Increasing finance for sustainable land management

ETHIOPIA

CONTEXT

Ethiopia has a long history of widespread land degradation in all regions and recurring droughts. Together, these constitute one of the most serious problems facing the country’s agriculture, particularly in the highlands where most agricultural production takes place. More than 85% of the land is moderately to very severely degraded, and about 75% is affected by desertification. All forms of land degradation occur in Ethiopia: water and wind erosion; salinization; alkalinization; and both physical and biological degradation of soils. Statistics on the subject are staggering:

- loss of 30,000 ha a year due to water erosion, and more than 2 million ha severely damaged;
- annual nutrient losses of 30 kg/ha of nitrogen and 15-20 kg/ha of phosphorous;
- loss of 62,000 ha of forest/woodland a year;
- loss of 4,000 ha of State farms (2004) to salinization.

The lowlands experience very severe droughts the impact of which, together with land degradation, has greatly impaired the country's economic and social development and its food security status. About 8 million people rely on food aid every year, to escape famine.

CHALLENGES

The problem of land degradation stems largely from poor land-use practices and population pressure (especially in the highlands). Inappropriate farming practices, overgrazing, deforestation and the use of crop residues and dung for fuel in rural households are among the main causes. Very high population pressure, particularly in the highland farming areas, has led to a decline in arable area. Combined with increasing land degradation and recurrent droughts, this has contributed to declining crop productivity. Increased human and livestock populations have led to agricultural encroachment on to marginal areas, significantly reducing the already dwindling forest and woodland resources of the highlands.

Land degradation is exacerbated by factors such as insecure land tenure, weak agricultural research and extension services, and inadequate input supply and produce marketing systems. Policy failures and lack of capacity to implement government interventions also contribute to the degradation of land and other natural resources.

The Plan for Accelerated and Sustained Development to End Poverty (PASDEP) and the current Poverty Reduction Strategy Paper (PRSP) offer a great opportunity to tackle land degradation. The PASDEP prioritizes sustainable land management (SLM) and sector-specific strategies to address the problem of land degradation and desertification comprehensively, as illustrated by the National Action Programme (NAP) to combat desertification in Ethiopia. In addition, ongoing efforts by Terrafrica partners - led by the National SLM Platform Secretariat - to develop a Country Strategic Investment Framework (CSIF) are a big boost in the fight against land degradation and desertification. National stakeholders have endorsed the draft CSIF, while high-level government officials and development partners have affirmed their commitment to financing its implementation. These are positive developments in the nation’s effort to address land degradation and improve food security, especially for poor households.

Several of Ethiopia’s development partners, including: the United Kingdom’s Department for International Development (DFID); the World Bank; the German Agency for Technical Cooperation (GTZ); the African Development Bank (AFDB); the European Union (EU); the International Fund for Agricultural Development (IFAD); and the United Nations Development Programme (UNDP); have aligned their support to the implementation of the PASDEP, including the promotion of SLM. SLM interventions are currently financed largely through the Productive Safety Net Programme (PSNP) - the main instrument used by development partners to fund interventions to improve food security and reduce vulnerability in poor households.
Ethiopia’s Environment Protection Authority (EPA), with technical and financial support from the Government of Norway and the Global Mechanism (GM) facilitated the mainstreaming of the NAP into the PASDEP in 2004. On the basis of this and other government achievements in NAP implementation, the TerraAfrica Initiative selected Ethiopia as one of the four countries in which to pilot its approach to upscaling investments in SLM, with a view to providing a comprehensive response to land degradation.

The draft 15-year CSIF was developed by the government with support from several TerraAfrica partners, notably German Technical Cooperation (GTZ), the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP), the World Bank, the New Partnership for Africa’s Development (NEPAD) Secretariat, UNDP and the GM. The CSIF identifies areas needing attention in terms of promoting SLM, sets priorities, proposes appropriate interventions, and identifies the roles and responsibilities of key stakeholders. The GM’s current support to Ethiopia is within the framework of the CSIF. Thus, the objective of the GM’s engagement is to support the government in developing a comprehensive resource mobilization strategy for SLM, within the CSIF.

WHERE DO WE STAND ON IMPLEMENTATION?

One of the outcomes of programme identification missions between February and May 2008, to consult with government officials and development partners working on SLM and other issues touching on poverty eradication in the country, is the agreement reached with the government on areas for GM support over the next three years.

The country programme currently being formulated focuses on resource mobilization and has the overall objective of triggering investments in SLM. Under this programme, the GM will support the government in developing an Integrated Financing Strategy (IFS) for the CSIF and for other goals in the context of United Nations Convention to Combat Desertification (UNCCD) implementation. The IFS will guide the mobilization of financial resources through a multi-source approach. It will therefore target both budget (official development assistance [ODA] and domestic revenue) and non-budgetary resources, including emerging opportunities such as carbon/climate-related funds, emerging donors, private capital, and trade and market opportunities, especially for dryland products.

The country programme also seeks to strengthen and broaden partnerships, including through stimulating the interest of key stakeholders in the business community in contributing to investment in SLM and in building national capacity to facilitate resource mobilization during CSIF implementation. Finally, the programme will generate and manage knowledge on SLM financing, including the establishment of a database on resource allocation trends, investment capital and best practices in resource mobilization for SLM (and the CSIF).

NEXT STEPS

Formulation of the country programme will be completed by December 2008, and then discussed with stakeholders during the first quarter of 2009, with a view to endorsement. A cooperation agreement will be signed with the government during this period and it is expected that programme implementation will then commence immediately.