

GGGI's Partnership with Ethiopia

Per Bertilsson

Assistant Director-General; Head of GGGI's Green Growth Planning & Implementation Division

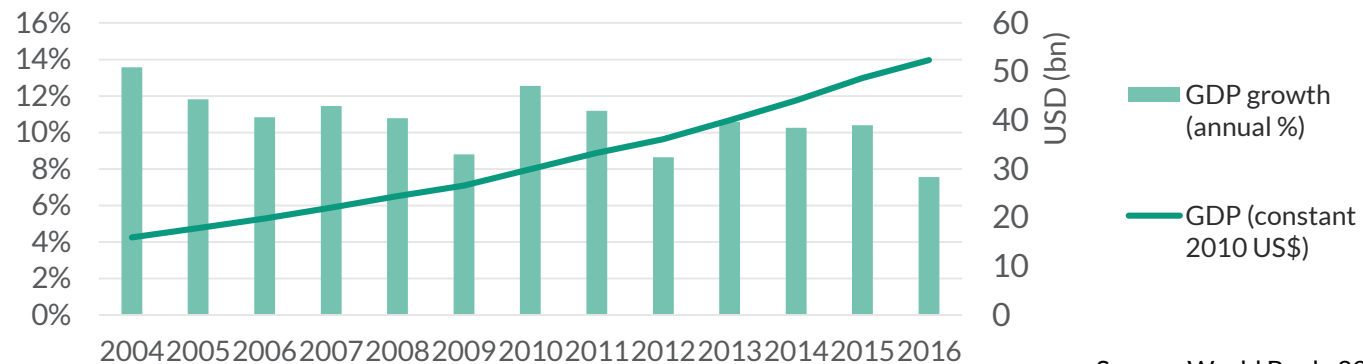
1 December 2017



The Ethiopian context

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

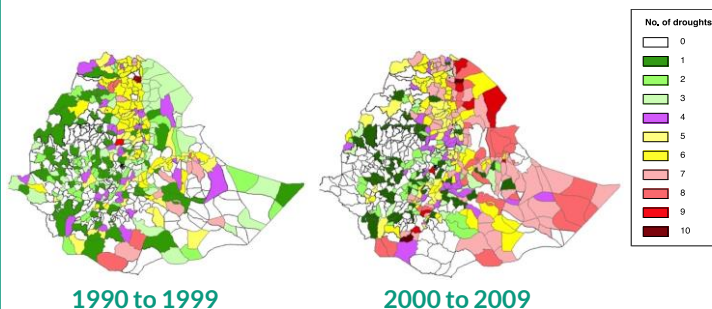
Average GDP growth of 10.6% 2004-2016



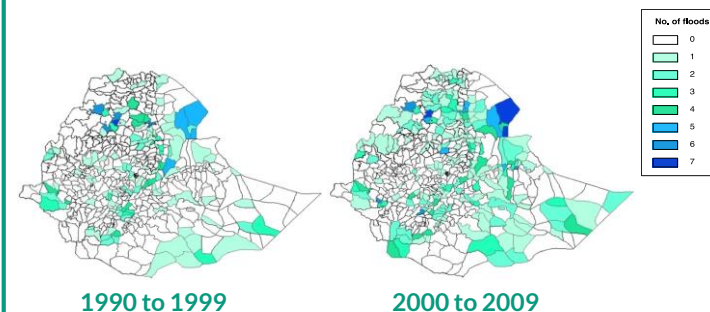
Source: World Bank, 2017

- 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

Increased occurrence of droughts



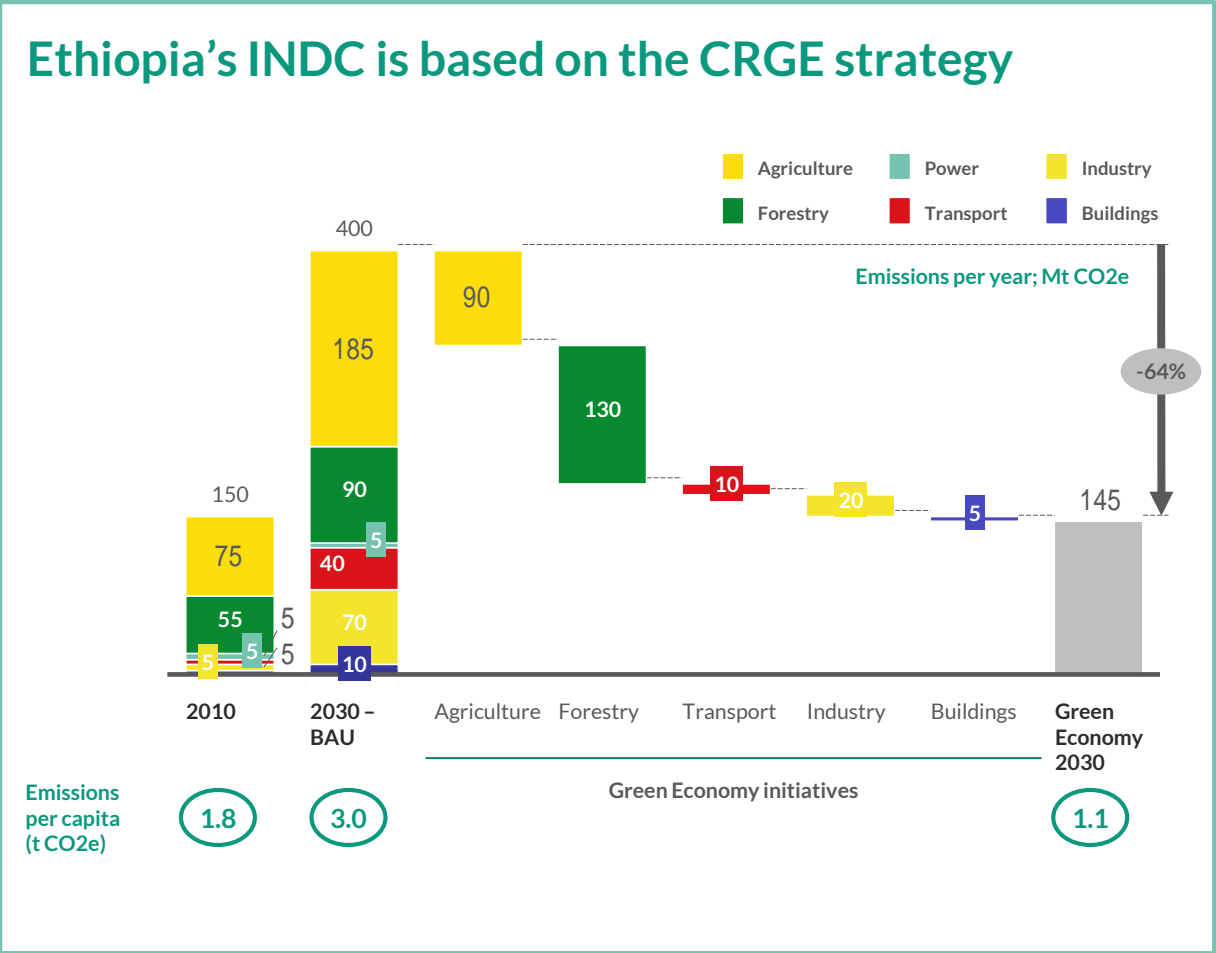
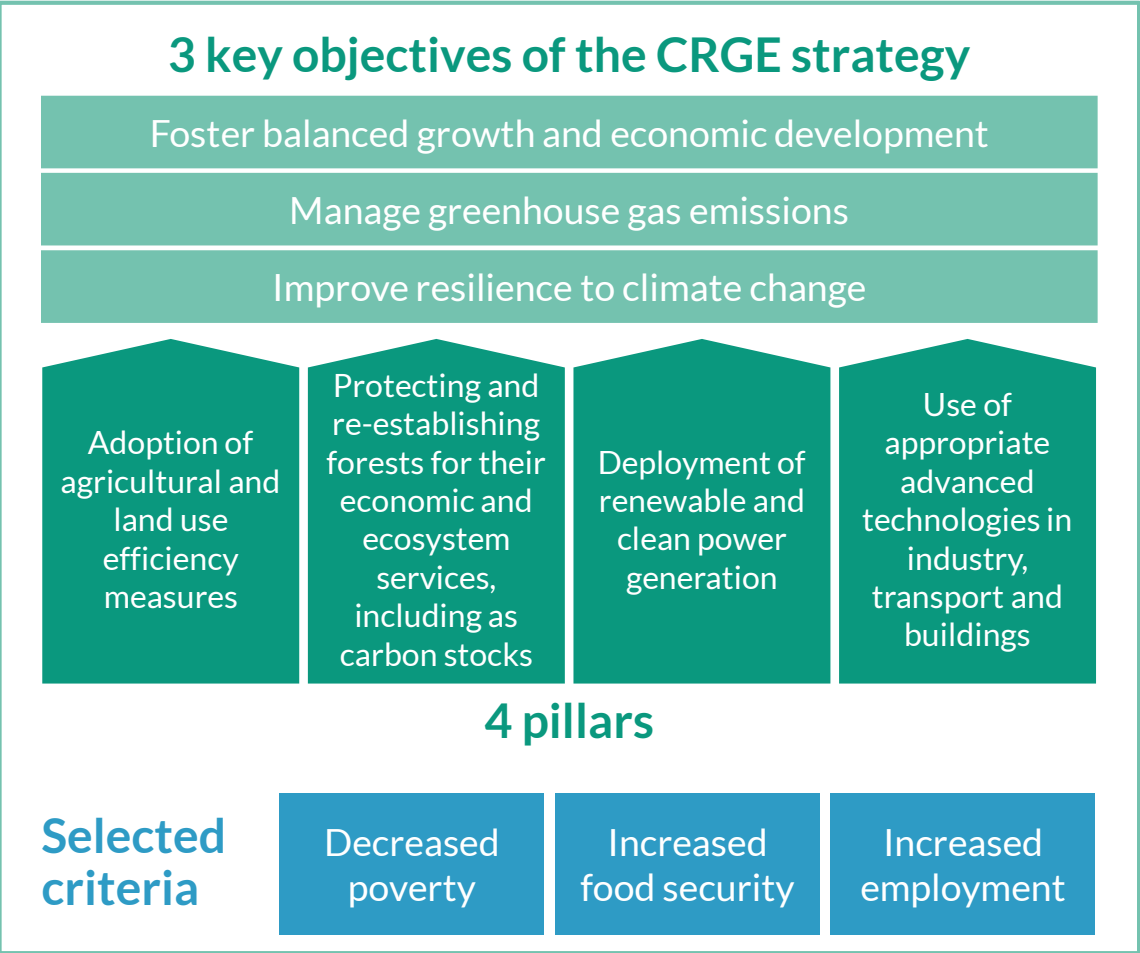
Increased occurrence of floods



- 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

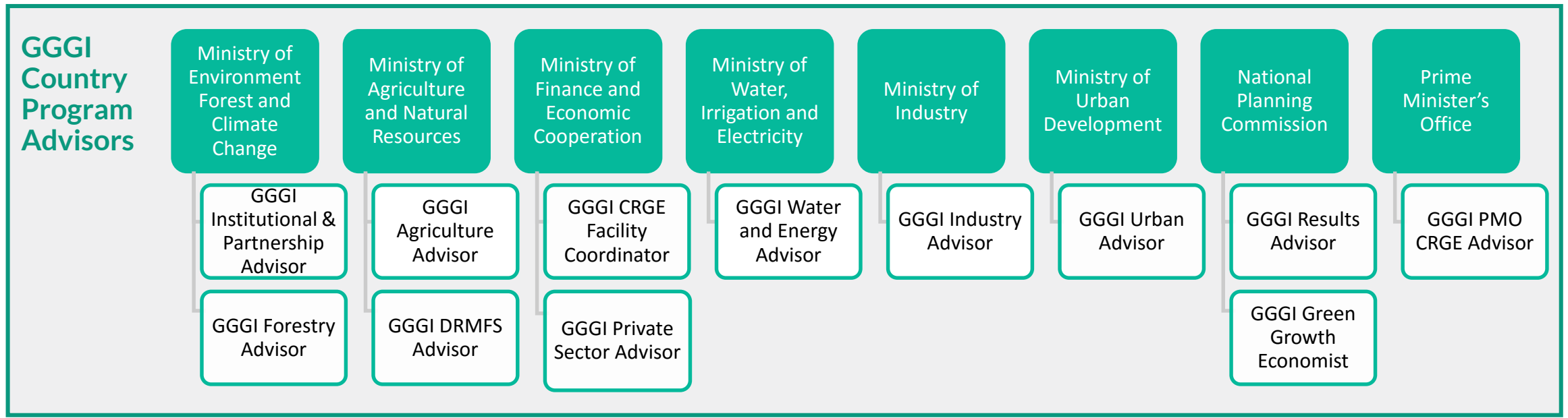
Ethiopia's CRGE vision

The Climate Resilient Green Economy strategy lays out a path towards middle income status by 2025, while keeping emissions constant



GGGI's Country Program support to Ethiopia

GGGI supports multiple line Ministries and coordination mechanisms



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

2015

- \$21m for 27 'Fast Track Investments' across 7 sectors

2016

- \$80m for Ethiopia's REDD+ program from Norway

2017

- \$10m from the Adaptation Fund for a Climate Smart Integrated Rural Development Project
- At least \$140m committed by the Danish Business Finance Center for a water treatment and distribution system in Mekelle, Tigray
- \$45m from the GCF to enhance critical irrigation systems in regions regularly stricken by drought

Total of approx. \$296m mobilized

CRGE and the private sector

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



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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

Relevant CRGE pillars

Adoption of agricultural and land use efficiency measures

Deployment of renewable and clean power generation

Use of appropriate advanced technologies in industry, transport and buildings

KOICA's Ethiopia strategy: selected priority areas

- Support rural infrastructure to increase agricultural productivity

- Support electricity generation and transmission facilities

- Support building of transportation infrastructure

Thank You

