

**Ministry of Finance and Economic Cooperation (MOFEC)
of the Federal Democratic Republic of Ethiopia**

Inception Report

Climate Smart Integrated Rural Development Project

Submitted to: The Adaptation Fund Board Secretariat

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Addis Ababa

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1. Background

The Adaptation Fund Board approved the accreditation of MOFEC as a National Direct Access Implementing Entity on February 26, 2016. MOFEC then submitted a funding proposal entitled “*Climate Smart Integrated Rural Development Project*” in August 2016 to the AF Board Secretariat and the board approved the project for funding in March 2017. Following this, MOFEC and AF board secretariat signed the project implementation agreement on April 18, 2017. Based on the disbursement schedule submitted, the International Bank for Reconstruction and Development (IBRD), the Trustee of the AF, effected the first disbursement of USD 4,098,727 million was received in the MOFEC account on July 31st 2017. The CRGE Facility in MOFEC organized series of project familiarization and planning workshops for the relevant stakeholders at federal, regional and local levels. In this regard, four project familiarization and planning workshops were organized between July and November 2017. This inception report is prepared in line with Article 7.01 (a), of the implementation agreement.

2. About the Project

The Adaptation Fund financed project targets seven Woredas located in five regional states and one city Administration in Ethiopia. In each of the target Kebeles, the project activities shall be implemented in two kebeles (the lowest administrative unit in Ethiopia). The project target woredas and kebele characteristics are presented in the following table.

Table-1 Project Woredas and Kebeles

Region	Woreda	Selected kebeles
Oromia	Adama	<ul style="list-style-type: none"> ▪ Bati Bora (HH=336 male headed; 90 female headed; Total population; M= 996, F=902; Land size=1025 ha) ▪ Bati Germama (Male headed HH=580; Female Headed=187; Total population; M=1911, F=1554) ▪ Land size (1818 ha)
	Aleltu	<ul style="list-style-type: none"> ▪ Sadeni Segeda - Both Sexes 1,923; Male: 993; Female: 930; Number of HH:386 ▪ Tulu Fati - Both Sexes: 3,852; Male: 1,885; Female: 1,967; Number of HH: 782. ▪ .
SNNP	Lock Abaya	<ul style="list-style-type: none"> ▪ Desse (Population: M=1533, F=1544; Total=3075; HH=612 (Male headed=569; Female headed=43); Area=1000 ha) ▪ Sodo-Simita (Population: M=3515; F=3300; Total=6816; HH=888 (male headed=812, Female headed=76); Area=1188 ha)
Harari	Sofi	<ul style="list-style-type: none"> ▪ Burka (Population: M=2539; F=2643; Total=5182; HH=1329; Area=1806 ha) ▪ Sofi kebele (Population: M=3766; F=3919; Total=7685; HH=1971; Area=1342 ha)
Dirdawa	Wayil	<ul style="list-style-type: none"> ▪ Wahil (population: 5,835 persons or 1269 hhs)
	Kilaster	<ul style="list-style-type: none"> ▪ Legeodagudunfet (populatioin: 7253; 1543)
Tigray	Raya Azebo	<ul style="list-style-type: none"> ▪ Hawelt (7840 ha; population: 12439 persons) ▪ Mechare (15600 ha; 11,011 persons)
Amhara	Tenta	<ul style="list-style-type: none"> ▪ 03 Abamella (Population: M=2103; F=2024; Total=4127 Area=7543.75ha) ▪ 09 Tena Population; M=1879; F=1858; Total 3737; Area=3616.5 ha)

These woredas were selected based on their vulnerability to climate hazard (e.g. increasing variability of rainfall and increasing frequency of drought/flood), vulnerability to climate change (e.g. limited income diversification and crops) and adaptability, i.e. availability of water and physical access to markets. The

target Kebeles have also been selected in close consultation with stakeholders with the Woredas, and represent diverse agro-ecological conditions, access to markets, and extent of vulnerability to drought.

The overall objective of the project is to increase resilience to recurrent droughts in 7 agro-ecological landscapes in Ethiopia. An integrated water, agriculture and natural resource management approach will be adopted to achieve two outcomes:

1. increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes; and
2. enhanced and secure access to potable water supply, and small-scale irrigation in drought affected areas.

2.1 Project components and results

The objective and outcomes of the project are aligned with the Results Framework of the Adaptation Fund and directly contribute to four fund level outcomes. The project components, outcomes, outputs and budget are summarized in following table.

Table-2 Expected project results

Project Components	Expected Outcomes	Expected Outputs	Budget in (US\$)
1. Awareness and ownership of adaptation planning at the local level	Increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes	Output 1.1: Increased awareness, understanding and ownership of climate risk reduction processes and adaptation planning at all levels Output 1.2: Climate smart development plans developed Output 1.3: Climate resilient water plans developed Output 1.4: Climate smart agriculture and land – water - forest integration plans developed Output 1.5: Climate resilient livelihood plans developed	367,510

<p>2. Water security</p>	<p>Enhanced and secure access to potable water supply, and small-scale irrigation in drought affected areas</p>	<p>Output 2.1: Potable water supply increased in target areas Output 2.2: Irrigation infrastructure for agriculture and livestock watering designed and developed to withstand climate change</p>	<p>4,736,667</p>
<p>3. Climate smart agriculture – land – water - forest integration</p>	<p>Increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes</p>	<p>Output 3.1: Climate smart agriculture implemented at the farm level Output 3.2. Integrated watershed management approach used to restore and protect degraded watersheds</p>	<p>1,590,227</p>
<p>4. Climate resilient livelihood diversification</p>	<p>Increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes</p>	<p>Output 4.1: Improved knowledge, understanding and awareness of livelihood opportunities Output 4.2: Increased capacity of target households to participate in climate resilient, market-oriented enterprises</p>	<p>527,371</p>
<p>5.Capacity building, monitoring, evaluation and learning</p>	<p>Increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes</p>	<p>Output 5.1: Increased capacity and knowledge transfer Output 5.2: Project results monitored and evaluated and lessons captured Output 5.3: Results and lessons communicated to key stakeholders and mainstreamed in local planning processes</p>	<p>1,799,288</p>

2.2 Project Indicators and Targets

Expected Results	Indicators	Targets
Project outcomes 1. Increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes	1. Number of people suffering losses from drought events	<ul style="list-style-type: none"> Number of people suffering losses from drought events
	2. Percentage of target population adopting risk reduction measures	<ul style="list-style-type: none"> 60% of target population adopting risk reduction measures
	3. Number of kebeles where ecosystem services have been maintained or improved under climate change ^[11] _{SEP}	<ul style="list-style-type: none"> 14 Kebeles where ecosystem services have been maintained or improved under climate change^[11]_{SEP}
2. Enhanced and secure access to potable water supply, and small-scale irrigation in drought affected areas	1. Percentage of HHs disaggregated by gender having access to potable water, irrigation and livestock watering facilities	<ul style="list-style-type: none"> Access to potable water supply in targeted kebeles is 80%, to irrigation is 40% and to livestock watering facilities is 25%
Component 1: Awareness and ownership of adaptation planning at the local level		
Output 1.1: Increased awareness, understanding and ownership of climate risk reduction processes and adaptation planning at all levels	1. No. of woredas mainstreaming climate issues within their development plans	<ul style="list-style-type: none"> One climate mainstreaming framework will be developed Seven Woredas mainstream climate issues into their development plans
	2. No. of community groups engaged in adaptation planning (by gender)	<ul style="list-style-type: none"> 7 community groups formed and operationalised (1 for each Woreda)
	3. No. of women/men from target HH participating in adaptation planning processes and mobilised to participate in project activities	<ul style="list-style-type: none"> 4,375 women and 4,375 men from target HH participating in adaptation planning processes and mobilised to participate in project activities
Output 1.2: Climate smart development plans designed	1. No. of climate smart development plans developed and implemented	7
Output 1.3: Climate resilient water plans developed	1. Number of climate resilient water plans developed and implemented	7
Output 1.4: Climate smart agriculture and land – water - forest integration plans developed	1. Percentage of committee positions held by women/men from target HH in planning processes	<ul style="list-style-type: none"> 50% of committee position held by women
	2. Number of Climate smart Agriculture and land – water - forest integration plans developed and implemented	<ul style="list-style-type: none"> 7 Climate smart Agriculture and land – water - forest integration plans developed

Expected Results	Indicators	Targets
Output 1.5: Climate resilient livelihood plans developed	1. Number of climate resilient livelihood plans developed	• 7 Climate resilient livelihood plans developed
Component 2: Water security		
Output 2.1: Potable water supply increased in target areas	1. Number of female and male headed HHs having access ¹ to a potable water supply	• 8,750 HH (26% Women headed) have access to a potable water supply
	2. Number of wells constructed to the required standards of the MoWIE	• 14 wells
	3. Number of wells drilled that are fitted with solar powered submersible pump systems	• 14 shallow wells fitted with solar powered submersible pump systems
	4. Number of well monitoring devices (WMD) installed in wells	• 7 WMD
	5. Number of elevated reservoirs constructed	• 14 elevated reservoir and water points
Output 2.2: Irrigation infrastructure for agriculture and livestock watering designed and developed to withstand climate change	1. Number of hectares of land irrigated from ground water supplies and sand dams	• 169 Ha of irrigation agriculture
	2. Number of sites where physical water infrastructure has been improved to deal with climate risk	• 14 sites/kebeles
	3. No. of shallow wells with Solar Powered pumps, Hand dug wells and Springs developed	• 14 Shallow wells with Solar Powered pumps, 20 Hand dug wells, 7 sand dams and 12 Springs developed for irrigation and livestock watering purposes
	4. Number of water user groups developing and adopting by-laws for irrigation, livestock watering and drinking water	• 14 water user groups
Component 3. Climate smart agriculture – land – water - forest integration		
Output 3.1: Climate smart agriculture implemented at the farm level	1. Yield (tonnes) in crops from target areas	• Yields in crops from target areas for cereal crops, pulse, vegetables at for crops 28.64,20.21 and,130.67 quintals per hectares respectively
	2. No of target HH adopting climate resilient farming practices disaggregated by type (e.g. soil conservation)	• 560 HH adopting physical moisture and soil conservation structures, 560 HH adopting biological conservation measures, 560 HH adopting farmland gully treatment and 3,360 HH adopting homestead agroforestry
	3.3. No. of HH participating in farmer field trials	• 870 HH participate in field trials
	4. Average crop diversity index ²	• Increase average crop productivity of female headed HH to 33.23 quintals per hectares
Output 3.2: Integrated watershed	1. Area of land (ha) rehabilitated (by type)	• 140 ha of physical and biological measures on communal land, 14 ha of area closures, 21 ha of upper watershed gully treatment

¹ Access is taken to mean within one km of an adequate amount of water (20 litres per person) through a public standpipe well or spring.

² The inverse of (the number of crops grown by a household + 1)

Expected Results	Indicators	Targets
management approach used to restore and protect degraded watersheds	2. Area of rangeland (ha) managed using environmentally sustainable, climate resilient practices	<ul style="list-style-type: none"> • 30 ha of rangeland managed •
	3. . No of functional community based systems for grazing and efficient feed conservation management	<ul style="list-style-type: none"> • 14 functional community based systems established
	4. Area of afforested land (ha)	<ul style="list-style-type: none"> • 1600 hectares of afforested/ reforested land
	5. No of nurseries established	<ul style="list-style-type: none"> • 14 nurseries established
	6. No of seedlings distributed	<ul style="list-style-type: none"> • 840 quintal of seeds distributed through MFI
Component 4. Climate resilient livelihood diversification		
Output 4.1: Improved knowledge, understanding and awareness of livelihood opportunities	4.1: <ol style="list-style-type: none"> 1. No of cooperative and youth groups established; 2. No. of cooperatives members (Male and Female) trained and providing assistance to the HHs 	<ul style="list-style-type: none"> • 700 farmers trained on poultry, beekeeping, forage, loan and savings, meat production, food nutrition, closure • 14 cooperative members and 14 DAs trained and providing livelihood diversification assistance to the HHs; • 12,000 tonnes of different low land fruits, 168 tonnes of local variant potatoes and 420 kgs of various vegetables and 21 quintals of forage seed distributed to the targeted HHs through the MFI • 7 Cooperatives established and members trained on seed production and agro- business • 7 Youth groups supported to give rental of mechanized agro-services
Output 4.2: Increased capacity of target households to participate in climate resilient, market-oriented enterprises	4.2: <ol style="list-style-type: none"> 1. Number of women/men from target HH with a new source of income. 	<ul style="list-style-type: none"> • 2,590 Men and 1,820 Women headed HHs with new income source.
	<ol style="list-style-type: none"> 2. No of farmers trained and engaged in a new enterprise 	<ul style="list-style-type: none"> • 1,386 farmers trained and engaged in a new enterprise
	<ol style="list-style-type: none"> 3. Number of HH (Male and female headed) accessing credit facilities and market information 	<ul style="list-style-type: none"> • 3,062 Male and 1,313 Women headed HHs accessing credit facilities and accessing market information
Component 5: Capacity building, monitoring, evaluation and learning		
Output 5.1: Increased capacity and knowledge transfer	5.1: <ol style="list-style-type: none"> 1. Number of adjacent woredas practicing integrated climate smart planning, implementation and monitoring 	<ul style="list-style-type: none"> • All 7 project woredas adapt climate smart planning, implementation and monitoring •
	<ol style="list-style-type: none"> 2. Number of adjacent kebeles adopting climate smart agriculture (CSA), watershed management and diversified livelihoods. 	<ul style="list-style-type: none"> • All 14 project Kebeles adopt CSA, watershed management and diversified livelihood
	<ol style="list-style-type: none"> 3. No of farmers/pastoralists disaggregated by gender participating in cross visits or view participatory videos by other farmers. 	<ul style="list-style-type: none"> • 420 farmers (210 female and 210 male) participate in cross visits or view participatory videos by other farmers.

Expected Results	Indicators	Targets
	4. Number of people (community and Woreda agents) trained in CSA, agri-business, seeds, irrigation, post-harvest management and the operation and maintenance of Solar PVs and hand pumps and post-harvest management	<ul style="list-style-type: none"> 151 woreda experts and development agents trained on CSA, agri-business, seeds, irrigation, post-harvest management, Solar PV and Hand pump maintenance. 102 farmers trained on post-harvest management
Output 5.2: Project results monitored and evaluated and lessons captured	1. Number of analytical reports prepared on meteorological station data and satellite data	<ul style="list-style-type: none"> 7 analytical reports prepared on meteorological station data and satellite data
	2. Number of CSA project results analysed	<ul style="list-style-type: none"> 5 CSA project results analysed
	3. No. of communication materials developed and shared with stakeholders to share results	<ul style="list-style-type: none"> 18 communication materials developed and shared with stakeholders to share results
Output 5.3: Results and lessons communicated to key stakeholders and mainstreamed in local planning processes	1. Number of Climate Smart manuals and guidelines prepared	<ul style="list-style-type: none"> 1 Climate Smart manual and guideline prepared
	2. Number of Federal, Regional and Woreda level media coverage/publications	<ul style="list-style-type: none"> 13 Federal, Regional and Woreda level media coverage/publications made
	3. No. of information sharing, consultation and dialogues with state and non-state stakeholders	<ul style="list-style-type: none"> 10 information sharing, consultation and dialogues with state and non-state stakeholders

2.3 Project Beneficiaries

The main beneficiaries of the project are the 65,360 individuals located in the 7 woredas where project interventions take place. The Project is designed to target the most vulnerable communities and households.

The following parameters apply to select project beneficiaries:

- Households who have not benefited from similar initiatives;
- Vulnerability Status of Households;
- Land Ownership Status;
- Willingness to participate in the project;
- Female Headed Households and Youth Groups;

3. The Familiarization, Planning and Inception Workshops

Following the approval of the project by the AF board, the CRGE Facility in MOFEC organized series of inception workshops for the relevant project stakeholders at federal, regional and local levels. Between July- November 2017, a total of four workshops were organized at various locations. The First three workshops aimed at familiarizing the project to relevant federal, regional and woreda stakeholders and invite them to prepare detailed plan for the 2018 Fiscal Year and customize the plans to the project for each woreda and sector. The fourth and the last workshop was organized to mark the launching of the project implementation, which was followed by signing of Memorandum of Understanding (MOU) between MOFEC, Bureaus of Finance and Economic Development (BOFEDs) and the Federal Executing Ministries (i.e. MOANR, MOWIE, MOLF, MEFCC). Copy of the MOU is annexed to this report.

3.1 The 1st project familiarization workshop

The first project familiarization workshop was organized in Adama city in Oromia Regional State from July 20-22, 2017. A total of 70 participants drawn from the AF project executing entities at federal regional woreda levels attended the workshop. The overall objective of the workshop was to familiarize participants with the project objectives, components, activities, project budget, financial management and implementation arrangement including roles and responsibilities of stakeholders at various levels. Materials presented during the workshop are presented under annex-1. In a nutshell, the workshop created opportunity to clarify the project fund disbursement and reporting arrangements as well as to respond question, which the participants raised. During this workshop, roadmap for preparing a detailed annual plan for the 2018 fiscal year was also agreed. Accordingly, a planning template was discussed and participants were given the opportunity to exercise actual planning during break-up sessions. At the end of the workshop, consensus was reached on way forward and draft plan submission date.

3.2 The 2nd Project Familiarization and Planning Workshops

At the end of the first round familiarization workshop, each region was tasked to prepare a consolidated regional work plan for the program period in conformity with the Adaptation Fund Board approved project document. The second round planning workshops were organized in two locations in order to maintain the number of participants to an optimum number and minimize cost

due to long-travel from project target woredas to one central location. The workshops were organized in the Northern and Central parts of the country. Accordingly, the first workshop was organized in Adama City from November 23-25, 2017. In this workshop, more than 100 participants drawn from four neighboring regional states (i.e. Oromia, SNNPR, Hariri and Dire Dawa) attended. During the workshop, each region presented its consolidated regional project plan for the 2018 fiscal year and extensive discussion were made. In addition, the CRGE Facility experts from MOFEC gave presentation on topics, which have direct relevance to the project implementation, financial management and reporting. At the end of the workshop, the federal sector ministries took the responsibility to further consolidate the regional plans for their respective sectors, review them based on the feedbacks provided during the workshop and submit the consolidated plan to the CRGE Facility in MOFEC. Consensus was also reached on the way-forward including date of submission of the consolidated plan to the CRGE Facility and signing of the Memorandum of Understanding. Similar workshops were also conducted in Amhara and Tigray regional states. The workshop agenda were them and similar procedures were followed. Over 80 participants drawn from the neighboring Tigray and Amhara Regional States attended the workshop. It is important to note that in this process, the Bureau of Finance and Economic Development (BOFED), which is the receiver of fund from MOFEC for regional and woreda level interventions, took greater responsibility in coordinating the planning process.

3.3 Signing of Memorandum of Understanding-

After the successful of the detailed annual planning process, the CRG Facility prepared an MOU, that shall govern the program financial management, reporting, roles and responsibilities of the relevant stakeholders at Federal, Regional and Woreda levels. The draft MOU was shared to the BOFEDs and the Federal Executing Entities for review and feedback. After addressing the comments and feedbacks provided by the stakeholders, date was fixed for signing of the MOU. Accordingly, the MOU between MOFEC and BOFEDs was signed on December 23, 2018 at the end of two days MOFEC-BOFED retreat at Liska Resort in Dibre-Ziet town located 45 km to the South East direction from Addis Ababa. Sate Ministers of the Federal Executing Ministries (MOANR, MOWIE, MEFCC and MOLF) signed the MOFEC between January and early February, 2018 in their offices. We have annexed scanned copy of the MOU for your information separately due to file size. As it is evident from the annexed MOU, the project budget for the entire

duration has been disaggregated by Regions. The 2018 detailed annual work plan, which is basis for disbursement from MOFEC to the BOFEDs and Federal Sector Ministries is also annexed separately due to file size.

In addition to the project familiarization and planning workshops, the baseline assessment of the project was also started early. A consulting firm was hired and conducted the baseline assessment in all the project target woredas. The final baseline report is annexed separately.

Annexes

Annex-2 Materials presented during the workshops

Presentation Material for the First Project Familiarization Workshop



Outline:

- About the CRGE Facility
- About Kyoto Protocol and Adaptation Fund
- The Project
- Next steps

The CRGE Facility



Background

- Realizing the vision of building a low-carbon and climate resilient middle income country status by 2025 requires expenditure of around US\$ 150 billion;
- This means that Ethiopia has to invest USD 7.5 billion per year to make the economy climate smart and ensure the sustainability of economic growth



Background (cont.)

- This resource should be mobilized from domestic and external sources including from private sector in the form of FDI, from bilateral and multilateral sources in the form of grant, concessional loan and other instruments;
- As indicated in the CRGE Strategy, MOFEC is entrusted to mobilize and allocate finance;
- MOFEC has officially established and operationalized the *CRGE Facility* in September 2012 as its climate finance delivery entity



CRGE Facility Objectives

- The overall objectives of the Facility are to access, mobilize and administer climate finance, which is mobilized from bilateral and multilateral sources and leverage domestic allocations.
- Specifically, the Facility mobilizes financial resources and ensures effective use of the funds for the intended purpose and reporting of the same to the institutions and the stakeholders



Main Duties and Responsibilities of the CRGE Facility:

- Mobilization and receiving resources from different sources;
- Receiving project proposals;
- Allocation of funds;
- Disbursing funds to Implementing Entities (IEs)
- Oversight of funds;
- Monitor, evaluate, verify and report on the results achieved by funded actions;
- Receiving substantive and financial report from the IEs;



Duties and Responsibilities (cont.)

- Request independent verifiers including MEF on reports submitted by sectors;
- Ensure the agreed procedures, rules and regulations are adhered to;
- Provide fiduciary assurance to the providers of finance;



Facility updates

- In 2014 and 2015, the CRGE Facility was provided with around \$45 million from bilateral development partners (Austria, Denmark, Norway and the UK);
- Has prepared and operationalized Monitoring and Evaluation System, Social and Environmental Framework and Private Sector Engagement Framework.
- 30 climate change projects across six supported; most of them will end soon;
- Comprehensive CRGE national capacity development program



Facility updates (cont.)

- Climate finance tracking system under preparation;
- Switch to full channel one fund disbursement and reporting arrangement;
- Accreditation of MOFEC by the GCF and AF for direct access

The Kyoto Protocol and the Adaptation Fund

The Kyoto Protocol



- The UN climate process began nearly a quarter of a century ago with the agreement in 1992 of the UN Framework Convention on Climate Change (UNFCCC) at the Earth Summit in Rio.
- In 1997 governments agreed the Kyoto Protocol (KP) at COP3
- The KP committed developed countries (“Annex 1 Parties”) to reduce their emissions by an average of 5% below 1990 levels by 2010.

KP (Cont.)



- The Kyoto Protocol eventually entered into force in 2005, without the participation of the United States, which refused to ratify any agreement that included binding emissions reduction targets;

The Adaptation Fund



- The Adaptation Fund (AF) is an international climate fund created under the UNFCCC to serve the KP
- It was established in 2001 at COP7 in Marrakech and officially launched in 2007
- It is intended to finance concrete adaptation projects and programs in developing country Parties to the Kyoto Protocol
- The AF is managed by the Adaptation Fund Board (AFB)
- The secretariat of the AFB provides research, advisory, administrative, and an array of other services to the Board, and consists of an international staff based in Washington, DC;

AF (Cont.)



- The World Bank serves as the trustee of the AF;
- The AFB is composed of 16 members and 16 alternates representing Annex I countries, Non-Annex I countries, LDCs, SIDSs, and regional constituencies;
- The AFB meets three times per year in Bonn, Germany;
- *One unique feature of the AF is its direct access mechanism, which enables accredited national implementing entities (NIEs) and regional implementing agencies (RIEs) in developing countries to directly access climate adaptation financing.*

The Project



Background

- MEFCC is the NDA to the AF;
- MOFEC was accredited by the AF in March 2016 for direct access;
- Project proposal was submitted immediately;
- The AFB approved the project proposal in March 2017 during its 29th meeting;
- MOFEC and the AFB signed Project Agreement in June 2017;
- **The project is multi-sectoral and seeks integrated approach**



Project Information

- **Project Title: Climate Smart Integrated Rural Development Project**
- **Project Period: 3 years**
- **Total Budget: USD 9,987,910**

Objectives of the project:

- The overall objective of the project is to increase resilience to recurrent droughts in 7 agro-ecological landscapes in Ethiopia

Project Location



Region	Woreda	Kebele
Oromia	Adama	Bati Bora; Bati Germama
	Aleltu	Sadeni Segeda; Tulu Fati
SNNPR	Lock Abaya	Desse ; Sodo-Simita
Harari	Sofi	Burka ; Sofi kebele
Dire Dawa	Wayil Kilaster	Wahil; Legeodagudunfet
Tigray	Raya Azebo	Hawelt; Mechare
Amhara	Tenta	03 Abamella; 09 Tena

Selection Criteria



Woreda

- vulnerability to climate hazard (e.g. increasing variability of rainfall and increasing frequency of drought/flood),
- vulnerability to climate change (e.g. limited income diversification and crops) and
- adaptability, i.e. availability of water and physical access to markets;
- not been included in existing programmes of support

Selection Criteria (Cont.)



Kebele

- target Kebeles were selected in close consultation with stakeholders with the Woredas, and
- access to markets, and
- extent of vulnerability to drought

Project Information (Cont.)



Components of the Project:

- 1) **Component 1:** Awareness and ownership of adaptation planning at the local level;
- 2) **Component 2:** Water security;
- 3) **Component 3:** Climate smart agriculture – land – water – forest integration;
- 4) **Component 4:** Climate resilient livelihood diversification; and
- 5) **Component 5:** Capacity building, monitoring, evaluation and learning

→ *These components will be applied in each of the project locations*

Project outcomes and outputs

Component	Outputs	outcomes	Budget
1. Awareness and ownership of adaptation planning at the local level	Output 1.1: Increased awareness, understanding and ownership of climate risk reduction processes and adaptation planning at all levels	Increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes	367,510
	Output 1.2: Climate smart development plans developed		
	Output 1.3: Climate resilient water plans developed		
	Output 1.4: Climate smart agriculture and land - water - forest integration plans developed		
	Output 1.5: Climate resilient livelihood plans developed		
2. Water security	Output 2.1: Potable water supply increased in target areas	Enhanced and secure access to potable water supply, and small-scale irrigation in drought affected areas	4,736,667
	Output 2.2: Irrigation infrastructure for agriculture and livestock watering designed and developed to withstand climate change		
3. Climate smart agriculture - land - water - forest integration	Output 3.1: Climate smart agriculture implemented at the farm level	Increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes	1,590,227
	Output 3.2: Integrated watershed management approach used to restore and protect degraded watersheds		

Project outcomes and outputs

Component	Outputs	outcomes	Budget
4. Climate resilient livelihood diversification	Output 4.1: Improved knowledge, understanding and awareness of livelihood opportunities	Increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes	527,371
	Output 4.2: Increased capacity of target households to participate in climate resilient, market-oriented enterprises		
5. Capacity building, monitoring, evaluation and learning	Output 5.1: Increased capacity and knowledge transfer	Increased capacity to manage current and future drought risks through improved adaptation planning and sustainable management of agro-ecological landscapes	1,799,288
	Output 5.2: Project results monitored and evaluated and lessons captured		
	Output 5.3: Results and lessons communicated to key stakeholders and mainstreamed in local planning processes		
Project/Programme Execution cost			465,404
Total Project/Programme Cost			9,486,468
Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			501,443
Amount of Financing Requested			9,987,910



Project Beneficiaries by Component

Component 1- Awareness and ownership of adaptation planning at the local level

- 14 Kebeles with climate smart plans

Component 2- Water Security

- 8,750 households have access to potable and irrigation water



Project Beneficiaries by Component

Component 3- Climate smart agriculture – land – water - forest integration

- 560 HHs adopting physical moisture and soil conservation structures,
- 560 HH adopting biological conservation measures,
- 560 HH adopting farmland gully treatment and
- 3,360 HH adopting homestead agroforestry
- 14000 HH benefiting from community rehabilitation;
- 14000 households benefiting from enhanced watershed management and ecosystem services



Implementation Arrangement;

Federal Level

- MOFEC is the implementing entity;
- The CRGE Facility coordinates implementation of the project;
- MOANR, MEFCC, MOWIE, MOLF are the executing entities;

Regional Level;

- BOFED coordinates the implementation and financial management;
- The Four sector bureaus are the regional executing entities;
-



Implementation Arrangement (cont.);

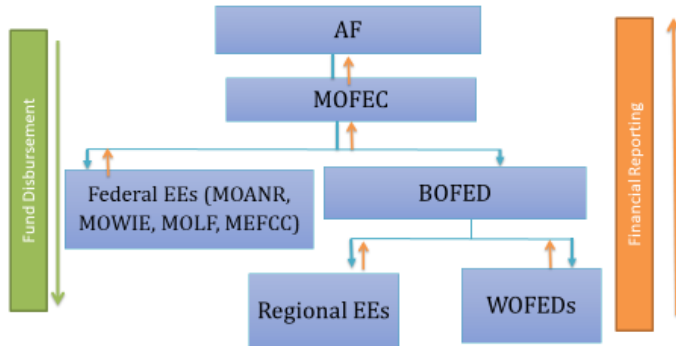
Woreda Level

- Woreda steering committee (or development committee) as it coordinates actions on the ground across the four sectors and at landscape levels;
 - The four sector offices will lead the implementation of activities within their mandates and responsibility;
 - The WoFED will manage the project fund;
- The four sector offices work in the same landscape



Fund Disbursement and Reporting Arrangement

- Channel One arrangement;



Experts to be hired

Institution	Level	Role	No.
MoFEC	Federal	Project Officer	1
MoANR, MoWIE, MEFCC, MoLNR	Federal	Technical Officers	4
WoANR	Woreda	M&E & Project Facilitators	7
WoFED	Woreda	Financial Officers	7
Total to be hired at the various levels			19



Next Steps

- Detailed Planning and budgeting;
- Baseline Assessment;
- Beneficiary Selection;
- Recruitment of project personnel;
- Account Opening;
- **Implementation!!!**



Thank you for Your Attention!!

PPT Slides Presented During the MOFEC-BOFED Retreat



Ethiopia's Climate Resilient Green Economy (CRGE) Facility

Climate Smart Integrated Rural Development Project

MOFEC-BOFED Retreat
December 22-23, Bishoftu



Outline:

- CRGE Strategy and GTP-I
- CRGE Strategy and GTP-II
- The Ethiopian INDC
- Climate Finance Tracking Methodology;
- The Project



CRGE Strategy and GTP-I

- The formulation of GTP-I was guided by the national vision of reaching middle income economy by 2025;
- Under GTP-I, climate change and environment were dealt as one of the "Cross Cutting Sectors"
- In 2011, the government of Ethiopia initiated the CRGE Strategy and officially declared in Durban



CRGE Strategy and GTP-I (Cont.)

- ❑ The CRGE Strategy underlines Ethiopia's endeavor and commitment to combat the adverse impacts of climate change;
- ❑ The CRGE Strategy was followed by formulation and operationalization of new institutional set up such as MEFCC, CRGE Facility, CRGE Units;
- ❑ GTP-I and CRGE Strategy have number of communalities;



CRGE Strategy and GTP-II

- ❑ The continued political commitment, leadership and lessons during GTP-I led to integration of CRGE into GTP-II;
- ❑ "Major emphasis is given to building a climate resilient green economy in the context of sustainable development and realizing the vision of becoming a lower middle-income country by 2025"- GTP-II, page 80;
- ❑ Building climate resilient green economy is one of the pillars of GTP-II;



CRGE Strategy and GTP-II (cont.)

- ❑ "In building green economy, the green economy agendas will be rigorously mainstreamed in macro and sector plans, programs and projects, and will be regularly monitored and evaluated to ensure accountability at all levels" GTP-II, page 93.
- ❑ National GHG Target for GTP-II: 147 million tone of greenhouse gas emissions from economic sectors

The Ethiopian INDC



- ❑ Countries across the globe adopted an historic International Climate Change Agreement in Paris in December 2015;
- ❑ In anticipation of this moment, countries publicly outlined what post-2020 climate actions they intended to take under the new international agreement, known as their INDCs;
- ❑ INDCs are the primary means for governments to communicate internationally the steps they will take to address climate change in their own countries

The Ethiopian INDC (Cont.)



- ❑ INDCs reflect each country's ambition for reducing emissions, taking into account its domestic circumstances and capabilities;
- ❑ When countries join the Paris Agreement and look forward to implementation of these climate actions – the “intended” is dropped and an INDC is converted into a Nationally Determined Contribution (NDC);

The Ethiopian INDC (Cont.)



- ❑ The Ethiopian NDC targets 64% emission reduction or 255 million ton CO₂e from the BAU by 2030;
- ❑ Sector specific contributions for the above target includes;
 - 90 million ton from Agriculture;
 - 130 million from Forestry;
 - 20 million from Industry;
 - 10 million from Transport;
 - 5 million from Industry



Climate Finance Tracking and Projection Methodology and approach:

- We are not in a position to clearly indicate how much Ethiopia invests on climate change by source, sector and time;
- The CRGE Facility in collaboration with GGGI has developed a climate finance tracking and projection methodology;
- Application has commenced in the forest sector and will continue in the other sectors in collaboration with the WB, GGGI and other partners;



Climate Smart Integrated Rural Development Project

Project Information



- Project Title: Climate Smart Integrated Rural Development Project
- Project Period: 3 years
- Total Budget: USD 9,987,910

Objectives of the project:

- The overall objective of the project is to increase resilience to recurrent droughts in 7 agro-ecological landscapes in Ethiopia

Project Location



Region	Woreda	Kebele
Oromia	Adama	Bati Bora; Bati Germama
	Aleltu	Sadeni Segeda; Tulu Fati
SNNPR	Lock Abaya	Desse ; Sodo-Simita
Harari	Sofi	Burka ; Sofi kebele
Dire Dawa	Wayil Kilaster	Wahil; Legeodagudunfet
Tigray	Raya Azebo	Hawelt; Mechare
Amhara	Tenta	03 Abamella; 09 Tena

Project Information (Cont.)



Components of the Project:

- 1) **Component 1:** Awareness and ownership of adaptation planning at the local level;
- 2) **Component 2:** Water security;
- 3) **Component 3:** Climate smart agriculture – land – water - forest integration;
- 4) **Component 4:** Climate resilient livelihood diversification; and
- 5) **Component 5:** Capacity building, monitoring, evaluation and learning

➔ *These components will be applied in each of the project*

locations

Project Budget by region and component(ETB)



Component	Budget /year					
	Oromia			Other Regions (Amhara, Tigray, SNNPR, Harai and Dire Dawa)		
	Year-1	Year-2	Year-3	Year-1	Year-2	Year-3
Component-2		21,860,000	6,560,000		10,930,000	3,280,000
Component-3	6,544,618	2,511,047	485,696	3,272,309	1,255,523	242,848
Component-4	1,249,600	1,147,886	766,742	624,800	573,943	383,371
Component-5	4,507,702	4,859,544	1,428,480	2,253,851	2,429,772	714,240
Operations and Execution	1,146,857	826,857	826,857	573,429	413,429	413,428
Total per year	13,448,777	9,345,334	3,507,775	6,724,389	15,602,667	5,033,887
Grand Total		54,721,886			27,360,943	

Budget for component-1

	Budget Responsible		
	Budget	CRGE Facility	Line Ministries
Component 1. Awareness and ownership of adaptation planning at the local level			
1.1 Increased awareness, understanding and ownership of climate risk reduction processes and adaptation planning at all levels	157500		
1.2: Climate smart development plan designed	1486000		
1.3: Climate resilient water plans developed	2685800		
1.4. Climate smart agriculture and land – water - forest integration plans developed	1924000		
1.5: Climate resilient livelihood plans developed	1464400		
Component-1 Total	7,717,700		

Operations and coordination at Federal Level

Description of item/activity	Unit	Unit cost	Year 1			Year 2			Year 3			Responsible
			Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost		
Vehicle: Double cabin pick up (630,000 ETB per vehicle)	no.	630000	4	2520000								MOANR, MOWIE, MOLF, MEFCC
Vehicle operations cost	Per vehicle per year	120000	4	480000	4	480000	4	480000	4	480000		
Technical officer	Month	25000	48	1200000	48	1200000	48	1200000				
Per diem (30 days per person per year)	Per person per year	15000	4	60,000	4	60,000	4	60,000				
Desk and chair (12000 ETB per person)	Per person	12000	4	48,000	4	48,000	4	48,000				
Lap tops and printers (20000 ETB per person)	Per person	20000	4	80,000	4	80,000	4	80,000				
Communication	Per person per year	5000	4	20,000	4	20,000	4	20,000				
Stationaries (7,500 ETB per person per year)	Per person per year	7500	4	30,000	4	30,000	4	30,000				
Sub-total				4,438,000		0		1,918,000		1,918,000		

Implementation Arrangement;

Federal Level

- MOFEC is the implementing entity;
- The CRGE Facility coordinates implementation of the project;
- MOANR, MEFCC, MOWIE, MOLF are the executing entities;

Regional Level;

- BOFED coordinates the implementation and financial management;
- The Four sector bureaus are the regional executing entities;
-

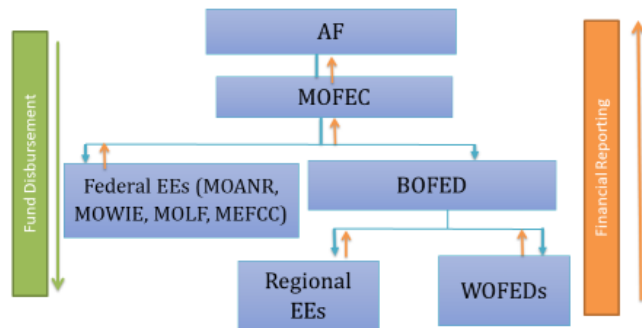
Implementation Arrangement (cont.);

Woreda Level

- Woreda steering committee (or development committee) as it coordinates actions on the ground across the four sectors and at landscape levels;
 - The four sector offices will lead the implementation of activities within their mandates and responsibility;
 - The WoFED will manage the project fund;
- The four sector offices work in the same landscape

Fund Disbursement and Reporting Arrangement

- Channel One arrangement;



Financial Management of the project

- The financial management and procurement of the project will be guided by the public finance management and public procurement regulation of the Government;
- The CRGE Facility will disburse fund to the Executing Entities at the various levels;
- For federal level activities, the Facility will disburse fund to designated CRGE accounts of the Federal institutions;



Financial Management of the project

- For regional, woreda and kebele level activities, fund will be disbursed to a designated account of BOFED;
- For regional level activities by the sector bureau, BOFED disburses fund to the designated account of the sector;
- For woreda and kebele level activities, BOFED disburses fund to the designated account of WOFED;



Roles and Responsibilities of BOFED and WOFED

- Following up on the implementation and progress of projects;
- Quarterly review meetings and monthly follow up meetings focusing on issues;
- Organising a regional monitoring and evaluation
- Open dedicated CRGE account
- Receive funds from the CRGE Facility
- Maintain subsidiary ledger for each CRGE Sector
- Disburse fund to Bureaus and WOFEDs



Roles and Responsibilities of BOFED

- Facilitating account auditing
- Receiving copy of quarterly and annual reports from sector bureaus
- Receive quarterly and annual financial and substantive reports from sector bureaus,
- Sends financial reports to the CRGE Facility and request replenishment



Experts to be hired

Institution	Level	Role	No.
MoFEC	Federal	Project Officer	1
MoANR, MoWIE, MEFCC, MoLNR	Federal	Technical Officers	4
WoA	Woreda	M&E & Project Facilitators	7
WoFED	Woreda	Financial Officers	7
Community DAs/Facilitator	Kebele		14
Total to be hired at the various levels			33



Way forward:

- BOFED opens dedicated account and notify the CRGE Facility;
- Initiate process for the recruitment of project staff at Federal, Woreda and Kebele level, which includes (Woreda Finance Officers, Project Supervisors, Community Facilitators, Request budget disbursement as per the agreed and signed work plan);
- Refine and finalize the work plan for 2018;
- **Implementation!!!**



Thankyou for Your Attention!!

Annex-2 Scanned Copy of the MOU

Annex-3 Detailed 2018 Work plan

