GGGI’s Partnership with Ethiopia

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The Ethiopian context

High levels of economic growth are threatened by the impacts of climate change

The Government of Ethiopia aims to sustain high levels of economic growth and reach MIC status by 2025

The development model is poverty eradication through rapid and broad-based economic growth

Continued growth and the ambitious vision is threatened by the impacts of climate change

2015-16 drought – 50-90% of crop production was lost

Aug-Dec 2017 – 8.5m people require emergency food assistance
Ethiopia’s CRGE vision
The Climate Resilient Green Economy strategy lays out a path towards middle income status by 2025, while keeping emissions constant.

3 key objectives of the CRGE strategy
- Foster balanced growth and economic development
- Manage greenhouse gas emissions
- Improve resilience to climate change

4 pillars
- Adoption of agricultural and land use efficiency measures
- Protecting and re-establishing forests for their economic and ecosystem services, including as carbon stocks
- Deployment of renewable and clean power generation
- Use of appropriate advanced technologies in industry, transport and buildings

Selected criteria
- Decreased poverty
- Increased food security
- Increased employment

Ethiopia’s INDC is based on the CRGE strategy

<table>
<thead>
<tr>
<th>Green Economy initiatives</th>
<th>Agriculture</th>
<th>Power</th>
<th>Industry</th>
<th>Forestry</th>
<th>Transport</th>
<th>Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions per year; Mt CO2e</td>
<td>150</td>
<td>75</td>
<td>55</td>
<td>10</td>
<td>5</td>
<td>55</td>
</tr>
<tr>
<td>Emissions per capita (t CO2e)</td>
<td>1.8</td>
<td>3.0</td>
<td>1.1</td>
<td></td>
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</tbody>
</table>

-64%
GGGI’s Country Program support to Ethiopia

**GGGI supports multiple line Ministries and coordination mechanisms**

**Evolution of the program**
- 2012: Established first office in EPA
- 2013: GGGI membership ratified by Ethiopian parliament
- 2014: Country Representative assigned
- 2015: GGGI Country Planning Framework developed
- 2016: In-country advisors across 6 key sectors
- 2017: Mix of international and local advisors
- 2018: Mobilization of resources for CRGE facility

**GGGI Country Program Advisors**
- **Ministry of Environment, Forest and Climate Change**
  - GGGI Institutional & Partnership Advisor
  - GGGI Forestry Advisor
- **Ministry of Agriculture and Natural Resources**
  - GGGI Agriculture Advisor
  - GGGI DRMFS Advisor
- **Ministry of Finance and Economic Cooperation**
  - GGGI CRGE Facility Coordinator
  - GGGI Private Sector Advisor
- **Ministry of Water, Irrigation and Electricity**
  - GGGI Water and Energy Advisor
- **Ministry of Industry**
  - GGGI Industry Advisor
- **Ministry of Urban Development**
  - GGGI Urban Advisor
- **National Planning Commission**
  - GGGI Results Advisor
- **Prime Minister’s Office**
  - GGGI Green Growth Economist
  - GGGI PMO CRGE Advisor
**Green growth achievements in Ethiopia**

*GGGI has supported Ethiopia across multiple green growth dimensions*

**CRGE vision**
- Development of the Green Economy Strategy and the Climate Resilience Strategies for Agriculture and Forests, and Water, Irrigation and Energy

**GTP II mainstreaming**
- Framework and sector guidance for integrating the CRGE vision into Ethiopia’s Growth and Transformation Plan II (GTP II)

**Strengthened institutions**
- Private sector engagement strategy
- Establishment of the Environment and Climate Research Centre (ECRC)
- 5-year National Capacity Development Program for CRGE implementation

**CRGE Facility**
- Establishment and capitalization of the CRGE Facility
- Accreditation of the CRGE Facility by the Green Climate Fund (GCF) and Adaptation Fund

**Increased investment flows through the CRGE Facility**

<table>
<thead>
<tr>
<th>Year</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>• $21m for 27 ‘Fast Track Investments’ across 7 sectors</td>
</tr>
<tr>
<td>2016</td>
<td>• $80m for Ethiopia’s REDD+ program from Norway</td>
</tr>
<tr>
<td>2017</td>
<td>• $10m from the Adaptation Fund for a Climate Smart Integrated Rural Development Project</td>
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<tr>
<td></td>
<td>• At least $140m committed by the Danish Business Finance Center for a water treatment and distribution system in Mekelle, Tigray</td>
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<tr>
<td></td>
<td>• $45m from the GCF to enhance critical irrigation systems in regions regularly stricken by drought</td>
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</tbody>
</table>

**Total of approx. $296m mobilized**
CRGE and the private sector

**GTP II and the CRGE vision will require significant investment from the private sector**

### Links between Korea and Ethiopia
- Strong ties were established between the two countries during the Korean War
- The Government of Ethiopia sees the Korean experience as a model to follow

### CRGE Facility private sector engagement strategy
- Provides a framework with specific instruments and tools to realize private sector access to the Facility
- CRGE Facility funds are disbursed through Specialist Financial Intermediaries via financing instruments (e.g. concessional loans, other debt instruments, equity), as well as grants

### Priority areas

<table>
<thead>
<tr>
<th>Relevant CRGE pillars</th>
<th>Deployment of renewable and clean power generation</th>
<th>Use of appropriate advanced technologies in industry, transport and buildings</th>
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<td>Adoption of agricultural and land use efficiency measures</td>
<td>• Support rural infrastructure to increase agricultural productivity</td>
<td>• Support building of transportation infrastructure</td>
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<td>Support electricity generation and transmission facilities</td>
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</tbody>
</table>

**KOICA’s Ethiopia strategy: selected priority areas**

- Support rural infrastructure to increase agricultural productivity
Thank You