

MEMORANDUM OF UNDERSTANDING

AMONG

THE FEDERAL PROGRAM ENTITY (ETHIOPIAN FOREST DEVELOPMENT)

AND

THE REGIONAL PROJECT ENTITIES (OROMIA ENVIRONMENTAL PROTECTION
AUTHORITY; THE OROMIA BUREAU OF AGRICULTURE; THE OROMIA FOREST AND
WILDLIFE ENTERPRISE; THE OROMIA BUREAU OF LAND; THE OROMIA BUREAU OF
WATER AND ENERGY AND OROMIA COOPERATIVE PROMOTION AGENCY);

FOR

THE JOINT IMPLEMENTATION OF THE OROMIA FORESTED LANDSCAPE PROGRAM
EMISSION REDUCTION PROJECT (OFLP-ERP)

Preamble

Considering the government of Ethiopia, through CRGE vision and Strategy aims to build a climate resilient green economy and make the country carbon neutral by 2030 with the specific actions in the identified sectors that play a key role in sustainable development including reducing emission from deforestation, forest degradation, and livestock sector.

Considering the Government of Ethiopia is currently implementing a jurisdictional landscape intervention, as a pilot for the national, also referred as the Oromia Forested Landscape Program- Emission Reduction Project (OFLP-ERP) to reduce transaction costs and leakage risks; to maximize the likelihood of effectively reducing emission from deforestation, forest degradation and livestock sector, to prepare the country to receive result-based climate financing to incentivize sustainable landscape interventions across Ethiopia through investments in the promotion of participatory forest management, climate smart agriculture, sustainable land management practices and policy reforms among others;

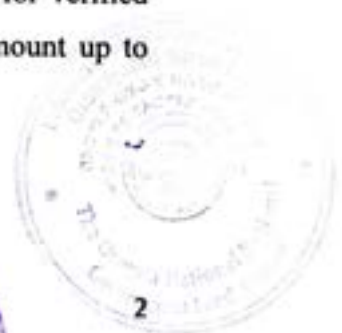


Recognizing the Oromia Forested Landscape Program- Emission Reduction Project (OFLP-ERP) is the Oromia Regional National States' Strategic Programmatic Umbrella in coordination platform for Multi- Sector, Multi- Partner Intervention on all forested landscapes in Oromia to improve land use across multiple sectors thereby contribute to economic growth, food security, poverty reduction and also key national strategies including the Ten year national development plan, the Climate Green Economy Strategy (CRGE), the Updated National Determined Contribution (NDC- 20221), the National Forest Sector Development Program, as well as sectoral strategies, plan and programs in the Energy, water, agriculture sectors;

Acknowledging that promoting integrated landscape management is achieved through a coordinated multi-sectoral approach, which can be realized through better coordination of activities implemented on the ground by OEPA/ORCU and other relevant implementing regional sectoral entities (Oromia Bureau of Agriculture, Oromia Bureau of Land, Oromia Forest and Wildlife Enterprise, Oromia Bureau of Water and Energy) through their decentralized structures which cover forest, agriculture and livestock, land, water and house hold energy;

Recognizing the Ethiopian Forest Development is a lead program entity overseeing the overall technical and policy dimensions of the project at the federal level including the overall MRV undertakings of the ER program through its dedicated MRV Unit, including collection of regional-level primary ER performance data and analyzing and reporting of the same to the World Bank/ISFL in the first ERPA phase and subsequent phases;

Acknowledging the government of Ethiopia and the World Bank has signed for Emission Reduction Purchase Agreement (ERPA) in February 2023 to pay for verified emission reduction achieved from the landscape of Oromia for contract amount up to US\$ 40 million for a period of eight years (from Jan 2022 to Dec 2029);



Considering the Oromia Regional National State Vice presidency, the head of rural development cluster, chairs the OFLP Steering Committee composed of heads of BoA, OEPA, BoL, OFWE, BoWE, OFLP Coordinator, representatives from Civil societies, Unions, Universities, and private sector. Further recognizing the OFLP Steering Committee is overseeing and providing strategic guidance and leadership support to the project including mobilizing sectors to coordinate and collaborate for the implementation of the ER projects, including ongoing underlining investments, respective sectoral activities, Benefit Sharing Plan Implementation, MRV activities, Environmental and Social Risk management;

Recognizing the role of Oromia Environmental Protection Authority (OEPA) hosting the OFLP-ERP and leading environmental protection activities, sustainable forest management, Climate Resilient Green Economy Strategy related initiatives in the region, administer technical, financial and human resources of the project, coordinate relevant sectors implementing project activities through its zonal and woreda level offices together with respective woreda administration and other relevant institutions;

Considering the Oromia REDD+ coordination unit (ORCU) established by the regional government and hosted by OEPA is serving as a OFLP management unit, coordinates OFLP-ERP activities across different implementing sectors as indicated above ensures sector representation for timely information gathering, follow up, consolidation and aggregating data generated, report to OEPA, EFD and ISFL as appropriate.

Article 1 Purpose

The purpose of this Memorandum of Understanding is to ensure each of the implementing institutions identified as parties to this agreement discharge their respective responsibilities and mandates, bestowed them by the federal legislation (proclamation No. 1263/2021 and Regulation No 505/2022 for EFD) and regional legislations (Proclamation No 242/2021, Regulation No 122/2001 for OFWE) towards the successful implementation of the project in a coordinated manner through mobilizing required staff,



providing leadership and technical support at all levels for the achievement the project's objective. Noting that any capitalized terms that are not defined in this MoU have the definition given in the ERPA documents.

Article 2 Collaboration

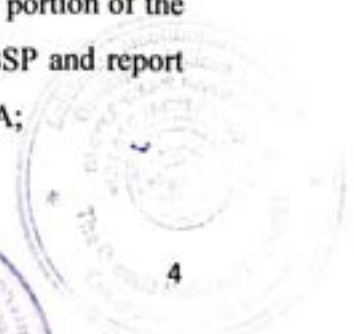
To achieve the above purpose, the parties will collaborate on the following:

- I. Ensure proper coordination of parties on investment activities and policy actions contributing to the OFL-ER project;
- II. Support the project's MRV process including data collection, analysis and reporting following the ISFL program requirements;
- III. Ensuring the proper implementation of the Benefit Sharing Plan including benefit allocation, fund flow and disbursement, use of the ER payment by the beneficiary, monitored, reported and evaluated following the operational manual developed for benefit sharing plan implementation;
- IV. Ensuring that environmental and social risk management instruments and procedures are fulfilled while implementing the investment activities and policy actions;
- V. Ensuring that lessons generated through the implementation of the OFL-ERP are comprehensively documented and shared with national and international level institutions and agencies as well as development partners, financiers and private sector investors as appropriate.

Confirming that the Parties are committed to implementing the ER Program Measures in accordance with this MoU, the Annex, and the obligations laid out in the ERPA and related documents, including the Safeguards Plans, BSP, BSP operational manual.

Article 3 Principal Terms of Arrangement Applicable to all Regional Project Entities

- I. Develop and implement sectoral sub-projects financed from the portion of the ER payment allocated to the regional government as per the BSP and report the progress of this sub-project to Steering Committee and OEPA;



- II. Implement all applicable requirements of the ER Monitoring Plan, including those pertaining to environmental and social performance and operational management systems;
- III. Installs, operates and maintains the facilities and equipment and retains staff necessary for gathering all such data as may be required by the ER Monitoring Plan, including by establishing and maintaining all related data measurement and collection systems as are necessary;
- IV. Implement its Sub-Project / ISFL ER Program Measures (as specified in the ISFL ER Program Document) in accordance with the terms of such ISFL ER Program Document.
- V. For the avoidance of doubt, authorize the Lead Program Entity (EFD) on behalf of ER owners collectively to transfer any ERs generated to the BioCFT3 free of any third-party interest or encumbrance;
- VI. Inform the lead Program Entity immediately after becoming aware of the occurrence of a Reversal Event under a ISFL ER Program Measure;
- VII. Operate and implement its ISFL ER Program Measures in compliance with the World Bank Environmental and Social Framework (ESF) and any E&S Safeguards Plans provided under the ERPA;
- VIII. Satisfy any obligations in respect of applications for all licenses, permits, consents and authorizations required to implement the ISFL ER Program Measures;



Article 4 Roles and Responsibilities of each party

4.1 Principal Terms Applicable to the Federal Lead Program Entity (Ethiopian Forest Development)

- I. Provide each Regional Project Entity with the ISFL ER program Document, the ER Monitoring Plan (if needed), the Safeguards Plan and any other information relevant to the implementation of the Sub-project/ISFL ER program measures (including relevant communication between the Trustee and the Program Entity in relation to the ERPA);



- II. Collect from Sub-Project/Regional Entity, and if necessary, confirm the accuracy of all the information required to be collected under the Monitoring Plan and applicable Safeguards Plans;
- III. Oversee the overall technical and policy dimensions of the project at the federal level in the first ERPA phase and subsequent phases.
- IV. Lead the overall MRV undertakings of the ER program through its dedicated MRV Unit, including collection of regional-level primary ER performance data and analyzing and reporting of the same to the World Bank/ISFL.
- V. Provide annual update to the World Bank and other concerned bodies such as MoF on the overall use of the ER benefits including the use of benefits at EFD level.
- VI. Monitor the progress, effectiveness, and efficiency of ER benefit utilization at all levels.
- VII. Provide the required backstopping to regional states for their forest management endeavors.
- VIII. Follow up and provide support on financial follow and receive physical and financial reports on the utilization of the share of benefits and submit comprehensive report to all concerned entities.

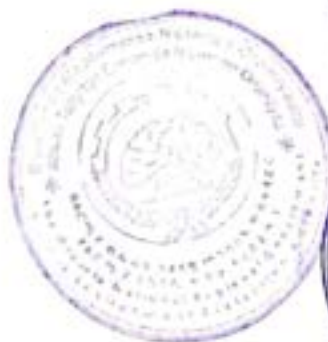


4.2 Roles and Responsibilities of the Oromia Environmental Protection Authority (Regional Lead Project Entity)

- I. Administer the technical, financial and human resources of OFLP-ERP activities through the Oromia Regional Coordination Unit ("ORCU") to be responsible for fiduciary management;
- II. Assign and engage its own personnel in zones, woredas and kebeles to ensure the implementation of OFLP-ERP activities in compliance with the ESMP instruments such as ESMF, LMP, ESCP, SESA (including the SDP), SMP, SEP and GAP;
- III. Closely work with the National REDD+ Secretariat at EFD and MoA (LFSDP) which will carry out fiduciary oversight, quality assurance role and management of the two grants;



- IV. Provide the other regional parties of this MOU with the ISFL ER Program Document, the ER Monitoring Plan (if needed), the E&S Safeguards Plans and any other information relevant to the implementation of the Sub-Project/ISFL ER Program Measures (including relevant communication between the Trustee and the Program Entity in relation to the ERPA);
- V. Collect from the other regional parties of this MOU, and, if necessary, confirm the accuracy of, all information required to be collected under the Monitoring Plan and the applicable E&S Safeguards Plans;
- VI. Lead monitoring, reporting and verification of emissions reduced from the jurisdiction of the Oromia regional state and report to concerned parties as per the ISFL program requirements;
- VII. Coordinate relevant Bureaus, agencies and organizations implementing OFLP-ERP activities at regional, zonal and woreda levels including the implementation of the BSP as per the benefit sharing operational manual and compile progress and reports to various partners including the OFLP Steering Committee, EFD and the World Bank;
- VIII. Closely coordinate with Oromia Bureau of finance to ensure on-time disbursement of ER proceeds to beneficiaries, implementation and reporting;
- IX. Hold responsibility for keeping the books of accounts, safeguarding assets, and enhancing financial accountability and reporting;
- X. Provide training to the Zone, Woreda and Kebele level development agents, OFLP-ERP partner Sector Offices including Zonal office of Agriculture and their experts on the ESRM, community project identification, planning and implementation which is to be financed through ER payment, thus ensuring understanding and consistency at all sector operations;
- XI. Compile lessons from the implementation of OFLP-ERP to inform future results based climate financing operations at scale;
- XII. Other roles and responsibilities as specified in the World Bank's OFLP-ERP Project Appraisal Document (PAD), ERPA, Emission Reduction Project Document (ERPD) and Project Implementation Manual (PIM);



4.3 Roles and Responsibilities of the Oromia Bureau of Agriculture (Regional Project Entity)

- I. Appoint OFLP focal person at the Regional, Zonal and Woreda and kebele offices to actively participate on implementation of OFLP-ERP activities, provide required technical support and report to ORCU including sharing required data as necessary.
- II. Participates in the regional OFLP Steering Committee and Technical Working Group.
- III. Participate and contribute to MRV process including data collection, analysis and reporting particularly through engaging the regional livestock MRV unit (MRV lab)
- IV. Support the implementation of BSP activities on the ground through Development Agents particularly in the identification of community development projects financed by ER payment, planning and implementation of those in compliance with OFLP-ERP ESRM instruments.
- V. Ensure synergies and coordination between existing sector initiatives and the OFLP -ERP activities impacting project and sector objectives.
- VI. Other roles and responsibilities as described in the World Bank's OFLP-ERP Project Appraisal Document.



4.4 Roles and Responsibilities of the Oromia Bureau of Land (Regional Project Entity)

- I. Appoint OFLP focal person at the Regional, Zonal and Woreda offices to actively participate on implementation of OFLP-ERP activities, provide required technical support, share required data and report to ORCU including required data as necessary;
- II. Participates in the regional OFLP Steering Committee and Technical Working Group;
- III. Participate and contribute to MRV process including data collection, analysis and reporting;



- IV. Support the implementation of BSP activities on the ground, particularly in the identification of community development projects financed by ER payment, planning and implementation of those in compliance with OFLP-ERP ESRM instruments.
- V. Ensure synergies and coordination between existing sector initiatives and the OFLP -ERP activities impacting project and sector objectives;
- VI. Other roles and responsibilities as described in the World Bank's OFLP-ERP Project Appraisal Document;

4.5 Roles and Responsibilities of the Oromia Bureau of Water and Energy (Regional Project Entity)

- I. Appoint OFLP focal person at the Regional, Zonal, and Woreda offices to actively participate on implementation of OFLP-ERP activities, provide required technical support and report to ORCU including sharing required data as necessary.
- II. Participates in the regional OFLP Steering Committee and Technical Working Group.
- III. Participate and contribute to MRV process including data collection, analysis and reporting.
- IV. Support the implementation of BSP activities on the ground, particularly in the identification of community development projects financed by ER payment, planning and implementation of those in compliance with OFLP-ERP ESRM instruments.
- V. Ensure synergies and coordination between existing sector initiatives and the OFLP -ERP activities impacting project and sector objectives;
- VI. Other roles and responsibilities as described in the World Bank's OFLP-ERP Project Appraisal Document;



4.6 Roles and Responsibilities of the Oromia Forest and Wildlife Enterprise (Regional Project Entity)



- I. Appoint OFLP focal person at the Regional, Branch and District offices to actively participate on implementation of OFLP-ERP activities, provide required technical support and report to ORCU including sharing required data as necessary;
- II. Participates in the regional OFLP Steering Committee and Technical Working Group;
- III. Participate and contribute to MRV process including data collection, analysis and reporting;
- IV. Contribute to OFLP ER project through implementation of sustainable forest management practices in its own concession areas by mobilizing internal and external resources as deemed necessary,
- V. Support the implementation of BSP activities on the ground, particularly in the identification of community development projects financed by ER payment, planning and implementation of those in compliance with OFLP-ERP ESRM instruments.
- VI. Ensure synergies and coordination between existing sector initiatives and the OFLP -ERP activities impacting project and sector objectives;
- VII. Other roles and responsibilities as described in the World Bank's OFLP-ERP Project Appraisal Document.



4.7 Roles and Responsibilities of the Oromia Cooperative Promotion Agency (Regional Project Entity)

- I. Appoint OFLP focal person at the Regional, Zonal and Woreda offices to actively participate on implementation of OFLP-ERP activities, provide required technical support for Forest based cooperative and report to ORCU including sharing required data as necessary;
- II. Participates in the regional OFLP Steering Committee and Technical Working Group;
- III. Provide technical backstopping for forest based cooperative particularly on resource management, financial management, business plan development and establish new forest based cooperative as necessary,



- IV. Support the implementation of BSP activities on the ground, particularly in the identification community development projects and developing business plan that to be financed by ER payment and implementation of it.
- V. Ensure synergies and coordination between existing sector initiatives and the OFLP -ERP activities impacting project and sector objectives;
- VI. Other roles and responsibilities as described in the World Bank's OFLP-ERP Project Appraisal Document.

Article 5 Relationship of Parties

- I. Neither of the Parties to this Memorandum of Understanding shall take positions on behalf of others without their consent. The Parties will maintain the right to express their opinion individually on topics related to this Memorandum of Understanding.

Article 6 Amendments and Termination

- I. This Memorandum of Understanding can be amended by the written approval of the Parties.
- II. This Memorandum of Understanding may be terminated by the Party up to six months' prior notice given to the other parties.

Article 7 Conflict Resolution and Monitoring

- I. Conflict(s) among parties shall be resolved through discussion.
- II. The implementation of the MoU shall be monitored through a joint evaluation and report.



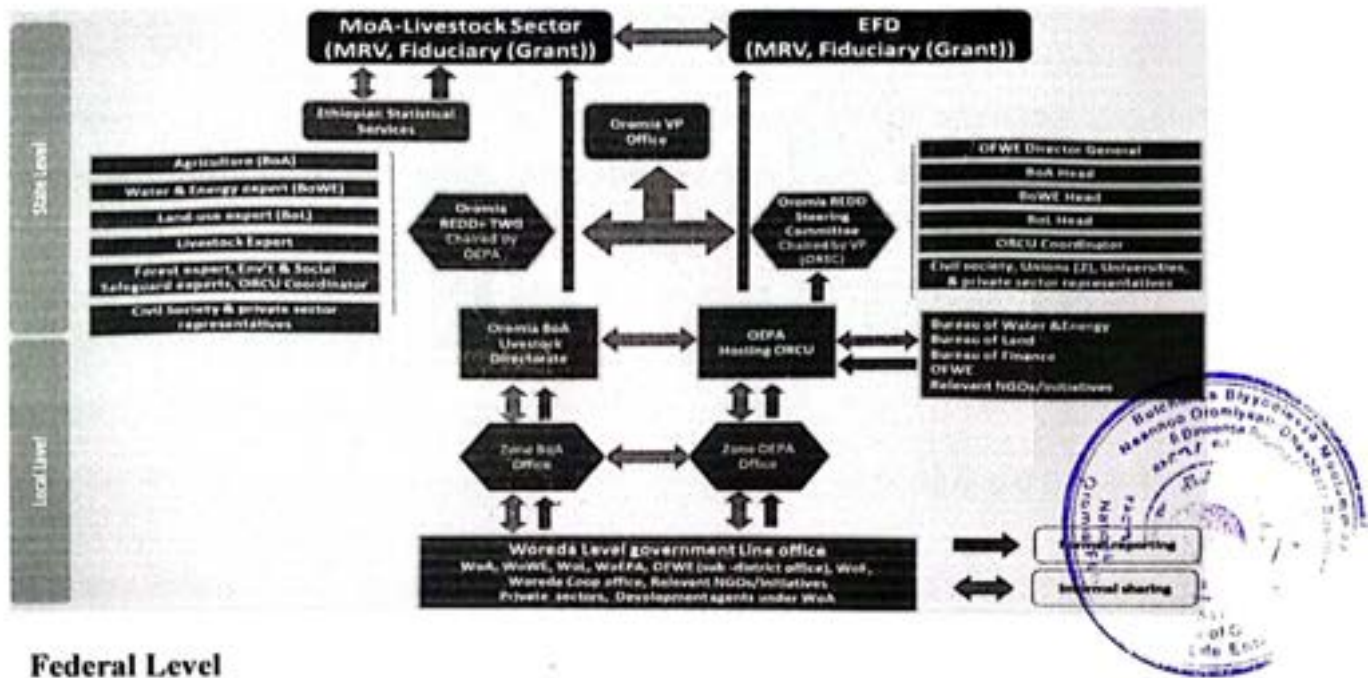
In WITNESS THEREOF five original copies in English of this Memorandum of Understanding were signed on day, month, and year indicated below.

| | |
|---|--|
| <p>For the Ethiopian Forest Development</p> <p>Name _____</p> <p>Signature </p> <p>Title Motuma Tolera (Ph D)</p> <p>Date _____</p> <p>Deputy Director General</p>  | <p>For the Oromia Environmental, Protection</p> <p>Authority</p> <p>Name Seifudin Mehadi</p> <p>Signature </p> <p>Title Director General</p> <p>Date 25/7/2024</p>  |
| <p>For the Oromia Bureau of Agriculture</p> <p>Name _____</p> <p>Signature </p> <p>Title Tolera Debela Bobosha</p> <p>Date 25/7/2024</p> <p>Deputy Head of Agriculture And Livestock Sector Development Head</p>  | <p>For the Oromia Bureau of Water and Energy</p> <p>Name _____</p> <p>Signature </p> <p>Title Eng. Araso</p> <p>Date 25/7/2024</p> <p>Deputy Bureau Head & Water Resources Design & All Program Leader</p>  |
| <p>For the Oromia Bureau of Land</p> <p>Name _____</p> <p>Title _____</p> <p>Signature </p> <p>Date _____</p> <p>Kadir Maamoo Hilko</p> <p>Hoggana Biroo Lala Oromiya</p>  | <p>For the Oromia Forest and Wildlife Enterprise</p> <p>Name _____</p> <p>Signature </p> <p>Title Aaba Kagassa</p> <p>Date 25/7/2024</p> <p>Darektora Of aanaa</p> <p>ph 25/7/24</p> <p>General</p>  |
| <p>For Oromia Cooperative Promotion Agency</p> <p>Name _____</p> <p>Title _____</p> <p>Signature </p> <p>Date _____</p> <p>Jemal Kedir Gelgeles</p> <p>Head of Agency</p>  |  |

Annex 1: Institutional Arrangement of OFLP-ERP

OFLP-ER project will follow the existing institutional arrangement with some modification as it will incorporate the MoA in the livestock component. The following diagram depicts the institutional arrangement of OFLP.

Figure 1. Institutional Arrangements for Reporting - Program Level



Federal Level

The OFLP's -ERP institutional arrangement will be anchored in the following principles:

- (i) the institutional set-up would be to the extent possible based on existing federal and state government structures; (ii) clear institutional roles, responsibilities and procedures based on existing institutional mandates; (iii) extensive multi-sectoral coordination to plan and implement related projects and activities critical for OFLP success; and (iv) coordinating and leveraging selected associated initiatives (financed by the WB and/or others as stipulated in the program's ERP PAD and also consistence with institutional role and arrangement).

Ministry of Finance

The MoF at the federal level is a nationally designated institution mandated to Mobilize, negotiate and sign foreign development assistance and loans, and follow up the



implementation of same¹. Thus, the MoF on behalf of the Oromia National Regional State will sign the consecutive ERPA phase agreement including the previously signed ERPA in February 9/2013 and take the overall fiduciary responsibility. The MoF is not involved in the reporting but only in the transfer of funds for the BSP. The MoF will receive funds from the ERC purchase based on verified ER amount achieved by the program at the end of each ERPA phase and distribute ER benefits according to the advanced draft BSP and cBSP of ERPA phase two.

The MoF ensures ER proceeds received as RBP will be shared according to the provisions agreed in the BSP and ER fund disbursement follows MoF's 'Channel 1 fund transfer system'. The MoF receives proceeds from the sale of ERCs and places these funds in an independent account and retains a 3 percent performance buffer for risk management and deducts the operational cost

Ministry of Agriculture

The Ministry of Agriculture is mandated to formulate national agriculture and livestock development policy, strategy and program; ensures the proper execution of crop production and protection, animal feed quality control and veterinary administration and regulatory activities; establish a mechanism for the implementation of soil erosion prevention strategies by identifying its causes; design mechanisms for the improvement of soil fertility, protection of soil health, and for establishing national soil database; cause the expansion of integrated farming to ensure sustainable development and maintenance of natural resources as stipulated in Proclamation No.1263/2021 article 20.².

The Livestock and Fisheries Sectors Development Project (LFSDP), hosted at the Ministry of Agriculture will have significant role in developing the livestock MRV system and facilities. This project will coordinate with the Oromia Forested Landscape Program- Emission Reduction Project (OFLP-ERP) to build capacity on the quantification and reporting of GHG emissions/reductions from the livestock sector. The LFSDP had undertaken an initial study for the development of nation-wide Tier 2

¹ Article 16 of the Proclamation No.1263/2021 Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation

² Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation



Emission Factors (T2EFs) for livestock; and guidance for the collection of baseline data on GHG emissions. It was agreed that the LFSDP will take the lead in the implementation of livestock GHG inventory during ERPA Phase II, in developing the overall methodology for data collection and computation for the OFLP-ERP.

The PIU for the LFSDP will be responsible for managing the Livestock MRV Capacity Building grant- Grant No. TF0B9869 (until the MoA sets the right directorate responsible for livestock related MRV activities). The PIU established for the LFSDP will have the overall fiduciary responsibility for this grant and will manage the required budget as per arrangements agreed with respective partner entities and according to agreed work plans.

The Ethiopia Forest Development (EFD)

The Federal Government of Ethiopia, council of Ministers has reorganized the Ethiopian Forestry Development (EFD) by merging the then Ethiopian Environment and Forest Research Institute (EEFRI) and the Forestry sector from Environment, Forest and Climate Change Commission (EEPA) by regulation No. 505/2022, (*Negarit Gazette* No. 27, April 2022). Though, it is mandated for various assignments, the major assignments pertinent to OFLP-ER arrangement and complement with are:

- raise additional funds for forest sector development by working/engaging with development partners;
- work closely with relevant authorities to establish forest fund, and to make it functional when approved; and work with relevant entities to improve forest developers' access to business development, credit, and insurance services;
- ensure protection, rehabilitation, sustainable management and use of natural forests significantly; contribute to climate change mitigation and minimizing the negative impacts of climate change and variability on ecosystem services, on people and on infrastructure; and more importantly represent the forestry sector and participate in international, continental, and regional platforms, notably United Nation Framework Convention on Climate Change (UNFCCC), United Nation Convention to Combat Desertification (UNCCD), United Nation Convention on Biodiversity (CBD), United Nation Forum on Forests (UNFSS), United Nation Reducing Emission from Deforestation and Forest Degradation (UN REDD+), African Great Green Wall,



INBAR, African Forest Landscape Restoration (AFR 100), and other forestry related forums and to advance national interests in these platforms;

- And build the human, logistical, and infrastructural capacity of the Ethiopian Forestry Development to identify and address causes and to effectively combat deforestation and forest degradation, forest fire, forest pests and diseases, and invasive species, and to coordinate and lead such efforts at all levels.

The EFD's involves in carbon accounting and performance verification for the forest sector. The EFD will lead the overall MRV undertakings of the ER program through its dedicated MRV Unit, including collection of regional-level primary ER performance data and analysing and reporting of the same to the World Bank/ISFL. The EFD is Ethiopia's coordinating entity for MRV for the forest sector through its MRV Unit. The MRV Unit produces maps, collects and reports GHG inventory data, and undertakes MRV tasks working in collaboration with federal and regional institutions. The OFLP-ERP will follow the same ER monitoring approach and use the same MRV institutional arrangement established for the forest sector at the national level. EFD will carry out fiduciary oversight, quality assurance role and management of the two grants, in particular on MRV infrastructure modernization, project monitoring, safeguards, financial management and procurement. EFD will open and manage separate designated US dollar and Birr accounts to receive the two grant funds from the World Bank and funds from this account will then be transferred to a pooled local currency (Ethiopian birr) account to be held by the EFD.

National REDD+ Secretariat (NRS)

The National REDD+ Secretariat of the EFD will provide strategic and technical guidance on REDD+ issues, consolidate lessons learned from OFLP-ER and disseminate experience in other regional states, and lead the proper implementation of the REDD+ MRV system which is key in the OFLP ERP implementation. The secretariat will need to work at the technical level with other relevant national stakeholders such as the LFSDP hosted at Ministry of Agriculture, as needed.

Ethiopian Statistical Services



The Ethiopian Statistical Services (ESS) is the nationally designated institution to collect statistical data through censuses, sample surveys, administrative records and continuous registration; process, compile, analyse, publish and disseminate the results thereof; provide advisory services on statistical matters to government agencies, institutions and private organizations upon request. It also prescribes the system for the collection, compilation, and classification of statistical data; determine the type and particulars of statistical data to be collected and the period of collection; and evaluate and monitor all progress in these activities and ensure that the data collected through national censuses and surveys meet the demands of regional states. Given these mandates, the ESS will ensure the methodological approach to estimate GHG estimation from livestock meets the required standards. The development of Tier 2 livestock GHG emission baselining estimate and the related one-off livestock data gap filling survey for OFLP-ERP was done based on the sampling frame approach of the ESS. The LFSDP of the Ministry of Agriculture and ORCU_OFLP-ERP will be closely working with ESS towards Tier 2 livestock GHG inventory and ER monitoring during ERPA phase two. The Livestock MRV grant will also be used to build required capacity at the ESS level.

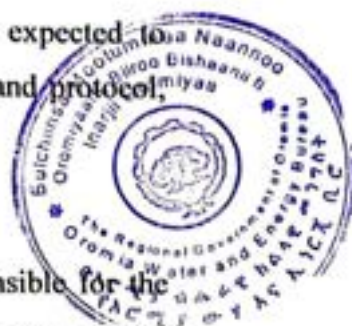
Federal and Regional Research Institutes

The Ethiopia Agriculture Research Institute/Holeta Research Centre

Given the research experiences that this institution capitalized on, it is expected to develop and adopt country specific robust GHG accounting methodology and protocol, particularly for the livestock sector.

Regional Level

At the regional level, OFLP-ERP is the main Program Entity (PE) responsible for the overall implementation of ERPA and for activities under the two complementary grants, to expedite jointly with other national and regional entities. The OFLP Steering Committee and the Technical Working Group, established during the upfront US\$18 million grant implementation period, will continue providing strategic guidance and technical inputs to support OFLP-ERP implementation. OEPA and sector bureaus will support the ER program implementation and coordinating activities on the ground through their decentralized staff, particularly those activities that are potentially



contributing to produce more ERs and are financed from own sources or from ER proceeds.

Executive of Oromia Regional State (VPO for Rural Cluster Coordination)

The Vice President Office for rural cluster coordination will be the highest-level institution to provide political leadership and decisions to the OFLP-ER Project, particularly on multi-sector implementation of policies, strategies and bilateral agreements pertinent to OFLP-ER.

OFLP Steering Committee (OFLP-SC)

The OFLP steering committee (OFLP-SC) oversee and provide strategic guidance and leadership support to the OFLP-ERP including mobilizing sectors to coordinate and collaborate under the OFLP umbrella on "Landscape relevant interventions" that affect OFLP-ERP goal. Lead the subsequent ERPA process in accordance with the ISEI Program Requirements, including the condition of effectiveness prior to ERPA disbursement. The OFLP-SC is chaired by the Oromia Vice President (Head of Rural Cluster Coordination) and members include heads:

1. Director General of OEPA.....Member & Secretary
2. Director General of OFWE.....Member
3. Head of Oromia Bureau of Agriculture.....Member
4. Head of Oromia Bureau of LandMember
5. Head of Oromia Bureau of Water & Energy Member
6. Head of Oromia Bureau of Women & Children AffairsMember
7. Director of Oromia Institute of Agricultural Research.....Member
8. Head of Oromia Cooperative Promotion Agency.....Member
9. ORCU Coordinator.....Member



Other institutions with vested interest in OFLP-ERP such as representatives from civil societies, communities, universities, and the private sector entities will also participate. The Oromia OFLP Steering Committee will convene at least twice a year.

Oromia Environmental Protection Authority

The OEPA, through ORCU, will lead the statewide activities financed by the ER payments according to the BSP. Specifically, OEPA will: (i) administratively host ORCU; (ii) administer the technical, financial and human resources of OFLP PIU to be responsible for fiduciary management and the grant (BioCF ISFL); (iii) coordinate relevant Bureaus, agencies and organizations implementing OFLP-ERP activities at regional, woreda and kebele levels; (iv) Ensure the implementation of the developed ESRM instruments such as ESMF, LMP, ESCP, SESA (including the SDP), SMP, SEP and GAP and (v) report on OFLP-ERP, BSP, ER Monitoring and Reporting.

Oromia REDD+ OFLP-ERP Coordination Unit

The ORCU is OEPA's OFLP-ER project Implementing Unit. In addition to implementing OFLP-ER Project on a day-to-day basis, the ORCU serves as the secretariat for coordinating and aligning various sector initiatives under the OFLP umbrella. ORCU reports administratively to the OEPA, and also seeks strategic and tactical guidance from the Oromia National Regional State Vice President Office the OFLP-ERP Steering Committee, given the multi-sector nature of OFLP-ERP's BSP operationalization. The OEPA/ORCU will be closely working with the National REDD+ Secretariat at EFD and MoA (LFSDP) which will carry out fiduciary oversight, quality assurance role and management of the two grants, in particular on MRV infrastructures modernization, project monitoring, safeguards, financial management and procurement; more specifically, the EFD will focus on providing operational guidance to the OEPA to carry out OFLP related procurement, FM, and safeguards activities.

As part of condition of effectiveness of subsequent ERPA phase activities, ORCU will facilitate and coordinate submission of the Trustee an Analysis and GHG Inventory Update for the subsequent ERPA Phase, as well as draft versions of the updated ISFL ER Program documentation for the subsequent ERPA Phase, including updated Program Documents, Safeguards Plans, transfer of Title to ERs documentation (from livestock component) and an updated Benefit Sharing Plan ("Updated ISFL ER Program Documentation"). Such Updated ISFL ER Program Documentation should be finalized as soon as possible prior to the end of the ERPA Phase Agreement Negotiation Period, in form and substance satisfactory to the Trustee³.

More specifically ORCU

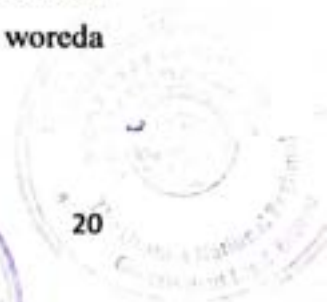
³ ERPA Framework Agreement



- a. As the OFLP implementing unit within OEPA, coordinates and manages ERP implementation including all day-to-day fiduciary requirements, regularly liaising technically with all partner agencies, NGOs and private sector actors;
- b. Carries out and consolidates safeguards implementation and reporting (assisted by OEPA);
- c. Carries out and consolidates FM and reporting (assisted by OEPA);
- d. Carries out and consolidates procurement management and reporting (assisted by OEPA);
- e. Carries out and consolidates M&E for OFLP (each indicator in results framework and others as government requires and the Project team desires);
- f. Directly implements specific Technic activities (MRV and financed by the BioC/ISFL grant and ERC);
- g. Carries out joint evaluation of private forest developer's proposal to access and use ERC as per BSP and criteria developed for private forest developer eligibility to BS;
- h. Facilitates coordination with OFLP-related initiatives (liaising with executive-level focal points and OEPA above, as needed);
- i. Ensures that ER verification is carried out through a third party;
- j. Ensures delivery, implementation, and reporting on ER BSP operationalization;
- k. Operationalize/implement strategic communication of the program during the grant period if deem necessary update the strategy;
- l. Acts as secretariat for the REDD+ Technical Working Group and participates actively in meetings;

Concerned Regional Bureaus

Concerned regional Bureaus/Actors, involved in the design & implementation of OFLP as per entered MoU include the BoA, BoWE and BoL, OFWE, and Oromia Cooperative Promotion Agency. These Bureaus, Agency and Enterprise will be: (a) responsible for supporting and sustaining the grant implemented activities, develop a robust sustainable forest management plan to access the ER benefit as per OFLP- BSP, and (b) ensure synergies between existing sector initiatives that affect OFLP-ER and sector objectives. These sectors will also provide oversight support to their respective zonal and woreda subordinates.



The OFLP Technical Working Group:

The Oromia OFLP technical working group (ORTWG) will be responsible for providing technical guidance and support in design, implementation, and monitoring, and ensure that the ERC distribution of benefit is done as BSP and BSPOM. The ORTWG will be chaired by OEPA, and members include sector experts from:

1. Oromia Environmental Protection Authority.....Chairperson
2. ORCU.....Secretary
3. Focal point from Oromia Vice President Office.....Member
4. Oromia Bureau of Agriculture.....Member
5. Oromia Bureau of LandMember
6. Oromia Bureau of Water & Energy.....Member
7. Oromia Agricultural Research Institute.....Member
8. Holeta Agricultural Research Center.....Member
9. Oromia Bureau of Investment.....Member
10. FARM Africa.....Member
11. SoS Sahel.....Member
12. Environment & Coffee Forest Forum.....Member
13. Environment, Biodiversity and Climate Change Forum (EBCCF).....Member
14. Ethio-wetlands and Natural Resource Association.....Member
15. Wando Genet College of Forestry and Natural Resources.....Member
16. National REDD+ secretariat.....Member

Zone level

Zonal OEPA Office

OEPA will provide administrative and technical support to woredas and share information that will improve and ensure coordination with other entities (that is, bureaus, zone offices and NGOs) operating at regional, zone, and woreda levels. Currently, there are 21 zone offices in the region. Ensure the sustainability of US\$18 grant interventions (including investment on the ground and safeguards). Oversee the proper implementation of the ERC obtained apportioned as per BSP and BSPOM.



Zone administrations

Zone administrations include the zone administration offices and sector offices such as the zone office of Agriculture (ZoAR), Zone Office of Water and Energy Development (ZoWED), zone office of land (ZoL), zone office of environmental, Protection Authority (ZoEPA). These offices work closely together on day-to-day affairs, such as by overseeing the work of their respective woreda offices (agriculture, forests, water, household energy, cooperative promotion and land). Each office will also provide administrative and technical support to respective woreda offices who are directly implementing sector-specific OFLP-ERP activities (directly financed by the Regional Government Initiatives, like Green Legacy, OFLP-ERP activates activities as per BSP and some REDD+-relevant initiatives). The zone level OFLP partner sector offices and their experts will be trained on the safeguards requirement of the Project to ensure understanding and consistency in all sector operations, including operationalizing of ER benefit obtained. The heads of the ZoEPA and Cooperative Promotion Office Head lead will lead the facilitation of the inter-sectoral coordination activities. Progress will be compiled by each sector and report to their respective Bureaus to help access and implement ER benefits set aside at the regional level.

Local level (woreda, kebele)

Woreda Environmental Protection Authority (WEPA)

Woreda Environmental Protection Authority (WEPA) office together with other relevant woreda sector experts, including the DAs under them, will coordinate, oversee and implement a range of sector Projects (including activities contribute to ER implemented by own budget, other initiatives implemented by different partner CSO/NGOs, Private sectors to and operations). The WEPA and WCPO have a key role in the implementation/operationalization of the BSP at Kebele level following the guidance on BSPOM.

Woreda administrations

Woreda administrations include the woreda administration offices and sector offices such as the WoA, WoWED, WoL, WoEPA and the OFWE district office where relevant.



These offices are meant to work together on day-to-day businesses of the woreda, such as overseeing the work of the DAs in agriculture (climate smart agriculture and livestock management), water, household energy, and forests, working at the lowest administrative unit called kebele (village level). Each office will also implement sector-specific activities which will have contribution to OFLP-ERP and help coordinate some of the REDD+-relevant initiatives implemented by CSO/NGO and the Private Sectors. The sector offices at woreda directly implementing the OFLP-ERP activities are guided by ESMF, BSP, BSPOM and other working documents.

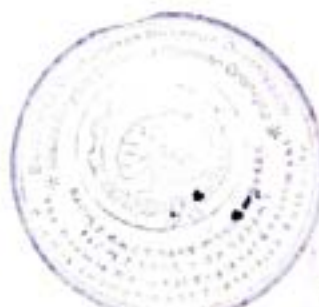
Sectors focal persons

These are experts specialized in different disciplines and drawn from each key OFLP-ERP implementing sector mentioned above. The key roles of these focal points at each sector are; (a) plan, implement, monitor and report activities which has contribution to ER attainment (these activities are detailed in the BSP and its OM), (b) verify and report performance attained at each kebele level using some proxy indicators of performance (BSPOM), (c) ensure the apportion of the benefit implemented as per the BSP and OM, and (d) intensively work in mitigation of conflicts might arise because of operationalization of ER Benefit. For this purpose, the focal points will work in a team involving DAs at kebele level and coordinated by WEPA.

Development Agents

A MoU signed between OEPA and BoA during OFLP grant implementation phase detailing how to deploy DAs to implement OFLP activities. This MoU will be updated to incorporate more roles of DAs in ER Project and subsequent benefit sharing arrangement.

The DAs are in contact with communities in their daily duties. So, this will be further improved as the local communities accessed and used the ER benefit. The proper participation and performance of each kebele ranking will be the task of DAs. Besides the proper operationalization of ER benefit at community level and planning of activities help contribute to ER (stipulated in BSP/OM) and the safeguards activities implementation closely followed, supported, monitored and reported to line sector and ER coordinator (WEPA) at woreda level.



Civil societies, unions, and universities

Civil societies/NGOs, Forest Cooperative unions, Livestock Based Cooperatives Union and universities in the OFLP-ERP structure would; (a) provide services and supports to government institutions to help implement activities or (b) implement activities directly, outside of the ERC. One example of the former is Farm Africa, which is currently implementing the Bale Mountains Eco-regional REDD+ Project on behalf of the FDRE. FARM Africa/SOS Sahel Ethiopia are the second NGO in Ethiopia next to World Vision (who implemented Humbo AR project through Clean Development Mechanism), in realizing community effort in ER and payment for verified emission at South Easter part of the region. In the case of the latter, the NGOs will work alongside the Bureaus as above to: (a) prepare, implement, monitor and report on activities in joint annual OFLP work plans through the coordination of the OEPA/ORCU, and (b) ensure synergy between existing sector initiatives that affect OFLP-ERPERP objectives.

Forest / livestock/ focused Private Sector businesses.

Private sector businesses implementing or investing in AFOLU relevant initiatives involved in diary value chain improvement, forest development activities and those participating in the coffee improvement (coffee value chain and off-forest coffee development) will have accountabilities similar to those of the NGOs as above.

