



**Poverty Action Network of civil society organizations in Ethiopia  
(PANE)**

**The Impact of Climate Change on MDGs and  
PASDEP implementation in Ethiopia**

**Policy Recommendations**

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## **Foreword**

Climate change impacts Ethiopia to a greater extent and thereby severely impeding the country's efforts to achieve the targets of MDGs and to successfully implement the poverty reduction programmes. Adaptation to the changing climate is no more an option rather it is a necessity. Adapting to changing climate will help Ethiopia in achieving its developmental goals. However, there had been no comprehensive review to date on the existing studies related to the impacts of climate change in Ethiopia, which could act as a base for further deliberations on the subject. With these issues in mind PANE commissioned a desk review on the impacts of the climate change on the MDGs and PASDEP in Ethiopia.

PANE feels that this document will help all relevant stakeholders to further their understanding on the impacts of climate change on Ethiopia and to take appropriate actions. PANE sincerely hopes that the desk review will support the efforts made by the Federal Government of Ethiopia towards poverty reduction and in ensuring that the upcoming PRSP PASDEP II is prepared in a holistic way.

## **EXECUTIVE SUMMARY**

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Rising temperatures and increasing climate variability is already imposing a significant challenge to Ethiopia by affecting food security, water and energy supply, poverty reduction and sustainable development efforts. It also enhances natural resource degradation and natural disasters. This ultimately leads to severe challenges in achieving the targets of Millennium Development Goals (MDGs) and also the implementation of Plan for Accelerated and Sustained Development to End Poverty (PASDEP). However, the extent of impacts of climate change in Ethiopia and the possible responses needed are not clearly understood. In this regard, a desk review to assess the impacts of climate change on MDGs and PASDEP in Ethiopia was undertaken through a comprehensive review of literatures related to climate change. As part of the study, the level of mainstreaming of climate change issues into the PASDEP was assessed. Moreover, the views and perceptions of several Civil Society Organisations (CSOs) were assessed through semi-structured questionnaire. The following is an executive summary of the desk review that was commissioned by PANE.

It was evident through the desk review that one of the important causes for vulnerability of Ethiopia to climate variability and change is very high dependence on rainfall patterns and rain fed farming for food production, apart from many others. The overall performance of the economy depends on the agricultural production and climate change is severely impacting agriculture and livestock sectors. It also severely impacts the water resources of the country and indirectly on the hydropower production capacity. This in turn affects the country's economy and its developmental goals and poverty reduction capacity. With agriculture and energy sectors being severely affected, the required objectives of Ethiopia to speed up industrial development and to improve parts of the service sector like tourism will also be difficult to achieve.

The impacts of climate change on urban population will also increase manifold leading to extreme urban poverty trap. The problem is compounded due to the fact that the majority of urban population is living in slums. The rural population will also be severely impacted, leading to increased migration and displacement of people affected. Displacement further contributes to conflicts. The impact is also more on the pastoralist communities, which is very tremendous given the fact that pastoralism constitutes to be a unique and important way of life in many parts of Ethiopia. Women constituting the majority of the poor people in the country will be disproportionately affected, together with children. Studies suggest that Ethiopia is most pertinent to direct health risk attributable to climate change, with also potential increase in the incidence of malaria. Currently nearly 68% of the population lives in areas already at risk of malaria and the percentage is expected to rise in the future. Climate Change will contribute immensely to biodiversity loss which is expected to increase manifold, with many plant and animal species becoming vulnerable to extinction in Ethiopia.

The impacts of climate change in Ethiopia have been hardly ever documented in a holistic way. Hence the desk review brings out the need for understanding the impacts of climate change in physical, economic and social terms through research. This will ensure that right, evidence based, policy decisions are made, especially in the framework of the upcoming Poverty Reduction Strategy Programme, PASDEP II. For this to happen, sufficient localized researches needs to be undertaken, also in different agro-ecological zones.

Climate change presents significant threats to the achievement of the MDGs, which are worlds time bound and quantified targets for addressing extreme poverty in its many dimensions – income, poverty, hunger, disease, lack of adequate shelter and exclusion – while promoting gender equality, education and environmental sustainability. The MDGs were launched in 2001 as part of the road map to implement the Millennium Declaration that had been adopted at the United Nations Summit in 2000. Specifically, the MDGs related to eliminating hunger and poverty and the ones that are promoting environmental sustainability will be affected by climate change. Beyond the traditional categorization of climate change as an environmental issue, it has become evident that it is affecting many sectors and that it is clearly also a development, poverty reduction, food security, economics, health, human rights, governance and equality issue. It is in general an MDG issue.

In Ethiopia, climate change severely impacts the progress towards achieving the targets of the MDGs, which are of course also a basic human rights issue – the rights of each person on the planet to health, education, shelter and security, as pledged in the Universal Declaration of Human Rights and the UN Millennium Declaration. Achieving the MDGs in Ethiopia holds the promise of saving millions of lives; empowering women; addressing the scourge of illiteracy, hunger and malnutrition; and ensuring that Ethiopia’s children have access to high-quality education and good health to lead productive lives and are ultimately adapting to climate change.

In order to achieve the MDGs, a long-term climate change sensitive multi-stakeholder, multi-sectoral and gender-sensitive approach is needed in all the activities related to the goals; especially since the majority of the poor depend directly on the natural environment for their livelihoods. Given that the MDGs are too important to fail, the second half of the MDG period, which began in 2008, should have started with focusing squarely on climate change mainstreaming to achieve the Goals and it is very essential that this is now done as soon as possible. The MDGs needs assessment study in Ethiopia revealed that adopting the MDGs to the local context is also crucial to enhance the development process.

While providing a broad framework for development, the MDGs are not a programmatic tool. The Poverty Reduction Strategy Papers (PRSPs) are a key means of translating the MDGs into reality. These medium term “national roadmaps” allow governments of low income countries to set out policies and programmes to accelerate growth, improve service delivery and reduce poverty.

The PRSPs now need to be strengthened to ensure that the issues pertaining to the climate change are also addressed sufficiently.

PRSPs are very comprehensive documents prepared by the member countries through a participatory process involving domestic stakeholders as well as external development partners like the UN, the World Bank, the International Monetary Fund and bilateral donors. The PRSP approach which is designed to reduce poverty is defined by five core principles including that it should be country driven and prepared with the involvement of broad-based participation by civil society, marginalized groups and the private sector. Ethiopia first submitted its interim PRSP (PRSP I) in November 2000 and the preparation of a full PRSP, Sustainable Development and Poverty Reduction Program (SDPRP) was finalized in July 2002. The SDPRP was designed for covering the years, 2002/03-2004/05. The second phase of the PRSP process is the Plan for Accelerated and Sustained Development to End Poverty (PASDEP), which is Ethiopia's current guiding strategic framework for the five-year period 2005/06-2009/10. The PASDEP process benefited from two rounds of consultations with civil society, non-government actors, and development partners.

At the national level, PRSPs can thus act as key instruments to link the development, poverty reduction and climate change agendas. Results from several studies clearly demonstrate, that so far there is little progress in incorporating climate change issues into PRSPs leading to limited substantive integration of climate change issues into poverty reduction strategies to date, leaving room for greater integration in the future. If the PRSPs/NDSs (National Development Strategies) overlook the impacts of climate change and possible responses, donor funding and government expenditure may not be sufficiently directed to interventions that reduce the climate risks faced by the poor. Unfortunately, there is still rather limited understanding of the processes and contents of climate change framework on the one hand and poverty reduction strategies or national development plans on the other hand. Hence, there needs to be a thorough research and analysis so as to unearth the connects/disconnects between these two. The desk review also identified few important sectors that need to be incorporated into the upcoming PRSP, PASDEP II.

Mainstreaming of climate change issues into the national development plans and processes helps to reduce the impacts of climate change on poverty reduction and thereby the development of the country. The mainstreaming assessment done according to the World Bank methodology, for the purpose of this review, threw light on the mainstreaming of climate change issues in three PRSP documents in Ethiopia, PASDEP and the two Annual Progress Reports (APRs).

In general it was observed, from the assessment that climate change mainstreaming into the national development plans is at a very nascent stage in Ethiopia. Issues' pertaining to climate change and the vulnerability of Ethiopia is not yet sufficiently addressed in the current PRSP and its annual reports. These are considered very important and necessary to be addressed so as to ensure

that the progress towards attaining the developmental goal of poverty reduction is not hindered. Land use, land cover change together with land tenure issues pertaining to the natural resource management in the light of climate change has been insufficiently dealt with in the PRSPs. Water and biodiversity issues have also been addressed but were not directly linked to climate change issues rather they have been addressed as standalone programmes. The poverty–natural resource degradation nexus was brought to the fore; however the poverty climate change linkage is yet to be addressed. The need for developing a Clean Development Mechanism (CDM) promotion strategy was mentioned in PASDEP I, but this task was not given enough priority progressively as observed in the APRs. There was also no mentioning of any incentive mechanisms to be utilized for abetting natural resource management in the country. Issues pertaining to the necessary investments in natural and human made capital, especially relating to natural resource management, were also not taken up during PASDEP I.

The assessment of PASDEP I revealed that there are sufficient mechanisms for community participation in decision making on various issues together with emphasis on the decentralized decision making processes. However, the issue of community participation vis a vis natural resource management has not been dealt with in all the PRSPs assessed. Gender mainstreaming with respect to various sectors including agriculture, rural development, health, transport and education with emphasis on reducing gender disparity at all levels including the Woreda level has been mentioned in PASDEP. However, gender mainstreaming with respect to climate change issues are yet to be addressed. Stakeholders' participation in the review and revision of various laws, regulations and directives was planned during the PASDEP period; however no mentioning of participatory process with regards to inclusion of climate change issues were discussed also progressively even in the APRs.

Climate change clearly threatens development and it will impact numerous sectors and productive environments, including agriculture, forestry, energy etc. thereby impacting the development of the country. Adaptation to climate change is not anymore an option but a necessity. Adaptation to changing climate is not new, because over the centuries, people whose livelihoods depend on agriculture have developed ways to cope with climate variability autonomously. However, the current speed of climate change confronts people with a situation which they are not equipped to handle and hence there is an immediate need to adapt. The goals and methods of climate change adaptation and development are strongly complementary. If planned appropriately development can help to enable climate change adaptation. Successful adaptation depends on the adaptive capacity of the country at various levels. The desk review suggests several adaptation measures for the various sectors in Ethiopia including agriculture which is the back bone of the economy.

There are already several programmes and projects in Ethiopia which over the years have addressed certain aspects of climate change. Specifically, the adaptation issues have been addressed by National Adaptation Programme of Action (NAPA). However, it was observed that national programmes viz., NAPA,

were not sufficiently integrated into the national development plans. The desk review therefore indicates that strong and sufficient attempts have to be made in the future for any such relevant and important programmes to be successfully integrated with that of the national development and poverty reduction plans and also indicates that there is enough opportunity to do so. The NAPA preparation process in Ethiopia clearly indicates that there had been certain lacunae with respect to steering the whole process including ensuring community participation. The NAPA thus needs to be revisited and regularly updated in order to ensure that the adaptation costs are estimated based on the current knowledge on climate change impacts and adequate strategies to cope with them. There is also an immediate need to create more awareness amongst different stakeholders about NAPA in order for any future climate change adaptation programmes to be built on existing knowledge. Increased communication amongst different agencies, ministries and non-state actors that are dealing with climate change issues are very necessary to ensure that the climate change issues are mainstreamed not only in the national development programmes but also the sectoral programmes and policies.

Adaptation costs are very high and the estimates for the adaptation costs are continuously increasing in the light of new information and estimation methods available. There needs to be country driven research to estimate the adaptation costs for various sectors, at various levels and across time scales. Ethiopia needs to access adaptation and also mitigation funds from the various financing mechanisms that are now available, in order to successfully adapt to the changing climate. This will help in ensuring that the livelihoods of millions of people are taken care of. Sufficient mechanism to absorb these funds and to effectively utilize them should be put in place, also through building capacity. The accessing of the funds is to be done through the national planning ministry, Ministry of Finance and Economic Development, so as to ensure that the adaptation and mitigation plans and implementation programmes are synergized with that of the national development and poverty reduction plans. The review also indicates that there is a need for analysing all the existing policies and programmes related to environment and natural resources management so as to ensure that climate change is sufficiently mainstreamed into all of these plans. A Strategic Framework for Adaptation and Development should be prepared before the start of the upcoming PRSP in order to guide and ensure that the climate change related issues are properly addressed.

Apart from the desk review and assessment of PASDEP documents, the authors also conducted a survey to understand the perceptions of CSOs with regard to the MDGs, PRSPs, and climate change issues. In this regard it was found that the CSOs were aware of most of the issues and have been working in one way or another on these issues. This survey therefore, of all the portions of the desk review, tries to provide a snapshot of the plausible views and perception of the CSOs with regard to the Climate Change, MDGs, and PASDEP which are the main concerns of this review. The survey tries to summarize the major analyses, evaluation, recommendations and suggested actions to be taken. In stressing the interdependence between MDGs and climate change, most of the CSOs feel that not addressing MDGs will exacerbate climate change impacts. They provided

various reasons for the same; intensification of climate induced disasters was given as a major reason followed by erosion of adaptive capacity to climate change. Moreover, most of them attributed that lack of technical and financial capacities as major reasons for not having the capacity to adapt to the changing climate in Ethiopia. The CSOs through their response also emphasized the need and importance to mainstream climate change issues in all relevant development sectors with full involvement of all the relevant stakeholders.

The desk review comes out with various policy recommendations including issues related to the availability and correctness of information to be utilized for evidence based policy making. The policy recommendations also include institutional arrangements for thorough research and better coordination of climate change issues in the country. Strengthening the institutional structures of the national planning ministry is in this respect an important issue which needs attention. Enhancement of the participation of the different stakeholders in decision making on climate change and development issues is very essential for the climate change issues to be addressed successfully in Poverty Reduction strategies (PRSs). There is also a need to have both intensive and extensive capacity building initiatives within the country. Regional cooperation and integration of policies and programmes is also considered to be essential to address the enormous challenges that Ethiopia is facing with respect to the impacts of climate change.

## **Policy Recommendations**

Climate change impacts are severe and will impede the progress towards achieving the targets of Millennium Development Goals (MDGs) in Ethiopia, thereby severely constraining the country's efforts towards poverty reduction. In order to tackle the dual problem of poverty reduction and climate change there is a necessity to 'climate proof' the upcoming Poverty Reduction Strategy Programme. To that extent the following policy recommendations are made, based on the understanding generated through the desk review.

### **RESEARCH**

**C**limate change impacts Ethiopia to a greater extent however, information related to the impacts within the country are very few. Hence, there is a need for understanding the impacts of climate change also in terms of costs of the impacts. This is to ensure future policy decisions for poverty reduction are made based on evidences.

There is an immediate and urgent need to adapt to the changing climate. Research to generate information related to adaptation needs and measures for various sectors, including those sectors addressed in Plan for Accelerated and Sustained Development to End Poverty (PASDEP) needs to be undertaken. Furthermore, research related to the costs of adaptation for the identified options, at all levels (national, regional, local, sectoral and project) has to be undertaken. Researches to explore the various mitigation options and potentials have to also be undertaken. Sufficient attention has to be also provided in generating data related to natural disasters as a principal cause for forced displacement in the country.

**R**esearch to assess the level of mainstreaming of environment and climate change issues in the sectoral policies and programmes at different levels in the country have to be undertaken. This is to synergise the different sectoral policies and programmes with that of the national development plans. Research to identify and understand the prospects and barriers to mainstreaming also needs to be undertaken. This will help in understanding the connect/disconnect between the climate change framework and the national developmental plans and thereby also ensuring the success of the mainstreaming processes.

**R**esearch related to the status and prospects of MDGs achievement in light of climate change has to be undertaken. Appropriate measures, based on the research outputs, have to be taken so as to ensure that the goals are achieved.

### **INFORMATION and AWARENESS RAISING**

**A**wareness levels related to climate change issues are key to successful adaptation. Hence, sufficient attention and strong efforts have to be made in order to disseminate relevant information generated through various researches to all the relevant stakeholders including policy makers and communities in

appropriate manner so as to raise the awareness levels.

**I**nformation related to achieving the targets of MDGs in the light of climate change to be made available *biannually* to different stakeholders in order to ensure enough attention and momentum is generated amongst them.

**U**se of Information and Communication Technology (ICT) tools for the dissemination of information related to climate change is very essential and needs to be enhanced. ICT to help in successfully providing relevant information and enhancing the communication related to issues of MDGs, PRSPs, and Climate change and should be managed by a relevant institution which generates information.

### **INSTITUTION**

**T**here is an immediate and urgent need for establishing a **‘National Agency for Research on Climate and Environment’** so as to sufficiently support and strengthen the existing ‘evidence based policy making processes’. This could be done by strengthening and widening the mandate of the existing institutions or by creating a new one by pooling resources from various existing institutions. The institution to be endowed with both the technical and financial capabilities and also should be able to generate information required at different levels. The institution to also look into the economics of climate change impacts and adaptation options for different sectors of PASDEP implementation and to provide sufficient policy recommendations at all levels. Apart from also monitoring the climate change impacts and adaptation status, the institution also needs to develop a **‘Strategic Framework for Adaptation and Development’**. The framework to provide sufficient guidelines to ensure appropriate responses to climate change are provided through the national development plans. The framework to also provide guidelines for any climate change related activities in the country.

**I**nstitutional rearrangements for an effective system that allows the climate change related information to flow among the various actors-data producers’ analysts and policy makers is very crucial to effectively address the various challenges including poverty reduction and MDG achievement in Ethiopia.

**R**eorienting of existing informal institutions at all levels specifically at the local level; to address the climate change issues is as crucial as setting up and providing additional new direction to the formal institutions.

**I**nstitutional structure within the Ministry of Finance and Economic Development needs to be strengthened so as to successfully mainstream and integrate climate change issues including implementation and monitoring into the national development plan. Similarly, institutional structures at the regional, woreda and kebele level needs to be strengthened.

## ***INTEGRATION and MAINSTREAMING***

**M**ainstreaming and integration of climate change into national development plans, sectoral policies and programmes is very crucial to address the impacts of climate change. Mainstreaming of climate change is not only essential at national level but also is crucial at local and sub-national level and at project level. Barriers to mainstreaming of climate change at all levels should be effectively addressed including information, institutional, technical and financial capacity, etc.

**S**trategic priorities, challenges and specific actions for integrating and mainstreaming adaptation at all levels (National, Sub-national, Local, Sectoral and Project levels) should be prepared for Ethiopia and it should be in line with the national developmental plans and poverty reduction programmes.

**I**mproved integration of climate change adaptation programmes in the country (viz., National Adaptation Programme of Action (NAPA)) and Poverty Reduction Strategies/National Development Plans (PRSs/NDPs) is a necessity. There is enough room and ample opportunities to do the same. Emphasis on integration has to be provided due attention when new climate change related programmes and projects are envisioned in the country in the future.

**T**here is an immediate need for integration in the areas of environment and economic policy infrastructure, in the country, in order to meet the challenges faced in achieving the targets of MDGs. Integration of MDGs targets into regional/zonal/woreda policy and legal framework as well as budgetary priorities is also crucial in ensuring the success towards achieving MDG targets.

## ***FINANCING***

**F**unding for climate change research has to be sufficiently increased and also diversified to include public, private and community support. Funding also needs to be increased for research and development of essential case studies in order to promote, monitor and showcase the country status with respect to achieving MDG targets.

**I**ncreased financial mobilisation for adaptation and also mitigation at different levels has to be undertaken in order to ensure that the progress of the country towards achieving its poverty reduction targets and MDGs are not hindered.

**S**ufficient institutional mechanisms to absorb the available global adaptation and mitigation funds should be put in place so as to effectively utilize the funds. National planning ministry, Ministry of Finance and Economic Development apart from being sufficiently integrated in the climate change negotiation process should also be the lead agency to hold the finances for adaptation and also mitigation in the country. This will enhance the synergy levels of adaptation and mitigation programmes with that of the national development framework.

## ***COLLABORATION***

**C**ollaboration and cooperation are important in addressing the critical issues pertaining to development, in the country. Enhanced collaboration between different actors including government ministries, regional governments, research agencies, universities, private sector, civil society and donor agencies is a necessity. This will help in setting priorities and ensuring successful implementation of the upcoming PRSP of the Government of Ethiopia. Ministry of Finance and Economic Development to take lead towards ensuring that there is enhanced coordination and collaboration at all the stages of the PRSP including planning, implementation and monitoring.

**C**oordination of the efforts of various intergovernmental agencies and the donor communities to support the country's efforts to integrate various climate change processes and programmes into the country's PRSPs and development strategies is very crucial. Developmental partners should enhance their level of collaboration by fully aligning their assistance with the country's requirement through the PRSP, taking climate change impacts into account. This will also ensure and support the mainstreaming of climate change issues into the national developmental plans.

**A**ppropriate platform within the Ministry of Finance and Economic Development needs to be established for facilitating proper coordination and collaboration amongst different stakeholders on issues pertaining to Climate Change vis a vis PRSP

## ***PARTICIPATION***

**E**nhancement of the participation of the different stakeholders in decision making, at all levels, on climate change and development issues is essential for the success of the PRSPs. Proper mechanisms to be put in place in order to institutionalise the participation of the local communities in the decision making process specifically on climate change adaptation issues since they will be the hardest hit due to the impacts of climate change.

## ***CAPACITY BUILDING***

**C**apacity building should be directed towards obtaining quality climate data and to monitor the changing climate and its impacts in an efficient way. This will help in effectively monitoring the changing climate as well assessing future climate change impacts and adaptation priorities at all levels. This will also support the efforts towards achieving the MDG targets.

**C**apacity building needs within various ministries, agencies and civil society organisations has to be assessed and implemented in order for effective mainstreaming of climate change issues and also to ensure proper coordination

amongst the different stakeholders. Capacity building needs at all levels to be included into the national planning framework.

**C**apacity building for various stakeholders including policy makers and communities should also be done through awareness creation and information dissemination.

**I**nternational capacity building programmes needs to be aligned with the national development framework so as to ensure that the capacity building is done in a systematic way.

**C**apacity building through early warning system, within the different stakeholders especially within the communities for appropriate natural disaster response has to be provided special attention. Capacity building for community level workers on climate change issues including better training on health also needs to be provided.

**C**apacity building for effective climate change adaptation programme implementation and for the development of climate friendly technologies needs to be undertaken.

**B**uilding the institutional capacity within the Planning and Research unit of the Ministry of Finance and Economic Development is very essential in order for the unit to effectively plan and implement the PRSPs in the light of climate change impacts.

### **REGIONAL COOPERATION**

**C**hallenges posed by climate change and natural disasters increase the need for regional cooperation and integration in areas of economic policy, infrastructure (e.g., power pools, transport and communications infrastructure), research and the management of trans-boundary river basins.

**T**he national development framework should clearly indicate a road map for strengthening and improving the existing collaborations and partnerships and fostering new collaboration and cooperation at the regional level in order to effectively address the climate change issues *vis a vis* poverty reduction programmes.

**R**oad map also for the role of Ethiopia within AU, LDC group and other relevant intergovernmental agencies/formulations like AMCEN, IGAD etc needs to be put in place with clear strategies and plans. This will help to further the developmental agenda of the country and to effectively coordinate the efforts related to addressing issues pertaining to climate change.