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Annex 1 of the Commission Implementing Decision on the Global Climate Change Alliance Plus (GCCA+)

Action Document for: Mainstreaming of Climate Smart Planning and Implementation Approaches into the Productive Safety Net Program IV in Ethiopia

1. Title/basic act/ CRIS number	GCCA+ in Ethiopia: Mainstreaming of Climate Smart Planning and Implementation Approaches into the Productive Safety Net Program IV (PSNP4) in Ethiopia: CRIS: 2017/040-478			
2. Zone benefiting from the action	Ethiopia, the 329 targeted woredas of the Productive Safety Net Program IV			
3. Programming document	Global public Goods and Challenges – GPGC, Multiannual Indicative Program, Annual Action Plan 2017			
4. Sector of concentration/ thematic area	Environment and Climate Change Adaptation	DEV. Aid: YES		
5. Amounts concerned	Total estimated cost EUR 9 000 000 Total amount EU budget contribution EUR 9 000 000			
6. Aid modality(ies) and implementation modality(ies)	<ul style="list-style-type: none"> Project Modality Direct Management (Procurement of Services) 			
7. A) DAC code(s)	41010 Environmental policy and administrative management			
B) Main Delivery Channel	90000 other			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Global Public Goods and Challenges thematic flags	Environment and Climate Change, Global Climate Change Alliance Plus (GCCA+)			
10. SDGs	SDG 13 (Climate Change), SDG 15 (Life on Land)			

SUMMARY

Climate change is negatively impacting livelihoods and ecosystems in Ethiopia. The impacts associated with climate change are compounded by multiple factors including poverty, environmental degradation, and land shortage. The rural poor, particularly women, are disproportionately vulnerable because of their greater dependence especially on rain-fed agriculture and their lack of awareness about and lower ability to adopt new technologies.

The Government has placed addressing the challenges of climate change and environmental degradation high in its development agenda and endorsed relevant policies, strategies and guidelines with the potential to bring about integrated rural development. The Productive Safety Net Program (PSNP) is a major social protection programme and one of the components of the Food Security Program and one of the prominent flagship programs of the country that provides for a robust opportunity for integration, complementarities of climate sensitive implementation of programs. It is a multi-year program first launched in 2005. The PSNP4, the fourth generation of the Program (2015-2020)¹, is currently under implementation in 329 woredas in 8 regions with core recipients of 8 million people who are benefiting through public work and livelihoods components (for labour active households) and direct transfers (for disabled, elderly, etc. individuals).

Through its public works component, the PSNP focuses particularly on soil and water conservation activities, along with roads and irrigation development within a participatory watershed planning framework. The public work harbours a notable potential to have a meaningful impact on climate-change mitigation by sequestering carbon in soils and biomass and reducing emissions of greenhouse gases from the agricultural, forestry and other land use sectors. However, evidences reveal that this potential is not well exploited and could be maximized if climate smart planning and implementation of the public works were systematically applied from the planning stage. This was evidenced by the results of the pilot Climate Smart Initiative (2013-2015)² project. The Project piloted, only on a sample of woredas, mainstreaming climate smart approaches into the PSNP planning and implementation³, which resulted in a fundamental shift in thinking towards a livelihoods approach to climate change adaptation.

Similarly, the Ethiopia Global Climate Change Alliance (GCCA-E)⁴ provided some lessons promoting climate smart planning and implementation in agricultural production processes that can be rolled out. These experiences emphasize the need to integrate climate smart public works planning with climate smart livelihood planning, and better integrating climate considerations into local development planning and implementation processes.

Hence, given its scale of operation and its potential of addressing climate impacts (mitigation and adaptation), the PSNP is regarded as appropriate platform for rolling out climate smart approaches to maximize its environmental impacts. In line with the GCCA+ priorities, the goal of this action is, therefore, to improve resilience and adaptive capacity of the targeted beneficiary communities to climate change driven impacts through mainstreaming of climate smart planning and implementation approaches within the ongoing PSNP4. The specific objective is to strengthen Ethiopia's PSNP4 in building climate resilience among the most vulnerable, through integration and scale up of climate smart practices, increased ownership and accountability. The planned activities to achieve the objective are to be tailored to the achievement of adaptation and mitigation impacts by leveraging synergies between the livelihoods and new climate-smart public works approaches to the benefit of the targeted communities while at the same time improving environmental management and evidence-based engagement with the key actors. In other words, the Action is going to support systematic designing of its activities that enhance contribution to the climate change objectives while at the same time contributing to the objective of the Intended Nationally Determined Contribution (INDC) of the country.

¹ PSNP4 is financed by multiple donors (including the EU) through the Trust Fund to WB with an indicative budget of USD 3.6 billion

² The CSI was financed by multiple donors (DFID, USAID, DANIDA) with a total amount of USD 11,341,223 through the Trust Fund to the WB

³ Stefan Jirka, Dominic Woolf, Dawit Solomon, Johannes Lehmann (2015), Cornell University. Ethiopia's Productive Safety Net Program (PSNP) Climate-Smart Initiative: Accessing climate finance to promote socially and environmentally sustainable public works social safety net programs.

⁴ DCI-ENV/2011/281-266, *Piloting Climate Smart Agriculture in the Sustainable Land Management (SLM)*

1. CONTEXT

1.1. Sector/regional context/thematic area

Ethiopia is seriously affected by climate variability and change including unpredictable and extreme weather events (manifested as droughts and floods), which significantly impacts the rural areas and the agricultural sector, which is the dominant sector of the economy in the last three decades⁵. While observations indicate a rise in average temperature of about 1.3°C since the 1960's, and an overall decline in precipitations since 1984, with significant year-to-year volatility, projected changes in climate will be a major challenge against the country's efforts towards achieving food security and environmental sustainability, and its national ambition to become a middle income country by 2025.

Major floods have been a common occurrence, leading to loss of life and property in numerous parts of the country. Rising sea surface temperatures in the Indian Ocean influence the migration of the Intertropical Convergence Zone and can further increase variability in the timing and duration of rainfall seasons, and consequently cause frequent drought.

In Ethiopia, about 84% of the poor are located in rural areas, a large majority depending on agriculture for employment and income. Agricultural growth thus offers a strong potential for poverty reduction in the country, but also risks related to failure of the local economy, leading to vicious cycles of poverty and food insecurity. Climate change and environmental degradation are identified as the biggest challenges to Ethiopian agriculture and poverty alleviation efforts. As such, Ethiopia ranks 20th on the GCCA+ Index⁶ among the Least Developed Countries and Small Islands Developing States.

The **Productive Safety Net Program (PSNP)** is central to the Ethiopian food security strategy, and aims at moving about 10 million people out of chronic food insecurity by 2020. The program, now in its 4th phase since 2005⁷, **aims at addressing the root causes of food and livelihood insecurity through transfers to food insecure households in the most vulnerable woredas, and undertaking public works determined at community level** i.e., soil and water conservation works, social infrastructure and roads. The Program provides food or cash transfers for 6 months of the year against participation in public works (temporary employments for the able-bodied members) and direct support (for unable bodied individuals). The program also includes a livelihoods component⁸, which aims to provide longer term solutions to food insecurity by helping target households to diversify and increase their incomes, and prevention of depletion of household/community assets.

Ethiopia's PSNP implements **about 45,000 small community projects every year - most of which focus on restoring the natural environment alongside reducing food gaps for vulnerable households**⁹. It also contributes to climate resilience and mitigation especially through environmental rehabilitation at scale. Over the years, the PSNP has reduced soil loss by between 40-53%, increased land productivity by up to 400%¹⁰, contributed to improved quality and flow of water, and decreased the damage from seasonal flooding. Enclosed areas have been successful in regenerating vegetation which increases water seepage into the ground, and therefore, reducing problems of floods and soil erosion.

Over more than a decade of implementation, the program has evolved adjusting to new realities and lessons learned through its implementation. During its current phase (2015-2020), a significant influence over the Program is the recognition that climate change represents a key driver of food insecurity as well as a threat to the effectiveness and sustainability of the program itself¹¹. This is one result of the Climate Smart Initiative (CSI), which ran from August 2013-December 2015 within the final year of PSNP3 designed to develop a roadmap for how the PSNP may be transformed into an instrument that adapts to and manages climate risks. The main outputs were:

⁵ Its share has been declining in the recent years, to the profit of industry

⁶ Out of 85 countries where a lower ranking represents a higher vulnerability

⁷ Including an EU contribution of EUR 61 (EUR 50 m from 11th EDF and EUR 11 m from 10th EDF, envelop B)

⁸ previous to PSNP 4, this component was implemented separately, under the Household Asset Building Program (HABP)

⁹ World Bank (undated), Overview of Ethiopia Productive Safety Net Program phase 4 (PSNP 4)

¹⁰ World Bank (2013) *Coping with Change, How Ethiopia's PSNP and HABP are Building Resilience to Climate Change*

¹¹ PSNP 4 Program Implementation Manual (PIM)

- Guidelines for the preparation of Contingency Plans reviewed, tested and updated;
- New approaches to integrated PSNP activities that strengthen climate resilient food security and support green growth piloted;
- Lessons learned for strengthening effectiveness of program implementation for climate resilience, adaptation and mitigation.
- Experience on better coordination between program implementers and other development and relief efforts to strengthen the contribution of PSNP to climate resilience, adaptation and mitigation.

1.1.1. Public Policy Assessment and EU Policy Framework

Ethiopia has recognised that all its programs, including that targeting food security, have to be resilient to climate change. However, capital constraints may lead to investments in conventional solutions that require a low initial expenditure but may lead to the depletion of natural resources and hamper local economic development. This vulnerability has spurred much policy debate in recent years and climate change is on top of the Government's agendas and different sector policies and strategies stipulate that climate issues need to be addressed. The most relevant ones include:

- ***Growth and Transformation Plan (GTP II, 2016-2020)***: The GTP-II outlines the country's vision for a low-carbon development path and building of a green economy. It identified abatement strategies of reducing emissions and strengthening climate resilience, including: the use of more efficient stoves, watershed approaches and forestry development through proactive and organized community participation.
- ***Ethiopia's Program of Adaptation to Climate Change (EPACC, 2011)***: By updating the National Adaptation Plan of Action (NAPA, 2007), EPACC strongly interlinks climate change adaptation with the economic and physical survival of the country and identifies key climate change adaptation measures and strategic priorities and intervention areas to address the adverse effects of climate change. The main objective of EPACC is to create the foundation for a carbon-neutral and climate-resilient path towards sustainable development in the country.
- ***The Nationally Determined Contribution (NDC)*** was submitted to UNFCCC in June 2015, and ratified by the Ethiopian government in March 2017. It aims at emissions reduction of 255 MtCO₂e by 2030 or 64% compared to 'business-as-usual' (BAU) scenario, 90 MtCO₂e reductions in agriculture, and 130 MtCO₂e reductions in forestry. The first two priorities to mitigate Greenhouse Gas emissions includes: (i) improving crop and livestock production practices for greater food security and higher farmer incomes while reducing emissions; and (ii) protecting and re-establishing forests, notably through REDD+ investments.
- ***The Climate Resilient Green Economy (CRGE, 2011)***: Launched in 2011, the Climate Resilience Green Economy strategy sets out the national vision to achieve the status of climate-resilient middle-income country with no net growth in Greenhouse Gas (GHG) emissions by 2025. This strategy was initially designed in the context of the country's first Growth and Transformation Plan (GTP I, 2010-2015). It is now fully embedded in the second GTP (GTP II, 2015-2020). Around 150 potential climate change mitigation options across seven sectors were analysed and prioritised based on: (i) their relevance and feasibility in the Ethiopian context; (ii) their contribution to reaching GTP targets; and (iii) their potential for cutting emissions at a reasonable cost.
- ***Other policies of indirect relevance***: national policies, initiatives and sectoral programs are also in place to address climate change, though indirectly. These include the Environmental Policy, Energy Policy and the Biofuels Strategy, Agriculture and Rural Development Strategy, Water Resources Management Policy, Social Protection Policy, Health Policy, National Policy on Disaster Risk Management, Food Security Strategy, the Pastoral Policy, and National Policy on Biodiversity Conservation of 2008 that recognizes the conservation of biodiversity is one of the conditions of the overall socio economic development and sustainable environmental management goals.

However, effective implementation of the environmental policies and programs is constrained by lack of capacity, poor coordination and linkage between federal and regional institutions, compromising long-term environmental impacts against short-term economic benefits, and low level of public awareness.

As one of the prominent flagship programs of Ethiopia, the PSNP provides for a robust opportunity for integration, and for complementarities of climate sensitive implementation of climate change related programs. Furthermore, the proposed initiative is formulated in a way considering more holistic and multi-sectoral interventions that would enhance adaptation and mitigation – ranging from climate smart agriculture to reclamation of degraded lands, reinforcing the targets of the Nationally Determined Contribution and to contribute to the Climate Resilient Green Economy and GTP II, both by increasing climate resilience in its targeted communities and by supporting climate change mitigation.

This action is in line with the EC's Multiannual Financial Framework 2014-2020 priorities, notably: i) climate change adaptation and mitigation and support to the transition to climate resilient, low-carbon societies; and ii) valuation, protection, enhancement and sustainable management of ecosystems, and it also builds on the lessons of its predecessor program (Global Climate Change Alliance). As such, the GCCA+ focuses on three priority areas: 1) mainstreaming climate change into poverty reduction and development efforts, 2) increasing resilience to climate related stresses and shocks, and 3) supporting the formulation and implementation of concrete and integrated sector based climate change adaptation and mitigation strategies. The GCCA+ aims to build a stronger alliance between the European Union, EU Member States and the Least Developed Countries and Small Island Developing States that are most vulnerable to climate change. Building on lessons learnt, the GCCA+ aims to contribute to achieving the Sustainable Development Goals and to implement the agreements reached at the UNFCCC Conference of the Parties (COP21 -Climate Paris Agreement).

The present action is aligned with the National Indicative Program (NIP) of Ethiopia 2014-2020 notably its focal sector n°1 on sustainable agriculture and food security. It is related to the new European consensus on development and its priorities regarding “People”, on supporting the poorest communities and women in improving access for all to land, food, water and clean, affordable energy without damaging effects on the environment; “Planet”, protecting the environment, managing natural resources and tackling climate change; and “Prosperity”, through sustainable agriculture as a key driver for poverty eradication and sustainable development. The action is also in line with the EU Gender Policy framework as well as the GAP II objectives and priorities relevant to this sector, for instance thematic priority 3 “Political and civil rights – Voice and Participation” and objective 13 “Equal rights enjoyed by women to participate in and influence decision-making processes on climate and environmental issues”.

1.1.2. Stakeholders analysis

The action will bring together a number of actors and seek close partnership with the pertinent government institutions and the target beneficiary communities. As such, multiple stakeholders including NGOs, UN agencies, sector ministries and the private sector will be involved. Series of consultations were conducted with the key stakeholders including Government ministries, major donors of climate related programs (DFID, USAID, WB), and NGOs that have direct stake in PSNP and climate change programs in designing this action. A half day stakeholder's workshop was conducted to fine-tune overall design of the action document and agree on approaches of implementation.

- **Target beneficiary communities:** By default, PSNP beneficiaries are the most vulnerable in their communities, and beneficiary lists are verified every year by the community itself through targeting/re-targeting (there is a 5% contingency budget of PSNP to address exclusion errors). The approach adopts empowerment that seeks meaningful participation and voice for women¹². As a rule, PSNP accounts for at least 20% of beneficiaries who are not able to work (pregnant and lactating women, caregivers of malnourished children) and are eligible for transfers under the Temporary Direct Support for six months transfers¹³. Labour-constrained households – the elderly, disabled, people with chronic illness, are eligible under the Permanent Direct Support for twelve months transfers. Moreover, well planned Public Works such as access to clinics and schools, water harvesting, land reclamation, watershed management, and improved ecosystem benefits the entirety of the community where the project takes place, including non-active population.

¹² Women representation in the kebele appeal committee is mandatory

¹³ Food basket of providing the minimum daily calories requirement or cash equivalent based on annual assessment

- **Government ministries:** There will be a strong coordination mechanism and partnership with the local authorities at kebele (village), woreda (district), zone, and regional levels. All proposed interventions in the targeted woredas are jointly identified, and are aligned with their respective local development plans. The Ministry of Agriculture and Natural Resources (MoANR), which is the host of the PSNP and Ministry of Environment, Forest and Climate Change (MEFCC) will be the primary partners and be involved in the planning, implementation, monitoring and evaluation of the program. Under the Natural Resources Development Directorate of the Ministry, Public Works Coordination Unit (PWCU) is established vested with responsibilities of public work programs, while the Food Security Coordination Directorate (FSCD) deals with livelihoods aspects. The Public Works component of PSNP follows a standard procedure which is guided by the Program Implementation Manual (PIM). The action foresees to enhance the capacities of these institutions with technical support, especially in terms of ensuring mainstreaming climate change by establishing a national protocol of climate smart procedures (*modus operandi*). Furthermore, available experience from other countries regarding the public works assessment tools will be solicited¹⁴.
- **NGOs:** NGOs have played major role in advocating for the development of pro-poor economic and social policies and strategies in Ethiopia. Environmental advocacy NGOs proactively engage with the government and collaborate with MEFCC in the development of climate change assessment reports and regional adaptation plans. Some NGOs are implementing food security and climate resilient projects having direct linkage with the PSNP and the Sustainable Land Management Program (SLMP) including food/cash transfer against labour for public works. Hence, NGOs will be key partners in their areas of operation for this action. At present there is a framework of collaboration with NGOs, which is being validated that will establish the provisions in the Project Implementation Manual (PIM) for NGOs as to how to engage with PSNP, especially regarding livelihood and nutrition. The Ethiopian Social Accountability Program (ESAP) component includes 48 NGOs exempted from the Charities Proclamation of 2009 allowing them to deal with transparency and accountability issues¹⁵. Under REF-Research and Evidence Facility, with SOAS and London University, the EU is also supporting a "code of conduct" and guidelines to operate in those areas to prevent harmful practices and address cultural issues of those communities.
- **EU member states:** Some of the member states (UK, Denmark) and Norway have been supporting the Strategic Climate Institutions Program¹⁶, a temporary arrangement aimed at catalysing strategic activity on climate change in Ethiopia. The proposed action will facilitate forums where experiences, lessons and challenges of this Program will be shared where indigenous people are targeted.
- **PSNP Development Partners:** All the Development Partners of PSNP4 are keen to promoting climate smart approaches and that the planning and implementation of PSNP4 should be a good platform to 1) provide practical examples/evidences, 2) demonstrate its contribution to addressing climate change, and 3) to continue dialogues for carbon financing.

1.1.3. Problem analysis / priority areas for support

As a source of livelihood for millions of people, the natural environment is the foundation of Ethiopia's economy. However, quality of the natural ecosystems and their services are under threat due to various reasons, including mismanagement, over-exploitation, and climate change related factors. The countermeasures to halt environmental degradation processes remain fragmented and at insufficient scale to show significant positive results

Climate change is increasing variability in rainfall, leading to greater uncertainty and more frequent weather extremes across the country. Over the years, repeated famines and chronic food crisis damaged the country and remain major challenges. The pace of change in the pattern of climate and different forms of environmental hazards exceed the capacity of national and local institutions to cope with or mitigate the

¹⁴ A team from PSNP (GoE, WB and EU) participated in the ISPA tools discussions held in Oct 2016 where the Malawi experience was presented. The Ethiopia team was willing to develop such tools in Ethiopia and made a request for the PWP Tool assessment.

¹⁵ <http://esap2.org.et/>

¹⁶ SCIP funding phased out in 2015

effects of such changes. This is especially true in drier, more fragile rural areas where drought, seasonal floods and malnutrition have become increasingly common.

At the community level, many people are unaware of climate change. Yet, most are aware of the consequences, which are usually expressed in terms of climate variability and extreme weather conditions, and are worried about the impact it is having upon their livelihoods. Indeed, climate change already affects the vast majority of the communities, with most having experienced at least one climate shock in the past year, impacting upon crop production or their livestock.

To increase household, community and natural resilience to climate shocks and stress, the country has established the PSNP, which was designed to provide regular and predictable transfers to chronically food insecure households. There is strong evidence that the public works component of the PSNP has contributed to both climate change adaptation and mitigation, that is, to improved resilience to climate impacts as well as offsetting atmospheric emissions of Greenhouse Gases (GHG).

However, lack of climate smart planning and a fragmented planning and implementation of the public works as well as lack of intra-/inter-linkages within and between different program-components limited the potential climate change adaptation and mitigation gains of the PSNP public works.

Climate-smart approaches involve systematically integrating the implications of climate change into planning, implementation and monitoring and evaluation efforts. A climate-smart approach may involve activities that at first sight look like 'business as usual'. However, it is the process by which those activities have been identified and planned through a 'climate-smart project cycle' that makes them different. The approach acknowledges that user needs, capacities, and resources are variable, and that there is no 'one size fits all' for adaptation planning. Instead, a climate-smart approach emphasises the need to assess climate-related vulnerabilities, to identify possible adaptation strategies and actions, and to select and implement those capable of reducing key vulnerabilities and meeting forward-looking poverty reduction and food security goals. Conservation agriculture and other Climate Smart Agriculture practices also have many benefits for women. These practices can lessen and spread their workload over time and reduce their burden of fetching water.

Experience indicates that many woredas and kebeles show interest in addressing climate change but in practice, it is only considered occasionally when developing plans and activities. A major challenge for local planners to operationalize Climate Smart Agriculture is the identification, valuation (cost-benefit), and subsequent prioritization of climate-smart options and portfolios (groups of Climate Smart Agriculture options) for investment. Better integration of plans and raising awareness, in addition to training, are important steps in mainstreaming climate smart approaches into PSNP plans and activities.

As PSNP is offering essential support to protect the targeted people from falling back to food insecurity, it is anticipated that the integration of climate smart planning and implementation methodologies to the PSNP processes will mutually leverage synergies across the PSNP components as well as maximize adaptive capacities and resilience to climate impacts. This requires fulfilment of some preconditions such as institutional changes, effective weather and climate information systems, and vulnerability assessments and contingency planning. Achievement of these depends on improvements in the implementation systems and approaches, including Government making necessary operational arrangements for PSNP4, and other mechanisms like participatory watershed management planning and contingency planning. The ultimate results should include improved climate-smart management of community and household assets that help to build resilience in the livelihoods of food insecure women and men while at the same time contributing to combating climate change. Given its scale of operation (implemented in 329 woredas¹⁷ and reaching over 8 million beneficiaries), and established management structures to the lowest administrative level, the PSNP4 provides a suitable platform for promoting synergies and evidence building on integration and inter-linkage of different climate sensitive initiatives.

¹⁷ A woreda is like a district

2. RISKS AND ASSUMPTIONS

2.1. Risks

Risks	Risk level (H/M/L)	Mitigating measures
Severe Drought and food security crisis	H	Enshrined in the PSNP4 is the <i>Continuum of Response</i> mechanism (the combination of PSNP scale-up and other emergency interventions) which allows the program to scale up in response to both localised and more widespread shocks through decentralisation of decision making and clear triggers and mechanisms. To better strengthen the linkage between the PSNP and humanitarian response, the PSNP hosted series of discussions that involved all stakeholders of the PSNP and humanitarian response (Development Partners, WFP, OCHA, the Ministry of Agriculture and Natural Resources, the National Disaster Risk Management Commission), leading to general consensus of the importance of joint actions.
Demographic pressure	M	The public work component of PSNP4 includes Behavioural Change Communication sessions targeting pregnant and lactating women, which also serves as grass-root platform for community conversation and awareness creation on family planning. The EU Trust Fund supported RESET Plus incorporates support family planning initiatives. The Government increased support to health extension for heightened awareness on family dynamics will mitigate this risk to some extent.
Poor inter-ministerial coordination	M	The government foresees strong inter-ministerial and inter-sectoral coordination for effective collaboration at the same time avoiding duplication of efforts. Programs such as PSNP and Climate Resilient Green Economy which bring together multiple ministries have already established coordination structures which should be strengthened more for effective coordination.
Delays in implementation	M	To overcome the logistical complexity of this action, extra staff needs to be deployed to assist with coordination and procurement functions. Regional teams and partners will be supported to ensure timely delivery of inputs. Weekly communications are needed to assess progress and difficulties on the planned activities at national, regional and local level.
Lack of effective engagement from GoE	L	GoE was closely involved in the preparation of the Action and has solicited the mainstreaming of climate smart agriculture. Nevertheless, based on the experience of CSI and to ensure GoE engagement, a strategic approach will be established that will identify which PSNP 4 design processes to engage with; which decision-makers to influence, and which knowledge products should be prioritised to ensure government participation and sustain the existing interest to rollout climate smart approaches.
Oversight of gender aspect	L	The PSNP considers Gender and Social Development with detailed provisions in the programming documents. These provide guidance on affirmative targeting of women to ensure that they have access to livelihoods interventions. The communications plan takes into account the gender mainstreaming and the action also focuses that the Gender and Social Development provisions are implemented. The Gender Action Plan of the PSNP4 provides detailed actions that need to be followed and bodies (sector offices) accountable to carry out the plan. It outlines sets of responses to address bottleneck to gender mainstreaming and implementation of gender provisions. The EU also commissioned gender assessment for lowland regions to better tailor the PSNP Gender Action Plan to the local contexts. The action will monitor implementation these plans at levels.

Risks	Risk level (H/M/L)	Mitigating measures
Political instability/unrest and state of emergency (SoE)	H	The government acknowledges that the cause of the recent unrests in the different parts of the country is due to lack of good governance and it is working to promote good governance and establish better stability. The PSNP4 implementation is likely affected by any unrest and concomitant declaration of SoE. The recently GoE eased the declared SoE, and situations are getting calmer. The EU Delegation and other PSNP donors (and DAG members) remain active in political dialogue to ensure democratic and good governance in the country to sustainably address causes of public grievances.
Insufficient consideration of environment and climate change	M	The program intends to use different platforms and work on awareness creation, promotion of appropriate measures, and exchange of best lessons and experiences in the areas of sustainable natural resource and environmental management and of climate change adaptation and mitigation. The action is contributing to bringing long-term solutions to the risks posed by climate change, which is also among the top priority of the government.

2.2. Assumptions

- The primary assumption is that coordination with other climate programs financed by different donors through different instruments as well as the government ministries takes place with common targets to maximize impacts. There is a general consensus and willingness among actors to strengthen coordination and harmonization of efforts of similar objectives to maximize impacts and avoid duplication.
- The second assumption is that Ethiopia is committed to translate into action the adaptation option that it presented to the UNFCCC, by submitting being able to access carbon financing. The carbon pricing mechanisms require results-based financing - payments are made upon the delivery of pre-defined, verified results mainly for carbon sequestration. Evidence available and generated in the course of implementation will contribute to this process. As such, the action will have a greater impact if information and lessons generated are used to influence development programming.
- The recently developing political unrest in some parts of the country is of course one major concern. Unless it is solved through constructive engagement between the government and other political parties, and the public, accessibility in the field may be restricted and planning and implementation of the program activities may be difficult. The Government has recently eased the State of Emergency and the situation is getting calmer than it was before the decree. The Government also promised to further ease and gradually lift the SoE through case-by-case assessment of the situations. It is hoped that the situation will be solved soon.

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1. Lessons learnt

The final evaluation of the pilot Climate Smart Initiative (CSI) reported two critical achievements that lay the foundations for successful mainstreaming of the climate-smart approach into Ethiopia's safety net and other programs: (i) CSI leaves a substantial legacy as a body of knowledge contained in various knowledge products; (ii) CSI has succeeded in influencing officials at woreda and regional levels to adopt new approaches, methodologies and tools. Indeed, CSI demonstrated new methods, raised awareness, changed attitudes, and built individuals' and communities' ability to make better decisions, and better exploit technologies to reduce short term risks and vulnerabilities.

As a lesson-learning initiative, CSI was particularly effective in documenting the lessons which are learnt from the pilot activities and package these as ‘knowledge products’¹⁸. Full dissemination at all levels from community level up to Government was however never complete.

There were also questions about the extent to which the climate-smart concepts and methodology are fully understood. CSI has been able to test improved participatory natural resource management (NRM) planning, taking account of risk and vulnerability and the integration of measures to improve livelihoods and increase resilience, making PSNP plans ‘more climate-smart than before’, but this is by no means absolute. Officials and communities were able to highlight the key differences in the CSI PSNP planning process in terms of 1) active participation of communities, 2) climate change analysis in prioritising activities, and 3) integration of PSNP through cluster approaches. However, it was more difficult for them to articulate how the planned activities contribute to reducing longer-term climate change vulnerability.

The feasibility of adopting the methodology on a large scale is also a challenge. For instance, CSI found that performing Climate Vulnerability Community Assessments as part of PSNP4 planning processes is possible, but needs to be adequate in scope, replicable and as light a touch as possible and has implications for woreda staff, development agents (DAs) and indeed communities at watershed level, whose low capacity level implies operational assistance. Climate mainstreaming in general has strong human resource implications.

Technical challenges were identified and need to be dealt with. Weather forecast and climate information, and contingency planning are crucial to the climate-smart approach. Contingency and PSNP planning systems need to be better connected, answering to the challenge of continually assessing and responding to changing levels of risk and vulnerability. Also, Climate Vulnerability Community Assessments can be time taking and there is a risk that these assessments swamp other aspects of planning. The Climate Vulnerability Community Assessment tools need to be further refined and use methodologies that are aligned with the climate-smart and owned by regional governments. Also, there is still a lack of adequate findings on climate-smart agriculture in Ethiopia for the various agro-ecological zones, soil types, rainfall patterns, farming systems, as well as temperature and moisture ranges.

Furthermore, organizations do not tend to work together in an integrated manner in Climate Smart Agriculture implementation and promotion. This is in part because of weak coordination mechanisms at federal and regional levels.

Important lessons also came out of the implementation of the Ethiopia Global Climate Change Alliance (GCCA-E). The GCCA-E focused on mainstreaming climate change at the level of the Sustainable Land Management Program initiative, which supports land registration and uses watershed-based approaches to rehabilitate degraded lands and improve farmer’s livelihoods. The first phase of the GCCA-E created synergies between agricultural productivity (improved livelihoods), adaptation (improved resilience), and mitigation (reduce greenhouse gas emission). Recognizing that climate smartness entails not only 'doing different things' but 'doing things differently', the project developed an initial basket of climate smart agriculture options and implementation approaches (landscape approaches) that enhance climate change adaptation and mitigation, and livelihoods potential. The GCCA-E identified over 24 measures for possible combination of good practices that could be scaled up for different landscape categories. This system of combining Climate Smart Agriculture options into activity packages reflecting local realities (landscape and socio-economic setting) can be replicated so as to support local opportunities for diversified livelihood as well as social, environmental and natural resource safeguards in the rural settings.

Similarly, the African Climate Change Resilience Alliance (ACCRA)¹⁹ has produced an evidence based policy brief that highlights how development interventions in disaster risk management, social protection and sustainable livelihoods contribute to local adaptive capacity and how their contribution could be improved.

The PSNP4 is closely looking into the lessons of the Social Accountability Program, which is ongoing since 2014, focusing on implementation of social accountability tools and understanding processes involved in addressing the PSNP woredas (piloted in four PSNP woredas). The pilot witnessed considerable enthusiasm

¹⁸ For example, policy briefs, discussion documents, guidelines, manuals, and training materials.

¹⁹ African Climate Change Resilience Alliance Policy Briefs (undated), *Development Interventions and Adaptive Capacity in Rural Ethiopia*

to improve PSNP delivery and already demonstrated what social accountability tools, working modalities and procedures will work for the PSNP that should be up-scaled.

Despite the availability of such lessons and good experiences, the efforts to rollout and upscale remained more fragmented and integration at scale is yet daunting. This calls for strong high-level leadership (inter-ministerial), consolidation of evidences and existing good practices, and then lobbying for climate finance, which this action is planning to take up.

3.2. Complementarity, synergy and donor coordination

The PSNP implementing partners recognize the need to enhance proper linkages, complementarities and synergy between its public works and livelihoods components. To this effect, the two Technical Committees related to Public Work and Livelihoods have developed a framework designed to help improve these linkages, leading local stakeholders to improve their planning, implementation, coordination and monitoring of public works and livelihoods activities. Pursuant to this, an effective vertical and horizontal coordination mechanism is iterated and substantiates the need to address the gap in creating linkages and strengthening synergies between the two major components (Public Works and Livelihoods) of the PSNP4.

While the PSNP is considered as a strategic cornerstone in the resilience building sector, the EU is supporting other complementary actions. The specific activities to be planned under the proposed action will have to be well aligned with the PSNP4 program and complementarities are ensured to maximize the final outcome of climate resilience. Relevant complementary actions include:

- The EU is supporting the **Ethiopian Climate Change agenda** implementation in the priority areas/sub-pillars like sustainable management of Ethiopia's eco-regions (with focus on forest and biodiversity conservation and enhancement of environmental services), and Sustainable Land Management Program. EU is also supporting the Monitoring, Reporting and Verification (MRV) capacity building to help the Ethiopian government submits NDC delivery reports that meet UNFCCC quality standard.
- **Supporting Horn of African Resilience/Ethiopia (SHARE)** program aims to enhance drought resilience, food and nutrition security of vulnerable population in areas that are also operational areas for the PSNP, and is complementing climate sensitive initiatives.
- The recently launched **RESilience Building Program for ETHiopia (RESET)** is implemented in 41 woredas and includes the promotion of natural resource management, climate change adaptation, and disaster risk management. All *woredas* in these clusters are PSNP operational areas thereby ensuring that by and large PSNP beneficiaries also benefit from these operations to maximize impacts.

Coordination among the PSNP4 Donors Working Group is organised biweekly, and there is a weekly discussion engaging the Donor Chair²⁰, Donors Coordination Team, and Food Security Coordination Director-Commodity and Logistics Management and Coordination Director. In parallel, a consolidated Rural Economic Development and Food Security (RED&FS) platform is chaired by the Minister/State Minister of the Ministry of Agriculture and Natural Resources that enhances coordination between donors and the Government.

Hence, the proposed action will seek coordination with the existing platform while lessons, implementation challenges, and examples of good practice from past and ongoing programs will be identified and used to complement and value-add to the action.

3.3. Cross-cutting and other issues

- **Gender mainstreaming:** Despite the significant roles that women play in local economy they remain constrained by unequal access and control over resources like land, financial services, information, and technologies, and capacities. Socio-cultural issues such as men's control over the means of production, women's disproportionate share of reproductive/care responsibilities, lower female educational attainment levels, and socio-religious restrictions on women's mobility constitute common barriers for

²⁰ The Donors' chairs is rotated on six monthly basis and the EU is the chair from January to June 2017

many women to gainfully participate in labour markets. Recognising this fact, the Program Implementation Manual of PSNP4 includes a Gender Action Plan (produced by the EU at the end of 2014) with provisions in relation to climate change²¹. The Program Implementation Manual also provides guidance on affirmative targeting of female household heads for livelihoods transfers, and ensuring that women have access to livelihoods interventions²². Specific provisions for women notably include flexible working hours (early departure from Public Works), waiving of the requirement to participate in Public Work activities for pregnant and lactating women, possibility to do Behavioural Change Communication (BCC) sessions instead of Public Works, childcare centres at Public Works sites, introduction of client cards with names of both spouses, etc. developed in the framework of the EU Gender Action Plan. Concerning voice and participation, PSNP includes now the Social Accountability component²³, and also articulates assurance of representation of women in the local grievance redress mechanism (appeal committees). In all program components, gender mainstreaming considering and integrating the concerns of women and men through identifying gender differences in vulnerabilities and coping strategies, and determining gender-sensitive livelihoods options and appropriate disaster risk reduction measures needs to be considered. While the action will not directly support initiatives targeting women, it will report on key indicators from the PSNP Gender Action Plan that reflect impact of the programme on women and specifically that address women's specific risks and vulnerabilities in relation to climate change and food security.

- **Climate Change/Environment:** Over the recent past decades, climate change added a new dimension to the challenges of food and nutritional insecurity by altering growing seasons, increasing frequencies and severities of weather extremes such as drought and floods. The envisaged action has a climate change focus aiming at taking stock of the existing good experience and maximizing efforts to enhance rehabilitation of degraded lands and reduce Greenhouse Gas emissions. The action addresses natural resources degradation through proper conservation of such resources and restoration of ecosystem and biodiversity through environmentally friendly technologies and practices which are crucial to curb the adverse impacts of climate change, and enhance drought resilience, food and nutrition security of vulnerable groups.

The Environmental and Social Management Framework (ESMF) forms are inherent part of the PSNP4 and its implementation manual. ESMF is designed to address potential environmental and social impacts arising from public works, and the livelihoods components. In order to effectively address these impacts, potential risks need to be identified during the planning process and appropriate mitigating actions be put in place. For public works, a screening tool within the ESMF supports the effective identification of ineligible projects, projects of concern or requiring special procedures and which therefore need referral to woreda and regional authorities, and projects that require mitigating actions.

4. DESCRIPTION OF THE ACTION

4.1. Objectives/results

The overall objective is to improve resilience and adaptive capacity of targeted poor and vulnerable communities in Ethiopia to climate change driven impacts.

The specific objective to reach this goal is to strengthen Ethiopia's Productive Safety Net Program (PSNP) in building climate resilience among the most vulnerable.

This will be achieved through 3 result areas: 1) Climate smart approaches and methodologies are mainstreamed into the PSNP4 planning and implementation, 2) Enhanced institutional and technical implementation and M&E capacity to respond to climate change risks/opportunities, and 3) Improved documentation and dissemination of evidences generated through the action to support sector dialogue and leverage climate finance.

²¹ https://europa.eu/capacity4dev/resilience_ethiopia/documents

²² Over 44% of the pilot livelihoods transfer beneficiaries under the PSNP4 are female

²³ <http://esap2.org.et/>

4.2. Main activities

Under Result I: Climate smart approaches and methodologies are mainstreamed into the PSNP4 planning and implementation

Based on the experiences from Climate Smart Initiative (CSI) and the Ethiopia Global Climate Change Alliance/Sustainable Land Management Program (GCCA-E/SLMP) that provided sets of scientific and technical information as well as recommendations for activity packages and further scaling up, the action aims at supporting integration of adaptation and long term resilience efforts through different dimensions: supporting climate-smart analysis and planning processes at the watershed level; piloting of climate-smart activities; conducting research and studies and reflecting on and synthesizing learning to inform integration of climate change in PSNP. The interventions to mainstreaming of climate smart approaches with PSNP4 will enable evidence building and dissemination of the good practice at scale both for technical implementers and policy makers, directly contributing to the climate change objectives. These may include:

a. Stock taking

A first step is to elaborate a full methodology for action to be used in further activities. This will be done through: 1) the inventory and analysis of existing mainstreaming in processes (planning) and implementation, and engaging with the Federal Government, notably through identified advocates, in reviewing CSI's key lessons, approaches, methodologies and tools and assessing their relevance to its government programs and initiatives; 2) prioritization (determining which, if any of the key approaches, methodologies and tools should be adapted and adopted, and in what type of setting (eg. pastoral lowlands or non-pastoral highlands)); and 3) finalise methodology for mainstreaming (steps) and prepare an action plan to ensure adoption of the selected approach, methodology and tools.

Upscale strategy should be defined at this level in terms of reach and intensity (geographical coverage and optimal level of inputs at local level), phasing, proposed technical solutions, which shall include the definition of initial activity packages where supported activities can be clustered (income generation activities, water use/irrigation, energy/fuelwood, soil conservation, etc.). This will be based on the work done by GCCA/SLM, which identified specific characteristics and advantages of a limited number of activity packages notably in terms of water and soil retention, level of technical difficulty, potential productivity. Mitigation advantages should also be defined per activity package along with finalizing narrative on sustainability approach of the program. This exercise will define how "graduation" can be sustained through increased access to support in livestock, agriculture, and other income generating activities, thereby contributing to the diversification of household income, focusing on women.

b. Mainstreaming in Planning of the PSNP

This activity will focus on two parallel activities.

b.1 *Strengthen the planning process:* starts with putting in place TA at central and local levels, and a helpdesk function (remote support) for planning. The TA will adapt and systemize the use of climate vulnerability analysis in the planning methodology and also will identify and implement community engagement processes. The TA has to perform local capacity analyses (including at technical and financial levels), aiming at ensuring the sustainability of activities. Community incentives should be linked to proven developed capacities, maintenance efforts and gender mainstreaming practices extended by the communities. The TA will finalise the planning methodologies and support planning process, from community engagement (ensuring ownership through empowering but also by using cost sharing mechanisms), to the identification and localisation of activities (gendered), to validation and consolidation of regional plans.

b.2 *Integrate climate smart options in the planning processes:* The Action will propose demand driven and context specific public work and livelihoods interventions geared to climate adaptation and/or mitigation while at the same time enhancing linkages between the two components. These climate smart activity packages will balance local productive infrastructure with typologies of landscapes, leading to ecosystem based adaptation activities where water management (including for gravity irrigation) and forestry/agroforestry will be particularly promoted. This will involve identifying local opportunities for diversification of productive

activities, and allow for the stabilization of ecosystems and the improvement of ecosystem services, notably the sustainable use of soil, water and forest resources. This may imply to look for local synergies with other development actors (if any), or with contiguous woredas in order to coherently cover watershed or forest areas that do not depend on administrative boundaries.

c. Mainstreaming in Implementation

Supporting MoANR in its supervision processes (quality control of supervision activities, planning of supervision checks, logistics...) shall be done at central, regional and woreda level. The TA will also review field manuals, updating and adapting them to specific audiences, simplifying technical messages when appropriate, bringing technical advice on the implementation of climate smart packages at local level, and identifying additional field activities and investments that are climate smart and could be supported by PSNP.

d. Other potential mainstreaming activities

To exhaustively make use of any potential activities that have implication on mainstreaming the action shall review local management agreements on water structures/watershed management options, identify tools that are common to other initiatives such as general community planning, environmental impact assessment (EIA), or procurement, where Climate Smart Agriculture should be mainstreamed. Social protection/ safety net/ livelihood strategies can be linked with business plans for climate-smart activities at household level, and the related financial service providers, as well as potential widening of income alternatives (implement value chains analysis). It is also important to perform the updating of mainstreaming processes needed as new policy affecting the program comes in and/or the existing policies updated by the government.

Under Result II: Enhanced institutional and technical implementation capacity and enhanced M&E capacity to respond to climate change risks and opportunities

Success scaling up relies on adequate capacities at institutional and community level. Yet, individual, institutional and systemic capacities to assess and manage risks related to climate change and agricultural intensification, in line with CSA principles and capacity of locally available lands are not sufficiently developed. In this regard, individual capacities located within donor partners and other non-state actors (NGOs, CBOs, private sector and research institutions, but also local agents, para-surveyors, extension services, community representatives) ought to be harnessed to support national adaptation needs and processes. It is important to undertake site/areas and topic specific capacity assessment to better articulate capacity building needs. Also, in order to assess whether these adaptive management strategies or other CSA modifications are successful, indicators and other metrics should also be developed to provide relevant feedback for decision-making. The key activities are:

a. Capacity building

- Updating of the existing capacity building plan, linking with the existing “capacity development facility” of the PSNP4, and on the basis of the Knowledge, Attitudes and Practice survey reports of CSI (one at community level and one among development agents), to be used as a baseline;
- Preparation of training plan, define tools, methods and channels (including TVET support, farmers training centres and extension services) that can be used to implement and evaluate across capacity building objectives; and
- Support implementation of training plan and perform systematic follow up of priority capacity building activities.

b. Support M&E and the Monitoring, Reporting and Verification routines and reporting requirements

- Support synthesizing baseline data and setting of indicators and targets of future achievements of the action;
- Support the collection and reporting of gender segregated data and information on natural resource management and livelihood/adaptation efforts;
- Adapt to local capacity and simplify data collection requirements for the landscape systems and activity packages;
- Ensure local M&E is improved so that it informs future local planning exercises;

- Strengthening institutional and technical capacities for climate change M&E and Monitoring Reporting and Verification at federal, regional and local level;
- Facilitate the quantification of the climate change mitigation benefits (or carbon benefits) generated by PSNP activities;
- Linking woredas with information sources, weather and interpretation systems (including EWS). Organization of flow of information on climate and disaster risk reports down to grass root level, taking into account of community inputs regarding local situation reports;
- Contribute to the national reporting on climate change action and on the implementation of the Nationally Determined Contribution.

Under Result III: Improved documentation and dissemination of evidence generated through the action to support sector dialogue and leverage climate finance.

Ethiopia needs to define as to how to cope with the threat of climate change through the development of pro-poor adaptation measures and nationally appropriate mitigation actions while lobbying for international solidarity and climate justice. Consolidation of field level experiences and existing evidence through integration into the PSNP4 is expected not only to reduce climate vulnerability at scale, but also to take advantage of market and donor interest in carbon projects that offer co-benefits. The importance of conservation agriculture as a key climate-smart practice for Ethiopia needs to remain a priority among high-level policy-and decision-makers as well as government and civil society organizations in the country. Awareness on the accrued benefits climate smart should be provided to all stakeholders at federal and regional level. Hence, the proposed activities that contribute to this Result will include ensuring awareness at all levels and then engaging at higher level with evidence-based agenda that justify policy dialogue.

a. Increasing awareness on climate smart agriculture

- Design and implement a communication and knowledge strategy for the present Action, focusing at strengthening engagement of stakeholders towards Climate Smart Agriculture objectives;
- Identify and develop methods and tools of communication to promote awareness on Climate Change Agriculture and on the promoted activity packages among the project stakeholders including local communities;
- Facilitate outreach programs using popular media outlets;
- Document Climate Smart Agriculture promotion processes at all levels of implementation so as to undertake evidence-based promotion and up-scaling of the technologies.
- Generate evidence on how social protection and climate-smart public works programmes can mutually reinforce their long-term positive effects on livelihoods, nutrition, food security and environmental sustainability.

b. Feed in national and international climate dialogue and finance

- Strengthen multi-sector coordination and implementation of Climate Smart Agriculture related interventions at district and regional levels;
- Supporting advocacy and dialogue with model show cases and hard facts on the ground for promoting climate-change agenda to continue to be an important cross-cutting issues on the national agenda;
- Define adaptation/mitigation “win-win” strategies through the preparation of case studies, and research derived from PSNP activities;
- Identify issues on climate change vulnerability of women and promote lessons for public dialogue,
- Support Ethiopia’s participation in climate funds, notably the Green Climate Fund;
- Support the government in its engagement with international climate actors.

4.3. Intervention logic

The specific objectives are designed to reinforce the GCCA+ initiative and contribute to the achievement of Climate Resilient Green Economy strategic objectives and the targets of the Nationally Determined Contribution through up-scaling the Climate Smart Initiative, a successful pilot action, into a major Ethiopian program that focuses on the poorest, the PSNP. By integrating climate change measures into local planning processes and by facilitating implementation at field level, the action will directly strengthen resilience and adaptive capacity to climate related hazards and disasters like the one happened in 2015 in Ethiopia. The

envisaged activities are geared to improving adaptation (natural resources regeneration, biodiversity conservation and availability for economic uses), mitigation (by reducing greenhouse gas emission and through carbon sequestration), enhancing livelihoods (increased productivity), community systems in the short and medium term (public works and new local infrastructure), and sustainability (promoting ownership, uplifting from food insecurity, income diversification strategies).

By using the PSNP as a channel for delivery and building on CSI and GCCA-E/SLM experiences, the action has a strong potential for improved efficiency and wide coverage, as it will be based on and improve existing processes, consolidate quality of public action towards vulnerable communities, and upscale successful models at national level. Collaborating with non-state actors, as well as the government stakeholders such as the Ministry of Agriculture and Natural Resources, which houses the PSNP, and the Ministry of Environment, Forest and Climate Change, which houses the Climate Resilient Green Economy, the Action will support coordination and sharing lessons and evidences with the key stakeholders and development partners to reinforce adaptation strategies and influence policy development at country level. Further, scaling-up CSI pilot investment and capacity building support in the low carbon approach within PSNP offers a unique opportunity to support climate change mitigation, while improving its climate financing potential.

This project is also relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal 13 (“Climate Action”) and targets SDG13.1 and 13.2. It also promotes progress towards Goal 15 (“Life on Land”). This does not imply a commitment by Ethiopia benefiting from this program.

5. Implementation

5.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the responsible Commission’s authorising officer by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation of the budget support component

Not relevant

5.4. Implementation modalities

5.4.1. Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
1. Technical Assistance	Services	1	1 trimester of 2018

5.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and

services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6. Indicative budget

	EU contribution (amount EUR)
All Results under section 4.2 through Procurement of services (5.4.1)	8 700 000
5.9 – Communication and visibility	N.A. (included in Service Contract)
Contingencies (2.8%)	300 000
Totals	9 000 000

5.7. Organisational set-up and responsibilities

The Ministry of Agriculture and Natural Resource shall be responsible for implementation of the action at all levels with technical assistance from the service provider (to be contracted by the Commission). The Ministry shall establish Project Coordination Unit (PCU) and will appoint a Project Coordinator, who will be working with the TA in definition and implementation of action plans, facilitation, monitoring and evaluation of activities.

A Steering Committee shall be set up to oversee and validate the overall direction and policy of the project. The project steering committee shall meet at the project inception and then at least bi-annually during the lifetime of the project. The steering committee shall be made up of: (i) Ministry of Agriculture and Natural Resources; (ii) the Project Coordinator; (iii) representatives of the main Ministries (Climate Change and Forestry, Livestock and Fisheries, Water and Irrigation, Women and Youth); (iv) a representative of the EU Delegation; (v) other stakeholders can be invited to attend specific meetings: representative of specific Departments involved in the project, Green Economy Teams; private sector representatives, other donors, and non-state actors.

Technical Working Group (TWG) comprising core stakeholders will be established with the role to facilitate a multi-sector dialogue as well as to monitor progress and where necessary make recommendations to improve performance. The action will also be represented in the Public Work and Livelihoods group of the PSNP on permanent basis, in bi-annual Rapid Response Missions, biannual regional and Federal Joint Review and Implementation Support (JRIS)²⁴ missions, and in other technical committees/task forces on ad-hoc basis.

The modality of implementation will be direct management whereby the EUD will be the Contracting Authority in charge of procedures and of signing and managing the contracts. This choice is based on the experience of the former PSNP3. A Technical Assistance will be recruited under direct management through merit-based and competitive bidding (call for tender), to assist the Beneficiary in the implementation of the project, including the provision of: (i) technical expertise tasks, including both expert advice and capacity development and training; (ii) support to implementation of the PSNP through dedicated human resources notably at woreda and local level; (iii) administrative, preparatory and ancillary tasks relating to planning, monitoring and reporting on project components, procurement and financial management. The TA will indicatively consist of long term expertise and unallocated short term expertise for other specialists as required. It is agreed that the Ministry of Agriculture and Natural Resources will provide space/office for Programme Coordination Unit (PCU) in its premise where the TA can also be housed. The TA will also comprise a large decentralised component based at woreda level, where most capacity building and technical support activities will take place. This will be done through formal partnerships with entities involved in the implementation of the CSI pilot, which will be presented by the main contractor in its technical offer.

A second service contract is foreseen to ensure independent and regular performance and financial audit missions regarding the main TA contract.

²⁴ JRIS is one of the most participatory missions which involves over 1000 participants drawn from federal, regional and woreda and relevant sectors

5.8. Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, measures taken to overcome them, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The Action will also feed the GCCA+ Results Framework, keeping track of quantitative and qualitative GCCA+ achievements at country level and as performed across GCCA+ targeted countries.

5.9. Evaluation

Having regard to the nature of the action, a mid-term or a final evaluation or both will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for problem solving and learning purposes, in particular with respect to the effectiveness of the project implementation, the quality and efficiency of the running of the service contract and coordination with authorities, as well as for accountability and learning purposes at various levels. This process will be complemented by the PSNP4 public works reviews and evaluations and terminal evaluation of the whole program.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. The financing of the evaluation may be covered by another measure constituting a financing decision.

5.10. Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

5.11. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX –LOGFRAME: GCCA+/Mainstreaming Climate Smart Planning and Implementation Approaches into the Productive Safety Net Program IV (PSNP4) in Ethiopia (CRIS: 2017/040-478)

Hierarchy of Objectives	Indicators*,**	Baseline	Target	Means of Verification	Assumptions
Overall Objective: To improve resilience and adaptive capacity of the targeted beneficiary communities to climate change driven impacts					
Specific Objective: To strengthen Ethiopia’s Productive Safety Net Program (PSNP) in building climate resilience among the most vulnerable	1. Agricultural value added measured using cereal yield per hectare **, 2. Nr of regions with climate change strategies implemented with action support**, 3. Nr of final beneficiaries of climate adaptation measures supported by PSNP4 (disaggregated by sex and adaptation type)*, 4. GHG emissions reduced or avoided expressed on the basis of CO ₂ equivalent by the action supported intervention (CO ₂ equivalent)*	To be set	To be set	<ul style="list-style-type: none"> • MRV reports • M&E reports, • Final evaluation reports • NDC report 	
Result I: Climate smart approaches and methodologies are mainstreamed into the PSNP4 planning and implementation	1. Nr of hectares where CSA practices are introduced**, 2. Rate of change in biomass cover**, 3. Nr of hectares of protected areas (enclosures) managed by action support**, 4. Nr/% of government annual plans, annual reviews, and M&E integrating climate smart activities, 5. Nr/% of assessments/monitoring reports/ research outputs providing evidences of mitigation impacts of the actions as compared to the baseline (i.e. activities contributing to climate change mitigation, such as increase in total vegetation cover, increase in biodiversity, decrease in soil loss)*, 6. ²⁵ Nr of beneficiaries reporting improved implementation of the Gender Action Plan and positive impacts on women**	To be set	To be set	<ul style="list-style-type: none"> • M&E reports • Case studies • Annual reports • Biannual JRIS reports • Final reports • Final evaluation reports 	<ul style="list-style-type: none"> • Political stability is ensured, security problems do not disrupt project activities and no problem of accessibility in the field, • The policy environment remains conducive for implementation, Government cooperation is ensured at all levels, • In case of unforeseen natural disasters, the effect will not have serious consequences on the normal implementation of the activities and/or the disaster

²⁵ The action is not a standalone program, rather aligned with (mainstreaming into) a large program (PSNP) which has detailed gender component (targets) and guidance on affirmative targeting of women. Hence, it cannot have a separate gender indicator but can only monitor implementation of the gender plan of the PSNP.

Hierarchy of Objectives	Indicators*,**	Baseline	Target	Means of Verification	Assumptions
					loss will not be too big to destroy program gains <ul style="list-style-type: none"> The government exercises its commitment to implement Gender Action Plan
Result II: Enhanced institutional and technical implementation capacity and enhanced M&E capacity to respond to climate change risks and opportunities	<ol style="list-style-type: none"> Nr of people receiving rural advisory services with the action support (sex disaggregated)**, Nr/% of key beneficiary personnel (sex disaggregated) reporting that the action enhanced institutional capacities building and technical knowledge to promote and continue climate sensitive approaches beyond the period of the action, Nr of people receiving specific trainings (disaggregated by sex and by training), Nr of woredas equipped with technical instruments able to exchange data with federal level. Nr of guidelines developed/updated/ on climate smart mainstreaming by the Ministry, Nr of assessment/monitoring reports/research outputs produced, providing evidence of the positive impact of the action on climate change, Nr of region reporting improved periodic monitoring, reporting and verification (MRV) for carbon economy rated against UNFCCC standards. 	To be set	To be set	<ul style="list-style-type: none"> Reviews and assessments reports Capacity building follow-up reports Final evaluation/Impact assessment report 	Same as above
Result III: Improved documentation and dissemination of evidence generated through the action to support sector dialogue and leverage climate finance	<ol style="list-style-type: none"> Nr of stakeholders targeted by the knowledge management (disaggregated by sex and type of action included in the plan), Nr of forums hosted and/or facilitated by the action to share lesson and best practices, Nr of publications/policy briefs produced by PSNP4 that is used for the integration of climate change in policy, planning and budget preparation, 	To be set	To be set	<ul style="list-style-type: none"> M&E reports Case studies Annual reports Biannual JRIS reports Final reports Final evaluation 	Same as above

Hierarchy of Objectives	Indicators*,**	Baseline	Target	Means of Verification	Assumptions
	4. Nr of communication materials produced, by type (videos, articles, case stories, media clips, website postings, etc.).			reports • Briefing papers	

Results	Key Activities
Result I: Climate smart approaches and methodologies are mainstreamed into the PSNP4 planning and implementation	<p>Stock-taking:</p> <ol style="list-style-type: none"> 1. Identify level of interest, opportunities, challenges and specific initiatives at stakeholder local level (prioritization), 2. Identify existing adaptive capacity and mainstreaming in processes (planning) and implementation, 3. Reviewing CSI, GCCA and other key lessons, approaches, methodologies and tools and assessing their relevance to government programs and initiatives, and setting/documenting standard baseline information, 4. Determining key approaches, methodologies and tools that should be adopted in different setting (pastoral lowlands or non-pastoral highlands), 5. Finalize methodology for mainstreaming (steps) and prepare an action plan to ensure adoption of the selected approach, methodology and tools, 6. Define upscale strategy with reasonable geographical coverage and optimal level of inputs at local level, 7. Define initial activity packages where supported activities can be clustered (income generation activities, water use/irrigation, energy/fuel wood, soil conservation, etc.), 8. Finalize graduation plans and systems (through livestock, agriculture, employment) as part of diversification of income linked to developed capacities. <p>Mainstreaming:</p> <ol style="list-style-type: none"> 1. Put in place TA at local level + Helpdesk function (remote support) for Planning, 2. Review and systemize the use of a climate vulnerability analysis in the planning methodology, 3. Identify and implement community engagement processes, 4. Finalize planning method, from community engagement (ownership, empowering, cost sharing), to identification and localization of activities, to validation and consolidation of regional plans, 5. Identify risks and opportunities in local infrastructure and landscape, 6. Identify challenges to implement CSA principles, local feedback on practices, 7. Define local criteria for prioritization of activities, based on advantages of technical packages combined with local opportunities, 8. Identify realistic objectives in the mid-term at woreda level (for each activity package), with special consideration to gender, environmental mainstreaming, 9. Define and support supervision processes: timing, logistics... at all geographical levels, 10. Adapt field manuals and format to specific audiences based on the result of stock-taking, 11. Update the existing capacity building plan and implementation of capacity building activities, linked to Result II, 12. Identify and support additional field activities investments that are climate smart and environmentally friendly and could not be supported by PSNP4, 13. Determine landscape packages with works and other PSNP related activities (household asset building approach) considering gender, widening of income activities, 14. Identify tools that are common to other initiatives such as general community planning, environmental impact assessment (EIA), or procurement, where CSA should be mainstreamed,

Results	Key Activities
	15. Perform updates in the mainstreaming processes needed as new policy comes out, 16. Ensure overall supervision of planning process and appropriate timing of activities.
Result II: Enhanced institutional and technical implementation capacity and enhanced M&E capacity to respond to climate change risks and opportunities	<ol style="list-style-type: none"> 1. Support synthesizing baseline data and setting indicators/targets of measurement of future achievements of the action, 2. Support the collection and reporting of gender segregated data and information on NRM and livelihood/adaptation efforts, 3. Adapt data collection to landscape systems and activity packages (simplification), 4. Implement improvement strategy, strengthening institutional and technical capacities for climate change M&E and MRV, 5. Linking woredas with information sources, weather and interpretation systems (including EWS), 6. Follow-up of past activities and sustainable land management investments that significantly increases in value of production, 7. Plan/formulate, implement and evaluate capacity building, linking with the existing “Capacity Development Facility” of the PSNP4, 8. Determine back and forth flow of information, link with DRR/EWS down to grass root level, local situation reports, 9. Support customized technical training sessions on topical climate change issues to enhance general knowledge and negotiation/advocacy skills, 10. Support mainstreaming activities by increasing awareness on CSA linking with Result I 11. Conduct best experience-sharing field visits, 12. Conduct periodic review meetings of stakeholders, 13. Follow up of capacity building activities.
Result III: Improved documentation and dissemination of evidence generated through the action to support sector dialogue and leverage climate finance	<ol style="list-style-type: none"> 1. Support Ethiopia’s participation in climate funds (Green Climate Fund), develop appropriate strategy to engage the government and climate actors, 2. Document Knowledge, Attitudes and Practice regarding climate change across different government strata and communities, baseline setting process, 3. Facilitate/commission studies and research works with the aim to provide valuable knowledge of immediate relevance, including quantification of the climate change mitigation benefits (a.k.a. carbon benefits) generated by PSNP4 activities, 4. Supporting advocacy efforts (dialogue) with model show cases and hard facts on the ground for promoting climate-change agenda to continue to be a topical cross-cutting national agenda of the country, 5. Design appropriate strategy to engage the government and climate actors.