

ETHIOPIA
**Second Joint Mission for Multi-Sector Investment Planning (MSIP) for the
Climate Resilient Green Economy (CRGE) with the
Climate Investment Fund’s Pilot Program for Climate Resilience (PPCR)
and Multilateral Development Bank Support**
March 30-31, 2017

DRAFT TERMS OF REFERENCE
9 MARCH 2017

1. Summary of activities

General objectives	<ul style="list-style-type: none"> - Consult with key government organizations, development partners, and others to review and validate the MSIP document, including the prioritized investment activity packages - Discuss and agree with GoE lead agencies on the final stages of the MSIP / SPCR document production and submission process
Mission dates	<p>March 30-31, 2017.</p> <ul style="list-style-type: none"> - Mission briefings with Ministry of Finance and Economic Cooperation (MoFEC), Ministry of Agriculture and Natural Resources (MoANR), Ministry of Environment, Forest and Climate Change (MEFCC), Ministry of Water, Irrigation and Electricity (MoWIE) and Ministry of Livestock and Fisheries (MoLF); - Stakeholder consultation / review and validation workshop, including participating ministries, development partners, NGOs, academia and think tanks.
Location	Addis Ababa, Ethiopia – various locations
General coordination	MoFEC, in collaboration with MoANR, MEFCC, MoWIE and MoLF.

2. Objectives, results, and processes

Objectives of the MSIP: The overall goal is to prepare a comprehensive, unified, realistic, costed investment plan that can harness synergies and ensure an integrated approach for scaling up and coordinating financing for climate resilience. The MSIP will focus on the forest and agriculture sectors, and will incorporate activities in the water, energy and livestock sectors.

Mobilization of Finance: The MSIP is expected to facilitate Ethiopia’s progress towards its climate resilience objectives and mobilize both new and additional finance from multiple sources – climate financing, conventional concessional lending and grants from bilateral and multilateral actors, private sector – to implement priority investments at scale that can reduce vulnerability to climate risk.

Objectives of the Second Joint Mission: Consult with key government organizations, development partners, and others to review and validate the MSIP document, including the prioritized investment activity packages. Discuss and agree with GoE lead agencies on the final stages of the MSIP / SPCR document production and submission process.

To achieve these objectives, under the overall leadership of MoFEC, the mission will continue the ongoing participatory process, which includes representatives of participating line ministries, other government agencies, development partners, NGOs, academia and think tanks.

Second Joint Mission Activities:

1. The second joint mission is centered around a second stakeholder consultation workshop organized for March 30-31, 2017 by the MSIP lead agency, with support from MDBs and a consulting firm hired to assist the process. This consultation workshop will focus on the MSIP portfolio review and gap analysis now being finalized by the firm after initial inputs through workshops and discussions in February. The main objective of the workshop is to consult with key government organizations, development partners, and others on a draft MSIP document, including the prioritized investment activity packages as part of the validation process for the final documentation.
2. This workshop aims to further build understanding and commitment to the MSIP's prioritization framework, the preparation process, and the follow on steps toward realizing increased level of climate finance for resilience. The workshop and other activities of the mission are an important opportunity to ensure that stakeholders are engaged in a constructive process, understands how prior feedback has been incorporated into the document, and next steps in the process of submission and review of the MSIP document.
3. The mission team will also work with the GoE lead agencies to prepare for the final phase of documentation production, review and submission to the PPCR process by May 5, 2017.
4. Additional discussions will be held with sector ministries and bilateral development partners, as needed to discuss key elements of the MSIP document and the priorities and investment packages that it summarizes as a result of the process to date.
5. Additional video conference discussions among the core GoE team and the MDB teams will continue during the month of April (as a virtual extension of the mission) to ensure that document production, vetting and next steps are handled effectively and efficiently.

Expected results and outputs:

The main result of the mission will be a final draft MSIP document for further review and discussion within the GoE. The draft will also be submitted for independent technical review organized by the CIF Administrative Unit.

3. Background

With the Climate Resilient Green Economy Strategy (2011 – 2030), the ambitious NDC and Second Growth and Transformation plan (GTP II), Ethiopia has a strong program in climate preparedness. Agriculture and forestry are key elements of the CRGE strategy due to the GoE's focus on sustainable land management to protect and re-establish forests for their economic and ecosystem services, improve crop and livestock production practices with a view to increasing yields and hence enhancing food security and farmer income. These two sectors are also linked to and influenced by other key sectors, including water and energy. In May 2015, the Climate Investment Funds (CIFs) approved Ethiopia's expression of interest to advance multi-sector investment planning for the forest and agriculture sectors, under the Pilot Program for Climate Resilience (PPCR). Ethiopia has received grant funding of USD 1.5 million for planning and preparation activities that contribute to the comprehensive Multi Sector Investment Plan (MSIP)¹.

¹The Climate Investment Fund's PPCR uses the generic term "Strategic Plan for Climate Resilience (SPCR)" to refer to a multi-sector investment plan (MSIP). In the Ethiopia context, these TORs use the term MSIP.

Ethiopia's MoFEC is leading the effort to develop a multi-sector investment plan to scale up investment and action to achieve the country's Climate Resilient Green Economy (CRGE) Strategy and the Second Growth and Transformation Plan (GTP II).

The PPCR's objective is to support mainstreaming of climate resilience into development planning for achieving transformation at scale. The program assists developing countries to integrate climate resilience into development planning including urban development/ infrastructure, agriculture and food security, land and ecosystems, institutions and policies, building on existing efforts. The PPCR also offers additional funding to pilot innovative public and private sector solutions to pressing climate-related risks and strives to coordinate with other financing entities in meeting resilience goals of countries.

In its Expression of Interest (EOI) for the PPCR, the GoE identified the forest and agriculture sectors as priorities for the MSIP and PPCR. As part of the MSIP Scoping Mission, agreement was reached that the MSIP should focus on the agriculture and forestry sectors, and will incorporate activities in the water, energy and livestock sectors. The selected sectors are key in ensuring progress toward the objectives of the GTP II and to advance towards its climate resilience goals.

4. Progress to date

PPCR Country Focal Point: Zerihun Getu, CRGE Facility Coordinator, MoFEC
Date of Acceptance to PPCR: May 14, 2015 (attached)
Date of IPPG Approval: June 21, 2016
Date of Scoping Mission: February 15-19, 2016
Date of First Joint Mission: June 20 - 24, 2016

Current Status of MSIP/SPCR Preparation

Since the first joint mission in June 2016, the Government agencies and MDBs have:

- Produced and consulted on draft outline and structure for the MSIP / SPCF document
- Processed and delivered a small grant of US\$ 1.5 million to support the Government's efforts to develop technical inputs and build capacity that will contribute to the MSIP process
- Developed an investment prioritization tool, populated with data, reviewed with stakeholders
- Developed a portfolio review and gap analysis, reviewed with stakeholders
- Sponsored multiple stakeholder consultation workshops to engage stakeholders in the technical process of formulating priorities and producing components of the final document
- Hired a consulting firm to assist with compilation and finalization of MSIP document
- Advised WB PPCR Focal Point team on need for independent quality reviewer

Actions are on track for delivery of final document in early April for further vetting and period of public consultation in time for the May 5 submission date for the June 2017 PPCR SC meeting. The Government and the mission team notes that the timeline is tight for review and final approval by the Government and incorporation of comments.

The next steps toward submission for approval:

- Joint mission and stakeholder consultation workshop in Addis Ababa – March 30-31, 2017
- Prepare complete draft version for review and consultation - April 7
- Post for public comment in Ethiopia - April 10

- Schedule, conduct and respond to independent quality reviewer by CIF AU (aiming for completion by April 17)
- Final review and vetting by GOE institutions - April 28
- Preparation of cover letter and transmission to CIF AU - May 4, 2017

5. Expected Joint Mission Participants

i. Government Organizations

A) Line ministries and related institutions

- Ministry of Finance and Economic Cooperation
- Ministry of Environment, Forest and Climate Change
- Ministry of Water, Irrigation and Electricity
- Ministry of Agriculture and Natural Resources
- Ministry of Livestock and Fisheries
- Ethiopian Biodiversity Institute
- National Meteorological Agency
- Agricultural Transformation Agency
- Tana and Beles Sub-Basin Organization
- Abay Basin Authority
- Regional sector bureaus, as available

ii. Bilateral and multilateral development partners to receive invitations

Austria Development Cooperation	Royal Norwegian Embassy (RNE)
Canada Department of Foreign Affairs, Trade and Development	Japan International Cooperation Agency
Denmark Embassy	UK Department for International Development (DfID)
EU Ethiopia Office	U.S. Agency for International Development (USAID)
Finland	United Nations Development Programme (UNDP)
France	Food and Agriculture Organization of the United Nations
Germany	International Fund for Agricultural Development (IFAD)
Irish Aid	Consultative Group for Int'l Agricultural Research (CGIAR)
Switzerland	International Centre for Tropical Agriculture (CIAT)
Netherlands	Intergov't Authority on Development (IGAD) in E. Africa
Republic of Korea	

iii. NGOs, Civil Society Organizations, and Private Sector

Population, Health and Environment- Ethiopia Consortium, PHE-EC	Climate Change Forum Ethiopia
World Vision-Ethiopia	Forum for Environment
Ethio-wetlands and Natural Resources Association	Global Green Growth Institute
Farm Africa	Gates Foundation
SOS Sahel	Oxfam

iv. Universities and Research Institutions

- Addis Ababa University Climate Science Centre/Centre for Dryland Management
- Ethiopian Environment and Forest Research Institute
- Ethiopian Academy of Science
- Environment and Climate Research Centre, Ethiopian Development Research Institute (ECRC/EDRI)
- Horn of Africa Regional Environment Center and Network (HoA-REC & N)
- Ethiopian Agricultural Research Institute

v. Multilateral Development Banks

- Representatives from World Bank, African Development Bank and IFC