



# GGGI Ethiopia: Fact Sheet

## Climate Resilient Green Economy

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### Challenges

Over the past decade, Ethiopia's economy has grown rapidly and consistently, which has allowed the country to make significant reductions in poverty. Ethiopia's development gains and future sustained growth, however, are face threats due to Climate Change and environmental challenges such as:

- domestic food insecurity due to dependence on rain fed agriculture
- energy insecurity due to reliance on rainwater for hydropower-generated electricity
- Greenhouse Gas (GHG) emissions pose a long term economic liability Greenhouse Gas (GHG) emissions

### Activities

The Government of Ethiopia (GoE) recognizes that environmental sustainability and inclusive growth are critical for Ethiopia to reach middle-income status by 2025 and achieve poverty reduction goals outlines in the country's Growth and Transformation Plan (GTP). In support of these goals, the GoE launched the Climate Resilient Green Economy (CRGE) initiative, which aims to grow a climate resilient middle-income country by 2025 with no net increase on greenhouse gas emissions. Launched in 2010, the CRGE vision is supported by a planning process - the Sectoral Reduction Mechanism - and financial mechanism - the CRGE Facility - to deliver climate resilient green growth across the economy. GGGI is partnering with the GoE to develop and implement the CRGE by:

- Delivering guidance on CRGE integration into the national development plan, GTP (Phase II)
- Supporting the development of the Green Economy Strategy

- Developing climate resilience strategies for the agriculture, forest, water and energy sectors
  - Supporting the implementation and operation of the CRGE Facility
  - Providing support to the Sector Reduction Mechanism
  - Supporting the development, appraisal and implementation of CRGE Fast Track Investments
  - Providing sector-level support
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### Overall Objectives

- Support the development of an effective, government-owned CRGE system that leads to the development of a strategic program of bankable investments, continued capitalization of the CRGE Facility to fund those investments, and effective and strategic monitoring and evaluation framework.
  - Facilitate key systemic transformations in the economy towards a climate resilient green economy
  - Generate innovative ideas for CRGE
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### Implementing Partners

- Ministry of Environment and Forest (MEF)
- Ministry of Finance & Economic Development (MOFED)
- Economic Planning and Analysis Unit of the Prime Minister's Office (PMO)
- Ministry of Water Irrigation and Energy (MOWIE)
- Ministry of Agriculture (MOA)
- Ministry of Urban Development, Housing and Construction (MOUDHC)
- Ministry of Industry (MOI)
- Ethiopian Development Research Institute (EDRI)
- National Planning Commission (NPC)
- United Nations Development Programme (UNDP)
- Climate and Development Knowledge Network (CDKN)
- World Bank

## Contributing Partners

- International Climate Fund (ICF) – United Kingdom
- KfW Development Bank – Germany
- Climate Partnership – Norway

## Results to Date

- Completion of the Green Economy Strategy
- Completion of the Climate Resilience Strategy for Agriculture and Forest
- Completion of the Climate Resilience Strategy for Water and Energy
- Establishment of the CRGE Facility and capitalization by UK of 15m GBP with further financial commitments from Norway and Denmark.
- Development of 6 fast track investment projects in water and energy and contributing to a major fast track investment project in agriculture and forest.
- Guidance and appraisal criteria inputs as well as feedback on a total of 22 investment proposals to the CRGE Facility for total spend of USD20.8M across 8 sectors.
- Framework and sector guidance for integrating CRGE into GTP II plans.
- Establishing the Environment and Climate Research Centre (ECRC)
- Capacity framework and tools for the assessment of existing CRGE capacities within implementing institutions.
- “Unlocking the Power of Cities in Ethiopia” – study on a spatial economic strategy for Ethiopia, as part of the New Climate Economy initiative.

## General Information

GGGI is a new intergovernmental organization founded to support and promote a new model of economic growth known as “green growth.” Green growth targets key aspects of economic performance such as poverty reduction, job creation, and social inclusion, and those of environmental sustainability.

Headquartered in Seoul, Korea, GGGI also has representation in a number of other partner countries.

- **Member Countries:** Australia, Cambodia, Costa Rica, Denmark, Ethiopia, Guyana, Indonesia, Kiribati, Republic of Korea, Mexico, Mongolia, Norway, Papua New Guinea, Paraguay, Philippines, Qatar, Rwanda, United Arab Emirates, United Kingdom, Vietnam
- **Operations:** Amazon Basin, Aral Sea, Brazil, Cambodia, China, Ethiopia, India, Indonesia, Jordan, Kazakhstan, Peru, Philippines, Mekong River Basin, Mongolia, Morocco, Rwanda, South Africa, Thailand, United Arab Emirates, Vietnam