



Using the Investment Prioritization Tool (IPT) and NCA for designing Landscape Programs in Ethiopia

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The logo for PROGREEN, featuring the word "PROGREEN" in a bold, green, sans-serif font, with a small green leaf icon to the left of the letter "O".

PROGREEN

Presentation outline



Country context



State of land degradation



Brief on Ethiopia Sustainable Investment Framework for SLM



Evolution of the WB landscape support program



NCA initiative architecture and objective



Investment Prioritization Tool (IPT) and NCA development and Use cases



Challenge and Lesson



Next steps



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MINISTRY OF AGRICULTURE



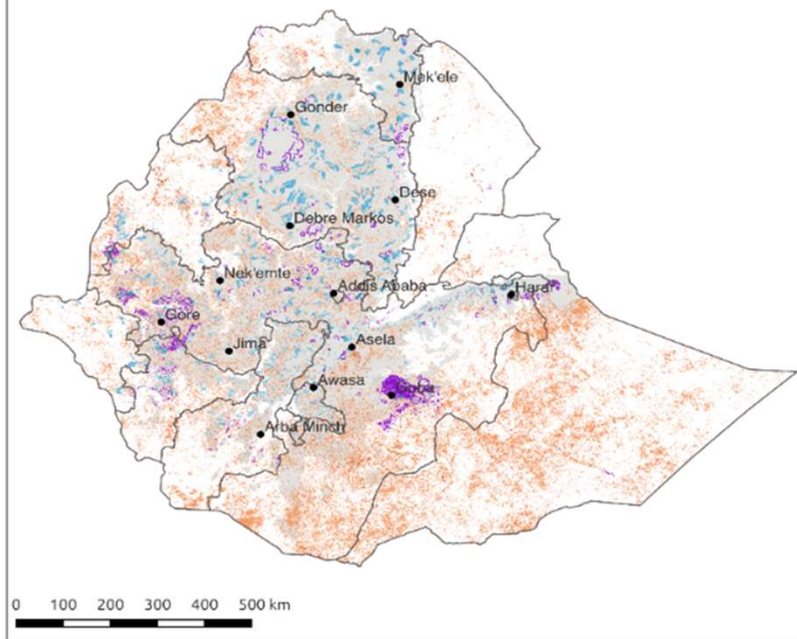
Country Context

- Ethiopia's economic dev't mainly depends on agriculture - high growth rates of (> 10%).
- But policy distortions, compounded by internal and external shocks have since reduced GDP growth to about 6 percent
- Despite significant reductions over the past few decades the share of people living below poverty line still stood at 24 percent in 2022,
- The GoE has laid out an ambitious policy agenda to transform the country into a diversified & resilient middle-income economy by 2030.
 - The 10 Years Development Plan defines an annual GDP growth by 10% by 2030
- Ethiopia relies heavily on renewable natural resources, which cannot be replaced by produced or human capital.
 - Experienced an absolute drop in the value of renewable natural capital 11% between 2015 and 2018 (WB, 2022)
- Demographic and climate shocks leading to degradation and increasing vulnerability

State of land degradation



Source: World Bank Modelling Results from Ethiopia CCDR, 2023



Changes in vegetation condition in Constrained Growth Scenario (2030)

Ethiopian highlands region
■ >1500m elevation

Predicted changes in veg condition
■ Strong decline
■ Moderate decline
■ Improvement (with afforestation, restoration, & sustainable land management)
■ Irrigated agriculture expansion

□ Regions
● Cities

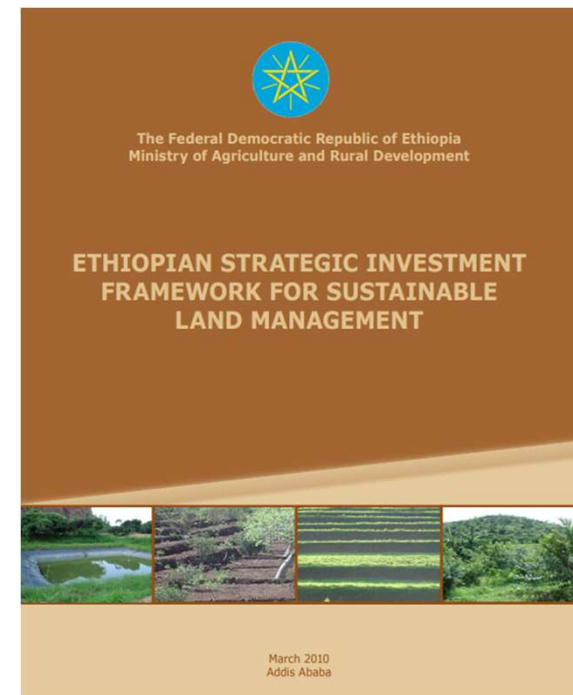
Land degradation affects millions and reduces resilience to climate change.

- The cost of LD is estimated to 2-6.75 percent of the agricultural GDP
- LD affects 1 in 5 persons of the total population

CCDR - predicted to experience change in vegetation condition through 2030 under the CG scenario.

GoE response through Ethiopia Strategic Investment Framework for SLM

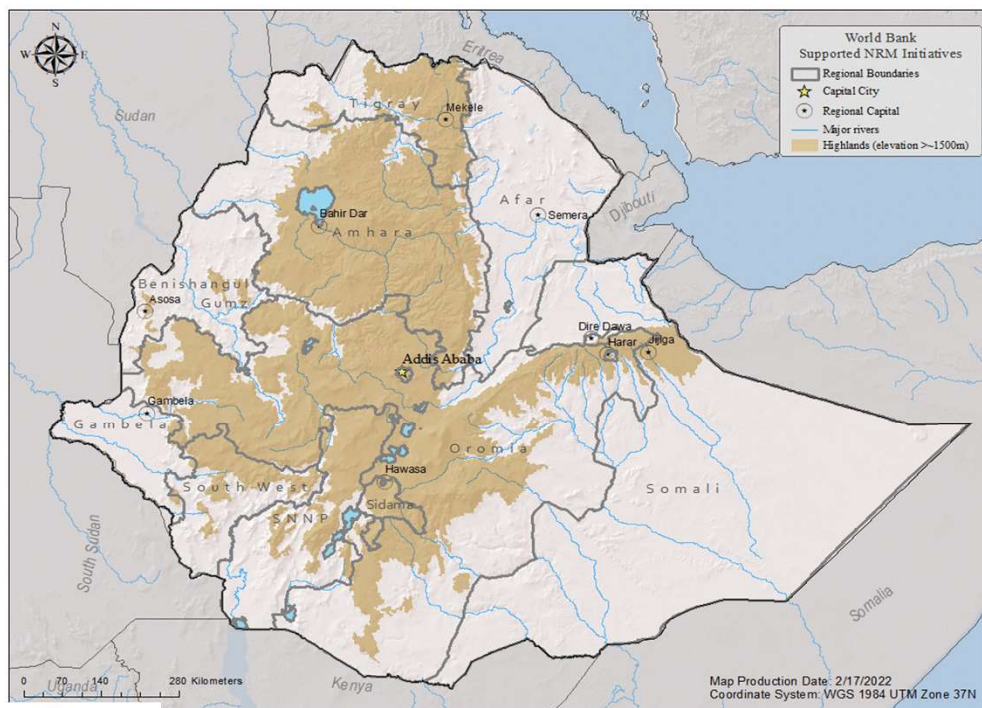
- The purpose of the ESIF for SLM is :
 - providing a programmatic and strategic planning framework to guide the prioritization, planning & implementation SLM investment in Ethiopia
- Fifteen years strategy with two phases
 - ESIF-I-SLM covers 2010-2023
 - Estimated cost of US\$ 6 billion
 - Covered more than 13,700 community watersheds with 6.9 million ha.
- ESIF II-SLM covers 2024-2038
 - Continue the pragmatic approach for 15 years
 - 6 components
 - 60,000 community watersheds with landscape approach
 - 25 to 30 million hectares
 - Estimated cost of US\$ 27 Billion (of which 68% for scaling up SLM)
 - US\$ 8.24 Billion is required between 2024 and 2028



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Evolution of the World Bank Support for SLM (2008 to 2026)



- World Bank SLM support since 2008 :
 - US\$900 million of ongoing investments in SLM;
 - covers around 9200 community watersheds
 - area of close to 4 million hectares
- Currently World Bank support delivered through 4 operations:
 - CALM PforR - US\$500m (IDA) Results-based.
 - RLLP - \$165million (IPF) – IDA, Norway, GAC
 - RLLP II - \$176 million) - GCF and PROGREEN
 - OFLP-ER \$62 million (BioCF). Results based.

NCA initiative aims to support performance-based financing through...

- Lack of rigorous evidence about the impacts of SLM investments on ecosystem services
- Limited and fragmented spatially explicate decision support tool

Data

Support **establishment of natural capital account** in Ethiopia through the development of:

- Land accounts
- Ecosystem extent account
- Ecosystem Service accounts

Help **systematize geo-spatial and socio-economic data** to support policy applications

Analytics

Support establishment of **ecosystem-based investment prioritization tool** to inform integrated landscape planning

Inform government policies on performance-based financing: **Ethiopia Strategic Investment Framework (ESIF) for Sustainable Land Management, Payment for Ecosystem Services (PES) program**

Inform WB operations: **Climate Action through Landscape Management project**

Institutional strengthening

Establish **Technical working groups and Steering Committee** to ensure institutionalization

Intensive SEEA training programs and learning-by-doing for technical working groups

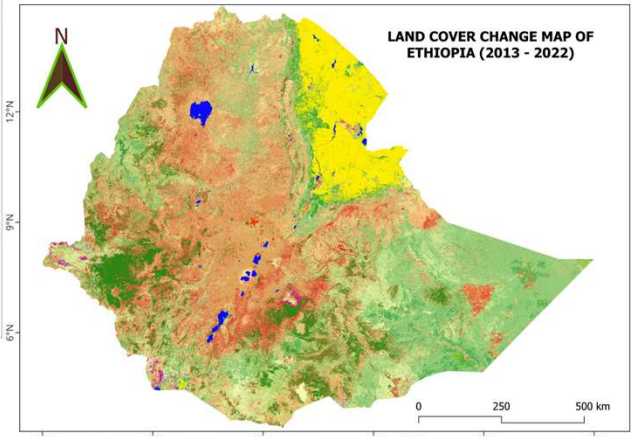
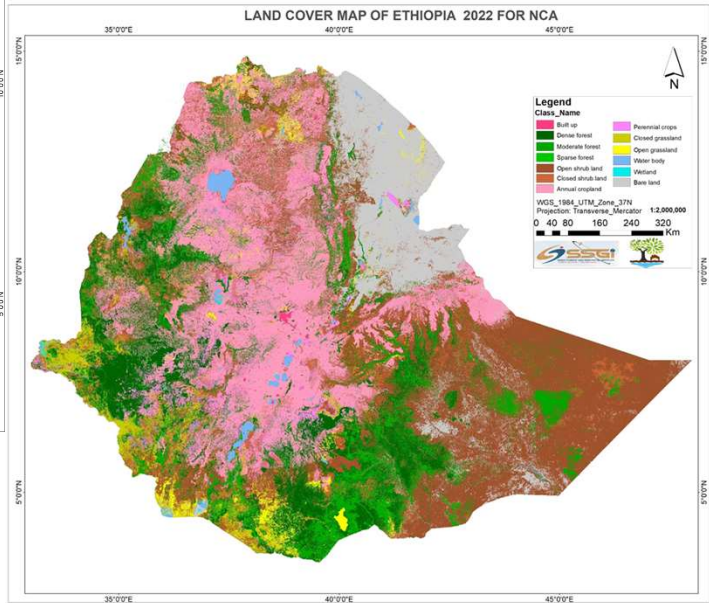
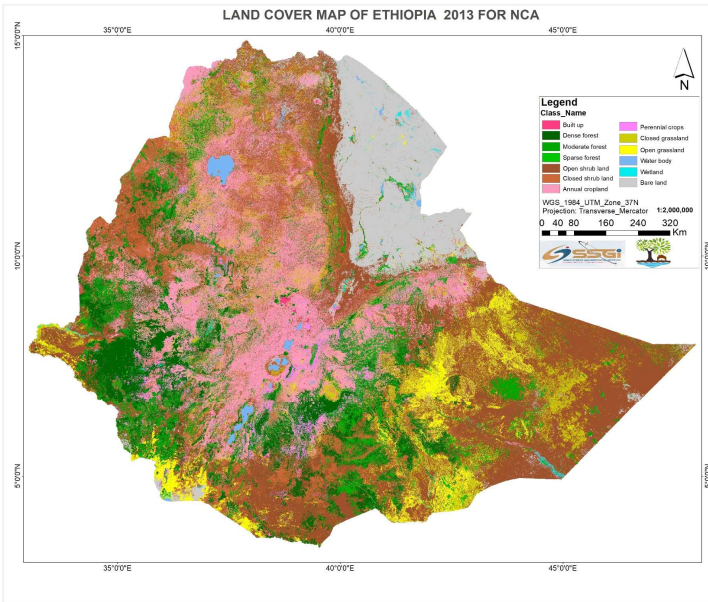
Stakeholder engagement through workshops, consultations, etc.



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Land Accounts: two periods selected



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Land Use Change Matrix

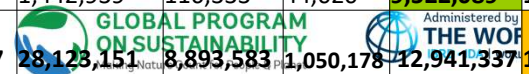
2022

	Moderate forest	Perennial cropland	Annual cropland	Open grassland	Closed grassland	Dense forest	Sparse forest	Wetland	Built up	Open shrub land	Closed shrub land	Water body	Bare land	Total
Moderate forest	2,279,166	549,108	1,664,058	75,445	370,212	512,097	244,014	28,887	8,433	1,450,469	966,008	46,495	152,054	8,346,447
Perennial cropland	231,931	301,519	835,468	25,213	101,299	311,330	38,035	18,330	4,531	238,782	371,129	6,971	12,436	2,496,974
Annual cropland	895,661	898,120	12,455,893	279,783	211,102	688,020	154,715	57,125	72,180	2,209,615	1,417,404	20,406	116,495	19,476,519
Open grassland	354,631	74,593	409,042	188,151	379,764	176,834	60,507	15,046	3,985	3,055,045	374,472	25,768	631,317	5,749,156
Closed grassland	882,230	160,427	2,091,025	121,650	204,528	299,554	80,786	29,252	8,565	2,063,228	463,014	1,772	40,609	6,446,639
Dense forest	1,290,085	791,698	562,786	27,398	251,604	7,506,552	180,747	10,060	6,072	485,532	788,423	5,530	14,851	11,921,338
Sparse forest	372,068	112,960	225,021	10,673	69,310	139,312	261,958	3,136	1,966	226,939	192,038	1,663	17,262	1,634,306
Wetland	25,707	23,827	39,591	9,433	20,906	9,463	2,845	10,033	1,925	65,210	22,866	17,606	102,809	352,221
Built up	2,321	5,607	14,545	485	208	2,115	306	197	119,660	5,029	4,208	490	683	155,855
Open shrub land	2,624,442	318,601	4,132,894	815,388	1,209,974	1,927,104	471,538	34,423	30,112	14,544,381	1,731,042	56,139	1,956,991	29,853,029
Closed shrub land	1,876,320	676,586	3,061,322	210,148	399,850	1,952,557	333,100	34,687	25,364	2,327,936	2,440,394	80,781	360,691	13,779,736
Water body	7,230	5,195	5,921	1,231	6,287	5,806	855	1,473	160	8,047	6,253	742,537	13,050	804,045
Bare land	165,116	55,036	699,951	275,599	111,051	35,673	18,647	9,890	15,453	1,442,939	116,333	44,020	9,522,089	12,511,798
Total	11,006,906	3,973,280	26,197,519	2,040,596	3,336,096	13,566,416	1,848,054	252,539	298,407	28,123,151	8,893,583	1,050,178	12,941,337	113,528,063

2013



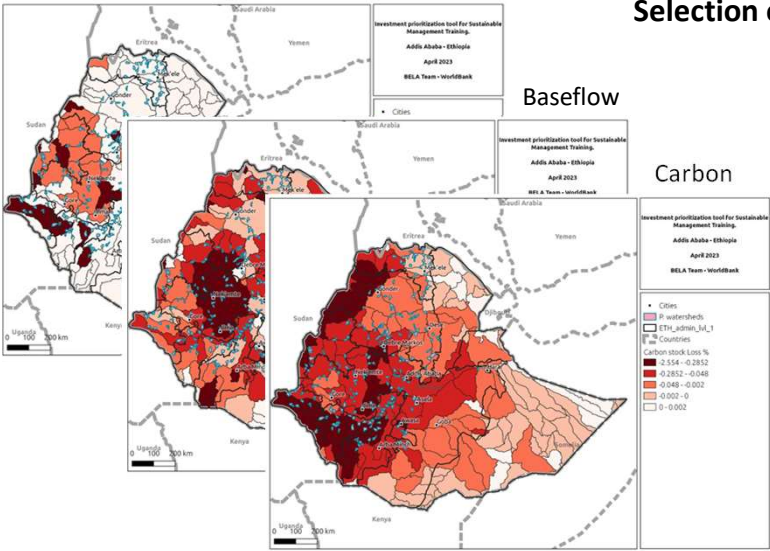
Total



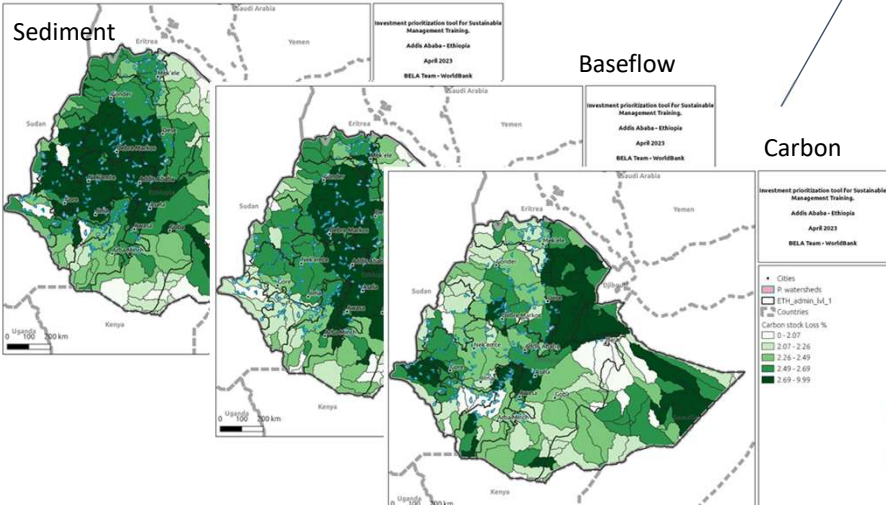
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Selection of investment areas for SLM in Ethiopia using IPT

Business-as usual loss in services



Improvement in services with SLM

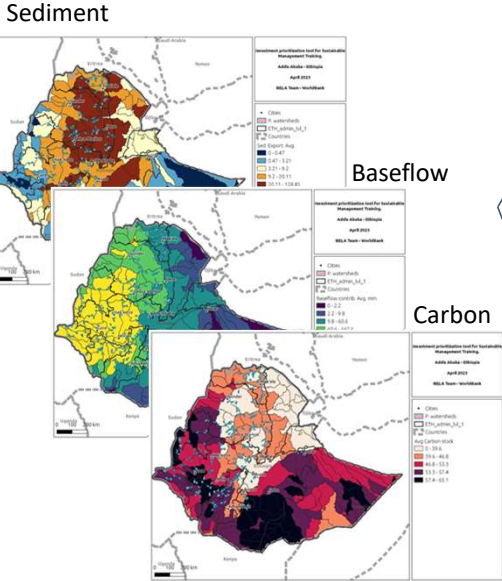


Other criteria

- Degradation
- Climate risk
- Biodiversity
- Beneficiaries
- Exclusion criteria

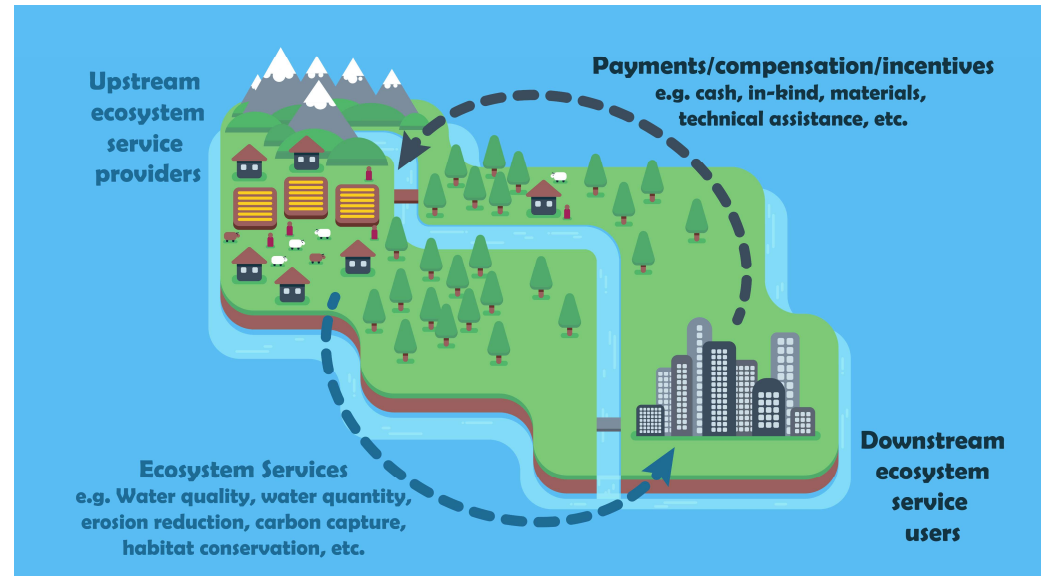
Priority investment areas

BASELINE



IPT policy application

- Inform GoE landscape policy and strategy
 - ESIF-II
- Designing landscape programs
 - CALM restructuring (1,200 CWs selection)
 - Second CALM
- PES schemes
 - OFLP-ER
 - CALM and RLLP operations





Challenges and Lessons

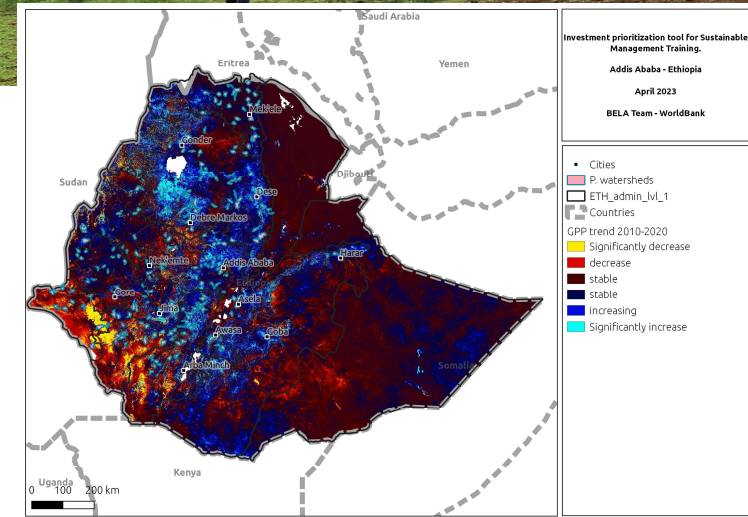
- **Challenges**
 - **Lack of data sharing mechanism**
 - **Limited engagement to speed-up the process at early stage of the initiative**
 - **NCA/IPT institutionalization through Steering Committee and TWG demand coordination and collaboration**
- **Lessons,**
 - **Client ownership and lead process**
 - **Coordination among institutions**
 - **Using IPT as a tool facilitates evidence base landscape policy development and investment prioritization**



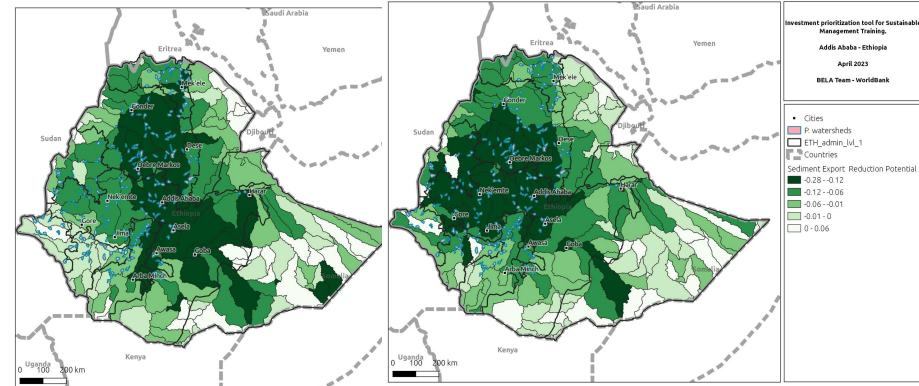
Next steps of IPT

- Rolling out the revised IPT tool and supporting materials.
- Conducting hands-on IPT training specifically oriented towards selecting the next 1,200 CALM watersheds.
- Exploring options for an in-depth "developer-level" training on the IPT.

Degradation Trends



SLM Potential:





Thank you!

More information available:

[The Global Program on Sustainability](https://www.worldbank.org/en/programs/global-program-on-sustainability)

<https://www.worldbank.org/en/programs/global-program-on-sustainability>

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