UNDP Ethiopia 2011
Key Results and Elements of Future Engagement for Transformational Change

CLIMATE CHANGE

GOVERNANCE & HUMAN RIGHTS

ECONOMIC GROWTH
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ECONOMIC GROWTH
Background

UNDP Ethiopia has strategically positioned itself as a partner of choice in efforts to accelerate sustainable economic growth and human development in Ethiopia. UNDP’s support is anchored to the country’s medium term strategy—the Growth and Transformation Plan—which spans for the period from 2011 to 2015. It is an ambitious medium term plan of the Government of Ethiopia that seeks to meet all the Millennium Development Goals by 2015, move towards a Climate Resilient and Green Economy and become a middle income country by 2025.

Building on UNDP’s comparative advantage, mandate and experience, the country office has embarked on strategies to move its strategic support programme in the upstream sector. UNDP interventions focus on strengthening national capacities to formulate and implement transformative policies and institutions, and to empower the Ethiopian people to realize their full potentials and attain better human development outcomes. UNDP is leveraging its resources, global knowledge and networks and forging strong partnerships with Government, development partners, private sector and civil society to promote broad-based and inclusive economic development, with major interventions concentrated in three primary areas:

• Pro-poor and human centered economic policy advice, institutional capacity building and innovative interventions aimed at accelerating local economic growth and development;
• Setting the policy framework and institutional mechanisms for building a climate resilient and green economy; and
• Strengthening institutions to build a democratic and developmental state

The subsequent sections describe the main areas of UNDP programme interventions in Ethiopia and highlight the key upstream results that have been achieved so far within each cluster of intervention, and how these results have helped to transform the Ethiopian economy and its development landscape.

Why provide upstream intervention in the agricultural sector?

UNDP recognizes the Agricultural sector as critical to Ethiopia’s economy and has positioned itself to provide policy advice, institutional strengthening support as well as innovations in the sector to enhance agricultural production and productivity.

The Agricultural sector is critical to overall economic development and is at the center of the country’s medium term development strategy (GTP) and the basis of
the country’s industrial strategy, and possesses the greatest potential for creating jobs and reducing poverty. The sector accounts for 81 percent of national employment, 47.5 percent of GDP and 52 percent of the country’s foreign exchange earnings. Small scale producers – farmers and pastoralists – are responsible for 90 percent of total agricultural production, underscoring the importance of the sector in achieving national food security and eradicating poverty. In addition, the agricultural sector provides important forward and backward linkages that support employment and investment in a number of other sectors, which are also critical to the country’s medium term economic and development strategy.

Ambitious targets have been set for the agricultural sector. Its output is projected to double by 2015 and will provide the impetus needed to propel the country towards middle income by 2025. Efforts to achieve targets set for the agricultural sector are being pursued in line with the country’s Compact for the Comprehensive African Agricultural Development Plan (CAADP), the corresponding Policy and Investment Framework, the National Agricultural Growth Programme and Food Security Programme. UNDP policy and institutional support is tailored to influence these programmes and to scale-up their development impacts.

UNDP support government to conduct diagnostic studies in the Agricultural sector to support policy formulation, institutional development, and capacity building in the agricultural sector. These studies identified two important constraints that cut across all the agricultural sub-sectors:

a. A narrow approach to sectoral change. Many projects and programmes have focused on selected aspects of the agricultural sector (e.g. specific value chains) often leading to disconnected interventions that fail to address the root causes of low agricultural productivity, especially in the context that 90 per cent of national agricultural production comes from smallholder farms.

b. Limited programme management and problem solving capacity. Ministry of Agriculture (MoA) and other public sector entities lack the technical skills and implementation capacity to engage in deeply analytical efforts required to develop a comprehensive strategy for addressing systemic challenges faced by the agricultural sector. Even when potential solutions are identified, the impact is typically limited by the lack of a strong project management and systematic implementation effort.

The diagnostic studies and consultation recommended the establishment of an Agricultural Transformation Agency (ATA). The ATA was created in December 2010 as an autonomous federal institution to provide support to existing institutions, drive the agricultural transformation process, and help to overcome policy constraints and implementation challenges currently faced by the sector ministry.
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UNDP’s support towards agricultural institutional development

Building upon the policy support provided by UNDP in developing the Agricultural Policy and Investment Framework and the National Agricultural Growth Programme, UNDP Ethiopia partnered with the Prime Minister’s Office, the Ministry of Agriculture and the Bill and Melinda Gates Foundation to establish and render functional the ATA, as well as ensure that ATA operations are well integrated and reinforced by other UNDP supported programmes in order to enhance and scale-up development impacts in the sector.

The ATA is accountable to the Transformational Council, chaired by the Prime Minister and deputized by the Minister of Agriculture. It aims to support the attainment of targets in the AGP and consequently the GTP by significantly increasing agricultural productivity of selected key staple crops and improving the livelihoods of smallholder farmers by increasing farm income and food security. Currently, the work of the ATA focuses on the following sub-sectors: seed, soil health and fertility, cooperatives, input and output markets, and research and extension services.

Some examples of innovative and transformative results

**The Teff Programme:** The ATA has conducted diagnostic studies to assist in developing a detailed roadmap for strengthening the Teff value chain. Key bottlenecks in this sub-sector have been identified and interventions are being taken to address them. Some of the major key achievements of this program are itemized below:

The ATA has supported the MoA to validate technologies for row planting, transplanting and reduced seed rate in Teff production and is partnering with the Debre Zeit Research Center to conduct off-season trials for Teff production under irrigation and is supporting the scaling-up of these trials to over 1400 farmers and 90 Farmer Training Centers in four regions.

The ATA is scaling-up the trials on improved agronomic practices and supporting activities to increase Teff production and productivity complimented by the Teff breeding programme. These interventions are expected to significantly increase production and incomes of Teff farmers, which will farther be boosted by on-going interventions to improve post-harvest technologies and market linkages through cooperatives.

**The Seed Programme:** The ATA has identified key interventions for addressing key bottlenecks and constraints in the seed system value chain. It has reviewed the national seed law and is reviewing attendant regulations. The main objective is to establish appropriate implementation structures at federal and regional levels and
invest in institutional and organizational development through building capacity, developing robust organizational structures, enhancing operating capacities of public enterprises. It also aims to strengthen demand assessment at national and farmer/distributor levels and enhance the knowledge of farmers through extension services and market support systems.

UNDP is providing high level policy and technical expertise to this initiative through international and national advisors, and has facilitated the alignment of the ATA’s work with the Agricultural Growth Programme, the Rural Economic Development and Food Security Platform and has also supported resource mobilization efforts for the Agency. Specific programmatic contributions of UNDP to ATA’s work include: strengthening cooperatives, extension and innovative research, promoting development of efficient agricultural market systems, agro-ecologically adaptive and sustainable agricultural system and value-chains development. UNDP further supports the strengthening of the agricultural sector to contribute to the move of the economy towards a Climate Resilient and Green Economy by 2025.

**UNDP Policy support towards Ethiopia’s Integration into the Regional and Global Trading System**

A competitive and effective trading system is one of the driving factors for growth and transformation in Ethiopia. As Ethiopia increasingly participates in the global economy, credible and evidence-based strategic information and knowledge is required to facilitate effective policy-making and negotiation within regional and global trading systems.

At present, although Ethiopia is a member of the Common Market for Eastern and Southern Africa (COMESA), it is not yet a member of the COMESA Free Trade Area (FTA). Ethiopia is also preparing for accession to the World Trade Organization (WTO) and is undergoing negotiations towards the Economic Partnership Agreement (EPA) with the EU.

UNDP has partnered with the Ministry of Trade and the European Union to build the capacity necessary for the Ethiopian government to negotiate, make informed decisions and effectively negotiate regional and multilateral trade agreements. UNDP provided financial and technical assistance that supported six studies that analyzed the benefits and costs, and challenges for further economic integration, both regionally and globally. These studies provide policy-relevant information to the government and made recommendations on how to address identified challenges and take full advantage of opportunities offered by increased economic integration. These following studies were undertaken with financial and technical support of the UNDP:
a. Impact of the Trade Related Issues in the Economic Partnership Agreement on Ethiopia;

b. Revenue implications of Economic Partnership Agreement and alternative source of compensating revenue loss;

c. Implication of joining the new Initiative of COMESA-EAC-SADC Tripartite FTA;

d. Trade Related Intellectual Property Rights under accession to WTO;

e. Implication of WTO Accession on Education Related Services in Ethiopia and

f. Implication of WTO Accession on Health Related Services in Ethiopia.

**Ethiopia moves towards a climate resilient and green economy**

Ethiopia has made a bold policy decision to accelerate development while minimizing its carbon footprint and vulnerability to climate change. This is embodied in the Government’s Climate Resilient and Green Economy (CRGE) Vision Statement of 2011. UNDP, together with key partners, is playing a central role in supporting the Government to set the policy and institutional framework that will enable Ethiopia to achieve this vision.

Ethiopia has registered impressive double-digit growth (average of 11%) in the past decade and has been rated by the International Monetary Fund as one of the fastest growing economies over the coming years. However, Ethiopia is highly vulnerable to climate change. Droughts and floods have remained the leading causes of disaster and human suffering in Ethiopia. According to the Ministry of Agriculture, 14 million people or about 20% of the population were at risk during the drought in 2003. This has declined to 2.6 million people in the last decade. Preliminary projections suggest a sizeable annual GDP loss of 7-8%, mainly affecting agriculture, water supply, energy, infrastructure and biodiversity which in turn have secondary impacts on other sectors of the economy.

On the other hand, current investment trends, if not transformed onto a green growth path will increase Ethiopia’s Greenhouse Gas Emissions (GHG) from 155 metric tons of carbon dioxide today to almost 400 metric tons in 2030 – an increase of more than 150%. A low carbon trajectory could offset 250 metric tons per annum with a potential to generate around $2.5 billion per annum worth of carbon credits – which is twice as much as the country’s export revenue from coffee today. However due to various reasons, including fiduciary standard requirements, and capacity to develop bankable projects, access to international climate and environmental financing by LDCs is currently limited.
While the political will for this transformation is unquestionable, mainstreaming CRGE into economic decision making structures and sector policies and translating them into development results remains a challenge.

**UNDP upstream support to the establishment of the policy and institutional, and financing of the CRGE**

UNDP has supported the GOE in developing a national CRGE strategy and investment plan. The strategy and plan are complemented by the establishment of a Government and multi-donor CRGE Financing Facility that will promote climate-smart investments, support climate adaptation and resilience initiatives. The Facility is designed to serve as a vehicle to mobilize, access, sequence and combine domestic and international as well as public and private sources of finance.

This facility will be launched in November 2011 and will be managed initially by UNDP on behalf of the Government of Ethiopia. The CRGE Facility will enable Ethiopia to access global climate financing, including the fast start global pledge which is $30 billion by 2012 and $100 billion annually by 2020. The Facility also brings on board financing from Government, donors and civil society. It will facilitate more coordinated planning, programming, institution building, financial management and accountability. To date, $39 million has been pledged by donors in Ethiopia to launch the Facility.

**The CRGE Strategy and Investment Plan will potentially succeed the Growth and Transformation Plan**

To achieve these results, UNDP has played and continues to play a central role in supporting coordination and building consensus among key Government agencies, including the Prime Minister’s Office, the Ministry of Finance and Economic Development, the Environment Protection Agency and the Ministry of Agriculture among others, in the policy making and institution development. UNDP has also been central in building a coalition of development partners and expert groups by establishing an informal Development Partners’ Forum to bring to bear expertise, new knowledge, perspectives and lessons in the process of preparing the country’s CRGE Strategy, Investment Plan and Financing Facility.

In addition, UNDP initiated a Climate Action Intelligence initiative to map and track all climate change state and non-state actors at federal and regional levels. This facilitated the creation of a coordination, information and knowledge platform for the benefit of all stakeholder involved.

Beyond coordination and institutional development, UNDP has initiated a Leadership for Results programme under the African Adaptation Programme. Through this
initiative the leadership competencies of a critical mass of policy makers from key sector ministries have been developed to initiate and maintain strategic changes within their institutions to contribute to the formulation and subsequently the implementation of a Climate Resilient and Green Economy in Ethiopia. In this particular context, the UNDP intervention has been remarkably instrumental and transformational for Ethiopia.

**Transition from Disaster Response to Disaster Risk Management for building long-term resilience**

As part of a medium and long-term strategy to end the cycle of disaster and food insecurity, the Government of Ethiopia has committed to a policy shift from reactive crisis management to a pro-active multi-sectoral disaster risk management (DRM) approach. To this end, a National DRM Strategic Programme and Investment Framework (DRM SPIF) has been prepared to facilitate implementation of the upcoming DRM policy. The ultimate outcome of this shift in approach will be to build national resilience, safeguard development gains and hence support achievement and sustainability of the Growth and Transformation Plan targets.

UNDP has played a critical policy advisory and technical role in supporting the preparation of the DRM SPIF. To ensure an integrated approach, UNDP has supported the integration of DRM in the CRGE Multi-Donor Trust Fund, which will facilitate resource mobilization, and a coordinated approach to the implementation of the DRM SPIF. The Facility is expected to be fully operational this year.

UNDP has also strengthened DRM institutions and systems, including the resumption of the national Early Warning System which was rolled out with 800 trained experts in all regions; strengthening of the DRM Information Management System; and support to the establishment of the Emergency Operations Center for better coordination of action to address potential disaster risks. UNDP has supported the integration of disaster risk reduction and climate change adaptation that is so critical in building community and household resilience through the development and implementation of community risk reduction and climate adaptation plans and strategies.

Support to the professionalization of DRM through the raising of the level of undergraduate and graduate degree programmes on DRM to international standards has been an expressed need by the Government of Ethiopia and which is a continuing process through south-south cooperation.
Strengthening Institutions to Build a Democratic and Developmental State

Federal Budget Grant Distribution Formula Revised

The Federal Democratic Republic of Ethiopia (FDRE) is based on the commitment of the Nations, Nationalities and Peoples of Ethiopia to build a political community which ensures lasting peace, economic and social development through mutual support and mutual respect. The FDRE Constitution provides that the goals of lasting peace, the rule of law, democratic order and sustainable development can be achieved through equality, mutual respect and support by rectifying past injustices. The Constitution further identifies equality and non-discrimination as one of its fundamental pillars. The principles find expression throughout the provisions of the constitution as well as subsidiary legislations.

The equality principle refers to equal rights and opportunities for individuals regardless of their race, color, sex, language, religion, political or other opinion, national or social origin, wealth, birth or other status. One of the mechanisms of ensuring equality is through the fiscal transfer system that guarantees equitable distribution of income and wealth as well as access to public health services, education, clean water, housing, food and social security to all Ethiopians. These are articulated in articles 39 (3), 41 (3), 89 (2) and 90 (1) of the constitution.

The Constitution further provides that Government shall provide special assistance to Nations, Nationalities, and Peoples least advantaged in economic and social development. It provides least advantaged regions with special assistance in order to catch up with relatively more advanced regions.

The revision of the Federal Budget Grant Distribution Formula

A federal budget distribution formula aims to:

a. Strengthen the process of creating one economic and political society through fair and accepted resource sharing among regions based on the constitutional principles of equality and solidarity

b. Promote equity among regions, enhances service provision at various levels and attainment of MDGs.

c. Create a framework to ensure equal access of citizens to publicly funded social services, equal opportunity to improved economic conditions through equitable wealth distribution

d) Provide for special assistance to regions least advantaged in development.

A review of the extent to which the federal budget grant distribution formula revealed that huge vertical fiscal imbalance among regions still exits. Regional revenue sources were found to be too low covering on average only 20% of their expenditure needs. Some regions were found to have a revenue generation capacity that is relatively better than others (more than three times that in other regions). Such horizontal fiscal imbalances necessitated grants from the federal government to help tackle this problem. Furthermore, some regions were found to be lagging significantly behind, thus necessitating special provisions to address peculiar needs in these regions.

**UNDP’s upstream support to the revision the grant formula to promote fiscal equalization**

UNDP supported recruitment of expert team to review the grant allocation formula, collected data and facilitated broad based consultation and dialogue processes on the formula among regions and key stakeholders. A study was undertaken that made a detailed analysis of regions’ relative expenditure needs and revenue raising potentials taking into account various factors affecting unit costs of providing public services (e.g., education, health, agricultural and health extension services, micro and small scale enterprise development, urban development and administrative and general services). Lessons were also drawn from other countries such as South Africa, India and Australia. Three alternative formulas (scenarios) for grant budget allocation among regions in Ethiopia were proposed for consideration by the House of Federation.

Continuous adaptation of the formula to the changing context is considered critical. UNDP has been supporting this process since 2008, including developing in-house capacity to enable it to provide continuous technical and policy support to the Government of Ethiopia. Some of the key results of the revision of the grant formula include (i) balancing differences in revenue raising capacities; (ii) balancing differences in expenditure needs and (iii) reserving one percent of the distribution pool for Benishangul-Gumuz, Afar, Gambella and Somali Regional States, the four emerging regions that require special consideration.
UNDP upstream support for Zero Tolerance for Corruption - Asset Registration law adopted

The FDRE constitution identified transparency and accountability of public officials as a fundamental principle of government. The Growth and Transformation Plan (GTP) further identifies good governance as a critical component of the country’s long term vision. The GoE further promotes a policy of zero tolerance for corruption and has set up various institutions to ensure public accountability and transparency.

An effective income and asset declaration regime can help prevent abuse of power, reduce corruption and increase public accountability, public trust in institutions and government legitimacy. Ethiopia for the first time adopted the asset registration law that puts obligations on those holding public office to fully disclose their assets and finances. Such laws are used by many countries as instruments of holding public officials accountable and fighting corruption and deterring and detecting any asset gained through illegal and improper channels.

To ensure effective implementation of the asset registration law, UNDP supported the establishment and strengthening of a directorate attached to the Federal Ethics and Anti-Corruption Commission (FEACC). This was complemented by training for experts within FEACC; assistance to development of the asset registration plan of action (PoA) and sensitization of civil servants to register their assets as per the requirements of the law. This has resulted in 17,000 officials registering to date, out of a target of 50,000. UNDP expects to also support automation of the registration system that will enhance effective implementation as well as transparency.

UNDP supports the enactment of the Freedom of Information law and framework

There is a growing recognition globally that Freedom of Information including disclosure of government records facilitates democratic engagement, builds confidence in government institutions and strengthens their credibility and effectiveness. Article 29 of FDRE Constitution guarantees the right to seek, receive and impart information of all kinds in the form of art or through any medium. The law further grants access to information of public interest to the press and mass media.

Furthermore, the Constitution outlines that any entity placing unjustified limitations

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3 Proclamation 1/1995, FDRE Constitution Article 12. Conduct and Accountability of Government: 1) The conduct of affairs of government shall be transparent; 2) Any public official or an elected representative is accountable for any failure in official duties; 3) In case of loss of confidence, the people may recall an elected representative. The particulars of recall shall be determined by law.

4 Proclamation 1/1995, FDRE Constitution Article 29, Sub – Article 2, 3 and 4.
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1. Article 37 guarantees everyone the right to bring a justifiable matter to a court of law or any other competent body with judicial power and to obtain a decision or judgment. Despite the constitutional guarantee, there was no mechanism through which citizens or private media could request and access government records. Responses to requests for information were very slow and difficult. Some of the challenges related to the absence of specific legislation governing public access to government information, a lack of institutionalization of government information access, a lack of awareness and knowledge on the part of government public relations/information officers about their duty to disclose information that is of interest to the public. The GOE enacted the Freedom of information law and mandated the Ethiopian Institution of the Ombudsman to oversee its implementation.

UNDP supported the development of framework documents and guidelines to help operationalize the Freedom of Information law. This includes the development of the Record Management Guideline which will enable agencies to establish a record management system that will make it easier to provide information to the public. This is a major requirement for the effective implementation of this law. UNDP also supported the formulation of the freedom of information Complaint Handling Guideline, the freedom of information reporting guideline, and a training manual on the Freedom of information Act.

2. Vision for Continuous Engagement on Emerging Policy and Transformation Initiatives

Climate Resilient Green Economy (CRGE)

Ethiopia’s Climate Resilient Green Economy (CRGE) Strategy reveals that while agriculture is the main anchor of Ethiopia’s economy and will be so for the foreseeable future, currently, the sector is also the highest source of emissions in Ethiopia, contributing 52% of the total emissions.

Ethiopia’s current pathway to economic development will increase the country’s greenhouse gas emissions (GHG) from 155 Mt today to almost 400 Mt in 2030. In absolute terms, the highest increase – adding more than 100 Mt in GHG emissions - will come from agriculture, followed by industry at 55 Mt and forestry at 35 Mt. In agriculture, GHG emissions are attributed first, to livestock and second, crops. But furthermore, forestry emissions are expected to grow from 25 Mt in 2010 to almost 45 Mt in 2030 due to the conversion of forested areas to agricultural land.
Given the above, there needs to be climate compatible strengthening of the agricultural sector, while also promoting Ethiopia’s development in the non-agriculture sectors as a means of supporting its adaptation to climate change and capturing the opportunities of a low-carbon growth path. In order to offer a viable alternative to the conventional development path, without foregoing growth in the short term and significant advantages thereafter, the CRGE Strategy has identified a set of initiatives that can provide the required increase in agricultural productivity while using resources efficiently. The CRGE initiative has prioritized the following initiatives to limit the soil-based emissions from agriculture and limit the pressure on forests from the extension of land under cultivation:

• Intensify agriculture through usage of improved inputs and better residue management resulting in a decreased requirement for additional agricultural land that would primarily be taken from forests

• Create new agricultural land in degraded areas through small-, medium-, and large-scale irrigation to reduce the pressure on forests if expansion of the cultivated area becomes necessary

• Introduce lower-emission techniques, ranging from the use of carbon- and nitrogen-efficient crop cultivars to the promotion of organic fertilizers. These measures would reduce emissions from already cultivated areas.

To increase the productivity and resource efficiency of the livestock sector, the following initiatives have been prioritized:

• Increase animal value chain efficiency to improve productivity, i.e., output per cattle via higher production per animal and an increased off-take rate, led by better health and marketing

• Support consumption of lower-emitting sources of protein, e.g., poultry. An increase of the share of meat consumption from poultry of up to 30% appears realistic and helps to reduce emissions from cattle

• Mechanize draft power, i.e., the introduction of mechanical equipment for plowing/tillage could substitute around 50% of animal draft power, which despite burning fuels, results in a net reduction of GHG emissions.

• Manage rangeland to increase its carbon content and improve the productivity of the land.
Proposed way forward

Over the coming three years, UNDP Ethiopia could continue to yield strategic results by focusing on the following three areas:

**Support the 2 year CRGE comprehensive planning process to translate the current CRGE strategy into a full action plan with comprehensive sectoral investment plans, institutional arrangements, resource mobilization strategy and MRV systems including downstream demonstration activities.**

UNDP is already part of the ‘core group’ that will undertake this exercise under the leadership of the GoE. Corporately, UNDP has invested a lot of resources in coming-up with a host of substantive guides and technical assistance mechanisms to support such efforts of developing countries (www.undp.org/climatestrategies). Building on this intellectual capacity, UNDP ETH will support the planning process as a member of the ‘core group’. The community component of the CRGE Strategy (mMSRr) would require vigilant tracking to ensure that downstream activities contribute to the national vision of GDP growth and building a climate resilient green economy in a strategic manner. While CRGE is in its planning phase, given the necessity to register climate action and results in the immediate future, UNDP ETH could be deployed to support experimentation with the “sectoral mainstreaming” approach – as opposed to respond through specifically designed climate change programmes/project approach such as CRGE. As a start, we could support the development of a joint programme between UNDP Ethiopia and relevant partners (MOA/MOWE/ATA) on a climate compatible agriculture.

**Facilitate South-South Exchange in a comprehensive manner**

UNDP ETH has already sponsored South-South exchanges on climate change (e.g. Mali, China). Further work needs to be done in this area including designing a robust approach that enables good documentation and dissemination of what is learned from exchange visits and concrete follow-up to inform application at the national level.

**Support Ethiopia’s positioning as leader in the area of climate change in regional (continental) and global arenas**

Globally, Ethiopia is emerging as a leader in the area of climate change. Increasingly, there are multiple demands on the GoE to play a prominent role in various regional and global processes. Making support in this area available to the GoE to enable its substantive and effective participation in regional and global processes could be strategic.
Agricultural Transformation and commercialization of agricultural products

In cooperation with the Agricultural Transformation Agency (ATA), UNDP ETH is exploring the possibility to work on selected catalytic initiatives related to two of the seven ATA’s results areas: seeds and research:

**Seeds**

**Production, certification and marketing of seeds**

The fact that Ethiopia lacked a coherent framework for the production, certification and marketing of seeds is an indicator of the severe structural weaknesses of the agriculture sector. Thus, the proposals made by the UNDP for a modern and comprehensive proclamation (ie, regulation, act of Government) established important landmarks for the seed sector: quality assurance, traceability and extended use of improved seeds, differentiation between GM seeds and non-GM, controls on the quality of seeds, a research and innovation framework, the establishment of national and local certification bodies, while simplification and a minimal bureaucratic charge are sought. The concrete result of this action will be a proclamation for adoption by the legislative – Council of Ministers and Parliament.

**Protection of plant varieties**

This issue is linked to the protection of production and marketing of seeds, representing an important element for the conduct of research and registration of new plant varieties by the private sector. This is an element of anticipation and vision, which will attract research and innovation, foreign investment in the development of new seeds and plant varieties, as well as efficiency gains for the agricultural sector. The protection of proprietorship rights is fundamental for the economic incentive of conducting research for plant varieties that are more resilient, adapt for the environment of the country, less vulnerable to pests and which provide higher yields.

**National Seed Inspection and Certification Service**

The NSICS is expected to perform wide-ranging attributions, from the implementation of the seed regime to the establishment of good working relations with other bodies of the GoE and international bodies for the promotion of its area of competence. The guidelines for general operation of the National Seed Inspection and Certification Service are comparable to other similar bodies functioning at national and supra-national level, thus providing a modern and comprehensive framework for the development of a robust and well-functioning seed sector in Ethiopia.
Research

The National Agricultural-Products Quality Infrastructure (NAPQI) Project

The Ministry of Agriculture (MoA) is at the core of the envisioned NAPQI framework with close linkages to other agricultural stakeholders such as the Ethiopian Institute of Agricultural Research (EIAR), the Ethiopian Commodity Exchange (ECX), natural resource stakeholders such as the Ethiopian Environment Protection Authority (EPA), National quality standards stakeholder such as the newly restructured Quality Standards Authority of Ethiopia (QSA).

NAPQI offers immediate returns on investments that embrace quality parameters since the country will be able to earn higher margins for each volume of agricultural commodities. Expected results are linked to value-added services through agricultural products and food quality monitoring and testing services, direct benefits related to official accreditation of products as “organic”, “sustainable” and other quality criteria and preferences.

Senior Leadership exposure to transformation and best practices

UNDP is about to launch a programme on Advanced Leadership aiming at supporting exposure of Senior Government Executives and leadership to international best practices which yielded transformative results in economic growth and public sector business models and operations. This initiative will also promote linkages with centres of excellence locally and globally for both short term and long term tailor made training on emerging issues and transformational results.

South -South Cooperation and Knowledge Sharing

Brazil: Sugar sector

The visit to Brazil by a delegation of the Sugar Corporation has been one of the initiatives undertaken in 2011. Preliminary discussions are underway to frame the follow-up which may encompass:

a. Pursuing short and Mid-term training for sugar factory and plantation personnel, in various disciplines of sugar manufacturing, sugar engineering, sugar cane agronomy, soil and plant nutrition, irrigation and drainage as well as crop protection.

b. Obtaining improved sugar cane varieties which are the result of Brazilian research, testing them under Ethiopian conditions.
c Assisting in establishing sugarcane breeding stations in order to build capacity of the Ethiopian sugar Research in the area of variety development,

d Obtaining assistance to improve field mechanization, Cane harvesting and transport, targeting cost effectiveness as well as acquiring the appropriate skill for operation and maintenance.

**Bangladesh and The Philippines**
Ministerial level visits to both Asian countries enabled exposure to best practices in disaster risk management and response. As a follow-up a MOU is now established for a cooperation in the area of professionalization of the DRM Faculty of the University of Bahir Dar which has become the knowledge hub in Ethiopia for the subject area.

**Turkey**
A new partnership is being forged with TIKA to support a Network of Business Development Resource Centres (BDRCs) which is being set up under the overall framework of the ongoing Local Economic Development (LED) Programme, a scheme targeted to generate and sustain youth employment and self-employment in urban areas.

**China**
Cooperation with China continues in the area of Climate Change and renewable energy. Agreement has been brokered by UNDP ETH between the GOE and the GOC to cooperate in the area of Science and Technology, within the scope of the corporate framework UNDP - Ministry of Science and Technology of China (MoST) signed in October 2010. A scoping mission by representatives of MOST China is expected for end November 2011.

**Mali**
UNDP ETH continues to share experience with Mali in the area of Climate Resilient and Green Economy. Other countries in the region have approached UNDP ETH for knowledge sharing in this area.
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