

COUNTRY: FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

PROJECT: MULTISECTOR INVESTMENT PLANNING FOR CLIMATE RESILIENCE
(P158987)

GRANT: US\$1.5MILLION

PROJECT COMPLETION REPORT

(October 21, 2016 – April 2018)

Ministry of Finance and Economic Cooperation
June 2018

ABBREVIATIONS AND ACRONYMS

CIF PPCR	Climate Investment Funds Pilot Program for Climate Resilience
CRGE	Climate Resilient Green Economy
IFR	Interim Financial report
MEFCC	Ministry of Environment Forest and Climate Change
MNDP	Ministry of National Development Planning
MoALR	Ministry of Agriculture and Livestock Resource
MoFEC	Ministry of Finance and Economic Cooperation
MoLF	Ministry of Livestock and Fisheries
MoWIE	Ministry of Water, Irrigation and Electricity
PTS	Portfolio Tracking System

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1. Project Context and Development Objectives

The government of Ethiopia is deeply aware of, and striving to manage, the mounting challenges posed by climate change. While committed to continued rapid growth and the attainment of middle income country status by 2025, this is matched by an undertaking to achieve net-zero GHG emission growth while simultaneously building the resilience of the economy to climate shocks. Its Climate Resilient Green Growth (CRGE) initiative is mobilizing the resources needed by organizations and communities to achieve these triple goals. Within this initiative, the CRGE Facility is responsible for helping mobilize and match resources to programmes and projects prioritized on a strategic basis.

As part of this responsibility, MoFEC through the CRGE Facility has solicited USD 1.5 million from the Climate Investment Funds Pilot Program for Climate Resilience (CIF PPCR) to lead on developing a multi-sector investment plan (MSIP) to scale up achievement of goals related to resilient low carbon green growth. The MSIP preparation process is Government-owned, led by MoFEC along with the Ministry of Agriculture and Livestock Development including the then Ministry of Livestock and Fisheries (MoLF), Ministry of Environment Forest and Climate Change (MEFCC) and Ministry of Water, Irrigation and Electricity (MoWIE).

The Multi-Sector Investment Planning for Climate Resilience Project help convene institutions, information, investment and incentives to scale-up financing for climate action on resilient landscapes, supported by a variety of sources and stakeholders. Moreover, it seeks to support the Ethiopian government institutions and experts engaged in the MSIP process by providing opportunities to identify, prioritize and address some of the key challenges and barriers for greater resilience. The project is envisaged to provide analytical inputs for sector planning, access to global best practice in climate resilience planning and finance, as well as a stronger position in convening and leveraging international climate finance for enhancing existing investments and mobilizing new and additional financing.

The Project was approved on October 05, 2016, the legal agreement was signed on October 21, 2016, and the project was closed by April 30, 2018. The World Bank disbursed only the first round of grant proceeds (USD 499,571., which is a third of the total approved grant) to the MoFEC on April 4, 2017. Moreover, it was not possible to finalize the implementation of the project within the project period which was running from October 21, 2016 to April 2018 and no cost extension request of the CRGE Facility was not approved by the World Bank.

During the implementation of the project, the Multi-Sector Investment Plan for Climate Resilient Agriculture and Forest was finalized and submitted by MoFEC to the Climate Investment Funds (CIF) Administrative Unit on May 5, 2017 and endorsed by the CIF PPCR subcommittee in

Washington on June 8, 2017. This marks that the project has achieved one of the two PDO level result indicators.

As part of achieving the second project deliverable, which is building government institutions capacity to improve climate resilience, MoFEC was closely working with the Bank and the sector ministries. However, most of the planned activities in component one and component two involving the recruitment of consultants for the analytical¹ and rapid response team² were not conducted due to the short remind period of the project execution, lack of no-cost extension and as well as procurement related delays. Activities completed include procurement of goods including five printers and eight photocopy machines, training conducted on climate and disaster risk screening tools, two livestock specialists as part of the rapid response team (out of the planned ten project specialists) deployed to the then Ministry of Livestock and Fisheries and a study visit was conducted to Zambia.

The remaining grant activities (including analytical studies on six topics, resource mobilization outreach, portfolio tracking system, and deployment of eight specialists as part of the rapid response team) were not carried out. Following a series of consultation with the MSIP executing line ministries on how to use the remaining budget, agreement was reached to undertake reprogramming and develop an alternative modalities and strategies. Hence, reprogramming was undertaken and the remaining budget was used for conducting capacity building training in collaboration with MSIP line ministries on the three training topics agreed in the project document including disaster risk management, climate smart planning and vulnerability involving federal, regional and Woreda level participants. Accordingly, no objection was requested on the revised work plan and procurement plan and the request was approved by the World Bank.

1.1 Project Beneficiaries

The Project directly benefits five ministries; namely, MoFEC, MEFCC, MoALR, MoLF, and MoWIE, which includes their respective regional bureaus and experts engaged in the MSIP process. The number of direct beneficiaries is at least 280 people (where ten percent are female), mostly government officials.

¹ These include (i) Cost benefit analyses of key climate change interventions; (ii) Climate policy and legal implementation gap analysis; (iii) Assessment of cross-sector trade-offs and opportunities; (iv) Climate Vulnerability Assessment of Households and Development of Climate Change Tracking Tool; (v) Earth Observation Support; and (vi) Climate Risk Insurance Options Study.

² These include (i) Rural Energy Specialist; (ii) Agronomist; (iii) Environmental Lawyer; (iv) Irrigation Engineer; (v) Environment and Social Safeguards; (vi) GIS Specialist; (vi) Hydrologist; (vii) Hydrologist; (vii) Forest Specialist and (ix) two livestock specialist. It should be noted that in the project agreement, one of the rapid response is Economist but agreement was reached with the bank and MoFEC to replace it by livestock specialist

1.2 Project Components

The Project has two components:

- (1) Analytical support, and
- (2) Institutional support for MSIP and CRGE implementation

1.3 Disbursement Arrangement

The funds flow to the MOFEC as a Recipient Executed grant. The Technical consultants recruited under “Activity: Rapid Response Team (RRT)” will be a resource that contributes to the delivery of both components and adds value to the quality and delivery of key MSIP activities and the broader CRGE Strategy.

1.4 Intermediate Results Indicators

The project result indicator includes the following;

- Experts trained on topics related to climate resilience- 150 experts will be trained on five climate resilient related topics;
- Government institutions provided with capacity building support to improve climate resilience-This indicator will measure the extent to which the capacity of the five-line ministries (MoFEC, MEFCC, MoALR, MoLF, and MoWIE) and regional bureaus engaged in the MSIP process has improved;
- Key analytics and dialogues supported-This indicator will measure the preparation and dissemination of six key analytical products and the dialogues held around these products;
- Technical consultants recruited and successfully delivered their ToR-Ten local consultants will be deployed to establish and maintain a RRT. The effectiveness of the technical consultants will be measured through the successful delivery of their terms of reference;

2. Progress Against pplanned Activities, Processes and Deliverables:

2.1 Component 1. Analytical support

This component was intended to focus on the preparation and dissemination of key analytics, and facilitating dialogues around these. It also comprised training and capacity building activities focusing on climate resilience.

i) Analytical Studies:

The key analytics was intended to include the preparation and dissemination of six products and dialogue around these products. The aim of these products was to use them as inputs for preparation of climate resilient project proposals for mobilizing new additional climate finances, and for awareness creation and training, among others. MoFEC has developed comprehensive Terms of Reference in collaboration with sectors obtaining no-objection from the world bank. Further, MoFEC has undertaken the required process for the recruitment of consultant and the bid analysis was undertaken. However, consultants were not brought on board as some of the technical requirements of procurement procedure were fulfilled by the applicant consultants and it was not possible to re-advertise these consultancies as no cost extension was not granted by the World Bank. Hence, MoFEC could not produce the analytical studies and developed alternative modalities and used the budget for this component for the roll out of capacity building training in collaboration with MSIP line ministries on the three training topics agreed in the project document including disaster risk management, climate smart planning and vulnerability analysis involving federal regional and Woreda level pertinent participants.

ii) Capacity Building Training

As agreed in the project document capacity building training was organized on the three topics including disaster risk management, climate smart planning and vulnerability analysis involving federal regional and Woreda level pertinent participants. The capacity building trainings was organised based on a pre-agreed ToR with MoFEC and MSIP line ministries from March to April 2018. The capacity building training is expected to enhance the institutional capacity of the MSIP line ministries and their respective counter at regional and woreda and heighten the technical skill of decision makers in planning, implementation and reporting of climate resilient development. The training workshop was designed in a progressive way starting from key concepts and national strategies on climate change adaptation and mitigation, sector specific climate smart planning, vulnerability analysis, disaster risk management and culminating in understanding how to mainstream climate change into planning implementation and monitoring and evaluation of projects/programmes in resilience building.



The participants of the training are regional and woreda pertinent experts who are engaged in planning and implementation

of projects targeted on resilience building. Thus far, the capacity building training was provided to a total of 1262 (187 Female and 1078 male) participants from different regions including Oromia, Amhara, SNNPR, Tigray and Somali Region. See Annex 1 for a list of training participants.

During the workshops' sessions, participants have indicated that the building capacity trainings will also contribute to better plan; implement and monitor CRGE funded programmes in CRGE units of federal ministries as well as regional and woreda



levels. It will also help to have better understanding of how to support the adaptation and resilience capacities of communities and individuals to climate change and different disaster risks.

Because of these capacity development programmes, currently MSIP ministries can develop quality project proposals, improved their technical skill and knowledge on climate smart and disaster risk planning and vulnerability analysis.

iii) Training on Climate and disaster risk screening tools.

Building on the positive feedback received from the earlier training in November 2017, the World Bank team conducted a Phase 2 training on “Mainstreaming Climate Change and Disaster Risk Tools in Development Planning” from 24-26 April 2018 in Bishoftu. The purpose of the training was to provide hands-on experience to participants in using the screening tools for developing climate-informed sectoral and national level projects. Thirty-eight (38) trainees drawn from the MoFEC/CRGE Facility, the MEFCC, CRGE line ministries and regional officers participated in the training.

The training was focusing on the use of the World Bank Climate Change Knowledge portal in screening projects/ programmes for climate and disaster risk. During the workshop, the National Disaster Risk Management Commission (NDRMC) has shared the Ethiopian experience in developing the woreda disaster risk profile and the process for the development of risk mitigation/adaptation planning. It was also emphasized that the woreda disaster risk profile should be linked to the climate change knowledge portal of the World Bank so that area specific disaster risk information can be used for screening exercise. Participants of the training have



appreciated the methodology of the training and recommend for the development of the training module to replicate the training in their respective regions and sector bureaus. See Annex 1 for a list of training. The World bank has also provided participants certificate for acknowledging successful accomplishment of the three days training

iv) Experience Sharing Study tour to Zambia.

As part of the capacity building, an experience sharing study tour to Zambia was successfully held from April 2 to 7, 2018. The objectives of the study visit were to: (i) learn from Zambia's implementation experience in Pilot Program for Climate Resilience; and (ii) capacitate the Ethiopian government institutions and experts engaged in the MSIP process by providing opportunities to identify, prioritize and address some of the key challenges and barriers for greater climate resilience. A total of 16 senior experts who are engaged in the implementation of the MSIP project (3 Women and 13 Men) drawn from MoFEC, MoALR including the then MoLF, MEFCC and MoWIE participated in the seven days field visit to Zambia.

The Ministry of National Development Planning (MNDP) of the Republic of Zambia successfully hosted the study visit. The study visit has contributed to strengthen the partnership between

Ethiopia's MoFEC and Zambia's MNDP through setting agreed actions. Some of the main agreed actions include: (i) MoFEC to facilitate and host a study tour to Ethiopia for Zambia's team from the National Designated Authority to help them get lessons from Ethiopia's CRGE Facility to establish climate change fund in Zambia; and (ii) Zambia's PPCR team to share Zambia's PPCR first phase lesson learning document with Ethiopia's team.



H.E Mr. Chola Chabala at the middle providing welcoming remark

The team had a three days technical training in Lusaka, two representatives of the group were given chance to attend the climate change steering committee meeting chaired by the Ministry of National Development Planning and filed visit to Mongu in the Northern province which is 600 km away from Lusaka was organized (see Annex 2 for the full report of the visit). The Ethiopian team also shared the Ethiopian experience in the MSIP implementation and the response of Ethiopia to climate change.

The technical training in Lusaka focused on the following topics, Zambia Seventh National Development Plan Process, Overview of the PPCR in Zambia and Linking practice and policy in resilience building, Engendering Resilience building, Understanding Adaptive Capacity and the Adaption Process – Zambia PPCR, PPCR Lessons Learnt in the phase 1



Mr. Iritomiwa from the World Bank providing opening remark

and phase II. The World Bank representative in Zambia welcomed the participants and emphasized that the Ethiopian team can learn more from the Zambian experience as Zambia is in the second phase of the PPCR implementation.

Following the three days training in Lusaka, a two days field visit was organized in Mungu, the Barotse sub-basin. The field experience also gave team an opportunity to see the implementation of PPCR on the ground and meeting with beneficiaries for further discussion on the successes and the challenges. As Ethiopia in the first phase of the PPCR (developing bankable proposals), the lesson learned will be incorporated in the development of the bankable proposals and shorten the learning curve. The Barotse sub-basin is one of the areas in Zambia most vulnerable to the effects of climate change as it is a major floodplain and Zambia's second largest wetlands. The objective of the project is to strengthen Zambia's institutional framework for climate resilience and improve the adaptive capacity of vulnerable communities in the Barotse sub-basin. The Ethiopian delegation has grasped good experience from the implementation of the PPCR project in Zambia both from phase I and II which could be useful for the different climate resilient programmes/projects Ethiopia is implementing. It was noted that Zambia has accessed and fully utilized US\$1.5 million from Pilot Program for Climate Resilience (PPCR) for formulating Zambia's Strategic Programme for Climate Resilience (SPCR) to mainstream climate resilience into national development planning. The implementation of the PPCR projects is well on track.

The Zambia team also came to Ethiopia for experience sharing in the establishment of the climate change fund from May 15-18, 2018. During the visit, discussion was held with H.E Ato Admasu Nebebe, state Minister of MoFEC, the CRGE Facility, CRGE line ministries and field visit was also organized to the MoALD FTI project in Akaki.



The Zambia team in the right while discussing the Ethiopian Experience in the preparation of proposal to the GCF

2.2 Component 2. Institutional Support for MSIP and CRGE Strategy Implementation

i) Rapid Response Team

This component was intended to focus on deployment of an expert response support team (comprising ten specialists) to engage in technical activities and work with sectoral ministries,

resource mobilization outreach, and portfolio tracking system management. ToR for all the RRT prepared, no-objection from the world bank received; Sector Ministries were delegated to undertake the recruitment process as per the leading role. However, out of the ten rapid response, only two specialists were recruited by the then Ministry of Livestock and Fisheries. These two specialists prepared a draft MSIP concept note on Improving Dairy Value Chain Efficiency (See Annex C for the full concept note) and supported the Ministry in the roll out of the capacity building training. The ten specialists were supposed to provide technical support, including preparation of investment proposals/ projects for climate resilience in MSIP sectors, and enhancing existing projects and programs to deliver on climate resilience objectives in GTP-2 and the Climate Resilient Green Economy (CRGE) Strategy, among others.

However, the MSIP line ministries could not hire the consultants due to procurement delays and limited project period to undertake all the procurement requirement of hiring consultants. Hence, MoFEC in collaboration with the MSIP line ministries developed alternative modalities and used the budget for this component for the roll out of capacity building training in collaboration with MSIP line ministries on the three training topics agreed in the project document including disaster risk management, climate smart planning and vulnerability analysis involving federal regional and Woreda level pertinent participants.

ii) Resource Mobilization Outreach

The purpose of this outreach effort was to raise interest among partners, domestic and international investors, foundations, and donors; and build their support for MSIP implementation. However, this activity/purpose was not carried out and the budget is used for the roll out of capacity building training in collaboration with MSIP line ministries.

iii) Portfolio Tracking System (PTS)

The purpose of the PTS was to capitalize on the existing CRGE registry system and finance the establishment of a portfolio tracking system to track investment and other actions to improve climate resilience. This specific activity also includes the procurement of printer, laptops and photocopy Machine. However, this activity/purpose was not carried out except the procurement of five printers and eight photocopy machine and the remaining budget is used for the roll out of capacity building training in collaboration with MSIP line ministries

3. Financial Status of the project

Out of the total project budget of USD 1.5 million, the World Bank has disbursed \$499,571 or 11,385,373 ETB which is one third of the total recipient executed trust fund) to the project dedicated account in MoFEC on April 4, 2017, of which the MoFEC has spent 7,523,022 ETB. Further, MoFEC has prepared and shared the Interim Financial report from 21 October 2016 to 30 April 2018 to the World Bank (See Annex 2 for the IFR report). As the project was closed by 30 April 2018, audit fee cannot be paid from the project proceeds. Hence, MoFEC has decided to undertake Audit from its own budget and will share the Audit report to the World Bank when it is completed.

4. Challenges

The main challenges faced by both the CRGE Facility and the implementing MSIP line ministries during the reporting period were:

- Weak follow up from some MSIP line ministries;
- Long procurement process and difficulty to the short time span for implementation;
- Inability to be granted no cost extension

5. Lessons Learned and Recommendations

Capturing experiences and lessons from all the planned project interventions was one of the integral components of this project and accordingly the CRGE Facility team throughout the project implementation made conscious efforts to document the experiences, lessons and recommendations in close collaboration with MSIP line ministries and project beneficiaries. The following include some of the key lessons:

- The benefits of working with federal and regional government institutions for greater ownership and smoothly running project and meeting expected results;
- We learned that involving experts from CRGE relevant sectors and MSIP for the capacity building trainings has increased their understanding of resilience building and enhance spirit of partnership;
- The added values of the experience sharing visits to similar countries implementing the PPCR in shortening the learning curve and addressing the challenges in resilience building;
- The timeframe for completion of the planned project intervention is not sufficient and no cost extension should be granted;
- One of the key challenge in the implementation of the project is undertaking the recruitment of 16 consultants and procurement of goods within 18 months of the project implementation. Hence, it is being emphasized that the implication of this issue should be looked at during the design phase of similar projects;

6. ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS (please refer to Annex I of the MSIP Project Paper)

A. RESULTS INDICATORS

A.1. PDO Indicators

Project Development Objective:				
Indicator name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
1. Multi-sector investment plan prepared (Yes/No)		<u>Yes</u>	<u>Yes</u>	<u>Yes</u>
Comments (achievements against targets):				
2. Government institutions provided with Capacity building support to improve climate Resilience (Number)	No	0.00	5.00	5.00
Comments (achievements against targets):				
3. Direct project beneficiaries (Number) - (Core)		280.00	280.00	1262 (187 Female and 1078 male)
A. Female beneficiaries (Percentage -Sub-Type: Supplemental) -(Core)	No	10	10	14 %
Comments (achievements against targets):				

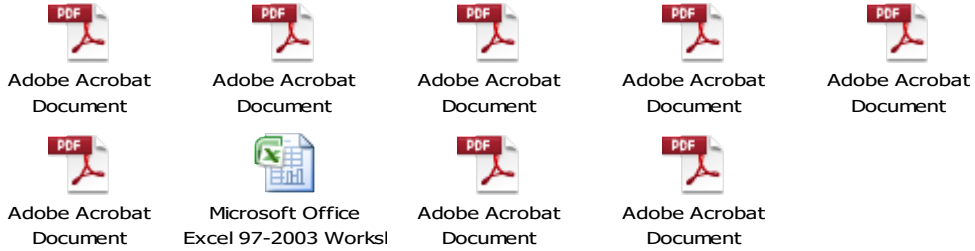
A.2. Intermediate Results Indicators

Indicator name	Unit of Measure	Baseline	Target	Actual Achieved at Completion	
4. Key analytics and dialogues supported (Number)	No	0	6	0	
Comments (achievements against targets):					
5. Experts trained on topics related to climate resilience (Number)	No	0	150	1262	
A. Female experts (Percentage - Sub-Type: Supplemental)	No	0	10	14	
Comments (achievements against targets):					
6. Technical consultants recruited and successfully delivered their ToR (Number)	No	0	10	2	
Comments (achievements against targets):					
7. Resource mobilization outreach events Held (Number)		0	4	0	
Comments (achievements against targets):					
8. Portfolio tracking system improved and Maintained (Yes/No)	No	no	yes	no	
Comments (achievements against targets):					

ANNEX 2: LIST OF SUPPORTING DOCUMENTS

Applicable reports &/or documents are to be attached to the Grant Completion Report.

A. Attendance Sheet



A. Reports of Study tour to Zambia



C. Interim Financial report

