

Table of Contents

Acknowledgments	V
List of Figures	IX
List of Tables	XI
Acronyms	XIII
1 Introduction	1
2 Theoretical and Conceptual Background	7
2.1 Introduction.....	7
2.2 Climate and climate change.....	7
2.3 Climate change, agriculture, and development.....	8
2.4 Climate change, public policy, and development	10
2.5 Computable general equilibrium models.....	11
3 Overview of the Ethiopian Economy	15
3.1 Introduction.....	15
3.2 Geography.....	15
3.3 Population and labor force.....	16
3.4 Rural-urban divide.....	17
3.5 Administrative regions of Ethiopia	18
3.6 Macro-economy	20
3.7 Public finance.....	21
3.8 Prospects of the economy	23
4 Methodological Framework	27
4.1 Introduction.....	27
4.2 CGE model choice.....	27
4.3 Description of the CGE model.....	28
4.4 The CGE model database	32
4.5 The CGE model calibration	43
4.6 CGE simulations and economy-wide analysis.....	44
4.7 Regional projections and analysis.....	45
5 Impacts of Climate Change	51
5.1 Introduction.....	51
5.2 Climate change, agriculture, and migration.....	51
5.3 Climate change and Ethiopia	53
5.4 Materials and methods.....	57
5.5 Economy-wide results and analysis	63

5.6	Regional projections and analysis	68
5.7	Conclusions	70
6	Costs of Planned Adaptation.....	71
6.1	Introduction.....	71
6.2	Planned public adaptation to climate change.....	71
6.3	Adaptation to climate change in Ethiopia.....	72
6.4	Materials and methods.....	74
6.5	Economy-wide results and analysis	80
6.6	Regional projections and analysis.....	84
6.7	Conclusions.....	85
7	Public Finance for Adaptation.....	87
7.1	Introduction.....	87
7.2	Adaptation finance in developing countries	87
7.3	Adaptation finance in Ethiopia	89
7.4	Materials and methods.....	90
7.5	Economy-wide results and analysis	92
7.6	Regional projections and analysis.....	96
7.7	Conclusions.....	97
8	Climate-Resilient Development.....	99
8.1	Introduction.....	99
8.2	Structural change and climate change	99
8.3	Structural change in Ethiopia.....	100
8.4	Materials and methods.....	101
8.5	Economy-wide results and analysis	105
8.6	Regional projections and analysis.....	107
8.7	Conclusions.....	108
9	Conclusions and policy implications.....	109
	Bibliography	113
	Appendix.....	129
	Materials and Methods.....	129
	Sensitivity analysis.....	133