



Ethiopia's Triple Dividend: Prosperity for People, Nature and Climate

Ethiopia stands at a pivotal moment.

As one of Africa's greatest inclusive green-growth opportunities, its immense natural wealth can either fuel a new era of shared long-term prosperity or be lost to climate change and natural resource depletion.

Home to about 127 million people, it's one of the fastest-growing economies in Africa and one of the world's most resource-rich countries. Twelve major river basins zigzag across its highlands. Forest ecosystems store about 2.5 billion metric tons of carbon and sustain the livelihoods of millions. Fertile land, immense renewable energy potential and a young, growing population position the nation for a prosperous future.

Yet systemic barriers keep prosperity out of reach for most Ethiopians.

At least one-fifth of the population faces food insecurity, with two in five children under the age of 5 affected by stunting. Fifty-six percent of Ethiopians don't have access to basic electricity service. Rapid, unplanned urbanization, growing at a rate of 5.4% a year, is outpacing infrastructure, expanding informal settlements and leaving people without clean water and other essential services. Women have limited access to economic opportunities.

Ethiopia also grapples with intensifying climate-related disasters. Droughts disrupt harvests and threaten water availability. Clearing trees and unsustainable agricultural practices fuel land degradation. As a result, recurrent droughts and floods are destroying livelihoods, damaging ecosystems and disrupting economic progress.

There's a better way. One that turns Ethiopia's natural abundance into shared prosperity.

Ethiopia is already moving in this direction. The government has committed to ambitious climate and development plans to steer the country toward sustainable, low-carbon growth. The Green Legacy Initiative has mobilized communities to plant more than 47 billion seedlings since 2019. Additionally, the government is committed to restoring 22 million hectares of degraded land by 2030 — about 20% of the country's land area — under the Bonn Challenge and the New York Declaration. Ethiopia has pledged to reduce greenhouse gas emissions by 70.3% by 2035. And it aims to achieve 100% renewable electricity generation by 2030.

All of this can help bring economic opportunities, better living conditions and more financial investment into the country. But fully seizing Ethiopia's green growth possibilities requires systemic change. Through our seven-year strategy (2026–2032), we help Ethiopia preserve its natural wealth, secure shared prosperity for its people and become a leader in green growth.

ETHIOPIA'S COUNTRY TRANSITION STRATEGY (2026-2032)

WRI Ethiopia's strategy for 2026–2032 focuses on transforming the systems that shape the country's future: food, land and water; energy; and cities. And we work to strengthen the governance, finance and economics that underpin these crucial systems. We use research, modelling, pilot projects and partnerships to accelerate meaningful change.

In food, land and water, we work with smallholder farmers to adopt farming methods, such as regenerative agriculture, that benefit nature. Alongside partners, we restore degraded watersheds and improve water management to ensure communities have reliable access to clean water. Across all our work, we aim to make sure that women, youth and vulnerable communities can benefit from these efforts.

In energy, we use data, research and partnerships to make clean power accessible and affordable for everyone, expand electricity to underserved rural areas and build renewable energy systems that power growth without raising emissions.

In cities, we partner with governments to create greener, safer, more livable urban spaces, from parks and affordable housing to low-carbon public transport. We strengthen climate resilience through data-driven urban governance and solutions that help communities prepare for extreme heat, flooding and other climate risks.

Changing Ethiopia's development trajectory won't be easy. But it is essential, not just for Ethiopians but for Africa and the world. A thriving, climate-resilient Ethiopia can boost growth across East Africa and serve as a model for green development everywhere.

Our seven-year country transition strategy advances Ethiopia's green growth pathways by fostering a just and inclusive transformation, where economic prosperity and environmental sustainability go hand in hand; communities are resilient to climate shocks; and the country's extraordinary natural wealth helps create opportunity, resilience and a high quality of life for all.

Transforming Food, Land and Water

Ethiopia's natural resources are rich and diverse. They support 70% of the population whose livelihoods are centered on agriculture.

Yet they're increasingly under threat. Agricultural expansion, deforestation and overgrazing have depleted soils of their nutrients. While water resources in Ethiopia are abundant, good storage and management are not. About 52% of the population lacks access to clean drinking water, with rural communities and informal settlements most affected.

Climate change is intensifying these challenges. Most of Ethiopia's farmers are smallholders and are highly vulnerable to extreme floods and droughts. Poverty and malnutrition remain widespread across the country. Without significant

improvements in agricultural productivity and resource management, these levels will continue to rise.

At the same time, Ethiopia has committed to restoring 22 million hectares of degraded land — the equivalent of almost one-fifth of the country's land area — by 2030. It has also pledged to double forest cover from 15% to 30% of the country's land by the same year. This offers a clear pathway to reconcile environmental and economic priorities, while building climate resilience and food security.

WRI enables a transition to a resilient and sustainable food, land and water system by restoring degraded land; increasing agricultural productivity; and ensuring long-term food, nutrition and water security.



Our strategy focuses on four integrated and cross-cutting interventions:

■ **Landscape restoration and ecosystem rehabilitation.**

We work with governments and communities to restore degraded landscapes and ecosystems while advancing regenerative agriculture to improve biodiversity, strengthen climate resilience, enhance carbon sequestration and support sustainable livelihoods. Through integrated landscape management and the adoption of sustainable farming practices, we help communities protect natural resources, improve agricultural productivity and build more resilient food systems across priority landscapes.

■ **Integrated water resources management.** We strengthen water security and climate resilience through sustainable water resources management, including improved irrigation, rainwater harvesting and watershed restoration. By promoting integrated land and water management, we improve the availability and reliability of water resources, reduce flood risks and strengthen ecosystem health.

■ **Climate-resilient and regenerative food production.** We advance resilient, low-emission food systems by promoting regenerative agriculture, climate-smart technologies and sustainable farming practices that improve productivity, strengthen livelihoods and enhance food and nutrition security. By expanding access to climate information, digital advisory services and innovative agricultural solutions, we help farmers adapt to climate change, manage risks more effectively and build more sustainable food systems.

■ **Food loss reduction and value chain development.** We strengthen sustainable and resilient food systems by reducing post-harvest losses, improving value chain efficiency and increasing market access for smallholder farmers. Through better post-harvest management, stronger market systems and enhanced rural-urban linkages, we improve food quality, boost farmer incomes and support greater food and nutrition security.

Expanding Energy Access for All

Over the past decade, Ethiopia's energy system has made significant progress. Access to at least one source of electricity increased from 20% in 2015 to 65% in 2025. This includes major investments such as the Grand Ethiopian Renaissance Dam, inaugurated in September 2025, which provides clean energy to millions of people.

However, energy access remains unequal. Fifty-six percent of the population in Ethiopia lacks access to reliable electricity sufficient for lighting, phone charging and other essential needs, especially those in rural areas. Many families still rely on biomass for cooking and heating, which drives deforestation and air pollution.

At the same time, the government has committed to expanding electricity access to 75% by 2030. Ethiopia has significant potential for a diverse mix of renewable energy, especially hydropower but also solar, wind, geothermal and bioenergy. Our analysis suggests that Ethiopia can tap into this potential to create a cleaner, more resilient future that supports growth and improved livelihoods for all.

WRI catalyzes a climate-resilient and low-carbon energy that delivers reliable power, strengthens livelihoods and supports sustainable development.

Our strategy focuses on four interventions:

■ **Integrated energy planning and electrification.**

We strengthen energy access planning by helping governments develop data-driven electrification strategies that expand access to affordable, reliable renewable energy. Through technical assistance, policy support and advanced planning tools, such as the Energy Access Explorer, we promote the integration of decentralized energy solutions into national and regional systems, ensuring that energy investments are equitable, scalable and aligned with local development needs.



- **Productive use of renewable energy and inclusive energy access.** We accelerate the adoption of renewable energy solutions that strengthen livelihoods, support local economic development and improve access to essential services. By advancing innovative financing, scalable business models and practical demonstration projects, we help expand the productive use of renewable energy across key sectors like health and agriculture to create more inclusive, resilient and sustainable development opportunities.
- **Renewable energy diversification and grid modernization.** We accelerate Ethiopia's transition to a reliable, diversified and renewable energy future by strengthening energy planning, expanding renewable energy deployment and supporting the modernization of power grids. Through data-driven analysis, policy support, institutional capacity building and collaboration with research institutions, we help create an enabling environment for clean energy investment, improve grid reliability and resilience and support universal access to affordable and sustainable electricity.
- **Decarbonization of key sectors.** We work with policymakers and planners from key sectors, such as transport, manufacturing and residential cooking, to help transition to a low-carbon economy. We work with governments and businesses to identify emissions reduction opportunities, integrate low-carbon solutions

into development plans and promote more sustainable and competitive economic growth. We support small and medium-sized enterprises to help them adopt energy-efficient and circular practices, creating green jobs and reducing emissions. We also partner with training institutions and universities to develop critical skills that prepare Ethiopia's workforce for roles in a low-carbon, circular economy.

Accelerating Sustainable Urban Transformation

Cities in Ethiopia are centers of economic activity, generating more than half of the country's GDP. But most of them are growing rapidly without the urban planning and finance needed to support this expansion.

Ethiopia's urban population is projected to grow from 21% in 2018 to 39% by 2050, making it one of Africa's most rapidly urbanizing countries. As cities grow, informal settlements also expand as housing becomes unaffordable. Urban areas lack green open spaces, and underdeveloped water infrastructure limits people's access to clean drinking and household water.

Meanwhile, many cities have designed their streets for cars rather than people. Poor connections between residential areas and bus services limit access to public transport. Overreliance on cars generates air pollution and spews



greenhouse gases. And insufficient bike lanes and walkways leave pedestrians exposed to oncoming traffic. In Addis Ababa alone, 86% of traffic fatalities are pedestrians.

WRI aims to address these problems by making cities inclusive, sustainable, climate-resilient and low-carbon. We demonstrate solutions in six target cities and scale proven approaches to expand impact across additional geographies.

Our strategy focuses on four interventions:

- **Urban planning and governance.** We strengthen integrated urban governance and planning by supporting data-driven policies, enhancing coordination across institutions and sectors, and building the capacity of national and local governments. Through improved urban data, monitoring systems, and city-region planning approaches, we help align infrastructure, land use, watershed management, and urban development with national priorities, enabling more resilient, connected and sustainable cities and supporting the scaling of successful urban development models across Ethiopia.
- **Climate-resilient and affordable housing.** We work with national and city governments to increase access to climate-resilient, affordable housing, especially for low-income and informal settlement residents. This includes linking housing to low-carbon transport systems, green public spaces and other essential services, helping create safer, more connected and livable neighborhoods.
- **Adoption and implementation of nature-based solutions.** We work with decision-makers from city planning departments to expand nature-based solutions, such as wetlands, green corridors, pocket parks and permeable streets, to help cities manage climate change risks. This includes restoring degraded urban rivers and connecting parks to create ecological networks that enhance biodiversity and improve urban spaces.
- **Safe, inclusive and low-carbon urban transport.** We work with city transport departments and transit operators to electrify public transit fleets, improve connections between underserved neighborhoods and bus networks and expand bicycle lanes and walkways. We also collaborate with local governments to design urban spaces that prioritize people over cars. This includes conducting road safety audits and helping make streets safer through design choices, such as adding protected walkways, lower speed limits and crosswalks.

Reshaping Economics, Finance and Governance

Transforming how Ethiopia produces food, manages land and designs cities is critical. Yet lasting change depends on strengthening the systems that underpin them — especially economics, finance and governance. Our work in these areas is designed to unlock progress across food, land and water; energy; and cities simultaneously, ensuring that climate shocks, fiscal constraints and institutional fragmentation do not undermine long-term growth.

Without changes in how Ethiopia plans, finances and governs development, progress in these sectors will remain fragmented, underfunded and difficult to scale.

We work with national and subnational partners to strengthen these enabling systems. This ensures climate priorities are embedded in systemic planning in ways that benefit all communities. And we help mobilize finance and prioritize investment decisions toward low-carbon activities. We focus on the following key interventions:

- **Climate-aligned macroeconomic planning and policy.** We support the integration of climate, socioeconomic and environmental evidence into macroeconomic and development planning processes to strengthen Ethiopia's ability to deliver on its climate commitments. Building on our support for Ethiopia's NDC 3.0 and other policies, we help the government strengthen climate resilience and advance low-emission development pathways through robust analysis and modeling that account for evolving national, regional and global trends and emerging technologies.
- **Strengthening Ethiopia's climate and development platform.** We help Ethiopia turn its climate and development priorities into investment-ready opportunities by developing financing strategies, strengthening project pipelines and connecting priority investments with public and private sources of finance. Through the Country Platform, we support investment planning, macroeconomic analysis, climate governance and stakeholder coordination to mobilize finance and accelerate a climate-resilient, low-carbon transition.
- **Climate diplomacy.** We support Ethiopia's climate diplomacy by combining strategic insights, convening, technical support and partnerships. By strengthening climate governance, negotiation capacity and international engagement, we help Ethiopia advance its development and climate priorities, mobilize partnerships and investment and translate global commitments into actionable pathways for climate-resilient and inclusive growth.



OUR CROSS-CUTTING PRIORITIES

Many of the challenges and opportunities shaping Ethiopia's transition are systemic in nature and cannot be fully addressed through a single approach. Achieving Ethiopia's transition to a more prosperous and climate-resilient future requires action that cuts across all systems. Rather than working in silos, WRI promotes integrated solutions that address shared challenges, strengthen coordination and maximize impact across sectors.

Our cross-cutting priorities provide the foundation for a more integrated and scalable approach to delivering Ethiopia's people, nature and climate goals.

They include:

1. Generating data and evidence for decision-making

WRI strengthens integrated data systems, geospatial tools, research and analytical platforms to support better planning, investment, implementation and monitoring.

2. Convening and multistakeholder platforms

As a trusted convener, WRI strengthens multistakeholder platforms that bring together government, business, academia, civil society, communities and development partners to improve coordination, align investments and accelerate implementation. This builds on platforms such as the Forest and Landscape Restoration Platform, FOLU, P4G, Water Peace and Security and the Nature-based Solutions Accelerator.

3. Strengthening capacity

Through technical assistance, training, curriculum development, peer learning and partnerships with universities and research institutions, WRI strengthens the capabilities of leaders, institutions and professionals to plan, finance, implement and sustain transformational change.

4. Promoting gender and social inclusion

WRI ensures that women, youth, vulnerable groups and underserved communities are actively included in decision-making and benefit equitably from investments in cities, energy, food systems and natural resource management. WRI promotes gender-responsive and socially inclusive planning and monitoring tools at national and subnational levels to identify and address inequalities.

5. Advancing green jobs and just economic transition

WRI promotes employment and enterprise opportunities through investments in landscape restoration, regenerative agriculture, renewable energy, circular economy solutions, sustainable transport and green infrastructure, with a particular focus on women and young people.

6. Unlocking finance for systems transition

WRI helps mobilize public and private finance by developing investment pipelines, strengthening climate finance systems and supporting innovative financing mechanisms such as blended finance, green bonds, carbon markets and nature-based finance solutions.

7. Advancing circular economy solutions

We promote resource-efficient approaches that transform waste into value, including waste-to-energy, composting, renewable energy-powered cold storage and circular food hubs that reduce emissions, strengthen food systems, create jobs and support sustainable urban and rural development.

OUR APPROACH TO SYSTEMS CHANGE

Achieving lasting, inclusive and climate-resilient development in Ethiopia requires approaches that are practical, collaborative and grounded in evidence. To do this, we apply a “**count it, change it, scale it**” approach.

We start by producing robust, independent data and research to inform decision-making and shape agendas. We use that evidence to conduct demonstration projects on the ground, testing what works and what doesn't. Finally, we scale our successes across cities and regions, working with partners and coalitions across sectors to rapidly expand our impact.

WRI integrates nature-based solutions across its work to address climate change, biodiversity loss and water security while advancing outcomes for people, nature and climate. Using **landscapes as a key unit of planning**, we connect sectoral policies with local realities, bridge institutional and administrative silos and deliver coordinated solutions that strengthen resilience, enhance ecosystems and align local action with national goals.

Collaboration is central to our approach. By convening government, businesses, academic institutions, civil society organizations, donors and local communities, we leverage diverse expertise and resources to deliver scalable, innovative and sustainable solutions that are aligned with national priorities and designed for lasting impact.

GEOGRAPHIC PRIORITY

Our strategy focuses on six major river basins: Abbay, Awash, Omo-Gibe, Rift Valley, Tekeze and Wabi Shebele. We also prioritize six cities: Addis Ababa, Arba Minch, Batu, Bahir Dar, Dire Dawa and Hawassa, where rapid urbanization presents both significant challenges and opportunities. By working across these interconnected landscapes and urban centers, we advance integrated solutions that strengthen resilience, support sustainable development and improve outcomes for people, nature and climate.



FOR MORE INFORMATION

Visit our website: africa.wri.org

Subscribe to our newsletter:

<https://africa.wri.org/subscribe-wri-africa-communications>

Contact our offices:

Meskel Flower, Gabon Street
Fiesta Building, 5th Floor
Addis Ababa, Ethiopia

Follow us on social media:



WRI Africa



WRIafrica



WRI Africa

ABOUT WRI ETHIOPIA

World Resources Institute is a global research organization working to improve people's lives, protect nature and halt climate change. WRI has been in Ethiopia for more than 10 years working in landscape restoration, climate action, cities and energy access. Our Ethiopia Country Transition Strategy (2026–2032) outlines how WRI can contribute to the country's transition goals through data and research, partnerships and global expertise.

Founded in 1982, WRI has more than 2,000 employees working in more than a dozen key countries and partners in more than 50 nations.



WRI AFRICA

Photo credits: WRI, Temesgen Negussie, ED on Unsplash and Primo Entertainment.

