the acceleration has slowed down recently, and the trend of increase is not as fast as desired. Some of the discussants even indicated that the trend has become stagnant in recent years. The developed countries were not fulfilling the commitment they have entered as per the Paris Agreement, and funds were not forthcoming as promised. Hence, the target of USD 100 billion per year by 2020 was not achieved.

KII discussants indicated that the initial euphoria that accelerated the moment immediately after the PA has slowed down over time. It is believed that the slowdown is a global trend and not limited to Ethiopia only. Furthermore, the global funding slowdown was related to crises such as COVID-19 from 2020–2022, which has resulted in a global economic crisis.

Discussants further argued that one of the causes for the slowing down of the international climate finance flow was that the Paris Agreement is an agreement signed among interested parties. Thus, it is matter of goodwill and commitment to fulfill or not fulfill the promise made based on the will of the signatory bodies. Signatory bodies can strongly commit to the agreement or show less commitment or withdraw from the agreement any time. For example, the US played a crucial role during the Obama administration, but withdrew from the agreement during the Trump administration. The Biden administration restored the country as one of the signatory bodies, but since the restoration, it has not contributed significantly to the cause of the agreement. The other factor for the slow progress of the financial flow is that the UN funding processes for accessing funds are bureaucratic

and time-consuming, and require detailed technical proposals and planning. LDCs like Ethiopia lack the resources, capacity, and technical skills to adhere to the long, complicated, and expensive application processes.

Discussants added that the developed countries are not only not upholding the promise they have made as per the PA, but are also reluctant to reduce their carbon emission rate. They should have already started closing down some of their factories, but none of them is doing so. On the other hand, the developing countries like Ethiopia have made utmost efforts to uphold the commitments they have made in relation to the Paris Agreement. For example, Ethiopia, as part of her commitment, has stopped building large-scale cement factories, is making utmost efforts to change the transport industry to an electrical system, and the like.

Discussants further argued that they are witnessing the existence of a substantial paradox in the current context in relation to climate change mitigation and adaptation interventions at the global level. For instance, high forest destruction through wildfires is frequent in the developed world, while high rates of afforestation and reforestation interventions are implemented in the developing countries. The developing countries are doing these within situations of dire poverty, while the developed world is reluctant to keep their promises despite their affluence.

Furthermore, to make an analysis of international climate financing, the study reviewed and analyzed the OECD-DAC (from the recipient perspective) and CRGE databases. Comprehensive data were available for the period between 2016 and 2021 for OECD-DAC and 2016–2022 for the CRGE database. The findings of both databases are described below.

The OECD-DAC database calculated climate finance flow using the Rio marker. The database excludes general budget support (the development cooperation modality), imputed student costs, debt relief (except debt swaps), administrative costs, development awareness, and refugees in donor countries. Consequently, the total amount of financial resources recorded and indicated in the database for climate adaptations and mitigation purposes is relatively small compared to the figures provided by the CRGE database and other related reports, particularly the report titled “Ethiopia’s Climate Resilient Green Economy (CRGE) Strategy (2011–2019)–Implementation Progress Assessment Report” (FDRE, 2020a).

The OECD-DAC climate change finance tracking database is notably comprehensive and complete in terms of capturing diverse and key data compared to the CRGE database. The assessment team has reviewed a total of 2,409 climate change-related projects and programs from the OECD-DAC database between 2016 and 2021. This database includes the financial resources allocated to the country for implementing climate adaptation and mitigation measures. It provides a breakdown of adaptation, mitigation, and overlapping financial commitments, by further categorizing the overall total climate-related development finance into Commitment-Current and Commitment-2021.

According to the database, climate-related development finance provided to Ethiopia between 2016 and 2021 amounts USD 8.8 billion under the Commitment-2021 column, with 62.3 percent dedicated to adaptation measures, while the climate-related development finance flow to Ethiopia stands at USD 8.14 billion under Commitment-Current column, with 68.3 percent allocated to adaptation measures. The difference between Commitment-Current and Commitment-2021 is due to the inflation-adjusted USD gain. The financial flow in the table below shows a significantly higher budget allocation for adaptation measures compared to mitigation. A grand total of USD 5.1 billion under the Commitment-Current column and USD 5.7 billion under the Commitment-2021 column were allocated for adaptation between 2016 and 2021 compared to USD 4 billion under the Commitment-Current column and USD 4.3 billion under the Commitment-2021 column for mitigation during the same period (**Table 2**).

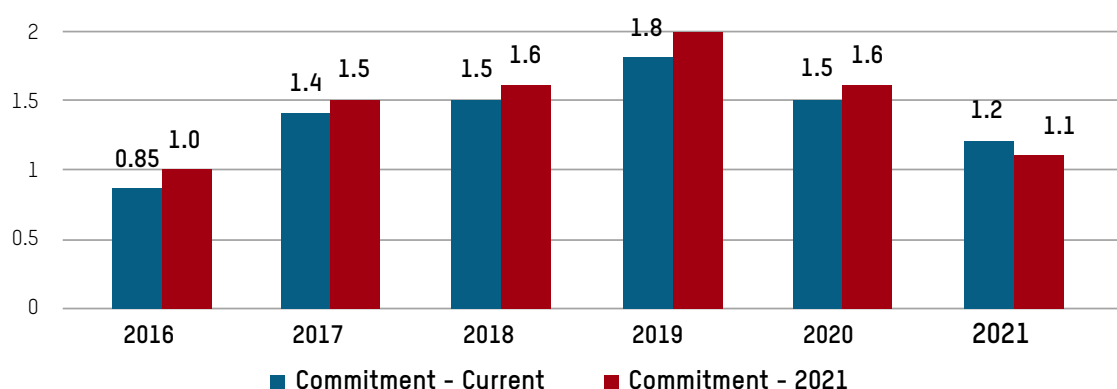
Table 2. Climate-related development finance to Ethiopia, 2016 to 2022 (amounts are in thousands USD)

Years	Adaptation-related development finance Commitment Current	Adaptation-related development finance Commitment 2021	Mitigation-related development finance Commitment Current	Mitigation-related development finance Commitment 2021	Overlap Commitment Current	Overlap Commitment 2021	Climate-related development finance Commitment Current	Climate-related development finance Commitment 2021
2016	610302.9	706986.0	528387.3	611765.2	285013.2	333830.1	853677.0	984921.1
2017	904410.8	1019854.6	558972.9	628701.5	114958.9	128680.5	1348424.8	1519875.7
2018	741264.4	793818.5	910618.2	976816.4	185077.0	197268.6	1466805.7	1573366.3
2019	1193949.8	1314918.6	813617.8	892294.7	182415.3	201622.7	1825152.3	2005590.6
2020	1083520.6	1139681.5	528127.7	561979.6	112698.6	120773.2	1498949.7	1580887.9
2021	593476.8	593476.8	666014.8	666014.8	116114.2	116114.2	1143377.4	1143377.4
Grand Total	5126925.4	5568736.1	4005738.7	4337572.2	996277.2	1098289.3	8136386.8	8808019.0

Source: OECD-DAC database

According to the OECD-DAC database, financial support for climate change in Ethiopia has exhibited a gradual growth from year to year up to 2019 and a sharp decline in the next two years (2020 and 2021) for both Commitment-Current and Commitment-2021. As indicated in the graph in the figure below, the Commitment-2021 was USD 1 billion for 2016, which increased to USD 1.5 billion in 2017 and further rose to USD 1.6 billion in 2018 and significantly rose to USD 2 billion in 2019. The same trend of steady increase was exhibited for the Commitment-Current data for the years between 2016 and 2019. However, there was a significant decline in climate financial flows to Ethiopia in the years 2020 and 2021. In 2020, the Commitment-2021 decreased from USD 2 billion in 2019 to USD 1.6 billion in 2020 and further declined to US 1.1 billion in 2021. Similarly, the Commitment-Current amount decreased from USD 1.8 billion in 2019 to USD 1.5 billion in 2020, then dropped to USD 1.1 billion in 2021 (Figure 4).

Figure 4: Commitment-Current and Commitment-2021 trends in USD billions



Source: OECD-DAC database

A thorough analysis of Ethiopia’s CRGE Facility database in the MoF reveals that the Ethiopian government has successfully mobilized very significant climate-related finance between 2016 and 2022. The analysis of the CRGE database reveals a total of USD 88.5 billion committed budget and disbursement of USD 70.3 billion in the country between the stated periods. This includes USD 40.6 billion committed and USD 31.9 billion grants disbursed, USD 41.2 billion committed and USD 35.4 billion disbursed finance in the form of loans, USD 4.5 billion committed and USD 1.6 billion disbursed

financial support for technical assistance, USD 1.7 billion committed and USD 1.3 billion disbursed through in-kind supports, and USD 474 million committed and USD 87.9 million disbursed for treasury supports (Table 3).

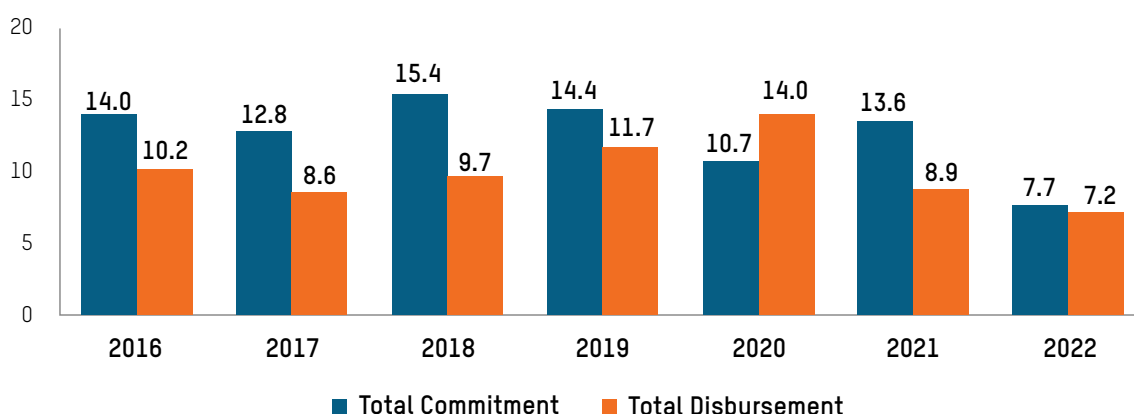
Table 3: International financial flow to Ethiopia from 2016–2022 (USD in millions)

Financial Instruments	Commitment/ disbursement	Years							Total
		2016	2017	2018	2019	2020	2021	2022	
Grant	Commitment	4723.4	3239.6	7192.6	8072.6	5290.2	6468.3	5583.1	40569.8
	Disbursement	3488.4	3348.9	4530.7	6788.3	5567.9	4539.4	3658.5	31922.1
Loan	Commitment	7418.2	9223.4	7871.2	5361.5	4741.7	4628.9	1900.4	41145.4
	Disbursement	6094.8	4685.3	4848.1	4580.2	8127.7	3952	3075.7	35363.7
Technical Assistance	Commitment	325.2	285.2	377.3	997.8	485.8	2104.1	22	4597.3
	Disbursement	114.1	151	159.2	278.9	276.8	325.2	264.4	1569.5
In-kind	Commitment	1545.1			6.8	7.8	0.4	183.7	1743.8
	Disbursement	511.2	434.4	180.2	18.8	7.8	0.8	181.6	1334.9
Treasury	Commitment					121.2	353.2		474.4
	Disbursement					40.6	44.2	3	87.8
Total Commitment		14011.8	12748.2	15441	14438.7	10646.7	13555	7689.2	88530.7
Total Disbursement		10208.5	8619.7	9718.1	11666.1	14020.8	8873.1	7202	70308.3

Source: CRGE database

The CRGE database reveals the existence of significant fluctuations from year to year in terms of commitment and disbursed budget across the study years. In 2016, the data show USD 14 billion committed budget and disbursement of USD 10.2 billion, while both commitment and disbursed budget dropped in 2017 from the amount recorded in 2016, showing USD 12.8 billion and USD 8.6 billion respectively. However, there was a sharp rise in commitment (USD 15.4 billion) and a moderate increase in disbursement (USD 9.7 billion) in 2018, and USD 14.4 billion commitment and USD 11.7 billion disbursement in 2019. Then the database shows a gradual decline in both commitment and disbursement between 2020 and 2022, revealing USD 10.7 billion commitment and USD 14 billion disbursement in 2020, USD 13.6 billion commitment and USD 8.9 billion disbursement in 2021 and USD 7.7 billion commitment and 7.2 billion disbursement in 2022 (Figure 5).

Figure 5: International financial flow (commitment & disbursement between 2016 & 2022 (USD in millions)



Source: CRGE database

Despite ongoing efforts to track budget expenditures related to climate activities at the CRGE, there is a limited focus on establishing an official and publicly accessible record or database. Furthermore, the CRGE database lacks categorization of funding into adaptation and mitigation efforts, as well as which funding is overlapping (i.e., includes both adaptation and mitigation measures). Such gaps hinder the ability to gather information on financing obtained from different sources, including domestic and international nongovernmental organizations (NGOs), philanthropies, multilateral or bilateral development partners, and the private sector.

In addition to the two databases, the study team has thoroughly examined various reports concerning the financial resources allocated to Ethiopia for climate change initiatives. According to the Ethiopia's CRGE strategy (2011–2019) and the Climate Policy Initiative's (CPI) 2022 Impact Report (2022), a staggering amount of approximately USD 82 billion has been invested in projects and programs that have direct and indirect contributions to CRGE, with an average annual expenditure of USD 10.25 billion/year. In 2019, Ethiopia's Foreign Direct Investment (FDI) inflows were approximately USD 2.5 billion. This figure is corroborated by data from both the World Bank (2021c) and the United Nations Conference on Trade and Development (UNCTAD, 2021). In 2020, Ethiopia's FDI inflows experienced a significant decline, estimated between **USD 1.4 and 1.6 billion**. This downturn is primarily attributed to the global COVID-19 pandemic and prevailing political instability, which adversely affected investor confidence and economic activities. In the fiscal year 2019/2020, China emerged as a dominant source of Foreign Direct Investment (FDI) in Ethiopia, accounting for approximately 60 percent of all newly approved FDI projects. Other significant investors during this period included Saudi Arabia, the United States, India, and Turkey (UNCTAD, 2020). The researchers have tried to determine the extent of gender responsiveness of the projects. However, as the database has no column in relation to gender issues or any explanation regarding gender sensitivity, it is difficult to assess and determine the level of gender sensitivity of the projects.

Furthermore, the African Development Bank Group Country Focus Report 2023 for Ethiopia titled "Mobilizing Private Sector Financing for Climate and Green Growth" further supports the notion of substantial funding received by Ethiopia (African Development Bank Group, 2023). During the period of 2016–2020, Ethiopia received an impressive sum of USD 7.24 billion, averaging USD 1.45 billion per year. The majority of this funding was sourced from international public climate finance. The report emphasizes the significant contributions made by multilateral development finance institutions, which accounted for 49.5 percent of the total funding. Bilateral partners also played a crucial role, contributing 33 percent of the funding. It is worth noting that the majority of these funds were provided in the form of grants, making up 70 percent of the total. This underscores the pivotal role played by both bilateral and multilateral development finance institutions and bilateral partners in mobilizing finance for sustainable development in the country.

In 2022, a detailed Risk-Sensitive Budget Review (RSBR) for Ethiopia was carried out by United Nations Office for Disaster Risk Reduction (UNDRR). The review indicates that between 2015 and 2020, the Ethiopian government budgeted on average USD 130.2 million per year for direct and indirect disaster risk management (UNDRR, 2022), with average annual expenditure of USD 26 million. This is roughly 2 percent of the country's total federal budget.

In support of the above facts, key informants from all sectors of the study areas unanimously agreed and observed that the country is receiving substantial financial resources for climate change, primarily for adaptation rather than mitigation measures, and that the majority of these funds are in the form of grants rather than loan financing. Almost all key informants also agreed that there is a notable absence of formal recording and documentation of these financial transactions for future reference. Furthermore, these key informants emphasized the urgent need to address the organizational shortcomings of the existing database in order to enhance its effectiveness. Establishing a more robust structure will enable a seamless review and identification of the necessary information, thereby ensuring a smoother workflow.

Apart from shortcomings in coding, tracking, and reporting the climate finance flow to the country, the study team observes gaps in transparency and accountability to code, track, and report the financial flow with genuine commitment by the concerned bodies. Such commitments would enable the country to use resources to address climate risks effectively by the mandated sectors in the intended geographical areas, targeting the most affected segment of the population such as women, children, and other vulnerable community members.

6.10. CLIMATE CHANGE INSTITUTIONAL ARRANGEMENTS AND GAPS IN ETHIOPIA

6.10.1. Institutional Structures

The climate change interventions in Ethiopia have clear governance. The country has put in place an institutional structure to implement CRGE and NDC interventions. The Environment, Forest and Climate Change Commission (EFCCC) is the lead agency for the coordination of Ethiopia's response to climate change and is the national focal point to the UNFCCC. It formulates environmental laws and standards; and develops, coordinates, and guarantees the implementation of sector programs and plans. The financial aspect of the CRGE is overseen by the Ministry of Finance (MoF), while the EFCCC is responsible for technical elements and day-to-day administration, as well as developing guidance and rules for CRGE implementation. The institutional arrangements reflect a cross-sector, multidisciplinary approach organized through bodies like the inter-ministerial and management committee. It allows for regional engagement. Most relevant line ministries have in-house CRGE directorates, units, or bureaus that focus on climate change policy implementation.

The CRGE Facility was established in 2013. It is Ethiopia's national climate change fund management institution and key to mobilizing climate finance for implementing the CRGE strategy and the NDC. The goal of the CRGE Facility is to mobilize, access, and combine finances required for implementing the CRGE. It is mandated to mobilize finance and resources from international, public, and private sources and channel them to sector ministries for implementation. It is jointly managed by the MoF, which is responsible for budgeting, and the EFCCC, which is responsible for technical aspects (FDRE, 2013a).

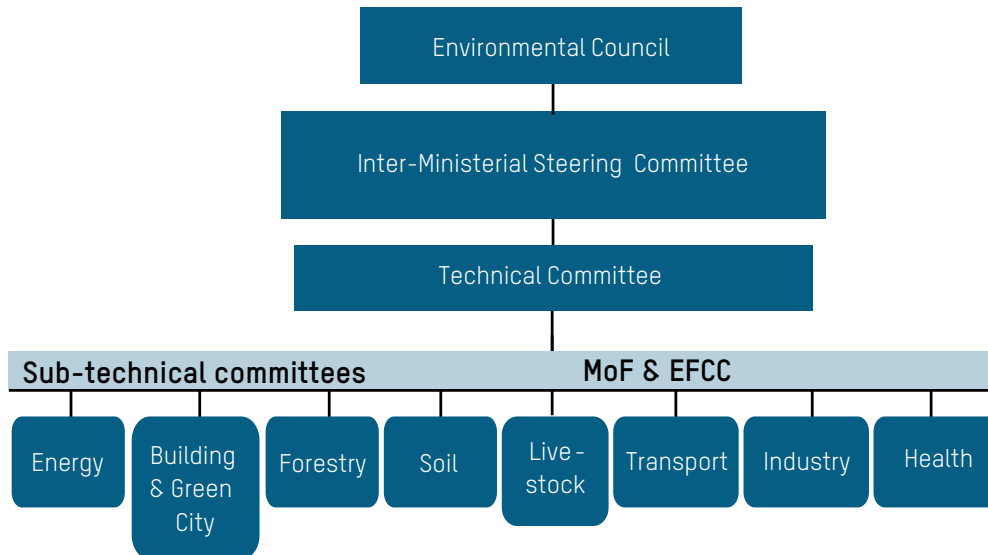
The climate change interventions of the country follow a sector approach. The institutional arrangements reflect a cross-sector, multidisciplinary approach organized through bodies like the inter-ministerial and management committee and allows for regional engagement. Since the official declaration of the CRGE strategy in 2011, the Government of Ethiopia has established a new institutional set-up for effective development and implementation of the CRGE strategy from federal to district levels.

The Environmental Council, chaired by the Prime Minister's Office and comprising members from federal ministries, presidents of regional states, and private sectors and civil society representatives, provides overall guidance for the realization of the CRGE vision. Furthermore, Ethiopia has established coordination mechanisms at the national and subnational levels. The CRGE Facility is coordinated by the Inter-Ministerial Steering Committee, made up of ministers of relevant sector institutions (MoFEC, 2018). The EFCCC, responsible for the technical aspects of CRGE implementation, recently reorganized its structure, putting in place various directorates for coordinating the CRGE at the national level.

The Inter-Ministerial Steering Committee is responsible for overall coordination of the CRGE. The steering committee is supposed to meet twice per year, but as information from the World Bank shows, it has only met four times over the last four years (FDRE, 2018; World Bank, 2020). The steering committee meetings have often been attended by a minister's representative, rather than the minister, and decisions made are often not fully implemented

The CRGE Management Committee is below the Inter-Ministerial Steering Committee. The CRGE Management Committee is co-chaired by the EFCCC and Ministry of Finance (MoF), with representatives from sector ministries. The national organizational structure of the CRGE is depicted in **Figure 6** below.

Figure 6: The national organogram of the CRGE



Source: FDRE, 2011b

The CRGE strategy stipulates that all sector ministries should mainstream climate change adaptation and mitigation initiatives into their sector planning process. For this purpose, a climate change mainstreaming guideline has been drawn up by the CRGE strategy to guide the mainstreaming of climate change interventions in the day-to-day planning and implementation of sector ministries. Each sector ministry has a directorate, unit, or desk, and the regional bureaus have either a coordination unit or focal staff, while the zone- and *woreda*-level sector offices have at least a CRGE focal person to mainstream climate change interventions, conduct follow-up, and report on the implementation.

In the assessed regions and zones, the above structures are in place, at least for the sectors that have a direct functional and structural relationship with climate change. However, genuine and practical CRGE mainstreaming is yet to take place. The progress toward mainstreaming of climate change interventions in the day-to-day planning and implementation sector interventions is slow in most cases. Low awareness on climate change impacts at all levels, weak commitment, frequent restructuring and high turnover of human resources, and limitations of the budget and other resources are the main factors for the slow progress.

At the relevant sector ministry levels, there is a CRGE technical working group composed of CRGE directors, and unit or desk team leaders or focal staff from the respective ministry. The technical working group members have high awareness on climate change issues, have smooth working relationships, are open to exchange lessons and experiences, and conduct scheduled meetings and discussion without interruptions. The technical group has already produced different reports and documents. For instance, the three national communications produced and submitted to UNFCCC can be mentioned.

There is CRGE forum composed of development partners and relevant sector ministries. The EFCCC chairs and the Norway and UK representatives co-chair the forum. Even though there is a gap in conducting meetings and discussions as scheduled, the forum has made strong contributions in creating a close and smooth working relationship, in enhancing technical coordination, and in effective integration and management of planned interventions.

The government of Ethiopia seeks advice from the Ethiopian Development Research Institute (EDRI) in line with access and utilization of research outcomes and knowledge sharing. EDRI is a semiautonomous research think-tank established in 1999 by the Ethiopian government. Within the EDRI, the Environment and Climate Research Center (ECRC) was established and tasked with policy-oriented research on the economics of climate and environment in Ethiopia and impact evaluation of the CRGE's implementation process. The ECRC frequently partners with the Ethiopian government and ministries; for example, in 2019, the ECRC, in partnership with the World Bank and the Ethiopian government, published a study exploring carbon pricing in Ethiopia (Telaye et al., 2019). ECRC also participated in a research project on energy pricing reform that includes a capacity-building component with several partners including the Ministry of Water, Irrigation, and Energy (MoWIE) and the Ethiopian Electricity Authority.

6.10.2. Institutional Capacity Gaps

Even though the above institutional structures are in place, Ethiopia has obvious gaps to implementing climate change interventions. For instance, a report by EFCCC (2019), titled; "Ethiopia's Capacity Gaps in Accessing Adaptation Funding: Experiences, Successes and Remaining Challenges" summarizes the gaps into research, institutional, and data and information management. The report unpacked these gaps; see **Table 4**.

Table 4: Institutional capacity gaps to implementing climate change interventions

Research Gaps

- *Capacity gap to run climate models, providing predictions and scenarios, including validation with reference to the situations on the ground, historical data, and level of assessing certainty at national and regional scales*
- *Capacity gap to design multi-sector adaptation programs outlining overlapping or shared responsibilities*
- *Capacity gap to quantify the required international financial, technological, and capacity-building support for the implementation of vulnerability abatement measures up to and beyond 2030*
- *Capacity gap to identify and quantify the technical support needed for the adequate integration of climate change adaptation considerations into existing and planned policies, strategies, plans, programs, and projects*
- *Capacity gap to assess the status of vulnerability and determine required adaptation responses for the major development sectors and for all agro-climatic zones, vulnerable groups, and ecosystems*

- *Capacity gap to identify the required technical support to quantify the cost of countering social, environmental, and economic vulnerabilities that are likely to result from the adverse impacts of climate change*
- *Capacity gap to improve understanding of traditional mechanisms for coping with climate hazards, coupled with effectively designed strategies for dissemination of endogenous knowledge that could support vulnerability reduction for the country's population*
- *Capacity gap to improve understanding of the local dimensions of vulnerability to develop appropriate adaptation measures that will mitigate these adverse consequences*
- *Capacity gap in lack of detailed and comprehensive vulnerability assessments in the most vulnerable arid, semi-arid, and dry sub-humid lowland communities*

Institutional Gaps

- *Capacity gap for building institutional, financial, technical, and material capacity for accessing adaptation funding and implementation of adaptation programs*
- *Capacity gaps to coordinate all studies related to climate change through a National Research and Development Center on Climate Change*
- *Capacity gaps of enhanced mobilization and involvement of non-state actors, including professional societies, development partners, and donors*
- *Capacity gaps for strengthened mobilization and involvement of the general public in implementing and monitoring climate-resilient action*
- *Partnership and networking between different organizations working on climate change and disaster risk reduction has been very weak. More needs to be done to foster stronger partnerships.*
- *Capacity gap to mobilize the private sector and involve it in climate change adaptation investments*
- *Limited capacity to deal with the expansion and emergence of human, animal, crop, and plant diseases known to occur in and around Ethiopia and in similar environments elsewhere and make available medicines in a sufficient quantity to deal with these diseases*
- *Limited institutional capacity to support agriculture and enhance the skills and knowledge of male and female farmers that would yield significant returns. The capacity of agricultural institutions is still weak, and the private sector is not yet strong enough to fill the gap.*

Data and Information Gaps

- *Capacity gap in the collection and maintenance of baseline climate data for understanding the dimensions of vulnerability to develop appropriate adaptation measures that will mitigate the adverse impacts*
- *Capacity gap to build and maintain data archives/database on impacts of climate change for agro-climatic zones, vulnerable groups, and ecosystems*
- *Capacity gap to improve availability and interpretation of climate data and services*
- *Shortage of system to disseminate information and access data relevant to the deployment of renewable energy*
- *A lack of rainfall records impedes the proper analysis of historical trends in rainfall variability, which is particularly important since much of the rainfall in Ethiopia is brought about by localized, convective storms.*
- *Flood forecasting and communication systems are weak and should be improved in those areas that are heavily affected by floods.*

Other Gaps

- *Serious gap in understanding donor's portfolio, understanding different donors' funding mechanisms, practice, and approaches*
- *Dire capacity gaps to initiate and develop bankable proposals in a coordinated manner that adds value in an integrated manner*
- *Capacity gap to improve the use of hydro meteorological science in to planning process, working in collaboration with Meteorological stations.*
- *Serious capacity gap and lack of institutional arrangements for engaging private sector in adaptation*

6.11. CLIMATE FINANCE GOVERNANCE IN ETHIOPIA

The 2015 Paris Agreement of the UNFCCC entails that responding to climate change and its impacts involve new expenditure in all countries, including public spending in developing countries. Through the UNFCCC, developed countries have committed to mobilizing USD 100 billion annually through public and private sources by 2020. At a lesser scale, developing countries have pledged a significant part of their public expenditure to investment on climate change.

With additional public spending on climate change comes an interest in monitoring and tracking such finance so as to ensure transparency and accountability of public spending systems and decision-making. The effectiveness of climate finance mechanisms in promoting low-carbon development and building resilience depends on the capacity of national institutions to prioritize and coordinate effectively, and monitor and ensure the distribution of costs and benefits equitably and in a way that does not reinforce vulnerabilities or exclusion (Sovacool et al., 2015).

Ethiopia has committed substantial public investment to support implementation of CRGE strategy and CRGE-related investments. The country has dedicated 15 percent of its budget, or USD 440 million annually, to climate-related activities (Nakhooda and Watson, 2015). Thus, the country has significant climate-related budget mobilized from international sources and its own budget. Transparency and accountability are needed in governing and tracing of the allocated budget.

Ethiopia has set up a national financial mechanism called the CRGE Facility Secretariat to support the implementation of the priorities set out in the CRGE strategy and the development and implementation of CRGE Investment Plans. The Facility is managed by MoF, while its technical aspects are managed by the EFCCC. The Facility is an institutional set-up that mobilizes and manages domestic and international climate finance to support the institutional capacity building and implementation of the country's climate change adaptation and mitigation projects and programs.

However, findings reveal that the CRGE Facility is too centralized in its governance on the one hand and lacks the capacity to track and manage all the international and domestic climate finance flow to the country on the other. There is complete absence of governmental budget tracking or a coding system that identifies spending linked to CRGE, or to climate change adaptation and mitigation measures. So far, the country has no mechanism to track and unpack activities funded under its national development budget to determine climate change-linked expenditure.

Furthermore, the climate financing governance of the country lacks transparency and accountability. It doesn't have strong institutional capacity and arrangements, or the involvement of communities and civil society organizations (CSOs). It is well understood that climate finance governance is by nature an international affair, as donors have a role in ensuring effective transparency and accountability in budget tracking, tagging, and tracing. However, Ethiopia is expected to have institutional capacity and willingness to track and disclose financial flows. The country needs to feel ownership of the prioritization, management, and distribution of financial flows in order to ensure sustainable development, and fair and equitable distribution of benefits. In addition to strong government institutional capacity and arrangements, involvement of community members and civil society plays a pivotal role to ensure transparency and accountability.

The country has no publicly available information related to climate finance flows and decisions, except the incomplete database in the CRGE Facility. The country has no trend of providing training for concerned communities and CSOs, and no experience of public engagement opportunities. The climate change adaptation and mitigation measures of the country have limited partnership working relationships between governments and nongovernmental actors. Citizens' collective action and willingness, and ability of public officials to respond to the enquiries of communities and CSOs, are not in place.

Primary data collection across all the study areas revealed the complete absence of approaches and tools used to enhance the participation of citizens and civil society organizations. There are no formally agreed mechanisms for enhancing community participation, transparency, and accountability in the efforts toward climate change adaptation and mitigation interventions. The projects and programs implemented using the government budget have no formal mechanisms of involving communities, other citizens, and CSOs in the planning, implementation, monitoring and evaluation, and budget tracking and the like accountability issues. Participation of citizens and CSOs in budget tracking and tracing to enhance transparency and accountability lacked actual implementation across all the study regions, zones, and *kebeles*.

Study participants agree that currently, there are limited arrangements or no unique experiences in place to effectively engage citizens in climate change financial spending and management, apart from the utilization of existing steering committees. Insufficient community participation is a prevalent

issue across many climate change-related projects and programs, particularly in relation to finance tracking and monitoring. Study participants believe that the management of projects and programs implemented by development partners faces significant challenges in terms of transparency and accountability. However, only a handful of projects, like the CALM project, exhibit commendable accountability and transparency in their budgeting and intervention practices.

A focus group discussion revealed that there is a lack of involvement of women in tracking and tracing climate change financing, particularly among female food producers. Women have no experience or information about climate finances as they are not included in these efforts and decision-making processes. This lack of consultation and participation is a concern for women as they are unaware of the financial plans and implementation strategies of relevant organizations. Despite support from NGOs to improve their skills and knowledge, women still face challenges such as low productivity and limited access to resources.

6.12. CLIMATE FINANCING PROSPECTS FOR ETHIOPIA

Looking at the trend in the past and recent years, climate finance flow for climate change adaptation and mitigation responses is expected to increase in the coming years. As indicated in the report of the International Finance Corporation (IFC, 2021), the historic global agreement on climate change adopted in Paris helped open up opportunities of projected climate finance of nearly USD 23 trillion for climate-smart investments in emerging markets between now and 2030 toward the 2°C target for the 2021–2030 climate investment.

Likewise, other climate change response support from other climate finance channels will be scaled up considering the accelerated adverse impact of the extreme weather and climate change and the urgent need for climate change mitigation and adaptations measures. To this effect, climate finance recipient countries like Ethiopia need to get well-prepared to access as many resources as possible to meet their national and globally set Support to Capacity Building Initiative on Climate Change Financing-Ethiopia climate-related targets.

Thus, based on these global trends and prospects, it is the opinion of the study team that there will be a significant increase in climate financing in the coming years and a considerable rise of climate financial flow to Ethiopia in the coming years. It is likely that the country will not be able to fully cover its estimated financial requirements of USD 150 billion for the CRGE, USD 90 billion for the NAP-ETH, and USD 316 billion to implement the updated Nationally Determined Contribution (NDC) Plan between now and 2030. However, it is anticipated that there is a possibility of an increase in international financial flow to the country. Therefore, the country needs to accelerate momentum in design and development of projects and programs, lobbying, and advocacy for global fundraising, and scrupulous implementation of funded projects and programs to adequately attract and access global climate financing.

6.13. ETHIOPIA'S STRENGTHS AND CHALLENGES TO ACCESSING CLIMATE FINANCING

6.13.1. Strengths

- There has been strong leadership commitment toward a climate-resilient green economy in the past three or more decades in Ethiopia. Climate change and its social and economic impacts have been accorded strong recognition. The country has given strong emphasis to CRGE,

climate-smart agriculture, nutrition-sensitive agriculture, and mass mobilization and the like green development initiatives. Climate change has wider coverage in the mainstream media, and Ethiopia has gained strong representation in the global climate arena. These scenarios have improved the profile of the country. Thus, with improved technical capacity of producing project and program documents and with good lobbying and advocacy skills and experiences for resource mobilization, the country has strong potential for attracting global climate financing.

- The green legacy initiative under implementation in Ethiopia with strong leadership commitment is the other strength that the country has shown to the world in recent years. The relentless national attention accorded to the initiative has mobilized all sectors of the society to contribute financial support, labor, land, and other resources. However, to optimize the potential of the initiative, there is a need to detach it from political influence, institutionalize it, and let it be led by relevant professionals. If these preconditions are fulfilled, the initiative has strong potential to mobilize the international community, attract international climate financing, and become sustainable.
- Compared to the other least developed countries, Ethiopia has ambitious climate change mitigation and adaptation policies, strategies, and related documents (African Development Bank Group, 2017). The country has strong and impressive climate change policies, strategies, laws, and guidelines. The country has gained international recognition for its exemplary efforts in signing international climate policies, and developing and approving national policies. If Ethiopia exerts maximum efforts and makes prudent planning to translate the policies, strategies, and plans into actions that demonstrate evidence-based results, the country will have very good opportunities to steadily increase its chance of accessing international climate financing.
- The recently developed updated Ethiopia NDC has an ambitious, economy-wide and forward-looking climate response indicative plan. The country has also developed a Long-Term Low Emission and Climate Resilient Development Strategy (2020–2050). This strategy is complemented by the 10-year national development plan (2020–2030) that lays out detailed climate-compatible sector plans and strategies. Having these foundations, the country has the potential to attract international funding. However, these solid foundations need a designated entity and a team of experts to develop well-grounded project proposals and fundable investment plans that best meet the specific standards of funding agencies.
- Some parts of Oromia, South West, and South Regional States of Ethiopia have diversified ecology and significant coverage of natural forests. The populations of these areas have sociocultural traditions of peaceful coexistence with the natural environment. For example, cutting down indigenous trees results in punitive actions as per the long-standing traditions of these areas. Thus, climate change mitigation and adaptation interventions in general and carbon financing in particular can have high potential for success in the stated regions, with minimum financial, technical, and related capacity-building support.
- Ethiopia and all its regions, zones, and *woredas* have very insignificant contributions to the impacts of climate change and the overall global warming. The contributions that the country has made to GHG emissions are more of soil and forest degradation resulting from livestock grazing and farm land expansion effects. These scenarios create good prospects for the country to actively participate in global climate change mitigation and adaptation measures compared to the industrialized countries, which have the high stakes of closing down some of their emitting industries and factories to contribute to the reduction of GHG emissions.
- Given its insignificant contributions to GHG emissions and global warming, but being highly vulnerable to climate change impacts, Ethiopia has a strategic priority to focus more on climate

change adaptation interventions. The Paris Agreement emphasizes climate change adaptation as a top priority in Article 2. Article 2.1 (b) of the agreement aims at increasing adaptive capacity to “adverse impacts of climate change and foster climate resilience and low GHG development, in a manner that does not threaten food production” (UNFCCC, 2015, 4). This makes it clear that adaptation actions are mutually inclusive with mitigation actions. Thus, Ethiopia has a very good opportunity to accelerate its climate adaptation financing.

- The Government of Ethiopia, especially at the federal level, has shown strong commitment to mainstreaming the objectives of the CRGE strategy into development planning and functioning of sector ministries, departments, and agencies. The climate response institutional arrangements at federal level are relatively strong, active, and functional. Thus, if Ethiopia is able to extend downward the relatively strong federal-level institutional arrangements to its regions, zones, and *woredas*, and overcome the persisting coordination gaps, the country has huge potential to effectively implement climate change mitigation and adaptation interventions, and achieve desired results.
- At national and regional levels, Ethiopia has already formulated gender-sensitive policies, development strategies, and laws to engender climate financing, and mitigation and adaptation interventions. The country now has policies, strategies, and laws that advocate gender mainstreaming into sector plans and interventions, including climate change-related interventions. The existence of such policies, strategies, and laws and their sincere implementation create the opportunities to make climate change interventions gender sensitive.
- Ethiopia has great opportunities to rely on approaches, tools, and resources for ensuring gender-responsive implementation of climate change projects and programs. Such documents include the UNDP Gender Responsive National Communications Toolkit (Nelson, 2015), which aims to strengthen the capacity of national governments and assist them in integrating gender equality into the development of national communications; the Guide to Gender Mainstreaming in UNDP Supported GEF Financed Projects (UNDP, 2016); the Capacity Building Package on Gender Mainstreaming in Mitigation and Technology Development and Transfer Interventions (Dutta, 2015); and the Interagency Gender Working Group’s gender integration continuum (IGWG, n.d.), which has been widely applied in the nexus to gender performance in environment-related intervention, and the International Union for Conservation of Nature (IUCN) Climate Change Gender Action Plans, which aim to ensure that national climate change efforts mainstream gender into policies and programming so that both men and women have equal access to and opportunities and potential benefits from climate change response.

6.13.2. Constraints and Challenges

6.13.2.1. Constraints

- Ethiopia has ambitious climate change adaptation and mitigation plans that pose the formidable challenge of mobilizing the huge budget required to accomplish them. For instance, the CRGE strategy requires USD 7.5 billion annually to respond to climate change, Ethiopia’s National Adaptation Plan (NAP-ETH) needs a budget of USD 90 billion (USD 6 billion per year, and the updated NDC estimates USD 316 billion until 2030 (GoE, 2015). Ethiopia expects to invest 27.5 percent of GDP over the coming years. However, average domestic savings estimated 11.9 percent of the GDP. The projected level of foreign direct investment, grants, and transfers will not be sufficient to fund the additional investments that are required (FDRE, 2011b).

- Ethiopia is exerting efforts to increase domestic sources of finance through its fiscal policy instruments. However, the level of tax revenue in the country is one of the lowest in Sub-Saharan Africa, and the tax-to-GDP ratio has been below 10 percent. The country has the serious challenge of equitably collecting tax revenue from its citizens. The tax collection system of the country is loose, and tax evasion is significant.
- FGD and KII discussants expressed their concerns about the abuse of forest resources of the country in the name of investment. Discussants pointed out the involvement of private investors in production of timbers, charcoal, and the like, indicating misuse of the forest resources of the country in the name of investment. Investors cut down indigenous trees in the investment areas.
- There is a lack of adequate adaptation projects and corresponding funding to support the livelihood of communities living around protected areas. This lack is prompting community encroachment into the forest resources through expansion of farm land and engagement in other livelihood-generation activities, such as charcoal production.
- The agriculture offices and other government stakeholders have no experience in calculating the monetary value of labor and material contributions made by communities for climate change mitigation and adaptation work. If properly documented and accounted for, the monetary value of such contributions can be calculated in billions in a single year and enhance the image of the country and its efforts toward climate change mitigation and adaptation work.
- Ethiopia's climate financing has a critical shortage of organized data. The country has no clear data on domestic climate budget and expenditure. There is no clearly tracked and tagged database for climate financing from multilateral and bilateral development partners and the private sector (UNFCCC, 2020). A recent report suggests that Ethiopia does not have enough initiatives to provide reliable climate risk information and management tools to financial sector decision-makers on both the public and private side (CDKN, 2022). Thus, there is a high possibility of overestimation or underestimation of the climate expenditure of the country. At the time of this assessment, the MoF stated that one such system is under development.
- So far, Ethiopia has made minimum efforts toward mobilizing climate financing from private funding. Many reports indicated that the contributions of the private sector to the climate financing of the country is insignificant. The CRGE Facility developed a private sector strategy as a first step toward engaging the private sector more in achievement of the CRGE strategy. However, the strategy lacks strategic guidance or direction on what needs to be done and how to engage the private sector.
- Response to climate change institutional arrangements at regional and sub-regional levels in Ethiopia lacks strong institutionalization of the CRGE Facility within the implementing agencies. However, these subnational actors play crucial roles in the design and delivery of projects and programs for climate change adaptation and mitigation initiatives. They are on the frontline in engaging with communities and beneficiaries. It is well recognized that increased engagement, empowerment, capacity building, and resource mobilization at the subnational level result in higher impacts of climate projects (GCA, 2019).
- Discussants across all study regions and zones reported complete absence of involvement of women in general and female food producers in particular in tracking and tracing climate change financing in their respective localities. For example, during the entire field primary data collection, no single experience of involvement of women/female food producers in budget tracing was mentioned.

- Climate change mitigation and adaptation projects and programs are detached from each other and scattered in different ministries, agencies, and commissions at federal, regional, and implementation *woreda* levels. There are projects and programs whose finance flow is from the CRGE Facility in the MoF; there are those directly obtaining funding from donors and their budget is being managed by implementing ministries, agencies, and commissions. The CRGE Facility has no direct control of the financial management of such projects and programs, and the federal and regional environment and climate change commission have no say in the implementation of such projects and just receive periodic reports. As implementation and reporting are scattered elsewhere, double or triple reporting and counting of target achievements are possible.
- The country has no official guideline or any statement that aims at providing incentives to officials and technical staff to work on climate issues along with their regular work. Promotions, salary increments, travel opportunities, and the like have no association with the contributions that officials and staff make to climate issues.
- Document review results and KII results revealed that climate change mainstreaming in the development programs of the country is relatively strong during the planning process but remains weak during implementation, and monitoring and evaluation. This is partly due to poor institutional capacity and limited expertise and knowledge within the government about climate change and development inter-linkages. Integration of bottom-up and top-down approaches, alignment of mechanisms for tracking climate action with national development tracking systems, and greater stakeholder engagement to support mainstreaming, not only at planning phases but also routinely during implementation, need further improvement.
- There are thousands of households and communities whose livelihoods are directly tied to the forest resources of the country. The majority of these households and communities lack alternative livelihood systems to enable them to peacefully coexist with their natural environment. Even in favorable sociocultural traditions, where coexistence with the natural environment is the norm, lack of an alternative livelihood system forces households and communities to encroach on the natural environment for farm lands and grazing areas, and for firewood and charcoal production.

6.13.2.2. Challenges

- **Debt Burden**
 - Heavy debt burden is one of the key challenges of the country in accessing global climate financing. For example, the country's external debt totaled USD **28.2 billion** at the end of March 2023 according to government data, which includes a USD 1 billion international bond maturing in December 2024. According to the International Monetary Fund (IMF), the country's external debt reached USD 30.02 billion in 2021. This is because the rapid economic growth that Ethiopia registered over the past years was mainly driven by aggregate demand and occurred largely as a result of the expansion of government-funded, large-scale infrastructure development. The manner in which these public investments were realized, and the rapid growths achieved over the years, has caused continuous inflationary pressures. In addition, despite its rapid growth, the economy failed to raise productivity or create adequate job opportunities and sustainable national growth and development (FDRE Planning and Development Commission, 2020).
 - The key factors that have exacerbated Ethiopia's debt burden include (i) COVID-19, which severely disrupted Ethiopia's economy, leading to reduced revenues and increased expenditure on health and social services. The economic slowdown as a result of the

pandemic exacerbated the debt burden, making it harder for the country to meet its debt obligations; (ii) the war in Ukraine has led to global economic instability, affecting commodity prices and supply chains, and Ethiopia, like many other countries, has faced increased costs for imports, particularly fuel and food, further straining the economic condition of the country; (iii) internal conflicts have further contributed to economic instability and increased the government's military spending, leading to diversion of resources meant for development, social services, and debt services (Africa Export-Import Bank, 2024).

- Ethiopia has been seeking debt relief to manage its financial condition. In July 2024, the IMF approved a four-year external credit facility (ECF) arrangement worth approximately USD 3.4 billion. This arrangement aims to support Ethiopia's economic reforms and restore the debt servicing capacity of the country.
- Political instability and disruption of peace and security are serious challenges for the country in recent years. These situations are putting the country in an awkward position to conduct smooth diplomacy, and attract donors and foreign investments.
- The climate change mitigation and adaptation efforts of the country face challenges from overpopulation and resultant pressure on the natural resources base, and exacerbate unemployment and underemployment in the rural and urban areas. In addition, high livestock population with low productivity and inability of the country to transform its livestock production sector to improved breeds are causing high deforestation and land degradation.
- The CRGE strategy document states that Ethiopia's contribution to GHG emissions is very low on a global scale. If the BAU economic development practices continue, GHG emissions in Ethiopia will double from 150 Mt CO₂e to 400 Mt CO₂e in 2030. This alarming context has prompted the country to follow a green economic development path, as strategically affirmed in the CRGE document. However, the country has not yet developed a globally acceptable standard for GHG emissions measurement. This is the challenge of the CRGE development path: to present evidence-based contributions of the country toward global emission reduction so as to attract international climate financing.
- Access to international climate financing modalities is complex and requires long and tedious processes. Many of the strict financial accountability mechanisms employed by international climate financing schemes make access difficult, slow, and sometimes prohibitively expensive for stakeholders in developing countries like Ethiopia. In addition, Ethiopia has gaps in technical capacity, experience, and due diligence in developing proposals and technical documents, and to lobbying and advocating at the global level to sell its program and project ideas.
- The long-standing gender imbalance in Ethiopia is one of the formidable challenges to achieving gender-equitable climate adaptation and mitigation benefits. The prevailing gender disparities in ownership and access to resources (such as land, credit, and technology), coupled with sociocultural barriers, impoverish women, lower their adaptive capacity, and increase their exposure to climatic risk. In addition, due to the prevailing gender-biased attitudes and perceptions at all levels and skill gaps in gender analysis, the country faces challenges in translating its ambitious gender-sensitive commitments set in the policies into tangible results for communities at the local level.
- As discussions with study participants and field observations revealed, the expansion of eucalyptus trees all over the country is the most serious challenge for disruption of the ecosystem. The tree is fast growing, and the demand for construction and commercialization has hastened

its expansion to the extent that it is replacing indigenous trees. The haphazard plantation of the trees is creating high damage to the ecosystem, as it is unfriendly to indigenous trees, shrubs, bushes, grass, soil, and water. For example, on the way from Jimma to Bonga, the encroachment of the tree into the natural forest of the area is conspicuously visible. The plantations of the tree for construction and commercial needs should have followed a proper land use system targeting marshes and wasteland, without encroaching on farm lands and indigenous forests.

- Swampy areas in the country are disappearing due to interference by humans for farm land expansion and for livestock grazing, and biodiversity is coming under serious threat as a result. With human and livestock interference, the areas are drying up, causing serious damage to the stability of the ecosystem. Swamps are the lungs of the ecosystem and biodiversity, and are sources of rivers, streams, and springs for the lower catchment areas. Other benefits of swamps include protecting and improving water quality, providing habitats for fish and wildlife, storing floodwaters, and maintaining surface water flow during dry periods. Thus, there are many justifiable reasons to protect the remaining swamps through management plans and stricter laws.

7. CONCLUSION AND RECOMMENDATIONS

7.1. CONCLUSION

Climate finance flows and coordinated efforts at local, national, and global levels are critical to maintaining the momentum of the Paris Agreement. Multilateral, bilateral, and private sector financing instruments are set for responding to climate change and supporting adaptation and mitigations interventions at various levels. Countries are expected to develop institutional, policy, and operational frameworks to effectively access and utilize those climate finance mechanisms to the best of their capacity. Despite progress made on capacity to access increased climate finance, there are indications that many countries have capacity gaps to increase access and utilization to those climate support funding mechanisms from international sources (UNFCCC, 2019).

According to the CRGE, NAP-ETH, and updated NDC strategic documents, the agricultural, water resources, and human health sectors will be most negatively impacted by climate change, followed by the infrastructure sector. Ethiopia developed and submitted its nationally determined contribution to the UNFCCC in 2016 and more recently the revised NDCs in 2021, in support of the country's efforts to realize its development goals as laid out in its medium- and long-term national plans and its Climate-Resilient Green Economy (CRGE) Strategy and NAP-ETH (DESA, 2021b).

Ethiopia showed its preparedness in response to the global climate goal and came up with sets of policies/strategies and investment projects that have potential contributions to climate change mitigation and adaptation. Key policy interventions are clearly articulated in the CRGE strategy, updated NDCs, TYDP, and ETH-NAP, which all are highly aligned to each other and to the UN Sustainable Development Goals (SDGs). The country has set up a national financial mechanism called the CRGE Facility Secretariat to support the implementation of the priorities set out in the CRGE strategy and the development and implementation of CRGE Investment Plans. The Facility is an institutional set-up that mobilizes and manages domestic and international climate finance to support the institutional capacity building and implementation of the country's climate change adaptation and mitigation projects.

The Government of Ethiopia considers climate change to be one of its priorities in responding to the country's long-term development needs. The nation's widely acclaimed Climate Resilient Green Economy (CRGE) strategy has called for annual spending of USD 7.5 billion. According to Ethiopia's updated NDC, it requires USD 316 billion by 2030. The updated NDC estimates that USD 275.5 billion (87 percent) is required to implement the mitigation and USD 40.5 billion adaptation targets in Ethiopia in the stated period. Ethiopia's National Adaptation Plan (NAP-ETH) estimates needing an approximate budget of USD 90 billion (USD 6 billion per year) for implementation of the plan over 15 years (2016–2030).

With federal budgetary resources for climate change-relevant actions estimated to be in the order of USD 440 million per year, and international sources adding an uncertain amount that may be in the tens of millions (USD) per year, there appears to be a major financing gap. Therefore, if the CRGE strategy is to be delivered, and the lives of the country's most vulnerable people made more resilient, much more effort needs to be exerted to mobilize additional resources, both domestically

and externally. In particular, international commitments on climate finance need to be realized. This is now a matter of urgency for Ethiopia, as it is the case for many other African states.

So far, Ethiopia has accessed a significant amount of climate finance from multiple sources such as bilateral and multilateral public finance, and the private sector, although it is still a long way from reaching the target. As the OECD-DAC dataset shows, the country has accessed over USD 9 billion between 2016 and 2021 from international climate financing. However, the CRGE dataset estimates a financial flow in the range of USD 88.5 billion from the international climate finance sources between 2016 and 2022. The climate financing data in the two datasets show a very significant discrepancy owing to a lack of reference and reconciliation between them.

Unless urgent actions are taken, climate variability and change in Ethiopia are expected to worsen the adverse impacts of climate change on agriculture and food security, by way of potentially accelerating already high levels of land degradation, soil erosion, deforestation, loss of biodiversity, desertification, recurrent floods, as well as water and air pollution. Recurrent droughts and floods pose the greatest challenge and threat to food security, livelihoods, and the lives of a large number of the population in the country.

Both men and women in Ethiopia have inevitable exposure to the impacts of climate change. However, women experience climate change and its impacts differently from men and have different priorities concerning response measures. This is primarily due to women's economic and sociocultural contexts. Thus, climate change and its social, economic, and physical impacts affect women and girls more severely. Women bear a disproportionate responsibility for securing food, water, and household energy needs. On the other hand, women contribute significantly to climate change mitigation and adaptation efforts in Ethiopia, but their efforts are less recognized.

Even though there are improvements in the situation of women in Ethiopia in general, the social, economic, cultural, and political status at national, regional, and local levels has not attained the desired level, irrespective of progressive policy commitment in the country to gender equality. This is because the gender equality commitments made at policy and program levels have not been adequately implemented and have not enabled women to reap the desired benefits. Women continue to face daunting challenges of unequal access to and control of productive resources; heavy unpaid labor due to the unequal distribution of workloads related to reproductive, productive, and community responsibilities; and limited participation in rural institutions and markets.

Thus, based on the above two paragraphs, this study unequivocally concludes that climate change interventions should give utmost priority to gender considerations. Interventions that don't give adequate consideration to gender and try implementation without strong involvement of women are destined to fail in Ethiopia.

According to different sources, the climate financing plans, needs, and priorities of the country and the estimated domestic and international financial flow evidenced so far are far apart. The country should gear up momentum, and develop the necessary technical, lobbying, and advocacy capacities to attract and access international finance to avert the looming climate crisis and ensure the country's sustainable development. The country needs to work hard to translate its ambitious climate strategies and plans into practical implementation to build its image as the genuine climate protagonist its strategies and plans imply. The country should develop as a matter of urgency mechanisms of tagging and tracing domestic and international climate expenditures to attract and access more climate financing.

7.2. RECOMMENDATIONS

Based on document review and primary data collection and analysis findings, the study forwards the following recommendations to the GoE and Oxfam and like-minded organizations.

7.2.1. Government of Ethiopia (GoE) and Mandated Ministries and Regional Bureaus

1. The GoE should reform the CRGE database to the global standard. There is an urgent need to have organized climate financing data, which is clearly tracked and tagged and synchronized to a global working standard such as to that of OECD-DAC data system.
2. We recommend the CRGE's climate facility be strengthened and clearly directed to undertake the responsibilities of climate finance coding, tagging, tracking, and reporting in a transparent and accountable manner.
3. The GoE is advised to revamp and revitalize the private sector mobilization strategy developed by the CRGE Facility. The strategy should be strengthened through arranging an institutional structure that can engage the private sector. Specific and workable guidelines on how to engage the private sector should be developed.
4. We recommend that the GoE revisit the rationale and merit of having natural resource management (NRM) in MoA at regional, zone, and *woreda* and equivalent structures, and similar objectives and mandates in the EFCCC. Unless there is strong justification for the existence of the two structures in the respective government bodies at the same time, we recommend that merging the structures under a single chain of command seems logical.
5. The *woreda* and zone agriculture offices and other government stakeholders are advised to devise ways of calculating the monetary value of labor and material contributions made by communities for climate change mitigation and adaptation work. If properly documented and accounted for, the monetary value of such contributions can be very significant, can clearly demonstrate the contributions of the country toward climate change mitigation and adaptation work, and can attract more global climate financing.
6. The GoE is advised to find ways of recognizing and meriting sectors, officials, and experts for their efforts toward mainstreaming climate change interventions in their regular roles and responsibilities. Recognizing and meriting can include, among other things, actions such as incentives, training opportunities, and certifications to encourage better performance.
7. The GoE is advised to make relentless efforts toward inclusive climate change adaptation and mitigation interventions and undertake genuine gender mainstreaming. This recommendation is aligned with UN Sustainable Development Goals (SDGs), both in the form of the dedicated Goal on Gender Equality (SDG5) and cross-cutting themes such as SDG5.A, SDG5.4, SDG2, SDG13.B, and others.

7.2.2. Oxfam and Other Civil Society Organizations (CSOs)

1. Oxfam and other concerned CSOs are advised to consider subsequent studies that build and capitalize on the findings of this study in the possible areas of government institutional capacities for preparation of fundable technical documents, study on the opportunities, prospects, and

challenges that Ethiopia could have in accessing international climate financing, current status, gaps and challenges of climate finance tagging and tracing in Ethiopia, mapping international and domestic climate financiers, and the like.

2. We recommend that Oxfam and like-minded organizations advocate and support the GoE to establish clear guidelines and tools for emission measurement, and mobilize funding to strengthen public awareness and outreach efforts around climate issues.
3. We recommend that Oxfam and other CSOs advocate and push the GoE government to elevate the management of the CRGE strategy to ministerial level. Such a ministry should be given the mandate of collecting and consolidating all institutions and structures working on natural resources management, forest development, and other climate-change related issues in an effective vertical and horizontal line of command.
4. The study team recommends the following three interrelated advocacy outlets. The first advocacy will have a global scope aiming at raising the access of Ethiopia to international climate financing. The second is to advocate and lobby the GoE to implement a standard and internationally acceptable climate finance tracking and coding system. The third advocacy aims at advocating and lobbying the GoE to put in place meaningful and effective citizen engagement in climate change planning, budgeting, and implementation at the grassroots level for transparent and accountable decision-making.
5. Oxfam and the like-minded agencies are advised to embark on advocacy and lobbying the GoE for establishment of a government and NGO climate change partnership.
6. Oxfam and other concerned CSOs should advise and support Ethiopia to work aggressively toward diversified climate adaptation measures. To enable households and communities to build peaceful coexistence with the natural environment, the country should make undertaking climate adaptation interventions a strategic priority and highlight the comparative benefits of undertaking such interventions.
7. Oxfam and concerned CSOs should make concerted efforts for global advocacy on behalf of Ethiopia to urge the multilateral and bilateral donors to step up grant-based climate financing for adaptation and mitigation work.
8. We recommend that Oxfam and other like-minded organizations find resources useable for capacity building for the CRGE coordination units and related ministries to identify and develop bankable project proposals that are attractive to international financiers, and to navigate and comply with the requirements of financial institutions.
9. Oxfam and other concerned CSOs should mobilize resources to provide tailored capacity-building supports to effectively integrate and mainstream climate change into the development interventions at all stages of the planning and implementation cycle.

8. ANNEXES

8.1. REFERENCES

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8.2. DATA COLLECTION TOOLS

8.2.1. Focus Group Discussion (FGD) with Female Food Producers

1. How do you explain your agricultural production and productivity? What are the major causes of the prevailing low agricultural production and productivity on your farm land?
2. What are the unique problems that uniquely affect the production and productivity of female food producers?
3. Please explain the impacts of climate change on your agricultural production and productivity.
4. Are there interventions in your area aimed at mitigating the impacts of climate change on your agricultural production and productivity? What are the interventions? Who implemented them? What changes/improvements are brought by the interventions?
5. What mechanisms are in place to address the needs and priorities of female food producers in climate change mitigation and adaptation interventions?
6. Do female food producers have involvement in the projects and programs that work on climate change mitigation and adaptation interventions?
7. Do you have information on climate change financing allocated in your area?
8. To what extent do current climate actions and budgets reflect achieving gender equality? Are there any mechanisms put in place for achieving gender equality?
9. What mechanisms are in place to address the needs and priorities of female food producers in climate change mitigation and adaptation measures?
10. To what extent do women in general and female food producers in particular have involvement in tracking and tracing climate change financing in your area?
11. What strengths and opportunities are there in your area for involvement of women and female food producers in the formulation of plans and tracing the budget of climate change mitigation and adaptation measures?

12. What weaknesses/limitations and challenges are there in your area for involvement of women and female food producers in the formulation of plans and tracing of budget of climate change mitigation and adaptation measures?
13. What recommendations do you suggest for adequate involvement of female food producers in planning interventions and tracing the budget of climate change mitigation and adaptation interventions?

8.2.2. Key Informant Interview (KII) with Ministries of Finance and Planning and Development

Main questions	Sub-questions
1. What is the role of international climate finance in financing climate adaptation and mitigation in the country?	<ul style="list-style-type: none"> • How do you explain the quantity of international climate financing accessed by Ethiopia over the years since the Paris Agreement? Is it increasing or decreasing over the years since the agreement? • How do you explain the share of international climate finance in total climate adaptation and mitigation spending? • How do you explain the quality of the international climate financing accessed by Ethiopia since the agreement? Is it mostly grants, concessional loans, or non-concessional loans? • What are the key projects financed by international climate financing over the years? Are the finances aligned with the country's climate ambitions and needs? Does the climate change financing consider gender issues as one of the key priorities to finance projects and programs? • Who are the expected domestic counterparts to climate financing in Ethiopia (line ministries, government agencies, national private sector actors, national NGOs, communities, etc.)? How is domestic resourcing for climate actions? • What kind of bilateral or multilateral agreements, frameworks, or other mechanisms and forms of cooperation have been put in place to organize the inflow of funds from international contributors to the country?

Main questions	Sub-questions
<p>2. What is current national, regional, and local state of play regarding climate action planning and budgeting in the country?</p>	<ul style="list-style-type: none"> • Is there a comprehensive (multiyear) plan or program at the national level that brings together all the necessary investments in climate adaptation and mitigation? • Are these plans based on research to determine the scope of the climate finance necessary for local adaptation and mitigation plans? • Are there policies and laws to support the implementation of a climate justice agenda at national level? What are the policies and laws? What is the status of their implementation? • What are the national institutional structures put in place to access climate financing to plan and implement projects and programs? • Which sectors are receiving climate finance, and is it enough to meet the country's nationally determined contribution (NDC) ambitions? • Are there national-level mechanisms for citizens and civil society to participate in planning and budgeting for climate adaptation and mitigation actions? Are there any mechanisms for influencing and monitoring and tracing expenditure? • What are the most relevant national spaces where the voices of citizens and civil society can influence climate finance policies and contribute to discussions in the international discussion arenas?
<p>3. What are the existing and new approaches and tools that can be used to support citizen-led local and national climate budget monitoring and advocacy work?</p>	<ul style="list-style-type: none"> • Are there national-level experiences of engagement of citizens in the formulation of climate spending? What are the examples/models of such citizen engagement? • Are there national-level tools and approaches available to citizens and local civil society to hold government, contributors, and private sectors accountable for inclusive and transparent spending of climate finance? Please describe the tool and approaches. What are the pitfalls and challenges of current tools and approaches? • Are there national-level budget tracing tools and approaches that can be used to monitor stakeholders responsible for channeling and spending climate finance resources to hold them accountable? Please describe the tools and approaches. • Were there any budget advocacy exercises organized at federal level? Who organized them, what was done, and what has changed? What approaches and tools were used? Do you think the advocacy exercises were successful and why?

Main questions	Sub-questions
4. SWOT analysis of the country for influencing climate finance flows and implementation of climate change mitigation and adaptation measures	<ul style="list-style-type: none"> • What are the strengths and opportunities of the country to access international climate change financing? • What are the weaknesses/limitations and challenges of the country in accessing international climate change financing? • What are the key opportunities of the country to influence public institutions' and CSOs' engagement in climate change mitigation and adaptation measures? • What are the key opportunities to influence private sector engagement and financing of climate change mitigation and adaptation actions? • What are the key opportunities that could stimulate greater local finance from communities? • Is it feasible and practical for women and female food producers to have involvement in climate change action planning, implementation, and climate change finance monitoring and tracing? • What are the opportunities for national and international NGOs like Oxfam to provide technical and financial support, and joint research, and to support public campaigning and the most promising national climate finance approaches/initiatives? • Do you think it is possible for national and international NGOs like Oxfam to have engagement in climate finance monitoring and advocacy work?

8.2.3. Key Informant Interview (KII) with Ministry of Women and Social Affairs

1. Does your ministry have any involvement in climate change mitigation and adaptation plans and implementation?
2. Does your ministry have information on the Paris Agreement concerned with climate change? Do you have any experience of involvement in the implementation of the agreement as one of the counterparts in the country?
3. As one of the key stakeholders of women and gender issues, how do evaluate the current climate actions and budget in achieving gender equality? Are there any mechanisms put in place for achieving gender equality?
4. Does climate change financing consider gender issues as one of the key priorities in financing projects and programs?
5. What mechanisms are in place to address the needs and priorities of female food producers in climate change mitigation and adaptation measures?

6. Do you feel women in general and female food producers in particular have involvement in tracking and tracing climate change financing in the country?
7. Is it feasible and practical for women and female food producers to have involvement in climate change action planning, implementation, and climate change finance monitoring and tracing?
8. What are the strengths and opportunities of the country for involvement of women and female food producers in the planning, implementation, and climate change finance monitoring and tracing?
9. What are the weaknesses/limitations and challenges of the country for involvement of women and female food producers in the planning, implementation, and climate change finance monitoring and tracing?

8.2.4. Key Informant Interview (KII) with Other Federal Ministries

Main questions	Subquestions
1. What is the role of international climate finance in financing climate adaptation and mitigation in the country?	<ul style="list-style-type: none"> • How do you explain the quantity of international climate financing accessed by your ministry/organization over the years since the Paris Agreement? Is it increasing or decreasing over the years since the agreement? • How do you explain the quality of the international climate financing accessed by your ministry/organization since the agreement? Is it mostly grants, concessional loans, or non-concessional loans? • What are the key projects financed by international climate financing for your ministry/organization over the years? Are the finances aligned with the climate ambitions and needs of your ministry/organization? Do the climate change financing consider gender issues as one of the key priorities to finance projects and programs? • Who are the expected domestic counterparts to climate financing accessed by your ministry/organization (line ministries, government agencies, national private sector actors, national NGOs, communities, etc.)? • What kind of bilateral or multilateral agreements, frameworks, or other mechanisms and forms of cooperation have been put in place to organize the inflow of funds from international contributors to your ministry/organization?

Main questions	Subquestions
<p>2. What is current national, regional, and local state of play regarding climate action planning and budgeting in the country?</p>	<ul style="list-style-type: none"> • Is there a comprehensive (multiyear) plan or program in your ministry/organization that brings together all the necessary investments in climate adaptation and mitigation? • Are these plans based on previous research to determine the scope of the climate finance necessary for adaptation and mitigation plans? • Does your ministry/organization have policies and laws to support the implementation of a climate justice agenda? What are the policies and laws? What is the status of their implementation? • What are the national institutional structures put in place to access climate financing to plan and implement project and programs? • Is your ministry/organization receiving climate finance, and is it enough to meet your climate change mitigation and adaptation plans? • Does your ministry/organization have mechanisms for citizens and civil society participation in planning and budgeting of your climate adaptation and mitigation actions? Do citizens and CSOs have involvement in influencing, monitoring, and tracing your climate financing expenditure? • Does your ministry/organization have spaces where the voices of citizens and civil society can influence the climate finance plan and actions?
<p>3. What are the existing and new approaches and tools that can be used to support citizen-led local and national climate budget monitoring and advocacy work?</p>	<ul style="list-style-type: none"> • Does your ministry/organization have experiences of engagement of citizens in the formulation of climate spending? What are the examples/models of such citizen engagement? • Does your ministry/organization have tools and approaches used by citizens and local civil society to hold you accountable for inclusive and transparent spending of climate finance? Please, mention the tool and approaches. What are the pitfalls and challenges of current tools and approaches? • Does your ministry/organization have budget monitoring tools and approaches that can be used to monitor and hold you accountable for channeling and spending climate finance resources? Please, mention the tools and approaches. • Were there any budget advocacy exercises organized by your ministry/organization? What was done, what has changed? Do you think the advocacy exercises were successful and why?

Main questions	Subquestions
4. SWOT analysis of the country for influencing climate finance flows and implementation of climate change mitigation and adaptation measures	<ul style="list-style-type: none"> • What are the strengths and opportunities of the country to access international climate change financing for climate change mitigation and adaptation measures? • What are the weaknesses/limitations and challenges of the country in accessing international climate change financing for climate change mitigation measures? • What are the key opportunities of the country to influence public institutions' and CSOs' engagement in climate change mitigation and adaptation measures? • What are the key opportunities of the country to influence private sector engagement and financing of climate change mitigation and adaptation actions? • What are the key opportunities that could stimulate greater local finance from communities? • Is it feasible and practical for women and female food producers to have involvement in climate change action planning, implementation, and climate change finance monitoring and tracing? • What are the opportunities for national and international NGOs like Oxfam to provide technical, financial, and joint research and to support public campaigning and the most promising national climate finance approaches/initiatives? • Do you think it is possible for national and international NGOs like Oxfam to have engagement in climate finance monitoring and advocacy work?

1.2.5. Key Informant Interview (KII) with Regional Administration, Bureau of Agriculture, Finance, and Industry

Main questions	Subquestions
1. What is the role of international climate finance in financing climate adaptation and mitigation in the country?	<ul style="list-style-type: none"> • How do you explain the quantity of international climate financing accessed by your bureau over the years since the Paris Agreement? Is it increasing or decreasing over the years since the agreement? • How do you explain the quality of the international climate financing accessed by your bureau since the agreement? Is it mostly grants, concessional loans, or non-concessional loans? • What are the key projects financed by international climate financing for your bureau over the years? Are the finances aligned with the climate ambitions and needs of your bureau/organization? Does the climate change financing consider gender issues one of the key priorities to finance projects and programs? • Who are the expected domestic counterparts to climate financing accessed by your bureau (line ministries, government agencies, national private sector actors, national NGOs, communities, etc.)? How is domestic resourcing for climate actions?

Main questions	Subquestions
<p>2. What is the current national, regional, and local state of play regarding climate action planning and budgeting in the country?</p>	<ul style="list-style-type: none"> • Is there a comprehensive (multiyear) plan or program in your bureau to bring together the necessary investments in climate adaptation and mitigation? • Are these plans based on research findings to determine the scope of climate finance necessary for local adaptation and mitigation plans? • Are there policies and laws to support the implementation of a climate justice agenda at the regional level? What are the policies and laws? What is the status of their implementation? • What are the regional institutional structures put in place to access climate financing to plan and implement project and programs? • Is your bureau receiving climate finance, and is it enough to meet your climate change mitigation and adaption plans? • Does you bureau have mechanisms for citizen and civil society participation in planning and budgeting of your climate adaptation and mitigation actions? Do citizens and CSOs have involvement for influencing, monitoring, and tracing your climate financing expenditure? • Does your bureau have spaces where the voices of citizens and civil society can influence the climate finance plan and actions?
<p>3. What are the existing and new approaches and tools that can be used to support citizen- led local and national climate budget monitoring and advocacy work?</p>	<ul style="list-style-type: none"> • Does your bureau have experiences of engagement of citizens in the formulation of climate spending? What are examples/models of such citizen engagement? • Does your bureau have tools and approaches used by citizens and local civil society to hold you accountable for inclusive and transparent spending of climate finance? Please describe the tool and approaches. What are challenges and pitfalls of current tools and approaches? • Does your bureau have budget monitoring tools and approaches (follow-the-money initiatives) that can be used to monitor and hold you accountable for channeling and spending climate finance resources? Please describe the tools and approaches. • Were there any budget advocacy exercises organized by your bureau? What was done and what have been the changes? Do you think the advocacy exercises were successful and why?

Main questions	Subquestions
<p>4. SWOT analysis of the country for influencing climate finance flows and implementation of climate change mitigation and adaptation measures</p>	<ul style="list-style-type: none"> • What are the strengths and opportunities of your regions to access international climate change financing? • What are the strengths and opportunities of your regions to implement climate change mitigation and adaptation measures? • What are the weaknesses/limitations and challenges of your region to implement climate change mitigation and adaptation measures? • What are the key opportunities of your region to influence public institutions' and CSOs' engagement in climate change mitigation and adaptation measures? • What are the key opportunities of your region to influence private sector engagement and financing of climate change mitigation and adaptation actions? • What are the key opportunities that could stimulate greater local finance from communities? • Is it feasible and practical for women and female food producers to have involvement in climate change action planning, implementation, and climate change finance monitoring and tracing? • What are the opportunities for national and international NGOs like Oxfam to provide technical, financial, and joint research and to support public campaigning and the most promising national climate finance approaches/initiatives? • Do you think it is possible for national and international NGOs like Oxfam to have engagement in climate finance monitoring and advocacy work?

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