Meeting of the Board
25 – 28 March 2026
Songdo, Incheon, Republic of Korea
Provisional agenda item 10

GCF/B.44/02/Add.05
4 March 2026

Consideration of funding proposals – Addendum V

Funding proposal package for FP289

Summary

This addendum contains the following seven parts:

a) A funding proposal titled "Building Urban Climate Resilience through Nature-based Solutions in Ethiopia";
b) No-objection letter issued by the national designated authority(ies) or focal point(s);
c) Environmental and social report(s) disclosure;
d) Secretariat's assessment;
e) Independent Technical Advisory Panel's assessment;
f) Response from the accredited entity to the independent Technical Advisory Panel's assessment; and
g) Gender documentation.

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Funding Proposal

Project/Programme title:	Building Urban Climate Resilience through Nature-based Solutions in Ethiopia
Country(ies):	Federal Democratic Republic of Ethiopia
Accredited Entity:	Korea International Cooperation Agency (KOICA)
Date of first submission:	2025/10/24
Date of current submission	2026/01/13
Version number	[V.5.0]

GREEN CLIMATE FUND

Contents

Note to Accredited Entities on the use of the funding proposal template

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the GCF Information Disclosure Policy, project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

Please submit the completed proposal to:
fundingproposal@gcfund.org
Please use the following name convention for the file name:
"FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]"

A. PROJECT/PROGRAMME SUMMARY

A.1. Project or programme	Project	**A.2. Public or private sector**	Public
A.3. Request for Proposals (RFP)	Not applicable		

A.4. Result area(s)		**GCF contribution**	**Co-financers' contribution[1]**
	Mitigation total	0 %	0 %
	☐ Energy generation and access	0 %	0 %
	☐ Low-emission transport	0 %	0 %
	☐ Buildings, cities, industries and appliances	0 %	0 %
	☐ Forestry and land use	0 %	0 %
	Adaptation total	100 %	100 %
	☒ Most vulnerable people and communities	30 %	30 %
	☐ Health and well-being, and food and water security	0 %	0 %
	☒ Infrastructure and built environment	48 %	37 %
	☒ Ecosystems and ecosystem services	22 %	33 %

A.5. Expected mitigation outcome *(Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)*	N/A	**A.6. Expected adaptation outcome** *(Core indicator 2: direct and indirect beneficiaries reached)*	1,780,947 (Direct and indirect beneficiaries)	
			300,557 (Direct beneficiaries)	1,480,390 (Indirect beneficiaries)
			0.27% (of the total population of Ethiopia)	1.33% (of the total population of Ethiopia)
.7. Total financing (GCF + co-finance[2])	47,000,000 USD	**A.9. Project size**	Small (Upto USD 50 million)	
A.8. Total GCF funding requested	25,000,000 USD			

A.10. Financial instrument(s) requested for the GCF funding	☒ Grant 25,000,000 USD ☐ Loan ☐ Guarantee	☐ Equity ☐ Results-based payment	
A.11. Implementation period	5.5 years / 66 Months	**A.12. Total lifespan**	30 years
A.13. Expected date of AE internal approval	3/6/2026 (Indicative)	**A.14. ESS category**	B
A.15. Has this FP been submitted as a CN before?	Yes ☒ No ☐	**A.16. Has Readiness or PPF support been used to prepare this FP?**	Yes ☐ No ☒

[1] Co-financer's contribution means the financial resources required, whether Public Finance or Private Finance, in addition to the GCF contribution (i.e. GCF financial resources requested by the Accredited Entity) to implement the project or programme described in the funding proposal.

[2] Refer to the Policy of Co-financing of the GCF.

A.17. Is this FP included in the entity work programme?	Yes ☒ No ☐	**A.18. Is this FP included in the country programme?**	Yes ☐ No ☒
A.19. Complementarity and coherence	Yes ☐ No ☒		
A.20. Executing Entity information	Korea International Cooperation Agency (KOICA), besides being the Accredited Entity (AE) of the project, will also act as an Executing Entity (EE). KOICA is a government-funded agency under the Ministry of Foreign Affairs of the Republic of Korea, established to represent and implement the Republic of Korea's grant-based official development assistance (ODA) programs. In addition, there will be two other Executing Entities: The Ministry of Finance (MOF), the Ministry of Urban Development and Infrastructure (MOUI), representing the Host Country (Government of Ethiopia).		

A.21. Executive summary

Climate change problem.

1. Ethiopia is one of the most climate-vulnerable countries in the world, exposed to rising temperatures, erratic rainfall, and climate-related disasters. Projections indicate warming of 1.5–2.5°C by mid-century under RCP4.5 and up to 3–4°C under RCP8.5. Over 80 percent of Ethiopians depend on rain-fed agriculture, making livelihoods and food security acutely sensitive to climate variability. From 2020 to 2023, recurrent droughts displaced millions and pushed more than 15 million people into acute food insecurity. Conversely, floods such as those in Gambella in July 2024 have destroyed homes and infrastructure. Wildfires and land degradation further threaten ecosystems and biodiversity, exacerbating the vulnerabilities of one of the world's least climate-resilient economies.

2. Since 2001, rainfall patterns in Ethiopia have shifted significantly, increasing both variability and the frequency of extreme events. In Addis Ababa, the long-term declining trend in rainfall reversed after 2001, with precipitation rising by +7.77 mm annually. Annual totals now fluctuate widely between 900 mm and 1,500 mm, and intense daily rainfall events have become more frequent, significantly increasing flood risks. Similarly, in Jimma, rainfall trends shifted from a –15.9 mm annual decline before 2001 to a +9.01 mm increase thereafter, with dry-season rainfall unusually rising by +8.54 mm annually. These changes have amplified seasonal and unseasonal flooding, undermining infrastructure, livelihoods, and public health in rapidly growing cities.

3. Urban areas are therefore at the frontline of climate stress. Addis Ababa, with nearly six million residents, faces growing threats from flooding, drought, and extreme heat. More than 120,000 structures are located in flood-prone zones along the Akaki and Jemo rivers. Inadequate drainage, unplanned expansion into wetlands, and fragile housing materials magnify exposure, particularly in informal settlements. At the same time, districts such as Nifas Silk-Lafto experience severe heat island effects due to loss of vegetation and impervious surfaces.

4. Jimma, the largest city in southwestern Ethiopia, was historically characterized by mild climate and abundant vegetation. Rapid urbanization, deforestation, and loss of open space have heightened its vulnerability. The Awetu River floodplain now experiences recurrent flooding, waterlogging, landslides, and endangering informal settlements. Climate change is intensifying these hazards, undermining food production and increasing risks of water- and vector-borne diseases. Both cities face limited technical and institutional capacity, resulting in predominantly reactive and constrained responses.

5. Marginalized groups—including women, children, displaced populations, and informal settlers—are disproportionately affected. Without targeted and sustained interventions, climate change will deepen poverty, overwhelm infrastructure, and weaken social cohesion.

Proposed interventions.

6. The project will enhance urban climate resilience in Ethiopia through Nature-based Solutions (NbS), combining national frameworks, city-level interventions, and sustainable financing.

7. At the national level, an Inter-Sectoral Coordination Committee for Urban NbS will be established, led by KOICA in collaboration with the Government of Ethiopia. The Committee will coordinate across ministries, align policies, and develop a national urban NbS framework supported by technical guidelines. Capacity-building measures will strengthen institutional and technical capabilities, while a centralized knowledge hub will collect and disseminate data, monitor progress, and promote learning.

8. At the city level, Addis Ababa interventions include reforestation of Jemo Mountain, stabilization of riverbanks along the Jemo–Harbu corridor, wetland restoration, expansion of tree canopies, and development of public green spaces to mitigate heat and flood risks. Urban agriculture and climate-smart farming will improve food security, while drainage and waste management upgrades will reduce flood impacts.

9. In Jimma, interventions will restore ecosystems in the Awetu River catchments through reforestation, agroforestry, wetland rehabilitation, river buffer zones, and retention ponds. Cooperative-led climate-smart agriculture will improve livelihoods and strengthen resilience. Community engagement, with emphasis on women and vulnerable groups, will ensure sustainability.

10. To secure long-term impact, KOICA's co-financing will be channeled to scale NbS implementation in climate-vulnerable cities. Technical and financial resources will generate sustainable and replicable models for nationwide NbS adoption with enhanced climate resilience.

Climate results/benefits

11. The project will directly benefit about 300,557 people and indirectly reach 1,480,390 people, a total 1,780,947 beneficiaries, with women comprising at least half.

12. Expected climate benefits: Reduced flood risks through reforestation, riverbank stabilization, and wetland rehabilitation; Mitigation of heat stress through tree corridors, canopy expansion, and public green spaces; Strengthened ecosystem services Strengthened ecosystem services, including biodiversity conservation, soil fertility, and watershed protection.

13. Socio-economic benefits include green job creation in reforestation, urban farming, and ecosystem management, with active participation and leadership of women and youth. Community-based cooperatives will be empowered to sustain NbS interventions, reinforcing ownership and cohesion, particularly between displaced and host populations. Embedding NbS into governance systems will build institutional resilience and ensure long-term replication and upscaling.

14. Overall, the initiative represents a paradigm shift in Ethiopia's urban climate resilience strategy. By leveraging NbS, strengthening institutions, and mobilizing sustainable finance, it will reduce vulnerabilities, safeguard livelihoods, and foster inclusive, climate-resilient urban development in two of the country's most at-risk cities.

B. PROJECT/PROGRAMME INFORMATION

B.1. Climate context

Climate Change Problem and Adaptation Needs

15. Ethiopia is highly vulnerable to climate-related hazards as the country grapples with rising temperatures, recurrent droughts, and shifting rainfall patterns. Projections indicate that temperatures will rise by 1.5-2.5°C by mid-century under RCP4.5 and up to 3-4°C under RCP8.5, while rainfall will become more erratic, with prolonged dry spells worsening drought conditions, wild land and forest fires, and intensified rainfall events leading to severe flooding, land and mudslides. These climatic changes are already contributing to increased impacts, including reduced water availability, frequent crop failures, and heightened food insecurity, while rapid urbanization has placed additional stress on fragile ecosystems and infrastructure. Consistent with IPCC AR6 WGII findings for Africa[3], East Africa—including Ethiopia—is expected with high confidence to experience increasing heat extremes, more frequent and intense droughts, and heavier rainfall events that elevate the risks of floods and landslides, especially in rapidly growing urban areas lacking sufficient drainage and infrastructure resilience. Ethiopia's climate risks manifest in a context where the continent has contributed minimally to global greenhouse gas emissions, yet it experiences significant climate-related losses and damages. Furthermore, limiting global warming to 1.5°C, rather than allowing it to reach 2°C or higher, would substantially mitigate projected impacts on economies, food systems, health, and ecosystems.

16. Recent global climate assessments highlight the urgency of accelerating adaptation initiatives in climate-vulnerable countries like Ethiopia. The Global Climate 2024 from the WMO[4] indicates that 2024 was likely the first calendar year in which the global mean near-surface temperature exceeded 1.5°C above the 1850-1900 baseline (1.55 ± 0.13°C), while greenhouse gas concentrations, ocean heat content, and sea-level rise reached unprecedented levels. The long-term multi-decadal global warming average is slightly below 1.5°C; however, the rising frequency of annual exceedances signals escalating climate risks. In parallel, the Climate Action Tracker[5] shows that under the current 2030 and 2035 targets, end-of-century warming is projected to be approximately 2.6°C (median). Furthermore, the full implementation of all existing pledges and long-term commitments would still result in around 2.2°C of warming, with only a low probability of staying below 2°C. These findings suggest that global mitigation efforts currently do not align with a pathway consistent with 1.5°C target, highlighting the necessity for strong city-level adaptation interventions in urban centers like Addis Ababa and Jimma that are highly exposed.

17. Ethiopia has experienced significant climate variability over the past few decades. Historical records indicate a noticeable trend in temperature increase across the country. Specifically, between 1960 and 2006, there was an average increase in temperature of about 1.3°C, translating to a rate of 0.28°C per decade. This warming trend is particularly evident in the southern and southwestern parts of Ethiopia during the summer and autumn seasons. Additionally, the frequency of hot days and nights have increased substantially, impacting various ecological and socio-economic systems:

Frequency of the hottest nights (top 10%) rose by 37.5% between 1960 and 2003; hot days increased by 20%, while cold days decreased.

- Higher temperatures have led to increased evaporation and reduced soil moisture, while rising Indian Ocean temperatures disrupt rainfall timing and intensity in central and northern regions.

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[3] Trisos, C.H., I.O. Adelekan, E. Totin, A. Ayanlade, J. Efitre, A. Gemeda, K. Kalaba, C. Lennard, C. Masao, Y. Mgaya, G. Ngaruiya, D. Olago, N.P. Simpson, and S. Zakieldeen, 2022: Africa. In: *Climate Change 2022: Impacts, Adaptation and Vulnerability.* Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem, B. Rama (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA, pp. 1285–1455, doi:10.1017/9781009325844.011.

[4] WMO. (2024). State of the global climate 2024. World Meteorological Organization.https://wmo.int/publication-series/state-of-global-climate-2024

[5] Climate Action Tracker. (2025). The CAT thermometer. November 2025. https://climateactiontracker.org/global/cat-thermometer/

18. Future climate projections for Ethiopia suggest a continuation and intensification of the observed warming trends. Under different emissions scenarios, temperatures are expected to rise significantly throughout the 21st century. For example, under the RCP4.5 scenario, temperatures are projected to increase by approximately 1.8°C by the 2050s and by 3.7°C by the end of the century. In a higher emission scenario (RCP8.5), the temperature could rise by as much as 5.5°C by the late 21st century.

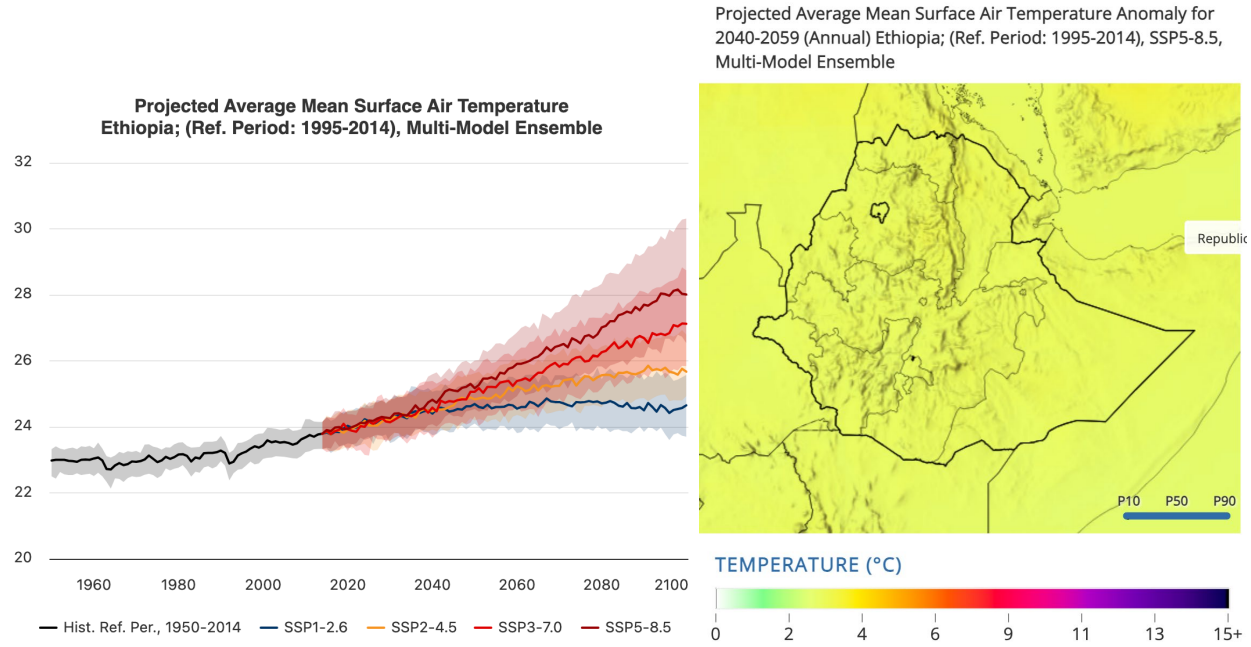

Figure 1. Projected changes in average temperature for Ethiopia under different shared socioeconomic pathways (left); spatial distribution of expected increases in average annual temperature under SSP5-8.5 at 2040-2059 (right).

19. These increases in temperature will lead to more frequent and severe heatwaves, which will have profound impacts on agriculture, water resources, and human health. Furthermore, the IPCC projects a temperature rise of 1.5-2.0°C between 2030 and 2050, adding 20-30 hot days (>35°C) annually. Figure 1 demonstrates expected changes in annual average temperature for Ethiopia under different SSPs. All scenarios project an increase in temperature until 2070, with all scenarios (except SSP1-2.6) continuing to increase into the future. By 2040-2059 under SSP5-8.5 all of Ethiopia is expected to have experienced temperature increases between 2°C and 4°C.

20. Precipitation projections for Ethiopia remain uncertain due to the country's complex climate system and high inter-annual variability. Although changes in precipitation have significant regional uncertainty, annual average precipitation is expected to remain largely stable or increase by up to 90 mm by 2080.

21. Under the RCP4.5 scenario, which is characterized by emissions peaking around 2040 and then declining. Projections for seasonal rainfall, minimum and maximum temperatures, and potential evapotranspiration have been developed by the IPCC, this scenario represents a moderate climate future and indicates that the frequency and intensity of climate extreme events are expected to increase during the 2024 to 2050 period. Figure 2 demonstrates the expected increases in rainfall for each month/period under SSP2-4.5 and annual rainfall for each scenario.

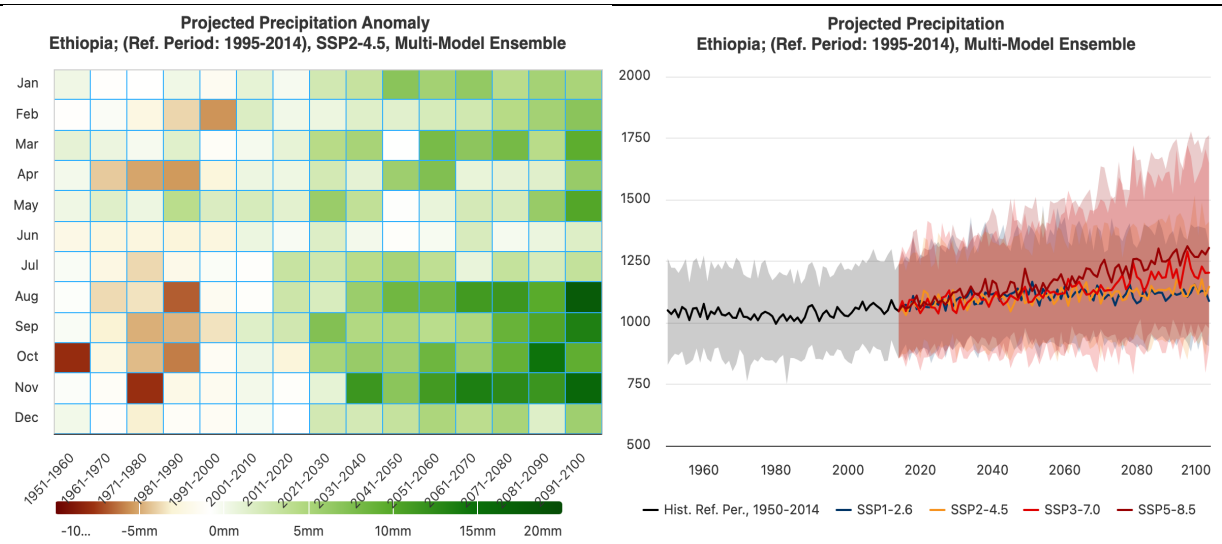

Figure 2. Expected changes in rainfall for Ethiopia and each month/future period under SSP2-4.5 (left); expected increases in annual precipitation for Ethiopia under each SSP scenario (right).

22. The seasonal average rainfall (PPt) projections for Kiremt, Belg, and Bega seasons, statistically significant at 1% level, show an increase in some parts of the Southern Nations, Nationalities, and Peoples' Region (SNNPR), Gambella, and Oromia states. The mean annual precipitation changes are significant at the 5% level in certain areas across Gambella, Oromia, SNNPR, Amhara, and Somali regions.

23. The seasonal temperature projections indicate an overall increase in average seasonal temperatures (both minimum and maximum) across the country. In addition to rainfall and temperature projections, aridity was assessed by comparing the long-term average precipitation to the potential evapotranspiration, an indicator of long-term seasonal climatic water deficits. The seasonal Aridity Index was computed and analyzed across various agro-ecological zones of Ethiopia. Long-term mean precipitation during Kiremt, Belg, and Bega seasons ranged from 0 to 1400 mm, 0 to 600 mm, and 0 to 400 mm, respectively (Figure 1), while potential evapotranspiration was notably high in arid and semi-arid zones.

24. Under the RCP 8.5 scenario, temperatures could rise by up to 5.5°C by the late 2080s, with significant precipitation variability (+50mm to -17.5mm annually). The prediction results for the RCP 8.5 scenario using the Coupled Model Intercomparison Project Phase 5 (CMIP5) ensemble model are shown in Table 1 and Figure 3.[6]

Table 1 Projected changes in annual temperature and precipitation under RCP 8.5 scenario. Source: World Bank(2021)

Indicator	2020–2039	2040–2059	2060–2079	2080–2099
Annual Mean Temperature Change (°C)	+0.6 ~ +1.5 (median: +1.0°C)	+1.2 ~ +2.6 (median: +1.8°C)	+2.1 ~ +4.0 (median: +2.8°C)	+2.8 ~ +5.5 (median: +3.7°C)
Annual Precipitation Change (mm)	-14.4 ~ +21.2 (median: +2.2 mm)	-16.8 ~ +27.4 (median: +3.1 mm)	-18.8 ~ +37.6 (median: +6.0 mm)	-17.5 ~ +50.0 (median: +9.7 mm)

[6] Note: Projections in this paragraph/table are based on CMIP5 simulations (RCPs); an equivalent analysis using CMIP6 (SSPs) was not undertaken for this study. Recent assessments, such as IPCC AR6 WGII, broadly confirm the direction and magnitude of projected risks for Africa while using updated scenarios and models.

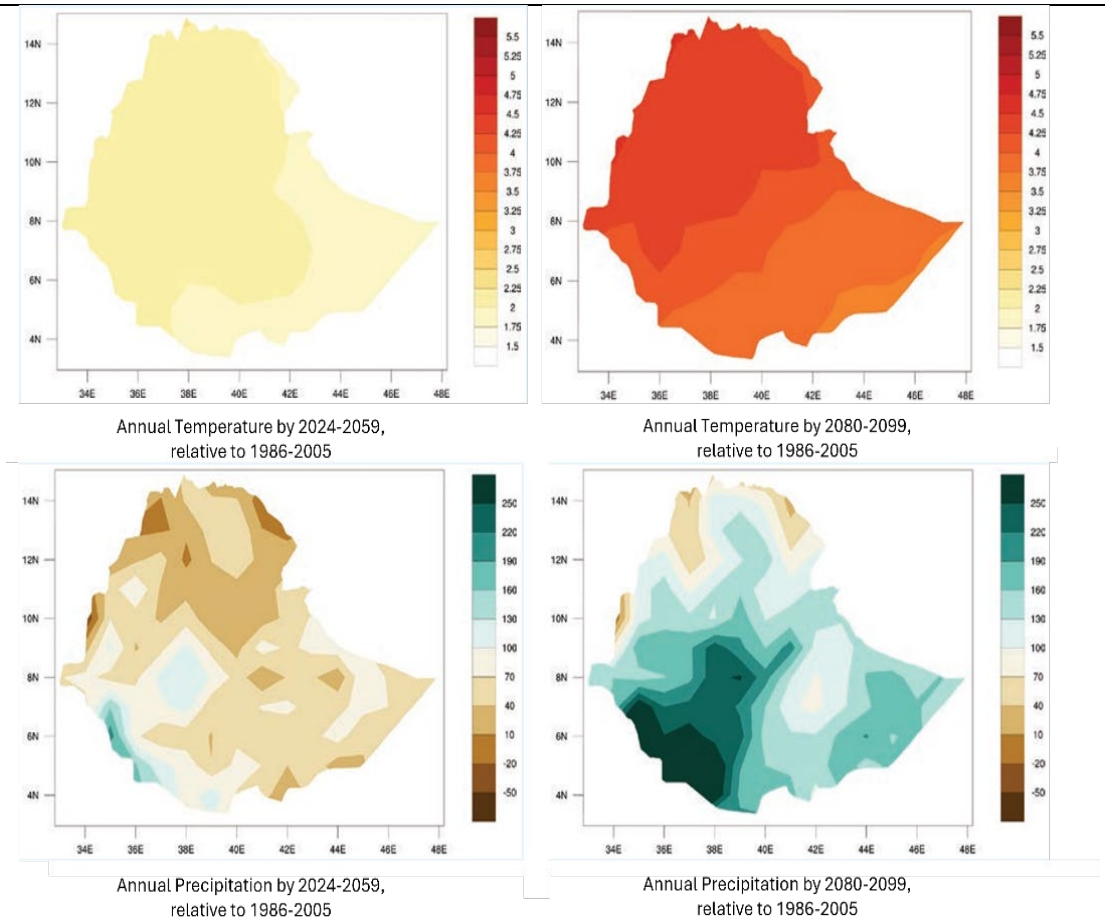

Figure 3. CMIP5 ensemble projected changes in annual temperature and precipitation by 2040-2059 and by 2080-2099, relative to 1986-2005 baseline under RCP8.5 (Source: World Bank, 2021)

25. Since 2001, rainfall dynamics have shifted markedly. In Addis Ababa, long-term declining rainfall trends reversed into an average increase of +7.77 mm annually, with totals fluctuating between 900 and 1,500 mm and more frequent extreme daily events. In Jimma, rainfall shifted from a –15.9 mm annual decline before 2001 to a +9.01 mm increase thereafter, with unusual dry-season rainfall increases (+8.54 mm annually) creating heightened waterlogging and flood risks. These dynamics show how climate change is amplifying both seasonal and unseasonal hazards, directly undermining infrastructure, food security, and livelihoods.

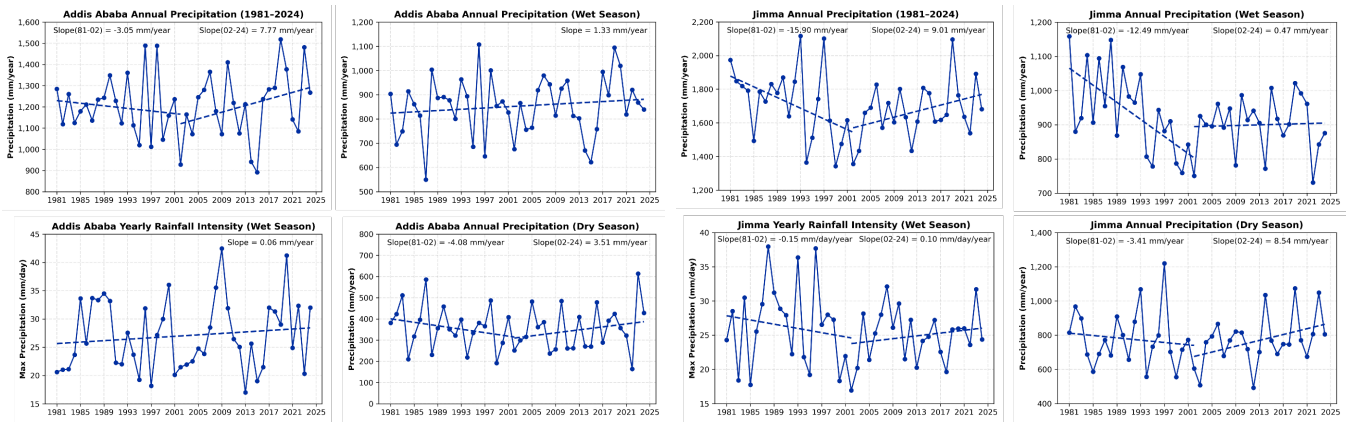

Figure 4. Annual Precipitation Trends in Addis Ababa(Left), and Jimma(Right), 1981-2024

26. Adaptation needs can be summarized as follows:
    - Climate hazards: increased rainfall variability, flash floods, prolonged droughts, and urban heat stress.
    - Impacts: recurrent flooding and droughts leading to housing and infrastructure damage, food and water insecurity, and declining agricultural productivity.

xposure: populations concentrated in flood-prone areas (e.g. 120,000 structures in Addis flood zones, informal settlements along the Awetu River in Jimma), densely built districts with inadequate drainage, and communities reliant on climate-sensitive livelihoods.
Vulnerabilities: high dependence on rain-fed agriculture, unregulated urban growth into wetlands and floodplains, fragile housing construction, weak institutional capacity, and disproportionate risks faced by women, children, and displaced people.

27. Ethiopia also faces substantial economic losses from climate hazards. According to the World Bank Group (2023), a drought with a five-year return period results in losses exceeding USD 1 billion, while a 100-year drought event could cause damages of over USD 3 billion. Flooding has equally severe macroeconomic impacts, with a 25-year flood event causing a 3.3 percent deviation in GDP baselines and a 100-year flood leading to a 7 percent deviation. Heat stress contributes to economic loss through reduced labor productivity and lower livestock yields, while infrastructure damage—particularly to roads and bridges—can incur annual costs of up to USD 755 million under certain scenarios. These quantified impacts underline the urgency of effective adaptation strategies in Ethiopia.

Context of Target Regions

28. While Ethiopia is the least urbanized country in Africa, with only 22.7% of its population living in urban areas, urban development in Ethiopia is increasingly being positioned as a central pillar of the country's sustainable development strategies. Ethiopian cities are experiencing rapid urban growth, with urban populations increasing by over 4% annually. Over the next twenty years, this pattern of urbanization is expected to double. According to projections from the Ethiopian Central Statistics Agency, the urban population will triple to 42.3 million by 2037. This shift is largely driven by rural-to-urban migration, fueled by diminishing arable land, recurrent droughts, and localized conflicts.

29. Climate change impacts are adding an additional layer of the challenge in meeting the increasing demand for such basic services. Changes in precipitation contribute to increased flooding intensity and events but also reduce overall water availability. Persistent temperature increases are creating more heat islands, exacerbating forest fires and increased cases of heat strokes and reduced labor productivity. All levels of government involved at the central, provincial and city levels appreciate issues that climate change poses.

30. Recent observed climate-related impacts in Ethiopia's major cities, especially Addis Ababa, demonstrate that climate risks are already disrupting lives, infrastructure, and economic systems. In Addis Ababa, frequent short-duration extreme rainfall in recent seasons has resulted in extensive urban flooding, affecting around 67 percent of the city's population living in flood-prone areas. Informal settlements along riverbanks, housing nearly 80 percent of the city's population, are particularly vulnerable. Recent flooding events have displaced thousands of households and caused recurrent damage to homes, local roads, and drainage infrastructure. The impacts are intensified by rapid urban expansion and the reduction of green spaces, which is estimated to contribute to 40 percent of the severity of recent flood and landslide events. Recent dry season flooding in districts like Nifas Silk-Lafto has been associated with changes in rainfall timing, leading to waterlogging and localized infrastructure failures.[7] Severe drought episodes in adjacent areas have exacerbated

[7] Dusseau, D., Gassert, K., Hollander, J., Jacobsen, K., Naegele, A., Schwalm, C., Williams, A., Yimere, A. (2023). Climate Risk Assessment: Addis Ababa, Ethiopia. https://woodwellclimate.org/assessments/addis_ababa

rural-urban migration, thereby increasing pressure on housing, water supply, and social services in Addis Ababa.

31. Ababa is Ethiopia's political and economic hub, contributing nearly a quarter of national GDP. With nearly six million residents and rapid urban expansion, the city combines high economic importance with extreme climate exposure. Its topography is characterized by steep hillsides, river valleys, and low-lying wetlands. These natural features, when combined with unregulated development and inadequate drainage, create significant flood risks, particularly along the Akaki and Jemo rivers. The variation in elevation also accelerates surface runoff, increasing the frequency and severity of flash floods. Climate change is compounding these stresses, threatening livelihoods, health, and infrastructure.

32. Analysis of land surface temperature (LST) data from 2024 identifies heat hotspots in the city center, particularly in the Nifas Silk-Lafto Sub-City. Despite green spaces along the Jemo River, high surface temperatures are evident in surrounding residential and industrial areas. Urban development, high road density, and impervious surfaces like asphalt and metal roofing contribute to these elevated temperatures, leading to soil degradation, drought, and reduced water supply. Additionally, intense rainfall exacerbates soil erosion and flood damage, especially in areas prone to flooding like the Jemo River catchment.

33. Addis Ababa faces severe droughts, with an average duration of three months annually. However, by 2040-2060, the city is expected to endure droughts lasting approximately 4.6 months annually. The city's proximity to major rivers (Akaki, Little Akaki, and Sheger) makes it highly susceptible to flooding, with both riverine and flash floods impacting the population. Settlement encroachment along rivers and floodplains, combined with the use of vulnerable housing materials like mud and wood, increases flood risk. About 121,000 houses, including institutions, are at high flood risk, particularly in the Gullele and Nifas Silk-Lafto sub-cities. Notable flood events, such as those in 2010, 2021, and 2024, have caused significant property damage and fatalities.

34. Climate change impacts, combined with rapid urbanization, aging infrastructure, and socio-economic challenges, make Addis Ababa particularly vulnerable. Heat stress, droughts, and floods affect marginalized populations, including female-headed households, the elderly, people with disabilities, displaced communities, and those in informal settlements. These populations face compounded difficulties such as limited access to food, water, shelter, and healthcare, making them more vulnerable to the effects of climate disasters.

35. Jimma, with about 200,000 residents, serves as a commercial and administrative center for southwestern Ethiopia. Historically known for fertile soils and abundant vegetation, the city lies within a basin surrounded by highlands, with the Awetu River cutting through its core. This topography creates a natural floodplain that is increasingly vulnerable to flooding, waterlogging, and erosion as urban development encroaches into low-lying areas. The expansion of informal settlements on steep slopes further raises risks of landslides. Despite its regional importance, Jimma has limited financial and institutional capacity to manage these climate risks, leaving communities highly exposed.

36. Recent climatic shifts in Jimma have led to substantial environmental and socio-economic consequences. Increasing temperature extremes and erratic rainfall patterns have led to persistent crop losses, soil erosion, and reduced land productivity in adjacent rural districts. In 2024, flood events impacted over 590,000 people in Jimma and surrounding regions, displacing approximately 95,000 people and exerting considerable strain on local housing, transportation, and social service infrastructure. The cumulative impact of these climate-related hazards resulted in an estimated 12 percent decrease in agricultural productivity and a 4 percent reduction in regional GDP, alongside sharp increases in food prices and unemployment.[8]

[8] Abdissa, B. A., & Gemeda, D. O. (2025). Climate extreme indices and its implication on crop production: The case of Mana district, Jimma Zone, Southwest Ethiopia. *Environmental and Sustainability Indicators*, *25*, 100549.

37. Urbanization and agricultural expansion have led to a significant reduction in green spaces and vegetation in Jimma. From 2000 to 2020:
    - Open spaces decreased from 33.6% to 9.8%.
    - Vegetated areas declined from 12.3% to 10.8%.
    - Urban development expanded from 7.9% to 13.7%.
    - Agricultural land increased from 41.3% to 53.9%.

38. Land use changes, including deforestation and the spread of informal settlements, have increased urban heat conditions. The city now faces elevated temperatures, especially around residential areas and along the Awetu River. This has led to the intensification of the urban heat island effect, with heat hotspots forming in areas with high population density and limited green spaces.

39. The Awetu River, which flows through Jimma, is highly susceptible to the impacts of climate change. During dry seasons, decreased river levels and groundwater depletion occur, while heavy rainfall during wet seasons causes river overflows, soil erosion, and increased flooding risks. Urbanization has added impervious surfaces that worsen drainage and increase flood risks, especially in low-lying areas. The city's southern region, with its wetlands and poor drainage, is particularly vulnerable to waterlogging during rainfall. Flooding continues to affect both upstream and downstream areas despite government-led initiatives such as the Awetu River Project, which aims to establish green spaces and improve river channels.

40. Jimma's rapid population growth, coupled with weak urban governance and limited resources, exacerbates the vulnerability of the population. Informal settlements, agricultural expansion, and climate-induced disasters put people's access to water, food, and livelihoods at risk. Vulnerable populations, such as female-headed households, the elderly, persons with disabilities, and displaced individuals, are disproportionately affected by these climate stresses. Urban slum residents, with inadequate infrastructure, are especially at risk of disease outbreaks, displacement, and floods.

Related Projects, Gaps, and Complementarity

41. Ethiopia has benefitted from global climate finance through mechanisms such as the Global Environment Facility (GEF), Adaptation Fund (AF), and bilateral donors. Relevant initiatives include:

GEF-supported projects on sustainable land management and ecosystem restoration, which strengthened rural watershed resilience but had limited urban focus.
Adaptation Fund projects, such as climate-resilient livelihoods and water harvesting in drought-prone areas, largely targeting rural adaptation.
KOICA-supported interventions in Ethiopia, particularly in water, health, and livelihoods, offering important lessons for integrated approaches.
Other donor-funded NbS projects, often implemented in rural or peri-urban settings, but rarely designed for large urban centers like Addis Ababa and Jimma.

42. While these projects advanced adaptation, critical gaps remain in urban climate resilience:

Limited application of NbS in cities despite their proven effectiveness;
- Weak coordination between national and municipal institutions;
- Lack of sustainable financing mechanisms for urban adaptation and limited private sector involvement;

Gaps in data, monitoring, and knowledge sharing, hindering replication and scaling.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).(2021). *Climate risk profile: Ethiopia*. Deutsche Gesellschaft für Internationale Zusammenarbeit.
Teku, D., & Eshetu, S. (2024). Impact of climatic variabilities and extreme incidences on the physical environment, public health, and people's livelihoods in Ethiopia. *Frontiers in Climate*, *6*, 1435138.
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43. There is an increasing recognition that nature-based solutions (NbS) are an important tool for addressing urban issues, building climate resilience and reducing greenhouse gas emissions. Recent global studies [9] indicate that urban trees can effectively reduce pedestrian-level air temperatures by an average of 1-4°C, with maximum reductions reaching approximately 4.3–4.5°C, influenced by factors such as background climate, canopy structure, and urban morphology.

44. This project addresses these gaps directly. It introduces large-scale NbS interventions in Addis Ababa and Jimma, establishes an Inter-Sectoral Coordination Committee for Urban NbS to strengthen governance, and creates a dedicated resource channel to scale NbS to ensure sustainable financing. The project complements rural-focused adaptation initiatives by extending resilience-building into critical urban areas. It will also provide replicable models for other cities and generate evidence to inform national policies and international climate finance.

45. The project responds to urgent adaptation needs in Ethiopia's most climate-exposed urban areas. By addressing flooding, drought, food and water insecurity, and institutional weaknesses through NbS and sustainable financing, it will safeguard livelihoods, reduce risks for marginalized groups, and strengthen climate resilience. At the same time, it will establish mechanisms for scaling, ensuring that lessons and impacts extend beyond the two cities to inform a broader national urban resilience strategy.

B.2 (a). Theory of change narrative and diagram

Problem statement

46. Ethiopia faces escalating climate risks that undermine its development trajectory. Rising temperatures, recurrent droughts, and increasingly erratic rainfall patterns have weakened agricultural productivity, strained water resources, and disrupted ecosystems. These climate shocks have also imposed significant economic losses, with droughts and floods causing billions of dollars in damages and reducing GDP growth. The impacts extend beyond the economy: recurrent disasters endanger lives, compromise public health, and restrict the country's ability to sustain growth and poverty reduction.

47. At the urban level, Addis Ababa and Jimma are at the frontline of these risks. In Addis Ababa, heavy rainfall events have intensified, overwhelming drainage systems and triggering flash floods that threaten lives, damage housing, and disrupt transport and markets. In Jimma, unseasonal rainfall and poor drainage have led to frequent flooding, waterlogging, and landslides, exposing communities in low-lying areas to acute danger. These hazards compromise not only infrastructure and ecosystems but also the safety and health of citizens, while curtailing economic activities and livelihoods.

Goal statement

48. The goal statement is "IF NbS are integrated into urban plans, institutional capacity and coordination are strengthened, pilot actions in Addis Ababa and Jimma are implemented, and financing mechanisms are established, THEN cities will demonstrate stronger resilience, with communities and ecosystems better protected from climate hazards and successful models paving the way for nationwide scaling, BECAUSE NbS reinforce infrastructure and ecosystems, reduce hazard impacts, and ensure long-term sustainability through innovative financing and inclusive governance, while generating multiple co-benefits".

Barriers

[9] Li, H., Zhao, Y., Wang, C., Ürge-Vorsatz, D., Carmeliet, J., & Bardhan, R. (2024). Cooling efficacy of trees across cities is determined by background climate, urban morphology, and tree trait. Communications Earth & Environment, 5(1), 754.

49. Policy Barrier: Ethiopia's urban development policies do not adequately integrate climate resilience or NbS. Spatial planning laws rarely require climate risk assessments or green infrastructure, and alignment between national and local policies remains weak. This gap prevents national adaptation strategies from being realized at the local level, highlighting the need for a coherent NbS framework.

50. Institutional Barrier: While cities like Addis Ababa have climate action plans, they are poorly integrated into national urban policies. Weak institutional coordination, outdated land standards, limited technical capacity, and public distrust undermine effective implementation. Stronger policy integration, enforcement, and inclusive stakeholder engagement are needed to build resilient urban systems.

51. Social Barrier: Rapid urbanization and inequality limit the capacity of communities and city administrations to address climate risks. Community involvement in NbS planning and ownership of interventions remains weak, and green job opportunities are scarce. Raising public awareness, participatory planning, and green job creation initiatives are essential to strengthen local ownership and resilience.

52. Financial Barrier: Although Ethiopia's National Adaptation Plan calls for USD 6 billion annually, climate finance mobilized so far has been very limited, with little allocated to NbS. High public debt and uncertainty in accessing international finance further constrain adaptation efforts.

53. Technical Barrier: There is a shortage of skilled personnel for NbS design, implementation, and monitoring in Ethiopia, compounded by training programs focused on conventional infrastructure. Urban-specific NbS design standards and monitoring frameworks are lacking, and uncertainty about NbS performance deters uptake. Capacity building and knowledge-sharing platforms can strengthen institutional skills and replicate successful NbS practices.

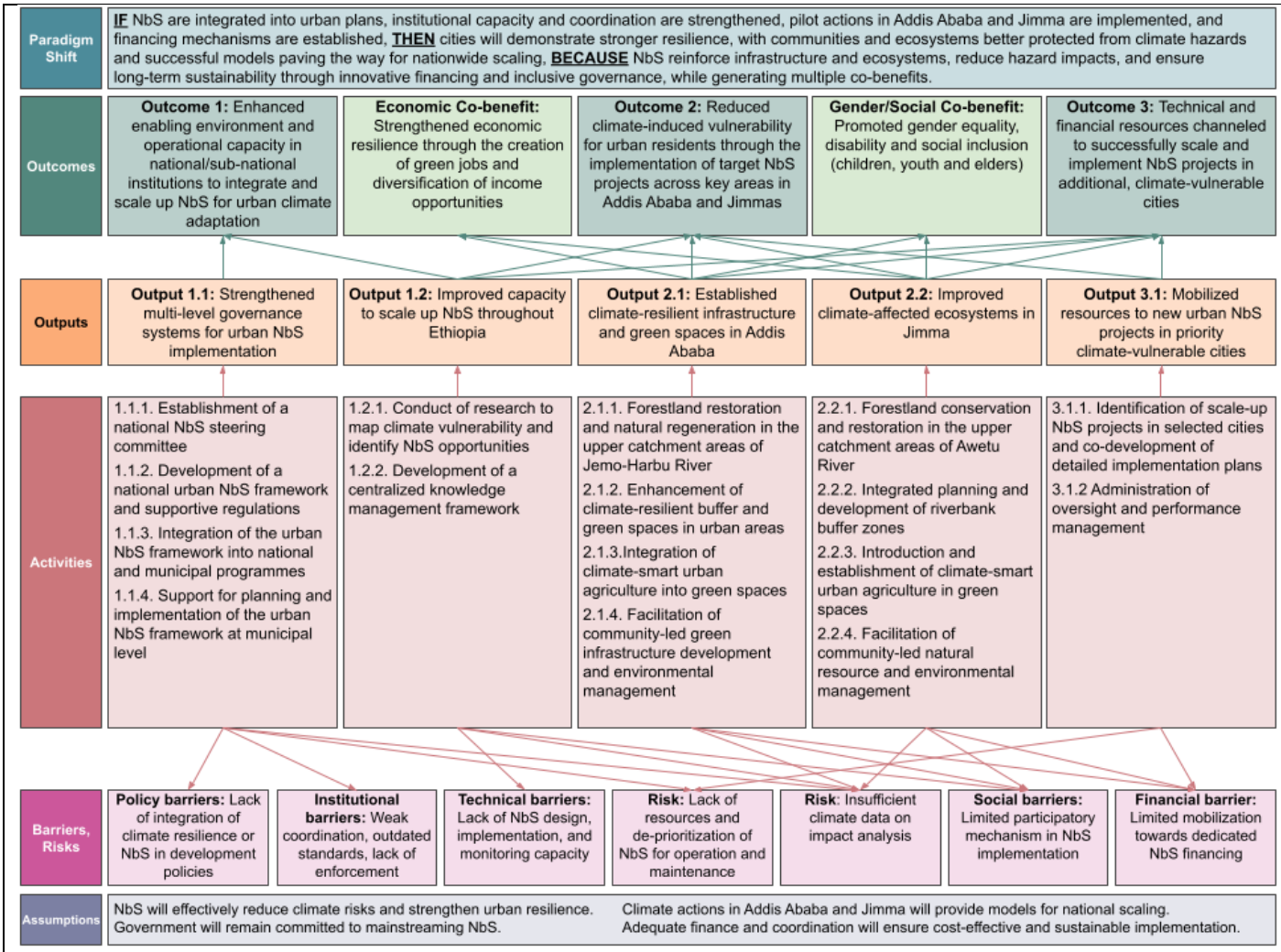


Figure 5. Theory of Change Diagram

Outcome 1: Enhanced and institutionalized enabling environment and operational capacity in national/sub-national institutions to integrate and scale up NbS for urban climate adaptation

54. This outcome will be achieved through:

Output 1.1 and 1.2 by developing institutional capacities, operational frameworks, and enabling environments to support NbS initiatives; Strengthening multi-level governance systems for urban NbS implementation; Improving capacity to scale up NbS throughout Ethiopia

Outcome 2: Reduced climate-induced vulnerability for urban residents through the implementation of target NbS projects across key areas in Addis Ababa and Jimma

55. This outcome will be achieved by implementing pre-identified climate adaptation projects using NbS and scaling NbS across the country through:

Output 2.1. By establishing climate-resilient infrastructure and green spaces in Addis Ababa;

- Output 2.2. By improving climate-affected ecosystems in Jimma;
- Output 1.2 By improving capacity of local governments;

Output 3.1 By mobilizing resources to scale NbS projects to additional climate-vulnerable cities

Outcome 3: Technical and financial resources channeled to successfully scale and implement NbS projects in additional, climate-vulnerable cities

56. This outcome will be achieved through:

Output 3.1 By mobilizing resources to scale NbS projects to additional climate-vulnerable cities;
Output 1.1 and 1.2 by developing institutional capacities, operational frameworks, and enabling environments to support urban NbS initiatives;
Output 2.1 and 2.2, which showcases successful model of urban climate action

Economic Co-benefit: Strengthened economic resilience through the creation of green jobs and diversification of income opportunities

57. Throughout all outputs, especially Outcome 2 has a focus on community-driven efforts to engage in climate-resilient livelihoods. Climate-smart urban agriculture, urban agroforestry, green infrastructure will create green jobs and diversify income opportunities.

Social/Gender Co-benefit: Promoted gender equality, disability and social inclusion

58. The project components are all designed to adhere to social inclusion standards ensuring equitable access and advantage to women, youth, elderly, people with disabilities and most vulnerable groups. Women, youth, displaced people, and persons with disabilities participate in NbS planning and benefit from outcomes. Inclusive governance ensures equitable access to project benefits.

How the Project Activities will Address the Barriers

59. Weak institutional capacity and fragmented governance. Addressed by Outcome 1 through establishment of the Steering Committee, creation of a national NbS framework, and integration into municipal programmes. These measures move governance from fragmented to coordinated and institutionalized.

60. Lack of data and technical knowledge. Addressed through climate vulnerability mapping, development of toolkits, and creation of the Urban NbS Knowledge Portal. Cities move from reactive decision-making to evidence-based planning.

61. Limited demonstration of NbS. Addressed by Outcome 2 interventions in Addis Ababa and Jimma. Demonstrative pilots provide proof of concept, generate co-benefits, and build public and political support for scaling.

62. Financial constraints. Addressed through establishment of a dedicated resource for scale up urban NbS with MoF. This introduces performance-based financing as a catalyst for scaling, so that proven efficiency can translate into enhanced transparency and sustainability, ensuring long-term access to financial resources.

63. Limited community ownership and inclusion. Addressed through community cooperatives in both cities, awareness campaigns, green job creation programs, and gender-inclusive approaches. Communities become central actors in implementation and sustainability.

64. Cross-cutting features embedded include:

- Gender Equality: Women's participation is institutionalized across governance, research, and community cooperatives.

Social Inclusion: Vulnerable groups, youth, and people with disabilities are engaged in planning and benefit-sharing.
Knowledge Sharing: The Knowledge management framework ensures lessons are disseminated across cities.

- Sustainability: As a catalyst for expansion, performance-based financing converts proven efficiency into transparency, ensuring sustainable and enduring access to resources.
- Scalability: Demonstrative pilots provide models that can be scaled nationally.

Risks

65. In Addis Ababa, key risks have been identified, including insufficient integration of climate and safety standards at the design stage, potential environmental damage during construction, limitations in waste management, lack of resources for operations and maintenance, and disaster risks such as flooding.

66. In the case of Jimma, risks have been identified in areas such as insufficient climate and environmental data, limited effectiveness of proposed interventions, rising costs due to inflation, challenges posed by informal settlements, the threat to the sustainability of afforestation initiatives, high turnover in city administration staff, and the low prioritization of operations and maintenance.

Assumptions

Assumption 1. NbS will effectively reduce climate risks and strengthen urban resilience.

- Assumption 2. Climate actions in Addis Ababa and Jimma will provide models for national scaling.

Assumption 3. Government and local authorities will remain committed to mainstreaming NbS.

- Assumption 4. Adequate finance and coordination will ensure cost-effective and sustainable implementation.

B.2 (b). Outcome mapping to GCF results areas and co-benefit categorization

Outcome number	GCF Mitigation Results Area (MRA 1-4)				GCF Adaptation Results Area (ARA 1-4)			
	MRA 1 Energy generation and access	**MRA 2** Low-emission transport	**MRA 3** Building, citiies, industries, appliances	**MRA 4** Forestry and land use	**ARA 1** Most vulnerable people and communities	**ARA 2** Health, well-being, food and water security	**ARA 3** Infrastructure and built environment	**ARA 4** Ecosystems and ecosystem services
Outcome 1	☐	☐	☐	☐	☒	☐	☒	☒
Outcome 2	☐	☐	☐	☐	☒	☐	☒	☒
Outcome 3	☐	☐	☐	☐	☐	☐	☒	☒

Co-benefit number	Co-benefit					
	Environmental	**Social**	**Economic**	**Gender**	**Adaptation**	**Mitigation**
Co-benefit 1	☐	☐	☒	☐	☐	☐
Co-benefit 2	☐	☒	☐	☒	☐	☐

B.3. Project/programme description

67. The proposed project is structured around three mutually reinforcing components. Each output addresses specific institutional, technical, and financial gaps that currently constrain the mainstreaming of urban NbS in Ethiopia. By sequencing institutional reform, demonstrative interventions, and financial innovation, the project ensures that urban NbS are embedded into policy frameworks, implemented on the ground, and sustained through dedicated financing.

Outcome 1: Enhanced and institutionalized enabling environment and operational capacity in national/sub-national institutions to integrate and scale up NbS for urban climate adaptation

68. The first outcome aims to resolve the institutional and governance weaknesses that have prevented NbS from being systematically integrated into Ethiopia's climate and development agenda. It does so by strengthening multi-level governance, creating supportive policies and regulations, and institutionalizing mechanisms for continuous learning and knowledge exchange.

Output 1.1: Strengthened multi-level governance systems for urban NbS implementation

69. This output focuses on creating the institutional structures necessary to coordinate, guide, and monitor NbS implementation at national and subnational levels.

Activity 1.1.1. Establishment of an inter-sectoral coordination mechanism for urban NbS

An inter-sectoral coordination mechanism will be established to strengthen cross-sectoral collaboration, policy coherence, and coordinated implementation of Nature-based Solutions (NbS) for urban climate adaptation at national and sub-national levels. The mechanism is designed not only to coordinate project-specific roles, but also to foster a shared understanding of NbS across government institutions and to support the systematic institutionalization and scale-up of NbS within national development and climate policy frameworks.

As a core institutional arrangement under this mechanism, an Inter-sectoral Coordination Committee for Urban NbS will be established. The Committee will provide strategic direction and coordination support for urban NbS, ensuring alignment with national development and climate policy frameworks. By including civil society organizations and ensuring at least 40% female representation, the mechanism will serve as a platform for inclusive policy dialogue and cross-sectoral collaboration. Clear terms of reference (ToR), operational manuals, and decision-making protocols will be developed and adopted to ensure that roles and functions are well defined and consistently implemented.

The Committee will be chaired by KOICA, in its capacity as the GCF Accredited Entity (AE), with the Ministry of Planning and Development (MoPD) serving as Co-chair and Implementation Partner. This arrangement will ensure strong alignment between international fiduciary oversight and national development planning and climate policy priorities.

Recognizing that multiple ministries are already implementing NbS-related policies and initiatives as part of their respective climate change mandates, the coordination mechanism will serve as a platform to harmonize NbS concepts, principles, and strategic approaches across sectors. Through this process, NbS will be consistently reflected in sectoral policies, investment programs, and implementation modalities, rather than remaining fragmented across individual institutions or projects. The coordination mechanism, through the Committee, will:

- Serve as an inter-sectoral governance platform for the GCF-financed Urban NbS project, linking sectoral roles and perspectives, jointly reviewing implementation progress and results, and channeling lessons learned to support NbS institutionalization and scale-up;
- Strengthen policy coherence and informed decision-making among ministries and agencies responsible for climate change, finance, urban development, forestry, water management, and related sectors;
- Guide and track the integration of NbS approaches into urban planning, infrastructure development, and urban climate adaptation initiatives in a consistent and mutually reinforcing manner;
- Identify and help resolve institutional and coordination constraints that have limited the effective mainstreaming and scaling up of NbS; and
- Foster continuous learning, knowledge exchange, and adaptive management across national and sub-national stakeholders.

By fostering cross-sectoral consensus on the role of Urban NbS in climate-resilient and sustainable urban development, the mechanism will lay the institutional foundations for a whole-of-government approach, enabling Ethiopia to advance toward a coherent, long-term national direction for NbS-based urban climate

adaptation. The Committee will develop and adopt clear terms of reference, operational manuals, and decision-making protocols to ensure that its roles and functions are well defined and consistently implemented. Key participants include:

- **KOICA**: As the GCF Accredited Entity (AE) and Chair of the Inter-sectoral Coordination Committee for Urban Nature-based Solutions (NbS), KOICA will support the operation of the Committee in an administrative and facilitative capacity. KOICA will ensure that Committee procedures, fiduciary oversight, performance monitoring, and reporting are carried out in accordance with GCF policies, standards, and performance requirements, and will support effective Committee functioning through meeting coordination, documentation, and knowledge exchange.
- **Ministry of Planning and Development (MoPD)**: As Co-chair of the inter-sectoral coordination mechanism, MoPD will play a central convening and coordination role to ensure that Urban NbS are progressively embedded within national development planning and climate policy processes. In this role, MoPD will facilitate cross-ministerial dialogue, connect ongoing NbS-related policies and initiatives across sectors, and help translate Urban NbS priorities into medium- and long-term planning and policy directions. Through the Inter-sectoral Coordination Committee, MoPD will also guide policy discussions and coordinate follow-up actions with line ministries and sub-national governments related to Urban NbS.
- **Ministry of Finance (MoF)**: MoF will serve as the Executing Entity responsible for fiduciary management of GCF- and KOICA-financed resources, including fund flow management, financial oversight, and compliance with Ethiopia's public financial management and procurement systems. In addition, MoF will support the gradual incorporation of NbS considerations into public investment planning and budgetary processes, helping create enabling conditions for the wider uptake of Urban NbS across sectoral investment programs.
- **Ministry of Urban and Infrastructure (MoUI)**: MoUI will provide policy leadership and technical coordination for Urban NbS in line with its mandate for national urban development, spatial planning, and urban infrastructure systems. The Ministry will lead the development and application of national Urban NbS frameworks, guidelines, and standards, and work with regional and city administrations to integrate NbS approaches into urban planning instruments, infrastructure development processes, and city-level investment programs.
- **Ministry of Agriculture (MoA)**: MoA will provide technical input on agriculture-linked NbS interventions, including agroforestry, sustainable land and soil management, and livelihood-enhancing activities connected to agricultural value chains. Building on its existing climate-responsive agriculture programs, MoA will help connect rural and peri-urban NbS practices with Urban NbS strategies, particularly in upstream and peri-urban areas that influence urban climate risks.
- **Ministry of Water and Energy (MoWE)**: MoWE will provide technical guidance on water-related NbS measures, including watershed and river basin management, flood risk reduction, and water resource protection, in accordance with its national mandate. The Ministry will support the integration of NbS-based approaches into urban water management and flood risk management frameworks, encouraging complementary use of nature-based and conventional infrastructure solutions at basin and city scales.
- **Ethiopian Forestry Development (EFD)**: EFD will provide technical expertise on forestry- and land restoration-related NbS interventions, including afforestation, reforestation, and land rehabilitation. It will support the application of forestry-based NbS in urban and peri-urban contexts and contribute to linking Urban NbS initiatives with ongoing national forestry development programs.
- **Environment Protection Authority (EPA)**: EPA will support environmental management and safeguards by ensuring that NbS activities comply with national environmental policies, environmental impact assessment requirements, and environmental monitoring and reporting processes. Through its regulatory role, EPA will help ensure that NbS approaches are implemented in a manner consistent with national environmental governance practices.
- **Ministry of Women and Social Affairs (MoWSA)**: MoWSA will support the integration of gender equality, women's empowerment, and social inclusion considerations into the design

and implementation of Urban NbS. The Ministry will promote women's participation, leadership, and capacity development in community-based NbS and livelihood activities, building on national priorities for gender and social development.

- **Ministry of Labor and Skills (MoLS)**: MoLS will support the organization and capacity development of SMEs and cooperatives engaged in NbS implementation, in line with its mandate for labor, employment, and skills development. The Ministry will facilitate skills training and workforce development linked to NbS activities, helping translate NbS implementation into employment and livelihood opportunities.
- **Observatory members** will include Addis Ababa City Government, Oromia Regional Government, Jimma City Administration, and relevant research and knowledge institutions, including WRI and academic institutions. They will contribute local implementation experience, data, and lessons learned, and support ongoing feedback between national policy discussions and sub-national Urban NbS practice.

Deliverables:

Established an operational Inter-sectoral Coordination Committee for Urban NbS. (Ensure 40% female representation)
Terms of reference (ToR) for the Committee, defining its roles, responsibilities, and governance structure.

- Operational framework and manuals for committee meetings, decision-making processes, and reporting mechanisms.
- Regular committee meetings and documentation.

Activity 1.1.2. Development of a national urban NbS framework and supportive regulations

This activity aims to strengthen the policy and regulatory foundations for the systematic integration of Nature-based Solutions (NbS) into urban and peri-urban development. The Ministry of Urban and Infrastructure (MoUI) will provide technical leadership, in line with its national mandate for urban development, spatial planning, and urban infrastructure systems.
This activity involves a comprehensive policy and regulatory gap analysis to identify weaknesses and inconsistencies in existing urban development, environmental management, land use, and infrastructure frameworks that have constrained the application of Urban NbS. The findings will inform the preparation of a national urban NbS framework, providing a practical roadmap for integrating NbS into urban planning, infrastructure development, and urban climate adaptation processes.
The framework will be validated through multi-stakeholder consultations and gender-inclusive workshops, ensuring that it reflects the operational realities of Ethiopian cities while embedding social inclusion and equity considerations. In parallel, supportive regulatory instruments will be developed to enable the effective application, enforcement, and compliance of Urban NbS approaches.

Deliverables:

National urban NbS framework document

- Policy and regulatory gap analysis report

Supportive regulations for urban NbS implementation

- Stakeholder consultation and gender-inclusive validation report

Technical guidelines and toolkits for urban NbS design and implementation

Sub Activities:

1.1.2.1. Development of a national urban NbS framework aligned with local context and stakeholder insights.

Define and structure a national Urban NbS framework by reviewing existing urban development, spatial planning, and environmental policies, with the aim of identifying how NbS can be integrated within urban systems.

- Conduct stakeholder consultations with relevant government agencies, research and academic institutions, civil society organizations, and local communities to ensure that key urban climate risks faced by Ethiopian cities—such as flooding and heat stress—are adequately reflected in the framework, and that the framework provides clear conceptual and procedural guidance for city-level planning contexts.

1.1.2.2. Revision and development of policies and regulations to enable institutional application of urban and peri-urban NbS

Identify regulatory gaps and inconsistencies in existing policies and regulations related to urban and peri-urban NbS.
Review planning and approval frameworks to assess how Urban NbS considerations are currently reflected.
Revise relevant policy and regulatory provisions to support the institutional application of Urban NbS within urban and peri-urban planning instruments, land use management systems, and climate adaptation frameworks.

Activity 1.1.3. Integration of the urban NbS framework into national and municipal programmes

This activity aims to ensure that the Urban NbS framework functions not as a standalone document but as a living tool that is actively applied in policy and planning processes, by embedding it into national and municipal policies, programmes, and planning procedures.
Led by the Ministry of Urban and Infrastructure (MoUI), and implemented in collaboration with relevant ministries—including the Ministry of Planning and Development (MoPD), the Ministry of Finance (MoF), and the Ministry of Agriculture (MoA)—the activity will promote the integration of the Urban NbS framework into key national strategies and programmes such as the Climate Resilient Green Economy (CRGE) strategy, the Green Legacy Initiative, and Sustainable Land Management Programmes.

- At the municipal level, city governments will be supported to apply the framework within zoning regulations, infrastructure development plans, and public space projects. To support effective integration and track progress, training modules, integration guidelines, and a monitoring and evaluation (M&E) framework will be developed.

Deliverables:

Urban NbS integration guidelines for city-level green and climate-relevant projects
Monitoring and Evaluation (M&E) framework for NbS integration in cities
Training modules for urban NbS planning and implementation
Capacity-building program for urban NbS planning and implementation
Communication materials to promote urban NbS across sectors

Sub Activities:

1.1.3.1. Development of NbS integration guidelines for green and climate-relevant projects

Develop NbS integration guidelines for national green and climate-related projects to enhance the consistency and quality of NbS application and to strengthen environmental and social impact.
Provide practical and actionable recommendations on how NbS principles can be integrated at the project planning, design, and implementation stages of key national initiatives, including the CRGE strategy, the Green Legacy Initiatives, and Sustainable Land Management Programs (SLMPs).

1.1.3.2. Development of a Monitoring and Evaluation (M&E) system for NbS integration

Define key performance indicators, data collection methodologies, and reporting templates to enable consistent tracking and comparison of environmental, social, and economic outcomes of NbS-related interventions across sectors and administrative levels.

Support the use of M&E results as an evidence base for performance review, policy refinement, and the scaling up of effective NbS practices.

1.1.3.3. Technical capacity development and institutional knowledge enhancement for NbS integration

Develop and deliver structured learning and training programmes for key line ministries and city governments to strengthen technical capacity for Urban NbS integration.
Support continuous institutional learning and skills development to ensure that relevant institutions and officials are familiar with the tools, guidelines, and methodologies required to plan, design, implement, and monitor NbS across different policy and planning contexts.

Activity 1.1.4. Support for planning and implementation of the urban NbS framework at municipal level

Recognizing that municipalities are the frontline implementers of NbS, this activity focuses on strengthening municipal planning and implementation capacity. The Ministry of Urban and Infrastructure (MoUI) will lead the provision of structured technical and implementation support to municipalities. Building on the national Urban NbS framework, the activity will support city governments in translating strategic guidance into city-specific NbS frameworks, action plans, and investment-ready projects.
Through this activity, MoUI will strengthen the technical capacity of municipalities in climate vulnerability assessment, NbS planning and design, and project concept development, enabling Urban NbS implementation to be scaled up in a consistent and systematic manner at the city level. Together, these efforts will help ensure that NbS is advanced as a national priority, while equipping local governments with the skills, tools, and resources required for effective and sustainable implementation.

Deliverables:

City-specific urban NbS framework and action plans
- Capacity-building sessions on climate vulnerability assessment

Technical advice on urban NbS project design and concept notes

Sub Activities:

1.1.4.1. Development of city-specific urban NbS frameworks and action plans

Supporting local governments to develop customized city NbS frameworks and action plans that address city-specific climate vulnerabilities and urban challenges.
Identify the need for NbS interventions with the collaboration of sectoral experts and local government officials.

1.1.4.2. Implementation support for urban NbS framework

- Provide technical and operational support to local government officials

Align local development plans, zoning regulations, and public infrastructure projects with NbS principles to turn frameworks into practical on-the-ground interventions.

1.1.4.3. Capacity building for urban NbS project design

- A comprehensive capacity building program to equip local government officials and practitioners with the professional skills needed to design, financially structure, and develop concept notes for scale up projects. The project will prioritize the participatory and inclusion in the project design process, to include the most vulnerable groups.

Output 1.2: Improved capacity to scale up NbS throughout Ethiopia

This output addresses the knowledge and data gaps that hinder evidence-based planning and replication of NbS interventions.

Activity 1.2.1. Conduct of research to map climate vulnerability and identify NbS opportunities

Many Ethiopian cities lack reliable climate vulnerability data. This activity fills the gap by developing methodologies to assess risks such as flooding, heat stress, and drought. Using tools like remote sensing and participatory mapping, the project will generate sex-, age-, and location-disaggregated data to capture diverse vulnerabilities. The output will include vulnerability assessment manuals, reports, and city-specific NbS frameworks for selected secondary cities.

Deliverables:

- Sex-, age-, and location-disaggregated data.
- Vulnerability assessment and data management manual
- Vulnerability assessment report

Strategic urban NbS frameworks for three targeted cities

Sub Activities:

1.2.1.1. Methodology development for climate vulnerability assessment and data management

- Development of methodologies to assess a city's climate vulnerability and collect relevant data on key hazards such as flooding, heat stress, and drought.
- Apply tools like remote sensing and community-based assessments to organize collected data by mapping it into an open-source-based GIS.

Build city-specific climate risk profiles to inform decision-making by city governments and stakeholders and support NbS planning.

1.2.1.2. Conduct of research to develop strategic urban NbS frameworks for secondary cities

Develop an urban NbS framework for secondary cities based on climate vulnerability assessments.
Select cities that align with national priorities and local needs in consultation with the Inter-Sectoral Coordination Committee for Urban NbS.

1.2.1.3. Development of design guidelines and toolkits for NbS implementation

Develop NbS project design standards and technical guidelines.

- Develop toolkits, including templates, checklists, prototypes, etc. for climate risk mitigation and adaptation

Activity 1.2.2. Development of a centralized knowledge management framework

The knowledge and data generated through the portal will be curated and maintained for continued use beyond the project duration and will be linked to existing national knowledge management and reporting systems, enabling their use as inputs to the monitoring, reporting, and assessment of Ethiopia's Nationally Determined Contribution (NDC) and related climate resilience strategies. Through this linkage, the Urban NbS Knowledge Portal will function as a practical knowledge base that is regularly referenced within national climate policy implementation and performance review processes, rather than as a stand-alone project repository.
To ensure the systematic retention, use, and dissemination of knowledge, the project will establish an Urban NbS Knowledge Portal hosted by the Ministry of Urban and Infrastructure. The portal will serve as a centralized knowledge hub, consolidating climate vulnerability data, technical guidelines, case studies, and lessons learned generated through Urban NbS planning and implementation. Community engagement

toolkits will be developed to capture grassroots perspectives, with particular attention to women-led cooperatives. Guidelines for data collection and reporting protocols will be developed to standardize practices, ensuring consistency and comparability of data across cities.
In parallel, collaboration and information exchange with NbS-related research institutions, academic bodies, and knowledge partners will increase the visibility and relevance of the portal, supporting its role as an open and actively used platform for policy makers and practitioners.
By institutionalizing NbS research and knowledge management, this output lays the foundation for sustained policy learning and the replication and scaling up of NbS practices across Ethiopia.
Deliverables:

Urban NbS Knowledge Portal
- Comprehensive climate vulnerability database with city-level data

NbS awareness-raising materials for communities
Gender-sensitive community engagement toolkit for promoting NbS and capturing lessons learned
Guidelines for data collection and reporting protocols on climate vulnerability and NbS impacts

Sub Activities:

1.2.2.1. Establishment of an urban NbS knowledge management process

Develop a centralized platform for managing and sharing information, knowledge, and tools related to urban NbS in Ethiopia to enable city governments, policy makers, and practitioners to leverage climate-related data, pilot projects, and lessons learned from international practices.
- Regular updates will ensure relevance, improving data-driven decision-making, enhancing capacity-building efforts, and fostering collaboration among stakeholders.

1.2.2.2. Collection and management of data to assess climate vulnerability and impacts

This sub-activity will establish protocols for consistent data collection and sustainable management of climate vulnerability and NbS impact data.
- The data will enhance monitoring, evaluation, and evidence-based climate adaptation planning.

By addressing the current data gap, this effort will improve decision-making for targeted interventions. Data will be shared through the urban NbS knowledge portal to support city-level planning and implementation.

Outcome 2: Reduced climate-induced vulnerability for urban residents through the implementation of target NbS projects across key areas in Addis Ababa and Jimma

70. The outputs under this outcome translates institutional frameworks and technical knowledge into practice by implementing demonstrative NbS interventions in Addis Ababa and Jimma. These pilot actions showcase the effectiveness of NbS in addressing urban climate risks while generating co-benefits such as improved public spaces, enhanced ecosystems, and diversified livelihoods.

71. Nature-Based Solutions (NBS) are an integral solution to addressing growing infrastructure service needs, while maximizing the impact of limited resources to enhance resilience to water and climate risks. For example, restoring watersheds can enhance water security, increasing urban green space can reduce urban heat, and protecting mangroves can reduce coastal flood risk. Recent research has estimated that NBS can provide up to 11 percent of total infrastructure investment needs globally and can provide 28 percent better value for money spent than gray infrastructure.[10]

Output 2.1: Established climate-resilient infrastructure and green spaces in Addis Ababa

[10] Oliver, E. and L. Marsters. 2022. "Nature-Based Solutions in Sub-Saharan Africa for Climate and Water Resilience: A Methodology for Evaluating the Regional Status of Investments in NBS from a Scan of Multilateral Development Bank Portfolios." Technical Note. Washington, DC: World Resources Institute. Available online at: https://doi.org/10.46830/ writn.22.00054.

Addis Ababa faces increasing flood risks, soil erosion, and heat stress, particularly in areas around the Jemo-Harbu River. The project introduces NbS to address these issues while improving quality of life for residents.

Activity 2.1.1. Forestland restoration and natural regeneration in the upper catchment areas of JemoRiver

The Jemo Mountain catchment, degraded by logging and encroachment, will be restored through community-led reforestation and natural regeneration. Local cooperatives will manage nurseries, propagate indigenous tree species, and maintain restored areas. Tools and erosion control structures will be provided to enhance effectiveness.

Deliverables:

- Assessment of climate-related risks (soil erosion, flooding, and heats)
- Restored forest areas with tree planting and natural regeneration
- Sustainable forest management plans developed and implemented
- Functional and sustainable tree nurseries
- Market assessments conducted for selected livelihood options
- Community-led monitoring and maintenance system

Sub Activities:

2.1.1.1. Implementation of tree planting and natural regeneration activities

Assessment of restoration target areas and development of site-specific restoration plans, including identification of priority zones, appropriate restoration approaches, and implementation schedules.
Community members and NbS cooperatives carry out afforestation activities such as pitting, seedling transportation, planting, survival counting, weeding, and hoeing to enhance the success rate of reforestation.

- Support natural regeneration activities by conducting thinning and pruning to improve tree growth, enhance forest structure, and accelerate ecosystem recovery.
- The project will also provide essential tools, equipment, and materials, including site-appropriate erosion control structures (e.g., gabions, check dams, and soil retention barriers), tailored to the specific needs of each restoration site.

2.1.1.2. Establishment of nurseries for indigenous and multipurpose tree species

- To support sustainable reforestation and agroforestry efforts, tree nurseries will be developed to propagate selected indigenous species and fruit or multipurpose tree species that provide both ecological and livelihood benefits. These nurseries will provide high-quality seedlings for planting activities, ensuring a steady supply of tree species that contribute to soil stabilization, water retention, and biodiversity restoration.

2.1.1.3. Value chain assessment, training, and income-generation support

This activity will strengthen the sustainability of forest restoration and natural regeneration by integrating value chain assessments, technical training, income-generation activities, and the provision of essential equipment for local communities. Value chain assessments will focus on key livelihood options, including agroforestry, tree nursery operations, and non-timber forest products (NTFPs), to identify opportunities and constraints across production and market access.

- Based on the findings, targeted training and capacity-building will be provided to community members and cooperatives to enhance skills in agroforestry, nursery management, and sustainable NTFP practices. Basic tools and small-scale equipment will also be provided to improve productivity

and product quality, supporting diversified and resilient livelihoods linked to sustainable forest management.

2.1.1.4: Establishment of community-led monitoring and sustainable forest management systems

Cooperatives established under this activity will lead community-based monitoring and management of restored forest areas, including tracking tree survival, managing invasive species, and conducting periodic site assessments, with technical support from the project. The project will also facilitate coordination with relevant government institutions to explore the integration of community-led monitoring into existing forest management systems.

Activity 2.1.2. Enhancement of climate-resilient buffer and green spaces in urban areas

Along the Jemo-Harbu River, approximately 45 hectares of land will be transformed into flood-resilient public spaces. Riverbanks will be stabilized using gabions and biopolymers, while river lines will be re-curved to slow water flow. Retention ponds, recreational parks, plazas, and open spaces will be established. Green canopies and urban farming areas will further mitigate heat stress and provide livelihood opportunities.

Deliverables

- Basic survey report of target site (Confirm site boundaries)
- Concept Master Plan Report (Flood Prevention and Public Space Creation in Riverside Areas)
- Design Drawing documents of concept masterplan
- Basic Design Drawing documents, Detailed Design Drawing documents and Permit documents, Specification

Conceptual design, detailed design, and supervision in accordance with the Green Canopy Zone Design Guidelines

- Install permeable road pavement (pedestrian) to reduce flooding and improve stormwater management.
- Placing street trees and green spaces to promote water storage and improve the urban environment.
- Provide street furniture for public use and pedestrian comfort.
- Reconfigure public spaces near community facilities, such as schools and places of worship.

Create multi-functional public spaces within streets to promote synergy with adjacent land uses.

- Improve bridges along school routes for safety (excluding bridges planned in urban development plans).
- Promotional materials such as bird's-eye views for promoting the target area.

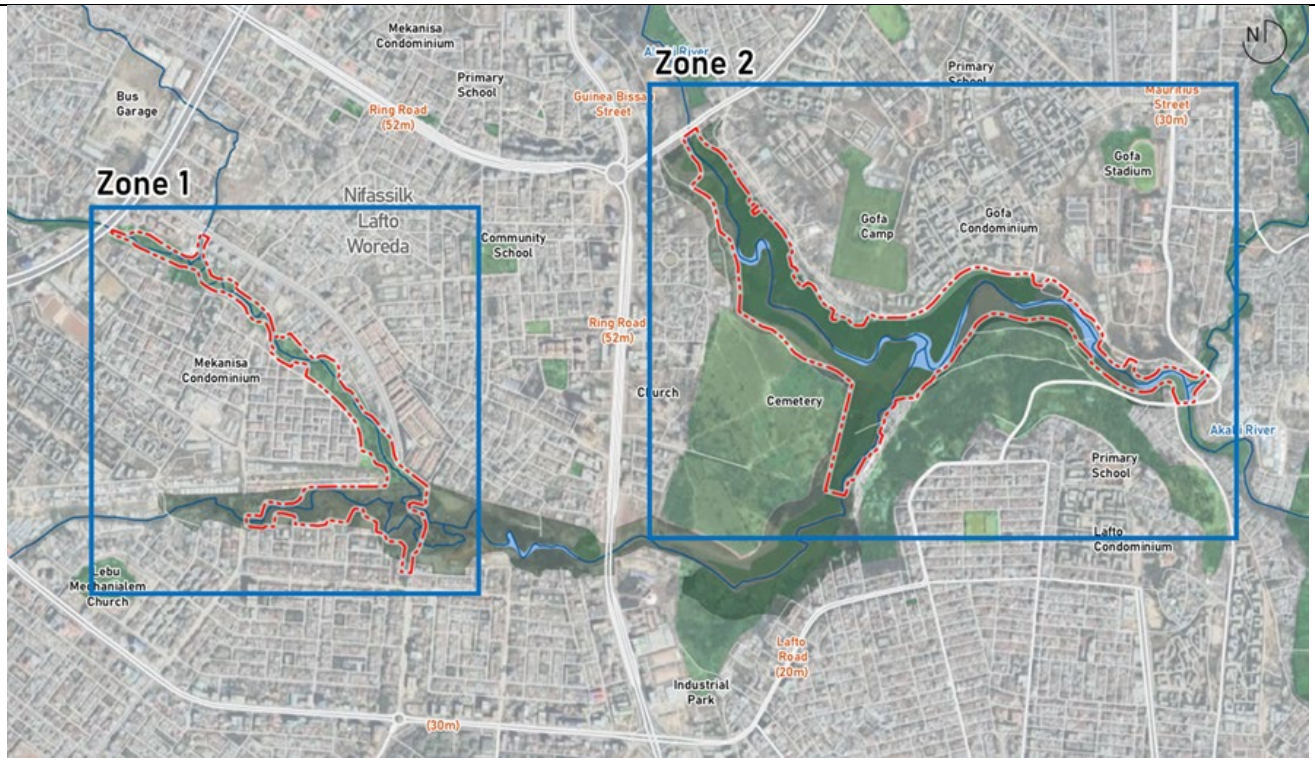
Sub Activities

2.1.2.1: Integrated planning and technical design of NbS interventions

Climate risk assessments and surveys will inform concept master plans and detailed designs for interventions such as flood-prevention infrastructure and riverside public spaces. Technical designs will integrate NbS principles like permeable pavement and vegetation buffers.

2.1.2.2: Development of eco-friendly river buffer zones

- This sub-activity focuses on improving riverbank stability and flood resilience through the development of a sustainable river buffer zone. Eco-friendly public spaces and stormwater retention systems will be integrated to manage excess water and reduce erosion, while tree planting and waste management will help enhance biodiversity and protect water quality.



Zone 1:

- Delineation of river buffer along 1.75 km of river.
- Re-curve the current river line, which accelerates soil erosion, using eco-friendly materials.

Establishment of approximately 5,700 m^2 retention pond on floodplain close to the river to retain excess stormwater that is released from the floodplain.

- Development of 3ha recreational park, 2ha plaza and 5ha public open space.
- Plantation of trees to prevent soil erosion and ensure biodiversity.
- Install facilities to improve the amenities (Toilets, street furniture, etc.) of the waterside park.
- Implementation of solid waste management to reduce clogging of drainage.

Concept design detailed design, and construction supervision.

Zone 2:

- Delineation of river buffer along 2.65 km of river.
- Establishment of approximately 15 hectares of farmland for urban agriculture.
- Re-curve the current river line, which accelerates soil erosion, using eco-friendly materials.
- Implementation of solid waste management to reduce clogging of drainage ditches.
- Concept design, detailed design, and construction supervision

2.1.2.3. Development of urban farming areas

This sub-activity aims to utilize 15 ha of flood-resilient land near residential areas and the river for urban agriculture, not only to create economic opportunities but also to support flood mitigation and sustainable land use. It will include soil restoration and the installation of essential infrastructure to facilitate cooperative-led farming, in Zone 2.

- Delineation of 15 ha of land for urban farming near residential areas and near the river (including access roads for urban agriculture).
- Soil assessment and remediation, including pollutant testing, bioremediation, and fertility restoration.
- Installation of drainage and irrigation systems for water management and supply in dry conditions.
- Construction of pathways and access roads for improved accessibility.

- Installation of supporting infrastructure, including fencing for plot protection, composting units for organic waste recycling, and water supply points.

2.1.2.4. Development of green canopies and public space enhancement

The area around the target is a newly urbanized area of Addis Ababa that has been identified as one of the thermal hotspots. High surface temperatures negatively impact soil conditions and the health and daily activities of residents, increasing the risk of compounding disasters such as flooding, heat, and disease.

- Creating a green canopy through tree planting in public spaces, such as roads and walking areas, to protect pedestrians from heat stress.
- In addition to mitigating the urban heat island effect, green canopies are known to be effective against a variety of urban disasters, including flooding, which has been linked to the flow of water from high road pavement ratios and unauthorized dumping of solid waste, both of which contribute to urban flooding in targeted areas.

To effectively achieve these goals, the Design Guidelines for Green Canopy Zones are used in conjunction with physical infrastructure improvements, such as permeable materials and water storage systems, to maximize effectiveness. The Design Guidelines include resources for infrastructure, tree species, and space management.

2.1.2.5. Community-linked maintenance and waste management for restored urban spaces

This sub-activity will utilize existing government public labor and green job creation mechanisms to engage communities and MSMEs in the maintenance of restored urban green spaces and river corridors, in coordination with Addis Ababa City and Woreda administrations. Key tasks will include routine maintenance, solid waste management, and drainage clearing to reduce river pollution and flood risks in restored areas. Community-linked monitoring and maintenance will be supported for approximately two years following construction. In parallel, through Activity 2.1.4, the project will facilitate coordination with relevant government institutions to integrate maintenance roles and monitoring arrangements into existing public management and budgeting systems, supporting long-term accountability and sustainability.

Activity 2.1.3. Integration of climate-smart urban agriculture into green spaces

This activity will establish sustainable climate-smart urban agriculture systems within NbS-restored urban green spaces to enhance food production, strengthen community livelihoods, and increase climate resilience. Market assessments and value chain analyses led by technical experts will identify suitable crops and production models, which will be implemented by community groups and cooperatives. Targeted training, basic inputs, and market linkages will support climate-resilient production and long-term livelihood sustainability, with attention to the participation of women and youth.

Deliverables

- Market assessment and urban agriculture value chain analysis completed

Climate-smart urban agriculture systems established in urban green spaces

- Strengthened community capacity in climate-smart urban agriculture practices
- Sustainable, community-led livelihood models developed

Market linkages established for urban agriculture products

Sub Activities:

2.1.3.1. Value chain analysis and establishment of climate-smart urban agriculture systems

Market assessments and value chain analyses will be led by local consultants and technical experts to identify suitable high-value crops and production models for climate-smart urban agriculture, such as beekeeping, urban nurseries, and urban horticulture, based on local market demand and feasibility.

Based on the findings, climate-smart urban agriculture systems will be established in urban green spaces and implemented by community groups and cooperatives, with technical support from the project.

2.1.3.2. CSA technical training and community capacity building

Cooperatives and community members, with a focus on encouraging the participation of women and youth, will receive climate-smart agriculture training and capacity-building support to strengthen production skills, farm management, and climate-resilient practices. Targeted technical assistance and basic inputs will be provided to enhance adaptive capacity and resilience to climate risks.

2.1.3.3. Market access facilitation and development of community-led sustainable livelihood models

Technical experts will work with cooperatives and community members to develop market linkages, while cooperatives and community members actively participate in marketing training and the development of community-led livelihood models to support sustainable income generation from climate-smart urban agriculture.

Activity 2.1.4. Facilitation of community-led green infrastructure development and environmental management

This activity will strengthen community-led environmental management and green infrastructure services linked to NbS interventions through a phased approach that focuses on raising community awareness, strengthening the operational capacity of Local Industry, Livelihood and Private Groups (LLPGs), including Micro, Small and Medium Enterprises (MSMEs) and cooperatives, and establishing community-led environmental management and monitoring systems. It will strengthen the organizational capacity of LLPGs and promote sustainable management and livelihoods, while facilitating coordination with government institutions to support the long-term sustainability of community-led environmental management in Addis Ababa city.

Deliverables:

- Community members engaged in environmental awareness and climate resilience activities
- LLPGs with strengthened organizational and operational capacity

Community-led monitoring and management systems established for NbS sites

- Environmental management equipment and small-scale facilities provided
- Government consultations completed to support community-led monitoring systems

Sub Activities:

2.1.4.1. Awareness-raising on environmental management and climate resilience

Community-based campaigns, education, and advocacy activities will be conducted to improve awareness of environmental management, climate risks, and NbS approaches, and to encourage active community participation in NbS-related actions.

- Collaborate with media outlets and local influencers to amplify key messages on urban sustainability and climate resilience.

2.1.4.2. Operational support and capacity building for local industry, livelihood, and private groups (LLPGs)

All LLPGs operating across NbS sites will receive organizational and operational capacity-building support. This will include assistance with group registration, basic financial management and savings practices, leadership development, and organizational governance, to strengthen institutional resilience and long-term sustainability.

2.1.4.3. Establishment of community-led monitoring and sustainable environmental management systems for NbS sites

Community-led monitoring and management systems will be established for NbS sites, supported by guidance and training for community groups on system setup, roles, and monitoring procedures, along with the provision of environmental management tools and small-scale facilities for effective day-to-day operation.
Provision of enviro Environmental management tools and small-scale facilities will be provided at community level, including water harvesting and stormwater management infrastructure (e.g. rain gardens, drain screens, rainwater barrels) and solid waste management facilities (e.g. river trash traps, manual or tricycle collection carts, and waste separation bins).
Community groups will conduct routine monitoring and maintenance activities, while the project facilitates coordination with relevant government institutions to enable technical, institutional, or resource support for community-led management systems, strengthening long-term sustainability.

Output 2.2: Improved climate-affected ecosystems in Jimma

Jimma faces recurrent flooding, sedimentation, and underutilization of wetlands. NbS interventions will restore ecosystems, create public green spaces, and introduce climate-smart agriculture.

Activity 2.2.1. Forestland conservation and restoration in the upper catchment areas of Awetu River

- Community-based tree planting, natural regeneration, and agroforestry practices will restore degraded catchments. Indigenous tree species will be prioritized to enhance soil fertility and water retention. Women's cooperatives will be engaged in nursery management and agroforestry activities.

Deliverables:

- Restored forest areas with tree planting and natural regeneration
- Sustainable forest management plans developed and implemented
- Functional and sustainable tree nurseries
- Community-led monitoring and maintenance system
- Market assessments conducted for agroforestry and nursery production
- Sustainably managed lands with agroforestry practices

Sub Activities:

2.2.1.1. Implementation of tree planting and natural regeneration activities

Assessment of restoration target areas and development of site-specific restoration plans, including identification of priority zones, appropriate restoration approaches, and implementation schedules.

- Mobilizing community members in reforestation to accelerate forest recovery.
- Pitting, transporting seedlings, planting, survival counting, weeding, and hoeing to enhance reforestation success.

support natural regeneration activities by conducting thinning and pruning to improve tree growth, reduce competition, and enhance ecosystem resilience. Essential tools, equipment, and erosion control structures (e.g., gabions, check dams, and soil retention barriers) will be provided based on site-specific needs.

2.2.1.2. Establishment of nurseries for indigenous and multipurpose tree species

To ensure a sustainable supply of seedlings, nurseries will be established to propagate indigenous and multipurpose tree species that improve soil fertility, enhance water retention, and support biodiversity.
The selection of tree species will align with flood prevention goals while also incorporating agroforestry-compatible species in designated areas to support community livelihoods.

2.2.1.3. Introduction of agroforestry in the lower area of upper catchment

- Introduce agroforestry in designated areas downstream of restored forest areas to balance forest conservation and community livelihoods.

Provide cultivation opportunities such as fruit trees, fodder species, and soil-enriching plants to provide sustainable income-generating opportunities for local people while protecting watersheds.

- Train cooperative members on climate-appropriate agroforestry techniques, soil conservation, and sustainable harvesting.

2.2.1.4. Establishment of community-led monitoring and sustainable forest management systems

- Engage cooperatives to assess tree survival, manage invasive species, protect boundaries, and periodic field assessments to track natural renewal progress.
- Develop community-based monitoring frameworks, tools, and provide capacity-building training for cooperatives.

Activity 2.2.2. Integrated planning and development of riverbank buffer zones

Along the Awetu River, approximately 30 hectares of land will be transformed into flood-resilient public spaces. Eco-friendly stabilization measures such as terracing, gabions, and biopolymers will protect riverbanks. Retention ponds, terraces, and wetlands will provide flood control while also creating multifunctional spaces for recreation and agroforestry.

Deliverables:

- Assessment of Climate-related Disaster Risk Vulnerability (Heat, Flood, Water scarcity, Soil erosion)
- Basic survey report of target site (Confirm site boundaries)
- Concept Master Plan Report (Flood Prevention and Public Space Creation in Riverside Areas)
- Design Drawing documents of concept masterplan
- Basic Design Drawing documents, Detailed Design Drawing documents and Permit documents, Specification
- Promotional materials such as bird's-eye views for promoting the target area

Sub Activities:

2.2.2.1. Integrated planning and technical design of NbS interventions

Climate risk assessments and surveys will inform concept master plans and detailed designs for interventions such as flood-prevention infrastructure and riverside public spaces. Technical designs will integrate NbS principles like permeable pavement and vegetation buffers.

2.2.2.2. Development of eco-friendly river buffer zones

Concept master plans and technical designs will be prepared, aligning with local policies and development plans. Consultations will validate proposed interventions and ensure community buy-in.

- Creating a sustainable river buffer zone to control soil erosion, enhance biodiversity, and improve flood resilience.

Stormwater retention systems and eco-friendly public spaces including will be integrated to manage excess water and provide recreational opportunities. Solid waste management and eco-friendly construction methods will support long-term environmental sustainability.

- Delineation of river buffer along 1.8km of river
- Re-curve the current river line, which accelerates soil erosion, using eco-friendly materials.

Establishment of two retention pond (approximately 7,300m^2 & 16,200m^2) on floodplain close to the river to retain excess stormwater that is released from the floodplain Development of 2ha plaza, 2ha public open space and Terrace Garden.

- Park facilities such as restrooms and street furniture.
- Plantation of trees to prevent soil erosion and ensure biodiversity.
- Implementation of solid waste management to reduce clogging of drainage ditches and pipes.
- Concept design, detailed design, and construction supervision.

2.2.2.3. Development of urban agroforestry spaces

- Utilizing 18 ha of flood-prone land near residential areas and rivers for agroforestry to support local livelihoods, as well as strengthen flood resilience and sustainable land use
- Includes developing essential infrastructure to restore soil, plant trees, and promote cooperative-led agroforestry

Cooperatives are allocated designated urban agriculture plots along the river to manage for the long term and engage the community in agroforestry initiatives.

- Zoning 18 ha of land for urban agroforestry near residential areas and rivers.

2.2.2.4. Community-linked maintenance and waste management for restored urban spaces

This sub-activity will utilize existing government public labor and green job creation mechanisms to engage communities and MSMEs in the maintenance of restored river corridors, urban green spaces, and green infrastructure along the Awetu River, in coordination with the Jimma City Administration and relevant sub-city and kebele authorities. Key tasks will include routine green space management, solid waste management, and drainage clearing to reduce river pollution and flood risks.
Community-linked monitoring and maintenance will be supported for approximately two years following construction, with coordination facilitated with relevant government institutions to enable technical and resource support for community-led maintenance and green management, strengthening long-term sustainability.

Activity 2.2.3. Introduction and establishment of climate-smart urban agriculture in green spaces

This activity will promote climate-smart urban agriculture (CSA) in underutilized urban green spaces in Jimma to enhance food production, strengthen community livelihoods, and increase climate resilience. Building on Jimma's urban–peri-urban context and proximity to productive catchment areas, market assessments and value chain analyses led by technical experts will identify suitable crops and production models. Climate-smart urban agriculture systems will be implemented by community groups and cooperatives, with particular attention to women's groups, supported by targeted training, basic inputs, and market linkages to ensure long-term livelihood sustainability.
Deliverables:

- Mapped and secured land for climate-smart urban agriculture
- Established and operational climate-smart urban farms
- Strengthened community capacity in climate-smart agriculture
- Market-ready agricultural products from community-led urban farms

Market linkages established for urban agriculture-based livelihood options

Sub Activities:

2.2.3.1. Value chain analysis and establishment of climate-smart urban agriculture systems

Market assessments and value chain analyses will be led by local consultants and technical experts to identify suitable climate-smart urban agriculture options for Jimma Town.

- Crop selection for high-demand vegetables (e.g., kale, cabbage, tomatoes, onions), fruit trees (e.g., avocados), and other high-value urban agriculture activities, based on local market demand and feasibility.

Based on the findings, climate-smart urban agriculture systems will be established in selected urban green spaces, with cooperatives and community groups engaged in land preparation, planting, and production using climate-smart technologies.

2.2.3.2. Establishment of climate-smart horticulture and fruit tree cultivation with community training

- Cooperatives and community members will receive practical training in climate-smart agricultural practices, including soil and water management, climate-resilient production, and pest and disease control using Integrated Pest Management (IPM) and organic approaches.

Training will also cover market-oriented production, basic financial literacy, and entrepreneurship to support the development of economically viable urban agriculture enterprises and the productive use of urban green spaces.

2.2.3.3. Market access facilitation and development of community-led sustainable livelihood models

- Technical experts will support market access facilitation by linking cooperatives and community groups with local markets, traders, restaurants, and food suppliers in Jimma.

Cooperatives and community members will participate in marketing and post-harvest handling training to improve product quality, storability, and market readiness.

- Community-led and market-oriented livelihood models will be developed to support sustainable income generation from climate-smart urban agriculture

Activity 2.2.4: Facilitation of community-led natural resource and environmental management

This activity will strengthen community-led natural resource and environmental management systems in Jimma by supporting the formation and operational capacity of NbS-focused cooperatives and local groups, adapted from the Addis Ababa cooperative model to fit Jimma's ecological and socio-economic context.
It will promote the sustainable management of forests, river corridors, and waste, while facilitating coordination with relevant government institutions to support long-term sustainability and community ownership.
Deliverables:

- Community members engaged in natural resource and environmental awareness activities
- LLPGs with strengthened organizational and operational capacity
- Community-led natural resource monitoring and management systems established
- Government consultations completed to support community-led natural resource management systems

Sub Activities:

2.2.4.1. Awareness-raising on environmental management and climate resilience

Community-based campaigns, education, and advocacy activities will be conducted to improve awareness of natural resource and environmental management, climate risks, and NbS approaches in Jimma, and to encourage active community participation in NbS-related actions.
Awareness activities will build on existing community groups and cooperatives in agriculture, forestry, and environmental management, introducing the NbS model and pathways for transitioning toward community-led natural resource management.

2.2.4.2. Operational support and capacity building for local industry, livelihood, and private groups (LLPGs)

All LLPGs operating across NbS sites will receive support for group registration and formalization, including basic administrative guidance, adapted to Jimma's natural resource management context.
LLPGs will receive training in basic financial management and savings practices, leadership development, and organizational governance to strengthen operational capacity and long-term sustainability.
Administrative and training support will be provided to LLPGs that seek to transition into NbS-focused organizations or cooperatives, including capacity building related to NbS operations.

2.2.4.3. Establishment of community-led monitoring and natural resource management systems for NbS sites

Community-led monitoring and natural resource management systems will be established for NbS sites, supported by guidance and training on system setup, roles, and monitoring procedures, aligned with Jimma's forest, river corridor, and watershed context.

- Capacity-building training will be provided to strengthen community skills in natural resource management, including forest restoration, river corridor and watershed management, and solid waste management.

Coordination with relevant government institutions will be facilitated to enable technical, institutional, or resource support for community-led natural resource management systems, strengthening long-term sustainability.

Outcome 3: Technical and financial resources channeled to successfully scale and implement NbS projects in additional, climate-vulnerable cities

72. The third outcome is strategically designed to ensure that NbS activities are sustained and scaled through a dedicated resource. KOICA, as a co-EE and co-financier, will fully finance this set of activities as part of its long-term commitment to demonstrating a replicable model for urban climate resilience. By establishing a dedicated resource for scale-up, KOICA aims to ensure that the innovations and lessons emerging from Outcomes 1 and 2 can be expanded to additional cities, accelerating national adoption of NbS and sustaining the project's impact beyond its lifetime.

73. The project will leverage the Ministry of Finance's existing capacity and institutional framework in managing resources for climate resilience as an efficient channel for supporting local city governments. The MOF, drawing on its robust institutional capacity as a GCF Accredited Entity, will manage KOICA's co-financing as a dedicated, non-reimbursable grant window. By applying GCF-level oversight to the prioritized urban NbS projects identified in Year 2, the MOF ensures a transparent and high-impact pathway for national replication and transformational change.

Output 3.1. Mobilized resources to new urban NbS projects in priority climate-vulnerable cities

74. This output will ensure that technical and financial resources—mobilized through KOICA's dedicated co-financing—are systematically allocated to new urban NbS projects in the three target cities identified under Outcome 1. Building on the diagnostic and planning work completed in Year 2, the project will operationalize a structured process for selecting scale-up sites, co-developing actionable implementation plans, and initiating NbS investments through performance-based contracting mechanism with city governments.

Activity 3.1.1. Identification of scale-up NbS projects in selected cities and co-development of detailed implementation plans

KOICA's co-financing will be used to support NbS investments in three priority cities identified through Activity 1.2.1 (climate vulnerability mapping and NbS opportunity identification). The MoF will manage the allocation of these resources in close collaboration with line ministries, KOICA, and city administrations. This activity focuses on validating the selection of target cities, co-developing detailed implementation plans, and establishing contractual agreements to initiate implementation. Disbursements will be milestone-based to ensure accountability and delivery of results.

Deliverables:

Validated list of NbS interventions for each selected target city
- Detailed Implementation Plans for each supported project
- Signed Implementation Agreements between MOF and selected city administrations

Sub Activities:

3.1.1.1. Final Selection of Target Cities and Validation of Project Scope by the Inter-Sectoral Coordination Committee for Urban NbS

The Inter-Sectoral Coordination Committee will review the recommendations emerging from assessments and formally endorse the three target cities. The Committee will also validate the scope of proposed NbS interventions to ensure strategic alignment with national priorities, MoF's funding framework, and KOICA/GCF requirements. While KOICA will hold the final decision-making authority, this process guarantees high-level governmental ownership and coherence with Ethiopia's broader climate-resilience agenda.

3.1.1.2. Co-development of Detailed Implementation Plans

The Project Management Unit (PMU), together with technical partners, will collaborate with each selected city to co-develop comprehensive Detailed Implementation Plans. These plans will include budgets, work breakdown structures, procurement and contracting schedules, technical specifications, and safeguards considerations. The municipal government will co-develop the implementation plan, supported by a long-term operation and maintenance plan. Integration of these plans into formal municipal planning systems for sustainability will be encouraged. Community participation, particularly of vulnerable groups, will be embedded into project design.

3.1.1.3. Contracting with City Administrations to Initiate Project Implementation

The MoF will formalize contractual agreements with the target city administrations, utilizing a USD 6 million co-financing envelope from KOICA. These agreements will employ a performance-based contracting mechanism, within the budget allocation, fund disbursements are tied to the achievement of verified milestones and technical NbS standards. This results-oriented approach ensures that municipal actors are held accountable for high-quality delivery—such as successful hectares restored or flood-mitigation targets met—while simultaneously institutionalizing fiduciary rigor and long-term maintenance commitments at the local level.

Activity 3.1.2: Administration of oversight and performance management

This activity will strengthen oversight and performance management systems for the supported NbS projects. Regular supervision, reporting, and evaluation processes will ensure accountability, mitigate operational and financial risks, and promote adaptive management. Gender-responsive indicators and compliance mechanisms will be integrated to ensure equitable access and continuous learning.

Deliverables:

- Operational Monitoring and Evaluation (M&E) framework
- Periodic management and performance reports from supported projects

Sub Activities:

3.1.2.1. Establishment of a Monitoring and Evaluation system with core indicators, reporting requirements, and compliance mechanisms

A structured M&E system will be established to track progress, outcomes, and compliance with the national, KOICA, and GCF standards. This will include the development of indicators, gender-disaggregated data requirements, reporting formats, and financial compliance criteria. Training and capacity strengthening will be provided to city governments, stakeholders and partners as needed to ensure quality reporting and learning.

3.1.2.2. Execution of oversight activities and performance reviews for compliance, accountability, and impact measurement

MoF, supported by the PMU, will conduct periodic oversight and reviews to confirm proper fund utilization, safeguard compliance, and progress toward milestones. Annual reports from each city will be reviewed, and any identified gaps or risks will be addressed through timely actions.

3.1.2.3. Collection, analysis, and reporting of M&E data for decision-making and stakeholder engagement

M&E data collected through reports and field visits will be consolidated and analyzed to generate evidence on effectiveness, lessons learned, and areas requiring adaptive adjustments. Findings will be communicated to key stakeholders, including MoF, sector ministries, KOICA, GCF, and local communities to ensure transparency and inform continuous improvement of the scale-up model.

B.4. Implementation arrangements

Accredited Entity / Executing Entity - Korea International Cooperation Agency (KOICA)

75. As a government-funded agency under the Ministry of Foreign Affairs of the Republic of Korea, KOICA implements grant-based official development assistance (ODA) globally. Serving as the GCF-Accredited Entity (AE) for this project, KOICA holds legal and fiduciary responsibility for the administration of project proceeds. This includes high-level oversight, supervision, and performance monitoring of all project components, ensuring strict compliance with GCF standards, reporting requirements, and climate impact targets.

76. Through an internal task assignment, KOICA (HQ and Ethiopia Office) will also function as an Executing Entity (EE) for specifically assigned activities. In this capacity, KOICA will manage its designated budget and oversee international procurement and technical quality assurance with due diligence. By partnering directly with the Ministry of Finance (MoF), KOICA fosters a strategic collaboration between an international AE and Direct Access Entity, blending global expertise with Ethiopia's specific socio-economic and climate context to maximize project impact.

Executing Entity - Ministry of Finance

77. As Ethiopia’s central authority for external assistance and fiscal policy, the Ministry of Finance (MoF) will serve as a primary Executing Entity. Leveraging its status as a GCF-accredited institution, the MoF will ensure the transparent and accountable management of GCF and KOICA resources in strict compliance with national public financial management (PFM) systems and GCF fiduciary standards. It acts as the primary government counterpart, responsible for aligning project disbursements with Ethiopia’s macroeconomic policies and the Climate Resilient Green Economy (CRGE) strategy.

78. The MoF will oversee the flow of funds to all implementing institutions, managing the legislative and legislative frameworks required for procurement and disbursement. It will be responsible for the financial monitoring, evaluation, and reporting of fund utilization. Under Outcome 3, the MoF will specifically operationalize a dedicated financial mechanism to scale up urban NbS. This includes managing the allocation of funds for investments in three additional climate-vulnerable cities, overseeing their procurement processes, and ensuring adherence to environmental and social safeguards (ESS) throughout the scaling-up phase.

79. Beyond its central fiduciary role, the MoF will act as the EE for the NbS demonstration projects in Addis Ababa and Jimma City. In this capacity, the MoF will coordinate directly with the the Addis Ababa City Administration and the Oromia Regional Government for Jimma City. It will provide the oversight necessary to execute on-the-ground investments, ensuring that site-specific work plans, infrastructure standards, and technical NbS practices are implemented according to the approved project timeline and budget.

Executing Entity - The Ministry of Urban Development and Infrastructure (MOUI)

80. The Ministry of Urban and Infrastructure (MoUI) will serve as a Co-EE, providing the federal mandate and technical leadership necessary to transition urban Nature-based Solutions (NbS) from pilot phase to national standard. MoUI's primary responsibility is to lead the development of the National Urban NbS Framework, guidelines, and regulatory instruments. By embedding these into national spatial planning, land use management, and infrastructure standards, MoUI will drive a structural shift that integrates NbS as a core component of Ethiopia's climate-resilient urban development policy.

81. MoUI will play a central role in mainstreaming NbS within municipal systems, focusing on technical coordination with city administrations—particularly Addis Ababa. Through specialized guidance and capacity-building programs for sub-city administrations and local cooperatives, MoUI will ensure project interventions align with existing urban plans and zoning regulations. This oversight ensures that NbS infrastructure is not treated as an isolated environmental activity but is fully integrated into the municipal service delivery and infrastructure maintenance systems of target cities.

82. To ensure long-term continuity and evidence-based decision-making, MoUI will host and operate the Urban NbS Knowledge management framework. This centralized framework will consolidate climate vulnerability data, technical design standards, and lessons learned from the project's implementation. MoUI will synchronize it with the Ministry of Planning and Development's (MoPD) national data platforms to monitor NDC compliance. By institutionalizing this data, MoUI facilitates the replication of successful NbS models across secondary cities and secures the technical foundation for future urban resilience investments.

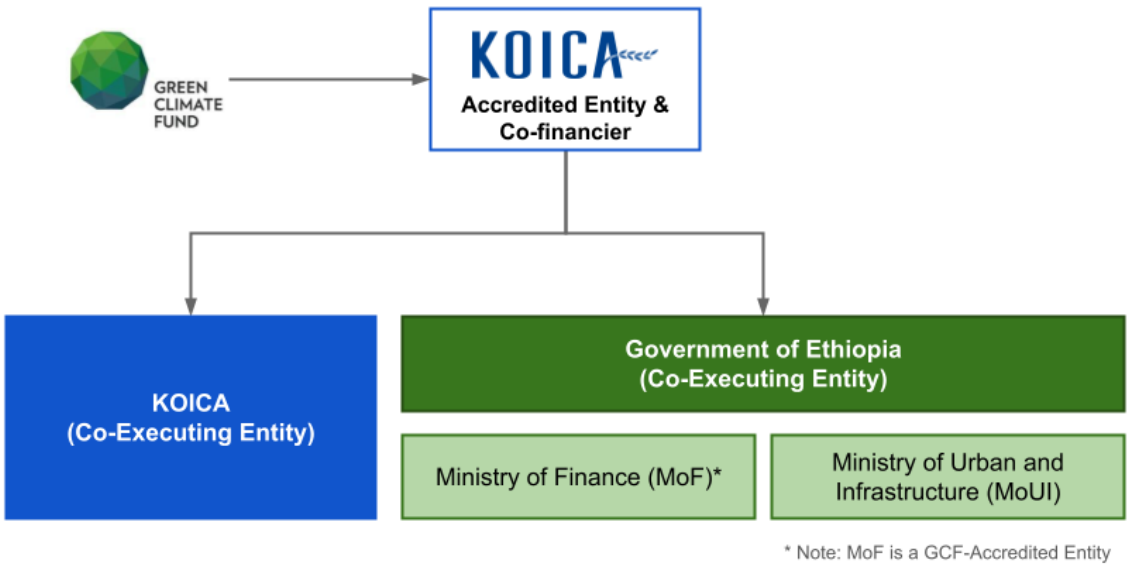


Figure 6. Implementation arrangements

83. Table 2 explains the roles of each executing entity for this project. This allocation of responsibilities is designed to streamline project implementation and leverage the specialized expertise of each participating organization.

Table 2 Executing entities and corresponding activities

Output	Activity	KOICA	MOF	MOUI
1.1	1.1.1. Establishment of an inter-sectoral coordination mechanism			
	1.1.2. Development of a national urban NbS framework and supportive regulations			
	1.1.3. Integration of the urban NbS framework into national and municipal programmes			
	1.1.4. Support for planning and implementation of the urban NbS framework at municipal level			
1.2	1.2.1. Conduct of research to map climate vulnerability and identify NbS opportunities			
	1.2.2. Development of a centralized knowledge management framework			
2.1	2.1.1. Forestland restoration and natural regeneration in the upper catchment areas of Jemo-Harbu River			
	2.1.2. Enhancement of climate-resilient buffer and green spaces in urban areas	*2.1.2.1; 2.1.2.5*	*2.1.2.2; 2.1.2.3; 2.1.2.4*	
	2.1.3. Integration of climate-smart urban agriculture into green spaces			
	2.1.4. Facilitation of community-led green infrastructure development and environmental management			
2.2	2.2.1. Forestland conservation and restoration in the upper catchment areas of Awetu River			
	2.2.2. Integrated planning and development of riverbank buffer zones	*2.2.2.1; 2.2.2.4*	*2.2.2.2; 2.2.2.3*	
	2.2.3. Introduction and establishment of climate-smart urban agriculture in green spaces			
	2.2.4. Facilitation of community-led natural resource and environmental management			
3.1	3.1.1. Identification of scale-up NbS projects in selected cities and co-development of detailed implementation plans			
	3.1.2. Administration of oversight and performance management			

Flow of Funds and Contractual Arrangements

84. Figure 7 illustrates the project's flow of funds. GCF proceeds will be primarily disbursed by the MoF to ensure that financial and procurement management comply with both GoE national standards and GCF requirements. In-country disbursements will be directed to the MoUI at the federal level for the implementation of Activities 1.1.2, 1.1.3, 1.1.4, and 1.2.2. The GCF proceeds will be separately managed from other federal resources. Regarding Activities 2.1.2 and 2.2.2, the MoF will manage the procurement for construction-related sub-activities from in-country service providers, while all other sub-activities will be managed by KOICA. Additionally, the MoF will manage the resources for the delivery of Activities 3.1.1 and 3.1.2, which are financed by KOICA.

85. Contractual arrangements will be established between KOICA and the MoF in accordance with standardized project agreement policies. Concurrently, the MoF will enter into a project agreement with the MoUI, outlining the parties' responsibilities for the delivery of activities under Outcome 1. KOICA and the MoF, guided by the Procurement Plan (Annex 10), will jointly (for procurement above the threshold amount) or respectively procure local and international service providers to complete the designated workstreams and deliverables.

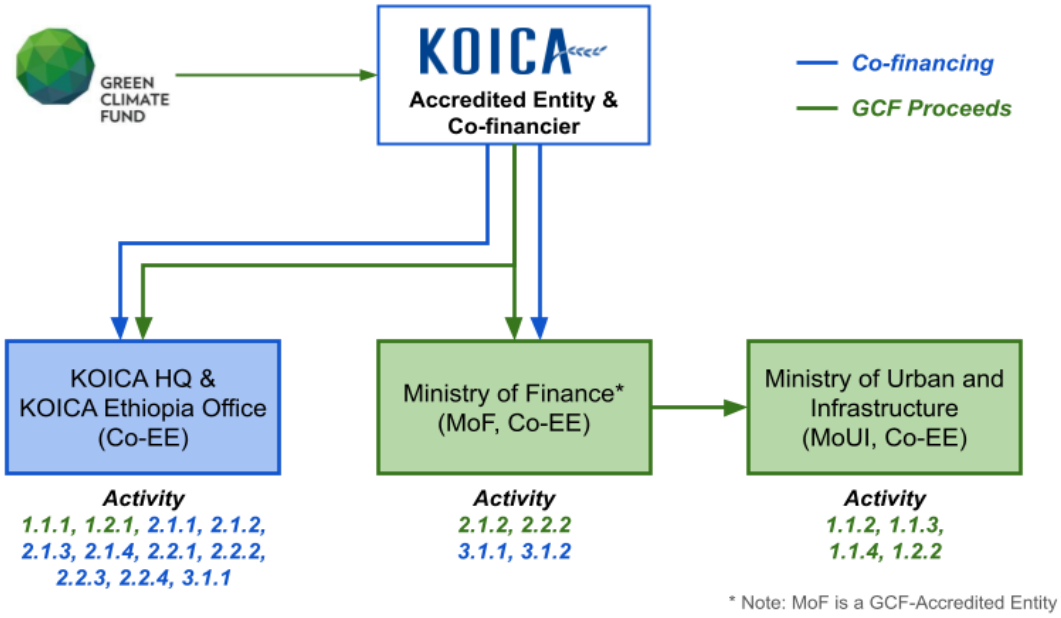


Figure 7 Flow of Funds

Project Governance

86. The Project Governance framework is institutionalized to ensure seamless coordination between KOICA and Ethiopian stakeholders. KOICA will chair the Inter-Sectoral Coordination Committee for Urban NbS, co-chaired by the Ministry of Planning and Development (MoPD/NDA), to guide strategic decision-making and ensure alignment with national priorities. This body facilitates constant liaison with other Executing Entities (MoF and MoUI), ensuring that technical outputs and financial disbursements remain synchronized throughout the project lifecycle.

87. At the operational level, the governance structure emphasizes country ownership by utilizing Ethiopia's PFM and procurement systems for the disbursement of GCF resources. Daily oversight and fiduciary management will be conducted by a Project Management Unit (PMU), which comprises project coordinators, finance officers, and M&E specialists. The PMU will include dedicated KOICA personnel, international experts commissioned by KOICA to provide high-level technical oversight, ensure rigorous compliance with international standards, and facilitate knowledge transfer. This hybrid PMU structure reports directly to the Project Steering Committee to maintain the highest levels of transparency and effectiveness in the delivery of all urban interventions.

88. To ensure seamless daily operations, the Project Management Unit (PMU) will be housed within the MoF. This strategic arrangement capitalizes on the MoF's extensive track record in managing the CRGE Facility and other GCF-financed operations, such as FP243. By utilizing the MoF's established institutional memory and proven climate-finance expertise, the project is positioned to achieve high efficiency in fund management and procurement. This structure, supported by the Inter-Sectoral Coordination Committee chaired by KOICA and co-chaired by the MoPD (NDA), ensures that the project benefits from both robust strategic guidance and a mature operational environment.

Brief Description for key partners

The Ministry of Planning and Development (MoPD) * National Designated Authority

89. The Ministry of Planning and Development (MoPD) lead technical body for GCF implementation in Ethiopia. Its primary mandate is to ensure the project remains strictly aligned with the Ten-Year

Development Plan, the Nationally Determined Contributions (NDC), and the National Adaptation Plan (NAP). By providing high-level technical oversight, MoPD validates the soundness of project activities and ensures that urban Nature-based Solutions (NbS) are integrated into the broader national architecture for climate-resilient and sustainable development.

90. MoPD will be engaged by KOICA to ensure an inter-sectoral coordination mechanism is in place for NbS mainstreaming, leveraging its established authority as the Co-Chair of the CRGE Ministerial Committee. In this role, MoPD facilitates cross-sectoral policy coherence, ensuring that the urban NbS frameworks developed by MoUI are mainstreamed across all relevant line ministries. This platform serves as the formal mechanism for resolving inter-institutional bottlenecks and securing high-level political commitment, complementing the Ministry of Finance's fiduciary management with robust technical and strategic leadership.

91. MoPD plays a critical role in the long-term institutionalization of project outcomes by linking the Urban NbS Knowledge Portal to national monitoring and reporting systems. In coordination with MoUI, MoPD will utilize project-generated data and geospatial tools to track NDC implementation and facilitate climate resilience reporting. This ensures that the lessons learned from Addis Ababa and Jimma directly inform adaptive policy development and are anchored within Ethiopia's long-term climate governance and national planning cycles.

Addis Ababa City Government

92. The Addis Ababa City Government will serve as one of the key partners for the implementation of Output 2.1, working closely with KOICA and other executing entities to support effective project delivery. The City Government will obtain and manage the permits and approvals required for project implementation in accordance with applicable laws and administrative procedures. It will also actively engage relevant federal and city-level institutions—including the Environment, Forest and Climate Change Authority (EFD), the Ministry of Agriculture (MoA), and the Ministry of Water and Energy (MoWE)—to secure technical support and institutional cooperation, ensuring that each NbS intervention is designed and implemented in a manner well suited to local conditions.

93. In addition, the Addis Ababa City Government will designate and reserve project sites through integration into relevant City Structure Plans and planning instruments, preventing incompatible development activities from occurring prior to and during project implementation. By incorporating NbS sites into city planning frameworks and integrating completed NbS assets into routine municipal operations and management systems, the City Government will help secure the legal recognition, long-term protection, and proper operation and maintenance of NbS assets beyond the project period. Through the sustained presence and management of these assets, the City Government will contribute to demonstrating the role of nature in climate change adaptation and to strengthening recognition of nature-based solutions as a core component of climate-resilient urban development among city authorities and the wider public.

The Oromia Regional Government

94. The Oromia Regional Government, as the regional government with administrative authority over Jimma City, will support the implementation of this project by facilitating coordination between the Jimma City Administration and executing entities, including MoUI, MoF, and KOICA. Through this facilitation role, Oromia will help ensure that project activities in Jimma City are implemented in accordance with approved plans and applicable administrative procedures, contributing to institutional coherence between regional and city-level authorities and supporting the effective delivery of NbS interventions under the project.

The Jimma City Administration

95. The Jimma City Administration will be key partner to support the delivery of Output 2.2. The City Administration will coordinate with the on-the-ground implementation carried out by the procured service providers, ensuring NbS interventions alignment local contexts, and applicable administrative and safeguard requirements.

96. The Jimma City Administration has prior experience in implementing and maintaining urban environmental and river corridor interventions, including the Awetu River Improvement Project, which was implemented and operated through existing municipal systems with higher-level financial and technical support. This experience provides a sound operational basis for the City Administration's role in supporting the effective delivery and sustainability of NbS interventions in Jimma City under this project.

B.5. Justification for GCF funding request

97. Ethiopia is facing devastating floods: in July 2024, torrential rains in the Gambella region triggered floods and landslides that caused widespread destruction of homes, public infrastructure and essential services like water, sanitation, and hygiene severely affected, 143,000 affected people and more than 2,300 fatalities, undergoing rapid urbanization with currently only 22.7% of its population living in urban areas in 2024 but to triple by 2037.

98. This shift is largely driven by rural-to-urban migration, fueled by diminishing arable land, recurrent droughts, and localized conflicts. Rapid and often unplanned urbanization has created significant climate-related challenges for Ethiopian cities. Most urban centers are unable to meet the rising demand for basic services, including housing, potable water, electricity, transportation, and waste management. Urbanization has also intensified air, water, and soil pollution, accelerated land-use changes, and contributed to the degradation of ecosystems and loss of biodiversity. With little to no investments in urban areas beyond the capital city, there is a need to develop urban resilience to climate change to keep up with the challenges that come with rapid urbanization.

99. Ethiopia, being a Least Developed Country (LDC) with a GDP per capita of USD 1,011 (World Bank, 2022), and limited fiscal space for investments on climate change adaptation, there is a need for highly concessional financing. Urban NbS are public goods with limited commercial returns, making them unattractive to private investors. The absence of cost recovery models (e.g., PES) and weak municipal fiscal autonomy further constrain financing. Ethiopia's debt burden, foreign exchange shortages, and inflationary pressures make additional loans unsustainable.

100. Ethiopia's National Adaptation Plan (2019) calls for investments of USD 6 billion annually over a 15-year period (2016–2030). In contrast, the Climate Resilient Green Economy (CRGE) Facility, Ethiopia's main vehicle for climate finance, has mobilized approximately USD 126 million from international public sources, or USD 206 million if REDD+ funds are included covering all areas that pertain to climate resilient green economy.

101. The IPCC's Sixth Assessment Report underscores the importance of creating synergies across agriculture, energy, and water sectors to foster integrated climate responses. Ethiopia urgently needs to strengthen its adaptation and mitigation strategies, especially given projections of worsening extreme weather events, water and food insecurity, and public health crises in the coming decades. Enhancing international cooperation and climate finance access is critical to building long-term resilience in both urban and rural areas. Despite strong national frameworks like the CRGE Strategy and NAP-ETH, urban adaptation remains underfunded and fragmented. The proposed project addresses this gap by institutionalizing Nature-based Solutions (NbS) in urban settings—an area currently underserved by both domestic and international finance.

102. In addition, Ethiopia is among 22 African countries facing high debt vulnerabilities. Its public debt ratio has nearly doubled over the past decade, reaching close to 60% of GDP by end-2024, with

interest payments consuming more than education or health budgets[11]. This results in a very limited fiscal space for the Government of Ethiopia to take additional sovereign loans for resilience building investments that the country desperately needs.

103. GCF funding is critical to:

Establish a national urban NbS framework and financing mechanism
- De-risk early-stage investments in urban resilience

Build institutional and community capacity for NbS implementation
- Demonstrate scalable models for replication across Ethiopian cities

Market Failure and Barriers

104. Grant financing is the most suitable instrument for this project due to:

- The need to build foundational systems and capacity
- The high vulnerability of target beneficiaries
- The limited fiscal space of local governments

105. Similar to other GCF-funded projects in Ethiopia, grant support will enable the establishment of infrastructure and systems that local actors can sustain post-project. It will also catalyze co-financing from KOICA and city governments and unlock future investments from the other multilateral/bilateral partners and private sector.

106. The proposed GCF grant funding, complemented by co-financing from KOICA develops an innovative concessional financial structure which aligns with Ethiopia's NDC goals, catalyzes an enabling environment for further private or public investments and provides financial sustainability through revolving funds. This concessionality benefits the vulnerable urban communities in both the cities of Addis Ababa and Jimma, the municipal governments with limited adaptation budgets, and national institutions seeking to mainstreaming NbS while attracting active engagement and advancement of local industry livelihood and private groups engaged in green jobs and NbS delivery.

B.6. Exit strategy

107. The project on Urban Climate Resilience through Nature-based Solutions (NbS) in Ethiopia has been carefully designed to ensure that the outcomes, systems, and capacities established during implementation endure and expand long after GCF funding concludes. The strategy for long-term viability rests on four mutually reinforcing pillars: institutional integration, community empowerment, financial viability, and knowledge management, all underpinned by a phased transition pathway.

Institutional integration.

108. The durability of project results will be secured by embedding NbS governance structures within Ethiopia's existing national and local institutional frameworks. At the national level, the project will establish an Inter-Sectoral Coordination Committee for Urban NbS, with representation from key ministries such as finance, urban development, environment, and forestry, ensuring cross-sectoral coordination and alignment of priorities. The Committee will be chaired by KOICA in collaboration

[11] UNDP (2025). Navigating the Debt Crisis: Reforming the Common Framework for African Countries; and Zafar, A. (2024). Options for resolving Ethiopia's debt. Options for resolving Ethiopia's debt | Brookings

with the Ministry of Planning and Development (MoPD) as Co-chair. It will subsequently be institutionalized and handed over to MoPD, which will continue to operate it as Chair, supported by a National Urban NbS Framework and related regulations, providing oversight and technical guidance for NbS implementation nationwide.

109. At the municipal level, the project works directly with Addis Ababa, Jimma, and selected secondary cities to institutionalize NbS action plans. These plans will be embedded in municipal zoning regulations, development plans, and infrastructure standards. As a result, urban NbS will no longer be treated as pilot interventions but rather as integral parts of city governance and planning. By building strong ownership at both national and municipal levels, institutional continuity is guaranteed.

Community empowerment.

110. A central principle of the project is that long-term success depends on local actors having both the mandate and the capacity to sustain NbS interventions. To this end, the project has established and trained NbS community groups in target cities. These community members, formally registered with local governments, will serve as vehicles for community participation, economic empowerment, and environmental stewardship. Members—including women, youth, and vulnerable groups—will be trained in governance, entrepreneurship, and technical NbS practices such as forest restoration, waste management, and climate-smart urban agriculture.

111. Each local industry livelihood and private groups (cooperatives and MSMEs) will generate profits through various NbS activities, such as nursery management, landscaping services, or sustainable agroforestry. This design creates a cycle of financial self-reliance, enabling local actors to maintain green spaces, protect restored riverbanks, and continue reforestation without reliance on external resources. By linking livelihoods with NbS management, the project ensures that communities have both economic and environmental incentives to sustain the outcomes, establish a mechanism where profits are reinvested to cover the Operation and Maintenance costs.

Financial viability.

112. The project's financial viability will be secured through a robust, multi-channel strategy. The success and lessons learned will directly inform and contribute to the operationalization and efficacy of the Government of Ethiopia's Special Fund for Degraded Landscape Rehabilitation under the CRGE Facility. Specifically, Outcome 3 will not only facilitate the scaling of Nature-based Solutions (NbS) in urban contexts but will also enhance the capacity of the Ministry of Finance (MoF) in managing the financial and technical resources required for this scale-up. This enhanced capacity provides a crucial complementarity benefit to the GoE's Special Fund operations and management, thereby reinforcing and heightening national commitments to the long-term sustainability of urban NbS. Additional financing pathways will be pursued through the mobilization of bilateral and multilateral development partners, the leveraging of municipal Operation and Maintenance (O&M) budgets, and the strategic engagement of private sector actors in the financing and maintenance of green urban infrastructure.

Knowledge management and scaling-up.

113. The project secures technical and institutional continuity by establishing the NbS Knowledge Framework and a centralized climate vulnerability database, hosted by the MoUI as well as coordination with MoPD. These platforms will consolidate methodologies, datasets, and toolkits developed under the project, ensuring they remain accessible and regularly updated. Beyond documentation, they will serve as decision-support systems for policymakers and practitioners, facilitating replication of NbS models in secondary cities. Partnerships with academia and research

institutes will further institutionalize learning, ensuring that innovations continue to inform practice after the project ends.

Phased transition.

114. The project adopts a phased pathway for transitioning responsibilities. In the first phase, GCF support helps to establish governance, financing, and community systems. In the second phase, co-management among GCF, national institutions, municipalities, and communities consolidates these systems while strengthening domestic financing flows. In the final phase, responsibilities are transferred to national and local actors.

115. By embedding NbS into national policies, empowering communities, institutionalizing financing with guaranteed federal budget contributions, and creating knowledge systems for replication, the project ensures that its impacts are not only sustained but also expanded over time. The careful balance of ambition and realism—acknowledging uncertainties while securing core commitments—provides a robust framework for enduring climate resilience in Ethiopian cities.

C. FINANCING INFORMATION

C.1. Total financing

(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount	Currency
	25	million USD ($)

GCF financial instrument	Amount	Tenor	Grace period	Pricing
(i) Senior loans	25,000,000 USD	-	-	-
(ii) Subordinated loans				
(iii) Equity				
(iv) Guarantees				
(v) Reimbursable grants				
(vi) Grants				
(vii) Results-based payments				

(b) Co-financing information	Total amount	Currency
	22	million USD ($)

Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
KOICA	Grant	22	million USD ($)	N/A	N/A	N/A

(c) Total financing (c) = (a)+(b)	Amount	Currency
	47	million USD ($)

(d) Other financing arrangements and contributions	N/A

C.2. Financing by component

116. The project is supported by USD 25 million in grant funding from GCF and USD 22 million from KOICA. GCF resources focus on the creation of climate-resilient infrastructure and green spaces in Addis Ababa, ecosystem restoration in Jimma. KOICA's contribution is concentrated on institutional capacity, governance, replication of NbS practices in other cities and project management support.

117. The financing was structured to align resources with the comparative advantages of each partner. GCF funding was directed to institutional reform, policy development, and financial mechanisms, creating the enabling conditions for long-term NbS expansion. KOICA's financing was allocated to physical infrastructure and project management, ensuring that planned activities could be delivered effectively at the city level. This distribution of responsibilities was planned to balance systemic support with operational execution, allowing the project to address both strategic and immediate implementation needs in a coordinated manner.

Outcome	Output	Indicative cost USD	GCF financing		Co-financing		
			Amount USD	Financial Instrument	Amount USD	Financial Instrument	Name of Institutions
Outcome 1. Develop institutional capacities, operational frameworks, and enabling environments to support NbS initiatives	1.1. Strengthened multi-level governance systems for urban NbS implementation	1,482,400	1,482,400	Grants	-	Grants	KOICA
	1.2. Improved capacity to scale up NbS throughout Ethiopia	2,217,600	2,217,600	Grants	-	Grants	KOICA
Outcome 2. Implement pre-identified climate adaptation projects using NbS in Addis Ababa and Jimma	2.1. Established climate-resilient infrastructure and green spaces in Addis Ababa	22,330,057	15,181,020	Grants	7,149,037	Grants	KOICA
	2.2. Improved climate-affected ecosystems in Jimma	11,280,543	5,758,980	Grants	5,521,563	Grants	KOICA
Outcome 3. Establish an innovative financing for urban NbS	3.1. Mobilized resources to new urban NbS projects in priority climate-vulnerable cities	6,410,400	-	Grants	6,410,400	Grants	KOICA
Project Management Component	Project Management	2,119,000	-	Grants	2,119,000	Grants	KOICA
M&E	M&E	1,160,000	360,000	Grants	800,000	Grants	KOICA
Indicative total cost (USD)		47,000,000	25,000,000			22,000,000	

118. On capacity building, GCF resources strengthen governance systems and train municipal and national staff. These activities ensure that relevant actors have the skills and institutional support needed to design, implement, and sustain NbS interventions. Approximately USD 2 million of GCF resources are directed to such capacity-building measures.

119. On technology development and transfer, several sub-activities under Outcome 2 are illustrative. These include (i) agroforestry introduction, (ii) riverbank stabilization using eco-technologies, and (iii) climate-smart horticulture and fruit tree cultivation. Their implementation necessarily involves the application, adaptation, and dissemination of technical solutions—such as climate-smart agricultural methods, eco-engineering approaches to riverbank stabilization, and improved horticultural practices.

C.3 Capacity building and technology development/transfer	
C.3.1 Does GCF funding finance capacity building activities?	Yes ☒ No ☐
C.3.2. Does GCF funding finance technology development/transfer?	Yes ☒ No ☐

D. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

This section refers to the performance of the project/programme against the investment criteria as set out in the GCF's Initial Investment Framework.

D.1. Impact potential

Results Area

120. The proposed project will enhance the sustainability of Ethiopia's approach to urban climate resilience by achieving the following fund-level impacts:

- ARA1. Most vulnerable people and communities
- ARA3. Improved Infrastructure and built environment
- ARA4. Improved resilience of ecosystems and ecosystem services.

Project Outcomes

121. The proposed project will be evaluated against the relevant factors specified in the GCF Integrated Results Management Framework. It is anticipated that the proposed project will achieve two Fund-level enabling environment Outcomes, as described below.

Core indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways in a country-driven manner.
Core indicator 8: Degree to which GCF investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards

122. The project will directly benefit about 300,557 people and indirectly reach 1,480,390 people, a total 1,780,947 beneficiaries, with women comprising at least half. These cities are among Ethiopia's fastest-growing urban centers, facing increasing climate risks such as flooding, heat stress, and land degradation. The project's interventions—urban forest restoration, river buffer rehabilitation, and green infrastructure—will reduce vulnerability and enhance adaptive capacity.

Fund-level Impacts

ARA3 – Infrastructure and build environment

123. The initiative strengthens climate-resilient infrastructure and the built environment in Ethiopian cities by integrating NbS into urban planning and development. This result area will be highly contributed by the interventions in Addis Ababa. Key interventions address flooding, heat stress, and soil erosion through the restoration of degraded forestlands in the Jemo Mountain area and the stabilization of riverbanks along the Jemo-Harbu River using eco-friendly techniques. The project also creates public green spaces, establishes 15 hectares of urban farming areas, and plants green canopies to reduce urban heat.

124. In Jimma, key interventions include climate-resilient infrastructure by employing methods such as gabions, biopolymers, and terracing to stabilize riverbanks and reclaim flood-prone wetlands for urban agriculture. The project establishes a river buffer zone featuring retention ponds, green spaces, and integrated waste management systems to improve environmental health and flood control.

ARA4 – Ecosystems and ecosystem services

125. This initiative significantly contributes to developing ecosystems and enhancing ecosystem services by prioritizing the restoration and sustainable management of natural landscapes within urban and peri-urban areas. In Addis Ababa and Jimma, efforts focus on rehabilitating degraded forestlands, which restore critical habitats and improve biodiversity. The interventions support ecosystem functions such as water regulation, soil conservation, and carbon sequestration, while also creating green spaces and urban farms that provide food security, recreational areas, and cooling effects to mitigate urban heat. By integrating agroforestry and sustainable land-use practices, the project strengthens ecosystem resilience to climate stressors, ensuring long-term environmental health and enhanced services for local communities.

126. Furthermore, the initiative fosters ecosystem development through community engagement and capacity building, empowering local private groups - including women, youth and other vulnerable groups - to actively manage and maintain these natural assets. The establishment of a national urban NbS framework and knowledge-sharing platforms promotes the systematic inclusion of ecosystem considerations in urban planning and infrastructure development, ensuring that ecosystem services are valued and preserved across governance levels. Cities will be incentivized to implement and sustain NbS projects that restore and enhance ecosystems, thereby embedding ecological benefits into broader climate adaptation and urban development strategies across Ethiopia.

ARA1 – Increased resilience and enhanced livelihoods of the most vulnerable people, communities and regions

127. Gender, youth and social inclusion have been closely integrated in the project design while noting their vulnerabilities to impacts of climate change events and profiling at Woredas' and community levels for the development of NbS targeted to specific needs. As analyses have shown, women are disproportionately affected by extreme weather events due to social norms, economic structures and prevailing health conditions. This project takes into consideration their active participation during community participation throughout the implementation phase. Youth, who form a significant portion of urban demographics, and with more coming in through rural-urban migration are also a crucial target community and are well weaved into the design of the project with access to means of livelihoods that contribute towards sustainable development.

128. Given that the project is designed to be community led, community engagement at regular intervals is crucial. Hence, the role of cooperatives has been clearly laid out in the project. This would allow local institutions and communities to have direct access to finance and decision-making power over how NbS are defined, prioritized, designed and implemented, monitoring and evaluation of progress. It is also important to address structural inequalities faced by women, youth, children, persons with disabilities, displaced, and other vulnerable groups through their meaningful participation in the process.

Core indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways in a country-driven manner.

129. This initiative strengthens Ethiopia's institutional and regulatory frameworks for low-emission, climate-resilient development by establishing an inter-sectoral coordination mechanism for urban NbS that coordinates multi-sectoral efforts, aligns policies and funding, and drives collaboration across ministries. By revising existing policies and creating new regulatory frameworks, it ensures the scalability and sustainability of NbS solutions integrated into national and municipal programs, promoting coherent governance and improved local capacity for urban planning and infrastructure. The initiative also enhances technical and institutional capacity through a centralized knowledge management system that supports research, data sharing, and climate vulnerability analysis, enabling informed decision-making. Additionally, a dedicated resource for scale up links funding to measurable environmental and social outcomes, incentivizing local governments to implement NbS

projects aligned with national climate goals, thereby fostering a country-driven, accountable, and sustainable approach to climate-resilient development.

Core indicator 8: Degree to which GCF investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards

130. This initiative fosters effective knowledge generation and learning by establishing a centralized knowledge management framework that facilitates the collection, analysis, and dissemination of climate vulnerability data, best practices, and innovative NbS methodologies. It supports continuous research to identify opportunities for nature-based solutions and develops city-specific action plans, ensuring that learning is tailored to local contexts. Capacity-building efforts and technical assistance help local governments apply these good practices, standards, and methodologies in urban planning and infrastructure projects. Through regular monitoring, evaluation, and knowledge sharing, the initiative promotes adaptive management, enabling stakeholders to refine approaches based on lessons learned and emerging evidence, thereby enhancing the quality, effectiveness, and sustainability of NbS interventions across Ethiopia.

D.2. Paradigm shift potential (max. 500 words, approximately 1 page)

Embedding Nature-Based Solutions into Long-Term Urban Planning and Management

131. The NbS assets implemented in Addis Ababa and Jimma will be formally handed over to the respective city governments and will be sustained beyond the project period through existing municipal management systems. All project sites will be incorporated into the City Structure Plans, ensuring legal recognition and long-term protection of the NbS assets. This integration will shift NbS investments from temporary project outputs to legally protected urban infrastructure, preventing post-project degradation, encroachment, or incompatible land use and securing the long-term preservation of project benefits. The sustained presence of these NbS assets will demonstrate the role of nature in climate change adaptation and strengthen recognition of nature-based solutions as a core component of urban resilience among decision-makers and the public.

132. Urban NbS implementation and long-term asset management will be institutionalized within city administrations through dedicated organizational arrangements. This institutional framework will reposition NbS as a core element of climate-resilient and nature-based urban management, rather than as standalone beautification or pilot activities. By embedding NbS planning, operation, and scaling within municipal governance structures and existing municipal service delivery and budgetary systems, the project will contribute to a structural shift in how cities plan, manage, and invest in urban resilience

133. In the upstream areas of both cities, livelihood-enhancing NbS interventions, such as afforestation, nursery development, agroforestry, and non-timber forest product production will be implemented through local organizations and cooperatives. By enabling income-generating NbS activities and viable business models during the project period, local communities will transition from short-term beneficiaries to long-term stewards of NbS assets. This shift will strengthen financial and institutional sustainability while embedding ecosystem management within local livelihoods, contributing to a durable transformation in how upstream landscapes are protected and managed.

Potential for scaling up and replication

134. All the Outcomes in the proposed project provide opportunities for replication and scaling up. The Outcome 1 aims to create an enabling environment through regulatory frameworks, guidelines and institutional integration of NbS at national and municipal level. The proposed knowledge management framework can present learnings from the interventions implemented through Outcome 2 which provides opportunities for replication in other urban settings within the country.

The Outcome 3 on scale up of NbS with MoF fosters local innovation thereby catalyzing market opportunity beyond the project life.

135. In addition, the project's design explicitly integrates a "learning-by-doing" approach that ensures interventions tested in Addis Ababa and Jimma can inform and be adapted to other secondary cities across Ethiopia. By anchoring NbS in national climate strategies (NDC, NAP, CRGE), the project builds pathways for institutionalization, while KOICA's cofinancing provides a sustainable financing mechanism that local actors can access beyond the project's timeframe. The project's participatory and inclusive models, particularly the integration of women, youth, and vulnerable groups into green jobs and ecosystem management, offer a scalable blueprint that can be replicated regionally and serve as a demonstration model for other fragile and climate-vulnerable contexts in Africa

Potential for knowledge sharing and learning

136. Through Outcome 1, the project will establish a centralized, action-oriented Knowledge Management Framework (KMF), anchored under the Ministry of Urban Infrastructure (MoUI) to ensure ownership and long-term continuity. As urban Nature-based Solutions (NbS) are a relatively new concept in Ethiopia, this system is essential for building technical capacity and institutional knowledge across key government ministries and municipalities. The KMF will function as an active learning hub, integrating key resources such as climate risk data, geospatial tools, and city-level data on proven NbS performance (e.g., flood risk reduction, ecosystem restoration, and livelihood benefits) that are validated through Outcome 2 interventions. It will also host training modules, peer-to-peer exchanges, and a community engagement toolkit to make best practices and lessons learned accessible to practitioners, policymakers, and communities. This framework will serve as a crucial bridge between local implementation and national policy, directly feeding lessons into Ethiopia's CRGE, NDC, and NAP processes, thereby ensuring scalability, replication, and regional knowledge sharing for future urban greening projects.

137. The KMF will be sustained beyond the project period through deliberate institutional, technical, and partnership arrangements that embed its core functions within Ethiopia's existing governance and climate policy systems. The KMF will be housed within a dedicated NbS Knowledge and Data Unit under the Ministry of Urban Infrastructure (MoUI), or jointly with the Ministry of Planning and Development (MoPD), providing a stable, government-led institutional home with clear mandates for coordination, data governance, and platform oversight. Its continued relevance and use will be reinforced through systematic integration with national platforms, including NDC and NAP reporting systems, the CRGE MRV architecture, MoPD policy tools, and the EPA's NDC–CRGE Knowledge Portal, all of which require continuous data and knowledge inputs. In addition, sustained partnerships with external knowledge platforms such as the World Resources Institute (WRI) and CitiesWithNature will ensure ongoing access to updated tools, international best practices, and peer learning. Together, these arrangements will enable the KMF to continue functioning as a core national knowledge asset for urban NbS beyond the project's duration

Contribution to enabling environment, regulatory framework and institutional sustainability

138. Outcome 1 aims to establish an inter-sectoral coordination mechanism for Urban NbS that will introduce, coordinate, and integrate Urban NbS into Ethiopia's development and climate resilience strategy facilitating interagency collaboration, overseeing the development of technical guidelines, and aligning funding for NbS initiatives. In complementarity, the activities also develop a national urban NbS framework and supporting regulations as a clear and practical roadmap for implementing nature-based solutions in cities and peri-urban areas. These interventions aim to provide a clear future pathway for urban NbS interventions.

139. The Inter-Sectoral Coordination Committed for Urban NbS is well aligned with Ethiopia's CRGE governance and implementation architecture, a core element of the NDC 3.0. Given that Nature-based Solutions are a high priority within the adaptation pillar of NDC 3.0, the NbS-related policies,

regulatory improvements, national strategies, and knowledge products developed under Outcome 1 will remain essential foundations for national planning, adaptive policy development, and the implementation of CRGE, NDC, and NAP processes. This institutional alignment provides a credible basis for sustaining the Committee's coordinating functions beyond the project period. This ensures that the benefits of Outcome 1—improved governance, strengthened planning frameworks, and enhanced technical capacity—will be retained and utilized well beyond the project's duration

Overall contribution to climate-resilient development pathways consistent with relevant national climate change adaptation strategies and plans

140. Through the NbS interventions, the project aims to lead an inclusive community-led approach towards building climate resilience, community level engagement will be strengthened throughout the project implementation and monitoring through participative decision-making, green job creation and diversified income options, and will in turn foster local ownership. The capacity building efforts through these interventions along with strengthened livelihoods and ecosystems, provide further opportunities for growth of the communities.

D.3. Sustainable development (max. 500 words, approximately 1 page)

Social co-benefit and gender-sensitive development benefit

141. The project ensures gender- and disability-sensitive development by incorporating gender and disability considerations into the design and implementation of the NbS, especially considering the collection of gender- and disability-disaggregated vulnerability data, gender- and disability-targeted interventions. Therefore, the project will actively involve women and persons with disabilities in decision-making processes, empowering women and persons with disabilities to contribute to and benefit from climate adaptation strategies. NbS are inherently conducive for greater community participation as they often offer a wide range of benefits to a large number of populations. During the implementation, local communities will be involved through the cooperatives and MSMEs in green infrastructure and natural resource management. Improved ecosystem management will offer provisioning, regulating, cultural and supporting values that go well beyond immediate economic values. Long-term maintenance of the completed NbS assumes engagement of community members.

Economic co-benefits

142. While the direct economic benefits from the project are presented in Annex 3, there are various economic co-benefits that are not captured in the economic analysis. They include temporary green jobs generated through the activities under Outcome 2 that will provide additional and diverse livelihood options over the course of 30 years. The scale up resources which the project will establish is expected to replicate similar NbS-based projects across Ethiopia, generating similar economic benefits to local communities.

Environmental co-benefits

143. This project contributes to environmental sustainability by promoting improved land use and natural resource management practices while addressing climate change induced hazards such as floods and heat. Nature-based solutions will be introduced at the community level to respond to these hazards: river buffers and riverbank protection to address the impacts of floods; green spaces to address urban heat island issues and pollution; and promotion of sustainable agricultural practices to manage the loss of nutrition and soil fertility due to extreme rainfall events.

144. Through implementing NbS, the project supports the preservation of ecosystems and biodiversity. The establishment of the NBS Fund, coupled with enhanced technical capacity for NbS within the

national and municipal institutions, will directly contribute to the expansion of these environmental co-benefits beyond the target cities of Addis Ababa and Jimma.

D.4. Needs of recipient (max. 500 words, approximately 1 page)

Vulnerability of the country and/or specific vulnerable groups, including gender aspects

145. Ethiopia faces significant exposure to a variety of climate-related hazards such as recurring droughts, floods, landslides, and wildfires—challenges that are increasingly intensified by climate change. These risks disproportionately affect vulnerable groups, including women, people with disabilities, children, and rural populations whose livelihoods rely heavily on agriculture. Women of reproductive age, in particular, are impacted by deep-rooted gender inequalities, with more than 22% experiencing chronic undernutrition. Additionally, over 1.2 million children under five suffer from acute malnutrition, highlighting the severe consequences of climate-driven food insecurity. In assessing the feasibility of this Nature-based Solutions (NbS) project, it is essential to tackle these vulnerabilities through well-designed NbS strategies and supportive policy measures that strengthen the resilience of the most at-risk communities.

Economic and social development level of the country and the affected population

146. Despite experiencing considerable economic growth in recent years, Ethiopia remains a low-income country with a heavy dependence on agriculture, an industry highly vulnerable to climate fluctuations. Around 80% of the population lives in rural areas, where livelihoods are largely based on rain-fed farming. These rural communities are frequently exposed to climate shocks, which lead to increased food insecurity, displacement, and rising poverty levels. Their economic fragility is further intensified by limited access to vital services such as healthcare, education, and financial support.

Absence of alternative sources of financing

147. Lack of dedicated urban adaptation funding and cost recovery mechanisms **–** Ethiopia's National Adaptation Plan (2019) calls for investments of USD 6 billion annually over a 15-year period (2016–2030). In contrast, the Climate Resilient Green Economy (CRGE) Facility, Ethiopia's main vehicle for climate finance, has mobilized approximately USD 126 million from international public sources, or USD 206 million if REDD+ funds are included covering all areas that pertain to climate resilient green economy, revealing a significant financial shortfall. The IPCC's Sixth Assessment Report emphasizes the necessity of integrated responses across the agriculture, energy, and water sectors. With climate projections pointing to more frequent extreme weather events, worsening food and water insecurity, and rising public health risks, there is an urgent need for Ethiopia to bolster both its adaptation and mitigation efforts. Expanding access to climate finance and enhancing international collaboration are essential for building long-term resilience, especially in vulnerable urban communities.

Need for strengthening institutions and implementation capacity

148. Gender Inequality, Limited Green Jobs, and Low Community Ownership – In Ethiopia, local communities and urban authorities often lack the capacity and resources necessary for building climate resilience in cities. This challenge is driven by factors such as rapid urbanization, frequent rural-to-urban migration, and the expansion of informal settlements. The situation is further complicated by limited public awareness and scarce community resources. Moreover, community participation in planning and implementing Nature-based Solutions (NbS) and climate-resilient initiatives remains weak. Without a structured framework to support sustainable and community-driven development, urban growth may continue to be dominated by informal sectors, deepening vulnerabilities among local populations and undermining socioeconomic stability. Strengthening community engagement and capacity-building efforts is therefore critical. Raising awareness and

promoting education around climate resilience can empower communities to better anticipate and respond to climate-related hazards.

149. Limited Capacity for NbS Design, Implementation, and Monitoring - Ethiopia faces a considerable skills gap in areas essential for successful NbS deployment, including advanced technologies, data analytics, and climate-responsive design. The lack of targeted training programs aligned with current technological demands exacerbates this challenge. Additionally, limited access to scientific research and observational data restricts the ability to accurately evaluate risks and formulate effective responses. To bridge these gaps, investment in specialized training for technical personnel is vital. Improving access to both global and regional research and datasets will also enhance the precision, effectiveness, and long-term impact of NbS interventions.

150. Data Collection, Integration, and Monitoring Challenges - Currently, data related to climate, infrastructure, and demographics in Ethiopia is fragmented and insufficient, leading to critical gaps in hazard risk assessments and analyses of loss and damage. Weak data management practices and the absence of standardized protocols hinder effective utilization of available information. Monitoring tools and networks are often disjointed and poorly coordinated, limiting their ability to support comprehensive tracking of NbS outcomes. To address these issues, it is essential to establish standardized protocols for data collection and integration. Strengthening monitoring systems and promoting coordination among stakeholders will significantly enhance sustainable infrastructure planning, NbS implementation, and long-term development outcomes.

D.5. Country ownership (max. 500 words, approximately 1 page)

Alignment with national climate strategy and frameworks

151. The proposed NbS project to build urban resilience to climate change in Ethiopia is strategically aligned with the major national climate strategies including the CRGE strategy which is Ethiopia's first national climate policy document with the objective of achieving middle income status by 2025 along with a green economy. The strategy has also been incorporated in other recent policies and plans like National Adaptation Plan of Ethiopia and 10-year Development Plan (TYDP (2021-2030)). The project aligns on 2 of the 4 pillars of the CRGE strategy including – i) Increasing food security and farmer income through improved practices for crop and livestock production while reducing emissions ii) Forests protection and re-establishment for economic and ecosystem services. Given the project's close execution structure with CRGE, this alignment ensures long-term development.

152. The project is also in line with the newly updated NDCs with key adaptation targets out of the stated 40 adaptation interventions across potential sectors wherein NBS and urban forestry can play a key cross-cutting role, presenting an opportunity for scaling up NBS in Ethiopian cities. The project is also in alignment with other national policies such as Ethiopia's National Adaptation Plan which builds on the federal government's efforts in addressing climate change through green development policies.

153. As Ethiopia accelerates its climate commitments, NbS provide a practical and cost-effective pathway for delivering both adaptation and mitigation benefits. Ethiopia's newly submitted NDC 3.0 (2025–2035) sets a clear priority on nature-based measures and green infrastructure as core elements of the national adaptation pathway, including climate-smart agriculture, forest development, and urban green corridors.

154. The NDC 3.0 sets quantified targets such as increasing the watershed area protected or rehabilitated from 3.531 million ha in 2025 to 5 million ha by 2035 and expanding natural forest under sustainable forest management from 3.8 million ha to 7.2 million ha over the same period. For urban systems, NDC 3.0 calls for integrating climate adaptation into city planning through corridor and riverside development, expansion of green spaces, and more climate-resilient

infrastructure. Water-related adaptation priorities include catchment rehabilitation, expansion of climate-smart irrigation from 0.49 million ha (2020) to 1.8 million ha (2035), and the strengthening of flood-control infrastructure.

155. The National Adaptation Plan of Ethiopia (NAP-ETH), reflected in the priorities of NDC 3.0, highlights nature-based adaptation measures such as watershed protection, ecosystem restoration, biodiversity conservation, sustainable forest management, and urban climate resilience. This adaptation option will have multi-sectoral and trans-regional implications including: a focus on water – improving ground water recharge; a focus on health – minimizing downstream flood risks; and a focus on agriculture – rehabilitating degraded lands.

156. The project directly advances Ethiopia's national adaptation priorities through river-corridor and floodplain rehabilitation, wetland enhancement, slope stabilization, climate-smart urban agriculture, and community-led natural resource management. Together, these interventions provide a practical and scalable pathway for implementing the NbS-oriented adaptation goals outlined in both NAP-ETH and NDC 3.0.

157. In line with these national frameworks, the project addresses critical gaps in Ethiopia's urban adaptation landscape. It introduces large-scale NbS interventions in Addis Ababa and Jimma, establishes an inter-sectoral coordination mechanism for urban NbS to strengthen governance, and creates a dedicated Urban NbS Fund under the Climate Resilient Green Economy (CRGE) Facility to ensure sustainable financing. These actions reinforce NDC 3.0's call for revitalized CRGE governance under the Ministry of Planning and Development, stronger institutional coordination, and scaled adaptation finance (USD 40 billion, with 77.5% expected from international partners), fully aligning the project with Ethiopia's national pathway for NDC implementation.

Building on other relevant initiatives

158. The proposed GCF project builds on the successes of and lessons learned from the relevant past and ongoing projects such as Green Legacy Initiative that targets planting 20 billion seedlings within a four-year period; National REDD+ Strategy that aims of reducing deforestation and forest degradation while improving the sustainable forest management; and, UN-supported Climate and NbS project – that provisions affordable solutions for protecting water infrastructure.

Stakeholder Engagement

159. The project is fully aligned with Ethiopia's national climate priorities and has been developed through extensive consultation with the – Ministry of Planning and Development (MoPD), Ministry of Urban and Infrastructure (MoUI), City governments of Addis Ababa and Jimma and Ministry of Finance (MoF). It builds on existing initiatives such as the Green Legacy and Beautifying Sheger projects. The participatory design process mirrors best practices in stakeholder engagement seen in the annex on Stakeholder Engagement Plan.

160. The stakeholders at national and municipality level have been consulted through the design of the project starting in 2022 and recently in January 2025, August 2025, December 2025, and the project interventions are a result of these consultations. The project design also includes consistent community participation, particularly in the initial phase of implementation to clearly identify each NbS intervention to be included in the target sites.

D.6. Efficiency and effectiveness (max`. 500 words, approximately 1 page)

Economic Efficiency of the Project

161. The proposed project demonstrates strong economic efficiency, with the cost-benefit analysis (CBA) guided by best practice and aligned with GCF guidelines. While the three Outcomes are interdependent and mutually reinforcing, their distinct nature and spatial scope necessitate different approaches for economic analysis. Outcome 2 represents the primary source of quantifiable economic benefits, comprising site-based NbS interventions in Addis Ababa and Jimma. Outcomes 1 and 3, though crucial for enabling and sustaining long-term outcomes, focus on policy, institutional strengthening, and financing frameworks. To ensure a conservative assessment, the CBA includes costs for all outputs but quantifies benefits primarily for Outcome 2 and the catalytic effects of Outcome 3.

162. The CBA calculates standard economic efficiency indicators—Net Present Value (NPV), Economic Internal Rate of Return (EIRR), and Benefit-Cost Ratio (BCR)—based on project-specific financial costs (as economic costs), applying a real social discount rate of 6% consistent with international standards and national guidance. The analysis uses a 30-year time horizon, reflecting the expected duration of the project's environmental and social benefits. All values are expressed in constant 2025 prices and are net of taxes, duties, and contingencies. Under the base case, the project yields **an EIRR of 17.37%, an ENPV of US$ 94 million, and an EBCR of 2.7:1**, demonstrating that the investment is highly efficient and provides significant value for money.

Quantification of Benefits

163. Benefits are focused on the ecosystem services and livelihood outcomes resulting from Outcome 2 interventions across four primary sites—two each in Addis Ababa and Jimma—targeting upstream forest restoration and midstream river and wetland rehabilitation. Three key benefit categories are monetized.

164. Watershed Services Benefits: These include flood attenuation, water flow regulation, and improved water quality. Values are estimated using benefit transfer methods from global and Ethiopian literature, adjusted for local conditions. Per-hectare values of degraded baseline conditions are compared against improved post-intervention values based on similar restoration projects.

165. Amenity, Recreational, and Health Benefits: Enhanced urban green spaces are valued using the property value (hedonic pricing) method, which captures the increase in surrounding property values attributable to improved environmental quality. Studies from both international and Ethiopian contexts (e.g., Mulatu and Ginbo, 2018) are used to calibrate the analysis.

166. Provisioning Services: Benefits from urban agriculture and agroforestry—including income generation, food security, and employment—are estimated using local case studies and per-hectare earnings data (e.g., Dereje et al., 2007; Gebre et al., 2016). These are scaled based on the area of land rehabilitated and the number of cooperative members participating in NbS-related livelihood activities.

167. Other potential benefits such as improved air quality, temperature regulation, biodiversity, and pollination are acknowledged but excluded from quantification due to data limitations, reinforcing the conservative nature of the economic analysis. For detailed methodologies, per-hectare valuations, and site-specific data, please refer to Annex 3: Economic and Financial Analysis (EFA).

Cost-Effectiveness and Leverage Potential

168. The project is designed for cost-effectiveness by leveraging natural infrastructure to provide multiple co-benefits, reducing long-term costs of grey infrastructure alternatives. Sensitivity analysis confirms the project's robustness; even under a combined worst-case scenario (9% discount rate,

30% cost increase, and 30% benefit decrease), the project remains viable with an ENPV of US$ 5.4 million and an EBCR of 1.09:1.

169. By catalyzing community-led green infrastructure and establishing a dedicated financial resource (Output 3.1), the project sets the foundation for long-term systemic change. The financing model incentivizes results and enables local governments to access sustained financing, ensuring efficient resource use and scalable climate impact across Ethiopia's urban landscape.

E. LOGICAL FRAMEWORK

E.1. Project/Programme Focus

☐Reduced emissions (mitigation)

☒ Increased resilience (adaptation)

E.2. GCF Impact level: Paradigm shift potential

Assessment Dimension	Current state (baseline)		Potential target scenario (Description)	How the project/programme will contribute (Description)
	Description	Rating		
Scale	Ethiopia has made progress on climate adaptation through the CRGE strategy, NAP, and sectoral initiatives, but most efforts remain fragmented, small-scale, and rural-focused. Urban adaptation projects have been ad-hoc, with only Addis Ababa implementing limited NbS pilots (e.g., Sheger River corridor), while secondary cities like Jimma and others lack resources and integrated climate-responsive urban planning. Current interventions often fail to reach the territorial scale needed for significant reductions in flood risk, heat stress, and vulnerability of marginalized urban populations.	Medium	The project will catalyze a shift from piecemeal, reactive adaptation to a systematic, citywide NbS approach anchored in Addis Ababa and Jimma. Through Outcome 1, it will embed NbS into urban regulatory frameworks, land-use planning, and municipal operations. Outcome 2 will implement large-scale interventions such as riverbank restoration, urban wetlands rehabilitation, and green corridors, directly reducing flood and heat risks. Outcome 3 will provide a dedicated resource for scaled implementation of NbS in additional cities, unlocking co-finance and ensuring future expansion. By aligning with Ethiopia's NDC, NAP, CRGE, and demonstrating measurable adaptation co-benefits (flood risk reduction, job creation, social inclusion), the project will provide proof of concept at city scale, enabling replication across Ethiopia's rapidly urbanizing landscape.	The scale of the project is built around the principles of climate-resilient, sustainable development and underpinned by three main interventions. First, urban and peri-urban ecosystems will be restored in Addis Ababa and Jimma, through green infrastructure development, riverbank rehabilitation, reforestation, and natural resources management to: i) reduce urban flood risk and heat stress; and ii) restored ecosystem and ecosystem services in urban and peri-urban context. Second, complementary interventions will focus on strengthening the locally-led climate action by engaging local government and communities, regional governments, and national ministries to mainstream NbS into urban planning, policy, and service delivery. In addition, a dedicated resources to provide sustainable financing for additional cities will further enhance climate resilience and adaptation for the vulnerable communities beyond the project life. Finally, the project design integrates participatory monitoring of climate, social, and livelihood benefits, ensuring that tangible results—such as improved livelihoods, inclusive green jobs, and enhanced social cohesion—are directly linked to the scale of investments.

Replicability	Although Ethiopia has initiated NbS dialogues (with support from GCF readiness programme, GGGI, World Bank, and bilateral donors), uptake has been limited due to capacity gaps, weak incentives, and lack of finance mechanisms. Municipalities struggle with technical expertise, while communities and cooperatives lack access to financing for climate-resilient urban enterprises. Few city-level knowledge systems exist to guide evidence-based replication.	Low	The project will introduce institutional, financial, and knowledge platforms that enable replication. The centralized knowledge management portal under the Ministry of Urban and Infrastructure will serve as a hub for climate vulnerability data, geospatial tools, case studies, and peer-to-peer learning. Training programs will strengthen municipal officials, research institutes, and community organizations to identify, design, and implement NbS. The financial and technical resources for cities for scaled implementation of NbS will provide scalable financing pathways for other Ethiopian cities. Importantly, by linking local NbS implementation to national policy processes (CRGE, NAP, NDC) and showcasing evidence of urban adaptation benefits, the project will motivate replication nationally and regionally, positioning Ethiopia as a Horn of Africa leader in urban NbS.	The replicability of the project interventions will be underpinned by the integration of urban Nature-based Solutions (NbS) into Ethiopia's national policy and planning frameworks through Outcome 1. This includes the development of a National Urban NbS Framework, municipal NbS guidelines, and the evidence bases for scale up of NbS. Together with the dedicated resources for scale up, these institutional and financing arrangements will provide the foundation for scaling NbS beyond Addis Ababa and Jimma to other fast-growing cities and climate-vulnerable regions. The knowledge management platform will capture climate vulnerability data, NbS performance metrics, and lessons learned, ensuring evidence-based replication across cities. Through Outcome 2, city officials, municipal planners, and community-based organizations will be trained on urban green infrastructure, urban ecosystem restoration, and participatory risk-informed planning. These capacities will allow municipalities and cooperatives to replicate interventions independently. More significantly, the tangible benefits of NbS, reduced flooding, improved urban livability, green job creation, and social cohesion for vulnerable groups, will generate strong demand and political will for replication. Community-based cooperatives established under the project will seek sustained investment and scaling up of NbS at the local level, ensuring that replication is driven not only by government but also by empowered communities.
Sustainability	While Ethiopia possesses a strong policy framework for climate resilience, its urban implementation remains underfunded and poorly integrated. Municipalities lack sustainable Operation and	Medium	The project ensures sustainability by embedding NbS into legal, financial, and community systems. At the policy level, new regulatory guidelines and urban planning codes will mandate NbS integration in city plans. The project will ensure	The project will build the technical and institutional capacity of national, municipal, and community actors to mainstream NbS into Ethiopia's urban resilience agenda. By embedding NbS into the regulatory systems of the Ministry of Urban and Infrastructure, Addis Ababa and Jimma municipalities, and regional administrations in three cities under Outcome 3, the

	Maintenance (O&M) budgets for Nature-based Solutions (NbS) infrastructure, and community participation in long-term management is often limited. Furthermore, a dedicated Special Fund for Land Degradation under the CRGE Facility, although established, is predominantly channeled to rural contexts, signaling a constraint on finance for urban centers. Consequently, without robust financing mechanisms or clear institutional mandates, past urban greening projects have consistently struggled to maintain continuity beyond initial donor support.		sustainable finance for future O&M and expansion, to be complemented by municipal budget integration and potential revenue streams (eco-tourism, user fees, green jobs). Socially, the project's community co-financing and cooperative models (e.g., in Jimma) will foster ownership and stewardship of NbS assets. By institutionalizing capacity, knowledge systems, and financing pathways, the project creates the conditions for long-term resilience and reduced dependency on external aid, with strong gender and social inclusion safeguards to ensure equitable benefits.	project ensures that skills and practices are institutionalized beyond its lifetime. The project will provide a technical and financial foundation for scaling NbS, ensuring long-term access to adaptation benefits such as increased resilience for flood and heat risks, improved livelihoods and resilient and sustainable green infrastructure. The project's participatory design—engaging ministries, municipalities, cooperatives—ensures strong ownership and buy-in. Tangible results like restored riverbanks, green corridors, and urban agroforestry will deliver safer and livable cities, green jobs, and social cohesion, reinforcing local commitment to sustain and expand NbS investments.

E.3. GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)

GCF Result Area	IRMF Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
Total Adaptation Beneficiaries	Core 2: Direct and indirect beneficiaries reached	Annual monitoring report with basis on official records on woreda-level population projections	No beneficiaries prior to project implementation Direct: 0 (Female: 0, Male: 0) Indirect: 0 (Female: 0, Male: 0)	Direct: 130,028 *(Female: 69,451, Male: 60,577)* Indirect: 344,989 *(Female: 184,268, Male:160,721)*	Direct: 300,557 *(Female: 155,013 Male: 145,544)* Indirect: 1,480,390 *(Female: 760,766, Male: 720,225)*	○ Direct Impact Population: the population residing in the specific Woredas directly benefiting from physical project interventions within the project boundary (Outcome 2)Indirect: the population residing in the broader, downstream Sub-city administrative area impacted by the restored watershed/landscape (excluding direct population)

						○ Midterm values represent midstream area of Addis Ababa (Nefas Silk-Lafto); Final values represent all locations (Further references can be found in Chapter 7, Annex 2 – Feasibility Study). ○ Local communities and major productive sectors commit to adopting climate-resilient interventions ○ Population statistics are available at woreda-level
ARA1 Most vulnerable people and communities	Supplementary 2.6: Beneficiaries (female/male) living in buildings that have increased resilience against climate hazards	Annual monitoring report with basis on official records on woreda-level population projections	0	130,028	300,557	○ The values represent the population residing in the specific Woredas directly benefiting from physical project interventions within the project boundary (Outcome 2). ○ Midterm values represent midstream area of Addis Ababa (Nefas Silk-Lafto); Final values represent all locations (Further references can be found in Chapter 7, Annex 2 – Feasibility Study). ○ Population statistics are available at woreda-level ○ Benefits incur directly to the people residing in project site areas within the project target sites.

ARA3 Intrastructure and built environment	Core 3: Value of physical assets made more resilient to the effects of climate change and/or more able to reduce GHG emissions	Site-specific Activity Completion Report (Based on Data Collected during an Assessment in Year 3 and Year 6)	0	2,550,000,000 USD	3,570,000,000 USD	○ Mid-term target value is based on property value impacted by interventions in Addis Ababa Midstream and Jimma Midstream areas ○ Final target value is based on sum of all property value impacted in Addis Ababa and Jimma ○ The detailed analysis of economic impacts in the absence of climate-resilience efforts proposed is presented in Annex 3: Economic and Financial Analysis which presents the impacts in scenarios with the project interventions and without the project interventions. ○ The data will be captured during AE's own assessment in Year 3 and Year 6, to capture the impact once activities under Outcome 2 are completed.
ARA4 Ecosystems and ecosystem services	Core 4: Hectares of natural resources brought under improved low-emission and/or climate-resilient management practice	Project Reports and Official Records; Site-specific Activity Completion Reports (Using Geospatial Data, Based on Data Collected during an Assessment in Year 6)	0 ha	Hectares in Addis Ababa: 196 Hectares in Jimma: 30	Hectares in Addis Ababa: 246 Hectares in Jimma: 180	○ The values represent total number of hectares of land under sustainable natural resource/landscape management. (Further reference can be found in p. 125 of Annex 2 – Feasibility Study.) ○ The data will be collected during Year 6 as total number of hectares can be captured once all activities

						under Outcome 2 are completed. ○ Communities maintain the upstream, midstream and downstream interventions in Addis Ababa and Jimma ○ Cooperatives formed for the NbS interventions work in accordance with the project design and in coherence with the city administrations

E.4. GCF Outcome level: Enabling environment (IRMF core indicators 5-8 as applicable)

Core Indicator	Baseline context (description)	Rating for current state (baseline)	Target scenario (description)	How the project will contribute	Coverage
Core Indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways in a country-driven manner	Urban Ethiopia faces institutional weaknesses in integrating climate resilience into urban governance. Land and planning policies are outdated or poorly implemented, capacity at the municipal level remains weak, and vulnerable populations remain excluded from key decision-making processes. The National Urban Development Policy was updated in 2013 rendering need for an updated framework to tackle climate change-induced disasters.	medium	To transform Ethiopia's urban development model toward a more sustainable, low-emission, and climate-resilient pathway. It will strengthen institutional coordination, integrate Nature-based Solutions (NbS) into national and local policies, improve urban ecosystems, and enhance the adaptive capacity of cities. Ultimately, this will lead to healthier urban environments, reduced climate vulnerability, and more inclusive and resilient urban growth.	The initiative strengthens Ethiopia's institutional and regulatory frameworks for low-emission, climate-resilient development by establishing an inter-sectoral coordination mechanism for urban NbS, developing a regulatory framework, and integrating NbS into urban planning and governance. It enhances local capacity through training, technical assistance, and performance-based financing. These measures ensure coordinated, accountable, and country-driven implementation of climate-resilient urban development pathways.	Multiple sub-national areas within a country
Core indicator 8: Degree to which GCF	Fragmented data systems and limited coordination	medium	Strengthening institutional capacity and enhanced	The initiative will result in a centralized knowledge	Multiple sub-national areas

investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards	among relevant government agencies make for weaker NbS knowledge management coordination. Key institutions often lack standardized methodologies and robust monitoring and evaluation frameworks tailored to NbS, hindering consistent application of best practices. Additionally, inadequate research capacity and insufficient stakeholder engagement limit the integration of local and traditional knowledge into NbS policy and planning. These institutional gaps restrict effective learning, knowledge management, and the scaling up of NbS for climate resilience and sustainable development		coordination for urban NbS across Ethiopia, leading to more effective, scalable, and sustainable climate-resilient development. This will result in improved urban planning and infrastructure that integrates nature-based solutions, reduced climate risks, and increased environmental and social benefits for communities, contributing significantly to Ethiopia's low-emission, climate-resilient growth trajectory.	management system that effectively collects and shares best practices, methodologies, and climate vulnerability data, driving evidence-based decision-making. It will build local government capacity to implement standardized Nature-based Solutions (NbS), leading to improved project outcomes and replication across cities. This approach will accelerate learning, enhance institutional expertise, and ensure the widespread adoption of proven NbS strategies for climate resilience.	within a country

E.5. Project/programme specific indicators (project outcomes and outputs)

Targets are subject to refinement during the inception phase beased on detailed assessments, community consultations, and institutional arrangements.

Project/programme results (outcomes/ outputs)	Project/programme specific Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
Outcome 1: Develop institutional capacities, operational frameworks, and enabling environments to	Number of national and municipal regulatory/policy frameworks integrating NbS	Official Government bulletins, decrees, municipal by-laws	0	N/A	5	1 national + Addis + Jimma + 2 sectoral Political commitment and inter-ministerial coordination sustained.

support NbS initiatives						
Output 1.1: Strengthened multi-level governance systems for urban NbS implementation	Number of functional committees established and producing annual reports	Committee TOR, meeting minutes, annual reports submitted to PSC	0	Committee established, TORs adopted, meeting at least twice per year	1 functional committee producing annual reports	Sustained political commitment across ministries Active participation from Addis Ababa and Jimma municipalities
Output 1.2: Improved capacity to scale up NbS throughout Ethiopia	Number of staff trained in NbS (gender/age-disaggregated)	Training attendance records, certification reports, training evaluation surveys	<20 staff trained	200 staff (≥40% women)	500 staff (≥40% women, ≥20% youth)	Retention of trained staff within institutions Adequate training budget maintained
Outcome 2: Implementing pre-identified climate adaptation projects using NbS in Addis Ababa and Jimma	Hectares of degraded ecosystems restored through NbS interventions	Project Reports and Official Records	0	226 ha	396 ha	Local government and communities continue to maintain restored land No major climate shocks beyond thresholds Midterm value represents sum of 46 ha (Addis/Riverbank), 150 ha (Addis/Green Canopy), 30 ha (Jimma/Riverbank)
Output 2.1: Established climate-resilient infrastructure and green spaces in Addis Ababa	Hectares of land restored or converted through NbS (tree planting, natural regeneration, riverbank restoration, green canopy, flood-resilient public space)	Activity completion reports (using geospatial data)	0	196 ha	246 ha	Land availability secured Communities engaged in maintenance; Midterm value represents sum of 46 ha (Addis/Riverbank), 150 ha (Addis/Green Canopy) Further reference can be found in p. 125 of Annex 2 – Feasibility Study.
Output 2.2: Improved climate-affected ecosystems in Jimma	Hectares of land restored through NbS (tree planting, natural regeneration,	Activity completion reports (using geospatial data)	0	30 ha	180 ha	Cooperative models prove sustainable Climate conditions favorable;

	agroforestry, riverbank rehabilitation)					Midterm value represent 30 ha for Jimma's Riverbank restoration Further reference can be found in p. 125 of Annex 2 – Feasibility Study.
Outcome 3: Technical and financial resources channeled to successfully scale and implement NbS projects in additional, climate-vulnerable cities	Number of cities supported by the project	Sub-project reports	0	N/A	3	National financial management systems remain functional and transparent
Output 3.1: Mobilized resources to new urban NbS projects in priority climate-vulnerable cities	USD mobilized and disbursed to cities	Fund financial reports	0	N/A	6 million	PMU/MoF maintains capacity to manage and disburse funds on time
Project/programme co-benefit indicators						
Co-benefit 1: Strengthened economic resilience through the creation of green jobs and diversification of income opportunities	Number of NbS groups with diversified climate-resilient income sources	Cooperative/MSMEs registration certificates, Annual monitoring reports	0	Addis Ababa: 22 Jimma: 16	Addis Ababa: 45 - Jimma: 32	Community groups sustainability ensured with member engagement and market linkages. Further reference can be found in p. 125 of Annex 2 – Feasibility Study.
	Number of community members (individuals) trained with diversified climate-resilient income sources	Annual monitoring reports (list of trained individual)	0	Addis Ababa: 220 Jimma: 160	Addis Ababa: 450 Jimma: 320	Number of community members trained, disaggregated by gender, vulnerable group, and residential area/community Local communities and major productive sectors commit to adopting

						climate-resilient interventions Further reference can be found in p. 125 of Annex 2 – Feasibility Study.
Co-benefit 2: Promoted gender equality, disability and social inclusion	% of women, youth, and PWDs in NbS cooperatives & governance bodies	Annual reports	TBD During inception phase baseline survey	20%	40%	Social norms and institutional frameworks support inclusion

E.6. Project/programme activities and deliverables

Activities	Description	Sub-activities	Deliverables
Activity 1.1.1 Establishment of an inter-sectoral coordination mechanism for urban NbS	The Inter-Sectoral Coordination Committee will coordinate and integrate NbS into Ethiopia's climate strategy by aligning policies, funding, and institutional collaboration.	N/A	○ Established and operational Inter-sectoral Coordination Committee for Urban NbS. ○ Terms of reference (ToR) for the committee, defining its roles, responsibilities, and governance structure. ○ Operational framework and manuals for committee meetings, decision-making processes, and reporting mechanisms. ○ Regular committee meetings and documentation.
Activity 1.1.2. Development of a national urban NbS framework and supportive regulations	Developing a national urban NbS framework and supporting regulations will provide a clear, inclusive roadmap for integrating nature-based solutions into urban planning by aligning policies, engaging stakeholders, and enabling implementation across all governance levels.	Sub-activity 1.1.2.1.: Development of a national urban NbS framework aligned with local context and stakeholder insights Sub-activity 1.1.2.2.: Revision and development of policies and regulations to enable institutional application of urban and peri-urban NbS	○ National urban NbS framework document ○ Policy and regulatory gap analysis report ○ Supportive regulations for urban NBCs implementation ○ Stakeholder consultation and validation report ○ Technical guidelines and toolkits for urban NbS design and implementation
Activity 1.1.3. Integration of the urban NbS framework into	Urban NbS will be mainstreamed into national and local programs through cross-ministry coordination and	Sub-activity 1.1.3.1: Development of NbS integration guidelines for green and climate-relevant projects	○ Urban NbS integration guidelines for city-level green and climate-relevant projects

national and municipal programmes	strengthened municipal capacity for integration into planning, zoning, and infrastructure.	Sub-activity 1.1.3.2: Development of a Monitoring and Evaluation system for NbS integration Sub-activity 1.1.3.3: Technical capacity development and institutional knowledge enhancement for NbS integration	○ Monitoring and Evaluation (M&E) framework for NbS integration in cities ○ Training modules for urban NbS planning and implementation ○ Capacity-building program for urban NbS planning and implementation ○ Communication materials to promote urban NbS across sectors
Activity 1.1.4. Support for planning and implementation of the urban NbS framework at municipal level	Local governments will receive technical support and capacity building to plan and implement urban NbS, and enhancing access to climate financing.	Sub-activity 1.1.4.1: Development of city-specific urban NbS frameworks and action plan Sub-activity 1.1.4.2: Implementation support for urban NbS framework Sub-activity 1.1.4.3: Capacity building for urban NbS project design	○ City-specific urban NbS framework and action plans ○ Capacity-building sessions on climate vulnerability assessment ○ Technical advice on urban NbS project design and concept notes
Activity 1.2.1. Conduct of research to map climate vulnerability and identify NbS opportunities	To close climate vulnerability data gaps in Ethiopian cities by engaging research institutions and building a robust knowledge base to inform the targeted design and implementation of Nature-based Solutions (NbS) for challenges like flooding and heat stress.	Sub-activity 1.2.1.1: Methodology development for climate vulnerability assessment and data management Sub-activity 1.2.1.2: Conduct of research to develop strategic urban NbS frameworks for secondary cities Sub-activity 1.2.1.3: Development of design guidelines and toolkits for NbS implementation	○ Vulnerability assessment and data management manual ○ Vulnerability assessment report ○ Strategic urban NbS frameworks for three targeted cities
Activity 1.2.2. Development of a centralized knowledge management framework	This activity scales up effective NbS practices by building institutional capacity and creating a centralized system to manage and share climate and NbS knowledge across sectors.	Sub-activity 1.2.2.1: Establishment of an urban NbS knowledge management proces Sub-activity 1.2.2.2: Collection and management of data to assess climate vulnerability and impact	○ Urban NbS Knowledge Portal ○ Comprehensive climate vulnerability database with city-level data ○ NbS awareness-raising materials for communities ○ Community engagement toolkit for promoting NbS and capturing lessons learned ○ Guidelines for data collection and reporting protocols on climate vulnerability and NbS impacts
Activity 2.1.1. Forestland restoration and natural regeneration in the upper	This activity restores degraded forest land in Addis Ababa's Jemo Mountain area, with local community	Sub-activity 2.1.1.1: Implementation of tree planting and natural regeneration activities	○ Assessment of climate-related risks (soil erosion, flooding, and heats)

catchment areas of Jemo-Harbu River	members leading reforestation and natural regeneration, ensuring long-term sustainable forest management.	Sub-activity 2.1.1.2: Establishment of nurseries for indigenous and multipurpose tree species Sub-activity 2.1.1.3: Value chain assessment, training, and income-generation support Sub-activity 2.1.1.4: Establishment of community-led monitoring and sustainable forest management systems	○ Restored forest areas with tree planting and natural regeneration ○ Sustainable forest management plans developed and implemented ○ Functional and sustainable tree nurseries ○ Market assessments conducted for selected livelihood options ○ Community-led monitoring and maintenance system
Activity 2.1.2. Enhancement of climate-resilient buffer and green spaces in urban areas	This activity targets 45 ha of land along the Jemo-Harbu River in Addis Ababa, with enhanced green infrastructure. Green canopies will be established within a zone of 150 ha of land. This will contribute to enhanced resilience against flood and heat hazards of communities.	Sub-activity 2.1.2.1: Integrated planning and technical design of NbS interventions Sub-activity 2.1.2.2: Development of eco-friendly river buffer zones Sub-activity 2.1.2.3: Development of urban farming areas Sub-activity 2.1.2.4: Development of green canopies and public space enhancements Sub-activity 2.1.2.5: Community-linked maintenance and waste management for restored urban spaces	○ Basic survey report of target site (Confirm site boundaries) ○ Concept Master Plan Report (Flood Prevention and Public Space Creation in Riverside Areas) ○ Design Drawing documents of concept masterplan ○ Basic Design Drawing documents, Detailed Design Drawing documents and Permit documents, Specification ○ Conceptual design, detailed design, and supervision in accordance with the Green Canopy Zone Design Guidelines ○ Install permeable road pavement (Pedestrian) to reduce flooding and improve stormwater management. ○ Placing street trees and green spaces to promote water storage and improve the urban environment. ○ Provide street furniture for public use and pedestrian comfort. ○ Reconfigure public spaces near community facilities, such as schools and places of worship. ○ Create multi-functional public spaces within streets to promote synergy with adjacent land uses.

			○ Improve bridges along school routes for safety (excluding bridges planned in urban development plans). ○ Promotional materials such as bird's-eye views for promoting the target area.

Activity 2.1.3. Integration of climate-smart urban agriculture into green spaces	This activity will establish sustainable climate-smart urban agriculture systems within NbS-restored urban green spaces to enhance food production, strengthen community livelihoods, and increase climate resilience	Sub-activity 2.1.3.1: Value chain analysis and establishment of climate-smart urban agriculture systems
		Sub-activity 2.1.3.2: CSA technical training and community capacity building
		Sub-activity 2.1.3.3: Market access facilitation and development of community-led sustainable livelihood models
			○ Market assessment and urban agriculture value chain analysis completed
			○ Climate-smart urban agriculture systems established in urban green spaces
			  ○ Strengthened community capacity in climate-smart urban agriculture practices
			  ○ Sustainable, community-led livelihood models developed
			  ○ Market linkages established for urban agriculture products

Activity 2.1.4. Facilitation of community-led green infrastructure development and environmental management	This activity will strengthen community-led environmental management and green infrastructure services linked to NbS interventions through a phased approach that focuses on raising community awareness, strengthening the operational capacity of Local Industry, Livelihood and Private Groups (LLPGs), including Micro, Small and Medium Enterprises (MSMEs) and cooperatives, and establishing community-led environmental management and monitoring systems.	Sub-activity 2.1.4.1: Awareness-raising on environmental management and climate resilience Sub-activity 2.1.4.2: Operational support and capacity building for local industry, livelihood, and private groups (LLPGs) Sub-activity 2.1.4.3: Establishment of community-led monitoring and sustainable environmental management systems for NbS sites	○ Community members engaged in environmental awareness and climate resilience activities ○ LLPGs with strengthened organizational and operational capacity ○ Community-led monitoring and management systems established for NbS sites ○ Environmental management equipment and small-scale facilities provided ○ Government consultations completed to support community-led monitoring systems
Activity 2.2.1. Forestland conservation and restoration in the upper catchment areas of Awetu River	This activity restores degraded forestlands in Jimma's upper Awetu River area through community-led tree planting and sustainable	Sub-activity 2.2.1.1: Implementation of tree planting and natural regeneration activities	○ Restored forest areas with tree planting and natural regeneration ○ Sustainable forest management plans developed and implemented

	management, using species that improve soil and water retention. Agroforestry in the lower catchment supports livelihoods while protecting the forest.	Sub-activity 2.2.1.2: Establishment of nurseries for indigenous and multipurpose tree species Sub-activity 2.2.1.3: Introduction of agroforestry in the lower area of the upper catchment Sub-activity 2.2.1.4: Establishment of community-led monitoring and sustainable forest management systems	○ Functional and sustainable tree nurseries ○ Community-led monitoring and maintenance system ○ Market assessments conducted for agroforestry and nursery production ○ Sustainably managed lands with agroforestry practices
Activity 2.2.2. Integrated planning and development of riverbank buffer zones	This activity uses eco-friendly methods to stabilize flood-prone riverbanks and create 30 hectares of multifunctional urban farming and forested land.	Sub-activity 2.2.2.1: Integrated planning and technical design of NbS interventions Sub-activity 2.2.2.2: Development of eco-friendly river buffer zones Sub-activity 2.2.2.3: Development of urban agroforestry spaces Sub-activity 2.2.2.4: Community-linked maintenance and waste management for restored urban spaces	○ Assessment of Climate-related Disaster Risk Vulnerability (Heat, Flood, Water scarcity, Soil erosion) ○ Basic survey report of target site (Confirm site boundaries) ○ Concept Master Plan Report (Flood Prevention and Public Space Creation in Riverside Areas) ○ Design Drawing documents of concept masterplan ○ Basic Design Drawing documents, Detailed Design Drawing documents and Permit documents, Specification ○ Promotional materials such as bird's-eye views for promoting the target area
Activity 2.2.3. Introduction and establishment of climate-smart urban agriculture in green spaces	This activity will promote climate-smart urban agriculture (CSA) in underutilized urban green spaces in Jimma to enhance food production, strengthen community livelihoods, and increase climate resilience	Sub-activity 2.2.3.1: Value chain analysis and establishment of climate-smart urban agriculture systems Sub-activity 2.2.3.2: Establishment of climate-smart horticulture and fruit tree cultivation with community training Sub-activity 2.2.3.3: Market access facilitation and development of community-led sustainable livelihood models	○ Mapped and secured land for climate-smart urban agriculture ○ Established and operational climate-smart urban farms ○ Strengthened community capacity in climate-smart agriculture ○ Market-ready agricultural products from community-led urban farms ○ Market linkages established for urban agriculture-based livelihood options
Activity 2.2.4. Facilitation of community-led natural resource and environmental management	This activity will strengthen community-led natural resource and environmental management systems in Jimma by supporting the formation	Sub-activity 2.2.4.1: Awareness-raising on environmental management and climate resilience	○ Community members engaged in natural resource and environmental awareness activities

	and operational capacity of NbS-focused cooperatives and local groups, adapted from the Addis Ababa cooperative model to fit Jimma's ecological and socio-economic context.	Sub-activity 2.2.4.2: Operational support and capacity building for local industry, livelihood, and private groups (LLPGs) Sub-activity 2.2.4.3: Establishment of community-led monitoring and natural resource management systems for NbS sites	○ LLPGs with strengthened organizational and operational capacity ○ Community-led natural resource monitoring and management systems established ○ Government consultations completed to support community-led natural resource management systems
Activity 3.1.1. Identification of scale-up NbS projects in selected cities and co-development of detailed implementation plans	KOICA's cofinancing will be channeled to Ethiopian cities to scale up and support NbS implementation in climate-vulnerable secondary cities. Three selected cities will be invited to co-develop implementation plan and cities receive funding upon meeting milestones, ensuring alignment with national climate goals and KOICA/GCF standards.	Sub-activity 3.1.1.1: Final Selection of Target Cities and Validation of Project Scope by the Inter-Sectoral Coordination Committee for Urban NbS Sub-activity 3.1.1.2: Co-development of Detailed Implementation Plans Sub-activity 3.1.1.3: Contracting with City Administrations to Initiate Project Implementation	○ Validated list of NbS interventions for each selected target city ○ Detailed Implementation Plans for each supported project ○ Signed Implementation agreement between MoF and selected city administrations
Activity 3.1.2. Administration of oversight and performance management	The PMU, especially MoF will conduct regular oversight, annual performance reviews to ensure urban NbS projects meet targets, maintain financial transparency, and comply with funding conditions. Results will inform adaptive management and guide resource optimization for greater impact.	Sub-activity 3.1.2.1: Establishment of a Monitoring and Evaluation system with core indicators, reporting requirements, and compliance mechanisms Sub-activity 3.1.2.2: Execution of oversight activities and performance reviews for compliance, accountability, and impact measurement Sub-activity 3.1.2.3: Collection, analysis, and reporting of M&E data for decision-making and stakeholder engagement	○ Operational Monitoring and Evaluation (M&E) framework ○ Periodic fund management and performance reports from supported projects

E.7. Monitoring, reporting and evaluation arrangements

Monitoring and Reporting System

170. A dedicated Monitoring, Reporting and Evaluation (MRE) system will be established within the Project Management Unit (PMU), under the overall oversight of KOICA as the Accredited Entity (AE). The system will be designed to assess climate results and track progress against the logical framework indicators. Data will be collected twice a year through municipal M&E officers in Addis Ababa and Jimma, supported by community-based monitoring framework. The PMU will maintain a centralized results database, integrating spatial monitoring (GIS and

remote sensing for hectares restored and canopy coverage), socio-economic surveys (for cooperative operations and livelihood diversification), and gender and inclusion audits.

Reporting Relationships.

171. The Executing Entity (EE), Ministry of Finance (MoF) in partnership with federal and municipal governments, will provide semi-annual progress updates to the AE. These updates will cover project indicators, implementation challenges, and financial expenditures. KOICA, as the AE, will consolidate these reports into annual performance reports (APRs) to the GCF Secretariat, in line with AMA requirements. KOICA will also provide annual updates to the National Designated Authority (NDA) of Ethiopia, ensuring alignment with national climate strategies. Interim financial and safeguards reports will be shared with the AE every six months.

Evaluation.

172. KOICA will recruit independent evaluators. A Mid-term Evaluation (MTE), to be conducted in Year 3, will review implementation progress, validate baseline data, and assess interim climate results. A Terminal Evaluation (TE) at project completion will measure overall achievements, sustainability, and contributions to a paradigm shift and enabling environment. Both evaluations will embed the GCF-required three-point scale rating to assess the project's contribution to transformational change, policy mainstreaming, and replication potential. Evaluations will apply OECD/DAC criteria (relevance, effectiveness, efficiency, impact, sustainability) and will be carried out by independent third-party evaluators.

Climate Results Tracking.

173. The project will specifically monitor climate impact indicators such as hectares of land restored, reduction in flood risk, number of households with climate-resilient income sources, and gender/youth participation rates. Remote sensing, hydrological monitoring, and cooperative financial records will be used as verification methods. These data will be aggregated and reported annually to GCF, and results will also feed into Ethiopia's national reporting system managed by MoF.

Learning and Adaptive Management.

174. The MRE system will include strong feedback loops. Findings from monitoring and evaluations will be shared through semi-annual learning workshops with municipalities, cooperatives, and national stakeholders. Lessons will inform adaptive management and scaling strategies. Knowledge products (policy briefs, technical manuals, and case studies) will be disseminated regionally through KOICA's development cooperation network and portal managed by the ministries.

Assurance and Accountability.

175. Annual independent audits will be conducted on financial management, while environmental and social safeguards will be tracked through the project's Grievance Redress Mechanism (GRM). The project also will manage ESS-related management risks according to its ESMF. The AE will ensure full compliance with AMA obligations, and the NDA will receive annual reports for oversight.

F. RISK ASSESSMENT AND MANAGEMENT

F.1. Risk factors and mitigations measures (max. 3 pages)

176. KOICA, as the Accredited Entity (AE) and co-financier of the project "Building Urban Resilience through Nature-Based Solutions in Ethiopia," has conducted a comprehensive risk assessment to ensure successful implementation in Addis Ababa and Jimma in collaborations with various partners in the country. The following risk factors are presented by impact scale and include mitigation strategies tailored to the project's urban resilience context.

Selected Risk Factor 1

Category	Probability	Impact
Technical and operational	Medium	High

Description

Operational risks in conflict-sensitive urban zones including routes to project's geographical target area.

177. The project's geographical target areas—Addis Ababa and Jimma—include urban zones with historical grievances, ethnic tensions, and contested land use, particularly along riverbanks and peri-urban corridors. These areas may experience resistance to project activities, politicization of site selection, or community mistrust. Additionally, access routes to these cities may be affected by sporadic unrest, road blockages, or security checkpoints, which could delay implementation, disrupt logistics, and compromise staff safety and stakeholder engagement.

Mitigation Measure(s)

178. A conflict sensitivity analysis has been prepared and integrated within the project's Environmental and Social Management Framework (ESMF). The analysis provides guidelines for the development of Security Plans and localized Conflict Assessments that will be undertaken during the first project year, resulting in site-specific management measures.

179. KOICA will establish a city-level Conflict and Security Risk Monitoring Task Force composed of municipal officials, community elders, and implementing partners to oversee early warning, incident reporting, and rapid response coordination. Site selection will be guided by participatory mapping and community validation to avoid contested zones and ensure local ownership. Engagement with trusted actors—such as Jaarsa Biyyaa, religious leaders, and women's cooperatives—will facilitate inclusive planning and dispute resolution. Flexible implementation modalities, including remote coordination and adaptive scheduling, will be employed to navigate access challenges. These measures are expected to maintain the impact at High while reducing the probability to Low over time through proactive engagement and monitoring.

Selected Risk Factor 2

Category	Probability	Impact
Financial	Medium	High

Description

Financial mismanagement and fund misallocation

180. There is a risk of misallocation or misuse of Oucome 3 resources due to weak financial oversight, elite capture, or lack of transparency in fund disbursement. This could undermine trust and compromise equitable benefit-sharing.

Mitigation Measure(s)

181. KOICA will implement a robust financial governance framework, including third-party monitoring, digital fund tracking platforms, and social audit mechanisms. Implementation support will be provided to underrepresented groups to ensure equitable access.

Selected Risk Factor 3		
Category	**Probability**	**Impact**
Technical and operational	Medium	Medium
Description		
Technical capacity gaps in gender and conflict sensitivity 182. Executing entities may lack sufficient capacity to implement gender-responsive and conflict-sensitive activities, leading to social exclusion or ineffective delivery of NbS interventions.		
Mitigation Measure(s)		
183. KOICA will roll out a Security and Conflict Sensitivity Training Program for project staff, partners, and community leaders. Gender units will be embedded in executing entities, and inclusive monitoring system will be established.		

Selected Risk Factor 4		
Category	**Probability**	**Impact**
Macroeconomic/Political	Medium	High
Description		
Political and governance risks 184. Perceptions of federal overreach or favoritism in urban planning may trigger mistrust or resistance, particularly in Oromia region. This could affect stakeholder cooperation and delay implementation.		
Mitigation Measure(s)		
185. Inclusive governance structures will be established, with representation from both cities and civil society. Policy validation processes will include academic institutions and community elders to enhance legitimacy.		

Selected Risk Factor 5		
Category	**Probability**	**Impact**
Prohibited practices	Low	High
Description		
Prohibited practices and corruption 186. Risks include abuse, conflict of interest, corruption, and retaliation against whistleblowers, which could compromise project integrity and fiduciary compliance		
Mitigation Measure(s)		
187. KOICA will enforce a zero-tolerance policy on prohibited practices, supported by whistleblower protection protocols, transparent procurement, and periodic audits		

Selected Risk Factor 6		
Category	**Probability**	**Impact**

ML/FT	Medium	Medium
Description		
188. A risk assessment has been conducted relating to potential risks or vulnerabilities for money laundering, terrorist financing, or prohibited practices among the activities, counterparties, executing entities, or beneficiaries of the project. The level of risk assessed is moderate, and the measures to be taken include regular monitoring, implementing robust KYC processes, periodic audits, and providing training to staff on AML/CFT practices. Incidents will be reported and remedied through established internal protocols.		
Mitigation Measure(s)		
189. KOICA will establish a management framework that integrates continuous monitoring, robust KYC processes, and periodic audits. Through these institutional controls, KOICA ensures that the residual risk remains low.		

G. GCF POLICIES AND STANDARDS

G.1. Environmental and social risk assessment (max. 750 words, approximately 1.5 pages)

190. This project poses risk comparable to GCF' Category B risk rating. This categorization is in due recognition that the project will not be conducted in sensitive ecosystems (i.e. in wetlands, forests or others). Moreover, it will have minimal adverse social impacts and impact on cultural heritage. Furthermore, the anticipated impacts will be restricted to the project site and will not affect the broader area beyond the immediate project implementation sites. There will also be no displacement and resettlement of the community during the development or implementation of the project. Finally, all impacts identified will be addressed through implementation of mitigation measures and there will be minimal residual impacts after the implementation of the proposed mitigation measures.

191. As the project will be implemented in different cities, with some sites yet to be identified, the best instrument for assessing environmental and social risks is an Environmental and Social Management Framework (ESMF). To this end, the ESMF supports an examination of the risks and potential impacts associated with the activities under this proposed project. The framework sets out the principles, guidelines, and procedures to assess environmental and social risks/impacts, and propose measures to reduce, mitigate, and/or offset potential adverse environmental and social impacts and enhance positive impacts and opportunities of the above-mentioned project. It also ensures that all project activities comply with the safeguards policies of GCF, KOICA and the Federal Democratic Republic of Ethiopia (FDRE).

192. The ESMF further includes:

- A comprehensive identification and presentation of Ethiopian government's legislation and standards,

An assessment of the alignment of Ethiopia's laws and policies to GCF's safeguards performance standards. Here a clear description of the GCF performance standards that will be triggered by the project is provided.

- Key aspects, including eligibility criteria and exclusion list, implementation arrangement, and grievance redress mechanism, and

Frameworks and plans for addressing sexual exploitation, abuse and harassment (SEAH); stakeholder consultation; resettlement and livelihoods compensation; native communities' engagement; conflict and security assessment; and due diligence and environmental audit

193. Finally, the ESMF contains a comprehensive costed Environmental and Social Management Plan (ESMP) a matrix and monitoring plan to track progress

194. The following Table 3 articulates findings of the ESMF. Overall, the anticipated impacts will be restricted to the immediate project implementation sites. Moreover, with the implementation of the recommended appropriate mitigation measures, residual impacts will be minimal to none. More details provided in Annex 6.

Table 3. Key Environmental and Social Risks and Mitigation measures

Impact	Description of Impact	Mitigations measures
Site: Addis Ababa		
Project Phase: Development and Construction Phase		
Land acquisition and resettlement	At present the designated sites have no residents or communities that use them for their livelihoods – except for grazing land. Moreover, the land has already been secured for the project, so there will be no new land acquisition	○ Should there be legitimate claimants, compensation should be made as per the dictates of the proclamations Expropriation of Land Holdings for Public Purposes and Payment of Compensation (Proclamation No. 455/2005), and the Rural Land

	and resettlement. However, there can be legitimate claimants with historical rights to the land and/or have lost their livelihoods (in the past) due to the project.	Administration and Use Proclamation (Proclamation 456/2005) which cover provisions contained in GCF Performance Standard 5. o Moreover, in the ESMF a compensation matrix provided.
Noise and dust	Noise and dust during the land preparation (development) phase of the project	o To the extent possible use dust suppression techniques and noise screens
Workers and public safety	Workers and public safety, including accidents and impact on safety of workers and communities due to use of machinery to clear land, and mechanical and electrical fixtures to support this, during land preparation stage	o Ensure all machinery, and electrical and mechanical fixtures fulfil safety standards and that they are not exposed and accessible. o Ensure all workers are aware of the dangers and post warning signs at appropriate places
Water and soil pollution issues	Water and soil pollution issues due to oils, fuels and hazardous chemicals during construction activities	o Proper storage of construction materials such as oils, fuels and hazardous chemicals, and the associated waste discharge, during construction activities
Project Phase: Implementation and operation phase		
Excessive use of groundwater and other surface water sources	Excessive use of groundwater and other surface water sources in upper catchment area can put a strain on already limited water resources, creating competition for water with agricultural needs.	o The project should also use innovative ways, such as water harvesting and efficient water use technologies. o In case of the usage of groundwater the capacity of the aquifer, and the depth of the groundwater table should be well developed before implementation.
Site: Jimma		
Project Phase: Development and construction		
Land acquisition and resettlement	At present the designated sites have no residents or communities that use them for their livelihoods – except for grazing land. Moreover, the land has already been secured for the project, so there will be no new land acquisition and resettlement. However, there can be legitimate claimants with historical rights to the land and/or have lost their livelihoods (in the past) due to the project.	o Should there be legitimate claimants, compensation should be made as per the dictates of the proclamations Expropriation of Land Holdings for Public Purposes and Payment of Compensation (Proclamation No. 455/2005), and the Rural Land Administration and Use Proclamation (Proclamation 456/2005) which cover provisions contained in GCF Performance Standard 5. o Moreover, in the ESMF a compensation matrix provided.
Noise and dust	Noise and dust during the land preparation (development) phase of the project	o To the extent possible use dust suppression techniques and noise screens
Workers and public safety	Workers and public safety, including accidents and impact on safety of workers and communities due to use of machinery to clear land, and mechanical and electrical fixtures to support this, during land preparation stage	o Ensure all machinery, and electrical and mechanical fixtures fulfil safety standards and that they are not exposed and accessible. o Ensure all workers are aware of the dangers and post warning signs at appropriate places
Water and soil pollution issues	Water and soil pollution issues due to oils, fuels and hazardous chemicals during construction activities	o Proper storage of construction materials such as oils, fuels and hazardous chemicals, and the associated waste discharge, during construction activities
Cultural heritage site	Potential impact on cultural heritage sites in and around Jimma.	o Undertake initial screening to ensure cultural heritage sites in and around Jimma are not impacted.

Wetland biodiversity	Potential impact on wetland biodiversity considering that some of the intervention areas are lower catchment areas where there is rehabilitation work of rivers banks and wetlands.	○ Ensure rehabilitation is based on indigenous flora and fauna and re-vegetate disturbed areas using native and locally endemic species that have high habitat value.
Alien species	Potential unintentional introduction of alien species during the restoration works in lower catchment areas	○ Strict control and screening of seeds/seedlings to avoid potential unintentional introduction of alien species during the restoration works.
Project Phase: Implementation and operation		
Excessive use of groundwater and other surface water sources	Excessive use of groundwater and other surface water sources in upper catchment area can put a strain on already limited water resources, creating competition for water with agricultural needs.	○ The project should also use innovative ways, such as water harvesting and efficient water use technologies. ○ In case of the usage of groundwater the capacity of the aquifer, and the depth of the groundwater table should be well developed before implementation.
Alien species	Potential unintentional introduction of alien species during the restoration works in lower catchment areas	○ Strict control and screening of seeds/seedlings to avoid potential unintentional introduction of alien species during the restoration works.
Site: Yet to be identified		
Specific sites for implementation are yet to be identified	Given the Ethiopian context, the impacts can be similar to those identified in Jimma and Addis Ababa (with some location specific changes).	○ Mitigation measures will also be comparable to Jimma and Addis Ababa

G.2. Gender assessment and action plan (max. 500 words, approximately 1 page)

195. A comprehensive gender assessment and project-level Gender Action Plan (GAAP) have been developed" based on extensive desk reviews and multi-level stakeholder consultations conducted in Addis Ababa and Jimma (see Annexes 7 and 8). These documents reflect the differentiated vulnerabilities and capacities of women, youth, persons with disabilities, and people living in informal settlements in the context of climate-induced urban risks.

196. The assessment highlights that while no internally displaced persons (IDPs) currently reside in the target areas, structural inequalities persist—particularly among women-headed households, ethnic minorities, and youth in informal settlements. These groups face compounded challenges including tenure insecurity, limited access to services, exclusion from planning processes, and heightened exposure to environmental hazards such as flooding and heat stress.

197. Consultations revealed that gender disparities are further shaped by institutional gaps, including under-resourced gender units, limited technical capacity, and weak coordination across urban governance structures. In both cities, women's cooperatives, youth associations, and community elders emphasized the need for inclusive planning, transparent benefit-sharing, and culturally grounded grievance redress mechanisms.

198. The Gender Action Plan responds to these findings through targeted interventions across three core outcomes.

199. Stakeholder consultations confirmed the importance of engaging trusted local actors—such as religious leaders, women's groups, and community elders—in facilitating inclusive governance and dispute resolution. These mechanisms will be complemented by participatory monitoring and feedback systems to ensure responsiveness and transparency.

200. Expected gender-related results include:

40% female representation in NbS governance structures.

- 50% of beneficiaries with livelihood support to be women including Female-headed Households
- Establishment of inclusive cooperatives with gender-balanced leadership and accessible grievance redress mechanisms.
- Targeted training to empower women-led green enterprises

Gender-responsive NbS instruments developed and gender budgeting integrated in municipalities

- Increased SEAH awareness along with mitigation procedures in place

201. Implementation arrangements would aim to include a gender specialist who will be a focal person for safeguarding within the PMU, integration of gender indicators into the Monitoring and Evaluation (M&E) framework, and delivery of targeted training in inclusive planning and conflict-sensitive facilitation and based on a capacity needs assessment. These measures will ensure that the project not only enhances climate resilience but also contributes to equitable development and social cohesion in Ethiopia's urban centers. The full Gender Assessment and Action Plan is provided in Annex 8.

G.3. Financial management and procurement (max. 500 words, approximately 1 page)

Financial Management and Accounting

202. KOICA will retain overall fiduciary responsibility for the project, consolidating financial information and submitting Annual Financial Reports to the GCF Secretariat as per the Accreditation Master Agreement (AMA). The MoF, as EE, will be responsible for maintaining project financial accounts through the Project Management Unit (PMU), applying recognized accounting practices in Ethiopia. Financial transactions will be recorded in a dedicated financial management information system (FMIS), and semi-annual financial statements will be prepared and submitted to KOICA.

Disbursement Structure

203. Funds from GCF will be transferred to KOICA and disbursed to MoF in tranches, linked to the achievement of agreed milestones and the submission of financial and technical progress reports. MoF will allocate resources for MoUI for facilitation of meetings, using its official financial management channel. It will procure construction service providers for Addis Ababa and Jimma, in coordination with the city administrations. Similar to other GCF projects, this tranche-based system provides a safeguard against misuse and ensures accountability at all levels. Disbursement requests will require financial statements, supporting documentation, and verification of milestones achieved. KOICA will conduct financial supervision missions to review expenditures and provide clearance for subsequent disbursements.

Financial Monitoring and Auditing

204. The project will adopt a semi-annual financial monitoring cycle. MoF will compile and submit expenditure reports every six months to KOICA. KOICA will aggregate these into annual reports to the GCF Secretariat and NDA. Independent external auditors will conduct annual audits in accordance with international standards and Ethiopian regulations. Audit reports will be shared with KOICA, GCF, and NDA. Recommendations from audits will be translated into corrective action plans and followed up in subsequent supervision missions.

Procurement Arrangements

205. Procurement will be supervised by KOICA and MoF and conducted in compliance with KOICA's procurement policies and Ethiopia's national procurement legislation. High-value and high-risk contracts will require KOICA's prior review and clearance. KOICA will directly procure for some

consultancies that require international competitive bidding process. Routine procurements for goods (e.g., seedlings, monitoring tools), works (e.g., nursery establishment), and consultancy services will be managed by the PMU.

Procurement Risk Assessment and Mitigation

206. The procurement risk assessment identified possible challenges: (i) delays in procurement approvals, (ii) limited supplier capacity in target municipalities, and (iii) risk of non-compliance with KOICA and GCF standards. These risks will be managed through:

- Capacity building for MoF and PMU staff in KOICA/GCF procedures;
- Use of International Competitive Bidding (ICB) for large contracts where local capacity is limited;
- Establishment of a Procurement Oversight Committee co-chaired by KOICA and MoF;

Regular procurement audits and public disclosure of results.

Role of AE and Oversight

207. KOICA will exercise fiduciary oversight, review procurement above set thresholds, and ensure compliance with environmental and social safeguards. The NDA will be informed annually of financial management and procurement progress.

G.4. Disclosure of funding proposal

☒ No confidential information: The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

☐ With confidential information: The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- Full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and
- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

H. ANNEXES

H.1. Mandatory annexes

☒	Annex 1	NDA no-objection letter(s) **(template provided)**
☒	Annex 2	Feasibility study - and a market study, if applicable
☒	Annex 3	Economic and/or financial analyses in spreadsheet format
☒	Annex 4	Detailed budget plan **(template provided)**
☒	Annex 5	Implementation timetable including key project/programme milestones **(template provided)**
☒	Annex 6	E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3): **(ESS disclosure form provided)** ☐ Environmental and Social Impact Assessment (ESIA) or ☒ Environmental and Social Management Plan (ESMP) or ☐ Environmental and Social Management System (ESMS) ☐Others (please specify – e.g. Resettlement Action Plan, Resettlement Policy Framework, Indigenous People's Plan, Land Acquisition Plan, etc.)
☒	Annex 7	Summary of consultations and stakeholder engagement plan
☒	Annex 8	Gender assessment and project/programme-level action plan **(template provided)**
☒	Annex 9	Legal due diligence (regulation, taxation and insurance)
☒	Annex 10	Procurement plan **(template provided)**
☒	Annex 11	Monitoring and evaluation plan **(template provided)**
☒	Annex 12	AE fee request **(template provided)**
☐	Annex 13	Co-financing commitment letter, if applicable **(template provided)**
☒	Annex 14	Term sheet including a detailed disbursement schedule and, if applicable, repayment schedule

H.2. Other annexes as applicable

☒	Annex 15	Evidence of internal approval **(template provided)**
☒	Annex 16	Map(s) indicating the location of proposed interventions
☐	Annex 17	Multi-country project/programme information **(template provided)**
☐	Annex 18	Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
☐	Annex 19	Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
☒	Annex 20	First level AML/CFT (KYC) assessment
☐	Annex 21	Operations manual (Operations and maintenance)
☐	Annex 22	Assessment of GHG emission reductions and their monitoring and reporting (for mitigation and cross cutting-projects)[12]
☒	Annex 23	Direct and indirect beneficiaries' calculation

[12] Annex 22 is mandatory for mitigation and cross-cutting projects.

H

* Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.

No-objection letter issued by the national designated authority(ies) or focal point(s)

MOPD/25/4-124 57

22 DEC 2025

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የፕላንና ልማት ሚኒስቴር
FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF PLANNING AND DEVELOPMENT

To: The Green Climate Fund ("GCF")

Re: No-objection letter in respect of the funding proposal titled "Building Urban Resilience through Nature-based Solutions in Ethiopia" submitted by Korea International Cooperation Agency.

We refer to the funding proposal titled **"Building Urban Resilience through Nature-based Solutions in Ethiopia"** submitted by **Korea International Cooperation Agency** to us on November 28, 2025.

The undersigned is the duly authorized representative of Ministry of Planning and Development, the national designated authority of Ethiopia.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

(a) The government of Ethiopia has no-objection to the Proposal; and
(b) The Proposal is in conformity with the national priorities, strategies and plans of Ethiopia

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect Korea International Cooperation Agency to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Abas Mohammed Ali
CEO, Environment and Climate Change Policy, Strategy Analysis and Mainstreaming

The Federal Democratic Republic Of Ethiopia
Ministry of Planning & Development

አድራሻ: ጉለሌ ክፍለ ከተማ ወረዳ 1 | የካቲት 12 ሆስፒታል ፊት ለፊት | አዲስ አበባ ኢትዮጵያ
ስልክ ቁጥር: +251 111 40 30 50/53 | ፖስታ ሳጥን ቁጥር: 4472 | ኢሜል: info@pdc.gov.et | ድህረ ገፅ: www.pdc.gov.et
Address: Gulele Sub City, Worda 10 | In front of Yekatit 12 Hospital, Addis Ababa
Tel.: +251 111 40 30 50/53 | P.O.Box: 4472 | Email: info@pdc.gov.et | Website: www.pdc.gov.et

Environmental and social safeguards report form pursuant to para. 17 of the IDP

Basic project or programme information	
Project or programme title	Building Urban Climate Resilience through Nature-based Solutions in Ethiopia
Existence of subproject(s) to be identified after GCF Board approval	No
Sector (public or private)	Public
Accredited entity	Korea International Cooperation Agency (KOICA)
Environmental and social safeguards (ESS) category	Category B
Location – specific location(s) of project or target country or location(s) of programme	1. The Jemo and Harbu River catchments, Nifas-silk-Lafto districts(subcities), Addis Ababa, Ethiopia 2. Awetu river catchments, Jimma city, Ethiopia
Environmental and Social Impact Assessment (ESIA) (if applicable)	
Date of disclosure on accredited entity's website	N/A
Language(s) of disclosure	N/A
Explanation on language	N/A
Link to disclosure	N/A
Other link(s)	N/A
Remarks	An ESMP consistent with the requirements for a Category B project is contained in Annex 6 "Environmental and Social Management Framework (ESMF)" of the Funding Proposal. Risk screening of funded activities rated from low to moderate necessitated the development of an ESMP and not an ESIA.
Environmental and Social Management Plan (ESMP) (if applicable)	
Date of disclosure on accredited entity's website	Friday, February 20, 2026
Language(s) of disclosure	English, Amharic and Afan Oromo
Explanation on language	The ESMF will be disclosed in English, Amharic, and Afan Oromo (Oromiffa) to ensure meaningful consultation and linguistic accessibility across the project sites. • Amharic is provided as the primary language for stakeholders in Addis Ababa, the national capital. • Afan Oromo is included to ensure full accessibility for the local communities in Jimma, which is located within the Oromia Region where Afan Oromo is the official and most widely spoken language.
Link to disclosure	English: https://koica.go.kr/bbs/koica_en/705/352549/download.do Amharic: https://koica.go.kr/bbs/koica_en/705/352550/download.do Afan Oromo:

	https://koica.go.kr/bbs/koica_en/705/352551/download.do
Other link(s)	KOICA's project page: https://koica.go.kr/koica_en/3501/subview.do?enc=Zm5jdDF8QEB8JTJGYmJzJTJGa29pY2FfZW4lMkY3MDUlMkYzODk4MzklMkZhcnRjbFZpZXcuZG8lM0Y%3D KOICA's homepage: https://koica.go.kr/sites/koica_en/index.do
Remarks	An ESMP consistent with the requirements for a Category B project is contained in Annex 6 "Environmental and Social Management Framework (ESMF)" of the Funding Proposal.
Environmental and Social Management (ESMS) (if applicable)	
Date of disclosure on accredited entity's website	N/A
Language(s) of disclosure	N/A
Explanation on language	N/A
Link to disclosure	N/A
Other link(s)	N/A
Remarks	N/A
Any other relevant ESS reports, e.g. Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF), Indigenous Peoples Plan (IPP), Indigenous Peoples Planning Framework (IPPF) (if applicable)	
Description of report/disclosure on accredited entity's website	Annex 6: Environmental and Social Management Framework
Language(s) of disclosure	English, Amharic and Afan Oromo
Explanation on language	The ESMF will be disclosed in English, Amharic, and Afan Oromo (Oromiffa) to ensure meaningful consultation and linguistic accessibility across the project sites. • Amharic is provided as the primary language for stakeholders in Addis Ababa, the national capital. • Afan Oromo is included to ensure full accessibility for the local communities in Jimma, which is located within the Oromia Region where Afan Oromo is the official and most widely spoken language.
Link to disclosure	KOICA's project page: https://koica.go.kr/koica_en/3501/subview.do?enc=Zm5jdDF8QEB8JTJGYmJzJTJGa29pY2FfZW4lMkY3MDUlMkYzODk4MzklMkZhcnRjbFZpZXcuZG8lM0Y%3D KOICA's homepage: https://koica.go.kr/sites/koica_en/index.do
Other link(s)	N/A
Remarks	An Indigenous Peoples Planning Framework, titled "Native Communities Engagement Framework" is included in Annex 6.
Disclosure in locations convenient to affected peoples (stakeholders)	
Date	Friday, February 20, 2026
Place	KOICA Ethiopia office - Address: 10th floor, Platinum Building, Bole sub-district 03(Bole Atlas), House number 386, Addis Ababa

Date of Board meeting in which the FP is intended to be considered	
Date of accredited entity's Board meeting	N/A
Date of GCF's Board meeting	Wednesday, March 25, 2026

Note: This form was prepared by the accredited entity stated above.

Secretariat's assessment of FP289

Proposal name:	Building Urban Climate Resilience through Nature-based Solutions in Ethiopia
Accredited entity:	Korea International Cooperation Agency (KOICA)
Country/(ies):	Ethiopia
Project/programme size:	Small

I. Overall assessment of the Secretariat

1. The funding proposal is presented to the Board for consideration with the following remarks:

Strengths	Points of caution
Institutionalization of nature-based solutions (NbS) nationwide through a new multisectoral urban NbS steering committee, a national NbS framework and integration into city planning, enabling long-term replication beyond Addis Ababa and Jimma.	
Community-driven NbS business models that embed local ownership and create market demand for climate-resilient solutions across Ethiopian cities.	
Leadership and participation of national and municipal institutions, including the Ministry of Finance (MoF) (executing entity (EE)), the Ministry of Planning and Development, the Ministry of Urban and Infrastructure (MoUI), and the Addis Ababa and Jimma city governments.	

2. The Board may wish to consider approving this funding proposal in accordance with the term sheet agreed between the Secretariat and the accredited entity (AE) and, if considered appropriate, subject to the conditions set out in annex II of document GCF/B.44/02.

II. Summary of the Secretariat's assessment

2.1 Project background

3. Climate change is increasingly affecting the major cities of Ethiopia, particularly Addis Ababa and Jimma, through more intense rainfall, frequent flooding, rising temperatures and prolonged dry spells. Since the early 2000s, both cities have experienced shifts towards heavier and more erratic rainfall, leading to flash floods, river overflows, erosion, and waterlogging in low-lying and informal settlements. In Addis Ababa, over 120,000 structures are located in flood-prone areas along major river systems such as the Akaki and Jemo rivers, while heat stress is intensifying in densely built districts due to loss of vegetation and extensive impervious

surfaces. In Jimma, rapid urban expansion into wetlands and floodplains along the Awetu River, combined with deforestation in upper catchments, has increased risks of flooding, landslides and ecosystem degradation. These impacts disproportionately affect vulnerable groups, including women, informal settlers and displaced populations, while municipal authorities face limited technical and financial capacity to implement integrated climate adaptation measures.

4. The proposed project addresses these climate-induced challenges through an integrated NbS approach that combines ecosystem restoration, green infrastructure and climate-smart urban agriculture, alongside institutional strengthening and national scaling mechanisms. Interventions in Addis Ababa and Jimma will include forest and watershed restoration, riverbank stabilization, wetland rehabilitation, green public spaces, and urban farming to reduce flood risks, mitigate heat stress and enhance ecosystem services while strengthening community livelihoods.

5. The project is fully adaptation-focused and contributes to the GCF adaptation results areas (ARA) on most vulnerable people and communities (ARA 1), infrastructure and built environment (ARA 3), and ecosystems and ecosystem services (ARA 4). It is expected to directly benefit 300,557 people and indirectly benefit 1,480,390, reaching a total of 1,780,947 beneficiaries. The total project financing amounts to approximately USD 47 million, of which a GCF grant of approximately USD 25 million is requested, with the remainder provided as grant co-financing by the AE. The project will be implemented over 5.5 years and is classified as environmental and social (E&S) risk category B.

2.2 Component-by-component analysis

Component 1: Enabling Environment, Governance and Capacity Building for Urban NbS

Outcome 1: Enhanced and institutionalized enabling environment and operational capacity in national/sub-national institutions to integrate and scale up NbS for urban climate adaptation (total cost: USD 3.7 million; GCF cost: USD 3.7 million)

6. Component 1 establishes the institutional and policy foundations required to scale NbS for urban climate adaptation in Ethiopia. It addresses the fragmented governance, weak policy integration and limited technical standards that currently constrain systematic adoption of NbS in urban planning and infrastructure development. The component focuses on strengthening coordination between national ministries and municipal authorities to embed NbS within mainstream development and climate frameworks.

7. A central activity is the establishment of an intersectoral coordination committee for urban NbS, which will guide cross-sectoral policy alignment, support integration of NbS into national strategies (such as the Climate-Resilient Green Economy), and promote consistency between national policies and city-level planning instruments. In parallel, the component will develop a national urban NbS framework, conduct a regulatory gap analysis, and provide technical guidelines to standardize NbS design and implementation, while supporting municipalities to prepare city-specific NbS action plans.

8. The component will also strengthen evidence-based decision-making through climate vulnerability assessments, NbS design toolkits and a centralized urban NbS knowledge portal hosted by the MoUI. This knowledge platform will consolidate data, methodologies and lessons learned to facilitate replication in secondary cities. Gender and social inclusion will be mainstreamed through inclusive consultations and minimum participation targets, ensuring women and vulnerable groups are engaged in planning processes. Overall, component 1 creates the enabling conditions necessary for sustainable, scalable urban climate adaptation beyond the project period.

Component 2: City-Level NbS Investments for Urban Climate Resilience

Outcome 2: Reduced climate-induced vulnerability for urban residents through the implementation of target NbS projects across key areas in Addis Ababa and Jimma (total cost: USD 33.6 million; GCF cost: USD 20.9 million)

9. Component 2 represents the core investment arm of the project, translating institutional reforms into tangible, site-based climate resilience outcomes. It focuses on ecosystem restoration, green infrastructure and climate-smart urban livelihoods in highly climate-exposed zones of Addis Ababa and Jimma, where flooding, heat stress, erosion and ecosystem degradation are already disrupting lives and infrastructure.

10. In Addis Ababa, interventions will target the Jemo-Harbu catchment and flood-prone urban corridors. Activities will include forest restoration in upstream catchments; stabilization of riverbanks using eco-engineering methods; construction of retention ponds; rehabilitation of wetlands; development of riverside parks, green corridors and permeable pedestrian infrastructure; and establishment of urban agriculture zones. These measures will jointly reduce flood peaks, control erosion, improve stormwater management and mitigate urban heat island effects, while creating safer and more liveable public spaces.

11. In Jimma, NbS investments will focus on restoring degraded forestland in upper catchments of the Awetu River, rehabilitating wetlands, establishing river buffer zones, and promoting agroforestry and climate-smart farming systems. These interventions will reduce sedimentation and flood risks while strengthening soil fertility, water retention and biodiversity. Community cooperatives – particularly women-led groups – will be engaged in nursery management, tree planting, agroforestry production and maintenance of green spaces, linking ecosystem restoration with income generation and food security.

12. Component 2 will also integrate community-based maintenance systems, solid waste management, and environmental monitoring to protect restored ecosystems and ensure long-term functionality of NbS investments. Local micro, small and medium-sized enterprises and cooperatives will be supported through organizational strengthening, equipment provision and market linkages, reinforcing livelihood sustainability and community ownership. The component will deliver the bulk of the quantifiable climate benefits under the project, including flood risk reduction, heat mitigation, enhanced ecosystem services and diversified urban livelihoods.

Component 3: Financing Mechanisms and Scaling of Urban NbS

Outcome 3: Technical and financial resources channelled to successfully scale and implement NbS projects in additional climate-vulnerable cities (total cost: USD 6.4 million; GCF cost: USD 0)

13. Component 3 focuses on transforming NbS from isolated investments into a scalable national urban adaptation strategy by establishing dedicated financing and replication mechanisms. Led by the Korea International Cooperation Agency (KOICA) in partnership with the MoF, this component supports the design and capitalization of a financing window to expand NbS investments to additional climate-vulnerable cities beyond Addis Ababa and Jimma.

14. The component will leverage lessons, tools and performance evidence generated under components 1 and 2 to develop investment-ready project pipelines, standardized appraisal tools and financing criteria for future NbS projects. It will strengthen public financial management systems to integrate NbS into national and municipal budgeting processes, thereby enabling predictable funding streams for urban adaptation.

15. By anchoring NbS financing within Government systems and linking it to performance and planning frameworks, component 3 will ensure that urban climate resilience investments can continue after GCF funding ends. This catalytic role is central to achieving long-term

transformation, shifting NbS from donor-supported pilots to mainstream public investment practice.

Project management (total cost: USD 2.1 million; GCF cost: USD 0)

16. The project will be implemented by KOICA as the AE and co-EE, in partnership with two other EEs: the MoF and the MoUI. KOICA will provide overall fiduciary oversight and ensure compliance with GCF policies and standards, while the MoF will manage fund flows in line with national financial management systems and the MoUI will lead the technical coordination of urban NbS interventions at the municipal level. A project steering committee comprising KOICA and key Government ministries will provide strategic guidance and interministerial coordination. Day-to-day implementation will be managed by a dedicated project management unit (PMU) responsible for procurement, financial management, safeguards, monitoring and reporting. The entire project management cost of the project will be covered by the AE.

Monitoring and evaluation (total cost: USD 1.16 million; GCF cost: USD 0.36 million)

17. Monitoring and evaluation will be coordinated by the PMU under the oversight of KOICA as the AE. A dedicated monitoring and evaluation function within the PMU will implement the project results framework, track progress against output and outcome indicators, and ensure systematic data collection across all components and cities. Indicators will be disaggregated by sex and vulnerability status in line with GCF results and gender policies. The project will undertake a midterm evaluation and undergo a final independent evaluation to assess implementation progress, effectiveness, and the sustainability of the NbS interventions and institutional reforms. Findings will inform adaptive management and scaling strategies. In addition, the project will prepare annual performance reports and semi-annual financial reports, supported by regular field monitoring, supervision missions and annual external audits.

III. Assessment against investment criteria

3.1 Impact potential *Scale: N/A*

18. The adaptation impact potential of the project is high, given its strong focus on vulnerable urban populations and direct delivery of ecosystem-based climate resilience measures in two major cities. The project is expected to directly benefit 300,557 people and indirectly benefit 1,480,390, reaching a total of 1,780,947 beneficiaries, including residents of flood-prone informal settlements and climate-exposed urban catchments in Addis Ababa and Jimma. Through large-scale deployment of NbS (including forest and watershed restoration, riverbank stabilization, wetland rehabilitation, green public spaces and urban agriculture), the project will reduce flood risks, mitigate urban heat stress, improve water regulation and enhance ecosystem services in highly degraded and densely populated areas. These interventions are expected to deliver sustained resilience benefits to both communities and critical urban infrastructure, while also strengthening livelihoods through community cooperatives and climate-smart urban production systems. The project will contribute directly to the GCF ARAs on most vulnerable people and communities (ARA 1), infrastructure and built environment (ARA 3), and ecosystems and ecosystem services (ARA 4), reinforcing both immediate and long-term resilience outcomes. The project's overall adaptation impact potential is assessed as high.

3.2 Paradigm shift potential *Scale: N/A*

19. The project's paradigm shift potential goes beyond site-based investments to address the systemic barriers that have limited the uptake of NbS in urban climate adaptation in

Ethiopia. By establishing national coordination mechanisms, developing urban NbS policy frameworks and technical guidelines, and integrating NbS into urban planning and infrastructure systems, the project seeks to embed ecosystem-based approaches into routine public investment and municipal decision-making. The creation of a centralized urban NbS knowledge and climate vulnerability data platform will further support institutional learning, standardization of approaches, and replication across secondary cities. These measures will collectively strengthen the enabling environment for long-term adoption of NbS beyond the two pilot cities.

20. In addition, the project will introduce a dedicated financing and replication mechanism for urban NbS, supported by national budgetary engagement and structured investment pipelines. This is a critical step towards shifting NbS from donor-funded demonstrations to a sustained public sector adaptation modality. The combination of demonstrated technical feasibility (through large-scale NbS investments), strengthened institutional capacity and emerging domestic financing arrangements increases the likelihood that NbS will be scaled through Government systems after GCF support ends, reinforcing the project's catalytic role.

21. However, while the project will establish strong institutional and financial foundations, broader national replication will still depend on continued political commitment, fiscal space within municipal and federal budgets, and sustained technical capacity at city level. Private sector engagement in financing NbS remains limited at this stage, and long-term scale-up may require additional policy incentives and blended finance instruments not yet fully developed under the project. As such, while the project has strong demonstration, learning and institutionalization features, full nationwide transformation will likely require follow-on investments and continued donor and Government support.

22. Overall, considering its integrated policy, institutional, financing and demonstration approach, the project's paradigm shift potential is assessed as medium-high.

3.3 Sustainable development potential *Scale: N/A*

23. The project demonstrates strong sustainable development potential by delivering multiple environmental, social and economic co-benefits alongside climate adaptation outcomes. Large-scale ecosystem restoration, wetland rehabilitation, riverbank stabilization and urban greening will enhance biodiversity, improve ecosystem services and reduce environmental degradation, contributing to Sustainable Development Goal (SDG) 15 (Life on Land) and SDG 11 (Sustainable Cities and Communities) through greener and more resilient urban environments.

24. The project will also support livelihoods and food security through climate-smart urban agriculture, agroforestry and community-based green enterprises, including women-led cooperatives engaged in nursery management, horticulture and maintenance of green spaces. These activities will create income opportunities, improve local food availability and support SDG 2 (Zero Hunger) and SDG 8 (Decent Work and Economic Growth), while strengthening community ownership of NbS investments.

25. The project will improve public health and well-being through reduced flood risk, better stormwater management, increased green cover and mitigation of urban heat stress, particularly in densely populated and vulnerable neighbourhoods. Additionally, improved water regulation and ecosystem health will reduce exposure to waterborne diseases, supporting SDG 3 (Good Health and Well-being) and SDG 6 (Clean Water and Sanitation). The project will further promote gender equality and social inclusion by ensuring meaningful participation of women and vulnerable groups in planning and livelihood activities, contributing to SDG 5 (Gender Equality). Overall, the project's sustainable development potential is assessed as high, given its

strong alignment with national development priorities and delivery of broad-based co-benefits alongside climate resilience.

3.4 Needs of the recipient *Scale: N/A*

26. The project responds directly to urgent climate and development challenges in Ethiopia, particularly the growing vulnerability of rapidly urbanizing cities to flooding, heat stress and ecosystem degradation. Intensifying rainfall, river overflows and degradation of urban catchments increasingly affect informal settlements and critical infrastructure, while existing drainage and grey infrastructure systems are insufficient to manage rising climate risks.

27. The project will address these priority needs through NbS that restore degraded watersheds, rehabilitate wetlands, stabilize riverbanks and expand urban green spaces in highly exposed areas of Addis Ababa and Jimma. These interventions will target both the drivers and the impacts of urban flooding and heat stress, which are among the most severe climate threats that Ethiopian cities face.

28. In addition, the project responds to institutional and financial constraints by strengthening national and municipal planning frameworks, technical guidelines and coordination mechanisms for urban climate adaptation, while introducing financing and knowledge systems to support scaling. By combining ecosystem restoration, urban resilience and livelihood opportunities for vulnerable communities, the project is well aligned with priority needs for climate adaptation and sustainable urban development in Ethiopia.

3.5 Country ownership *Scale: N/A*

29. The project demonstrates strong country ownership by aligning closely with the national climate and urban development priorities of Ethiopia and by being implemented through core Government institutions. It supports objectives under the Ethiopian Climate-Resilient Green Economy strategy, nationally determined contribution and national urban development policies, particularly those related to climate adaptation, ecosystem restoration, flood risk management and sustainable urban planning.

30. The project will be implemented in partnership with the MoF and the MoUI, ensuring strong institutional leadership and alignment with national public financial management and urban policy frameworks. These ministries will play central roles in project governance, coordination and oversight, strengthening national ownership of both policy reforms and city-level investments. The municipal governments in Addis Ababa and Jimma are actively involved in planning and implementation, further reinforcing ownership at the local level and laying foundations to support the sustainability of NbS interventions after project completion.

31. Extensive stakeholder consultations were conducted during project preparation, involving national and city authorities, community groups, civil society organizations, and technical experts. These consultations informed site selection and the design of the NbS interventions, livelihood activities and institutional support measures. The national designated authority has been engaged throughout the project development process and has issued a formal no-objection, confirming that the project is consistent with national priorities and country programming. Community participation mechanisms, including cooperatives and local implementation partners, will ensure that interventions reflect local needs and build long-term stewardship of restored ecosystems.

3.6 Efficiency and effectiveness *Scale: N/A*

32. **Financial adequacy and appropriateness of concessionality.** The level and form of concessional finance are appropriate and well targeted to address the identified market and institutional barriers to scaling NbS in Ethiopian cities. As the project will provide public goods (mostly consisting of flood risk reduction, urban cooling and ecosystem services) that do not generate direct financial revenue, concessional funding is justified to catalyse investment, de-risk implementation for public and community actors, and enable long-term resilience outcomes that would not materialize under commercial financing.

33. **Economic efficiency.** The economic cost–benefit analysis shows that the project is economically efficient, with benefits comfortably exceeding costs. The project would remain economically efficient even if it resulted in significantly higher costs and lower benefits. The base case economic internal rate of return is estimated at 17.4 per cent, well above the social discount rate used by prospective financiers (10 per cent or less).

34. **Long-run financial viability.** While the project will rely on concessional finance during implementation, its recurrent operation and maintenance costs will be modest and progressively absorbed by local institutions, ensuring sustainability of benefits throughout the project lifetime.

35. **Application of best practices and degree of innovation.** The project will apply international best practices in urban NbS planning, economic valuation of ecosystem services, and integrated watershed and urban resilience approaches, consistent with GCF guidance. Innovation is demonstrated through the combination of spatial planning, nature-based infrastructure and financing mechanisms tailored to secondary cities, moving beyond pilot interventions towards scalable, system-level solutions. This integrated approach enhances replicability and positions the project as a model for climate-resilient urban development elsewhere in Ethiopia and in comparable contexts.

36. Based on the evaluation of the above assessment factors, the efficiency and effectiveness of the project are rated as high.

IV. Assessment of consistency with GCF safeguards and policies

4.1 Environmental and social safeguards

37. **Environmental and social risk category.** The AE has shared an environmental and social management framework (ESMF) as part of the funding proposal to manage E&S risks that may arise on the project. Initial and envisaged screening was achieved by applying the GCF revised Environmental and Social Policy and interim International Finance Corporation performance standards. Considering that the project will be implemented in two cities, namely Addis Abba and Jimma, and some sites are yet to be identified, the appropriate instrument is an ESMF. Based on the risk screening outcome, the AE has classified the project as E&S risk category B, as the project has moderate risks. It is envisaged that the project will not be implemented in ecologically sensitive areas, such as wetlands and forests, and that it will have minimal adverse social impacts, including on culture heritage. Its impacts will be restricted to the project footprint and will not affect the broader area beyond the immediate project implementation sites. The ESMF includes an environmental and social management plan, which proposes mitigation measures to manage E&S risks. The Secretariat agrees with the project's classification as category B and confirms that the risk category is within the safeguards risk accreditation level of the AE and consistent with the requirements of the GCF revised Environmental and Social Policy. In terms of institutional capacity, the KOICA Environmental and Social Safeguards Implementation guidelines will enhance risk identification and mitigation, stakeholder engagement, information disclosure, and overall monitoring.

38. **Conflict sensitivity.** KOICA has undertaken a conflict sensitivity analysis for the planned interventions in Addis Ababa and Jimma. The AE employed a participatory and context-specific methodology, integrating desk-based research with targeted consultations involving municipal authorities, community representatives, civil society organizations and vulnerable groups – including youth, women and displaced populations. This approach enabled a grounded understanding of the sociopolitical and environmental tensions that may influence project outcomes. The assessment highlighted the importance of embedding conflict-sensitive principles throughout the project lifecycle. Consequently, the funding proposal identifies both risks and strategic opportunities for inclusive engagement, resilience-building, and peace-positive programming. It furthermore identifies political, economic, environmental and social dynamics as the drivers of fragility and insecurity.

39. **Land acquisition and involuntary resettlement.** It is envisaged that no land acquisition or resettlement is expected to result from the project. The AE has developed a resettlement action and livelihood restoration and compensation plan as part of the ESMF. A functional grievance redress mechanism will be put in place to ensure no one is displaced.

40. **Biodiversity conservation and sustainable management of living natural resources.** The AE has not identified any protected areas in the vicinity of the proposed project sites. Considering that the project is being implemented in two major cities in an urban environment with extensive human settlement, natural vegetation cover in the localities is generally low.

41. **GCF Indigenous Peoples Policy & ESS7 (Indigenous Peoples).** The funding proposal meets the requirements of the GCF Indigenous Peoples Policy and provides an Indigenous Peoples Planning Framework, titled Native Communities Planning Framework. Indigenous Peoples representatives were involved in design as part of the broader stakeholder engagement process. The project requires screening and baseline assessments to be undertaken during the inception phase and prior to implementation of site-specific activities. Should the presence of Indigenous Peoples be confirmed, the project will prepare site-specific Native Communities Engagement Plans. The project will ensure that culturally appropriate measures are developed through meaningful consultation to address potential impacts on livelihoods, including any access or use restrictions, in full alignment with Free Prior Informed Consent requirements. Measures to ensure equitable access to project benefits will also be elaborated. In line with their roles and functions, the Indigenous Peoples Advisory Group is available to provide advice to the AE and EEs. In line with the GCF Indigenous Peoples Policy, the GCF Indigenous Peoples focal point will be available for assistance at any stage, including before a claim has been made.

42. **Sexual exploitation, abuse and harassment (SEAH).** The GCF revised Environmental and Social Policy (adopted by decision B.BM-2021/18) requires safeguarding from SEAH in GCF-financed activities. The AE provided information on SEAH safeguarding in its submission to this funding proposal. Factors that may increase the risk of SEAH in the project's activities are the pervasive nature of gender-based violence against women in Ethiopia, which is exacerbated by overcrowding, unemployment, weak law enforcement and heightened vulnerability during periods of conflict in urban settings. Potential SEAH risks identified by the AE are associated with activities such as training, planting, nursery development, public space establishment and maintenance, and waste management, where project workers will have opportunities to interact with communities. Measures for mitigating risks described in the ESMF include conducting SEAH training for all project stakeholders, including steering committee members, project personnel and local influencers; raising awareness among community members during SEAH sessions, community consultations and project team meetings; incorporating legal clauses in all project-related contracts; and establishing a project code of conduct prohibiting SEAH. Financial resources allocated from the project's budget for the implementation of these measures are included in the ESMF. A project-level grievance redress mechanism will be developed to receive and respond to SEAH-related complaints in a survivor-centred manner.

During implementation the AE will also ensure mapping and identification of partners that can provide essential support to survivors, including legal, medical and psychosocial support, and support with reintegration into the community. SEAH case monitoring will be integrated into project oversight processes and updates will be included in project reports. Mechanisms put in place to mitigate risks will be monitored, reviewed annually and strengthened based on monitoring outcomes and lessons documented for learning and improvement purposes.

4.2 Gender policy

43. The AE provided a gender assessment and action plan with the funding proposal and therefore complies with the requirements of the GCF updated Gender Policy. The gender assessment provides context for gender issues in relation to this project and discusses the social and economic dimensions of inequality that disproportionately affect women. In urban and peri-urban areas (where the project will be implemented), women are concentrated in the informal sector in activities offering low and unstable incomes, lack of social protection, and high vulnerability to climate shocks. This economic insecurity is compounded by barriers to accessing productive resources, such as finance, and limited opportunities for business development, making it difficult to recover from climate shocks. The challenges women face are intensified by informal housing and limited access to basic services, such as water and sanitation facilities, creating a cycle of vulnerability. Additionally, systemic exclusion from decision-making in urban and environmental governance limits women's influence and results in interventions that do not address their needs, thereby undermining effectiveness and long-term sustainability.

44. The gender action plan (GAP) translates the analysis into activities with defined indicators, targets, timelines, responsibilities and budgetary resources allocated for implementation. Women's participation in urban planning will be promoted by inclusion in consultations, forest management groups and the NbS steering committee. Trainings given to women-led enterprises (based on the outcomes of a needs assessment) will seek to improve areas such as financial literacy. Agricultural plots established with secure tenure will be made available to women's cooperatives to improve access to productive resources. The GAP includes relevant qualitative indicators, such as increasing women's income and scheduling training and consultation activities at times and places that are conducive to women's participation. A baseline study will be carried out during implementation. The AE is recommended to align the consultation findings with the GAP by setting a target of 20 per cent youth participation in the NbS steering committee.

4.3 Risks

4.3.1. Overall project assessment (medium risk)

4.3.2. Accredited entity/executing entity capability to execute the current project (medium risk)

45. KOICA will serve as the AE and a co-EE for the project. While this is its first GCF-funded project as a direct access entity, KOICA has strong experience in managing large official development assistance (ODA) portfolios and maintains an in-country presence in Ethiopia, with extensive operational experience in urban development, livelihoods and environmental projects. KOICA manages USD 860 million of the ODA budget of the Republic of Korea, covering 27 countries. Ethiopia is the largest African partner country of KOICA, with 12 projects and 21 staff. The MoF, a GCF direct access entity with two GCF-funded projects currently under implementation, will act as the primary EE, responsible for in-country disbursements of GCF

proceeds, procurement, financial reporting, and direct oversight of city-level investments in Addis Ababa and Jimma. The MoUI will act as a third co-EE, providing technical leadership and policy integration, and hosting the national NbS knowledge platform, which will enhance institutionalization and scalability. Overall, the AE–EE arrangement is adequate and appropriate for delivering both institutional reform and city-level NbS investments at scale.

4.3.3. Project-specific execution risks (medium risk)

46. The project faces moderate execution risks primarily related to climate shocks, sustainability of NbS assets, social sensitivity in urban river corridors and municipal capacity for long-term maintenance. These risks are inherent in large-scale urban adaptation projects and are compounded when projects operate in densely populated, informally settled areas. However, the project incorporates strong mitigation measures, including climate-proofed designs, performance-based municipal contracting, community maintenance systems, integrated safeguards frameworks and close AE supervision. While residual risks remain at a medium level, they are considered manageable and do not outweigh the expected adaptation benefits or institutional transformation potential of the project.

4.3.4. Compliance risks (medium risk)

47. Certain elements of the proposed project activities, which include extensive infrastructure work and therefore, relatively high levels of procurement activity, as well as activities in sectors such as waste management, contribute to increased inherent risks of money- laundering (ML) and terrorist financing (TF) and other prohibited practices (PP).

48. The AE has assessed the inherent ML/TF/PP risk as moderate based on a risk assessment conducted relating to the proposed project activities, counterparties, and beneficiaries. On the basis of mitigation measures to be implemented – including ongoing monitoring, robust know-your-customer processes, periodic audits, anti-money- laundering and countering the financing of terrorism training for staff, and the establishment of channels for incident reporting and remedy – the AE has determined that the residual ML/TF risk is low. Likewise, the residual PP risk is assessed as low due to the zero-tolerance policy towards PP, whistle-blower protection protocols, period audits, and transparent procurement of the AE.

49. In addition, one of the co-EEs, Ministry of Finance - itself a GCF AE – has conducted first-level due diligence on sub-national stakeholders – including regional, woreda-level, and kebele-level counterparties – and identified no material integrity-related risks. Moreover, pursuant to the relevant government procurement directive, due diligence and capacity assessments will be conducted for all suppliers.

50. The internal controls to be implemented by the AE and co-EEs will help to mitigate the higher inherent compliance risks. However, given the extensive procurement activities – including in sectors, such as waste management, that present high inherent ML/TF/PP risks – the overall residual risk is determined to be medium.

4.3.5. GCF portfolio concentration risk (within monitoring threshold)

51. In the case of approval, the impact of this proposal on the GCF portfolio concentration in terms of the AE, the results area and a single proposal is within monitoring threshold of the Risk Appetite Statement in terms of results areas, single proposal and AE concentration.

4.3.6. Recommendation

52. It is recommended that the Board consider the above factors in its decision.

Summary risk assessment

Overall project	Medium
Accredited entity/executing entity capability	Medium
Project-specific execution	Medium
Compliance	Medium
GCF portfolio concentration	Within monitoring threshold

4.4 Fiduciary

53. KOICA will serve as the AE for the project and retain overall legal and fiduciary responsibility for the administration of GCF proceeds. As a Government-funded agency under the Ministry of Foreign Affairs of the Republic of Korea, KOICA is responsible for high-level oversight, supervision and performance monitoring of all project components, ensuring compliance with GCF fiduciary standards, reporting requirements and approved climate objectives. In addition to holding its AE role, KOICA will function as an EE for specifically assigned activities, managing its designated budget and overseeing international procurement and technical quality assurance through its headquarters and Ethiopia office. The project will be implemented in collaboration with the MoF and the MoUI, representing the Government of the host country, Ethiopia.

54. The MoF, a GCF-accredited national institution, will serve as the primary EE and the central fiduciary manager for in-country implementation. The MoF will be responsible for managing the flow of GCF and KOICA resources through Ethiopian public financial management systems, maintaining project financial accounts, overseeing procurement for construction-related activities, and ensuring compliance with national legislation and GCF fiduciary requirements. The MoF will also operationalize a dedicated financial mechanism under outcome 3 to scale up urban NbS in additional climate-vulnerable cities and will act as the EE for NbS demonstration investments in Addis Ababa and Jimma.

55. The MoUI will act as a co-EE, providing federal technical leadership for the development and institutionalization of the national urban NbS framework, associated guidelines and regulatory instruments. The MoUI will implement designated activities related to policy integration, municipal planning support and the operation of the urban NbS knowledge management framework.

56. GCF proceeds will be transferred to KOICA and disbursed to the MoF in tranches linked to the achievement of agreed milestones and the submission of financial and technical progress reports. In-country disbursements will be managed by the MoF, with allocations to the MoUI for designated activities. Construction-related procurement for selected activities will be managed by the MoF, while KOICA will manage resources and procurement for specific technical and international activities, in accordance with approved project agreements and the procurement plan.

57. KOICA will oversee the workplans of the EEs and ensure compliance with GCF fiduciary, financial management, procurement and reporting requirements. Day-to-day fiduciary management will be conducted through a PMU housed within the MoF. Financial monitoring will follow a semi-annual cycle, with consolidated annual financial reports submitted to GCF and independent external audits conducted annually, ensuring transparency, accountability and robust fiduciary oversight throughout project implementation.

4.5 Results monitoring and reporting

58. This is a cross-cutting project that aims to build urban climate resilience through large-scale NbS in Ethiopia. It targets ARA 1 (most vulnerable people and communities), ARA 3 (infrastructure and built environment) and ARA 4 (ecosystems and ecosystem services). The

project is expected to directly benefit 300,557 individuals (0.27 per cent of the national population) and indirectly benefit 1,480,390 individuals (1.33 per cent of the population), with a strong emphasis on ecosystem restoration and institutional capacity. While the primary focus is adaptation, the interventions will also generate significant co-benefits relating to livelihoods, gender inclusion and social equity.

59. The GCF Secretariat has engaged extensively with the AE (KOICA) over multiple rounds of review to refine various aspects of the funding proposal relating to results areas, the theory of change, and monitoring and evaluation. The current theory of change is coherent and provides a clear results chain, outlining the main project outcomes, anticipated co-benefits and sectoral barriers as well as the key assumptions underpinning the intervention logic. The logical framework is structured according to the prescribed GCF template and details the relevant core and supplementary indicators in line with the Integrated Results Management Framework, as well as additional project-specific indicators to capture economic, social and environmental impacts.

4.6 Legal assessment

60. The legal arrangements for the project will be based on the accreditation master agreement between GCF and the Accredited Entity which has been signed and is effective (the "**AMA**"). Consequently, they will consist of a project-specific funded activity agreement which incorporates the AMA.

61. The Accredited Entity has not provided a legal opinion/certificate confirming that it has obtained all internal approvals and it has the capacity and authority to implement the project.

62. The proposed project will be implemented in Ethiopia (the "Host Country"), country in which GCF is not provided with privileges and immunities. This means that, amongst other things, GCF is not protected against litigation or expropriation in this Host Country, which risks need to be further assessed. Moreover, the ability of GCF to undertake redress activities and/or investigations in the Host Country may be hindered due to the absence of privileges and immunities for relevant GCF personnel.

63. Therefore, it is recommended that the Board considers whether disbursements of GCF proceeds should only be made after GCF has obtained satisfactory protection against litigation and expropriation in the Host Country or has been provided with appropriate privileges and immunities for GCF and its personnel.

64. GCF does not hold industrial property protection for its combined logo (sphere with the words "Green Climate Fund") in the Host Country. This means that, while industrial property protection is pending, (i) GCF's combined logo could be used by other entities or individuals (including those seeking to impersonate GCF) and (ii) there could be legal claims by entities or individuals asserting their protected trademark, opposing GCF using its combined logo in the country. In both cases, this may lead to reputational risk.

65. To address the matters raised in this section and facilitate prompt implementation of the project, it is recommended that any approval by the Board is made subject to the following conditions:

(a) Submission by the Accredited Entity to GCF of a certificate or legal opinion, in form and substance satisfactory to the GCF Secretariat, within 120 days after Board approval, confirming that the Accredited Entity has obtained all final internal approvals needed by it and has the capacity and authority to implement the proposed project;

(b) Signature of the funded activity agreement in a form and substance satisfactory to the GCF Secretariat within 180 days from the date of Board approval, or the date the

Accredited Entity has provided a certificate or legal opinion confirming that it has obtained all final internal approvals, whichever is later; and

(c) Completion of the legal due diligence to the satisfaction of the GCF Secretariat prior to the signature of the funded activity agreement.

Independent Technical Advisory Panel's assessment of FP289

Proposal name:	Building Urban Climate Resilience through Nature-based Solutions in Ethiopia
Accredited entity:	Korea International Cooperation Agency (KOICA)
Country/(ies):	Ethiopia
Project/programme size:	Small

I. Assessment of the independent Technical Advisory Panel

1.1 Overview

1. This funding proposal[1] for a small-sized adaptation project in environmental and social safeguards category B is submitted by the Korea International Cooperation Agency (KOICA) as the accredited entity (AE). KOICA is also an executing entity (EE), along with the Government of Ethiopia through the Ministry of Finance and the Ministry of Urban Development and Infrastructure. The total cost of the funding proposal is USD 47 million, of which USD 25 million is proposed as a GCF grant and USD 22 million as co-finance from KOICA. The project's implementation period is 5.5 years, while benefits are calculated over a lifespan of 30 years.

2. The funding proposal does not include an overall objective, but has as a goal statement the following: "IF [Nature-based Solutions] NbS are integrated into urban plans, institutional capacity and coordination are strengthened, pilot actions in Addis Ababa and Jimma are implemented, and financing mechanisms are established, THEN cities will demonstrate stronger resilience, with communities and ecosystems better protected from climate hazards and successful models paving the way for nationwide scaling, BECAUSE NbS reinforce infrastructure and ecosystems, reduce hazard impacts, and ensure long-term sustainability through innovative financing and inclusive governance, while generating multiple co-benefits" (funding proposal, para. 48). The intended project outcomes are as follows.

3. Outcome 1: enhanced and institutionalized enabling environment and operational capacity in national/subnational institutions to integrate and scale up nature-based solutions for urban climate adaptation (USD 4 million in GCF finance). A national-level intersectoral coordination committee for urban nature-based solutions will be established, led by KOICA in collaboration with the Government of Ethiopia, for the potential benefit of all of Ethiopia's 91 cities. The committee will coordinate across ministries, align policies and develop a national urban nature-based solutions framework supported by technical guidelines. Capacity-building measures will strengthen institutional and technical capabilities in five target cities, while a centralized knowledge hub will collect and disseminate data, monitor progress and promote learning nationwide.

4. Outcome 2: reduced climate-induced vulnerability for urban residents through the implementation of target nature-based solutions projects across key areas in Addis Ababa and Jimma (USD 21 million in GCF finance, USD 12.7 million in co-finance). At the local level, GCF

[1] This assessment is based on the funding proposal package received by the independent Technical Advisory Panel on 13 January 2026.

and KOICA funding will be used to make nature-based solutions investments in the two initial target cities: the capital, Addis Ababa, and Jimma in the south-western Oromia region. In Addis Ababa, heavy rainfall events have intensified, overwhelming drainage systems and triggering flash floods that threaten lives, damage housing and disrupt transport and markets. Interventions include reforestation of Jemo Mountain, stabilization of riverbanks along the Jemo–Harbu corridor, wetland restoration, expansion of tree canopies and the development of public green spaces to mitigate heat and flood risks. Urban agriculture and climate-smart farming will improve food security, while drainage and waste management upgrades will reduce the impacts of flooding.

5. In Jimma, unseasonal rainfall and poor drainage have led to frequent flooding, waterlogging and landslides, exposing communities in low-lying areas to acute danger. These hazards compromise not only infrastructure and ecosystems but also the safety and health of citizens, while curtailing economic activities and livelihoods, and are expected to intensify with climate change. Interventions will restore ecosystems in the Awetu River catchments through reforestation, agroforestry, wetland rehabilitation, river buffer zones and retention ponds. Cooperative-led climate-smart agriculture will improve livelihoods and strengthen resilience. Community engagement in management and monitoring, with an emphasis on women and vulnerable groups, will promote sustainability.

6. Outcome 3: technical and financial resources channelled to successfully scale and implement nature-based solutions projects in additional, climate-vulnerable cities (USD 6.44 million in co-finance). To secure long-term impact, KOICA co-financing will be channelled to scale nature-based solutions implementation in three other cities that are vulnerable to climate change. Technical and financial resources will generate sustainable and replicable models and strong, context-specific evidence on effectiveness and co-benefits in order to support national scale-up. Such models will provide a basis for linking future urban nature-based solutions initiatives to climate adaptation finance through the Government's Climate Resilient Green Economy (CRGE) Facility, including the Degraded Landscapes Restoration Special Fund (see paras 26 and 27 below), enabling other Ethiopian cities to prepare and advance nature-based solutions projects aligned with national climate and restoration financing pathways.

1.2 Impact potential *Scale: N/A*

7. The project targets three of the four GCF results areas for adaptation, aiming to enhance the resilience of the most vulnerable people and communities, infrastructure and built environment, and ecosystems and ecosystem services. This will be achieved through institutional capacity-building at the national level, and targeted grey–green infrastructure development in two cities, with follow-up KOICA resources channelled to an additional three cities. The project will promote nature-based solutions to three key climate hazards: riverbank protection and wetland restoration to reduce flooding; trees and green spaces to alleviate heat stress; and forest restoration and sustainable agriculture to reduce loss of topsoil in extreme rainfall events.

8. **Climate change risk and impacts.** The funding proposal provides an overview of climate change impacts across Ethiopia, with further detail provided in the feasibility study (annex 2 to the funding proposal). Both historical observations and future projections indicate rising temperatures, increasingly erratic rainfall and a greater intensity and frequency of floods, landslides, droughts and wildfires. Flooding, in particular, is increasing in frequency and extent, undermining infrastructure, livelihoods and public health in Ethiopia's 91 rapidly growing cities.

9. Addis Ababa, with nearly six million residents, is built on a steep gradient from the northern highlands to the southern lowlands, where more urban settlements are concentrated. More than 120,000 structures are located in flood-prone zones along the Akaki and Jemo Rivers.

Inadequate drainage, unplanned expansion into wetlands and river corridors, and fragile housing materials magnify exposure, particularly in informal settlements. Heavy rainfall during the rainy season causes rapid flow increases in the flat midstream areas of the rivers, leading to increasingly frequent flash floods and intensive soil erosion and siltation. Districts such as Nifas Silk-Lafto experience severe heat island effects as a result of rapid urbanization, with loss of vegetation and the expansion of hard surfaces.

10. Jimma, the largest city in south-western Ethiopia, historically characterized by a mild climate and abundant vegetation, is situated in a basin where run-off from the surrounding Jiren Mountain drains into the Awetu River and urban wetlands. With the changing climate, intense rainfall events in both wet and dry seasons are causing landslides and frequent overflow of the river and tributaries (including the Kitto and Dololo Rivers), flooding low-lying areas, markets and residential zones. Loss of open spaces in the town, combined with increasing temperatures, are intensifying the urban heat island effect and accelerating surface run-off. Rapid urbanization and deforestation for highland agriculture have caused severe soil erosion, leading to siltation that raises riverbeds and blocks drainage, further worsening flood damage. Waterlogging of fields damages crops and increases the risk of waterborne diseases.

11. **Adaptation impact.** The greatest impact is expected in the two target cities, with subsequent impacts anticipated in three additional cities, where KOICA co-finance will replicate nature-based solutions interventions, and potential impacts in cities nationwide as national and local government capacity in nature-based solutions is enhanced. Addis Ababa interventions include reforestation of the Jemo Mountain catchment, stabilization of riverbanks along the Jemo–Harbu corridor, wetland restoration, expansion of tree canopies and the development of public green spaces to mitigate heat and flood risks. Urban agriculture and climate-smart farming will improve food security, while drainage and waste management upgrades will reduce flood impacts. In Jimma, interventions will restore ecosystems in the Awetu River catchments through reforestation, agroforestry, wetland rehabilitation, river buffer zones and retention ponds. Cooperative-led climate-smart agriculture will improve livelihoods and strengthen resilience.

12. In both target cities, community engagement, with an emphasis on women and vulnerable groups, will help to promote sustainability, generating income from restored lands and getting community buy-in to help sustain functioning of the new grey–green infrastructure, ideally beyond the life of the project. This will happen in various ways, including opportunities for restoration work through State-funded public works programmes, engagement of neighbouring communities in management and monitoring of renewed spaces, and technical support to cooperatives and small businesses undertaking landscaping, nursery operations, agroforestry, processing of non-timber forest products and urban horticulture, supported through market assessments, the provision of basic equipment and targeted technical training.

13. The project will directly benefit approximately 300,000 people and indirectly reach 1,480,000 people – a total of 1,780,000 beneficiaries, at least half of whom will be female. Although not explained in the funding proposal, its annex 23, on beneficiary calculations, indicates that direct beneficiaries are defined as those residing or engaged in commercial activities within the high-risk flood-prone areas of the project's priority basins – the Akaki, Jemo and Jemo-Harbu Rivers in Addis Ababa, as well as the Awetu River in Jimma – who will receive immediate tangible safeguarding of their lives and assets through structural interventions to prevent flooding. The adaptation benefit is framed as including: protection against inundation and flood-related damage of residences and businesses; sustained mobility and economic activity through safeguarded infrastructure; and improved overall health and sanitation safety by reducing waterborne disease risks.

14. Indirect beneficiaries will include residents of woredas located in the lower catchment areas, downstream of the project's intervention sites, who will also benefit from the flood control and retention measures carried out in the upstream and midstream sections –

experiencing a substantial decrease in flood hazards and an increase in water availability in the dry season. In addition, residents of neighbouring woredas within the same sub-city (or Jimma) who are located outside the immediate inundation zones will gain advantages through avoided flood-related disruptions to roads, bridges, markets, schools and healthcare facilities. Indirect beneficiaries' risk of waterborne diseases will also be decreased.

15. **Monitoring flood reduction.** The iTAP queried why no mention is made in the project's logical framework (section E.3 of the funding proposal) or annex 11, the monitoring and evaluation plan, of monitoring flooding in the two target cities during the 5.5 years of project implementation, as well as the 30-year project lifespan. According to the logical framework, the project will measure "hectares of land restored or converted through NbS (tree planting, natural regeneration, riverbank restoration, green canopy, flood-resilient public space)". Measuring what is hoped will be "flood-resilient public space" is no substitute for measuring actual flooding after project interventions and comparing this with a counterfactual (e.g. previous flooding in the same place or concurrent flooding in other places) in order to be able to attribute reductions in flood extent and depth to the project's investment. It is also noted that the logical framework does not include indicators on the reduction of vulnerability or exposure to the other two key hazards, namely heat stress and soil erosion/landslides.

16. The AE clarified that the project's budget does, in fact, include dedicated monitoring activities to systematically track and document flood events across Addis Ababa and Jimma, particularly in the targeted woredas, throughout the 5.5-year implementation period. City- and area-level monitoring and evaluation systems will be set up, with city-specific flood mitigation targets. Monitoring will be based on existing administrative records, damage and loss reports, field inspections and community-based reporting mechanisms. This will build on the baseline topographical flood modelling conducted for the project by World Resources Institute – Ethiopia. This will be complemented, where feasible, by spatial data from geographic information systems and satellite imagery to better capture actual flood patterns. These data will be used to inform project management, results reporting, learning on nature-based solutions applications, and the implementation and assessment of Ethiopia's nationally determined contribution (NDC).[2]

17. **Impact of national capacity-building.** The first component of the project is intended to have an impact across Ethiopia through enhancing capacity in national and subnational institutions to integrate and scale up nature-based solutions for urban climate adaptation. It is hoped that the intersectoral coordination committee will meet regularly beyond the project period and produce useful guidance material for city administrations under regional governments. However, this may prove challenging given the numerous coordination initiatives in which ministries participate, and there is a risk that the structure becomes a space for discussion without action.

18. Ethiopia already has an interministerial structure in place for implementation of the third NDC (2025–2035) and the CRGE strategy, including the flagship Green Legacy initiative. The Ministry of Planning and Development is mandated to coordinate sectoral government organs to implement and manage the CRGE strategy within the national development planning framework. The third NDC revitalizes the coordination structure, chaired by the Ministry of Planning and Development and co-chaired by the Ministry of Finance. Integrating nature-based solutions for cities into such a powerful overarching structure would seem more promising as a strategy for gaining traction than the proposed project strategy of creating a new structure with the same ministries, and with a donor agency coordinating it in the initial period.

19. It is also unclear how project activity 1.1.3 is intended to reach local administrations in the other 89 cities in the absence of a budget for work in those cities. Activity 1.1.4, which

[2] Responses to written questions received by the iTAP from KOICA (3 February 2026).

supports the application of new nature-based solutions guidelines in the five target cities (Addis, Jimma and three other cities in which KOICA co-finance will expand the work) is likely to have a greater impact because it is clearly targeted and involves on-the-ground capacity-building and policy development to integrate nature-based solutions into statutory urban planning instruments and municipal administrative and management processes.

20. The iTAP assesses the impact potential of the project as medium to high.

1.3 Paradigm shift potential *Scale: N/A*

21. The proposed project aims to catalyse a systemic shift in urban planning, infrastructure development and asset management in Ethiopia, from a traditional approach that emphasizes hard engineering complemented by aesthetic enhancements without fully accounting for climate risks, to an approach that directly addresses climate hazards such as flooding, erosion and heat stress through nature-based solutions. Such nature-based solutions prioritize the restoration of soil–vegetation-–water interactions to restore ecological functioning and buffer climate impacts, and are sometimes combined with engineered measures in hybrid grey–green solutions. By embedding nature-based solutions planning, operation and scaling within municipal governance structures and existing municipal service delivery and budgetary systems, the project aims to contribute to a structural shift in how cities plan, manage and invest in urban resilience.

22. Nature-based solutions are increasingly promoted worldwide and involve significant innovations to manage the challenges of too much and too little water, using permeable surfaces, vegetated gabions and bio-engineered slope stabilization to maximize a city's capacity to absorb and retain water.[3] In the project, sections of river that have been straightened and channelled in concrete will be restored to a more natural state to optimize river flow and improve drainage. Sharp bends will be eased into gentle curves to remove bottlenecks, low- and high-flow channels will be created and outer banks will be stabilized with vegetation mats and rocks to prevent erosion. Riffles and retention ponds will be created along the river to capture and store excess water, enabling it to percolate into the groundwater for local water supply. Revegetation of upper catchments will slow down water flow and allow infiltration into the soil, lessening flood volumes and preventing erosion and river siltation.

23. Such innovations, guided by Ethiopian and international urban engineers and hydrologists, as well as the technical expertise of the World Resources Institute – Ethiopia, are expected to be effective in demonstrating how natural and grey–green solutions can reduce exposure and vulnerability to urban climate hazards, and, if widely taken up and sustainably financed, would represent a paradigm shift in Ethiopia.

24. **Likelihood of scaling.** The project has a strategy for developing and disseminating these tools across Ethiopia through activity 1.1.3, led by the Ministry of Urban Development and Infrastructure. This activity aims to introduce and apply an urban nature-based solutions framework, operational principles and implementation guidelines across urban planning and management processes in all municipalities nationwide. The deliverables for this activity are all desktop products, such as integration guidelines, a monitoring and evaluation framework, training modules, a capacity-building programme and communication materials, and it does not

[3] Sometimes referred to as the "sponge city" concept. The Scaling Urban Nature-based Solutions for Climate Adaptation in Sub-Saharan Africa project, funded by Global Affairs Canada and delivered by the International Institute for Sustainable Development and the World Resources Institute in Kigali, Rwanda, Johannesburg, South Africa, and Dire Dawa, Ethiopia, has promising interim results in reducing flooding through nature-based solutions.

appear that face-to-face work will be undertaken in the country's other 89 cities. Without on-the-ground capacity development, the uptake of the new approach may be limited.

25. The biggest challenge to upscaling is likely to be accessing financial resources to initiate new nature-based solutions projects and/or introduce nature-based solutions approaches in planned infrastructure projects. The generous KOICA co-finance that enables the nature-based solutions demonstrated in Addis Ababa and Jimma to be extended to three further vulnerable cities by the end of the project is welcomed. This does not, however, constitute a sustainable financing strategy, since it represents a once-off injection of funds rather than a renewable revenue source. In discussion with the iTAP, it was indicated that KOICA "initially considered creating a sustainable financing mechanism to nationally scale by providing a seed funding to a funding facility. However, such a mechanism has been considered beyond our accreditation scope".[4]

26. Although it was not possible for KOICA to channel support through this mechanism for the proposed project, the existence of the Green Legacy and Landscape Restoration Special Fund,[5] launched by the Government of Ethiopia in May 2025 following legislative approval by the House of Peoples' Representatives, is a highly significant development. Until then, the Green Legacy initiative, known for its mass-scale tree-planting campaigns since 2019, relied on regular federal and regional support without a dedicated budget. Legislation now mandates the allocation of 0.5–1 per cent of the annual federal budget (approximately USD 40–80 million per year) to the Green Legacy and Landscape Restoration Special Fund. The Government aims to leverage these resources to attract investment in restoration beyond federal contributions, including from regional governments, development partners, civil society organizations and private sector actors.

27. Although initial plans for the GCF project to support the establishment of a window for urban nature-based solutions within the Green Legacy and Landscape Restoration Special Fund did not materialize,[6] the AE remains committed to working with the Ministry of Finance to ensure that this issue is highlighted. As mentioned above, integrating urban nature-based solutions priorities into the existing CRGE Facility coordination mechanism could be an alternative way to achieve this, rather than setting up a separate, potentially siloed, intersectoral coordination committee for urban nature-based solutions, although this latter approach remains the strategy for now.

28. **Sustaining gains in the target cities.** The project's design includes two main approaches to sustain the gains of project-funded interventions in Addis Ababa and Jimma: institutional capacity development with local government, and community engagement incentivized through income generation. This section of the assessment examines each of these and highlights a need for stronger formal operations and maintenance planning and budgeting to sustain the gains after the end of the project.

29. The project has a clear aim that urban nature-based solutions implementation and long-term asset management in Addis Ababa and Jimma and the three future co-financed cities will be institutionalized within their city administrations through dedicated organizational arrangements. Activity 1.1.4 provides support for the development of city-specific urban nature-based solutions frameworks and plans in the five cities, with technical and operational support for officials to align local development plans, zoning regulations and future public infrastructure

[4] Responses to written questions received by the iTAP from KOICA (3 February 2026).

[5] See https://www.wri.org/insights/ethiopia-invests-big-restoring-degraded-land.

[6] It is noted that in terms of the new GCF accreditation framework adopted by decision B.42/13, effective from 31 October 2025, there is more flexibility than in the past, such that an AE may submit a proposal for activities beyond their original accreditation scope, which will be reviewed and assessed against the applicable standards/requirements – see https://www.greenclimate.fund/sites/default/files/document/accreditation-framework-gcf-b42.pdf.

projects with nature-based solutions principles. This support is welcomed and provides a framework within which municipal officials and engineers inspired by the project's interventions can apply these approaches in new contexts. Municipalities will take ownership of new assets and will be responsible for their maintenance, although no formal commitments have been made in this regard.

30. Incentives for ongoing community engagement are less convincing, beyond the temporary paid work opportunities that will be created for restoration and maintenance work for two years, using existing public labour mechanisms, and the active support to community groups during the project. Activities 2.1.4 and 2.2.4 will train, equip and motivate groups to participate in natural resource management and waste management. Once project support is removed, the funding proposal suggests that communities benefitting from income-generating opportunities will be incentivized to continue with monitoring and maintenance work. This assumption may not hold, however, as the groups involved in the two sets of activities are likely to differ. Also, although the community members who gain access to opportunities for agroforestry, urban farming, or processing enterprises should, over time, increase their income, they will not necessarily choose to invest the proceeds and their own time in maintaining areas beyond their immediate sphere of operation.

31. It does not appear realistic or fair to rely on the community over the long-term for unpaid work in ongoing maintenance activities, such as clearing parks of litter, unblocking drains or enforcing by-laws to prevent illegal logging or settlements on riverbanks. In the long-term, such maintenance and enforcement roles, responsibilities and costs should be fully embedded into municipalities. In response to a query from the iTAP about the project's exit strategy in this regard, the AE stated that '[t]he NbS assets implemented in Addis Ababa and Jimma will be formally handed over to the respective city governments and will be sustained beyond the project period through existing municipal management systems. All project sites will be incorporated into the City Structure Plans, ensuring their legal recognition and long-term protection, aiming to prevent post-project degradation, encroachment, or incompatible land use". This is to be welcomed, but clear operations and maintenance plans and budgets, and signed agreements with municipalities, should be deliverables of the project.

32. Based on the above, the paradigm shift potential of the project is assessed to be medium.

1.4 Sustainable development potential *Scale: N/A*

33. The proposed project has a number of anticipated co-benefits beyond the core adaptation results of protecting urban communities from flash floods, soil erosion and heat stress hazards These include economic, social, gender and environmental co-benefits as outlined below.

34. **Economic co-benefits.** The economic analysis conducted for the project identifies a number of areas of economic benefit from nature-based solutions interventions. These include the amenity, recreational and health/well-being benefits associated with improved green open spaces, improved watershed services, such as flood attenuation (avoiding economic disruption and mop-up costs), and improved water flows and quality. Also important for the local economy is the additional income that will be generated from urban agriculture and agroforestry, with business opportunities created for cooperatives and micro-, small and medium-sized enterprises (MSMEs) in agri-processing, nursery management and landscaping services. Activities 2.1.2 and 2.2.2 will create temporary work opportunities for previously unemployed urban residents, utilizing existing government public labour and green job creation mechanisms to engage communities and MSMEs in the maintenance of restored urban green spaces and river corridors in the two target cities, including solid waste management and drainage clearing.

35. **Gender and social inclusion co-benefits.** The project's design for nature-based solutions in Addis Ababa and Jimma incorporate gender and disability considerations, actively involving women and people with disabilities in decision-making processes. This includes designing for the specific needs of mothers, children, the elderly and the infirm in public green spaces and river corridors. The selection of participating cooperatives and MSMEs will incorporate vulnerable groups, such as youth, women and people with disabilities, as weighted evaluation criteria. Cooperatives will be supported to be registered and develop their business skills, reinforcing ownership and cohesion. The target that 50 per cent of participating community members are women and 50 per cent of the groups supported by the project are either women's groups or women-led enterprises/cooperatives will be complemented by capacity-building activities to support effective participation, formal registration and the operational sustainability of these groups, in coordination with the Ministry of Women and Social Affairs.

36. The iTAP enquired about how the 18 hectares of new land for agroforestry in Jimma and 15 hectares of new land for urban farming in Addis Ababa will be allocated in a manner that is transparent and perceived to be fair, taking into consideration the risks identified by the AE of "urban zones with historical grievances, ethnic tensions, and contested land use, particularly along riverbanks and peri-urban corridors" (para. 177 of the funding proposal). The AE indicated that the selection of participating groups will take into account land-use conflicts and social sensitivities. "Transparency and fairness will be ensured through a three-step process: (i) formation of a candidate pool based on official registries and field surveys; (ii) evaluation according to pre-disclosed selection criteria; and (iii) multi-stakeholder verification and a grievance redress mechanism".[7] These practical mechanisms are welcomed by the iTAP.

37. **Environmental co-benefits.** In addition to the core adaptation results, the project will promote improved land-use and natural resource management practices, with benefits in terms of improved air quality, topsoil retention, temperature regulation, biodiversity conservation and pollination. It is unclear to what extent indigenous species will be utilized in riverbank and wetland restoration, since this is mentioned in some parts of the funding proposal (e.g. summary of the Environmental and Social Management Framework) but not in the outline of activities. The current proposal does not envisage the planting or replanting of large banks of indigenous reeds, sedges or papyrus that can act as a sponge for flood water, although provision is made for vegetation surveys and the AE has stated that "[t]he Awetu River project area in Jimma is adjacent to the confluence where it meets the Kitto, Hursa, Dololo, and Boye rivers to form the Boye Wetland … and we can include creating a sponge effect using naturally occurring planting around the confluence".[8]

38. The iTAP assesses the sustainable development potential of the project to be medium to high.

1.5 Needs of the recipient *Scale: N/A*

39. Ethiopia faces significant exposure to a variety of climate change-related hazards, such as recurring droughts, floods, landslides and wildfires. Despite experiencing considerable economic growth in recent years, Ethiopia remains a low-income country with a heavy dependence on agriculture, a sector highly vulnerable to climate fluctuations. The country is ranked 181 out of 191 countries on the Human Development Index (2023).[9] In the Notre Dame Global Adaptation Initiative index, Ethiopia's[10] high vulnerability score (37th) and low readiness

[7] Responses to written questions received by the iTAP from KOICA (3 February 2026).
[8] Responses to written questions received by the iTAP from KOICA (3 February 2026).
[9] See https://hdr.undp.org/data-center/documentation-and-downloads.
[10] See https://gain-new.crc.nd.edu/matrix.

score (156th) place it in the upper-left quadrant of the Notre Dame Global Adaptation Initiative index matrix, indicating that it has a great need for investment and innovations to improve readiness and a great urgency for action.

40. The funding proposal notes in section D.3, needs of the recipient, that these risks disproportionately affect vulnerable groups, including rural populations, whose livelihoods rely heavily on agriculture and who are frequently exposed to climate shocks, resulting in increased food insecurity, displacement and rising poverty levels. This does not serve as an argument for the importance of the proposed project, however, since it focuses on vulnerable urban communities. Nonetheless, the proposal highlights elsewhere that rapid urbanization has led to large informal settlements in most of Ethiopia's cities and that poor urban communities are also highly vulnerable to climate hazards.

41. Ethiopia's national adaptation plan (2019) calls for an investment of USD 6 billion annually over a 15-year period (2016–2030) in order to meet urgent rural and urban adaptation needs. In contrast, the CRGE Facility, Ethiopia's main vehicle for climate finance, has mobilized approximately USD 126 million from international public sources (or USD 206 million if REDD+ funds are included) across all areas covered by the CRGE Facility, highlighting a significant financial shortfall. As shown in the funding proposal, local communities and urban authorities in Ethiopian cities often lack the capacity and resources necessary for building climate resilience. Nationwide, Ethiopia faces a considerable skills gap in areas essential for successful nature-based solutions deployment, including advanced technologies, data analytics and climate-responsive design.

42. Although Ethiopia has maintained a high public investment rate, supporting rapid economic growth, this has focused on grey infrastructure, such as roads and energy, with some spending on rural ecosystem restoration, and has not applied nature-based solutions to climate challenges in urban areas. High public investment has led to significant public debt, with recent structural reforms aimed at liberalizing the economy. Ethiopia remains classified as low-income by the World Bank Group, with a gross domestic product per capita of just over USD 700. Concessional climate finance plays a critical role in addressing climate change-related risks to infrastructure, lives and livelihoods, including in rapidly growing urban areas across the country.

43. Overall, based on the above, the needs of the recipients are rated as high.

1.6 Country ownership *Scale: N/A*

44. The urban nature-based solutions framework to be promoted through the proposed project responds to a clearly expressed demand from Government of Ethiopia counterparts, including the Ministry of Urban Development and Infrastructure, the Ministry of Finance and municipal technical experts. During KOICA field missions and multiple consultations, national- and city-level stakeholders validated the need for such guidance and explored its potential application at the urban level. Although the Government of Ethiopia is not providing co-finance for the project, the Ministry of Finance and Ministry of Urban Development and Infrastructure have signed commitment letters as EEs, the Jimma administration (the Oromia regional government) is an implementing partner and the Ministry of Planning and Development co-chairs the national-level intersectoral coordinating committee with KOICA (see paras 51 and 51 below for more detail on the roles of the various federal ministries).

45. **Policy and strategy alignment.** The proposed project's approach to building urban resilience to climate change in Ethiopia is consistent with major national climate strategies,

including the CRGE strategy, which aims to achieve middle-income status[11] along with a climate-resilient green economy. The project addresses two of the four pillars of the strategy: increasing food security and farmer income through improved practices for crop and livestock production while reducing emissions; and forest protection and re-establishment for economic and ecosystem services. The project will help to fulfil the national adaptation plan of Ethiopia, which highlights nature-based adaptation measures, such as watershed protection, ecosystem restoration, biodiversity conservation, sustainable forest management and urban climate resilience.

46. The project is also well aligned with Ethiopia's newly submitted third NDC (2025–2035), which prioritizes nature-based measures and green infrastructure as core elements of the national adaptation pathway, including climate-smart agriculture, forest development and urban green corridors. The third NDC sets quantified targets, such as increasing the watershed area protected or rehabilitated from 3.5 million hectares to 5 million hectares and expanding natural forest under sustainable forest management from 3.8 million hectares to 7.2 million hectares over the decade. For urban systems, the third NDC calls for integrating climate adaptation into city planning through corridor and riverside development and the expansion of green spaces and climate-resilient infrastructure. Water-related adaptation priorities include catchment rehabilitation, expansion of climate-smart irrigation and the strengthening of flood control infrastructure.

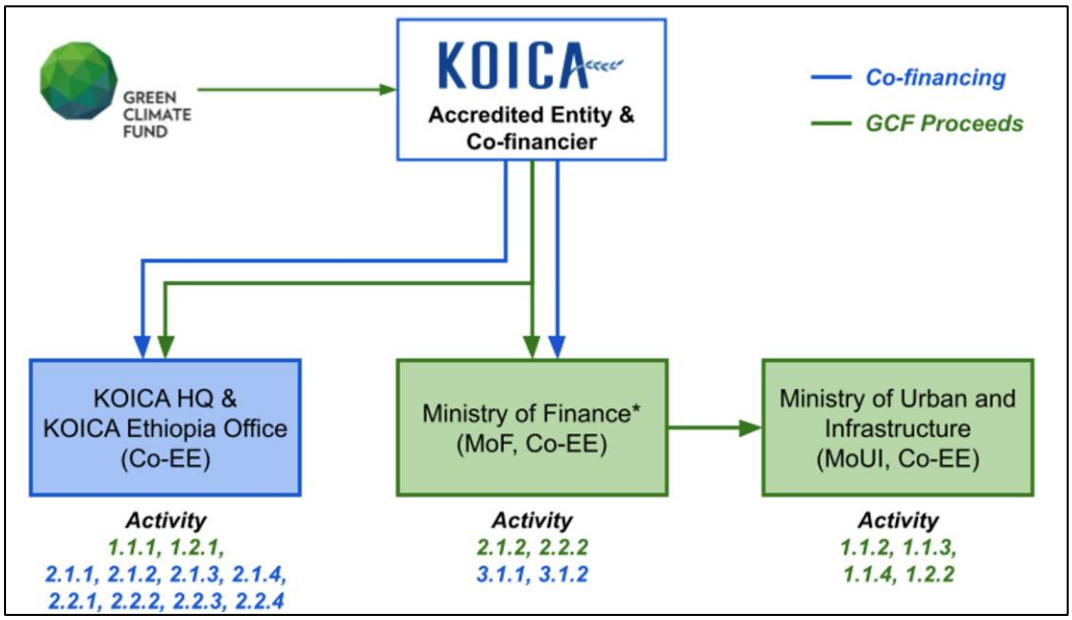
47. **Stakeholder engagement.** The project has been developed through extensive consultation by KOICA with the Ministry of Planning and Development, Ministry of Urban Development and Infrastructure, city administrations of Addis Ababa and Jimma, and Ministry of Finance. Consultations started in 2022 and continued in January, August and December 2025. The proposed project interventions are a result of those consultations and will continue through a participatory design process outlined in the stakeholder engagement plan (annex 7 to the funding proposal). The project's design also includes consistent community participation, particularly in the initial phase of implementation, to clearly identify each nature-based solution intervention to be included in the target sites.

48. **Capacity of key entities.** The AE for the proposed project is KOICA, accredited with GCF since 2021. As a government-funded agency under the Ministry of Foreign Affairs of the Republic of Korea, KOICA implements grant-based official development assistance globally, aiming to promote international cooperation between the Government of the Republic of Korea and developing countries.[12] Ethiopia and the Republic of Korea have a strong bilateral relationship, with Ethiopia in the top 10 of the Republic of Korea's official development assistance recipients. KOICA has a track record of bilateral and multilateral cooperation since 1991 in education, health, governance, agriculture and rural development, water, energy, transport, urban development, climate change, gender equity and human rights.

[11] The CRGE strategy's objective of achieving middle-income status by 2025 has not been achieved, owing to a number of constraints, including the economic setbacks of the COVID-19 pandemic.

[12] KOICA is accredited with GCF as a national direct access entity, but refers to itself as an international AE in the funding proposal (see para. 76 of the funding proposal).

Figure 1: Flow of funds (figure 7 from the funding proposal)



49. If approved, this will be the first GCF project with KOICA as the AE. As the AE, KOICA will hold legal and fiduciary responsibility for the administration of the project's proceeds, including high-level oversight, supervision and performance monitoring of all project components, ensuring strict compliance with GCF standards, reporting requirements and climate impact targets. KOICA, through both its headquarters (HQ) and Ethiopia office, will also function as an EE for 10 of the 18 project activities. In this capacity, KOICA will manage its designated budget and oversee international procurement and technical quality assurance with due diligence.

50. In response to a question from the iTAP about whether "an internal task assignment" (para. 75 of funding proposal) will be sufficient to maintain a firewall between the role of AE (critically overseeing and evaluating the project's progress) and the role of EE (carrying out the project day-to-day), the AE clarified that "the HQ retains the sector leadership, supervision and quality control authority over projects, which are executed and implemented through KOICA staff posted in country-offices. Country offices retain the primary function of government liaison and project implementation, as well as monitoring and reporting to KOICA HQ".[13]

51. As Ethiopia's central authority for external assistance and fiscal policy, the Ministry of Finance will serve as a primary EE, with responsibility for executing four of the 18 activities, including the large-budget nature-based solutions demonstration projects in Addis Ababa and Jimma and the three co-financed cities. The Ministry of Finance is also accredited to GCF as a direct access entity and has two projects under implementation for which it plays the AE role (FP058, FP243). The Ministry of Finance will oversee the flow of funds to all implementing institutions, including the third EE, the Ministry of Urban Development and Infrastructure. The Ministry of Finance will coordinate directly with the Addis Ababa city administration and the Oromia regional government for Jimma. It will provide the oversight necessary to execute on-the-ground investments, ensuring that site-specific workplans, infrastructure standards and technical nature-based solutions practices are implemented in accordance with the approved project timeline and budget.

52. The Ministry of Urban Development and Infrastructure will serve as a co-EE and will execute four activities with funds transferred from the Ministry of Finance. This role is based on the ministry's federal mandate and leverages the technical leadership necessary to transition

[13] Responses to written questions received by the iTAP from KOICA (3 February 2026).

urban nature-based solutions from the pilot phase to a national standard. The Ministry of Urban Development and Infrastructure's primary responsibility is to lead the development of the national urban nature-based solutions framework, guidelines and regulatory instruments, mainstreaming nature-based solutions within municipal systems, and will host and operate the urban nature-based solution knowledge management framework, synchronizing it with the Ministry of Planning and Development's national data platforms to monitor NDC compliance. The Ministry of Planning and Development will co-chair the national platform with KOICA and act as the main coordinating body to facilitate high-level inter-ministerial cooperation and policy alignment across the entire government. The Addis Ababa and Jimma administrations (the latter with the Oromia regional government) will serve as implementing partners for the project, with clearly delineated responsibilities for city-level physical implementation, site management, environmental impact permitting, and operations and maintenance, all carried out through their existing administrative systems.

53. **Co-chairing of national platform.** In response to a query from the iTAP about why the national-level intersectoral coordination committee for urban nature-based solutions is to be chaired by KOICA in its capacity as the GCF AE, with the Ministry of Planning and Development as co-chair, despite the platform being intended to operate beyond the scope of the GCF project, the AE explained that "[t]he decision for KOICA, as the GCF AE, to chair this mechanism is intended as a transitional arrangement during the project implementation period, aimed at ensuring accountability and effective inter-sectoral coordination. Over the course of implementation, the leadership role of the Ethiopian government – specifically that of the Ministry of Planning and Development as co-chair – is expected to be progressively strengthened. In the longer term, the mechanism is designed to be institutionalized as a government-led platform, supporting sustained coordination and the scaling-up of urban NbS policies and programmes under Ethiopian leadership".[14]

54. Country ownership of the project is thus seen to be medium to high.

1.7 Efficiency and effectiveness *Scale: N/A*

55. The proposed project will cost USD 47 million in total, of which USD 25 million is GCF finance and USD 22 million is co-finance from KOICA. Although the funding proposal package received by the iTAP did not include a formal co-financing letter from the AE, it was noted that the Director of KOICA signed a letter on 19 January 2026 reaffirming the agency's strong commitment to the USD 22 million of co-finance highlighted in the funding proposal, as well as the anticipated completion of internal approvals and signing of the GCF co-finance letter by 16 March 2026. There is no co-finance from the Government of Ethiopia, although in-kind contributions will no doubt be made in practice by the Ministry of Planning and Development, Ministry of Urban Development and Infrastructure, Ministry of Finance and city administrations of Addis Ababa and Jimma.

56. The GCF cost per direct beneficiary is USD 83 per capita, and the GCF cost per all beneficiaries, including indirect beneficiaries, is a modest USD 14 per capita. As shown in the economic and financial analysis (annex 3 to the funding proposal), the AE conducted a cost–benefit analysis focused on outcome 2, since site-based nature-based solutions interventions in Addis Ababa and Jimma, with upstream forest restoration and midstream river and wetland rehabilitation, represent the primary source of quantifiable economic benefits. Three key benefit categories are quantified: watershed services benefits (flood attenuation, water flow regulation and improved water quality); amenity, recreational and health benefits of enhanced

[14] Responses to written questions received by the iTAP from KOICA (3 February 2026).

urban green spaces (using property values); and provisioning ecosystem services (income generation, food security, and employment from urban agriculture and agroforestry).

57. To ensure a conservative assessment, the cost–benefit analysis includes costs for all three project outcomes but quantifies benefits primarily for outcome 2 and the catalytic effects of outcome 3. Applying a social discount rate of 6 per cent and using a 30-year time horizon, under the base case, the project yields an economic internal rate of return of 17.37 per cent, with a net present value of USD 94 million and a benefit–cost ratio of 2.7:1, demonstrating that the investment is highly efficient and provides significant value for money, from an economic perspective. The project is designed for cost-effectiveness by leveraging natural infrastructure to provide multiple co-benefits. Sensitivity analysis confirms the project's robustness; even under a combined worst-case scenario (9 per cent discount rate, 30 per cent cost increase and 30 per cent benefit decrease), the project remains viable, with a net present value of USD 5.4 million and a benefit–cost ratio of 1.09:1.

58. The project's overall efficiency and effectiveness is rated as medium to high.

II. Overall remarks from the independent Technical Advisory Panel

59. The iTAP believes that the project Building Urban Climate Resilience through Nature-based Solutions in Ethiopia can make a significant contribution to reducing the exposure and vulnerability of communities in Addis Ababa, Jimma and other cities to flood, heat stress and erosion hazards, which are being intensified by climate change, and can help to put urban nature-based solutions firmly on the agenda of national and local government in Ethiopia.

60. The iTAP recommends that the Board approve this funding proposal.

Response from the accredited entity to the independent Technical Advisory Panel's assessment (FP289)

Proposal name:	Building Urban Climate Resilience through Nature-based Solutions in Ethiopia
Accredited entity:	Korea International Cooperation Agency (KOICA)
Country/(ies):	Ethiopia
Project/programme size:	Small

Impact potential
Thank you for the positive assessment. The AE acknowledges the iTAP's assessment as Medium to High and takes note of the iTAP's recommendations regarding capacity building and national coordination. We will work to align the project with Ethiopia's existing mechanisms to maximize nationwide impact. We also appreciate the recommendations regarding monitoring and evaluation and confirm that we will strengthen the logical framework and M&E system to better capture measurable changes in flood impacts in targeted woredas. A practical roll-out strategy for nationwide implementation will be formulated during the project period to support scaling beyond the project period.
Paradigm shift potential
The AE appreciates and acknowledges the iTAP's assessment as Medium. KOICA reaffirms its commitment to building robust measures for long-term sustainability to fully realize a paradigm shift. In regard to the financial scale-up, KOICA will work closely with the Ministry of Finance to highlight urban NbS within the Government of Ethiopia's climate finance mechanisms. We will also reflect the Panel's recommendations regarding the long-term sustainability of the interventions. We will further enhance operations and maintenance (O&M) plans, budgets, and agreements with the city governments during implementation, before the assets are formally handed over.
Sustainable development potential
Thank you for the positive assessment. The AE acknowledges the iTAP's recommendations regarding the use of indigenous species. These ecological considerations will be integrated into the detailed design phase for interventions in Jimma.
Needs of the recipient
Thank you for the positive assessment. The AE welcomes the high rating, which underscores the urgent need for investment and innovation for Ethiopia.
Country ownership
The AE appreciates and acknowledges the iTAP's assessment as Medium to High. KOICA remains committed to ensuring accountability during implementation while progressively

transitioning its leadership of the national platform to the Government of Ethiopia for sustained coordination and scaling-up of urban NbS.
Efficiency and effectiveness
The AE appreciates and acknowledges the iTAP's assessment as Medium to High. KOICA reaffirms its strong commitment to the USD 22 million co-financing.
Overall remarks from the independent Technical Advisory Panel: The AE highly appreciates the iTAP's thorough review, positive overall assessment, and recommendation for Board approval. KOICA will ensure that the panel's valuable recommendations will be integrated into the implementation process.

ANNEX 8: Gender assessment and action plan

Building Urban Climate Resilience through Nature-based Solutions in Ethiopia

11 January 2026

Confidentiality Note

This report contains anonymized stakeholder insights gathered during consultations with federal institutions, Addis Ababa City Administration, and Jimma City Administration. In accordance with the preferences expressed by respondents during interviews and consultations, individual names and identifying details have been intentionally excluded. This document is intended solely for internal use by project partners and funders involved in the "Building Urban Climate Resilience through Nature-Based Solutions in Ethiopia" Project.

DISCLAIMER

The findings and recommendations presented in this report are based on stakeholder consultations and desk reviews conducted during the pre-feasibility and scoping phases. While every effort has been made to ensure accuracy and inclusivity, stakeholder perspectives may evolve over time, and some data limitations may exist due to the dynamic nature of urban governance, institutional arrangements, and socio-political contexts. Readers are encouraged to interpret the insights within this context and consult updated sources where necessary.

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ACRONYMS

AAU	Addis Ababa University
AAWSA	Addis Ababa Water and Sewerage Authority
CBO	Community Based Organization
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CRGE	Climate-Resilient Green Economy (Ethiopia's national strategy)
DRM	Disaster Risk Management
DRMC	Disaster Risk Management Commission
ECCSA	Ethiopian Chamber of Commerce and Sectoral Associations
ECWC	Ethiopian Construction Works Corporation
EDRMC	Ethiopian Disaster Risk Management Commission
EEP	Ethiopian Electric Power
EMI	Ethiopian Meteorological Institute
EPA	Environment Protection Authority
ESS	Environmental and Social Safeguards (GCF)
FGD	Focus Group Discussion
FHH	Female Headed Household
GAAP	Gender Assessment and Action Plan
GAP	Gender Action Plan
GBV	Gender Based Violence
GCF	Green Climate Fund
GGGI	Global Green Growth Institute
GII	Geospatial Information Institute
GRM	Grievance Redress Mechanism
IISD	International Institute for Sustainable Development
KIIs	Key Informant Interviews
KOICA	Korea International Cooperation Agency
LT-LEDS	Long-Term Low Emission Development Strategy
M&E	Monitoring and Evaluation
MEFCC	Ministry of Environment, Forest and Climate Change
MoA	Ministry of Agriculture
MoF	Ministry of Finance
MoPD	Ministry of Planning and Development
MoUI	Ministry of Urban and Infrastructure
MoWE	Ministry of Water and Energy
MoWSA	Ministry of Women and Social Affairs
MHEWS	Multi-Hazard Early Warning Systems (EW4ALL reference)
NbS	Nature-based Solutions
NDC	Nationally Determined Contribution
PMU	Project Management Unit
PWD	Persons with Disabilities
SDGs	Sustainable Development Goals
SEP	Stakeholder Engagement Plan
SES	Social and Environmental Standards (UNDP)
UNDP	United Nations Development Programme
WRI	World Resources Institute

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EXECUTIVE SUMMARY

This Gender Assessment and Action Plan (GAAP) document provides the strategic framework for ensuring that the KOICA-GCF project, **"Building Urban Climate Resilience through Nature-Based Solutions in Ethiopia,"** delivers transformative, equitable, and sustainable outcomes for all citizens. The development of this GAAP was guided by a rigorous, mixed-methodology approach to ensure its findings and recommendations are both evidence-based and contextually grounded. This involved a comprehensive **desk review** of national policies and strategic documents, paired with **primary data collection** through Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) with federal ministries, city administrations, community-based organizations, and diverse groups including women and youth in Addis Ababa and Jimma. This multi-pronged methodology enabled a thorough analysis of the intersection between gender dynamics, social exclusion, and urban climate vulnerability.

The assessment confirms that climate vulnerability in Ethiopia's rapidly urbanizing landscapes is not gender-neutral. Women, youth, persons with disabilities, and residents of informal settlements face compounded vulnerabilities due to structural inequalities, including insecure land tenure, limited access to finance and decision-making, and a disproportionate burden of unpaid care work, which are all exacerbated by climate shocks like flooding and heat stress. The assessment identifies critical institutional and social barriers, such as under-resourced gender units and a gap between progressive national policies and their localized implementation.

In response, this GAAP moves beyond a compliance exercise to outline a **gender-responsive pathway** integrated directly into the project's core structure. It embeds targeted actions across the project's three outcomes to proactively address these disparities:

- **Outcome 1 (Improved Enabling Environment):** Strategies include mandating a minimum of 40% women's representation in NbS governance bodies, integrating gender analysis into the National NbS Framework, and building a knowledge platform on sex-disaggregated data to ensure policies are informed by the distinct needs of women and men.

- **Outcome 2 (Climate-Resilient Infrastructure):** Interventions are designed to ensure equitable benefit-sharing by prioritizing secure land access for women-led cooperatives, guaranteeing significant female employment in NbS works, and embedding gender-sensitive design—such as safety and accessibility features—into green infrastructure like river buffers and urban parks.

- **Outcome 3 (Scaling up NbS projects):** Following implementation in Addis Ababa and Jimma, the project will enhance its gender-responsive approach during scale-up to other climate-vulnerable cities, drawing on lessons learned and focusing on gender outcomes from these two pilot locations.

Cross-cutting this framework are robust accountability mechanisms, including a gender-responsive Monitoring and Evaluation system with disaggregated indicators aligned with GCF standards and the SDGs. By empowering women and marginalized groups as active agents of change—not just beneficiaries—this plan ensures that the project's investments in Nature-based Solutions will not only build ecological resilience but also foster more inclusive, equitable, and resilient urban communities in Ethiopia, directly contributing to national and global climate and gender equality commitments.

1 INTRODUCTION

The Green Climate Fund (GCF) mandates that achieving effective, sustainable, and equitable climate action is intrinsically linked to the advancement of gender equality and social inclusion. In strict compliance with the GCF's Gender Policy and Environmental and Social Standards, this Gender Assessment and Action Plan (GAAP) has been developed for the project, **"Building Urban Climate Resilience through Nature-based Solutions in Ethiopia."** This document fulfils a core requirement by providing a comprehensive, evidence-based framework to ensure that the project's design, implementation, and benefits actively address and transform existing inequalities.

The foundation of this GAAP is the critical understanding that climate change impacts are not uniform; they intersect with and are amplified by pre-existing social structures, economic disparities, and cultural norms. The distinct roles, responsibilities, and access to resources of women, men, youth, and other marginalized groups result in differentiated vulnerabilities and adaptive capacities. A failure to systematically address these differences risks reinforcing systemic inequalities and fundamentally undermining the project's efficacy, sustainability, and developmental impact.

To accurately diagnose these contextual realities, the assessment employed a **rigorous mixed-methodology approach**. This included a comprehensive **desk review** of national gender, climate, and urban development policies, supplemented by **primary qualitative data collection** through Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) with a diverse range of stakeholders in Addis Ababa and Jimma. This methodology ensures that the subsequent analysis and action plan are grounded in both policy directives and the lived experiences of the communities the project aims to serve.

This GAAP is therefore structured to first present the findings of this diagnostic analysis, delineating the specific gender and social barriers and opportunities within the project context. It then prescribes a set of integrated, results-based interventions directly linked to the project's logical framework. The ultimate purpose is to provide a clear, actionable strategy for mainstreaming gender and inclusion throughout the project cycle, ensuring that benefits are equitably distributed, the agency of marginalized groups is strengthened, and the project meaningfully contributes to Ethiopia's broader national goals for gender equality and climate-resilient development. The subsequent sections detail the methodology, baseline findings, and the strategic action plan derived from this analysis.

2 PROJECT DESCRIPTION

2.1 Project Overview

The "Building Urban Climate Resilience through Nature-based Solutions in Ethiopia" project is a strategic initiative designed to address the escalating climate risks faced by Ethiopian cities, with a specific focus on Addis Ababa and Jimma. Ethiopia ranks among the world's most climate-vulnerable countries, characterized by rising temperatures, erratic rainfall, and an increased frequency and intensity of natural disasters including droughts, floods, and landslides. These hazards pose a direct threat to national stability, food security, and the livelihoods of a population that is over 80% dependent on rain-fed agriculture. Urban centers, experiencing rapid and often unplanned growth, are particularly at risk due to inadequate infrastructure, expansion into ecologically sensitive areas like floodplains, and intensifying urban heat island effects.

The Project proposes a transformative approach by leveraging Nature-based Solutions (NbS) to build systemic resilience across multiple levels. It is structured around three complementary outcomes:

1. Strengthened Institutional and Governance Framework for Urban NbS: At the national level, the Project will establish a multi-sectoral Urban NbS Steering Committee and develop a comprehensive national urban NbS policy and regulatory framework. This is aimed at embedding climate adaptation and NbS principles into Ethiopia's core urban development and climate strategies, such as the Climate Resilient Green Economy (CRGE) and the Nationally Determined Contributions (NDCs). This component includes significant capacity-building for government staff and the creation of a centralized knowledge platform to support evidence-based planning.

2. Demonstration of Targeted NbS Interventions in Addis Ababa and Jimma: The Project will implement tangible, community-led NbS interventions in the two cities to mitigate key climate risks. In Addis Ababa, activities include the restoration of degraded forests on Jemo Mountain, stabilization of riverbanks along the Jemo-Harbu River, and the creation of green corridors and urban agriculture zones to combat heat stress and flooding. In Jimma, the focus is on rehabilitating the Awetu River catchment through forest restoration, agroforestry, wetland reclamation, and the establishment of river buffer zones. A cornerstone of this component is the facilitation of inclusive cooperatives, ensuring the active participation of women and marginalized groups in the implementation and long-term management of these NbS assets.

3. Scale and implement NbS projects in additional climate-vulnerable cities: To ensure the long-term sustainability and scalability of NbS interventions beyond the project's lifetime, dedicated resources will be allocated to apply the innovations and lessons learned from the first two outcomes, enabling the expansion of NbS initiatives to additional cities and supporting nationwide adoption.

The following table (**Table 1**) summarizes the project components and their inherent linkages to gender and social inclusion considerations:

Table 1: Project Components and Initial Gender Linkages

Project Component	Description	Initial Gender & Social Inclusion Linkage
Outcome 1: Institutional Capacity & Governance	Establishment of national steering committee, policy framework, and knowledge platform.	Opportunities to ensure women's representation in governance, integrate gender criteria into national policies, and build gender-responsive capacity within institutions.
Outcome 2: NbS Interventions in Addis Ababa & Jimma	On-ground ecosystem restoration, riverbank stabilization, urban greening, and agroforestry.	Directly impacts gendered use of land and resources; offers avenues for equitable employment, skills training, and cooperative leadership for women and youth.
Outcome 3: Scale up NbS in additional locations	Creation of a performance-based financing mechanism managed by the CRGE Facility.	Lessons learned from the first two outcomes applied to strengthen the integration of gender-responsive initiatives during the scale-up of NbS in additional locations.

3 PURPOSE OF THE GENDER ASSESSMENT AND ACTION PLAN

The purpose of this Gender Assessment and Action Plan (GAAP) is to serve as the project's definitive strategic and operational framework for achieving **transformative gender equality and social inclusion outcomes**. It transcends a mere tick-box compliance exercise to function as an integral roadmap, guiding the project in systematically identifying and addressing the distinct needs, capacities, and constraints of different social groups—particularly women, female-headed households, youth, and persons with disabilities. The GAAP is fundamentally rooted in the principle that the **effectiveness, efficiency, and long-term sustainability of climate action are contingent upon its inclusivity.**

To operationalize this principle, the GAAP is structured around three core strategic objectives, each supported by the robust methodology of the assessment:

1. **To Mitigate Risks and Prevent Harm:** The GAAP utilizes the evidence gathered from desk reviews and stakeholder consultations to identify specific areas where project activities might inadvertently reinforce traditional gender roles or exclude marginalized voices. This proactive diagnosis enables the design of pre-emptive measures to ensure the project 'does no harm' and avoids exacerbating existing inequalities.

2. **To Unlock Opportunities for Proactive Empowerment:** Moving beyond mitigation, the GAAP outlines a clear strategy for the project to actively challenge discriminatory norms and power dynamics. It details how to redistribute resources, opportunities, and decision-making power more equitably to women and underrepresented groups across the entire NbS value chain—from national policy-making to the management of local cooperatives.

3. **To Establish a Robust System for Accountability and Learning:** By integrating gender-responsive and sex-disaggregated indicators into the project's core results framework, the GAAP creates a clear and measurable basis for accountability. It ensures that the commitment to inclusion is translated from policy into tangible practice, enabling continuous tracking of progress, measurement of differential impacts, and adaptive management throughout the project lifecycle.

Ultimately, this GAAP ensures that the project adopts a **results-based management approach** to gender and inclusion, where every activity is designed with intentionality and every outcome is measured with precision. It is the key mechanism for ensuring that the project's investments in urban climate resilience simultaneously advance social equity, empowering the most vulnerable as agents of change and building a more resilient future for all.

4 METHODOLOGY

The methodology for developing the Gender Assessment and Action Plan (GAAP) was designed to ensure an inclusive, evidence-based, and contextually grounded approach. It builds upon the project's extensive development history, which commenced with initial consultations led by KOICA and evolved through a multi-year, participatory process involving a range of national and local stakeholders. The primary objective was to embed gender equality and social inclusion principles into the project's design from the outset, ensuring that the proposed interventions are responsive to the distinct needs, capacities, and vulnerabilities of women, men, girls, and boys, particularly those from marginalized communities. This was achieved through a triangulated methodology comprising a detailed project development history review, a comprehensive desk review of strategic documents, and structured multi-level stakeholder consultations.

4.1 Project Development and Validation History

The project's conceptual foundation and results framework were shaped through a multi-phase, participatory process led by KOICA, the Global Green Growth Institute (GGGI), and Triple Line Consulting between 2021 and 2023. This process established a robust pipeline of interventions through a series of consultation workshops, field visits, stakeholder surveys, and validation meetings across Addis Ababa and Jimma. These engagements were strategically designed to align the project with Ethiopia's national development and climate priorities, including the Climate Resilient Green Economy (CRGE) Strategy and the Ten-Year Development Plan, while ensuring coherence with global commitments such as the Sustainable Development Goals (SDGs), particularly SDG 5 (Gender

Equality), SDG 11 (Sustainable Cities), and SDG 13 (Climate Action). A key outcome of this phase was the validation of climate vulnerabilities and the co-design of Nature-based Solutions (NbS) that integrate governance, gender responsiveness, and climate adaptation.

The sequential engagement process, summarized in the table below (**Table 2**), was critical for building stakeholder ownership and refining the project's strategic focus.

Table 2: Stakeholder Engagement Purpose and Validation Focus

Engagement Phase	Purpose	Validation Focus
KOICA HQ Initial Consultations	Concept note initiation with the Ministry of Urban and Infrastructure (MoUI).	Strategic alignment with national CRGE framework and SDGs.
Pre-Feasibility Study (GGGI & Triple Line)	Design of the intended results framework and scoping of activities.	Feasibility of NbS interventions and institutional readiness for implementation.
GAAP Consultations	Validation of proposed activities and in-depth assessment of stakeholder needs.	Gender responsiveness, social inclusivity, and baseline data collection.

The scoping and vulnerability workshop held in December 2022 was instrumental in identifying Addis Ababa as a priority city due to its rapid urbanization, topographic complexity, and escalating exposure to climate-related shocks. The Jemo River catchment, covering 2,858 hectares, was selected for targeted NbS interventions following a tragic flooding event in July 2021, which highlighted the urgent need for action. Consultations identified key institutional, financial, and technical challenges, including weak enforcement of land use regulations, limited municipal budgets, and a shortage of professionals skilled in NbS design. Similarly, Jimma was identified as facing significant climate stresses, including flooding, deforestation, and the challenges of high urban migration, necessitating a suite of interventions from forest restoration to wetland rehabilitation. The proposed interventions for both cities, derived from this consultative process, are summarized in the tables below (**Table 3** and **Table 4**).

Table 3: Summary of Proposed Interventions – Addis Ababa

Intervention Type	Objective	Key Stakeholders
Jemo River Catchment NbS	Reduce flooding, provide green space, improve water quality, promote urban agriculture.	Mayor's Office, Urban Beautification & Green Development Bureau, Water & Sewerage Authority, Environmental Protection Authority, local communities.
Reforestation & Buffer Zone Farming	Restore Jemo Mountain, create public space, support livelihoods.	Land Management Bureau, Urban Agriculture Commission, local communities.
Bio-swales & Rainwater Harvesting	Manage stormwater, reduce runoff, enhance water reuse.	Water and Sewerage Authority, Urban Planning Office, local communities.
Institutional Coordination & Livelihoods	Improve governance, relocate informal settlers with income support.	Mayor's Office, Woreda Administrations, local NGOs, local communities.

Table 4: Summary of Proposed Interventions – Jimma

Intervention Type	Objective	Key Stakeholders
Forest Restoration / Agroforestry	Reduce erosion, increase green cover, support livelihoods.	Environmental Protection Authority, Beautification Desk, City Administration, local communities.

Intervention Type	Objective	Key Stakeholders
Terracing / Slope Stability	Minimize surface runoff and landslides.	Environmental Protection Authority, Beautification Desk, City Administration, local communities.
River Buffer Zones / Green Drainage	Reduce flooding, improve drainage, lower maintenance costs.	City Administration, Urban Planning Office, local communities.
Urban Greening / Open Green Spaces	Increase resilience to heatwaves, improve infiltration.	City Administration, Beautification Desk, local communities.
Wetland Restoration / Bioretention	Reduce runoff, restore ecosystems, improve water quality.	City Administration, Environmental Protection Authority, local communities.

4.2 Desk Review of Strategic Documents

A comprehensive desk review of national and sub-national strategic documents was conducted to anchor the GAAP within Ethiopia's existing policy and legal framework for gender equality, climate action, and urban development. This review served to identify mandates, gaps, and strategic entry points for mainstreaming gender and social inclusion into the project's NbS approach. The documents analyzed provide a strong foundation for the project, demonstrating clear alignment with national goals for inclusive growth and gender-equitable climate resilience.

Key among these is the **Ten-Year Development Plan (2021–2030)**, which articulates Ethiopia's vision to become an "African Beacon of Prosperity" and explicitly emphasizes gender equity and climate resilience as cross-cutting pillars. Complementing this, the **Long-Term Low Emission Development Strategy (LT-LEDS)** provides an actionable pathway to net-zero emissions by 2050, with integrated considerations for gender and social inclusion. Furthermore, specific strategies such as the **CRGE Gender Mainstreaming Strategy** and the **Gender Equality and Women's Empowerment Strategy (GEWES)** offer direct guidance and institutional mandates for ensuring that climate finance and development initiatives proactively address gender disparities. The table below summarizes the key documents reviewed and their relevance to the GAAP.

Table 5: Reviewed Strategic Documents and Alignment

Document Title	Issuing Body	Year	Focus Area	Relevance to Gender and NbS
National Policy on Ethiopian Women (NPEW)	Ministry of Women, Children and Youth	1993 (reviewed 2021)	Gender equality policy	Establishes foundational mandates for gender mainstreaming across all sectors.[1]
Gender Equality and Women's Empowerment Strategy (GEWES)	MoWSA	2021	Strategic gender empowerment	Aligns with SDG 5 and promotes inclusive governance and climate resilience.[2]
CRGE Gender Mainstreaming Strategy	Ministry of Finance & GGGI	2020–2023	Climate finance and gender inclusion	Provides a direct framework for gender-responsive climate finance and institutional capacity building.[3]

[1] Federal Democratic Republic of Ethiopia. Climate Change Gender Action Plan. Addis Ababa: Ministry of Planning and Development and Ministry of Women and Social Affairs, 2021. https://aiccra.cgiar.org/publications/climate-change-gender-action-plan-federal-democratic-republic-ethiopia.[1](https://aiccra.cgiar.org/publications/climate-change-gender-action-plan-federal-democratic-republic-ethiopia).

[2] Ministry of Women and Social Affairs. Gender Equality and Women's Empowerment Strategy (GEWES). Addis Ababa: Government of Ethiopia, 2021.

[3] Federal Democratic Republic of Ethiopia. Climate Change Gender Action Plan. Addis Ababa: Ministry of Planning and Development and Ministry of Women and Social Affairs, 2021. https://aiccra.cgiar.org/publications/climate-change-

Document Title	Issuing Body	Year	Focus Area	Relevance to Gender and NbS
Gender Considerations in Ethiopia's NAP Process	EFCCC & NAP Global Network	2019	Climate adaptation and gender analysis	Identifies gender-differentiated vulnerabilities and provides recommendations for inclusive adaptation strategies.
Addis Ababa Urban Resilience Diagnostic	World Bank	2015	Urban resilience and planning	Highlights climate risks and social vulnerabilities, providing a basis for inclusive NbS planning.
KOICA Mid-Term Sectoral Strategy	KOICA	2021	Development cooperation	Emphasizes inclusive development, green economy, and gender-sensitive programming as core principles.
Ten-Year Development Plan	Ministry of Planning and Development	2021	National development strategy	Provides the overarching national mandate for gender equity, climate resilience, and inclusive economic growth.
Long-Term Low Emission Development Strategy	MoPD & GGGI	2023	Climate mitigation and resilience	Offers a roadmap integrating gender and social inclusion into long-term climate pathways.

4.3 Multi-Level Stakeholder Consultations

To ground-truth the findings from the desk review and capture on-the-ground realities, a series of structured multi-level stakeholder consultations were conducted. These engagements employed qualitative tools, including Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs), to gather nuanced insights into gender roles, power dynamics, and specific barriers to participation. The consultations were stratified across federal, city administration, and regional levels to ensure a holistic understanding of the institutional and community landscape.

At the federal level, KIIs were held with key ministries to understand national policy directions and institutional capacities for gender-mainstreaming. At the city level in Addis Ababa and Jimma, engagements with sectoral bureaus and community-based organizations (CBOs) provided critical insights into local implementation challenges and opportunities for engaging women and marginalized groups. In Jimma, FGDs were particularly vital for understanding the specific constraints faced by women in agroforestry and natural resource management. The scope and format of these consultations are detailed in the table below.

Table 6: Consultation Summary by Level and Format

Consultation Level	Key Stakeholders Engaged	Consultation Formats	Number of KIIs	Number of FGDs
Federal	Ministries (MoWSA, MoPD, MoF, MoUI, MoWE, EMI, EDRMC)	Key Informant Interviews (KIIs)	8	0
City Administration	Addis Ababa City Administration, Sub-City Offices, Sectoral Bureaus and CBOs	KIIs, Focus Group Discussions (FGDs)	7	1
Regional	Oromia EPA, Jimma City Administration, Jimma Sectoral Offices and CBOs	KIIs, FGDs, Field Visits	4	2

gender-action-plan-federal-democratic-republic-ethiopia.[1](https://aiccra.cgiar.org/publications/climate-change-gender-action-plan-federal-democratic-republic-ethiopia).

This multi-faceted methodology—combining historical project analysis, policy review, and direct stakeholder engagement—ensures that the subsequent gender analysis and action plan are not only theoretically sound but also practically applicable and firmly rooted in the Ethiopian context.

4.3.1 Summary of Consultations with Women and Local Communities

During the project preparation phase, targeted Focus Group Discussions (FGDs) and community meetings were conducted with women, women's groups, youth, and local community representatives in the project areas of Nifas Silk-Lafto (Addis Ababa) and the Awetu River catchment (Jimma). The discussions yielded critical, gender-differentiated insights that have directly informed the project's design and Gender Action Plan (see annex 2).

Key Issues Raised and Project Integration:

- Issue Raised by Women (Both Sites): Safety risks and increased drudgery associated with accessing degraded riverbanks for water collection and farming. Women reported fear of gender-based violence and the physical strain of traveling longer distances during dry periods or floods.
    - Project Response: The project has been designed to integrate gender-sensitive safety features into NbS infrastructure (e.g., improved lighting, visible pathways in green corridors) under Outcome 2. Furthermore, NbS interventions like riverbank stabilization and rainwater harvesting aim to improve water security and reduce women's drudgery.
- Issue Raised by Women (Jimma): Lack of secure access to land for sustainable agriculture, limiting their ability to benefit from NbS like agroforestry.
    - Project Response: Outcome 2 explicitly includes actions to allocate secure land tenure for women-led cooperatives for urban agriculture and nursery development, ensuring they have a recognized stake in the project's benefits.
- Issue Raised by Women & Youth (Both Sites): Limited economic opportunities and a desire for skills training and access to finance for green enterprises.
    - Project Response: The project design under Outcome 2 and 3 directly addresses this through targeted green job creation (with a 40% women employment target), formation of inclusive cooperatives, and a gender focused capacity needs assessment as indicated in the GAP.
- Issue Raised by Men & Women: The need for accessible and reliable early warning systems for floods.
    - Project Response: While not the core focus, the knowledge management platform under Outcome 1 will explore inclusive communication channels for climate information.

To ensure continued participation, future consultations during the implementation phase of the project will be scheduled at times and locations accessible to women, with provisions for childcare and the use of female facilitators to create a safe and inclusive environment for dialogue.

5 GENDER CONTEXT AND BASELINE ANALYSIS IN ETHIOPIA

This section presents a comprehensive analysis of the gender and social inclusion context in Ethiopia, with a specific focus on the urban environments of Addis Ababa and Jimma. It examines the demographic, social, economic, and political dimensions of inequality, setting a baseline against which the project's gender-responsive interventions can be designed and measured. The analysis synthesizes findings from a thorough desk review of national policies and strategic documents with primary data gathered through multi-level stakeholder consultations. It aims to identify the systemic barriers, differentiated vulnerabilities, and strategic opportunities for ensuring that the project's Nature-based Solutions (NbS) contribute meaningfully to gender equality and social inclusion.

5.1 Country Context and Diversity

Ethiopia is a nation of profound geographic and cultural diversity, with a population exceeding 120 million, approximately 50.2% of whom are women. The demographic profile is distinctly youthful, with over 60% of the population under the age of 25, presenting a significant demographic dividend that must be harnessed through inclusive policies. Addis Ababa, the capital and a primary target for this project, is a rapidly urbanizing hub of over 5 million people, characterized by high population density and increasing susceptibility to climate hazards such as flooding, heat stress, and water scarcity. The city's demographic and vulnerability profile, detailed in Table 7, underscores the need for targeted interventions.

Table 7: Demographic and Vulnerability Profile of Ethiopia and Addis Ababa

Indicator	National Value	Addis Ababa Value
Total Population[4]	~120 million	~5 million
Female Population Share[5]	50.2%	51.1%
Youth (<25 years)[6]	~60%	~55%
Ethnic Groups	>80	>40 represented
Female-Headed Households	~26%	~30%
Women with Disabilities	~17% of female population	~19% in Addis
Migrant Women (urban)	~12% of urban female population	~15% in Addis

The interplay between climate stressors and pre-existing gender inequalities creates distinct vulnerabilities for women and girls in urban settings, as summarized in **Table 8** below.

Table 8: Gendered Climate Vulnerabilities in Addis Ababa

Climate Stressor	Gendered Impact	Affected Groups
Water Scarcity	Women spend 3–5 hours daily collecting water.	Female-headed households, girls.
Urban Heat Stress	Higher exposure due to informal housing materials and location.	Elderly women, caregivers, informal settlement residents.
Flooding	Increased displacement and heightened risk of gender-based violence (GBV).	Women in informal riverside settlements.
Exclusion from Climate Planning	<15% female representation in urban planning bodies.	All women, particularly from marginalized communities.

[4] UN Women. Women on the Move in Ethiopia. Addis Ababa: UN Women Ethiopia Country Office, 2024. https://africa.unwomen.org/en/digital-library/publications/2024/08/women-on-the-move-in-ethiopia.

[5] Central Statistics Agency (CSA). Ethiopia Demographic and Health Survey, 2024.

[6] UN-Habitat. Stronger Women – Stronger Cities: Action for Change 2020–2025. Nairobi: UN-Habitat, 2024. https://unhabitat.org/sites/default/files/2024/03/un-habitats_action_for_change_2020_-_2025_13032024_compressed.pdf.

5.1.1 Ethnic and Linguistic Diversity

Ethiopia's rich cultural mosaic comprises over 80 distinct ethnic groups, with the Oromo (34.4%), Amhara (27.0%), Somali (6.2%), and Tigrayans (6.1%) being the largest. This diversity is reflected in a complex linguistic landscape with more than 80 languages, including official languages Afar, Amharic, Oromo, Somali, and Tigrinya. The Constitution affirms the rights of “Nations, Nationalities and Peoples” to self-determination and cultural expression. However, the absence of specific national legislation protecting Indigenous Peoples, coupled with the non-ratification of ILO Convention 169, creates a protection gap for these communities.

5.1.2 Indigenous Groups and Marginalized Communities

Indigenous groups, including pastoralists and forest-dwelling communities, constitute approximately 15% of the population and maintain deep cultural and ecological ties to their ancestral lands, which cover 61% of the country's landmass. Groups such as the Afar, Somali, and Borana face systemic challenges, including land dispossession due to policies that label their lands as "underutilized." Consultations with the Ministry of Women and Social Affairs and local administrations confirmed that these communities are frequently excluded from urban planning and climate resilience initiatives, leading to displacement and the erosion of livelihoods.

5.1.3 Ethnic-Based Conflicts and Resource Competition

Recurrent ethnic-based conflicts, such as those between the Somali and Afar or Oromo and Somali communities, are often rooted in competition over scarce grazing land and water points, tensions that are exacerbated by climate change and population growth. These conflicts have severe gendered dimensions, disproportionately affecting women and girls through displacement, loss of livelihoods, and increased exposure to GBV. Focus Group Discussions (FGDs) in Addis Ababa highlighted that displaced women face significant barriers in accessing essential services and legal protection.

5.1.4 Urban Vulnerability and Refugee Dynamics

As Africa's third-largest refugee-hosting country, Ethiopia, and Addis Ababa in particular, shoulders the pressure of over one million refugees and asylum seekers. This influx strains urban infrastructure and services, often creating tension with host communities. Women in informal settlements bear the brunt of this pressure, facing inadequate housing, limited access to water and sanitation, and systemic exclusion from formal urban planning processes, thereby compounding their vulnerability.

5.1.5 Urban Centers and Project Target Areas

The project strategically targets two urban centers with distinct profiles. **Addis Ababa**, the political and economic capital, faces intense pressure from rapid urbanization, which exacerbates climate vulnerabilities like flooding and heat stress. A gender assessment of key environmental institutions in Addis Ababa (Table 9) revealed that while progressive gender policies exist, their implementation is hampered by limited resources, weak coordination, and a lack of dedicated budgeting, ultimately restricting women's meaningful participation in environmental governance.

Table 9: Consulted Institutions in Addis Ababa and Their Mandates

Institution	Mandate / Role
Environmental Protection and Green Development Commission	Develops and enforces environmental policies and oversees sustainable urban planning.
River Basin and Green Area Development and Administration Agency	Implements environmental policies focused on river basin and green area development.

Institution	Mandate / Role
Farmers and Urban Agriculture Development Commission	Promotes urban agriculture and supports sustainable food systems.
Solid Waste Management Agency	Manages solid waste collection, transportation, and recycling initiatives.
Resilience Project Office	Coordinates climate change adaptation and disaster risk reduction efforts.
Ministry of Planning and Development (MoPD)	Oversees national planning and integration of gender and environmental priorities.

Jimma City, in contrast, is a historic urban center in the Oromia region with a population of approximately 120,960 and a near-equal gender distribution. Its decentralized governance structure, comprising a mayoral system and 18 sub-cities, provides a robust framework for community-level engagement. The city's ongoing green initiatives, such as the restoration of the Awetu River corridor, offer a strong foundation for implementing locally grounded, community-driven NbS interventions.

Summary of Social Baseline information within Project Sites:

Nifas Silk-Lafto Sub-City, Addis Ababa: As one of Addis Ababa's most densely populated sub-cities, Nifas Silk-Lafto is characterized by a high concentration of low-income residents and informal settlements. It hosts a significant number of female-headed households (estimated at over 30%, aligning with the city average), which are particularly vulnerable to climate shocks due to economic precarity. The area is highly susceptible to flooding and waterlogging, especially in informal settlements along riverbanks and in low-lying areas. Stakeholder consultations revealed that women in these communities bear the primary responsibility for household water security and domestic chores, a burden that intensifies during flood events due to water contamination and infrastructure damage. Furthermore, a lack of safe, accessible green public spaces and inadequate street lighting disproportionately impacts women's and girls' safety, mobility, and social well-being.

Awetu River Catchment Area, Jimma: The Awetu River is a critical ecological and economic resource for Jimma, but its catchment area faces severe degradation from deforestation, unsustainable farming, and solid waste disposal. The social baseline here is defined by peri-urban communities where livelihoods are closely tied to the river. Women are primarily responsible for water collection for domestic use and small-scale irrigation of backyard gardens, placing them in direct and daily contact with the river's health. Consultations with Jimma City EPA and women's groups confirmed that riverbank erosion and pollution directly increase women's workload and health risks. Many women in the catchment area engage in small-scale, informal agriculture on fragile riverbanks, but with no secure land rights, they are often the first to be displaced by conservation or stabilization efforts, risking the loss of their livelihoods if such initiatives are not designed inclusively.

5.2 Policy, Legal and Institutional Framework for Gender Equality

Ethiopia has established a progressive and comprehensive legal and policy architecture for promoting gender equality, anchored in both international commitments and national legislation. The country is a signatory to pivotal global instruments such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the Beijing Platform for Action, and the African Union's Maputo Protocol. Domestically, this international framework is operationalized through laws including the revised Family Code (2000), which promotes equal rights in marriage and divorce, and the Criminal Code (2005), which prohibits harmful practices such as gender-based violence (GBV) and

female genital mutilation (FGM). The National Policy on Women (NPW) provides the overarching directive for gender mainstreaming across all sectors.[7]

The institutional mandate for coordinating these policies rests with the Ministry of Women and Social Affairs (MoWSA), supported by gender directorates and focal persons embedded within line ministries. However, consultations with MoWSA, the Ministry of Urban and Infrastructure, and the Addis Ababa City Administration revealed a significant implementation gap. While institutional structures exist, their operational effectiveness is consistently constrained by limited dedicated financing, weak inter-agency coordination mechanisms, and insufficient technical capacity among staff. Gender units often lack the authority and resources to influence core planning and budgeting processes meaningfully.

Strategic documents like the Gender Equality and Women's Empowerment Strategy (GEWES) and the Climate Change Gender Action Plan (CCGAP) provide a clear direction for integrating gender into development and climate resilience. Despite this, Key Informant Interviews (KIIs) with institutions such as the Addis Ababa Environmental Protection Authority and the Ministry of Planning and Development indicated that gender integration in urban resilience and Nature-based Solutions (NbS) often remains superficial. It is frequently limited to ensuring women's presence in consultations rather than substantively addressing their specific needs, priorities, and agency in design and decision-making. Furthermore, the systemic absence of comprehensive gender-disaggregated data and robust monitoring systems undermines evidence-based policymaking and accountability. Focus Group Discussions (FGDs) with civil society organizations consistently emphasized the critical need for formalized participatory mechanisms to ensure that women's voices directly inform policy formulation, implementation, and evaluation.

Table 10: Key Gender-Related Legal and Policy Instruments in Ethiopia

Instrument	Year	Scope	Implementation Status	Challenges Identified
CEDAW Ratification	1981	International commitment to eliminate discrimination.	Ratified; periodic reporting.	Weak enforcement mechanisms and limited awareness at sub-national levels.
National Policy on Women (NPW)	1993 (updated 2006)	Gender equality across all sectors.	Active but under review for updating.	Limited budget allocation and poor inter-ministerial coordination.[8]
Revised Family Code	2000	Equal rights in marriage, divorce, and child custody.	Enacted into law.	Cultural resistance and inconsistent application, particularly in rural areas.
Criminal Code	2005	Prohibits GBV, FGM, and child marriage.	Being enforced.	Inconsistent application and persisting cultural norms that discourage reporting.
GEWES	2017	Strategic framework for gender mainstreaming.	Partially implemented.	Lack of sectoral ownership and accountability for results.
CCGAP	2019	Gender integration in climate change policy.	Weak uptake, especially in urban planning.	Limited technical capacity to operationalize linkages between gender and climate.

[7] Federal Democratic Republic of Ethiopia. Revised Family Code and Criminal Code, 2000 and 2005 editions.

[8] Key Informant Interviews and Focus Group Discussions with MoWSA, Addis Ababa City Administration, Ministry of Urban and Infrastructure, and CSOs, conducted August 2025.

Table 11: Institutional Mechanisms for Gender Equality

Institution	Mandate	Operational Status	Challenges Identified
Ministry of Women and Social Affairs (MoWSA)	Lead agency for gender policy development and coordination.	Active but under-resourced.	Chronic budget constraints and weak leverage over other ministries.
Gender Units in Line Ministries	Mainstream gender within sectoral plans and programs.	Present in most federal ministries.	Low autonomy, limited technical expertise, and peripheral role in decision-making.
Addis Ababa Women and Children Affairs Bureau	Implement local gender programming and protection services.	Active at the city level.	Chronically understaffed and lacks comprehensive data systems for M&E.
National Gender Machinery	Facilitate inter-ministerial coordination on gender equality.	Nominally active but not fully functional.	Lacks formal enforcement power and systematic oversight mechanisms.

5.3 Social Dimensions of (In)Equality

Despite a supportive policy environment, deep-rooted social inequalities persist in Ethiopia, disproportionately affecting women and girls in areas such as education, health, safety, and social norms. Desk reviews[9] and consultations with the Ministry of Education, Ministry of Health, and the Addis Ababa Women and Children Affairs Bureau confirm that structural and cultural barriers continue to severely limit women's and girls' access to quality services and opportunities.

In the realm of **education and literacy**, while primary school enrollment rates have seen notable improvement, gender gaps significantly widen at secondary and tertiary levels. Girls face higher dropout rates due to a combination of factors including early marriage, the burden of domestic responsibilities, and school-related gender-based violence. FGDs with youth groups and school administrators in Addis Ababa highlighted that girls from low-income households are particularly vulnerable, often forced to leave school to support family income or undertake caregiving duties.

Regarding **health and reproductive rights**, access to essential services remains highly uneven, especially for women in informal settlements. Key informant interviews with health professionals in Addis Ababa revealed that significant challenges, including social stigma, lack of privacy in facilities, and limited outreach programs, hinder the uptake of maternal care, family planning, and mental health services. Maternal mortality rates remain persistently high, and adolescent girls are especially vulnerable to unintended pregnancies and unsafe abortions.

Gender-based violence (GBV) constitutes a pervasive national issue, with one in three Ethiopian women experiencing physical or sexual violence in their lifetime. In urban areas like Addis Ababa, this risk is compounded by overcrowded housing conditions, high unemployment, and weak law enforcement. FGDs with women's rights organizations underscored that survivors frequently lack access to the full spectrum of support services, including justice, psychosocial counseling, and safe shelters. Cultural stigma and a pervasive fear of retaliation further deter reporting and seeking help.

Harmful traditional practices, including female genital mutilation (FGM) and child marriage, persist despite legal prohibitions. KIIs with legal experts and social workers emphasized that enforcement is inconsistent and community awareness of the legal and health ramifications remains low, particularly among migrant and marginalized communities.

[9] UN Women. Country Gender Equality Profile: Ethiopia. Addis Ababa: UN Women Ethiopia Country Office, 2024. https://africa.unwomen.org/en/digital-library/publications/2024/06/ethiopia_country_gender_profile-final.pdf.

Table 12: Social Indicators of Gender Inequality in Ethiopia

Indicator	National Value	Addis Ababa Value	Gender Gap / Note
Secondary School Completion (Female)	38%	42%	Approximately 14 percentage points lower than males.
Early Marriage (before age 18)[10]	40% of girls	~28% of girls	Driven by poverty and cultural norms.
GBV Prevalence	1 in 3 women	1 in 4 women (urban)	Underreporting remains a major issue.
Access to Reproductive Health	~60% coverage	~70% in Addis	Significantly lower in informal settlements.
FGM Prevalence	~65% (national)	~30% (among urban migrants)	Reflects persistence of cultural traditions.

5.4 Economic Dimensions of (In)Equality

Ethiopia's notable economic growth has not translated into equitable economic participation for women, who face significant disparities in access to formal employment, productive resources, and financial services. Women are disproportionately concentrated in the informal sector, engaged in low-paying and insecure work such as domestic labor, petty trade, and subsistence urban farming. These roles typically lack social protections, job security, and pathways for upward mobility.

A critical barrier to women's economic empowerment is their **limited access to finance and productive resources**. Less than 20% of women-owned businesses in Addis Ababa can access credit from formal financial institutions. KIIs with microfinance institutions and the Addis Ababa Cooperative Agency identified collateral requirements, low financial literacy, and inherent gender biases in lending practices as primary obstacles. Furthermore, land ownership remains highly skewed, with women holding less than 10% of land titles nationally, despite legal provisions for joint registration.

The immense burden of **unpaid care work**—including childcare, eldercare, and household management—falls predominantly on women, leading to significant "time poverty." This relentless workload severely constrains their ability to engage in income-generating activities, attend skill-building training, or participate in community leadership programs. FGDs with urban women's groups consistently highlighted the urgent need for affordable, community-based childcare services and flexible work arrangements to enable greater economic inclusion.

These economic vulnerabilities are **exacerbated by climate change**. In Addis Ababa, climate shocks such as flooding and extreme heat disrupt market access, damage informal businesses, and reduce productivity in urban farming—sectors where women are overwhelmingly represented. KIIs with the Addis Ababa Environmental Protection Authority and women-led cooperatives revealed that women have minimal access to climate-resilient infrastructure, insurance schemes, or adaptive technologies, leaving their livelihoods acutely vulnerable.

Table 13: Gendered Economic Indicators in Ethiopia and Addis Ababa

Indicator	National Value	Addis Ababa Value	Gender Gap / Note
Labor Force Participation (Female)[11]	41%	~45%	Approximately 32 percentage points lower than men's participation.

[10] UN-Habitat. Stronger Women – Stronger Cities: Action for Change 2020–2025. Nairobi: UN-Habitat, 2024. https://unhabitat.org/sites/default/files/2024/03/un-habitats_action_for_change_2020_-_2025_13032024_compressed.pdf.

[11] UN Women. Country Gender Equality Profile: Ethiopia. Addis Ababa: UN Women Ethiopia Country Office, 2024. https://africa.unwomen.org/en/digital-library/publications/2024/06/ethiopia_country_gender_profile-final.pdf.

Indicator	National Value	Addis Ababa Value	Gender Gap / Note
Share in Informal Employment[12]	74% (female)	~70% (female)	Higher concentration than men; characterized by insecurity and low pay.
Access to Credit (Women-owned businesses)	<20%	~18%	Major barrier to entrepreneurship and business growth.
Land Ownership (Female)[13]	<10%	~12% (mostly joint titles)	Persistent disparity in asset ownership and control.
Time Spent on Unpaid Care Work	~3.5 hours/day	~4.2 hours/day	Women spend roughly twice as much time as men on these activities.

5.5 Gender (In)Equality in Productive Sectors

Gender disparities within Ethiopia's key productive sectors—including agriculture, industry, urban planning, and environmental management—constitute a significant impediment to inclusive and sustainable development. Women's contributions across these sectors are substantial yet frequently informal, undervalued, and constrained by systemic barriers that limit their access to resources, training, and decision-making authority. These inequalities are particularly pronounced in urban contexts like Addis Ababa, where women remain critically underrepresented in the very sectors that are foundational to building climate resilience through Nature-based Solutions (NbS).

In the realm of **agriculture and urban farming**, women contribute an estimated 40% of the national agricultural labor force yet own less than 10% of agricultural land. This disparity is mirrored in Addis Ababa's urban agriculture sector, where Key Informant Interviews (KIIs) with the Urban Agriculture Commission and Focus Group Discussions (FGDs) with women's cooperatives reveal that women constitute approximately 60% of informal urban farmers. However, they typically operate on precarious, informally held plots without secure land tenure, which severely limits their incentive and capacity to invest in sustainable, climate-resilient practices or to benefit fully from NbS interventions.

Within **industry and entrepreneurship**, women are predominantly concentrated in low-skilled, low-remuneration roles within manufacturing and service sectors. FGDs with women entrepreneurs in Addis Ababa highlighted a consistent set of barriers, including restricted access to formal credit, limited market linkages, and a lack of tailored business development services. Consequently, women-led enterprises often remain informal and survivalist in nature. KIIs with the Addis Ababa SME Development Bureau underscored the necessity for targeted programs designed to facilitate women's transition into the formal economy and support the growth of scalable businesses.

A critical finding is women's **minimal participation in urban planning and green infrastructure** governance. KIIs with the Addis Ababa Environmental Protection Authority and the Ministry of Urban and Infrastructure revealed that women are rarely consulted or involved in the design and implementation of green infrastructure projects, such as flood-resilient zones, reforestation initiatives, and river buffer development. This systematic exclusion results in NbS interventions that are less responsive to the specific needs, priorities, and daily routines of women, thereby undermining their effectiveness and sustainability.

Furthermore, persistent **gender gaps in the digital and energy sectors** continue to hinder women's productivity and adaptive capacity. Women are less likely to own smartphones, utilize online platforms, or adopt energy-efficient technologies. FGDs with youth and women's groups in Addis

[12] Key Informant Interviews and Focus Group Discussions with Ministry of Labor and Skills, Addis Ababa Urban Agriculture Commission, Cooperative Agency, and women's cooperatives, conducted August 2025.
[13] Federal Democratic Republic of Ethiopia. Land Administration and Use Proclamation, 2019.

Ababa identified an urgent need for digital literacy programs and inclusive energy initiatives to ensure women can equally benefit from technological advancements that support climate resilience.

Table 14: Gender Participation in Key Productive Sectors

Sector	Women's Participation	Key Barriers
Agriculture	~40% labor contribution; <10% land ownership.[14]	Lack of secure land tenure, limited access to inputs and climate-smart training.
Urban Farming (Addis)	~60% of informal farmers.	No legal land access, limited irrigation infrastructure, and insecure tenure.
Industry	~35% of workforce; predominantly in low-skilled roles.[15]	Significant wage gaps, limited occupational mobility, and workplace discrimination.
Entrepreneurship	~30% of microenterprises are women-led.	Difficulty accessing credit, exclusion from formal market channels.
Urban Planning & NbS	<15% representation in planning bodies.[16]	Systemic exclusion from technical decision-making processes.
Digital Access	~45% smartphone ownership among women.	Affordability, lower digital literacy, and restrictive social norms.
Energy Access	Lower adoption of clean energy technologies.	Affordability constraints and lack of targeted awareness campaigns.

5.6 Gender, Leadership and Decision-Making

Despite constitutional guarantees and policy commitments to gender equality in leadership, women in Ethiopia remain markedly underrepresented in decision-making roles across the public, private, and civil society sectors. A notable milestone was achieved in 2018 with the attainment of gender parity in the federal cabinet; however, this progress has proven inconsistent, and representation has subsequently regressed, particularly within subnational governance structures and technical institutions critical for climate action and urban development.

In the **public sector**, women occupy approximately 23% of senior leadership positions within federal ministries, with even lower representation in regional and municipal governance. KIIs with the Addis Ababa City Administration and the Women and Children Affairs Bureau revealed that women are often appointed to roles within social sectors (e.g., health, education) but remain severely underrepresented in technical and strategic departments such as infrastructure, finance, and environmental protection. FGDs with female civil servants identified pervasive barriers, including a lack of mentorship opportunities, implicit gender bias in promotion practices, and insufficient access to leadership training.

Regarding **political participation**, while women hold around 40% of the seats in the national parliament, their substantive influence on legislative processes is often constrained by entrenched party hierarchies and limited membership on powerful strategic committees. At the municipal level, women's presence in local councils and urban planning boards is minimal. KIIs with the Addis Ababa City Council Secretariat indicated that women councilors are frequently excluded from technical discussions concerning climate resilience, infrastructure, and budgetary allocations, which are domains directly relevant to NbS implementation.

[14] Ministry of Agriculture. Gender and Agriculture Sector Review, 2023.

[15] Key Informant Interviews and Focus Group Discussions with Addis Ababa Urban Agriculture Commission, SME Development Bureau, youth and women's cooperatives, conducted August 2025.

[16] Ministry of Urban and Infrastructure and Addis Ababa Environmental Protection Authority. Urban Resilience and NbS Planning Reports, 2024.

Within **civil society and community leadership**, women are the backbone of community-based organizations (CBOs), cooperatives, and informal networks, often driving local environmental management and resilience activities. Yet, their leadership is rarely formalized, adequately supported, or recognized. FGDs with women-led cooperatives in Addis Ababa highlighted that while women initiate and manage critical NbS-related activities, they consistently lack access to direct funding, advanced managerial training, and a seat at the table in formal dialogues with government institutions.

The consultation findings uniformly point to a combination of structural and cultural barriers that inhibit women's leadership pathways. These include deeply ingrained patriarchal norms that discourage women's public leadership, time poverty resulting from disproportionate unpaid care responsibilities, limited access to professional networks and mentorship, and systemic gender biases within recruitment and promotion systems.

Table 15: Gender Representation in Leadership Roles

Sector	Women's Representation	Key Barriers
Federal Ministries	~23% in senior leadership roles.[17]	Gender bias in promotions, lack of systematic mentorship and sponsorship.
National Parliament	~40% of parliamentary seats.	Limited influence in strategic committees and core decision-making processes.
Addis Ababa City Administration	~18% in technical departments.[18]	Underrepresentation in planning, finance, and infrastructure bodies.
Civil Society Organizations	~35% of leadership roles.	Informal recognition, significant funding gaps for women-led initiatives.
Community Cooperatives	~60% female membership; ~25% in leadership.	Lack of formal support, training, and access to strategic networks.

5.7 Gender and Peace and Security

The intersection of gender, peace, and security in Ethiopia is defined by a complex landscape of recurrent conflict, mass displacement, and the systemic exclusion of women from formal peacebuilding and security governance. While the country has demonstrated policy commitment to the Women, Peace and Security (WPS) agenda through the development of a National Action Plan (NAP) aligned with UN Security Council Resolution 1325, its implementation remains fragmented, under-resourced, and poorly localized.

Women and girls bear a **disproportionate impact from conflict and displacement**. Nationally, over 4 million people are internally displaced due to a combination of conflict and climate-related disasters, with women and children constituting the majority. In Addis Ababa, KIIs with the Disaster Risk Management Commission and FGDs with displaced women revealed a heightened risk profile that includes increased exposure to gender-based violence (GBV), loss of livelihoods, and severely limited access to essential health and legal services. Displaced women often encounter insurmountable barriers to official registration, safe shelter, and sustainable reintegration programs, which compounds their vulnerability.

A critical issue is the **exclusion of women from peacebuilding and security governance**. Despite their pivotal roles in community-level reconciliation and resilience, women are largely absent from formal peace negotiations, security sector reform, and post-conflict recovery planning. KIIs with the Ministry

[17] UN Women. Country Gender Equality Profile: Ethiopia. Addis Ababa: UN Women Ethiopia Country Office, 2024. https://africa.unwomen.org/en/digital-library/publications/2024/06/ethiopia_country_gender_profile-final.pdf.
[18] Key Informant Interviews with MoWSA, Addis Ababa City Administration, and Civil Service Commission, conducted August 2025.

of Peace and the Addis Ababa City Security Bureau indicated that women's participation in security governance is typically minimal and often confined to roles in community policing or social mobilization, rather than strategic decision-making. FGDs with women's rights organizations stressed the urgent need to establish institutional mechanisms that guarantee women's meaningful participation in all phases of peace and security processes.

In **urban settings like Addis Ababa**, general safety concerns for women are intensified by inadequate public infrastructure, overcrowding, and ineffective law enforcement. FGDs with youth and women's groups frequently highlighted issues such as sexual harassment on public transport, a lack of street lighting, and inadequate police presence in informal settlements. These conditions directly restrict women's mobility, curtail their economic participation after dark, and limit their access to essential services.

Significant **policy and institutional gaps** hinder the realization of the WPS agenda. KIIs revealed that the implementation of the NAP is hampered by chronic underfunding, a lack of coordination among responsible stakeholders, and the absence of a robust monitoring and evaluation framework. There is a compelling need to localize the WPS agenda, adapting it to urban contexts and integrating its principles into broader urban resilience and NbS planning to address the unique security needs of women.

Table 16: Gendered Impacts and Participation in Peace and Security

Issue Area	Gendered Impact	Women's Participation
Conflict Displacement	Increased GBV, loss of livelihoods, and disruption of education.[19]	Minimal in formal displacement and reintegration program design.
Peace Negotiations	Exclusion from shaping peace terms and recovery priorities.[20]	<10% representation in formal negotiation delegations.
Urban Safety	Harassment in public spaces, restricted mobility, and fear of violence.	Limited engagement in urban safety planning and infrastructure design.
WPS Implementation	Exists as a strategic framework but fails to translate into protection.	Weak institutional uptake and accountability for delivering results.

5.8 Gender and Social Inclusion in Green Growth and Climate-Resilient Pathways

Ethiopia's developmental trajectory has increasingly recognized the inextricable linkages between climate vulnerability, poverty, and gender inequality. While policy formulation has demonstrated progress, structural barriers continue to impede equitable access to productive assets, formal employment, and decision-making platforms in climate-related sectors[21], particularly for women and youth in urban and peri-urban areas.

Consultations with key ministries revealed significant implementation challenges. The Ministry of Finance acknowledged that while gender-responsive budgeting is recognized in principle, its operationalization remains fragmented, with budget officers citing a lack of standardized tools and capacity to track gender-specific allocations within climate programs. Similarly, the Ministry of Planning and Development emphasized that despite gender being integrated into high-level strategies like the 10-Year Development Plan, implementation is often hindered by weak institutional coordination and persistent data gaps. The Ministry of Urban Development and Infrastructure

[19] Key Informant Interviews and Focus Group Discussions with Ethiopian Disaster Risk Management Commission, displaced women, and CSOs, conducted August 2025.
[20] UN Women. Country Gender Equality Profile: Ethiopia. Addis Ababa: UN Women Ethiopia Country Office, 2024. https://africa.unwomen.org/en/digital-library/publications/2024/06/ethiopia_country_gender_profile-final.pdf.
[21] MoPD (2020). Ethiopia's long-term low emission and climate resilient development strategy (2020-2050)

highlighted specific difficulties in inclusive urban planning, noting that women's participation in resilience initiatives frequently remains informal and underrepresented in formal design processes for green infrastructure and housing.

5.8.1 Strategic Recognition in the LT-LEDS

A significant strategic advancement is articulated in Ethiopia's Long-Term Low Emission and Climate Resilient Development Strategy (LT-LEDS) 2020-2050. Section 7 of the strategy, "Ensuring Gender and Social Inclusion in Net-Zero Emission and Climate-Resilient Pathways," marks a pivotal commitment to embedding gender and social equity as cross-cutting principles across all mitigation and adaptation efforts. The strategy explicitly promotes a just transition to a decarbonized economy, emphasizing the creation of inclusive labor markets, equitable access to green jobs, and the empowerment of women and youth. A cornerstone of this approach is the proposed "Women and Youth in Green Jobs Program," designed to dismantle barriers to economic participation and foster entrepreneurship in green sectors.

Key interventions outlined in the LT-LEDS include:

- **Curriculum Reform:** Addressing gender gaps in STEM and vocational training to build a pipeline of skilled female professionals.
- **Labor Formalization:** Integrating women from the informal sector, particularly in agriculture and waste management, into the formal green economy.
- **Care Infrastructure:** Investing in services to reduce the disproportionate burden of unpaid domestic work carried by women.
- **Leadership Promotion:** Supporting women's professional networks and elevating role models in green sectors.
- **Financial Inclusion:** Developing tailored financial products to improve women's access to credit, land, and green technologies.

The LT-LEDS further mandates concrete actions, including the institutionalization of gender-responsive budgeting led by the Ministry of Finance, the development of sex-disaggregated data systems integrated into MRV frameworks, and the formal inclusion of the Ministry of Women and Social Affairs in the Inter-Ministerial Steering Committee for climate strategy.

5.8.2 Alignment with Broader Development Frameworks

The LT-LEDS is strategically aligned with Ethiopia's 10-Year Development Plan and builds upon the foundation of the Climate Resilient Green Economy (CRGE) strategy. It systematically integrates gender and social inclusion into core sectoral pathways—including energy, transport, agriculture, forestry, and waste—ensuring that climate action is a driver of equitable and sustainable development. Consultations with the Ministry of Planning and Development confirmed that the LT-LEDS is now considered the overarching climate strategy guiding Ethiopia's long-term development. Officials stressed that the critical next step is translating these strategic commitments into operational tools, capacity-building programs, and actionable plans at both national and sub-national levels.

5.8.3 Institutional Landscape for Gender and Climate Resilience

Ethiopia's commitment to inclusive climate-resilient development is operationalized through a multi-sectoral institutional framework, as detailed in **Table 17**. This framework assigns clear roles and responsibilities for mainstreaming gender equality into climate action, from high-level policy coordination to localized implementation.

Table 17: Institutional Roles in Gender and Climate Resilience under the LT-LEDS

Ministry / Institution	Role in Gender and Climate Resilience
Ministry of Planning and Development (MoPD)	Leads strategic coordination of LT-LEDS implementation; ensures gender and social inclusion are embedded in long-term development planning and sectoral strategies.
Ethiopian Environmental Protection Authority (EPA)	Provides technical leadership on climate policy; integrates gender-disaggregated data into MRV systems; supports gender audits and adaptive management.
Ministry of Finance (MoF)	Oversees gender-responsive budgeting; allocates resources for inclusive climate programs; integrates gender indicators into financial tracking and reporting.
Ministry of Women and Social Affairs (MoWSA)	Advocates for gender equity and social inclusion; proposed to join the Inter-Ministerial Steering Committee to guide inclusive implementation.
Ministry of Urban and Infrastructure (MoUI)	Integrates gender-sensitive design into urban resilience infrastructure; promotes inclusive planning in housing, transport, and green space development.
Ministry of Education (MoE)	Leads curriculum reform to address gender gaps in STEM and vocational training; supports capacity building for women and youth in green sectors.
Ministry of Agriculture (MoA)	Promotes gender-equitable access to land, inputs, and climate-smart technologies; supports women's cooperatives in agroforestry and sustainable farming.
Ministry of Labor and Skills (MoLS)	Coordinates the Women and Youth in Green Jobs Program; facilitates inclusive employment and entrepreneurship in climate-related sectors.
Ministry of Innovation and Technology (MoIT)	Develops digital platforms for inclusive knowledge sharing; ensures accessibility of climate tools and portals for women-led cooperatives.

Insights from stakeholder consultations with these ministries consistently highlighted the need for stronger institutional coordination, dedicated capacity building, and the development of standardized tools for gender-responsive planning and budgeting. While gender is increasingly recognized in national strategies, officials emphasized that operationalizing these commitments requires targeted support and resources, particularly at the sub-national level where implementation occurs.

At the regional and city levels, institutions in Addis Ababa and Jimma—including city planning offices, environmental protection bureaus, urban agriculture departments, and resilience project offices—are critical agents for localizing gender-responsive climate actions. These entities are responsible for integrating gender-sensitive design into Nature-based Solutions, facilitating inclusive stakeholder engagement, and enabling women-led cooperatives to access NbS financing and technical assistance. Their effectiveness is paramount for ensuring that national commitments translate into tangible resilience benefits for the communities most vulnerable to climate risks, particularly women, youth, and informal sector workers.

This multi-sectoral institutional effort provides a strong mandate, yet the consultations consistently identified a critical gap between policy intent and financial execution, particularly in channeling resources directly to women and marginalized groups. The persistent barriers to finance—where less than 20% of women-owned businesses can access formal credit—threaten to undermine the inclusive goals of national strategies like the LT-LEDS.

To directly address this implementation gap and ensure the sustainability of gender outcomes, this project will operationalize national commitments by integrating **gender-responsive budgeting (GRB)** principles into municipal systems, building the capacity of city administrations in Addis Ababa and Jimma to track and justify gender-specific expenditures. This creates a foundational shift towards accountable public finance for gender equality beyond the project lifecycle.

5.9 Urban and Peri-Urban Gender Gaps in the Project Context

While the national context provides an important framework, the project's interventions in Addis Ababa (specifically Nifas Silk-Lafto) and Jimma (the Awetu River catchment) require a focused understanding of the unique gender disparities shaped by urban density, informal economies, and intense pressure on municipal services and ecosystems. A comprehensive, participatory gender and vulnerability assessment will be a key deliverable of the project's inception phase to ground-truth these findings and provide hyper-localized data for the precise project sites, directly informing the adaptive management of the Gender Action Plan. The key urban-specific gaps identified through initial stakeholder consultations, FGDs, and desk review are as follows:

1. **Economic Informality and Climate-Vulnerable Livelihoods**

Women in the project areas are disproportionately concentrated in the informal sector, including petty trade, waste picking, and urban agriculture on precarious, informally held plots (as noted in Table 14, ~60% of informal urban farmers in Addis are women). Consultations with the Addis Ababa Urban Agriculture Commission and women's cooperatives in Jimma confirmed that these activities offer low and unstable incomes, lack social protection, and are highly vulnerable to climate shocks. For instance, flooding—a primary climate risk in both cities—can destroy market stock, inundate agricultural plots, and block access to market areas, directly wiping out the capital of women traders and farmers. This economic precarity is compounded by significant barriers to formal credit, with KIIs revealing that less than 20% of women-owned businesses in Addis Ababa can access loans, limiting their capacity to invest in climate-resilient practices or recover from disasters.

2. **Gendered Burdens in Water, Sanitation, and Health**

Gendered responsibilities for water and fuel collection mean that urban water scarcity and pollution in the Awetu River directly increase the time burden and health risks for women and girls. FGDs in Jimma highlighted that women spend 3–5 hours daily collecting water, time that could be spent on income generation or education. In informal settlements within Nifas Silk-Lafto and riverside areas of Jimma, the lack of safe, private, and gender-segregated sanitation facilities pose specific threats to women's and girls' safety and dignity, restricting their mobility and increasing their vulnerability to gender-based violence. Furthermore, contamination of water sources during floods elevates the risk of waterborne diseases, placing an additional care burden on women who are typically responsible for sick family members.

3. **Land and Housing Tenure Insecurity**

Female-headed households, which constitute approximately 30% of Addis Ababa's population (Table 7), face significant legal and cultural barriers to secure land and housing tenure. This insecurity, as discussed with the Addis Ababa Land Development Bureau, limits their ability to invest in resilient home improvements, access formal credit using property as collateral, or qualify for certain government support programs. This makes them more vulnerable to market-driven displacement and climate-related disasters, as they often reside in the most hazardous locations, such as floodplains and unstable slopes, with limited legal recourse.

4. **Safety and Mobility in Public Spaces**

As highlighted in FGDs with women's groups in both cities, women and girls report significant concerns about personal safety in public spaces, particularly after dark or in poorly lit, isolated areas like degraded riverbanks and informal pathways. This perceived and real risk restricts their mobility, limits their access to economic opportunities and community meetings that occur in the evening, and

discourages their use of public transport, thereby curtailing their full participation in urban life and project activities. The design of public infrastructure, including the green spaces and river corridors this project will enhance, often overlooks these critical safety concerns.

5. **Systemic Exclusion from Urban and Environmental Governance**

Despite their frontline roles as managers of household resources in climate-vulnerable environments, women remain critically underrepresented in technical urban planning bodies (<15% as per Table 8) and environmental agencies. KIIs with the Addis Ababa Environmental Protection Authority and Jimma City Administration revealed that while women may be consulted, their influence over final technical and financial decisions for NbS projects is minimal. This systemic exclusion results in city plans and resilience interventions—such as the location of parks, the design of drainage systems, and the rules for riverbank use—that often fail to incorporate their specific needs, indigenous knowledge, and daily experiences, thereby undermining the effectiveness, equity, and long-term sustainability of the investments.

This targeted analysis confirms that achieving urban climate resilience through NbS is intrinsically linked to addressing these intersecting urban gender gaps. The project's Gender Action Plan, detailed in Section 6, is designed to proactively respond to each of these specific challenges.

5.10 Analysis of Displacement and Livelihood Risks in the Awetu River Catchment

Physical Displacement:

The most significant risk—physical displacement of communities—has been systematically avoided through pre-feasibility studies and spatial planning. Project sites in Addis Ababa and Jimma were explicitly selected to exclude areas requiring physical displacement, and this has been formally listed in the project's exclusion criteria. Any activity that may trigger physical displacement will be amended or removed from the implementation plan. According to the Jimma City Administration Mayor's Office and Sector Bureaus, while over 80% of riverside households—primarily tenants in government-owned rental units—have already been relocated by the city as part of its broader urban management strategy, this process is **not linked to the NbS project and does not constitute project-induced resettlement**. Officials confirmed that no project activities will trigger or support relocation.

Economic Displacement and Gendered Impacts:

While physical displacement is avoided, the project must consider risks of **economic displacement**. The establishment of protected buffer zones or changes in land use for NbS interventions could potentially restrict access to land currently used for informal farming and resource collection by vulnerable households, predominantly women.

Women would be disproportionately affected for several reasons. First, as they constitute a majority of informal farmers and resource users in the area, any loss of access would directly impact their household food security and meager income. Second, women's typically weaker land tenure security means they have less legal recourse or bargaining power. Third, the loss of these resources can increase their economic dependence and vulnerability to poverty.

Inclusion of Marginalized Groups:

Furthermore, consultations highlight that while ethnic minorities and internally displaced persons (IDPs) do not currently reside in the proposed project sites, they face inherent risks of exclusion from

decision-making and benefit-sharing processes if inclusive mechanisms are not proactively established.

Mitigation and Project Integration:

Therefore, the project will adhere to a strict "avoid-minimize-mitigate" hierarchy. A core mitigation measure will be the proactive implementation of the Gender Action Plan, specifically the activities under Outcome 2 that facilitate **secure land access and alternative livelihood opportunities through women-led cooperatives**. This includes the formal allocation of plots for climate-smart agriculture and agroforestry. The participatory design and governance quotas (Outcome 1) will ensure that the voices of all vulnerable groups, including tenant farmers and ethnic minorities, are heard, minimizing the risk of exclusion. Should any unforeseen economic displacement be identified during detailed design, a **Gender-Sensitive Livelihood Restoration Plan** will be developed to ensure that affected individuals are supported in transitioning to more sustainable, project-enabled livelihoods.

5.11 Sexual Exploitation, Abuse and Harassment

The Government of Ethiopia, through the Ministry of Women and Social Affairs (MoWSA), has developed and submitted to Parliament a Women's Empowerment and Gender Equality Policy that includes provisions addressing Gender-Based Violence. Once approved, all public institutions, including sector ministries, will be required to implement it.

The Ministry of Finance (MoF) has established an employee code of conduct that states:

- Committing, attempting, or facilitating conditions for sexual harassment, abuse, and/or violence against a colleague or customer shall be penalized.
- Employees and managers shall not misuse their authority for personal gain.

KOICA has established an online channel to report violation of human rights on its official website: https://koica.go.kr/koica_en/8346/subview.do

Moreover, the GCF Independent Redress Mechanism has availed an online channel for receiving and responding to SEAH-related complaints on its official website: https://irm.greenclimate.fund/case-register/file-complaint

Furthermore, to ensure that Sexual Exploitation, Abuse, and Harassment (SEAH) does not undermine the well-being of communities and other stakeholders involved in this project, it is recommended that clear guidelines be put in place. Specifically, the following potential risks have been identified along with corresponding mitigation measures.

The analysis is undertaken in line with GCF's guidance and the approach presented in Section 6.3. of the ESMF (Annex 6), which is based on the methodology developed by Wood (2003)[22] and assesses the significance of impacts as a function of its probability of occurrence and its severity. This approach which is found in Annex 6 – ESMF/P Section 6.3. Tables 4 and 5 is presented below for ease of reference.

[22] Wood, 2003. Environmental Impact Assessment: A comparative Review, Second Edition, Pierson Education Limited, Essex.

Criteria for qualitatively assessing the probability and severity of impacts

	Probability				
	Very Low	**Low**	**Medium**	**High**	**Very High**
Severity	Occurs globally but not in similar projects. Almost impossible for this site	Has occurred in other projects. Slight probability but no occurrence observed for this site	Has occurred in specific projects. Probable or frequent for this type of project but very few occurrences observed for this site	Happens several times per year in specific projects Highly probable for this type of project and several occurrences observed for this site	Happens several times per year. Regular occurrence at this site.
Catastrophic (Very high)	Medium	Medium-High	High	High-Very High	Very High
Severe (High)	Low - Medium	Medium	Medium-High	High	High-Very High
Critical (Medium)	Low	Low- Medium	Medium	Medium-High	High
Marginal (Low)	Very Low – Low	Low	Low-Medium	Medium	Medium – High
Negligible (Very Low)	Very Low	Very Low-Low	Low	Low – Medium	Medium

Methodology for categorizing the significance of impacts

	Significance	**Probability**	**Severity**
Lesser significance	Very Low Significance (insignificant)	Very Low	Very Low
	Between Very Low and Low Significance (insignificant)	Very Low	Low
		Low	Very Low
	Low Significance (insignificant)	Very Low	Medium
		Low	Low
		Medium	Very Low
	Between Low and Medium (insignificant)	Very Low	High
		Low	Medium
		Medium	Low
		Very Low	Very High
Medium Significance	Medium (not as significant)	Low	High
		Medium	Medium
		High	Low
		Very High	Very Low
Higher Significance	Between Medium and High (significant)	Low	Very High
		Medium	High
		High	Medium
		Very High	Low
	High (highly significant)	Medium	Very High
		High	High
		Very High	Medium
	Very High (highly significant)	Very High	Very High

Potential SEAH risks, assessment of the significance of these risks, their mitigation measures and budget for the implementation of these mitigation measures

No.	Potential Risks	Probability of impact occurrence	Potential severity of impact	Significance of Impact	Risk Mitigation Measures	Budget
	Contextual risks					
1	National Level Risks (i) Weak legal frameworks and limited enforcement of existing laws (ii) Low rates of reported prosecution of SEAH incidents (iii) Absence of national action plans or policies on addressing SEAH prevention (iv) Inadequate support for SEAH survivors, particularly among displaced communities	(i) Medium (ii) Medium (iii) Medium (iv) Medium	(i) Medium (ii) Medium (iii) Medium (iv) Medium	**Medium** Overall, the impacts in this category are **not as significant**	• Work closely with MoWSA, sector ministries and relevant organizations to integrate SEAH safeguards into project implementation • Ensure AEs enforce applicable guidelines • Support EEs in implementing SEAH related policies • Advocate for enforcement of SEAH-related laws and provision of survivor support within project scope.	• Budget for this is incorporated as part of the activities under risk #3 and #4 below (in this table). • Moreover, this forms part of the implementation budget of the Gender Action Plan (Annex 8)
2	Societal Risks • Prevailing sociocultural norms that perpetuate SEAH, including child marriage • Limited awareness of rights and SEAH-related issues.	(i) Medium (ii) Medium	(i) Medium (ii) Medium	**Medium** Overall, the impacts in this category are **not as significant**	• Partner with local authorities to raise community awareness on SEAH prevention and safeguarding. • Conduct sensitization campaigns on legal and health implications of SEAH. • Identify and engage male champions as allies in SEAH prevention. • Deliver SEAH training to project stakeholders and community members.	• Budget for this is incorporated as part of the activities under risk #3 and #4 below (in this table). • Moreover, this forms part of the implementation budget of the Gender Action Plan (Annex 8)
	Project Level Risks					

No.	Potential Risks	Probability of impact occurrence	Potential severity of impact	Significance of Impact	Risk Mitigation Measures	Budget
3	(i) Lack of understanding of SEAH and appropriate response mechanisms.	Medium	Medium	**Medium** Overall, the impact in this category is **not as significant**	Implement awareness programs in collaboration with MoWSA and its regional offices: (i) Conduct comprehensive SEAH training for all project stakeholders, including steering committee members, project personnel, and local influencers. (ii) Integrate SEAH sessions into community consultations and project team meetings. (iii) Disseminate SEAH messages through media and awareness materials. (iv) Provide targeted training for vulnerable groups. (v) Encourage community dialogue on SEAH during vulnerability assessments. (vi) Involve men and boys in developing SEAH guidelines to foster ownership and inclusivity.	(i) This is included as part of project budget (under Annex 4 detailed Budget activity 1.1.1) (ii) USD 3,000 (for additional costs during community consultation identified on the GAP under activities 2.1.2 and 2.2.2 (Annex 8) (iii) This is included as part of project budget (under promotion, documentation, knowledge management budget under Annex 4 line 59) (iv) USD 5,000 allocated for implementing this mitigation measure (v) Part of project budget (under Annex 4 detailed Budget activity 1.2.1) (vi) During participatory risk screening and guideline development identified below under risk #4
4	(i) Potential SEAH incidents during activities such as training, plantation, nursery development, public space	Medium	High	**Medium-High** This impact is **significant**	• Establish a project code of conduct prohibiting SEAH. • Conduct participatory risk screening for project activities clearly identifying the groups (women, girls, men, boys, other	USD 6,000 allocated for the implementation of these mitigation measures

No.	Potential Risks	Probability of impact occurrence	Potential severity of impact	Significance of Impact	Risk Mitigation Measures	Budget
	establishment and maintenance and waste management				vulnerable groups) highly impacted. • Develop SEAH guidelines for identified high-risk activities including disciplinary and legal measures. • Include SEAH clauses in all project-related contracts. • Incorporate SEAH considerations in market assessments. • Ensure adequate lighting and safe pathways in public spaces. • Display SEAH reporting contact information prominently.	
5	(i) Gender-Based Violence and Community Backlash: increased women's empowerment may lead to household or community-level violence.	Medium	High	**Medium-High** This impact is **significant**	• Organize SEAH-focused sessions during community consultations, including women-only forums. • Engage male and local influencers as SEAH champions. • Clearly communicate reporting procedures to all stakeholders.	• Budget for this is included as part of community engagement indicated above under risk #3 (in this table) • Budget for this is included as part of the activities identified below under risk #6 (in this table).
6	(i) Lack of structured reporting system	Low	Medium	**Low-Medium** This impact is **insignificant**	• Develop and publicize a Grievance Redress Mechanism (GRM) for each site that is SEAH specific and survivor centered. • Ensure reporting channels are simple, safe, and accessible to all stakeholders.	- USD 4,000, in addition to a budget of USD 10,000 per site that is provided in the ESMP to create an information portal and to make announcements on various information outlets on the GRM mechanism (this ESMP budget is found in Annex 6- Section 7.6, Table 9,

No.	Potential Risks	Probability of impact occurrence	Potential severity of impact	Significance of Impact	Risk Mitigation Measures	Budget
					• Mandate reporting of suspected or actual SEAH cases by all project personnel and partners. • Establish a safeguarding team at project inception. • Assign SEAH focal points within communities and project teams to facilitate reporting. • Provide multiple reporting options (e.g., phone, in-person, police, community elders). • Maintain confidentiality of all SEAH reports. • Identify partners for psychosocial support where necessary.	under Output 2.1.and Output 2.2)
7	(i) Lack of appropriate support for SEAH survivors	Medium	High	**Medium-High** This impact is **significant**	• Map and identify partners that can provide essential support to survivors including legal, medical psychosocial and reintegration • Develop a protocol to be followed in case of incidents • Ensure SEAH focal points have the required information on how to handle and whom to contact for required support	USD 2,000 allocated to implement these mitigation measures
8	(i) Failure to monitor and document SEAH cases effectively	Low	Medium	**Low-Medium** This impact is **insignificant**	• Integrate SEAH case monitoring into project oversight processes. • Include SEAH case updates in project reports.	Part of project budget (USD 20,000 under KOICA M&E framework)

No.	Potential Risks	Probability of impact occurrence	Potential severity of impact	Significance of Impact	Risk Mitigation Measures	Budget
					• Annually review and strengthen SEAH mechanisms based on monitoring outcomes. • Document lessons learned to inform future projects and improve safeguarding practices.	

Women are disproportionately impacted by the SEAH risk outlined above due to systemic gender inequality and the resulting power imbalances within society and workplaces. However vulnerable men and boys, particularly those who are displaced, living with disabilities or residing in informal settings, are also impacted by these risks. Therefore, trainings and support initiatives should be inclusive of everyone involved in the project, ensuring that all stakeholders clearly understand the reporting structure put in place. Further, under risk #4 above there is an activity that will conduct participatory risk screening for project activities clearly identifying the groups (women, girls, men, boys, other vulnerable groups) highly impacted at the project level.

5.12 Discussion and Conclusion

The comprehensive gender assessment conducted for the GCF project "Building Urban Climate Resilience through Nature-Based Solutions in Ethiopia" reveals a complex and deeply entrenched landscape of gender inequality that intersects dynamically with the forces of urbanization, climate vulnerability, and socio-economic exclusion. Ethiopia's demographic profile—characterized by a youthful population, significant ethnic diversity, and rapid urban growth—presents a dual reality of immense potential and profound challenge for gender-responsive development. The project's focus on Addis Ababa and Jimma epitomizes these dynamics, where the urban and peri-urban context exacerbates the disproportionate climate burden on women and girls, intensified by informal housing, limited access to basic services, and systemic exclusion from the decision-making processes that shape their living environment.

The analysis confirms that despite Ethiopia's progressive legal and policy frameworks—including the ratification of CEDAW, the National Policy on Women, and the Climate Change Gender Action Plan—a significant implementation gap persists. Institutional mechanisms such as gender units and inter-ministerial coordination platforms exist on paper but are critically weakened by chronic underfunding, a lack of accountability, and their peripheral integration into core strategic planning and budgeting cycles. Consequently, gender mainstreaming within urban resilience and NbS initiatives often remains superficial, focusing on symbolic representation rather than fostering the substantive participation and agency required for transformative change.

Social and economic inequalities create a cycle of vulnerability that is amplified by climate shocks. Girls face persistently higher school dropout rates, while access to reproductive health services remains inadequate, particularly in informal settlements. Gender-based violence constitutes a pervasive crisis, and harmful traditional practices endure. Economically, women are overwhelmingly concentrated in the informal sector, engaged in low-paying, insecure work with severely limited access to credit, land, and business development services. The immense and disproportionate burden of unpaid care work creates significant "time poverty," further constraining their economic participation and ability to engage in community resilience-building activities.

Critically, in the urban NbS sector, women's contributions, though substantial, remain largely informal, undervalued, and constrained by systemic barriers. They are active agents in urban agriculture, forestry, and resource management, yet are systematically excluded from technical planning and decision-making fora. This exclusion results in NbS interventions that risk being less effective, sustainable, and equitable. The persistent gender gaps in access to finance and productive resources underscore a **strategic imperative for gender-responsive financing and sustainability**. The project's inclusive design is therefore not just a financial instrument but a critical vehicle for social inclusion. To ensure sustainability and directly bridge the financing gap, the project will integrate gender-responsive budgeting (GRB) principles into municipal systems and explicitly **earmark budget for women- and youth-led initiatives**. This along with a gender focused capacity need assessment will, providing access to capital coupled with tailored technical assistance, thereby empowering women as entrepreneurs and leaders in the green economy and securing the long-term impact of project investments. Further to mitigate any potential SEAH incidents, the Gender Action Plan incorporates activities that raise awareness of SEAH, clarify roles and responsibilities of all stakeholders, and implement mitigation measures, including the assignment of dedicated focal points.

While the project's Feasibility Study indicates that physical relocation is not anticipated, the potential for temporary economic displacement or access restrictions during construction phases, particularly in the densely populated and utilized Awetu River catchment in Jimma, is acknowledged. Such disruptions can exacerbate existing gender inequalities, as women often depend on nearby, informal livelihood sources and have less capacity to absorb short-term income shocks. The project is designed to mitigate this risk proactively. Core activities such as prioritizing local hiring, facilitating alternative livelihood cooperatives, and ensuring secure land access for affected users are direct mitigation measures. Furthermore, to ensure a robust 'do no harm' approach, a detailed Livelihood Restoration Framework will be developed as a stand-alone annex to the ESMP during the inception phase, with a specific focus on mitigating gendered impacts. The project's Environmental and Social Management Plan (ESMP) will include specific protocols for continuous monitoring of socio-economic impacts, with a gender-sensitive lens, to ensure any negative effects are identified and addressed promptly.

In conclusion, this assessment unequivocally underscores that achieving urban climate resilience in Ethiopia is inextricably linked to addressing these deep-seated gender inequalities. A business-as-usual approach will inevitably perpetuate and potentially exacerbate existing vulnerabilities. The findings compellingly argue for the **gender-transformative approach** embedded in this project's Gender Action Plan—one that moves beyond merely ensuring women's participation to actively challenging and reshaping the underlying power dynamics, social norms, and institutional practices that perpetuate inequality. This requires the intentional, targeted interventions outlined in this assessment: empowering women as central agents of change, ensuring the equitable distribution of resources and benefits through innovative financing, and embedding gender justice into the very fabric of urban climate governance. The success of the proposed NbS interventions will ultimately be measured by their ability to be designed and implemented in ways that are genuinely responsive to the lived realities, knowledge, and aspirations of all urban residents, particularly the most marginalized women and girls.

6 GENDER AND SOCIAL INCLUSION ACTION PLAN

6.1 Project Focus Addressing Country's Context and Baseline Analysis Findings

The Gender and Social Inclusion Action Plan (GAP) represents the operational framework through which the project "Building Urban Climate Resilience through Nature-Based Solutions in Ethiopia" will translate its commitment to gender equality and social inclusion into tangible actions and measurable outcomes, as illustrated in **Figure 1**. This plan is deliberately structured to address the specific gaps and challenges identified in the comprehensive gender assessment, ensuring that the project's interventions are responsive to the differentiated needs, capacities, and vulnerabilities of women, men, youth, persons with disabilities, and other marginalized groups in Addis Ababa and Jimma.

The GAP is strategically aligned with Ethiopia's national priorities as articulated in the Gender Equality and Women's Empowerment Strategy (GEWES), the Climate Change Gender Action Plan (CCGAP), and the Long-Term Low Emission Development Strategy (LT-LEDS). It also fully complies with the Green Climate Fund's Gender Policy and Environmental and Social Management Standards. By systematically addressing the critical barriers identified—such as land tenure insecurity, limited access to finance, underrepresentation in decision-making, and the disproportionate burden of unpaid care work—the GAP ensures that the project's NbS interventions contribute not only to climate resilience but also to transformative social change. The strategic directions outlined in the following action plan are

informed by extensive multi-stakeholder consultations and desk reviews, providing a coherent and accountable framework for integrating gender and social inclusion across all project components.

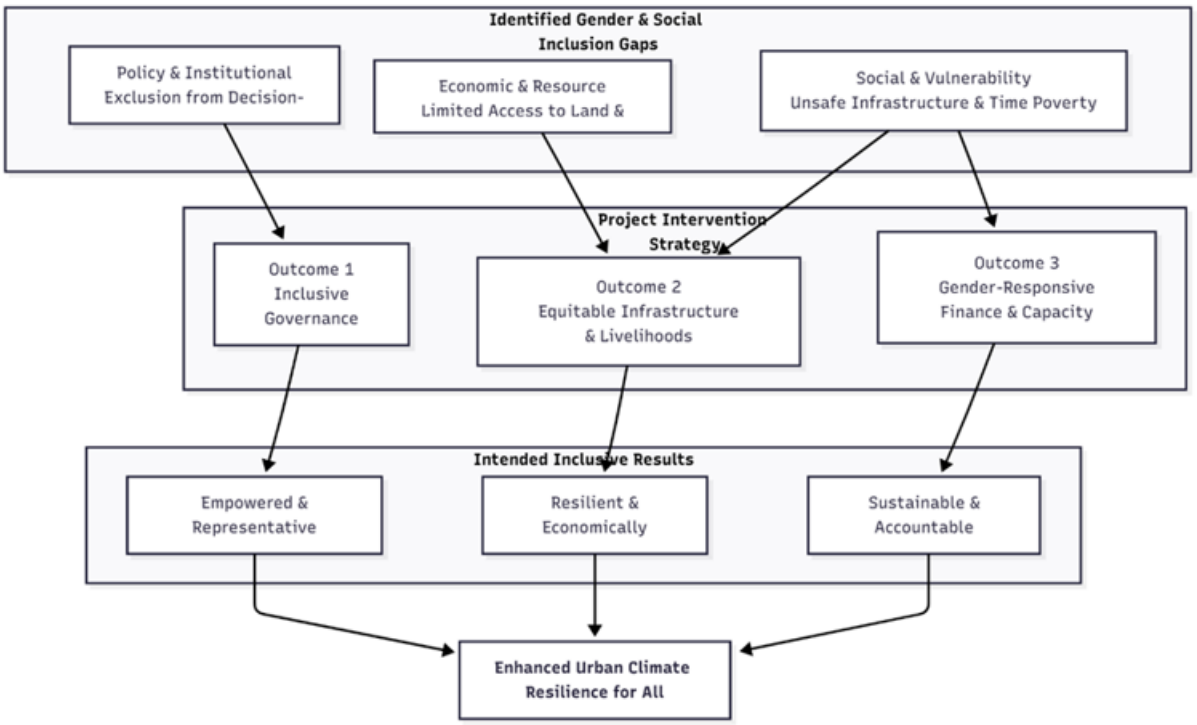

Figure 1: Flowchart that depicted the process of the Overall Project's Logic from Gaps to Inclusive Outcomes

6.2 Gender Action Plan Integrated to Project's Components

The Gender Action Plan is systematically mainstreamed across the project's results framework. It moves beyond standalone activities to integrate gender and social inclusion directly into each project output, with clear, measurable actions designed to ensure equitable participation and benefit-sharing.

Definition of 'Women-Led Initiative/Cooperative': For the purpose of this GAP, an entity is considered 'women-led' if it meets at least one of the following criteria:

a) Women constitute at least 60% of ownership/share capital;
b) Women hold over 60% of the key leadership positions (e.g., Chairperson, Secretary, Treasurer) in a cooperative or management committee; and
c) At least 60% of the primary decision-makers and the key beneficiaries of the initiative are women.

The comprehensive table below presents the integrated GAP, structured in line with GCF guidance. It details the gender-responsive activities, sex-disaggregated and qualitative indicators, targets, timelines, responsible entities, and budget allocations for each output, ensuring full traceability and accountability throughout the project cycle. The GAP ensures that the project's investments in urban climate resilience simultaneously advance social equity, empowering the most vulnerable as agents of change and building a more resilient future for all, in full alignment with GCF Gender Policy and Ethiopia's national commitments. Based on the gender assessment the action plan aims to deliver the following key gender outcomes.

Increased Women's Representation in Governance supported with gender budgeting

The project establishes an Urban NbS Steering Committee and integrates gender criteria into national and municipal policies. It ensures at least 40% female representation in decision-making bodies and embeds gender-responsive planning and budget tracking into Ethiopia's urban resilience framework. Women will have a stronger voice in shaping climate policies and urban development strategies.

Secure Land Tenure and Leadership for Women

Through NbS interventions in Addis Ababa and Jimma, the project allocates secure land tenure for women-led cooperatives in urban agriculture and nursery development. This empowers women with recognized ownership and leadership roles in managing green spaces, reducing vulnerability and enhancing economic security.

Economic Empowerment via Green Jobs and Finance

The project designs NbS initiatives with inclusive consultation including dedicated women-only sessions; it targets 50% women's employment in NbS activities such as reforestation and riverbank stabilization, with ≥25% from female-headed households, providing access to capital and technical support for green enterprises.

Gender-Sensitive Infrastructure and Safety

NbS designs incorporate gender-sensitive safety features—such as improved lighting and visible pathways in green corridors—to reduce risks of gender-based violence and enhance mobility. Women's consultations ensure that public spaces and climate-resilient infrastructure reflect their safety and accessibility needs.

Capacity Building and Inclusive Knowledge Systems

The project trains ≥500 women in using climate knowledge platforms and integrates gender-responsive budget tracking into municipal systems. A gender focused capacity needs assessment will ensure that women will gain need based technical skills, leadership training, and access to climate information, enabling their active participation in resilience planning and monitoring.

These measures collectively transform gender roles from passive beneficiaries to active agents of change, ensuring women's equitable participation in governance, economic opportunities, and climate resilience. The project aligns with Ethiopia's national strategies, creating a sustainable pathway for inclusive urban climate action.

Table 18: Project-Level Gender Action Plan (GAP)

Activities	Indicators and Targets	Timeline	Responsibilities	Costs (USD)
Impact Statement: Enhanced resilience and improved socio-economic well-being of urban communities in Ethiopia, particularly for women, female-headed households, youth, and persons with disabilities, through inclusive, gender-responsive governance and implementation of Nature-based Solutions (NbS). **Outcome Statement:** By the end of the project, women and marginalized groups actively participate in, decision-making, and equitably benefit from strengthened NbS governance, job creation, and climate-resilient infrastructure in Addis Ababa and Jimma.				
Carry out site-specific baseline survey to establish baseline	**Indicator:** Number of reports produced **Target:** Two gender and age disaggregated baseline survey reports produced; baseline established for each GAP activities	First half of Year 1	MoWSA, KOICA PMU*	10,000
Output 1.1: Strengthened multi-level governance systems for urban NbS implementation				
Activity 1.1.1: Establishment of an inter-sectoral coordination mechanism for urban NbS	• **Indicator:** % of women in the steering committee. • **Qualitative Indicator:** Committee minutes, ToR, and operational manual reflect integration of gender and social inclusion perspectives in decisions. • **Target:** ≥40% female representation, including representatives from non-state actors.	Year 1	MoPD, MoWSA, KOICA PMU	Part of project budget (under Annex 4 detailed Budget activity 1.1.1 and M&E**)
Activity 1.1.2: Development of a national urban NbS framework and supportive regulations.	• **Indicator:** Number of policies with integrated gender criteria. • **Target:** 100% of NbS policy instruments (framework, guidelines) are at least gender-inclusive.	Year 1–2	MoUI, MoWSA, KOICA PMU	Part of project budget (under Annex 4 detailed Budget activity 1.1.2 and M&E)
Activity 1.1.3: Integration of an urban NbS framework into national and municipal programmes	• **Indicator:** Gender-budgeting system integrated in municipalities • **Indicator:** Number of staff trained (disaggregated by sex). • **Indicator:** M&E system to track progress ensures collection of gender disaggregated data • **Target:** system to track gender specific expenditure in place in Addis Ababa and Jimma municipalities; ≥500 government staff trained (≥40% women); all M&E reports are gender disaggregated	Year 2–3	MoUI, Addis Ababa & Jimma City Admin, KOICA PMU	Part of project budget (under Annex 4 detailed Budget activity 1.1.3 and M&E)
Output 1.2: Improved capacity to scale up NbS throughout Ethiopia				
Activity 1.2.1: **Conduct of research to map climate vulnerability and identify NbS opportunities**	• **Indicator:** Number of gender-disaggregated vulnerability assessment report produced. • **Indicator:** % of women consulted in the assessment process.	Year 1–2	EMI, GII, Addis Ababa & Jimma EPA, KOICA PMU	Part of project budget (under Annex 4 detailed

Activities	Indicators and Targets	Timeline	Responsibilities	Costs (USD)
	• **Qualitative indicator:** assessment report clearly shows the diverse vulnerability of different groups • **Target:** ≥50% women participation in vulnerability assessment; all vulnerability assessment reports include sex-disaggregated data.			Budget activity 1.2.1 and M&E)
Activity 1.2.2: Development of a centralized knowledge management framework.	• **Indicator:** Number of women trained to use the platform. • **Indicator:** % of women among platform users. • **Target:** ≥500 women trained; ≥40% of active portal users are women.	Year 2–3	MoIT, MoWSA, Cooperative Agencies, KOICA PMU	Part of project budget (under Annex 4 detailed Budget activity 1.2.2 and M&E)
Output 2.1: Established climate-resilient infrastructure and green spaces in Addis Ababa.				
Activity 2.1.1 Need based capacity building	• **Indicator:** gender focused capacity needs assessment of cooperatives • **Indicator:** Number of trainings given to women-led enterprises based on assessment outcome (leadership; financial literacy, technical etc.) • **Qualitative indicator:** Trainings are conducted at places and time that are conducive for women and other vulnerable groups • **Target:** 1 assessment report; at least 1 training per year given to women-led enterprises based on assessment outcome; ≥60% of training participants are women (of which at least 10% are FHH).	Year 1–3	MoWSA, Cooperative Agencies, KOICA PMU	48,000
Activity 2.1.2: Forestland restoration and natural regeneration in upper catchment areas of Little Akaki-Jemo river	• **Indicator:** % of person-days of employment generated for women. • **Indicator:** % of women in forest management groups • **Target:** ≥50% of employment for women (of which ≥ 25% are from FHHs); ≥50% women members of forest management group with ≥30% women in leadership positions.	Year 1-3	Addis Ababa City Administration, KOICA PMU	Part of project budget (under Annex 4 detailed Budget activity 2.1.1 and M&E)
Activity 2.1.3: Enhancement of Climate-Resilient Buffer and Green Spaces in Urban Areas	• **Indicator:** Number of dedicated women's consultation sessions held. • **Qualitative Indicator:** % of women FGD participants reporting that their safety and other concerns were incorporated into the design. • **Target:** ≥5 dedicated women's sessions per city; ≥80% of women (including at least 50% of FHH beneficiaries) report design incorporation.	Year 1–3	Addis Ababa City Administration, KOICA PMU	5,000 for consultation and part of M&E budget for reporting)

Activities	Indicators and Targets	Timeline	Responsibilities	Costs (USD)
Activity 2.1.4: Integration of Climate-Smart Urban Agriculture in Green Spaces	• **Indicator:** % of women-led agricultural plots established with secure tenure. • **Target:** ≥50% plots formally allocated and managed by women-led cooperatives.	Year 4–5	Urban Beautification Bureau, KOICA PMU	Part of project budget (under Annex 4 detailed Budget activity 2.1.3 and M&E)
Activity 2.1.5: Facilitation of community-led green infrastructure development.	**Indicator:** % of women-led cooperatives benefiting. • **Indicator:** % increase in income for women beneficiaries. • **Qualitative Indicator:** Focus Group Discussions show reduced time burden for women due to project-supported interventions. • **Target:** ≥50% of beneficiaries are women-led cooperatives; ≥30% income increase for participating women including FHH.	Year 2–5	KOICA PMU, Cooperative Agency	Part of project budget (under Annex 4 detailed Budget activity 2.1.4 and M&E)
Output 2.2: Improved climate-affected ecosystem in Jimma.				
Activity 2.2.1 Need based capacity building	• **Indicator:** gender focused capacity needs assessment of cooperatives • **Indicator:** Number of trainings given to women-led enterprises based on assessment outcome (leadership; financial literacy, technical etc.) • **Qualitative indicator:** Trainings are conducted at places and time that are conducive for women and other vulnerable groups • **Target:** 1 assessment report; at least 1 training per year given to women-led enterprises based on assessment outcome; ≥60% of training participants are women (of which at least 10% are FHH).	Year 1–3	Jimma City Administration, Cooperative agencies, KOICA PMU	48,000
Activity 2.2.2: Forestland conservation and restoration in the upper catchment areas of Awetu river	• **Indicator:** % of person-days of employment generated for women. • **Indicator:** % of women in forest management groups • **Target:** ≥50% of employment for women (of which ≥ 25% are from FHHs); ≥50% women members of forest management group with ≥30% women in leadership positions.	Year 1-3	Jimma City Administration, KOICA PMU	Part of project budget (under Annex 4 detailed Budget activity 2.2.1 and M&E)
Activity 2.2.3: Integrated Planning and Development of Riverbank Buffer Zone	• **Indicator:** Number of dedicated women's consultation sessions held. • **Qualitative Indicator:** % of women FGD participants reporting that their safety and other concerns were incorporated into the design.	Year 1-4	Jimma City Administration, KOICA PMU	5,000 for consultation and part of M&E budget for reporting)

Activities	Indicators and Targets	Timeline	Responsibilities	Costs (USD)
	• **Target:** ≥5 dedicated women's sessions per city; ≥80% of women (including at least 50% of FHH beneficiaries) report design incorporation.			
Activity 2.2.4: Establishment of Climate-Smart Urban Agriculture in Green Spaces	• **Indicator:** % of women-led agricultural plots established with secure tenure. • **Target:** ≥50% of plots formally allocated and managed by women-led cooperatives.	Year 4-5	Jimma City Administration, KOICA PMU	Part of project budget (under Annex 4 detailed Budget activity 2.2.3 and M&E)
Activity 2.2.5: Facilitation of Community-Led Natural Resource and Environmental Management	**Indicator:** % of women-led cooperatives benefiting. • **Indicator:** % increase in income for women beneficiaries. • **Qualitative Indicator:** Focus Group Discussions show reduced time burden for women due to project-supported interventions. • **Target:** ≥50% of beneficiaries are women-led cooperatives; ≥30% income increase for participating women including FHH.	Year 2–5	Cooperative Agency, KOICA PMU	Part of project budget (under Annex 4 detailed Budget activity 2.2.4 and M&E)
Output 3.1 Mobilized resources to new urban NbS projects in priority climate-vulnerable cities				
Activity 3.1.1. Identification of scale-up NbS projects in selected cities and inclusive co-development of detailed implementation plans	• **Indicator:** gender lessons synthesized from outcome 1 and outcome 2 • **Indicator:** gender lessons explicitly integrated in the scale-up projects • **Target:** 1 gender lessons synthesis report per city; scale-up project plan clearly indicates how lessons are integrated	Year 1–3	MoWSA, Cooperative Agencies, KOICA PMU	4,000
Activity 3.1.2 Administration of oversight and performance management	• **Indicator:** % of audit reports, annual performance reports and M&E reports publicly disclosing sex-disaggregated results. • **Qualitative indicator:** gender indicators included in the project M&E framework • **Qualitative Indicator:** number of testimonies from female beneficiaries captured. • **Target:** 100% of reports include gender-disaggregated performance data; reports capture at least one testimony of women beneficiaries from each project site	Year 2–5	KOICA PMU, Independent Auditors	Part of project budget (under Annex 4 detailed Budget activity 3.1.2 and M&E)
Output 4.1: SEAH				
Activity 4.1.1: Establish SEAH mitigation procedures in both project sites	• **Indicator:** Safeguarding committee and SEAH focal points established in Addis Ababa and Jimma project sites • **Indicator:** Number of SEAH related trainings delivered	Year 1-5	KOICA PMU, MoWSA, City Administrations	20,000 in addition to this M&E budget included

Activities	Indicators and Targets	Timeline	Responsibilities	Costs (USD)
	• **Indicator:** progress of SEAH activities indicated above under the SEAH section including case updates and consultation sessions incorporated in annual project reports • **Indicator:** % of women, girls and vulnerable groups reporting increased awareness and sense of security • **Target:** At least 1 safeguarding committee and 1 SEAH focal point assigned at each site; at least one SEAH related training conducted per year at each site for different stakeholders; all annual reports include SEAH update section; SEAH is included in project monitoring reports; >80% of sampled beneficiaries report improved SEAH awareness and sense of security			activities under the SEAH risk table

KOICA PMU will have a focal person for safeguarding and work with representatives of MoWSA and woreda women and social affairs offices and project personnel to ensure implementation of the GAP

**** KOICA M&E framework has a dedicated budget of $20,000 for the GAP activities identified above**

7 RELEVANT LISTS OF ANNEXES

7.1 Annex 1: Data Collection Tools and Methods

This annex details the systematic approach employed to collect both primary and secondary data for the Gender Assessment and Action Plan (GAAP). The methodology was designed to ensure alignment with the Green Climate Fund's (GCF) requirements for robust, participatory, and evidence-based gender analysis. Data collection was structured across administrative levels and directly linked to the project's results framework to ensure findings would directly inform the design of gender-responsive interventions. The tools were tailored to capture both quantitative data on representation and access, and qualitative insights into social norms, barriers, and opportunities.

Federal-Level Stakeholders

Consultations at the federal level focused on understanding the policy environment, institutional capacities, and strategic frameworks that enable or hinder gender-responsive NbS implementation.

Table 19: Federal-Level Consultation Framework

Stakeholder Group & Focus Area	Linked Project Component	Key Consultation Questions / Data Points	Consultation Method(s)
KOICA – Co-financing & oversight	Outcome 3 / Financing Mechanism	What are the key criteria for ensuring that co-financed activities are gender-responsive? How can the project be designed to specifically track benefits for women and marginalized groups?	Virtual meeting; Document review of co-financing agreements.
Ministry of Finance	Outcome 1 / Governance	What is the current capacity for gender-responsive budgeting within the CRGE Facility? What mechanisms can be established to ensure the project meaningfully support women- and youth-led enterprises?	Virtual interviews; Review of national budget and climate finance tracking systems.
Ministry of Planning & Development	Outcome 1 / Policy Framework	How can gender equality indicators be systematically integrated into the national monitoring framework for NbS? What are the main barriers to collecting sex-disaggregated data in urban climate projects?	Virtual/Physical meetings; Policy analysis of national development plans.
Ministry of Urban Development & Infrastructure	Outcome 1 / Policy Framework	What provisions for women's participation and safety are currently included in urban planning guidelines? How can NbS standards mandate gender-sensitive design (e.g., lighting, accessibility)?	Workshops; Virtual interviews; Review of urban planning codes.
Ministry of Women & Social Affairs	Cross-cutting / All Outcomes	What are the most significant structural barriers for women in urban areas accessing climate finance and resources? How can the project best support the mandates of local women's bureaus?	Virtual interviews; Review of national gender strategies and action plans.

Stakeholder Group & Focus Area	Linked Project Component	Key Consultation Questions / Data Points	Consultation Method(s)
Environmental Protection Authority	Outcome 1 / Knowledge Management	How can climate vulnerability data be collected and presented in a sex-disaggregated manner? What are the key gender dimensions in ecosystem management in urban areas?	Physical meetings; Data sharing sessions on environmental databases.
Ethiopian Meteorological Institute	Outcome 1 / Knowledge Management	How can climate early warning information be made more accessible and actionable for women farmers and female-headed households in urban and peri-urban areas?	Virtual meetings; Review of GIS data and communication protocols.

Addis Ababa City & Nifas Silk-Lafto Sub-City

Consultations at the city and sub-city level focused on practical implementation, service delivery, and understanding the on-the-ground realities for different social groups.

Table 20: Addis Ababa City-Level Consultation Framework

Stakeholder Group & Focus Area	Linked Project Component	Key Consultation Questions / Data Points	Consultation Method(s)
Addis Ababa City Administration	Outcome 2 / NbS Planning & Design	What are the current levels of women's representation in technical planning departments? What mechanisms exist for communities, particularly women, to provide input into public works design?	Hybrid consultations; Review of municipal project documents and council minutes.
Addis Ababa Land Development Bureau	Outcome 2 / Land Access	What are the legal and practical barriers for women and youth to obtain secure land tenure for urban agriculture or NbS enterprises? What percentage of land titles are held by women?	Hybrid consultations; Focus Group Discussions (FGDs) on land access experiences.
Addis Ababa Women & Youth Bureau	Outcome 2 / Community Engagement	Which marginalized groups are most excluded from city programs? What specific capacity building (e.g., leadership, technical skills) is needed for women to effectively engage in and lead NbS cooperatives?	Hybrid FGDs; Virtual consultations with women's and youth networks.
Urban Beautification & Greenery Bureau	Outcome 2 / Green Infrastructure	How can the design of parks, riverbanks, and green corridors be made safer and more accessible for women, girls, and persons with disabilities? What opportunities exist for women-led nurseries?	Hybrid workshops; Participatory design sessions.

Oromia Region & Jimma City

Consultations in Jimma focused on the city-specific context, capturing local vulnerabilities, existing community structures, and opportunities for replicable models of inclusive NbS.

Table 21: Jimma City-Level Consultation Framework

Stakeholder Group & Focus Area	Linked Project Component	Key Consultation Questions / Data Points	Consultation Method(s)
Jimma City Administration	Outcome 2 / Urban Agriculture	What underutilized public lands can be allocated to women's cooperatives for climate-smart agriculture? What support is needed to integrate these activities into local economic development plans?	Field interviews; Community engagement sessions.
Jimma Land Development Bureau	Outcome 2 / Land Access	What are the common practices regarding land inheritance and ownership for women in Jimma? How can the project facilitate joint land titling or secure lease agreements for women's groups?	Field visits; Land rights consultations with traditional leaders and women's groups.
Jimma Women & Youth Bureau	Outcome 2 / Livelihoods	What are the primary value chains in Jimma where women have strong involvement but face market barriers? What type of childcare support would enable greater participation in NbS activities?	Field FGDs; Training needs assessments; Gender analysis of local value chains.
Oromia EPA & Jimma City EPA	Outcome 2 / Ecosystem Restoration	What indigenous knowledge does women possess regarding native species and water management? How can restoration activities be structured to provide both environmental benefits and sustainable income for women?	Physical field visits; FGDs with women's groups in the Awetu River catchment.

7.2 Annex 2: Summary of Stakeholder Consultations with Local Communities

Methodology: Consultations with local communities, including separate Focus Group Discussions (FGDs) for women and men, were conducted in August 2025 in Addis Ababa and Jimma. These sessions were held in accessible community centers at times convenient for women, with female facilitators for the women-only groups to ensure a safe and open environment. A detailed Stakeholder Engagement Plan (SEP), specifying protocols for ongoing gender-inclusive consultations, will be finalized during the inception phase to ensure women's continued participation throughout implementation.

Summary of Issues Raised and Project Integration:

Stakeholder Group	Key Issues and Priorities Raised	How the Project Has Been Designed to Address Them
Women (Addis Ababa & Jimma)	- Fear of flooding destroying homes and informal businesses. - Lack of safe, secure land for urban farming. - No safe place for children during work or training. - Harassment in public spaces and on transport. - Difficulty accessing loans and financial services.	- Implementation of riverbank stabilization and flood mitigation NbS (Activity 2.1.3). - Allocation of secure land tenure to women-led cooperatives (Activity 2.1.3). - Provision of community childcare at project sites (Activity 2.2.4). - Integration of gender-sensitive design (lighting, visibility) into green infrastructure (Activity 2.1.1). - Creation of a dedicated funding window with simplified applications for women-led initiatives (Activity 3.1.4).
Men (Addis Ababa & Jimma)	- Job opportunities, especially for youth. - Need for skills training in construction and agriculture.	- Target of 40% local employment in NbS works, with skills training (Activity 2.1.2). - Facilitation of inclusive cooperatives with skills development (Activity 2.1.4). - Participatory land-use planning to avoid displacement; focus on improving existing sites (Activity 2.1.1).

Stakeholder Group	Key Issues and Priorities Raised	How the Project Has Been Designed to Address Them
	- Concern about relocation or loss of current land access.	
Youth (Mixed Groups)	- Lack of green job opportunities. - Interest in entrepreneurship but lack of start-up capital. - Feeling excluded from community decision-making.	- Priority for youth in NbS employment and cooperative formation (Activity 2.1.4). - Quota for youth representation (≥20%) in NbS governance committees (Activity 1.1.1).

Project Site Social Baseline Profiles:

Note: A full primary baseline survey, collecting sex- and age-disaggregated data on all GAP indicators, will be conducted within the first six months of implementation. This will establish the precise baseline against which all gender and social inclusion targets will be measured. The following profiles are based on available secondary data and initial consultations.

Profile Aspect	Nifas Silk-Lafto, Addis Ababa	Awetu River Catchment, Jimma
Primary Livelihoods	Formal employment, informal trade, services, petty manufacturing, riverside urban agriculture.	Small-scale agriculture (teff, maize), agroforestry (coffee, fruit trees), petty trade, public sector employment.
Key Gender & Social Dynamics	High proportion of female-headed households; women dominant in informal trade and urban agriculture; youth unemployment a key challenge.	Strong communal ties; women heavily involved in agriculture but with less secure land control; significant youth out-migration.
Land Tenure	Mix of formal and informal; high tenure insecurity in informal settlements, particularly for women.	Customary and formal systems; women often have use rights but rarely ownership titles.
Climate Vulnerabilities	Flash flooding in low-lying areas and river corridors; urban heat island effect; water scarcity.	Riverbank erosion and flooding; deforestation; seasonal water shortages affecting agriculture.

7.3 Annex 3: Gender and Social Inclusion Risk Matrix

This matrix systematically identifies the key intersectional social risks that could undermine the project's effectiveness, equity, and sustainability. It outlines proactive mitigation measures to be integrated into project design and management, ensuring that the project 'does no harm' and actively promotes the inclusion of women, youth, persons with disabilities, and informal settlers. The risks and corresponding actions are derived from the findings of the Gender Assessment and stakeholder consultations.

Table 22: Gender and Social Inclusion Risk and Mitigation Matrix

Risk Category	Affected Groups	Description of Risk & Link to Project Components	Risk Rating	Mitigation Measures	Responsibility	Timeline
Tenure Insecurity	Women-headed households, informal settlers	Lack of formal land rights may lead to exclusion from NbS benefits (e.g., urban agriculture plots) and potential displacement during infrastructure works (e.g., riverbank stabilization). **Linked to:** Outcome 2.	Medium	1. Conduct participatory land use planning and social mapping prior to intervention. 2. Facilitate formal or customary land use agreements for vulnerable groups. 3. Integrate tenure-sensitive safeguards into the ESMP.	PMU, City Land Bureaus, MoUI	Prior to site activity (Y1-Y2)
Exclusion from Decision-Making	Youth, persons with disabilities, ethnic minorities	Limited representation in NbS governance (committees, councils) and technical consultations leads to designs that do not meet their needs. **Linked to:** Outcome 1.	Medium	1. Enforce a minimum 40% quota for women and 20% for youth in all NbS steering committees. 2. Hold separate, accessible consultation sessions for different groups. 3. Provide capacity building on NbS for underrepresented community leaders.	PMU, MoWSA, City Administrations	Ongoing (Y1-Y5)
Inaccessible Design of Services & Infrastructure	Persons with disabilities, elderly, pregnant women	New green infrastructure (parks, paths, drainage) may not comply with universal design principles, creating new barriers. **Linked to:** Outcome 2.	Medium	1. Mandate accessibility audits for all NbS infrastructure designs. 2. Apply universal design standards in all technical specifications. 3. Actively engage Organizations of Persons with Disabilities (OPDs) in design validation.	PMU, Executing Engineers, OPDs	Design Phase (Y1-Y2)
Livelihood Displacement & Lack of Benefit	Women-led cooperatives, youth groups	Existing informal livelihoods may be disrupted, and new NbS-related green jobs may not be accessible to marginalized groups due to skill	Medium	1. Implement a "Local Resource-Based Approach" for NbS works, prioritizing local hiring. 2. Allocate a quota of contracts	PMU, Cooperative Agencies, City Admin	Implementation (Y2-Y5)

Risk Category	Affected Groups	Description of Risk & Link to Project Components	Risk Rating	Mitigation Measures	Responsibility	Timeline
		gaps or biased recruitment. **Linked to:** Outcome 2 & 3.		and resources to registered women and youth cooperatives. 3. Provide targeted, practical skills training linked to the NbS value chain.		
Heightened Climate Exposure	Informal settlers, elderly women, children	Project failure to prioritize the most vulnerable geographic areas could exacerbate existing climate risks for these groups. **Linked to:** All Outcomes.	High	1. Use sex- and age-disaggregated climate vulnerability data for all site selection. 2. Prioritize NbS interventions in the most high-risk informal settlements identified by communities. 3. Co-develop community-based early warning systems with women's groups.	PMU, EMI, City EPA	Planning & Implementation (Y1-Y5)
Weak Institutional Capacity for Inclusion	Gender units, local authorities	Implementing partners lack the budget, skills, or mandate to effectively implement gender and inclusion safeguards, rendering the GAP inactive. **Linked to:** Outcome 1.	Medium	1. Integrate specific gender and inclusion deliverables and budgets into partner agreements. 2. Deliver mandatory training on gender-responsive planning and M&E for project staff. 3. Conduct annual institutional capacity assessments.	PMU, MoWSA, HR Units	Annually (Y1-Y5)
Ineffective Grievance Redress	Marginalized communities, illiterate populations	Lack of safe, accessible, and trusted channels to raise concerns can hide exploitation, corruption, and unintended negative impacts. **Linked to:** Cross-cutting.	High	1. Establish a community-based GRM with multiple access points (hotline, offices, mobile units). 2. Engage trusted intermediaries (religious leaders, elders) to facilitate reporting.	PMU, Independent Grievance Officer	Establish in Y1; Operate Y1-Y5

Risk Category	Affected Groups	Description of Risk & Link to Project Components	Risk Rating	Mitigation Measures	Responsibility	Timeline
				3. Ensure GRM information is communicated orally and in local languages.		
Social Unrest & Youth Disengagement	Urban youth, unemployed graduates	If youth perceive NbS projects as irrelevant or providing no economic opportunity, it could lead to social friction or vandalism of new infrastructure. **Linked to:** Outcome 2 & 3.				

7.4 Annex 4: Stakeholder List and Contact Summary

List of consulted personnel and experts with organizational affiliations, disaggregated by level

Federal-Level Stakeholders

Name	Organization	Role/Title
State minister level	MoUI	State minister level within the MoUI
Munaye Tesfaye	Independent Consultant	Environmental and Social Safeguards Specialist
Alebachew Adem	Independent Consultant	Climate Finance and Policy Expert
Mikias A.	MoF	Director for bilateral segments and government to government-based cooperation unit
Rukia Seid	MoUI	Focal person for CRGE
Dr Muktar	Senior country's officer for NDC partnership	MoPD
Professor Kumelachew	Addis Ababa University	NbS specialist
Misgnaw Eyassu	CRGE/NDC coordinator in UNOPS/MoPD	Inclusive Governance Advisor
Elias M.	MoPD	Expert
Ketema Legesse	MoWSA	Advisor to the minister
Endashaw Mogessie	PHEEC	Senior advisor
Berhanu Assefa	MoA-seconded from SCALA	Country coordinator
Dr Asamnew	EMI	Director and Advisor to the General director

Addis Ababa City Stakeholders

Name/Organization	Organization	Role/Title
Officials from Addis Ababa City Administration	Various Bureaus	Urban Planning and beautifications of green growth development plan and bureau heads
Eshetu Mulu	A.A city UBGDB	Directorate director
Representatives from Addis Ababa EPA	EEPA	Environmental Oversight
Experts from Land Development Bureau	Land Use Planning	Buffer Zone Regulation
Staff from Water & Sewerage Authority	Infrastructure Division	Flood Mitigation Planning
Urban Beautification Bureau Officers	Greenery Bureau	Urban Greening Implementation
Women/Youth Bureau Representatives	Social Affairs	Community Engagement and Inclusion

Oromia Region and Jimma City Stakeholders

Name/Organization	Organization	Role/Title
Tena Gobene (PhD)	Regional EPA	Wetland Restoration Oversight
Jimma City Administration	Mayor's Office and Sector Bureaus	NbS Coordination and Planning
Jimma City EPA	Local EPA	Environmental Compliance
Jimma Land Development Bureau	Urban Planning	Land Tenure and Allocation
Jimma Water & Sewerage Authority	Infrastructure Division	Flood Control and Riverbank Stabilization
Jimma Women/Youth Bureau	Social Affairs	Cooperative Engagement and Capacity Building

Development Partners and Technical Advisors

Name	Organization	Role/Title
Amare Mugoro	NIRAS	Advisor for natural resources and climate change
Elias Buzayene	UNOCHA	Rights-Based Water Governance Expert and Geospatial specialist
Daniel Abesselom	Free Lancer consultant	Urban Resilience and geospatial expert
Eric Holthaus	The Nature Conservancy	Ecosystem Services Specialist
Experts from WRI	World Resources Institute	Technical Assistance and Policy Support
Experts from GGGI	Global Green Growth Institute	GCF Readiness and Capacity Building
Teketel Daniel	UNDP - Ethiopia	Specialist for DRR
Bethel Terefe	KOICA -Ethiopia country office	Senior program manager