CMF CLIMATE MAINSTREAMING FACILITY

A review of the PSNP documentation with regard to the monitoring, evaluation and reporting of climate benefits from the ICF perspective

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UKaid from the British people

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SOUTH SOUTH NORTH TOWARDS CLIMATE RESILIENCE

Acronyms

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Disclaimer

The Climate Benefits of PSNP 5

1. Overview of the Public Safety Net Programme (PSNP)

The Public Safety Net Programme (PSNP) is a key component of the Ethiopian Government's Food Security Programme, an essential feature of the country's food security investment strategy for chronically food-insecure woredas. The development objective of the PSNP 5 is to contribute to reducing household vulnerability and improving resilience to shocks. Since its inception, the PSNP has passed through four phases, entering its fifth phase in mid-2021.[1] The phases have been designed for the gradual expansion of the programme's activities.

The PSNP strategy combines different but complementary interventions: cash and food transfers and social protection services; public works projects, such as participatory watershed management interventions and the construction of community infrastructure; and technical assistance and training to support the diversification of livelihood activities.

The specific objectives of the cash and food transfers provided through the PSNP include:

a) smoothing household consumption in order to bridge production deficits in chronically food insecure households that are not self-sufficient;
b) protecting household assets to prevent poor households from falling further into poverty;
c) reducing recipients' vulnerability to future shocks and their chronic dependence on external assistance; and
d) the creation of community assets through linking activities that enhance productivity, with a view to sustainable development.

The programme's overall goals are achieved by:

a) enhancing the resilience of vulnerable, food insecure households through timely and predictable food and cash transfers, in order to prevent asset depletion at the household level and to build assets at the community level;

[1] Technical Assistance to Support GCCA+/ Mainstreaming of Climate Smart Planning and Implementation Approaches into Productive Safety Net Programme IV (PSNP4) in Ethiopia

b) increasing the adoption of disaster risk management (DRM) systems through improved early warning systems, contingency planning, financing and risk mitigation with regard to shocks; and
c) rehabilitating degraded natural and managed ecosystems to enhance societal and ecosystem resilience, and to mitigate and adapt to climate change.[2]

The programme provides transfers through labour-intensive public works projects that focus on soil and water conservation and the creation of infrastructure such as roads, schools and clinics. It also includes direct support to labour-poor households with the elderly and the sick.[3]

2. The Integration of Climate Change Considerations into PSNP

The aim of the fourth and fifth phases of the PSNP, which runs from 2015 to 2024, is to ensure that both public works and livelihood programming supports the building of climate resilience and also contributes to the greenhouse gas (GHG) abatement goals set out by the Climate Resilience and Green Economy (CRGE) Strategy.

The integration of climate considerations into PSNP public works (PW) planning and implementation took place during these phases, with the climate-smart initiatives (CSI) initially funded by the World Bank (2013 to 2015).

The project aimed to improve how Ethiopia's PSNP addresses climate change issues. The findings and recommendations from the CSI pilot interventions were incorporated into the planning and implementation of PSNP 4 public works and livelihood programmes.[4] Furthermore, the CSM–PSNP project, supported by the European Union's Global Climate Change Alliance, strengthened the climate smart, PSNP PW and livelihood components. The focus of this phase of the project was to systematically integrate climate smart approaches into the planning and implementation process, manuals, guides, reporting, and capacity development of the PSNP. In addition, a climate shock responsive (CSR) component was recently introduced as part of PSNP 5 to integrate humanitarian assistance and pre-emptive actions into standard PSNP operations. The CSR component includes an

[2] World Bank _Social Protection Discussion Papers and Notes https://econpapers.repec.org/paper/wbkhdnspu/
[3] Technical Assistance to Support GCCA+/ Mainstreaming of Climate Smart Planning and Implementation Approaches into Productive Safety Net Programme IV (PSNP4) in Ethiopia
[4] *CSI Policy brief* _ Carbon finance opportunities for Ethiopia's PSNP

information-led system for identifying approaching climate/drought shocks, and for making upward adjustments to cash payments for existing clients, or expanding payments to a larger group in areas experiencing the shock.[5] Efforts have been made to continue developing and adopting climate-sensitive activities, adjusting public works and livelihood guidelines to make them more climate sensitive, incorporating low-carbon and low-regret options, and monitoring the impacts of climate change by establishing a baseline for measuring carbon sequestration results. The CBPWRDP guidelines have also been revised to integrate climate smart approaches and technology into the planning and implementation of the public works and livelihood components. The revised guidelines assist watershed planning communities to collect both baseline data and annual activities data for climate- and development-related indicators. Climate vulnerability assessments are conducted with technical support provided by CSM–PSNP regional-level technical experts.

This report is outlined as follows: Section 1 provides an overview of the PSNP, presenting it objectives and a description of each component; Section 2 outlines the integration of climate smart projects and initiatives into the PSNP planning and implementation process; Section 3 presents the resilience co-benefits of PSNP public works, covering cash and food transfers, shock responsiveness and livelihood support; Section 4 discusses the mitigation co-benefits of PSNP public works; Section 5 showcases the contribution of the PSNP to Ethiopia's NDC objectives; and Section 6 reviews the calculation methodology of PSNP's ICF contribution and outlines the plan for calculating ICF contributions in the future.

3. PSNP PW and Resilience Co-benefits [KPI 1 & 4]

The PSNP PW is part of Ethiopia’s Food Security, aiming to improve food security and reduce poverty in chronically food insecure areas. The PSNP PW provides social protection and builds climate resilience by assisting with sustainable land management practices and helping farmers respond to climate change impacts. The implementation of the PSNP PW subproject in Ethiopia has resulted in significant positive outcomes for climate change adaptation and mitigation. The PSNP PW offers temporary employment opportunities to vulnerable households through labour-intensive PW subproject, such as soil and water conservation, water supply, small-scale irrigation and rural road construction. These employment opportunities enhance the resilience and livelihoods of food insecure

[5] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO’s Social Protection Portfolio

households to climate change, providing them with income and assets that can reduce their vulnerability to climate shocks.[6] In addition, it includes activities related to livestock and natural resource management, such as livestock vaccination, feed supplementation and the rehabilitation of degraded communal lands. These activities have been shown to improve the productivity and sustainability of agricultural livelihoods and enhance the resilience of food insecure households and ecosystems to climate change.[7]

There is also evidence from the Public Works Impact Assessment (PWIA) that investments in soil and water conservation (SWC) on communal lands increases farmer productivity.[8] The PSNP 2015 PWIA found that the proportion of beneficiary farmers interviewed who were applying PW SWC techniques on their own land had reached 91%, making PSNP PW a valuable complementary input to household-level efforts to decrease vulnerability.[9] The PSNP PW subproject also encourages the adoption of climate-smart agricultural practices, such as conservation agriculture, agroforestry and integrated crop-livestock systems.[10] These practices further increase the productivity and sustainability of agricultural systems and lead to enhanced resilience to climate change effects such as drought and flood risks. It also focuses on enhancing disaster risk reduction through activities such as early warning systems, drought risk response plans, and community-based adaptation measures. These efforts help to increase the resilience of communities to climate-related disasters such as droughts and floods.[11]

Most of the PSNP PW subprojects completed each year focus on soil and water conservation. This involves the use of terracing, tree planting and gully control measures to counteract the effects of rapid runoff and soil erosion on deforested and over-grazed hillsides.[12] The construction of water harvesting structures has also improved soil moisture during crucial crop growth stages and periods of rainfall shortage. Storage facilities are often included in these subprojects to build resilience against drought risk. PW subproject also

[6] Impact of productive safety net program in rural community of Ethiopia: A review study https://academicjournals.org/journal/JAERD/article-full-text-pdf/D2032A056860
[7] Solomon D., Woolf, D., Jirka, S., De'Gloria, S., Belay, B., Ambaw, G., Getahun, K., Ahmed, M., Ahmed, Z. & Lehmann, L. 2015. Ethiopia's Productive Safety Net Programme (PSNP): Soil carbon and fertility impact assessment. A World Bank Climate Smart Initiative (CSI) Report. Cornell University. https://ecommons.cornell.edu/handle/1813/41301
[8] Impact assessment of the PSNP Public Works Programme. May 2009. M.A. Consulting Group, Nairobi, in association with Prospect Development Consult, Addis Ababa, https://nrmdblog.files.wordpress.com/2016/04/volume-ii-psnp-pwia-2009-main-report.pdf
[9]PSNP III, 2014 PWIP SuDCA & Soberland Consulting Associates Joint Venture
October 2015, Addis Ababa. https://nrmdblog.files.wordpress.com/2016/04/psnp-iii-pwia-psnp-pwia-2015.pdf
[10] CSI Policy brief _ Carbon finance opportunities for Ethiopia's PSNP
[11] PAD for strengthen Ethiopia's adaptive safety net project
[12] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio

rehabilitates hill slopes and gullies to facilitate groundwater recharge, increasing water availability and strengthening farmers' resilience to water shortage risks. The rehabilitated gullies also serve as production areas for crops and fodder.[13] The water subprojects under the programme play a significant role in improving access to clean water and alleviating water stress caused by environmental degradation and the effects of climate change, particularly droughts and floods.

As part of PSNP PW's social infrastructure-building activities, subprojects have included the construction of community road networks, rural feeder roads and trails, health posts and schools. These initiatives have improved access to markets, health facilities, education and other social services. Between 2007 and 2019, the PSNP PW constructed 64,389 community feeder roads and repaired an additional 106,216 km of road. This reduced vulnerability to climate impacts such as floods and droughts by enhancing access to emergency services and disaster risk reduction measures.[14] Between 2005 and 2020, the PSNP PW project constructed and strengthened 4,125 government-owned health posts, improving access to health services and reducing vulnerability to climate impacts such as waterborne diseases and other climate-sensitive health risks. In addition, between 2005 and 2020, the PSNP PW enlarged and repaired 20,795 schools, improving access to education.[15]

Improving vegetation cover is an important aspect of the PSNP PW watershed management plan, as vegetation regulates the water and nutrient cycle, increasing soil fertility and thus agricultural productivity, and buffering against temperature extremes.[16] In addition, improving vegetation cover is a crucial strategy for supporting climate change mitigation, as it reduces carbon emissions while also restoring environmentally degraded hillsides and expanding the range of household assets. The PSNP PW watershed management plan includes area closure and afforestation/reforestation/the creation of wood lots to enhance biomass and biodiversity, the promotion of beekeeping in area closures, and other measures.

[13] PAD for strengthen Ethiopia's Adaptive Safety Net project
[14] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio
[15] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio
[16] Jirka, S., Woolf, D., Solomon, D. & Lehmann, J. Climate Finance for Ethiopia's Productive Safety Net Programme (PSNP): Comprehensive report on accessing climate finance and carbon markets to promote socially and environmentally sustainable public works social safety net programmes

These efforts have resulted in an average increase of 169% in vegetation cover and a 36% reduction in soil erosion since the programme began in 2005.[17] The PSNP PW's area closures, in conjunction with its soil and water conservation activities, contribute to climate resilience by increasing the forage available to livestock and the woody biomass available for fuel, which enhances livestock production and fulfils the energy needs of communities. Further, area closure supports livelihood strengthening and diversification by promoting income-generating activities such as beekeeping, leading to outcomes that build household resilience to climate change. All of these benefits of the community asset-building component of the PSNP PW subproject contribute to enhancing the resilience and adaptive capacity of communities, particularly in response to climate variability and seasonal droughts.[18]

3.1 Core transfer to PW clients and climate co-benefits

Ethiopia has implemented a large-scale safety net programme that provides food and cash assistance to an average of 3.8 million Ethiopians annually.[19] The PSNP PW component engages approximately 80% of able-bodied household clients benefiting from the safety net programme in labour-intensive PW activities.[25] The programme has also provided cash and food transfers to vulnerable PW households and supported the development of community assets. These assets enhance agricultural productivity, natural resource management and disaster risk reduction. As a result, the programme has improved food security and nutrition by reducing the incidence of hunger and malnutrition among clients.[1] The regular food/cash transfer model bridges the seasonal food hunger gap for families in chronically food insecure areas, in exchange for their participation in labour-intensive PW subprojects. These cash and food transfers also protect clients from having to sell productive assets during times of crisis, reduce mean food gaps and improve dietary food diversity.[20]

The 2018 IFPRI PSNP impact assessment found that the average food gap had fallen by 0.5 months among PSNP households and by 0.3 months among non-PSNP households in relation to the baseline year, which showed a food gap of 2.5 months for PSNP households

[17] The response by social protection and jobs (Jobs) global practices to climate change in Ethiopia, summary note on effects of safety net on climate change, World Bank, July 2023.

[18] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio

[19] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio

[20] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio

and 2 months for non-PSNP households in four intervention regions.[21] In addition, PSNP PW has increased the income and employment opportunities of programme clients by involving them in livelihood activities. The livelihood component provides livelihood grants and loans to PW clients based on their business plans. Business plans are developed with technical support from the programme and are tailored to the specific livelihood activities of the household.

The poorest PW clients are provided with livelihood grants, as their poverty status makes them too high a risk for the financial loans offered by service providers. The aim of these grants, which amount to approximately $300, is to improve clients' creditworthiness.

PSNP clients who are already on credit tracks are provided with livelihood loans. From 2016 to 2019 the programme enabled 352,643 households (1,763 million individuals) to engage in productive activities, with ETB 2.38 billion provided in grants to the poorest households in rural areas. In the same time frame, the transfer of ETB 27.26 billion to regulate food consumption of 7.9 million chronically food insecure clients generated an indirect effect on the local economy.[22]

Indirect effects manifest in several ways: First, as beneficiaries spend their cash transfers, there is an increased demand for goods and services, which stimulates economic growth. Second, this increased spending indirectly benefits even those households that do not receive transfers, as it leads to an overall improvement in household consumption and asset holdings in the area. Third, the flow in demand for goods and services has a ripple effect, leading to more job opportunities as local businesses expand their workforces to meet this increased demand.

In addition to cash and food transfers, the programme offers financial literacy training and access to credit. This has led to increased income and employment opportunities, particularly for women and youth. In terms of asset creation, it is reported that the public works transfers have enhanced livestock holdings and the value of productive household assets or tools.[23] Enhanced livestock holdings serve as a financial safety net, with

[21] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio
[22] Technical Assistance to Support GCCA+/ Mainstreaming of Climate Smart Planning and Implementation
[23] Impacts of the Productive Safety Net programme in Ethiopia on livestock and tree holdings of rural households

households receiving the transfer able to use their livestock as a source of income in various ways, including the sale of livestock during times of temporary income shortfalls. This strategy allows them to maintain their livelihoods during challenging economic periods.[24] The same study also found that five years of PSNP participation raised average livestock holdings by 0.38 tropical livestock units (TLU) per household. It concluded that livelihoods are stabilising and that food security is improving for PSNP PW clients, thereby increasing resilience to climate change. PSNP impact evaluations, carried out every two years, show the positive effects of transfers on security, and their ability to improve overall household resilience. In the highland regions of Ethiopia, households living in areas that experienced a minimum of two droughts and had received PSNP payments for a minimum of two years experienced no food security decline, while households receiving a minimum of four or five years of payments experienced an increase in their livestock holdings.

3.2 Shock responsiveness of cash transfers and PSNP resilience to climate change

PSNP 5 includes a shock-responsive component, it is designed to take a proactive approach by using early warning information systems to identify and respond to approaching droughts and other shocks. The programme has evolved from its initial objective of establishing a safety net for shock response to focusing on the needs of extremely poor and vulnerable individuals in drought-prone areas. Annual drought response and assistance plans are created using data from a drought estimation system, with these plans regularly updated to ensure accurate information and funding sources for forecasted clients. The updates are grounded in real-time resource availability to ensure accuracy and effectiveness. The aim of the shock-responsive safety net transfers is to provide reliable and predictable resources in times of acute need. The transfers ensure that food insecure households, particularly those affected by drought, have access to a trustworthy safety net, and are not compelled to implement detrimental coping strategies, such as selling assets or removing children from school.

The IFPRI 2018 impact assessment revealed that households were able to prevent hunger

[24] Impacts of the Productive Safety Net programme in Ethiopia on livestock and tree holdings of rural households

and the selling of assets during bad years, thanks to proactive drought financing and transfers, along with their engagement in a variety of income-generating activities both on and off the farm, such as wage labour employment. This stability allowed households to safeguard and accumulate their productive assets. The results of PSNP impact evaluations conducted every two years show that the transfers have had a strong positive effect on food security. As a result, households have become more resilient and less vulnerable to food shortages. In the highland regions of Ethiopia, households that faced at least two droughts and had received PSNP payments for at least two years experienced no decline in food security.

3.3 Climate change co-benefits of the linkages between PSNP PW and livelihood creation

The livelihoods component of the programme supports clients to improve their livelihoods through solutions tailored to suit individuals or households, according to their capacity, and provides tailored technical assistance for each of the three livelihood pathways – on-farm activities, off-farm activities, and women employment.[25] The objective is to simultaneously tackle multiple barriers that prevent poor households from accessing better jobs and livelihood opportunities, promote sustained increases in income, assets and resilience, and ultimately contribute to poverty reduction. Accordingly, households have received a sequenced combination of technical and financial support in order to build their assets, diversify their income sources and graduate from the programme. Evidence from the PSNP performance assessment report (PPAR) shows that livelihoods are stabilising and food insecurity is reducing among PSNP households, resulting in improved food security for at least 5 million chronically food insecure people, and at least stabilising the long-term trend of increasing numbers of food-insecure people.[26]

PW has created various community assets that have benefited livelihoods. Around 67% of the planned PW projects have potential linkages with livelihoods, showing that the PW and livelihoods linkage is well established.[27] The links provide ample options for clients to engage in more managed crop production, homestead fruits and vegetable production, multipurpose tree planting, beekeeping, the fattening of livestock, and other income-

[25] PAD for strengthen Ethiopia's Adaptive Safety Net project
26 Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio
[27] Business planning guideline [CBWMP guideline]

generating activities, all which have beneficial effects such as reducing food gaps, increasing crop and livestock production, and enabling a diversification of livelihood options. This diversity of income sources strengthens clients' climate change adaptation capabilities. In addition, the increase in tree planting may be seen as contributing to climate change mitigation as it increases carbon sequestration in the soil and vegetation.[28]

PSNP PW projects have contributed to the improvement of households' livelihoods through their participation in enhanced on-farm productivity activities, asset building and off-farm wage employment. By improving their overall income and asset building capacities, livelihood clients have increased their adaptive capacity to cope with the adverse effects of shocks. This has been a result of direct training (financial literacy, business skills and marketing), technical assistance, conditional capacity building, and the dissemination of resources from the programme. The support has helped clients to diversify their livelihood activities, reduce their dependency on climate-sensitive sectors, and access new markets and opportunities.[29] This has resulted in the creation of micro-enterprises (both on and off farm), more wage employment, the development of climate-resistant value chains, and the expansion and diversification of existing small businesses. These changes have had significant benefits for communities, rendering them less reliant on sectors that are sensitive to climate change. Moreover, the increased engagement in different livelihood activities has provided communities with more income opportunities, which enables clients to better adapt to the challenges posed by climate change.

The livelihoods component has also led to improved savings and a culture of additional resource creation, in which clients engage in different income generating activities (IGAs) financed through a climate-smart planning process. All livelihood clients are required to show a business plan for the activities they wish to engage in, which they prepare with the help of the DAs and woreda experts. Business plans are expected to be climate-proofed, with each plan considering climate risks and having adaptation contingencies in place.[30] The business planning process therefore integrates climate-smart strategies into entrepreneurial activities by requiring entrepreneurs to consider the impact of climate change in their selection and implementation of income generating activities. This approach aims to achieve

[28] Business planning training materials
[29] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio
[30] Food Security Coordination Directorate (FSCD), ERPSNP: Livelihood Households' Business Plan Preparation and implementation Training Manual Tailored to Development Agents (DAs') Level.

three objectives: reduce clients' vulnerability to climate change, increase their resilience and sustainability, and support climate change mitigation in the programme's livelihood component. By using a demand-driven approach, value chains and income generating activities are chosen based on the needs and priorities of the community, as well as the programme's objective of improving food security and livelihoods. The selected activities are then assessed for their ability to address climate change, taking into account whether they mitigate the effects of climate change and promote livelihoods that are resilient to climate change.

PSNP livelihood clients have reduced their vulnerability to climate risk by building adaptation strategies into their crop production. They used small-scale irrigation, rainfed and heat-tolerant crops, early maturing crops, and local water harvesting techniques. These practices increased their crop productivity and incomes, thus enhancing their adaptation, resilience and food security.[31] In livestock husbandry, the strategies focus on poultry production and management, beekeeping, the fattening of sheep and goats, and the production of animal feed. These interventions include technical support to women in their management of small-scale poultry production and animal fattening. The programme has assisted clients, particularly women, to use animal feed from rehabilitated watersheds, connecting them with local feed producers.[14] These strategies align with the recommendations of the Climate Resilient Green Economy (CRGE) and are conducted in an environmentally friendly way.

Access to financial services is another important aspect of the livelihood component. This involves promoting the habit of saving, improving access to credit through appropriate financial institutions, and linking programme participants with micro-insurance service providers. These strategies aim at facilitating women's access to financial services from local-level institutions such as village savings and loan associations (VSLAs), rural savings and credit cooperatives (RuSACCOs), and microfinance institutions (MFIs). The PSNP performance assessment report for 2016 to 2019 showed that the programme provided loan amounts of ETB 2.38 billion, enabling 352,643 households (1,763 million individuals) to engage in productive activities.[31] The PSNP indicates that these were part of the adaptation component. However, there is no clear consideration of climate in loan design and

[31] Food Security Coordination Directorate (FSCD), ERPSNP: Livelihood Households' Business Plan Preparation and implementation Training Manual Tailored to Development Agents (DAs') Level May 2021 Addis Abeba FSCD-PSNP/Livelihood DA level Value Chain & Business Plan Training Manual, May 2020

allocation.

The livelihood component has also enhanced the adaptation capacity of livelihood clients by providing them with capacity development. This includes technical and financial training, financial literacy training, and marketing services. All training is customised to suit the needs of the clients, and is organised at times and places convenient to them. The programme also connects clients, especially women, with reliable market information and opportunities, thus increasing their economic support.[1]

3.4 Mitigation Co-Benefits of PSNP PW

The efforts of Ethiopia's PSNP PW projects have made a significant impact in mitigating climate change, largely through their focus on community asset building and livelihood strengthening in various sectors, including agriculture, forestry and land use. The participatory watershed management interventions, the construction of community infrastructure and the integrated soil fertility management measures have all played a role in this achievement.[32] The implementation of integrated soil and water conservation, erosion and flood control measures, afforestation/reforestation, cut-and-carry fodder systems and agroforestry systems have contributed to increased carbon sequestration into the landscape. A study conducted by the CGIAR research programme estimated that the land management interventions implemented by PSNP PW resulted in the reduction of approximately 3.4 metric tons (MT) of CO2 eq per year, which accounts for about 1.5% of Ethiopia's Nationally Determined Contribution (NDC). Moreover, the rehabilitation of degraded land through area closures and afforestation/reforestation activities in the PSNP has led to increased carbon stocks in trees and soils, further aiding in carbon sequestration and climate change mitigation. The programme has also supported off-farm livelihood activities with mitigation potential, such as the development of value chains for energy-efficient cookstoves and biogas, which aligns with the goals of the CRGE.

Observations from satellite data in the PSNP PW watersheds reveals a significant increase in annual total biomass production (TBP) and provides reliable estimates of changes in vegetation activity.[33] The TBP values in 2010, 2015 and 2020 were 1850.37 kg/ha,

[32] Climate Finance for Ethiopia's Productive Safety Net Programme (PSNP): Comprehensive report on accessing climate finance and carbon markets to promote socially and environmentally sustainable public works social safety net programmes [Stefan Jirka, Dominic Woolf, Dawit Solomon, and Johannes Lehmann]
[33] CSI Policy brief _ Carbon finance opportunities for Ethiopia's PSNP

19,186.34 kg/ha and 23,144 kg/ha, respectively. This growth in TBP has helped ecosystems and communities adapt to climate change by regulating the water and nutrient cycle. Increased TBP also mitigates climate change though an increased capacity for carbon dioxide storage in the biomass and the soil.

Trees both within and outside of forests provide various benefits to human well-being and ecosystem health.[34] They can help regulate water flow, reduce the likelihood of floods and landslides, support biodiversity, and sequester carbon. Analysis by the PWIA shows that the area covered by trees in the PSNP PW sample watersheds increased from 436 hectares in 2010 to 885 hectares in 2020. In addition, between 2001 and 2020, trees in these watersheds emitted 35.6 MT of carbon dioxide equivalent per year and removed 555 MT of carbon dioxide equivalent per year. This represents a net carbon flux of –520 metric tons of carbon dioxide equivalent per year.[35]

A report published by a Cornell University team in 2015, under the CSI, found an increase of 300% in carbon sequestration rates and markedly improved soil fertility as a result of the use of remote-sensing methods, soil essay protocols, and carbon measurement mechanisms and models.[36] The study examined 28 sites across six regions; the mean carbon benefit of the PSNP sites studied was 5.7 tons, equivalent CO2/ha/annum. These benefits were primarily due to an increase in biomass (40% of total) and soil organic carbon (38%), and a reduction in livestock GHG (22%). Extrapolating these results to the entire PSNP's 600,000 ha of established area enclosures by 2015 suggests that a total of 3.4 million tons of CO2 have been offset per year.[37]

The monetary value of carbon sequestration and emissions was calculated for each PSNP PW watershed and then extrapolated to all 5917 PSNP watersheds in the country, based on the net carbon flux values obtained from the Global Forest Watch dashboard. This calculation showed that PSNP watersheds had sequestered USD 27,811,330.59 worth of CO2 from the atmosphere, and had the potential to remove up to USD 166,867,983.6. The value was estimated using a cost of USD 5 per ton until 2018 and USD 30 per ton from 2019

[34] *CSI Policy brief _* Carbon finance opportunities for Ethiopia's PSNP
[35] Ethiopia's Productive Safety Net Programme (PSNP): Soil carbon and fertility impact assessment, https://www.researchgate.net/publication/321911827
[36] Ethiopia's Productive Safety Net Programme (PSNP): Soil carbon and fertility impact assessment
[37] The response by social protection and jobs (Jobs) global practices to climate change in Ethiopia, summary note on effects of safety net on climate change, World Bank, July 2023.

to 2030.[38]

4. PSNP's contributions to Ethiopia's NDC objectives and implementation

Ethiopia has taken significant steps to integrate climate change into its development planning at the national and sub-national level, by adopting policies, plans and frameworks such as the CRGE strategy, the NDC and the NAP. The updated NDC (2020–2025) aims to reduce emissions by 68.8% by 2030, while also addressing adaptation needs across different sectors. In order to achieve this ambitious goal, the projected 2030 level of 403.5 million tonnes of carbon dioxide equivalent (MT CO2e) released into the atmosphere must be decreased to 125.8 MT CO2e by 2030, which represents a net reduction of 277.7 MT CO2e.[39] In total, 86% of the reduction is planned from the land use change and forestry sector, which will move from emitting carbon dioxide to storing it.[40]

The updated NDC includes 40 adaptation interventions that span various sectors. It also sets specific targets for increasing resilience and reducing vulnerability to climate change impacts.[41] The estimated cost of implementing the updated NDC is USD 316 billion over 10 years. Of this amount, USD 275.5 billion is needed for mitigation and USD 40.5 billion is needed for adaptation. As much as 20% of the total reduction will be funded domestically (unconditional), while 80% will come from international support (conditional).[42] Ethiopia plans to invest USD 63.2 billion of its own resources in its NDC, averaging USD 6.32 billion annually by 2030. The remaining USD 252.8 billion will need to come from international climate finance (ICF) sources.[43]

The PSNP PW's cash and food transfer and livelihood support components have the potential to support Ethiopia's NDC objectives in multiple ways:

a) These components help reduce GHG emissions by promoting sustainable land management practices and restoring degraded lands through various PSNP PW

[38] The response by social protection and jobs (Jobs) global practices to climate change in Ethiopia, summary note on effects of safety net on climate change, World Bank, July 2023.
[39] Landscape of Climate Finance in Ethiopia, November 2022.
[40] The response by social protection and jobs (Jobs) global practices to climate change in Ethiopia, summary note on effects of safety net on climate change, World Bank, July 2023.
[41] Stakeholders gathered to validate Ethiopia's updated nationally determined contributions to climate action. https://epa.gov.et/images/PDF/Newspaper/NDC/NDC-Highlights_Volume_2_No3_English.pdf
[42] Landscape of climate finance in Ethiopia, November 2022.
[43] (FDRE, 2021) updated nationally determined contribution

subprojects.

b) The various PSNP PW subprojects enhance the adaptive capacity of rural households to adapt to and withstand climate shocks by providing income support, access to basic services, and opportunities for diversifying livelihoods.

c) The projects also contribute to strengthening institutional capacity and coordination for climate change adaptation and mitigation.

Productive and sustainable community assets have been built through PSNP PW subprojects. Projects such as afforestation/reforestation, area closure, agroforestry, soil and water conservation, and various water projects directly contribute to the NDC objective of reducing GHG emissions from land use and promoting sustainable development and a green economy. This can be achieved by enhancing natural resource management, increasing carbon sequestration, improving soil fertility, reducing soil erosion, increasing water availability, and creating employment opportunities.

PSNP PW projects such as area closure and afforestation/reforestation of degraded land have increased forest cover, stored carbon, and created habitats for biodiversity.[44] About 3.5 million hectares of land have undergone treatment measures since 2005, leading to a 36% decrease in runoff and soil erosion and improved infiltration rates, resulting in higher groundwater levels and better spring yields. This has contributed to the NDC objective of improving the adaptive capacity and resilience of vulnerable food-insecure households to climate change impacts.[45] Vegetation cover increased by 169% between 2005 and 2019 in previously severely degraded land in the watershed.[46] As described in Section 4 above, PSNP projects across 600,000 ha of established area enclosures resulted in a total offset of 3.4 million tons of CO2 per year, up to 2015.[47] Thus PSNP PW projects have contributed considerably to NDC climate change mitigation objectives by promoting land use change, which has reduced greenhouse gas emissions.

[44] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio
[45] Ethiopia's Productive Safety Net Programme (PSNP): Soil carbon and fertility impact assessment
[46] The response by social protection and jobs (Jobs) global practices to climate change in Ethiopia, summary note on effects of safety net on climate change, World Bank, July 2023.
[47] The response by social protection and jobs (Jobs) global practices to climate change in Ethiopia, summary note on effects of safety net on climate change, World Bank, July 2023.

The food and cash transfer component of PSNP has had positive effects on food security and nutrition for vulnerable households, as well as reducing their vulnerability to climate shocks. These improvements arise from the enhanced ability of beneficiary households to diversify their sources of income, access necessary health and education services, and invest in drought-tolerant seeds or livestock. Their investments enhance their ability to adapt in the face of climate change impacts, such as droughts, floods, pests and diseases. From 2016 to 2019, the programme provided ETB 27.26 billion in social transfers to about 7.9 million chronically food-insecure clients, helping them maintain a steady food supply.[48] This direct contribution aligns with the NDC objective of enhancing adaptive capacity and resilience to climate shocks. Furthermore, building household assets, such as agricultural productivity, access to inputs, technologies, skills and finance, also supports the NDC's objective of increasing agricultural productivity and ensuring food security.

5. Overview of ICF

International Climate Finance (ICF) is an Official Development Assistance (ODA) bilateral fund from the UK to support developing countries to reduce poverty and adapt to and build resilience against climate change and environmental degradation.[49] The adaptation contributions made by the ICF to programmes are determined by specific methods that estimate the benefits of the programme in terms of climate change mitigation and adaptation. The UK Government measures these benefits against various key performance indicators (KPIs), as stated in the FCDO Programme Operating Framework (PrOF). ICF methodologies provide a framework for programme designers to use when developing programme concepts, business cases and overall design documents, as well as in their monitoring, evaluation and reporting. It can also assist programme designers, implementers and reporters to understand the eligibility of their programmes or projects for ICF funding.
This report reviews the methodologies used to calculate the ICF contribution portion the PSNP, and discusses the percentage of funding that could be recorded as ICF. It also reviews the methodology notes used by the FCDO Ethiopia office to calculate the ICF contribution.

[48] Technical Assistance to Improve Climate and ICF Mainstreaming in FCDO's Social Protection Portfolio
[49] https://unfccc.int/files/cooperation_support/financial_mechanism/long-term_finance/application/pdf/climate_finance_tracking_unfccc_ltf_aug_2013_online.pdf#:~:text=It%20is%20increasingly%20important%20to%20track%20and%20report,and%20monitor%20trends%20and%20progress%20in%20climate-related%20investment.

ICF criteria

The FCDO PrOF guides country offices to take account of climate and environment (C&E) considerations and to align with the Paris Agreement, climate and environment risk assurance and ICF (see FCDO, 2021a) in programme design and reporting. Figure 1 illustrates the steps and criteria that should be applied to estimate the amount of a project or programme that is eligible to be labelled ICF. These steps or criteria may be summarised as follows:

Stage 1: The initial step is to ascertain whether the business case or logframe explicitly states objectives and results on climate change (i.e., adaptation/resilience, mitigation/low-carbon development).

Stage 2: Contingent on Stage 1, the next step is to establish whether the business case considers the changing dynamics of climate risks now and in the future (e.g., increased temperature, increased severity and frequency of floods or cyclones, changing patterns of disease, reduced agricultural yields).

Stage 3: Contingent on Stage 2, the next step is to establish whether the primary or principal objective of the programme is to support adaptation to the effects of climate change and/or mitigation of greenhouse gas emissions.

Stage 4: Contingent on Stages 2 and 3, the next step is to establish which part of the programme (as a secondary or significant element) contains objectives to support adaptation to the effects of climate change and/or mitigation of greenhouse gas emissions.

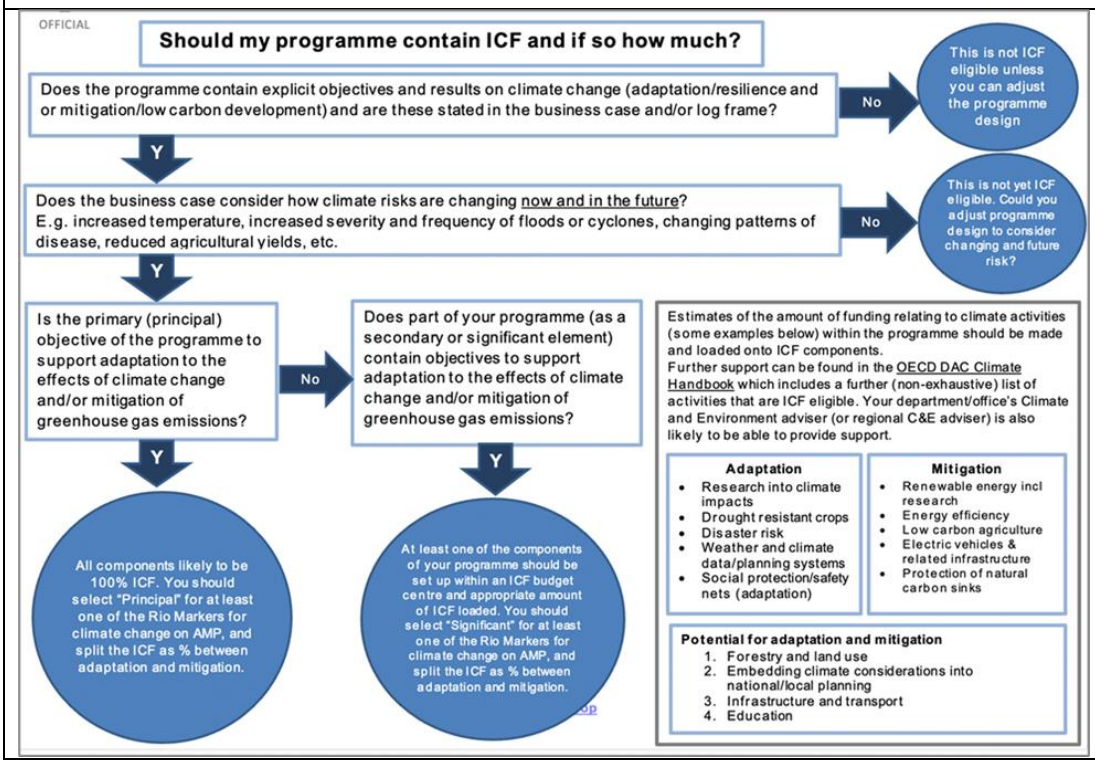

Figure 1: ICF criteria for eligibility
Source: FCDO ProF Guide, 2021a

6. Review of the ICF methodology notes for calculating previous PSNP ICF contributions

Below, the calculations used to determine the previous PSNP contribution to the ICF by the Ethiopia office are reviewed, making use of the ICF criteria and stages stated in the PrOF Guide. The review is based partly on the methodology notes used by the Ethiopia office in their own assessment. The notes included Excel spreadsheets containing information about PSNP 5 components and sub-components, budget categories and activities, a budget plan of the programme for the year 2020/21–2024/25, the ICF percentage used across all budget categories or activities, and notes justifying the ICF percentage calculated. The Ethiopia office also provided notes that explain how the PSNP accords with ICF allocations, and descriptions of the PSNP outputs that were eligible for inclusion.

ICF label for PSNP in previous methodologies

The ICF calculation for PSNP 5, conducted by the FCDO Ethiopia office, labelled 100% of PSNP 5 as ICF. The justification for this was that PSNP 5 targeted woredas based on information about their drought risk. This was supported by the PSNP 5 design document, which states that the programme's objective is to enhance the resilience of extremely poor and vulnerable rural households in PSNP woredas to shocks, primarily drought shocks. As per the ICF criteria stated in the steps of the PrOF framework, the initial criteria were met, as the PSNP 5 explicitly states objectives and results that are related to climate change adaptation and resilience.

Climate risk considerations in PSNP 5

The second ICF criterion assesses whether a business case considers current and future climate risks, such as drought, which is the main focus of the PSNP. The previous ICF calculation methodology note did not specify how the programme manages these risks. The PSNP 5 design document states that droughts are historically responsible for the greatest poverty shocks in Ethiopia and are therefore the focus of the programme's investments. The PSNP5 design document outlines activities that respond to current drought risks, such as establishing an enhanced early warning system and updating drought risk assessments four times per year. However, there is little evidence that all planned drought risk response activities were considered during implementation or included in the programme's monitoring and reporting system. Moreover, the business case did not consider drought risk in the future. Instead, it discussed the impact of droughts occurring in the present and recent past. Thus, the ICF calculation methodology note did not consider climate change risks inherent in current and future trends.

Is the principal objective of the programme to support adaptation or mitigation?

The third ICF criterion establishes whether or not the programme's primary objective is to support climate change adaptation and/or greenhouse gas emissions mitigation. The PSNP may be considered ICF to a certain degree because of the technical assistance it provides on climate, climate-smart public works, the planning and implementation of shock-responsive cash transfers, and infrastructure investment.

PSNP is primarily a social protection and extreme poverty-reduction programme providing

food and cash transfers and new or improved community assets, designed to support the livelihoods of poor food-insecure rural households. However, the current level of climate integration in PSNP 5 shows that the programme includes activities that support improved resilience to climate shocks. The previous methodology note focussed on specific areas or components of climate integration, claiming that they represented the whole. However, in reality, climate integration was partial. Three components are analysed below:

Component One: Build an adaptive safety net programme. This programme included activities such as public works transfers, permanent direct support (PDS) transfers, mother and child packages, capital expenditure, complementary livelihood services, and food procurement. All these activities were labelled 100% ICF, although in reality only public work transfer, capital expenditure and complementary livelihood services could be justified as 100% ICF eligible. The PDS transfers, mother and child packages and food procurement components did not have appropriate justification for their labelling as 100% ICF, and were in fact not eligible for ICF funding.

Component Two: Improve the shock responsiveness of the rural safety net. This component was labelled 100% ICF based on the idea that the component's primary focus was addressing drought risk, and geographic expansion was planned into additional drought-prone woredas, along with expanded safety net transfers based on drought. The component included a system for monitoring and reporting of drought. There was therefore sufficient justification for 100% of the component to be labelled ICF.

Component Three: Provide systems, capacity development and programme management support. This aspect was labelled 100% ICF but there was little indication of how these activities contributed to enhanced climate resilience. The system used for drought monitoring, planning and implementation is naturally eligible for some ICF. However, labelling this component as 100% ICF does not accord with the ProF, which requires a detailed justification, and no such detail was provided.

Overall, the methodology note did not fully align with the ICF criteria as stated in the ProF Guide. This suggests that the ICF calculations should be re-evaluated based on the four steps stipulated in the framework, with each component thoroughly checked and described in light of the ICF criteria.

Specific points worth noting are:

First, the methodology note was not accompanied by documents to show how the ICF calculation was conducted. The ICF calculation was presented based on the components of the programme and various PSNP documents, but there was no detailed information on why the selected programme activities were eligible for ICF contribution.

Second, there was no introductory material in the methodology note indicating which documentation was used for the ICF calculation. The 'Strengthening Ethiopian Adaptive Safety Net Project (SEASN)' project appraisal document (PAD) was used, but there was no proper justification for the use of the PAD rather than the PSNP 5 design document as the primary reference. These two documents have different programme objectives and components. The PSNP 5's primary objective is social protection to reduce the food insecurity of poor rural communities, while the SEASN's primary objective is to strengthen the response of the PSNP to climate shocks, primarily drought. SEASN contains components such as the adaptive safety net, shock-responsiveness measures, capacity development and overall programme management, while PSNP 5 categorises programme activities across six outputs. Some explanation might be expected as to why the methodology notes are based on the SEASN PAD rather than the PSNP 5 document for the ICF calculation.

Third, the methodology note does not specify which ICF calculation methods were used – the Rio-Marker or the Climate Co-benefit (the latter based on discussions with the World Bank). Without this information, it is difficult to understand the criteria used and the assumptions applied during the ICF calculation process. The Rio-Marker and Climate Co-benefit are different methods used for calculating climate finance. The Rio-Marker method involves assigning a climate score to business case activities based on their objectives, while the Climate Co-benefit method involves an inductive identification of the climate change benefits of a project. Without clarity about which method was used, one struggles to understand how the ICF was calculated and what assumptions were made during the process.

7. An estimation of PSNP 5's contribution to ICF

This section applies the PrOF ICF criteria to calculate the contribution of PSNP 5 to ICF. The estimation is based on descriptions of the PSNP 5's components, examined in light of the PrOF ICF criteria.

ICF Criterion 1: The identification of climate change objectives and results

One of PSNP 5's goal statements is 'Extreme poverty reduced in PSNP woredas'. The programme forms part of the national effort to reduce poverty from its current rate of 26%, with this goal statement linking the programme to the wider effort. The overall programme objective is to enhance the resilience to shocks of extremely poor and vulnerable rural households in PSNP woredas. The programme objective primarily refers to drought shocks, with PSNP 5 designed to mitigate the impacts of drought, and the core caseload of PSNP 5 confined to drought-prone woredas. The public works component aims to increase the adaptive capacity of targeted woredas to drought, while the shock-responsive safety net uses an early warning system to inform and mobilise appropriate responses to drought and other shocks. This latter aspect ensures that cash transfers arrive at the time they are required to maximise their impact on welfare. Thus PSNP 5 explicitly states its climate change objectives and thus complies with ICF criterion 1.

ICF Criterion 2: The changing dynamics of climate risks (drought in the case of PSNP) now and in the future

According to the PSNP 5 design document, droughts have historically been responsible for the greatest poverty shocks in Ethiopia and are therefore the focus of the programme's investments. However, there is no supporting documentation for comprehensive drought risk assessments in the PSNP woredas. This suggests that PSNP 5 may not be eligible for 100% ICF allocation as per the requirements of the Rio Marker method. There is also no supporting evidence about future drought risks and how the programme plans to manage any changes that may occur. In addition, the documentation shows no plans for how the programme might adjust in the future to maintain its contribution to ICF, such as by conducting an overall climate risk assessment and targeting woredas accordingly. For this reason, it is not possible to calculate the ICF contribution using the Rio Marker method.

The Ethiopia office applied the Climate Co-benefit method to calculate PSNP 5's ICF contribution. This method examines the benefits of the programme's components or activities in terms of climate adaptation and mitigation. Climate co-benefits refer to the share of financing dedicated to climate change adaptation or mitigation in operations financed by the World Bank (personal communication). They are calculated as the sum of finance allocated to specific components or sub-components, actions or activities of projects and operations that directly contribute to or promote climate change adaptation or mitigation.[50]

The Climate Co-benefit method examines the programme's components or sub-components in light of climate benefits based on three criteria:

a) The programme documentation should clearly set out the context of climate change risks and vulnerabilities for the sector, the beneficiaries and the locations targeted by the programme using robust evidence;
b) The documentation should make an explicit statement of intent to address the context- and location-specific vulnerabilities to climate change identified by the programme; and
c) The documentation should demonstrate a clear and direct link between the identified climate risks and vulnerabilities and the programme components or sub-components, actions or activities.

According to these criteria, three PSNP 5 outputs demonstrate climate benefits: Output 1, the shock-responsive transfers received by eligible clients when needed; Output 3, the green public works that respond to community livelihood needs and contribute to disaster risk reduction, climate change adaptation and mitigation; and Output 5, the tailored livelihood options accessed by eligible PSNP clients. These three PSNP 5 outputs comprise appropriate responses to drought and other shocks in targeted woredas.

The planning process for public works and livelihood activities is guided by the revised Community Based Participatory Watershed and Rangeland Development Planning (CBPWRDP) guideline, which recommends various climate-smart approaches to identify hazards and standards/procedures to deal with hazards. However, the level of implementation based on the CBPWRDP guidelines is known to be low, with significant

[50] https://openknowledge.worldbank.org/server/api/core/bitstreams/a05a5e7a-4400-5de0-abdf 3f5e116328fa/content

resource and capacity constraints.[51]

Each of the three outputs is discussed below.

Output 1: Shock-responsive transfers received by eligible clients when needed

This output concerns the impacts of drought, which are historically responsible for the greatest shocks in Ethiopia. It integrates several measures to support effective shock-response to drought and drought risks, such as strengthening the national government-led early warning system, expanding the geographic coverage of PSNP to cover additional drought-prone woredas, and establishing a single delivery system to make timely shock-responsive payments. These measures contribute to the climate benefits of PSNP 5 by increasing the resilience of programme beneficiaries.

Output 3: Public works respond to community livelihood needs and contribute to disaster risk reduction, climate change adaptation, and mitigation

The PSNP public works component is designed to address the key underlying causes of poverty, food insecurity, vulnerability to climate change, and environmental degradation. Each year, within the integrated watershed development framework, the PSNP initiates around 46,000 PW projects, focussing principally on natural resource management, soil and water conservation, social infrastructure, and roads. The planning of public works projects is conducted based on an updated guideline that integrates climate-smart approaches into all projects. The projects related to natural resource management have helped reduce climate-related risks such as drought in the areas where they are implemented.

Output 5: Tailored livelihood options accessed by eligible PSNP 5 clients

The livelihoods component of PSNP 5 strengthens the household-level ability to withstand shocks by promoting and supporting households to develop productive activities, create local jobs, and diversify their income sources. This is achieved by coaching PSNP clients to identify profitable and sustainable livelihood options, thereby supporting climate adaptation. Climate-smart approaches are mainstreamed into the livelihood planning process, with planners making use of tailored technical support checklists to ensure that climate risks are adequately addressed in all livelihood activities. By taking into account the potential effects of climate change on livelihood activities, the planning process supports households and

[51] Building Resilience Ethiopia (BRE), finance workstream: Climate Finance Budget, Planning and Capacity: Review of current woreda plan preparation and climate smart development guideline and tool

communities to develop more resilient and sustainable livelihood strategies.

Based on an application of the Climate Co-benefit method, and a close analysis of the three PSNP 5 outputs in terms of their contribution to climate co-benefits, as summarised above, the recommended estimate for the contribution of PSNP 5 to the ICF is 71%. This estimation takes into account the budget allocated to each activity, including public works transfers and temporary direct support, the capital budget for public works, and livelihood activities (Big Push Plus transfers, livelihood capacity building, and livelihood transfers/grants).

8. Increasing the percentage of ICF while strengthening the resilience of the programme

It is important to make appropriate adjustments to the key climate components of the current PSNP 5 programme in order to increase the resilience of programme clients and woreda authorities to targeted climate shocks. This could enhance the estimation of the ICF contribution. To support this, specific areas for improvement in the current PSNP 5 are detailed below. These could increase resilience and raise the current ICF contribution of PSNP 5.

Incorporate current and future climate risk assessments into programme design. The primary climate risk addressed by PSNP 5 is drought. To ensure that the programme is aligned with climate change challenges and opportunities, a comprehensive drought risk or broader climate risk assessment should be conducted for the future with reference to the past and present. This would be best stated as an indicator in the logframe so that it can be properly monitored and responded to within current programme implementation and reporting. The ICF methodology assesses how the targeted climate risk in the business case is documented in terms of assessments of current and future changes.

Adjust the targeting of permanent direct support (**PDS) clients based on climate risk assessment**: Appropriate adjustments should be made to the targeting criteria for permanent direct support (PDS) clients by specifying which PDS clients live in drought-prone woredas. This would comply with the ICF criterion of considering the climate benefits of a specific action. While there are PDS clients in drought-prone woredas, the programme design document and associated logframe do not explicitly categorise PDS recipients in these terms.

Incorporate key performance indicators for climate objectives into the logframe: Make an explicit connection between the PSNP 5 programme's outcome statement and the indicators for climate-related objectives. The outcome statement mentions enhancing the resilience of the extremely poor to shocks, which is a climate-related objective. However, the logframe does not provide any indicators for measuring and reporting on the PSNP 5 climate objective. This is one of the requirements of the ICF methodology. Key performance indicators for climate objectives should be properly documented and reported.

9. Why we calculate the ICF contribution

The ICF is a UK government bilateral fund that provides funding to developing countries to help them reduce greenhouse gas emissions and adapt to the impacts of climate change.[52] By calculating the ICF contribution of individual programmes, the UK government ensures that funds are being used effectively to combat the climate crisis and properly support developing countries in their efforts to transition to clean energy and reduce climate risks. A calculation of the ICF contribution to programmes also enables the FCDO to show evidence of the ways in which ICF is delivering results. This evidence supports the UK government's Paris Agreement commitments, and ensures that the government is able allocate the necessary funds to these commitments and continue playing a responsible role in international climate finance.[53] Furthermore, the calculations increase transparency and accountability, and ensure that funds are being used effectively for climate adaptation and mitigation.

Climate Co-benefits are the financial resources committed by the World Bank to development operations that effectively reduce greenhouse gas emissions and enable beneficiaries to adapt to climate change. All projects with International Bank for Reconstruction and Development (IBRD) or IDA financing are assessed for climate co-benefits as part of the World Bank's commitment to increase the climate-related share of its portfolio. The World Bank Group has set ambitious targets for climate co-benefits in its financing. For example, in December 2020, the World Bank Group announced a new target to ensure that over the following five years, 35% of the Group's financing, on average, would go to supporting direct climate action for its clients. The World Bank estimates the climate

[52] https://www.gov.uk/government/publications/uk-climate-finance-results-2021/2021-uk-climate-finance-results#international-climate-finance
[53] https://www.gov.uk/government/publications/uk-international-climate-finance-strategy

co-benefits of its programmes in order to track progress towards its targets and ensure effective support for climate action and development objectives.

The ICF plays a crucial role in supporting countries to achieve their NDCs. NDCs are central to the Paris Agreement and represent each country's efforts to reduce emissions and adapt to climate change. Many NDCs include estimates of climate finance requirements, totalling almost $4.3 trillion, highlighting the need for developed countries to deliver on their promises.[54] ICF funding for adaptation and mitigation actions helps countries to implement their NDCs, enhancing their ability to combat the climate crisis.

[54] https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs/ndc-synthesis-report/ndc-synthesis-report