

**The National Regional Government of Oromia, Oromia Environmental
Protection Authority**

**Oromia Forested LandscapeProgram-Emission Reduction Project (OFLP-
(Project ID P151294)
ERP) Implementation Manual (PIM)**

Final Draft

Addis Ababa, Ethiopia

June 2023

Table of Contents

1	INTRODUCTION.....	5
1.1	Background.....	5
1.2	Objectives of the (PIM).....	7
1.3	Project Objectives	7
1.3.1.	Higher Level Objectives	7
1.3.2.	Project Development Objective	8
1.3.3.	PDO Level Indicators	8
2	PROJECT DESCRIPTION	9
2.1	Project Design.....	9
2.2	The two new grants: the BioCFT3 Grant No. TF0B9878 and the PROGREEN Grant No. TF0B9869.....	11
2.3	Project components of OFLP_ERP.....	12
2.3.1.	Component 1: Emission Reduction Purchase:-.....	12
2.3.2.	Component 2. MRV System Establishment and Safeguard Management:-	13
2.4	Project Beneficiaries	14
3	INSTITUTIONAL ARRANGEMENT.....	16
3.1	Federal Level	16
3.2	Federal and Regional Research Institutes.....	20
3.3	Regional Level	20
3.4	Concerned Regional Bureaus	23
3.5	Zone level.....	24
3.6	Local level (woreda, kebele)	25

3.7	Civil societies, unions, and universities.....	26
3.8	Forest / livestock/ focused Private Sector businesses	26
4	DETAILED ACTIVITIES AND IMPLEMENTATION PROCEDURES.....	26
4.1	Activities per component.....	26
4.2	Community level.....	29
	4.1.2. Component 2. MRV System Establishment and Safeguard Management	31
	Subcomponent 2.1 Program management including E&S standards implementation and communication.....	31
	Safeguards Supervision.....	33
	Good, Work, None consulting and consulting services	33
	Emission Reduction activities	33
	Subcomponent 2.2 Improvements of the Comprehensive Measurement, Reporting and Verification system	34
	The grant component activities	35
	Improvement of the MRV system for land use change (deforestation and reforestation).....	36
5	FINACIAL MANAGEMENT.....	37
5.1	Financial Management Arrangements for ORCU operational grant (BioCF) and Livestock MRV capacity building grant (PROGREEN)	38
5.2	FM Arrangements	42
	Check Preparation and Signature:	46
5.3	Auditing	50
5.4	Financial Management Arrangements for ERPA	53

6	PROCUREMENT MANAGEMENT.....	54
6.1	Procurement management for grants.....	55
6.2	Procurement Management for the Carbon Payment (following the BSP)	59
7	RESULTS MONITORING AND EVALUATION ARRANGEMENTS.....	60
7.1	Carbon Benefits	60
7.2	Non-Carbon Benefits.....	63
7.3	Implementation Arrangements for the ORCU MRV	64
8	Environment and social Risk management (ESRM).....	65
8.1	Environmental and social risk.....	65
8.2	Environmental and social risks Management.....	66
8.3	Environmental and Social risk monitoring	66
8.4	Grievance Redress Mechanism (GRM)	67
8.5	Traditional Grievances Redress Mechanism.....	67
8.6	Specific Training to Major Implementing Actors	74
9	PROJECT MONITORING, EVALUATION AND REPORTING	75
9.1	Overview.....	75
9.2	Emission Reduction Payment Phase	77
	9.2.1. Monitoring of ER performance.....	77
	9.2.2. Monitoring of Compliance.....	79
	9.2.3. Reporting.....	80
10	Annexes	80

Annex 5 OFLP-ER project Costs by Components (US\$) [ISFL Grant US\$0.75 million]	87
10.1 1.2. Sample based activity data (AD) estimation	204
10.2 Sample data collection	204

1 INTRODUCTION

1.1 Background

Ethiopia has been making considerable progress in economic social and human development in the last decades guided by progressive strategic vision and plans such as the Climate Resilient Green Economy (CRGE) (2011–2030) strategy that has been endorsed since 2010, the Second Growth and Transformation Plan, (GTP-2) (2016–2020), the Ten-Year Development Plan (2021–2030), the Updated Nationally Determined Contribution (NDC-Update 2021), and the Low Emission Development Strategy 2050, all of which strategies prioritizing attainment of middle-income status by 2025 by adopting low carbon, resilient, green growth actions. These policy actions and strategies (particularly the overarching CRGE and NDC) emphasize the agricultural sector, particularly the livestock, land conversion, and forestry sectors, which are expected to remain the main contributors to the greenhouse gas (GHG) emissions. Land use change and forest and livestock will represent, respectively, 35 percent and 48 percent of the total business

as usual emissions by 2030. The CRGE Strategy was mainstreamed into GTP-2 of the 2016–2020 period and the current Ten-Year Development Plan (2021–2030). At the national scale, the rate of deforestation and forest degradation of Ethiopia ranges from 140,000 to 200,000 ha per year and has resulted in severe land degradation and loss of biodiversity. On deforestation alone, Ethiopia loses about 73,000 ha of forest per year, losing close to 0.5 percent of natural forest every year which is a high number when compared to neighboring Kenya’s 0.03 percent rate of deforestation, demanding high efforts, commitment and coordination. Forest degradation in Ethiopia is mainly the result of unsustainable consumption of wood for fuel. Unless the growing demand is matched with proper forest development, the future scenario will be more deforestation, degradation of existing forest, and increased shortage of wood resources and increased importation. Forecasts indicate that without action to change the country’s forestry development path, 90 000 km² (56 percent of total existing forest area) could be degraded between 2010 and 2030. Over the same period, annual wood fuel consumption could rise by 65 percent, leading to more degradation of woodlands and forests, including plantation stands. The main direct drivers of deforestation and forest degradation are small-scale agricultural expansions and fuelwood consumption, and to a lesser extent, illegal logging and forest fires. Large-scale agricultural investments have been identified as another important driver Oromia is one of the 11 regional states under the Federal Democratic Republic of Ethiopia (FDRE). Oromia shares a boundary with almost every region except Tigray. It is the largest region in terms of area (more than 30 million ha) and population (over 30 million)., which until recently were promoted by the Government as a vehicle for rural development and economic growth. Overgrazing, settlement, and uncontrolled tree harvesting, and utilization also contribute to deforestation and forest degradation.

Agriculture, livestock, and services constitute the dominant economic sectors of the region. More than 88 percent of the population of the region makes a living from the land in rural areas (that is, agriculture including livestock). The region is also home to the largest livestock population in Ethiopia, 24.4 million. Overall, the poverty rate in Oromia has decreased from 28.7 percent in 2011 to 23.9 percent in 2016.

Oromia hosts close to 52 percent of national forest resources, which provide critical ecosystem services, products for livelihoods, and employment to the country as a whole and region in particular. The forest cover of the region is estimated at approximately 9.9 million ha in total. According to the national forest definition, most of Oromia’s rural woredas possess some amount of forest cover within their borders. Most of Oromia’s high forest (moist montane forests, carbon rich forests) is found in the Bale landscape in the Southeast and the Jimma/Wollega/Ilubabor landscape in the West. Rivers flow from areas serve Ethiopia’s eastern dry lands in Oromia and the Ethiopian Somali Regional State as well as for the Federal Republic of Somalia, drought-vulnerable arid areas where mobile pastoralism is the predominant

livelihood system. Oromia harbors globally important biodiversity with endangered endemic species such as the Ethiopian wolf (*Canis simensis*) and the Mountain Nyala (*Tragelaphus buxtoni*). Oromia's western forests are home to endemic coffee (*Coffea arabica*) that has high potential as an export commodity item and harbor wild varieties of the species.

Emissions reduction Payment is a monetary payment to be made for reduced, third-party certified carbon emissions in the Oromia regional state as a result of interventions made by the OFLP and the projects included under this umbrella program over the agreed-upon time period against the baseline business as usual (BAU) scenario, taking into account the necessary agreements in accordance with the benefit sharing plan. The ERPA phase of the OFLP has been signed on 9th of February 2023.

1.2 Objectives of the (PIM)

The ORCU prepared this Program Implementation Manual (PIM) in consultation with institutions involved in the Program's implementation. The PIM's goal is to define out the procedures and indicate specific arrangements for the ERP implementation so as to assist meeting its objectives. The PIM is based on the final approved Program Appraisal Document (PAD) for ERP, as well as other project documents such as the Benefit Sharing Plan (BSP), the Benefit Sharing Operational Manual (BSPOM), the updated Environmental and Social Risk Management (ESRM), the ERPD, OFLP grant PIM and PAD, the World Bank Environmental and Social standard, and a series of analytical studies and reports from the Grant implementation phase, consultations, and missions communications. More specifically, the PIM envisions to provide operational guidance to project implementers within the various departments/agencies with varying roles and responsibilities in order to guide the implementation monitoring and reporting. In general, the PIM is used as a key guiding document describing operational activities under the two grants and ERP. Furthermore, it serves as a guiding document for the ESRM, MRV, and communication among international and local partners, to monitor and reporting the project progress

1.3 Project Objectives

1.3.1. Higher Level Objectives

The OFLP, which includes the Emission Reduction Project (OFLP-ERP), contributes to key national strategies, including the Ten-Year Prospective Development Plan; the NDC updated in July 2021; the Ethiopian Food System; GTP-2; the CRGE Strategy and accompanying 2015 Climate Resilience Strategies for Agriculture and Forest; the National Forest Sector Development Strategy and National REDD+ Strategy; and sector strategies for energy, water, and agriculture. Specifically, it will help deliver on goals on economic growth, poverty reduction, jobs, food and water security, forest protection and expansion, climate change adaptation and mitigation, conservation of biodiversity, and development of mechanisms for

payment for ecosystems services. Key objectives from the CRGE and the recently updated NDC include, but are not limited to, the following: (a) GHG emission reduction of 68.8 percent (–277.7 MtCO₂e) in comparison with the revised ‘business as usual’ emissions in 2030 through conditional pathways on international support and Ethiopia’s unconditional efforts and (b) improvement of resilience to climate change. Key objectives from GTP-2 include expanding forest cover by 5 million ha nationwide. As depicted in the updated NDC, based on Ethiopia’s Forest Sector Development long-term plan, net emission removals in LULUCF can be realized through (a) massive reforestation and restoration of a total of up to 15 million ha and (b) the Green Legacy Initiative and Reducing Emissions from Deforestation and Forest Degradation (REDD+) strategic actions. Realizing this ambitious plan will increase forest cover to 30 percent of the national territory by 2030 from about 16% of current coverage. Moreover, significant number of beneficiaries will be capacitated and supported to adopt climate-smart agriculture and livestock management, and subsequently proportional agriculture land and livestock will be converted from conventional farming into climate-smart agriculture and livestock management, respectively.

The OFLP-ER helps deliver the World Bank’s twin goals of ending extreme poverty and boosting shared prosperity by 2030, the 2016 Systematic Country Diagnostic, the FY18–22 Country Partnership Framework approved in May 2017, and the World Bank Forest Action Plan of 2016. The rationale for convening resources programmatically for forest management in Ethiopia is to harness the potential of forested and agriculture landscapes and other land uses to help reduce poverty equitably by investing in natural wealth and resilient, low carbon growth (see section II.A on beneficiaries). The project will therefore contribute to the twin goals and the Country Partnership Strategy objective of fostering economic growth and improved governance while reducing vulnerability. There is a clear link between the renewable natural resource base and how it boosts the prospects and resilience of the bottom 40 percent. This supports Ethiopia’s ambition to achieve middle-income status by 2025 through green growth strategies.

1.3.2. Project Development Objective

The project will generate measured, reported, and verified Emission reductions Credits (ERCs) from reduced deforestation, forest degradation, enhancement of forest carbon stocks (REDD+), agriculture and other land use sectors that meet the GHG accounting requirements of the BioCF ISFL in the Oromia Regional State and will distribute payments resulting from the purchase of those ERCs in accordance with an agreed BSP.

1.3.3. PDO Level Indicators

The achievement of the Project Development Objective (PDO) will be measured through the following indicators:

- ✓ Volume of CO₂e Emission reductions that have been measured and reported by the

Program Entity, and verified by a Third Party (tCO2e)

- ✓ MRV systems functional for all relevant land-use sectors (forest degradation, livestock, and land-use change) (Yes/No)
- ✓ Emission Reductions payments distributed in accordance with agreed Benefit Sharing Plan (Yes/No)

2 PROJECT DESCRIPTION

2.1 Project Design

The ER project is part of the larger OFLP, which aims to promote integrated land use practices in Oromia Regional State in order to reduce forest loss and GHG emissions. The program is expected to promote economic, environmental, and social development while tackling the primary concerns threatening the sustainability of forested landscapes in Ethiopia due to agricultural, livestock, forest, and land use changes, through (a) enabling investment (forest and landscape management, including soil management and livestock management), (b) enabling environment (policies and extension services), and (c) Program operating environment (MRV system, Program coordination, and environmental and social compliance system), the activities within the OFLP lead to ERs across the jurisdiction.

The project will help generate 4 million metric tons of CO2e of ERC. In addition to the funding from the sale of ERCs, the project will seek to leverage US\$20 million of private sector finance and US\$30 million of 'not-for-profit' finance to contribute to the OFLP's objectives. Those ERs will be periodically measured and reported by the GoE according to the ISFL methodological framework, independently verified and then issued as ISFL ERC. The purchase of those ERCs will generate revenues that will be channeled to the beneficiaries through a BSP.

The OFLP monitoring and reporting is aligned with the national MRV system, which was created to support the implementation of the NDC and other country commitments under the Paris Agreement. ERCs will be awarded not only on the basis of environmental integrity (as determined by the ISFL methodology and after third-party verification), but also on the basis of environmental and social integrity in accordance with a national safeguards information system. To minimize double counting of ERCs generated within the Oromia regional jurisdiction, all ERCs will be recorded into the Carbon Assets Trading System (CATS), a registry controlled by the FCPF-BioCF/ISFL that will assure the traceability of each ERC generated by the program. The CATS will be utilized until a national registration is established.

The two grants, 0.75 million from BioCF ISFL- TF0B9878 and 1.2 million from PROGREEN-TF0B9869) Grants, will cover the costs related to project management and MRV infrastructure respectively, which is also bridging the financial gap until ER payment comes and paving the way for ERPA 1st Phase ER payment. The proceeds from the ER payments will be allocated

between the involved actors with a fixed percentage the detail ER benefit allocation and distribution, please refer the BSP and BSPOM(separate document).

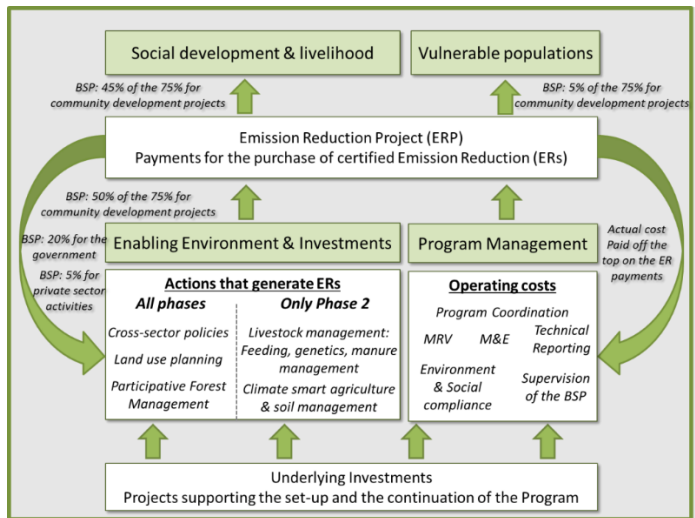
(a) Federal government. Institutions at the federal level will continue their role in coordinating the implementation of activities at the national level using the 5 percent of the ERC revenues allocated to them as per the BSP. These activities include the facilitation of MRV, oversight of transparent and equitable distribution of benefits according to the BSP, and supervision of the environmental and social safeguard management system implementation.

(b) Regional government. Entities at the regional level will continue their role in coordinating activities within Oromia supported by 15 percent of the ERC revenues. These activities include the distribution of benefits at the community level, technical support to communities and beneficiaries, MRV, E&S safeguards management (OEPA/ORCU), and overall project management.

(c) **Private sector.** Private sector partners and entities will benefit from investment grant funding, available on a matching fund investment basis, supported by 5 percent of the ERC revenues. The proposals for matching grant funding will include a detailed account of planned investment and activities, which will then be evaluated and approved by the Steering Committee. The activities funded by the matching grant include expansion of private investments in forest/livestock management and improvement of productivity and quality and related logistical and technological needs, which will promote generation of additional ERs.

(d). **Community development activities;** Communities at the local level continue their role in leading the implementation of development activities supported by 75 percent of the ERC revenues. The funds will be distributed according to the BSP and BSP OM, which also includes detailed description of fiduciary arrangements. The share of the ERC revenues allocated to community development is further divided between (i) activities contributing to ERs (50 percent), (ii) activities contributing to social development and livelihoods improvement (45%), and (iii) activities benefiting vulnerable and underserved communities (5 percent). A recent gender diagnostic analysis provided a 'gender action plan', which is currently under implementation. As women in Oromia are more dependent on natural resources and are more likely to be directly vulnerable to the effects of climate change, attention will be given to women, particularly women-headed households with young children, while implementing activities

Figure 1. Overview of the Program



The OFLP acts as the programmatic umbrella coordinating platform and partnering with multiple projects for a multisector, multi-partner integrated management of Oromia’s forested landscape project. The ORCU within OEPA is acting as a Project Coordination Unit between regional government line institutions, agriculture- and forest-based community organizations, the private sector, civil societies, and research institutions and academia to support the project objectives. A memorandum of understanding was signed with six regional entities (OEPA, OFWE, BoA, Bureau of Land [BoL], and Bureau of Water and Energy Resource Development [BoWERD]) for implementation of the OFLP grant. This institutional setup will continue to remain operational during the current OFLP-ERP implementation period.

2.2 The two new grants: the BioCFT3 Grant No. TF0B9878 and the PROGREEN Grant No. TF0B9869

The BioCF Grant No. TF0B9878 and the PROGREEN Grant No. TF0B9869 will pave the way for the implementation of the ERPA. The ER coming from livestock will be accounted in the second ERPA phase. The Livestock and Fishery Sector Development Project (LFSDP) hosted at the Ministry of Agriculture and financed by the WB is currently under implementation with the overall objectives of increasing productivity and commercialization of producers and processors in selected value chains, strengthen service delivery systems in the livestock and fisheries sectors, and respond promptly and effectively to an eligible crisis or emergency. The Implementation Unit (PIU) for the LFSDP, will be responsible for monitoring and reporting of the ER coming from this sector until a dedicated Livestock MRV unit is established and become fully operational within the Livestock Sector of MoA. The LFSDP unit is also responsible for implementation of Livestock MRV Capacity Building grant project (the PROGREEN Grant No. TF0B9869) activities to which this PIM is dedicated to and will therefore plays significant roles of initiating the livestock MRV activities and institutionalizing MRV in MoA in the coming years of ERPA implementation period. This PIU will coordinate activities of livestock MRV aspect

including, setting up the MRV units at MoA and OBoA, capacity building and training to those who will be conducting emission monitoring from the livestock sector.

The BioCFT3 Grant will also cover the operational cost of ORCU bridging the gap until the ER payment comes and hence, ORCU will be responsible for managing this grant.

2.3 Project components of OFLP_ERP

The Emission Reduction Phase of the project has the following components,

2.3.1. Component 1: Emission Reduction Purchase:- Purchase of Emission Reduction and distribution following the Benefit Sharing Plan (ERPA: US\$60 million, of which: US\$15 million is committed in the first phase (January 1/2022- December 31/2024) for purchasing ER coming from the forest sector, initial financing gap: US\$45 million). In the second phase (January 1/2025-December 31/2029), ER coming from both forest and livestock will be considered.

Subcomponent 2.3.1.1. Payment for Emission Reduction Credits. This subcomponent represents payments for up to US\$60 million (including options and future phases) for verified carbon performance paid within January 1, 2022, to December 31, 2029. These payments will be available once the program achieves, verifies, and reports on results with regard to reduced emissions. This climate financing will be channeled through an ERPA that was signed on February 9/2023 between the FDRE and the World Bank.

Subcomponent 2.3.1.2. Distribution of ER payments as per a BSP: The BSP was prepared through a highly participatory process. The BSP provides an operational solution for disbursing the performance-based ER payments equitably, effectively, and efficiently. It is guided by the principles of equity, efficiency, and transparency and defines the subcategories of beneficiaries, monitoring provisions, and processes for the distribution of benefits (eligibility criteria, allocation procedures, and flow of funds). The BSP that serves for the first ERPA phase was designed by the FDRE during the early OFLP grant implementation period through a robust consultation process held statewide, including with potential community beneficiaries.

Implementation of the BSP for distributing the ERPA proceeds will be complemented by a BSP operational manual under preparation that provides detailed guidance on management and distribution of funds from top to bottom, including fiduciary management and controls, and environmental and social risk management arrangements. The operational manual will be a prerequisite for the Program Entity (seller of ERC) to fulfill before the World Bank disburses any payment. The manual is under preparation by the project using the OFLP grant and will be reviewed and cleared by the World Bank. The BSP Operational Manual will exclusively provide guidance to the implementation of the ER payment based on the BSP, and will be used alongside with this PIM which mainly focuses on activities planned under the two new small grants of OFLP-ERP.

2.3.2. Component 2. MRV System Establishment and Safeguard Management:- The second component of the project focuses on Comprehensive Measurement, Reporting and Verification (MRV) system establishment and project management including Safeguards Management system (US\$1.95 million, including PROGREEN Grant: US\$1.2 million, and BioCFT3 ISFL Grant US\$0.75 million). This component is the subject of this PIM, focusing on activities planned under this component. The above two grants will finance among others the following specific activities:

The BioCFT3 Grant No. TF0B9878 finances: (i) the staff, including the Regional Safeguards, Fiduciary and MRV specialists; (ii) the reporting on the mandatory carbon and non-carbon benefits indicators, (iii) the various workshops related to capacity building, coordination, communication, or supervision; (iv) actions needed for the revision of the ERPD in preparation for the second phase; (v) provision of Operating Costs; and (vi) Project-related monitoring and evaluation activities; and

PROGREEN Grant No. TF0B9869 finances: (i) acquisition of MRV equipment, to include, inter alia, desktop and laptop computers, servers, tablets, GPS and other data gathering instruments for Project-related fieldwork; (ii) capacity building training programs on livestock GHG data gathering, analysis and reporting, using the expertise of specialized training institutions, livestock research organizations and others, as appropriate; (iii) supervision and monitoring of livestock emission reduction MRV agents trained for this purpose, data analysis and reporting; and (iv) Sampling and laboratory analysis of feed and manure samples to assess parameters related to the quantification of GHG emission.

Subcomponent 2.1 Program management including E&S standards implementation and communication.

Following the arrangements described in the BSP, a portion of the ERC payments will be dedicated to the program operating costs; however, the first carbon payment may not be expected before about six months after the end of the first verification, creating a gap between the end of the OFLP grant and the first carbon payment. To fill the budget gap to support the ORCU and program management, a grant amount of US\$0.75 million is provided to support the ORCU and program management until at least a year after the end of the first verification period. Once the payment for the first ERC purchase is received by the GoE, this subcomponent will continue to be financed from the ER payment.

Subcomponent 2.2.; Improvements of the Comprehensive Measurement, Reporting and Verification system.

The improvement in comprehensive measurement, reporting and verification is committed to the design, improvement, and operation of the MRV, particularly for measuring emissions from enteric fermentation, for which a dedicated grant of US\$1.2 million is provided. As mentioned

earlier, to generate ERCs, baselines will be agreed for each eligible subcategory (meeting the ISFL quality requirements) as well as a system to collect and measure the actual emissions

2.4 Project Beneficiaries

There are approximately 1.8 million people living inside or immediately adjacent to the existing forests within the Oromia jurisdiction. ER payments will directly benefit communities and the Government according to the rules set out in the BSP as described earlier. The exact number of direct beneficiaries of ER payments will be evaluated ex post, once the BSP is implemented. Moreover, these benefits will only materialize when emissions from the program area are reduced. The program will also deliver indirect benefits to a wide range of other stakeholders.

Direct beneficiaries. They are mostly the beneficiaries of support from the ERC payments, which will be channeled through the BSP. These are included in the Results Framework and will therefore be monitored and reported throughout program implementation. They comprise the following:

- 400,000 people living in communities and adjacent to forests who will benefit from non-carbon benefits. This includes women, men, and underserved and vulnerable groups.
- 2,000 communities that will receive (monetary and nonmonetary) benefits.
- 15,000 women in registered cooperatives who will receive benefits from the OFLP-ERP through their involvement in forestry- and/or livestock-related income generation activities.
- 10,000 smallholder farmers in private sector schemes who will be supported to adopt improved agricultural practices.

Institutions at the federal, regional, and local levels will benefit from enhanced operational capacity. Federal institutions that will benefit directly include the EFD, Ministry of Finance (MoF), MoA, and EWCA. Regional institutions will include the Oromia Regional State sector institutions such as the Vice-President's Office for Agriculture and Rural Development Cluster, Bureau of Finance (BoF), OEPA, OFWE, BoA, Oromia Cooperative Promotion and Development Bureau, BoWERD, and BoL. Local government sector institutions at the zonal and woreda levels will also be direct beneficiaries. Community-based organizations (CBOs) (such as FMCs) and NGOs that provide support to communities and government agencies and private sector entities, for example, small wood processing enterprises and nursery operators, will also receive benefits through the BSP.

Indirect beneficiaries. These include downstream water users such as water utilities, irrigation schemes, and hydropower facilities that will benefit from improved protection of watershed services. Ethiopia's natural forests support high levels of biodiversity and endemism, and these attract a significant number of nature-based tourists who contribute to local economies

through spending for accommodation and tourist guiding services. Tourism operators and local communities are therefore also anticipated to be indirect beneficiaries. It is also anticipated that there will be multiplier effects along value chains supplied by cooperatives and smallholder farmers supported through the BSP, for example, through traders, merchants, and value addition enterprises.

Beneficiaries of the grant portions. The grants will be dedicated to the improvement and the operationalization of the MRV system; safeguards management system established for the program; and for the program management, M&E, and communication. Thus, the grants are mostly expected to build the country's institutional capacities within the technical ministries and agencies such as the MoA, Ethiopian Statistical Service (ESS), Ethiopia Geospatial Information Agency, Ethiopian Agricultural Research Institute (EARI), the National REDD Secretariat, and the Ethiopian Forest development (EFD) at the federal level; and OEPA-ORCU, Oromia Bureau of Agriculture (BoA), Bureau of Water and energy development (BWERD), Bureau of Land (BoL), Oromia Forest and Wildlife enterprise (OFWE), Oromia Agricultural Research Institute (OARI), and Oromia Bureau of cooperative Development (OBCPD) at the regional level.

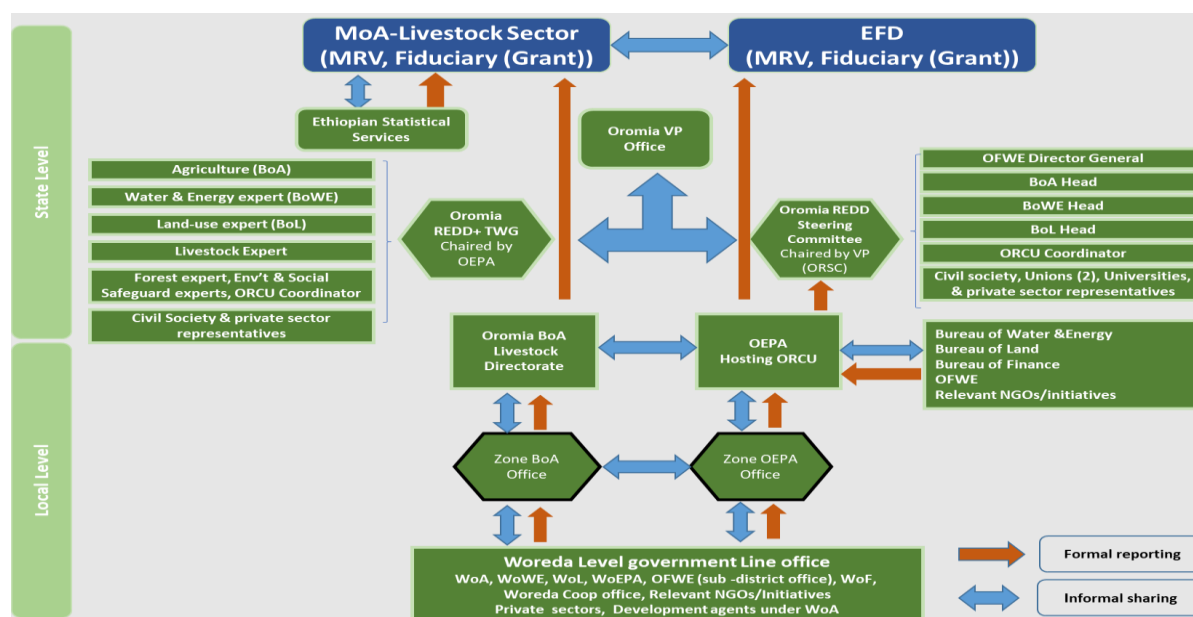
Engagement with civil society. Partners such as NGOs are also working with relevant bureaus/authority/agencies to (a) prepare, implement, and report on ER activities through joint annual OFLP workplans using the coordination platforms; (b) ensure consistent application of environmental and social compliance including application of Feedback and Grievance Redress Mechanism (FGRM); (c) maintain application of standard and agreed-upon MRV and BSP systems throughout; and (d) ensure synergies between existing sector initiatives that affect the OFLP objectives.

Engagement with the private sector. Similarly, private sector businesses implementing or investing in forested landscape-friendly initiatives will coordinate their work with the OFLP-ERP. Such private sector entities include those involved in commercial forest development activities, wood processing industries (small, medium, and large), entities investing in commercial, shade-grown coffee plantations and processing; commercial agricultural firms including cattle husbandry (for milk and beef); commercial honey harvesters and processors, commercial gum, spice other forest product collectors and processors, improved cook stove and biogas producers and distributors. All these are located in zones and woredas of Oromia and fall in different clusters as identified by OFLP. Coordination of activities at the local level will be extended to these private entities too as these entities' commercial activities bring in sustainability, where feasible, contributing to more ER at the landscape level.

The institutional & implementation arrangement for ER project will sourced the Recipient-Executed Trust Fund (RETF) grant implementation PAD, PIM and the OFLP-ER Project PAD. As illustrated in the OFLP ERPD, the OFLP-ER will be achieved through coordinated efforts of

3 INSTITUTIONAL ARRANGEMENT

Figure 2 Institutional Arrangements for Reporting - Program Level



3.1 Federal Level

The OFLP's -ER 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 ERPD and also consistence with BSP 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 on 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.1097/2018².

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 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

¹ Article 16 of the Proclamation No.1097/2018 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. Page 10634

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 to be agreed with respective partner entities and according to agreed workplans.

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 (EFCCC) 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 analyzing 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, analyze, 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 baseline 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, will be closely working with ESS towards

Tier2 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.

3.2 Federal and Regional Research Institutes

The Ethiopia Agriculture Research Institute/Holeta Research Center

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.

3.3 Regional Level

At regional level, ORCU 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 (OSC)

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 ISFL 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 CoordinationCoordination) and members include heads:

- 1. Director General of OEPA.....Member & Secretary
- 2. Director General of OFWE.....Member
- 3. Head of Oromia Bureau of AgricultureAgriculture.....Member
- 4. Head of Oromia Public Enterprises Supervising Authority.....Member
- 5. Head of Oromia Bureau of Land Member

6. Head of Oromia Bureau of Water & Energy Resource Development.....Member
7. Head of Oromia Bureau of Women & Children AffairsMember
8. Director of Oromia Institute of Agricultural Research.....Member
9. Director of Holeta Agricultural Research Center..... Member
10. Head of Oromia Cooperative Promotion Agency.....Member
11. Dean of Wondo Genet College of Forestry & Natural Resources.....Member
12. Head of Chilimo Gaji Forest Management Union.....Member
13. Head of Farachu Forest Management Union (Adaba Dodola)Member
14. ORCU Coordinator.....Member
15. Community representative (Gumi Aba Geda Head).....Memeber

Others 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 Committte 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+ 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 Steering CommitteeCommittee, given the multi-sector nature of OFLP-ERP`s BSP operationalization.The OEPA/ORCU will be closely workingworking 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 infrustructure 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

- 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 BioCF 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;

³ ERPA Framework Agreement

- 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;

3.4 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: (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 teires.

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 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. Climate Change Forum – Ethiopia.....Member
14. Forum for Environment.....Member

15. Ethio-wetlands and Natural Resource Association.....Member
16. Ethiopian Forestry Research Institute.....Member
17. Horn of Africa Regional Centre for Environment & Networking.....Member
18. Wondo Genet College of Forestry and Natural Resources.....Member
19. Farchu Rayya Forest Union.....Member
20. Chilimo Forest Union.....Member
21. National REDD+ secretariat.....Member
22. Community Representative (Gumi Aba Gada).....Member
23. Other institutions if deemed necessary.....Member

3.5 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 apportionated 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 the Regional Government Initiatives, like Green Legacy, OFLP-ERP activites as per BSP and some REDD+-relevant initiatives). The zone levellevel OFLP partner sector offices and their experts will be trained on the safeguards requirement of the Projectto 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 Bureus to help access and implement ER benefits set aside at the regional level.

3.6 Local level (woreda, kebele)

Woreda Environmental Protection Authority (WEPA)

Woreda Environmental Protection Authority(wEPA)woreda 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, othe initiatives implemeneted by different partner CSO/NGOs, Private sectors to and operations). The WEPA and WCPO have 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 decipilin and drawn from each key OFLP-ER implementing sectors mentioned above. The key roles of these focal points at each sector are; (a) plan, implement, monitor and report activities which has contribution 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 these purpose the focal points will work in 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 susbsiquent benefit sharing arrangement. The DAs are incontact with communities in their daily duieties. So this will 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.

3.7 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 synergies between existing sector initiatives that affect OFLP-ERPERP objectives.

3.8 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.

4 DETAILED ACTIVITIES AND IMPLEMENTATION PROCEDURES

4.1 Activities per component

4.1.1 Component 1: Emission Reduction Purchase

Subcomponent 1.1 Payment for Emission Reduction Credits

Activities under this sub-component are Emission monitoring and reporting by ORCU/EFD MRV team following the methodology adopted in the preparation of Oromia FRL and ERPD. 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 at the national level. High resolution satellite images will be used to monitor deforestation, forest degradation and enhancement of forest carbon (new forest development). The satellite images used should be consistent with the satellite image used during baseline development for Oromia Region. The MRV team at ORCU will undertake on the ground verification of some randomly selected sample points to be more realistic and maintain the accuracy of the monitoring report.

The Regional EPA/ORCU subsequently update existing ER related document for subsequent phases for the proceeding ERP Agreement. This activity requires:

- New baseline for forest degradation and livestock
- Updating of the ERPD documents
- Update the draft cBSP
- Monitoring and reporting of ER for subsequent ERPA phase

Table 1 Action plan to conduct ERPA phase (I &II)

No	Activity	Responsible	Due Date
1	Conduct sample based area Estimation design for OFLP and National EFD	FAO Consultant with EFD and OFLP	15-19/05/2023
2	Participate on Sample based area Estimation training provided at FAO Office, Addis Ababa	FAO Consultant with OFLP and EFD	22-26/05/2023
3	Conduct training for regional AD collectors and collect samples for intensification	ORCU/EFD	15-19/06/2023
4	Update the Phase I BSP incorporating data from the zonal baseline	ORCU	June 20-30/2023
4	Conduct AD collection between 2012-2021 (2 nd phase ER Result based payment baseline)	ORCU/EFD	June 20 – Aug. 30, 2023
5	Deforestation and forest degradation Data analysis	ORCU/EFD	September 2023
6	Deforestation and forest degradation Data optimization, intensification and Uncertainty Analysis	ORCU/EFD	Octobe. 2023–Nov. 2023
7	Deforestation and forest degradation regional and zonal baseline report writing	ORCU/EFD	Dec.1 – 30/2023
9	Review of Phase II ERPD		Jan. 1 – 12/ 2024
10	Update Phase II Deforestation and forest degradation baseline AD based on comment provided from reviewers and Validation workshop	ORCU/EFD	Jan , 15 – Jan 31/2024
11	Submission of Final Phase II Deforestation and Forest Degradation baseline and ERPD	ORCU/EFD	Feb, 28, 2024
12	Update Phase II ERPD based on Phase II ER baseline data from Deforestation, Forest degradation and Livestock GHG.	ORCU/EFD	March 1 – 27/2024
12	Phase I ER Monitoring Data collection	ORCU/EFD	March –April, 2024
13	Phase I ER Data Analysis, Monte Carolo Uncertainty	ORCU/EFD	May 2024

	simulation and report writing		
14	Phase I ER report writing	ORCU	June 1-20, 2024
15	Phase I Final ER report	ORCU	June 30, 2024
16	Develop Initiatives on the ground development activities (PFM, A/R, ANR) data base for consistent online and offline monitoring	ORCU	2023/2024
17	Conduct Change detection of on the ground activities by initiatives on PFM, A/R, ANR activities	ORCU	2023/24
18	Conduct inventory of ER achieved by Region, Zones, and Initiatives.	ORCU	2024
19	Preparation and estimation of benefit from ER based on the performance each beneficiary has.	ORCU	2024
20	Prepare Phase I first reporting period monitoring report	ORCU	2024

Costs related to monitor emission and reporting will be covered from the BioCF ISFL grant (USD\$ 0.75) for the ERPA 1st phase 1st reporting period.

The volume of ERs will be determined based on the comparison between the baseline and the volume given in the monitoring report that will specify the volume of emissions during a specific period. This monitoring report will use the ISFL-approved methodologies as described in the ERPD and data generated by the MRV system. After verification by a third party, ERCs will be issued and accounted in the national system when the registry under development becomes operational. Until this becomes practical, ERCs will be registered in the FCPF/BioCF/ISFL registry (CATS) and transferred to the buyer. The estimated disbursement schedule for the purchase of ERs.

Given the uncertainty related to implementation of the underlying activities, ER purchase has been set with two modalities:

(a)Contract ERs (about US\$40 million), which represents the value of ERC that the World Bank as a trustee and implementing agency of the ISFL, has committed to purchase if ERCs are generated from the jurisdiction of Oromia in multiple phases. According to the ERPA, the Government may still decide to sell them to another buyer for a higher price.

(b)Option ERs (about US\$20 million), which represents ERCs that the World Bank may decide to purchase, at its own discretion; if there are ERCs generated beyond the contract ERs.

Subcomponent 1.2 Distribution of ER payments as per a BSP: The BSP provides an operational solution for disbursing the performance-based ER payments equitably, effectively, and

efficiently. It is guided by the principles of equity, efficiency, and transparency and defines the subcategories of beneficiaries, monitoring provisions, and processes for the distribution of benefits (eligibility criteria, allocation procedures, and flow of funds). The BSP that serves for the first ERPA phase was designed by the FDRE during the early OFLP grant implementation period through a robust consultation process held statewide, including with potential community beneficiaries.

Once the ERC attained at Oromia level benefits will be shared to different eligible stakeholders as per BSP and OM criteria. The activities proposed under this subcomponent planned believing that the right stakeholders (beneficiaries) will be involved in the whole process of the activities from the planning, designing implementation rules, responsibilities and policies at different hierarchical structural levels (i.e., vertical and horizontal) and in the corresponding benefit sharing abide by the principles and criteria of the benefit sharing scheme. These activities and involvement of the right stakeholders insured as the institutional arrangement designed in implementation of OFLP grant activities found effective. The draft OFLP grant completion report findings showed that effective institutional coordination is evaluated as satisfactory. Thus, this institutional coordination (down from kebele level to National level) and the BSP with its OM would have paved the way for good enabling conditions for smooth subcomponent's implementation of activities under this sub component. The ERC attained will be used to promote activities that will generate additional emission reduction, coordinate activities and policies among sectors, and for social projects that benefit beneficiaries collectively. Subsequent ERC attained will continue in the same way if the drivers of AFOLU emission are addressed well in a sustainable manner.

4.2 Community level

At community level/kebele level activities implemented mainly focus on activities which addressing drivers of deforestation and forest degradation as well as drivers of emission from enteric fermentation and activities improving social development. It is the aggregate efforts of communities inhibited across the regional state realize the ERC. Thus, regional emission reduction strategies/plan, project focuses on tangible activities implemented at this level.

The OFLP BSP⁴ Performance and forest area set as selected as criteria to determine sharing of benefits among zones. Performance is in this context refers to avoided deforestation (AD) and/or forest enhancement (A/R), while forest area refers to the forest coverage that exists in the zone at the time of performance monitoring. Delivering performance requires commitment,

⁴ Benefit Sharing Plan for Disbursing Result Based Payments from BioCF ISFL Program Finfine, Ethiopia August 5, 2019 OFLP/OEFCCA

time, energy and effective collective action to manage and restore forests. As indicated in the OFLP BSP, most of the fund will go to the communities/kebele level. The portion of money allocated from ERC to the kebele without FMC/PFM will be managed at woreda level. Accountable sectors to coordinate and implement the share should focus for what monitorable activities will communities sustainably benefited. Thus, each woredas in the Oromia region focus the following activities while planning (participatory planning at kebele level). These activities were proposed in the OFLP BSP⁵, while illustrating where the community fund to go.

Activities proposed to generate ER	remarks
Seedling production for income	
Coffee outside forest	
Tree planting for income and own consumption	Plantation established should be above the threshold of forest definition of the FDRE (Ethiopia FRL)
Promote and use Fuel saving stove	
Fruit tree planting	
Degraded area rehabilitation (area closure, Assisted Natural Regeneration, etc...)	Rehabilitated area, mostly composed of trees and should be above the threshold of forest definition of the FDRE (Ethiopia FRL)
Installing/implementing new PFM Cooperative and strengthening existing PFM Coop	
Social development/livelihood improvement	
Maintenance of school	
Maintenance of clinic	
Maintenance of road	
Bee keeping	
Fattening (intensive and through cutting and carry system)	

Table 2 Activities proposed to generate ER & Social development/livelihood improvement at community level

⁵ Benefit Sharing Plan for Disbursing Result Based Payments from BioCF ISFL Program Finfine, Ethiopia August 5, 2019 OFLP/OEFCCA

The above activities are proposed but list of activities that contribute to both purposes will be prioritized and detailed action plan will be prepared by the community with the facilitation of Woreda level OEPA and Agricultural office and development agents, including CSO/NGOs which have interest and jointly to work at community level. The plan further evaluated by woreda steering committee and communicates to the community to implement as per priority agreed. The proposed activities can be used to evaluate performance and forest area (bringing forest under PFM plan and others, will have contribution in maintaining or increasing existing forest) and these activities can be used as aproxy indicator to monitor, report and appportionalt benefit at kebele level.

4.1.2. Component 2. MRV System Establishment and Safeguard Management

Subcomponent 2.1 Program management including E&S standards implementation and communication.

This subcomponent will support continued operational needs of the ORCU and equipment. The costs include the time of the ORCU staff (program coordinator, finacial and procurement management specialists, environmental and social (E&S) development specialists, M &E specialists and MRV specialists), equipment related to the OFLP execution, operational costs for the coordination unit (E&S risk management supervision, field missions, MRV activity monitoring, and so on), and any other operating costs as deemed necessary for the successful implementation of the project, including institutional capacity strengthening of the project implementing unit.

Operating costs also include the expenses associated with standard administrative activities such as budgeting and planning, procurement and financial management (FM), annual audits, environmental risks management.

This subcomponent will also finance expenses related to monitoring and evaluation (M&E), safeguards and MRV part.

This subcomponent can be financed using two modalities:

Following the arrangements described in the BSP, a portion of the ERC payments will be dedicated to the project operating costs; however, the first carbon payment may not be expected before about six months after the end of the first verification, creating a gap between the end of the OFLP grant and the first carbon payment.

To fill the budget gap to support the ORCU and project management, a grant US\$ 0.75 million was provided from BioCFT3 Grant No. TF0B9878 until at least a year after the end of the first verification period. Once the payment for the first ERC purchase is received by the GoE, this subcomponent will continue to be financed from the ER payment until the end of the ERPA period following the arrangement described in the BSP.

The grant component activities

This grant will support the maintenance and placing of the OFLP-ER project coordination mechanism through the following activity sets: maintenance of existing Oromia REDD+ Coordination Unit (ORCU)/Program implementation Unit; ORCU staff (program coordinator, financial and procurement management specialists, environmental and social (E&S) development specialists, and MRV specialists; (ii) the reporting on the mandatory carbon and non-carbon benefits indicators, (iii) the various workshops related to capacity building, coordination, communication, or supervision; (iv) actions needed for the revision of the ERPD in preparation for the second phase;(v) provision of Operating Costs; and (vi) Project-related monitoring and evaluation activities.

Position	No. Required	Status
Project Coordinator	1	Existing
Environmental Safeguards Specialist	2	Existing &1 vacant
Social Safeguards specialist	2	Existing & 1 vacant
Forest Resource assesement & MRV Specialist	1	Vacant
MRV Specialist	4	2 existing & 2 Vacant
M & E Specialist	1	Existing
Financial Management Specialist	1	Existing
Procurement Specialist	1	Existing
IT Specialist	1	Existing
Legal, policy and comincation Specialist	1	Existing
Assistant Financial Management Specialist	1	Existing
Driver	3	Existing

Table 3: PIU (ORCU) staff composition. (The respective position ToR of ORCU described in detail in annex 7)

The grant will also finance operating costs;

Activities related to strengthen MRV and Supervision;

- Degradation monitoring using Continuous Change Detection and Classification (CCDC), Land Trendier and BFAST algorithms;
- Landscape restoration monitoring and mapping;

- Sample based area intensification and Estimation using FAO's SEPAL remote sensing platform;
- Collect earth and Collect earth Online data collection integrating different geo-dashboards;
- GHG inventory and Emission Reduction estimation using Collect earth Online, IPCC tools and Google earth Engine, including from forest Inventory data;
- Validation and verification of Activity Data and
- Uncertainty analysis using Montecarlo simulation and capacity gap filling (including meetings of REDD+ Steering Committee).

Safeguards Supervision

- Supervision of Proper implementation of ESSs and Produce and submit ESS implementation reports;
- Supervise Implementation of ESCP;
- Collect information on compliance of ESCP;
- Conduct consultative workshop on ESSs and
- Environmental and social Audit

To help coordinate and better understanding of ERC access and use (apportion as BSP and PSOM) the existing Regional REDD+ steering committee will be used. Thus, the grant will cover operational cost of this activity.

Procurement Activities financed from the operational grant

Good, Work, None consulting and consulting services

Under this grant, procurement activities following procurement policies and guideline of the the World Bank include: Goods (Laptop, tablet and other equipment, internet apparatuses, Stationery, fuel and lubricant, Tyre and inner tube), work (maintenance vehicle), non consulting services (media, mapping services, telecommunication/ internet services, etc.) and consultancy services (hiring of consultant for Environmental and social Audit and Financial Management Audit).

Emission Reduction activities

Following the arrangements described in the BSP, a portion of the ERC payments will be dedicated to the project operating costs. The operational cost to be covered from the ER payment includes specifically those expenses related to conducting MRV, Fiduciary, safeguard

and GRM. The ER operational cost will be effective after ER monitored, reported and verified by independent third party possibly after two years.

The ER operational cost will be intended for the following cost categories:

Staffing of the Program Implementation Unit, equipping the MRV facilities, GRM handling, Goods, Works, Non Consultancy services and consultancy services. The estimated operational cost deducted from ERCs shall be US\$ 636,623 per annum in the ERPA 1st & 2nd phases (forest & livestock sectors). Detail action plan will be developed to provide by ORCU based on the BSPOM

Subcomponent 2.2 Improvements of the Comprehensive Measurement, Reporting and Verification system.

This subcomponent will support the design, improvement, and operation of the MRV—particularly for measuring emissions from enteric fermentation. As mentioned earlier, to generate ERCs, baselines will be agreed for each eligible subcategory (meeting the ISFL quality requirements) as well as a system to collect and measure the actual emissions. Table 4 shows the situation for each subcategory. As methodological/baseline requirements have not been met for two eligible subcategories, action plans have been agreed to address these gaps. A dedicated grant of US\$1.2 million is provided as mentioned earlier, to generate ERCs, baselines will be agreed for each eligible subcategory (meeting the ISFL quality requirements) as well as a system to collect and measure the actual emissions.

Eligible Subcategories	Baseline Established Based on Historic Data	Monitoring Emissions Measured Using Actual Data	Comments
Land use change ⁶	Requirements met	System in place. Annual data collection to be financed by Subcomponent 2.1 for Phase 1.	Operational for Phase 1
Forest degradation	Requirements not met. An action plan is being implemented by the	System to be designed and operationalized. Annual data collection	The baseline is expected to meet the requirement by mid-

⁶ This line gathers the following four eligible subcategories: ‘forestland to grassland’, ‘forestland to cropland’, ‘cropland to forestland’, and ‘grassland to forestland’.

Eligible Subcategories	Baseline Established Based on Historic Data	Monitoring Current Emissions Measured Using Actual Data	Comments
	Government with the support of FAO and the US bilateral aid (Silva Carbon).	will be financed by the carbon payments and grant under 2.1	2023.
Enteric fermentation	Requirements not met. An action plan is being implemented by the Government with the support of the World Bank and US bilateral aid.	System to be designed and operationalized. Annual data collection to be financed by Subcomponent 2.1 (grant for Livestock MRV).	The baseline is expected to meet the requirement by September - November 2023.

Table 4: eligible categories

The grant component activities

This grant will support improvement of the MRV system for livestock management (enteric fermentation). To improve the methods and data on enteric fermentation and build livestock sector carbon (MRV systems in general), capacity development in GHG inventory, ER monitoring and reporting, and related skills both at the national and regional levels across the participating institutions and sampling and laboratory analysis of feed and manure to improve GHG emission factors. It will build on MRV development efforts implemented since 2018, aiming to develop GHG inventory tools for the livestock sector, identify data gaps, formulate data improvement plans, and develop data acquisition tools and protocols to address identified gaps.

As OFLP is going to start accounting emission reduction from livestock in the second ERPA phase, the outputs of the Inventory of GHG emissions from cattle in Oromia Region (1994-2018) calculated using the IPCC Tier 2 approach and Livestock GHG Inventory to Fill Data Gaps as per the Data Improvement Plan in Oromia will pave the way in accounting GHG emission from enteric fermentation (cattle) in particular. This accounting process will follow the data acquisition tools and protocol developed by UNIQUE, FAO other relevant livestock GHG inventory data collection protocols.

Some of the tools, protocols and models to be used while estimating the GHG of livestock are:

- The Global Livestock Environmental Assessment Model is a GIS framework that simulates the bio-physical processes and activities along livestock supply chains under a life cycle assessment approach

- GLEAM is a modeling framework that simulates the interaction of activities and processes involved in livestock production and the environment. The model can operate at (sub) national, regional and global scale.
- GLEAM differentiates key stages along livestock supply chains such as feed production, processing and transport; herd dynamics, animal feeding and manure management; and animal products processing and transport. The model captures the specific impacts of each stage, offering a comprehensive and disaggregated picture of livestock production and its use of natural resources.

The PROGREEN grant will finance the existing Program implementation Unit (LFSDP) at the MoA and Oromia Bureau of Agriculture, Livestock Sector Director (as part of capacity building); (i) capacity development in GHG inventory, (iii) laboratory services and (ii) ER monitoring and reporting

(i) MRV Capacity development in GHG inventory

- Acquisition of MRV equipment. This could include special-purpose computers (desktops and laptops), servers, tablets, Global Positioning System (GPS), and other data-gathering instruments for fieldwork;
- A series of capacity-building training programs on livestock GHG data gathering, analysis, and reporting, using the expertise of specialized training institutions, livestock research organizations, and others, as appropriate.

(iii) Laboratory services

- Sampling and laboratory analysis of feed and manure samples to assess parameters related to the quantification of GHG emission.

(ii) ER monitoring and reporting

- Supervision and monitoring of livestock ER by national and regional MRV personnel trained for this purpose and data analysis and reporting—until 2028.

The implementing agency for managing the grant dedicated to finance improvement of the livestock MRV system will be the PIU for the LFSDP (P159382) under the MoA. The LFSDP using the US\$1.2 million grant will steer the implementation and manage the capacity development activities at all levels to lay down the system. Within the LFSDP team, a livestock MRV specialist will be hired using the livestock MRV grant.

Improvement of the MRV system for land use change (deforestation and reforestation).

The MRV system is already operational for Phase 1 and is expected to continue for Phase 2. However, following the current requirements of the ISFL methodology, the OFLP-ERP design may have to be updated during program implementation. In that case, updates to the baseline

might be needed during the project lifetime. If this becomes the case, additional work would be financed with funds from the ERC payments or external funds.

Improvement of the MRV system for forest degradation (forestland remaining forestland). A workplan to improve data and methods for the ‘forestland is remaining forestland’ subcategory has been agreed between the FAO, the Norwegian Embassy, and the US Silva Carbon Program. Tentative training was delivered for experts drawn from the Federal EFD and OEPA/ORCU at Rome, Italy for 5 days. The continuation of the training also delivered in Ethiopia at FAO Regional office in Addis Ababa for 5 days to experts’ drwn from Region and Federal⁷.

The technical approach will likely involve the use of advanced image analysis algorithms, including BFast and Continuous Degradation Detection (CODED), to track changes between classes within the forestland-remaining-forestland subcategory. The agreed workplan will improve data collection on ‘forestland remains forestland’ subcategory by the end of 2023, but additional work may be needed. In that case, the additional work would be financed either by the ERC payments from the previous monitoring phases or external funds.

The MRV activities planned under the two grants will finance the development of baseline for this subcategory.

5 FINACIAL MANAGEMENT

The objectives of Project’s financial management system are to: (i) ensure that funds are used only for their intended purposes in an efficient and economical way while implementing agreed activities; (ii) enable the preparation of accurate and timely financial reports; (iii) ensure that funds are properly managed and flow smoothly, rapidly, adequately, regularly and predictably to implementing agencies at all levels (federal, regional,zone and woreda and others); (iv) enable Project management to efficiently monitor Project implementation; and (v) safeguard the Project’s assets and resources.

During the OFLP grant implementation, significant experiance has been gained in financial management. The financial management of the two grants and the ERC will be embarked on the existing financial management system of the government. The ERC has not been practiced yet in the country and its financial flow channel will be different from the OFLP grant fund flow channel.

The Financial Management (FM) arrangements for OFLP-ERP are separately defined for the two grants and the Emission Reduction (ER) payment. The arrangements for the two grants will follow the government’s Channel II fund flow mechanism and will be guided by the grant

during an interviewe with the PC

agreement while the ER payments will follow the Channel I fund flow mechanism and will be governed by the ERPA.

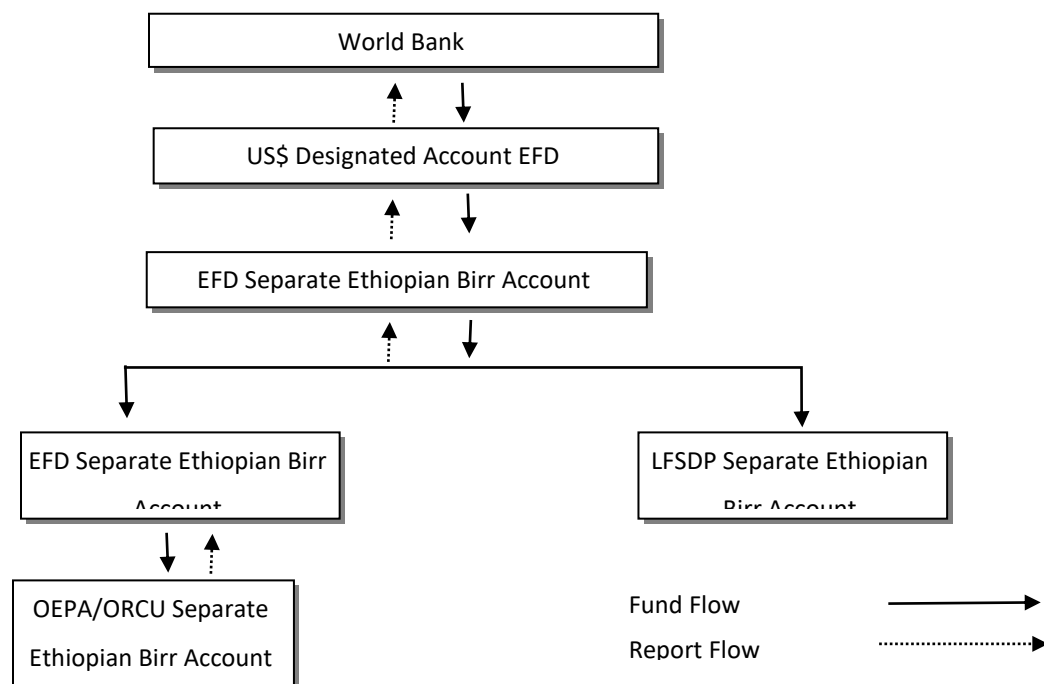
The financial management manual of the government applies to this project. All the internal control procedures and processes will follow the government's manual except for the particular elements of this project described below.

5.1 Financial Management Arrangements for ORCU operational grant (BioCF) and Livestock MRV capacity building grant (PROGREEN)

The FM arrangements for the two new grants will follow Channel II fund flow arrangement of the FDRE where EFD will be responsible for overall financial management of the grants. The roles and responsibility of institutions involved in OFLP-ER implementation at all levels will be as follows.

A separate designated US dollar and Birr accounts will be opened at EFD will be opened to receive 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 will open a separate to receive funds from EFD, also open a separate Birr account to receive funds from EFD.

Fig. 3 Grant Funds Flow Arrangement (Component 2)



Federal level

At EFD, a focal point for OFLP-ER, two grants which is a financial management specialist will be assigned at EFD to oversee and facilitate the overall FM of OFLP-ERP grants and communication with the WB, OEPA on FM affairs.

Tasks of FM Specialist at at EFD include:

- Oversees, monitors and facilitates the overall financial management aspects of OFLP-ERP work plans and budgets for EFD, MoA, ORCU/ OEPA and LFSDP-PIU of MoA
- Ensure consistency of the allocation of financial resources.
- Responsible for the day-to-day management of the Designated Account dollar and the Birr account at EFD.
- Provide guidance, training and support to MoA, OEPA/ORCU and LFSDP -PIU and other implementing agencies on financial management, and disbursement and reporting of the OFLP-ERP resources to ensure the timely implementation and reporting on the project,
- Prepares disbursements to MoA and OEPA-ORCU and LFSDP-PIU as per the withdrawal applications of these, these two implementing entities, collect reports from these institutions and consolidate and report on the use of funds to government, the Bank, and other stakeholders;
- Collects and aggregates financial data and information from MoA-livestock sector and regional OEPA institutions and prepare consolidated semi-annual and annual financial reports to be submitted to the World Bank and MoF, and handle the audit of the project financial statements and
- Liaises with the NBE and World Bank on disbursement of funds to OEPA-ORCU and LFSDP-PIU.

At MoA-LFSDP, a financial management specialist will be assigned and will be responsible for

- Managing the funds received from EFD
- Preparing semi-annual IFRs of MoA and submitting to EFD
- Facilitating the audits to be conducted at MoA
- Addressing audit findings in a timely manner as per an action plan and reporting to EFD

Regional level

At Regional level, a financial management specialist and an assistant financial management specialist will be hired by the grant funds at OEPA/ORCU. The responsible unit for keeping the books of accounts, safeguarding assets and enhancing financial accountability and reporting at OEPA/ORCU is the Finance, and Property Administration Directorate of OEPA. It is responsible

for the overall financial management aspect of the OFLP-ERP operational grant activities. The financial management specialists operating at OEPA/ORCU Regional office will have the following FM tasks:

- Oversees, monitors and facilitates the overall financial management aspects of OFLP-ERP operational grant work plans and budgets in ORCU/OEPA;
- Ensure consistency of the allocation of financial resources;
- Responsible for the day-to-day management of theseparate Birr account;
- Preparing semi-annual IFRs of OEPA and submitting to EFD
- Facilitating the audits to be conducted at OEPA;
- Addressing audit findings in a timely manner as per an action plan and reporting to EFD

EFD, World Bank Disbursement Procedures

Disbursements guideline for investment project financing, dated February, 2017 (“Disbursement Guidelines” are available in the Bank’s Public Website at <http://www.worldbank.org> and are the integral part of of the disbursement and financial information Letter. The manner in which the provisions in the disbursement Guideline apply to the Grant is specified below.

Disbursement arrangements

The General Conditions of the grant agreement define eligible expenditures as the reasonable cost of goods, works, and services required for the project to be financed out of the proceeds of the grantand procured, all in accordance with the legal agreement and during the loan disbursing period. Expenditure categories provide a means to monitor and manage the expenditures for project activities. A disbursement percentage is the portion of eligible expenditures that the Bank has agreed to finance. This is reflected in the grant agreement signed between IBRD (IDA) and the Federal Government of Ethiopia, see table 8.

Table 8. Categories of Eligible Expenditures under the Projects

Category	BioCF Grant (USD)	PROGREEN Grant (USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)

Goods, works, non-consulting services, and consultants' services, Operating Costs, and Training under the project	750,000	1,200,000	100%
TOTAL AMOUNT	750,000	1,200,000	

The allocation of the grant proceeds would be based on the OFLP-ER components (component 2; 1 & 2 only). This will facilitate the monitoring of the Project performance indicators as well as financial aspects since expenditures are directly allocated to components. Requests for replenishment of the Designated Account for expenditures incurred under each component would be based on expenditures incurred at the implementing agencies for which justification of utilization has been provided. One or a combination of the following disbursement methods maybe used under the grant:

Designated Account (DA),

Direct payment,

Reimbursement.

Special commitment, and

Designated Account (DA): DA disbursement method is based on submission of Statement of Expenditures of the Project at least quarterly by EFD to the World Bank

Direct Payments: These refer to payments to a third party (e.g., contractor, supplier, and consultant) for the cost of project expenditures. The recipient provides documentation showing that such expenditures have been incurred at the time a request for payment to the third party is made.

Reimbursement: These are payments to the recipient for the cost of Project expenditures. The recipient provides documentation showing that such expenditures have been incurred and paid from its own resources at the time a request for payment is made.

Special Commitment: These are payments to a financial institution for the cost of Project expenditures covered by a special commitment. A special commitment is a binding commitment entered into by the Bank in writing to pay such amounts notwithstanding any subsequent suspension or cancellation. The financial institution provides confirmation that such expenditures have been incurred at the time a request for payment is made.

Withdrawals from the World Bank of amounts to be deposited into DA will be made by application for withdrawal supported by the statement of expenditure (see Annex 13 for simplified statement of expenditures), whenever applicable. The minimum value of application at a time will be USD 20,000. The ceiling of the designated account is USD 300,000 indicated in the disbursement letter.

A letter of Authorization, cheques and payment vouchers will only be signed with appropriate supporting documentation (certified supplier invoices, purchase orders and requestion orders). Payment vouchers should be stamped, indicating the date paid and cheque number, then attached to relevant supporting documentation. In addition, after payment, all invoices must be stamped to ensure the paymnets are not duplicated.

All original records of receipts of payments, including; invioces, cheques, debit advices, credit advices, and bank reconciliation statements will be maintained and filled by the FM specilaists. Furthermore, authorization leters and purchase orders must be properly filled.

The disbursement deadline date will be four months after the closing date specified in the financing agreement (June 30/2025 for BioCF and December 31/2028 for PROGREEN grant). Any changes to this date will be notified by the IDA.

5.2 FM Arrangements

Planning and budgeting: The planning budgetary Policy guidelines issued by Ministry of Finance (MoF) will guide the FM planning and budgeting process of OFLP-ERP. The budget process will be participatory among various implementing agencies participating in the Project. The Annual Work Plan and Budget (AWP&B) will be based on the work Project to be prepared by EFD, OEPA/ORCU and MoA (LFSDP) for all components with the input of the concerned stakeholders.

EFD will consolidate the Annual Work Plan and submit for approval by the OFLP Steering Committee and the LFSDP Coordinator respectively. This planning work will be performed using the electronic Planning and Reporting Tool (PRT).

The budget of the project _ERP is analysed by category and components. Budgets shall be broken down to quarterly, semi-annual, annual, year-to-date and cumulative analysis. Budget items shall be mapped with the general ledger accounts to facilitate comparison between budget vis-à-vis actual. For accounting purposes, the budget classification scheme as defined in the government's annual budget is tracked to identify expenditure variances between what is budgeted and what is expended by budget institution. The budget classification scheme to classify budget institutions is uniform at the federal and regional levels. The timing of budget planning processes will be consistent with the government budget cycle. Budget monitoring should be done before payments are made. The project's IFRs should include a budget variance analysis.

Revisions of budget and Work Plan

During the course of the year, it may be required (ideally every six month) to revise the Annual Work Plan and budget-ERP. This is needed for instance, to cover unforeseen costs, over expenditure or redirect funds from one budget to another. To this end, the financial management specialists should ensure that:

- i. Requests for revisions were tabled by the M&E, and provide details of the activities for which revisions are requested, reasons for the revisions, the original budget amount, and proposed revised amounts.
- ii. Ratification of the revised budget was obtained by the steering committee and the World Bank, and
- iii. If the revision is approved, the M&E will incorporate the approval revision.

OFLP FM related costs of: (i) audit costs; (ii) related logistics and supervision costs (e.g., transportation, per diem and accommodation while travelling) and (iii) providing FM Related trainings, etc. will be reflected in the Project's work plan and budget.

Accounting Arrangements

Accounting centers: The accounting centers for OFLP-ER funds are: (i) EFD; (ii) MoA (LFSDP); and (iii) OEPA; All these institutions will maintain accounting books and records and prepare financial reports in line with the system outlined in this FM guideline. For supervision and other running costs required by the regional and federal level implementers from the USD 1.2 million grant, MoA will provide advances to these entities and ensures necessary documents are collected and maintained at MoA to settle the advances. Hence, these implementing entities will not become accounting centers.

The federal implementing entities will use the IFMIS for accounting purposes whereas at the regional level, IBEX software will be used. In addition, the implementing entities can use Peachtree accounting software.

Staffing - At the EFD, MoA, and OEPA/ORCU, necessary FM experts should be recruited/assigned to manage the accounting, reporting, auditing, and overall FM of the grant.

Foundation of accounting: The foundation of accounting is the basic set of principles and rules employed by the accounting system to determine when and how to record transactions. The accounting system at the federal, regional levels employs a modified cash basis of accounting.

The modified cash basis of accounting means that cash basis of accounting applies except for recognition of certain defined items. The key considerations used to determine which items to include or exclude in the modified cash basis of accounting are the availability, complexity, practicality and efficiency with which information can be obtained to include other assets and

liabilities within the accounting system and the need to keep the basis of accounting consistent with the government's budgeting system.

FDRE's accounting policies and procedures⁸would be largely used for the accounting of OFLP-ERP. Consistent with the government manual, the OFLP-ERP accounting shall employ modified cash basis of accounting in that the cash basis of accounting applies except for recognition of the following transactions:

- Revenue and expenditure are recognised when aid in kind is received
- Expenditure is recognised:
 - ✓ When payroll is processed, based on payroll and attendance sheet
 - ✓ At the end of the year when a grace period payable is recognised.
 - ✓ When goods are received or services are rendered.
- Intergovernmental transfers are recognised in the absence of actual cash movement.
- Transactions resulting from salary withholdings are recognised in the absence of actual cash movement.

Method of Bookkeeping: The FDRE accounting system uses double-entry bookkeeping. Double-entry bookkeeping means that both aspects of each transaction are recorded in the accounting records with at least one debit and one credit so that the total amount of debits and the total amount of credits are equal to each other.

Double-entry bookkeeping has numerous advantages, including:

- All aspects of the transaction are properly recorded in accounts.
- The accounts are self-controlling because the total of all debits must equal the total of all credits; therefore, many errors are easily detected and corrected.
- Modified cash basis of accounting can be introduced.

Double-entry bookkeeping requires an understanding of some additional basic accounting concepts and terms. The most basics are the terms debit and credit. Debit literally means left and credit literally means right.

⁸The Ethiopian Government follows a double entry bookkeeping system and modified cash basis of accounting. This is documented in the Government's Accounting Manual. This has been implemented at the federal level and in many regions. The Government's Accounting Manual provides detailed information on the major accounting procedures.

By convention, the rules shown in Table 11 are true for each account category used in modified cash basis of accounting.

Table 9 Accounting Rules for Debits and Credits

Account Category Used for Modified Cash Basis	Normal Balance	Increase Recorded as	Decrease Recorded as
Revenue	Credit	Credit	Debit
Expenditure	Debit	Debit	Credit
Cash and cash equivalents	Debit	Debit	Credit
Receivables	Debit	Debit	Credit
Payables	Credit	Credit	Debit
Transfers	Debit or Credit depending on transfer type		
Net assets/equity	Credit	Credit	Debit

Chart of Accounts: A chart of accounts is a system of coding used by a financial management system to identify and classify financial transactions and events. The chart of accounts used is exactly the same at levels to record revenues, expenditures, transfers, assets, liabilities and net assets/equity. The OFLP-ERP chart of account shall be designed by category, financier and component in addition to government chart of accounts. The chart of account to be used by the Project is found in the Annex 11.

Accounting Cycle: The accounting cycle for the OFLP passes the following processes:

- Budgeting expenditures
 - Capturing transactions in source documents
 - Journalising entries to the transaction register
 - Posting to general and subsidiary ledgers, and
 - Preparation of monthly financial reports, semi-annual IFRs, and annual financial statements.

Accounts Recording: Based on the actual source document such as check and cash payment vouchers, receipt vouchers and journal vouchers the project should be recorded into Peachtree accounting software.

Accounting Period: The FM reporting period will be from July 8 to July 7 of the following year. This shall be stipulated in the government Project documents.

Internal Control

Internal control comprises the whole system of control, financial or otherwise, established by the management to (a) carry out program activities in an orderly and efficient manner, (b) ensure adherence to policies and procedures, (c) ensure maintenance of complete and accurate accounting records, and (d) safeguard the assets of the program. The implementing entities will apply the internal control processes and procedures of the Government which include the elements listed below.

Internal Control – Check Payments: The internal control process will include

- New check books received from the bank must be checked for completeness and kept in safe custody;
- The checks may be collected from the Bank by one of the signatories or by delegated person. Only one check book at a time should be issued to the person responsible for check preparation against return of a completed check book stub;
- Used check book stubs should be filed in date order by the Project's Financial Management Specialist All payments above Br. 2,500 must be made by check;
- Spoiled and cancelled checks should be stamped VOID, retained in the check book and the signatures torn off or obliterated to reduce the possibility of these being fraudulently copied;
- Blank checks must never be signed in;
- Cheques must be signed by at least two signatories.

Check Preparation and Signature:

- Check signatory must be assigned by Implementing Agency higher officials;
- Checks may only be prepared against Request for Payment, which is to be approved for payment by the Project Coordinator or designated check signatory;
- Check payments will be evidenced by pre-numbered check payment vouchers and signed by the assigned person;
- Check payment vouchers and supporting documentation should be stamped PAID to avoid double payment.

Internal Control–Bank transfers (Using letter): The internal control process will include:

- Bank Transfers may be made using letter requests to the bank by mentioning the name of the beneficiary and the name of the Bank branch and of the bank account (if required);
- The bank notifies the payment action for the requests by sending debit advices specifying the amount charged to the Project Bank account;

- The accountant should check the debit advice against the letter request. And process the transaction using the Payment window of Peachtree Complete Accounting;
- Letter requests are to be approved by check signatories.

Bank Reconciliation:

- All bank accounts must be reconciled monthly by using Peachtree accounting software or Excel spread sheet;
- Reconciliation should be made as soon as the statements are received from the bank;
- Bank reconciliations must be printed and checked for correctness by reference to the source documents of items reported as outstanding.

Internal Control – Petty Cash payments: The internal control process will include

- Petty cash should be kept on the imprest system whereby the cashier is advanced a float of a fixed amount, which will always be represented by cash or vouchers;
- The amount of the petty cash float should be reasonable in relation to requirements and should not exceed about one month's normal expenditure but the ceiling is birr 30,000.00
- Only payments of up to Br. 2,500 may be made from petty cash.
- Petty cashiers should not have access to the accounting records or check books other than petty cash vouchers, petty cash report and request forms (Where cashiers act as petty cashiers then they would also have access to cash receipts, bank deposit slip;
- Payments from petty cash must be approved by the responsible person. Petty cash payment vouchers and supporting documents must be stamped "PAID" at the time of payment;
- Periodic and surprise counts should be made.

Internal control - Fixed Assets: Fixed assets are physical items that are expected to have a useful life of longer than one year and have a certain minimum value. Although fixed assets are charged to expenses up on purchase, no depreciation shall be charged on the fixed assets. The Project should maintain a fixed asset register for items that:

- Have life expectancy of more than 1 year, and
- Have a value of Birr 1000

Fixed assets register which keep track of all assets obtained under the Project shall be maintained at each implementing agency. The register shall include all necessary information about the assets including:

- Fixed asset description;
- Supplier's name;
- Unit of measurement;
- Invoice No. and invoice date;
- Original Cost and related expenditures;
- Identification No.
- Location, etc., of the assets. Moreover, assets should be tagged with identification numbers.

Another consideration in fixed asset management of significance is Physical Verification. Fixed assets should be physically checked periodically (must be done at least annually) in order to make sure that the assets exist. All inventories of fixed assets shall be physically verified against records at least annually. Any identified difference should be communicated to management for decision and action.

Reporting Currencies and Exchange Rates: The reporting currency for the Project is Birr. However, reports on the Designated Accounts can be provided to the World Bank in USD at which the Designated Accounts are maintained. Transactions denominated in foreign currencies shall be translated into Birr and shown in the accounts at the rates ruling on the transaction dates. The balances in the Designated Accounts will be translated into local currency (Birr) and shown in the financial statements (Final Accounts) at the rate prevailing at the end of the reporting period. Gains/losses on foreign currency should be recognised in the books of OFLP-ERP by EFD.

Internal audit - Internal auditing is a profession and activity involved in helping organizations achieve their stated objectives. It does this by utilizing a systematic methodology for analyzing business processes, procedures and activities with the goal of highlighting organizational problems and recommending solutions. The scope of internal auditing within an organization is broad and may involve topics such as the efficacy of operations, the reliability of financial reporting, deterring and investigating fraud, safeguarding assets, and compliance with laws and regulations.

At Federal level, EFD internal auditors will conduct a regular check on the cash balance and bank reconciliations at EFD level, and also the formal internal audit review of the Project. Each of the institutions receiving funds from OFLP-ERP (MoA and OEPA) will conduct internal audit and inspection service unit will conduct a regular audit of OFLP-ERP fund by their respective internal audit and inspection service at each level using their own internal audit guideline. The internal audit units of the respective implementing entities should include the project's

activities in their annual workplan and conduct reviews at least annually. Updates on the reviews and findings should be reported in the IFRs.

Financial Reporting

Final Accounts:The final accounts (annual financial statements) has the objective to provide information about the financial position, performance and cash flows that is useful in making and evaluating decisions about the sources, allocation and uses of financial resources and about how the activities were financed. In addition, the accounts provide users with information about whether resources were used in accordance with the approved budget. Moreover, the final accounts are audited by independent auditors on which opinions on the fairness of the statements are expressed.

OFLP-ERP's financial statements would be prepared in respect of each accounting year for the purpose of providing information including the source and use of funds during the year and financial position at the end of the year then ended. The financial statements required for the OFLP-ERP, and as stipulated in the government accounting manual, shall comprise:

Balance Sheet,

Income and Expenditure Statements (Statement of Source and Use of Funds), and

Accounting Policies and Notes to the Financial Statements.

In addition to the above statements, the Statement of the Movement of the Designated Accounts, and list of materials procured shall be annexed to the Notes to the Financial Statements. A single audit opinion shall be expressed on the final accounts. EFD shall be responsible for preparing the final accounts by consolidating the semi-annual financial reports of EFD, MoA, and OEPA. Thus, amounts shown in the final accounts shall equal the aggregate of amounts shown in the semi-annual financial reports submitted to donors. The statutory reporting entails reporting of final accounts to the Office of the Federal Auditor General (OFAG) or other project external auditor assigned by OFAG.

Periodicity of Reporting

Monthly reporting: OEPA/ORCU/MoA (LFSDP) shall submit the quarterly report of its own accounts to EFD within 30 days of the quarter end.

Interim Financial Report (IFR): Management information is required in order to control financial resources.

The EFD shall prepare and submit the Interim Un audited Financial Reports (IFRs) to the WB within 45 days after the end of each semester. The report shall include the following:

- A statement of source and uses of funds indicating all the resources and use of Project funds for the reporting period and cumulative;

- Statement of Uses of fund (expenditures) by component and category compared with budgets for the reporting period and cumulative
- Designated Account activity statements for the reporting period;
- Fund flow Statement for local currency accounts
- Statement of cash movement
- Notes and variance analysis related to the financial report;
- Attached Trial Balance, Balance Sheet, Bank statement, bank reconciliations, aging analysis, etc

5.3 Auditing

Internal Audit:

External Audit: External audit is a periodic examination of the books of account and records of an entity conducted by an independent third party (an auditor) to ensure that they have been properly maintained, are accurate and comply with established concepts, principles, and accounting standards, and give a true and fair view of the financial state of the entity.

According to the Ethiopian Constitution, the Office of Federal Auditor General (OFAG) is responsible for carrying out the audit of all the financial transactions of the federal government and subsidies to the regions. Each of the regions has regional Auditor General responsible for auditing financial transactions in the region. But OFAG usually delegates its responsibility to a parastatal or a private audit firm in the country to carry out the audit of donor-financed Projects.

Considering the low amount of the grant and the short duration for Phase 1, an external audit will be conducted following the end of Phase 1, and the audited financial statement should be submitted to the World Bank within six months of the initial expected closing date of the EFD USD 750,000 grant (June 30, 2025). At this point, significant activities under the grant to the MoA would have been completed as well. A second audit will be conducted when the second phase/ the MoA grant of USD 1.2 million is closed. The audited financial statements should be submitted within six months of the closing date of the MoA grant (closing date: June 30, 2028). An audit report and Management Letter should be provided during both audits. The audit should be conducted as per an audit term of reference agreed with the World Bank. The audit should be conducted by the Office of the Federal Auditor General (OFAG) or an auditor assigned by OFAG and eligible to audit World Bank-financed projects. The EFD is responsible for coordinating the audit process and submit the audit report and Management Letter to the World Bank. The audit report should be addressed to EFD. EFD should ensure rectification measures are taken for identified audit findings, if any.

Audit of Statement of Source and Uses of Funds: The objective of this audit is to ensure that all source of the Project funds are included in the statement and that payments are properly included in the accounts.

Audit of Interim Financial Reports: The objective of this audit is to ascertain that the individual expenditures, which comprise the IFR totals, are fully supported by documentation kept in the Project files kept at different locations, and are properly authorised and eligible under the Project document.

Audit of Designated Accounts: The objective of such audits are to verify that the Designated Accounts bank statements are reconciled with the Project books of accounts and what has been withdrawn or deposited from designated accounts is traceable in the Project books and records.

As indicated above, the Office of the Federal Auditor General (OFAG), or a qualified auditor nominated by OFAG and acceptable to IDA would conduct the external audit. The audit would be carried out in accordance with the International Standards of Auditing (ISA) issued by the International Federation of Accountants (IFAC). The auditor should also ensure that the implementing agencies get adequate coverage in the yearly audit exercises.

After the reports are issued, EFD has the responsibility to prepare audit action plans within one month of the receipt of the annual audit report. The prepared action plan would be disseminated to OEPA/ORCU/ & MoA/LFSDP who will be responsible for taking appropriate action and responding back to EFD. EFD would be responsible to submit the consolidated status report to the Bank within a maximum of two months after the receipt of the audit report.

In accordance with the WB's policies, the borrower would disclose the audited financial statements in a manner acceptable to the WB; following the WB's formal receipt of these statements from the borrower, the WB makes them available to the public in accordance with The WB Policy on Access to Information.

Supervision plan

Since the FM risk for the Project is rated 'substantial', the Project would be supervised twice per year. The mitigating measures proposed in the action plan below will help to reduce the risk of the project during project implementation. After each supervision, risk would be measured and recalibrated accordingly. Supervision would include onsite visits, meetings, review of IFRs, audit reports, and follow up on actions during various mission meetings.

Action	Responsible body	Due date
General		
Ensure the BSP developed covers necessary	EFD/OEPA	Before negotiation

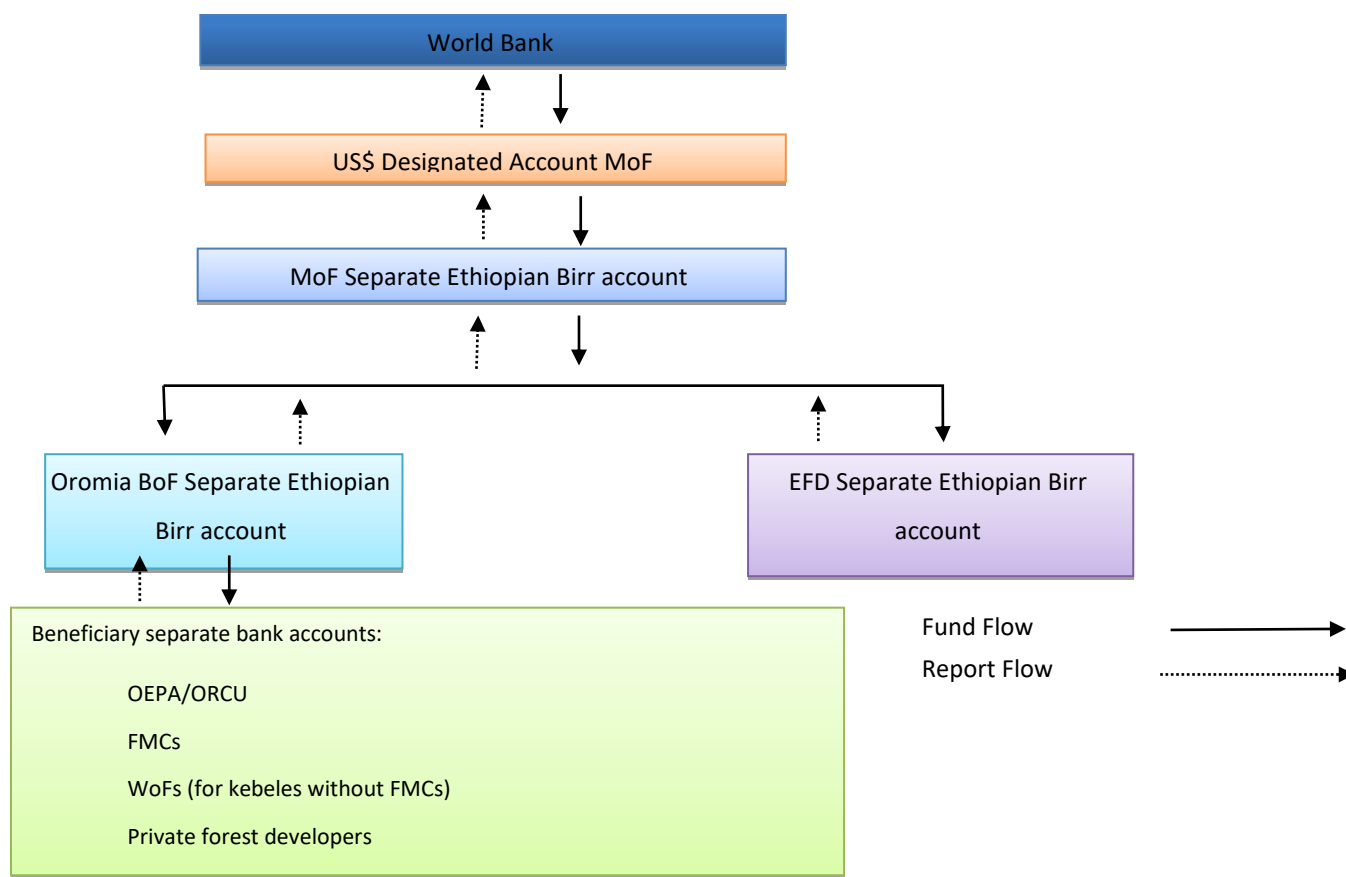
procedures that enable proper distribution of the ERPA procedures and reporting		
Develop a BSP operational manual	EFD/OEPA	Within one month of effectiveness
Budgeting		
Set-up timetable for budget preparation and approval and include in the PIM	EFD	Within one month of effectiveness
Monitor budget utilization and include variance analysis in IFRs	EFD	During Implementation
Accounting and Staffing		
Update the FM manual of the OFLP for the grants (which is part of the existing PIM)	EFD/OEPA	Within one month of effectiveness
Provide FM training to FMCs, WoFs (for kebeles without FMCs), Private forest developers, Eligible sector bureaus implementing winning proposals	MoF, Oromia BoF and OEPA/ORCU	Before they receive ERPA proceeds
Financial Reporting		
Submit IFRs in a timely manner as per the timeline set in the DFIL	EFD and MoF	During implementation
Ensure ERPA proceeds/grant funds are transferred to areas that are able to report back	EFD and MoF	During implementation
Internal Control and Internal Audit		
Ensure internal auditors review the project activities	All implementing entities	During implementation
Ensure third-party monitoring covers fiduciary aspects	WB, MoF, EFD	During ToR preparation
Fund flows		
Open project specific bank accounts (ETB) Open designated account (USD) – Grants Open USD account (ERPA proceeds)	All implementing entities for ETB account EFD for designated	Within one month of effectiveness

	account (grants) MoF USD account for ERPA proceeds	
External Audit		
Recruit external auditors in a timely manner	EFD and MoF	Before the end of the fiscal year/period to be audited
Prepare annual financial statements in a timely manner to allow adequate time for audit.	EFD and MoF	Within three months of the end of the fiscal year/period
Submit Audit action plan to the WB will be prepared	EFD and MoF	Within one month of the receipt of the audit report
Submit status reports on actions taken as per the action plan	EFD and MoF	Within three months of the receipt of the audit report

5.4 Financial Management Arrangements for ERPA

The FM arrangements for the ER payments is documented in the BSP operation manual. Hence, reference should be made to this document for ER payment related FM arrangements.

During implementation of the ERPA, the World Bank will conduct supervision to review whether the procedures and requirements in the BSP are being implemented as agreed. This will enable the World Bank to verify that the BSP is being implemented in a manner acceptable to the World Bank and consider remedial actions as required. In addition, the World Bank may decide to organize and conduct TPM to review and assess implementation of the BSP. The scope of the review may include the adequacy of the flow of funds, staffing and internal controls, and reporting arrangements. The TPM may also include the review of individual transactions with the purpose of verifying the effective operation of internal controls and oversight mechanism and also consider issues flagged by World Bank supervision, as relevant, and provide recommendations on strengthening measures.



6 PROCUREMENT MANAGEMENT

The Procurement procedures for OFLP are separately defined for the two grants and the ER payments. The procurement under the two grants will follow the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017, August 2018 and November 2020). The project will be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. Countries will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record and track procurement transactions the WB financed procurement system where the WB's Guidelines are applied and will be governed by the provisions stipulated in the Legal /Grant Agreement. by the grant agreement. The procurement under ER payment will follow the BSP and its OM for the Project as well as the policies and procedures of the WB's carbon financing and will be governed by Emission Reduction Purchase Agreement (ERPA) signed between the WB and the FDRE on 9th of February 2023.

6.1 Procurement management for grants

During the implementation of the mobilization grant significant lessons have been learned in terms of procurement management, which has heightened contribution in paving the way for the subsequent ERC and the two grants.

Procurement under the two projects will be carried out in accordance with the World Bank's Procurement Regulations, Anti-Corruption Guidelines, and the provisions stipulated in the Legal Agreement.

The Procurement Regulations are designed to support a modern, fit-for-purpose Procurement Framework. The Procurement Regulations detail many options to tailor individual procurement processes to meet the operational needs under the projects and to deliver the right results.

The Procurement Regulations are guided by the core procurement principles of value for money, economy, and integrity, fit for purpose, efficiency, transparency, and fairness. The Procurement Regulations support these core procurement principles by providing many choices for the borrower to design the right approach to the market.

3. Standard Procurement Documents (SPD) issued by the World Bank to be used by borrowers for IPF-financed projects include the General Procurement Notice, Specific Procurement Notice, Request for Expression of Interest, Request for Proposals, and Request for Bids documents. These documents will be used for works, goods, and consulting and non-consulting services to be procured through international open competitive bids and for consulting services contracts which will be available on the Bank's website at www.worldbank.org/procurement/standarddocuments. While procurement for national RFB and RFQ contracts will follow standard Government procedures and use Federal Standard Bidding Documents agreed with or satisfactory to the World Bank. In addition, the implementing agencies will use Standard Bid Evaluation Forms for procurement of goods, works, and non-consulting contracts and the Sample Form of Evaluation Report for selection of consultants and the mandatory use of STEP.

The following WB's Regulations will govern procurement activities to be carried out by the two grants:

② Procurement under the two grants will follow the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017, August 2018 and November 2020).

② Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants Dated October 15, 2006 and revised in January, 2011; and,

② Provisions mentioned in the Financing Agreement.

Procurable Items under the Project

Procurable items under the Project could include small works, goods and consulting and non-consulting services. The ORCU/LFSDP will identify and consolidate specific Procurement items to be financed from the two grants with consultation of OEPA/MoA, and other institutions participating in the Project and submit the Procurement Plan to the WB in STEP through EFD/MoA for no objection before any procurement is initiated and expenditures can be made.

Goods : Goods to be procured under OFLP-ERP will include office supplies, computers, software needed for the implementation of OFLP-ERP at OEPA/ORCU.

Works: Works to be procured under OFLP-ERP, The procurement of such small scale works shall be carried out using the WB's procurement Regulations .

Non-consultancy services: Non consulting services to be procured under the OFLP-ERP would include procurement of transport services, media, mapping services, telecommunication/ internet services, and may include maintenance of vehicles .etc.

The Project procurement will be conducted using the Bank's SPD and National SBD agreed with or satisfactory to the Bank (considering the NCB exceptions) for all NCB procurements. To the extent practicable, goods contracts shall be grouped into bid packages to be procured through SPDs procedures. Goods and equipment contracts below ICB threshold may be procured using National Competitive Bidding (NCB), using national SBD agreed with or satisfactory to the Bank. Direct contracting (see sub heading 7.3.1.5 below) for goods may be used in exceptional cases, such as for the extension of an existing contract, standardization, proprietary items, spare parts for existing equipment, and emergency situations. Shopping may be used for contracts within the permissible threshold of shopping. Following the Bank's Regulations, Goods and equipment like vehicles and motorcycles may also be procured from UN Agencies such as UNOPS or any other UN Agency as in the PPSD and the Procurement Plan (PP) cleared by the Bank .

Consultancy Services: Consulting services under OFLP-ERP would include bigger and smaller consultancy assignments in which individual (national and/or international) consultants may participate at various levels of Project implementation as well as advisory services to be provided by firms in various aspects of the OFLP as described in the PPSD and the Procurement Plan.

"Operating Costs": Operating costs means the incremental costs incurred by ORCU/LFSDP and the Participating Implementation Agencies based on annual budgets approved by the World Bank, on account of Project implementation, management and monitoring, including fuel and operation and maintenance costs for vehicles; stationary and sundries; Project support staff,

other than individual consulting positions identified in the PPSD and the Procurement Plan, who are selected by the Recipient according to its personnel hiring procedures for such activities, as reviewed and found acceptable by the World Bank; advertising and office running costs, including services of office machines and equipment; purchase of materials for workshops; office supplies; communication charges; and venues for Training and Workshops (defined below).

Training and Workshops: Training and workshops will be based on capacity-building needs. Training and Workshops includes: (a) services for the organization of the national and international workshops, training materials and rental of training facilities and equipment; (b) national and international travel and per diem for participants, tuition fees, travel accommodation, per diem of trainers and trainees; and (c) printing of documents, communications, and various supplies needed for said workshops.

Venues for workshops and training and purchase of materials will be selected on the basis of at least three quotations (refer guidance for shopping method). The selection of institutions for specialized training will be done on the basis of quality and therefore would use the Consultants' Qualifications Based Selection method. Annual training plans and budget shall be prepared and approved by the WB in advance of the training and workshops. The training plan shall outline the type/description of the training, objective and intended outcome of the training, the relevance of the training to project development objectives, estimated cost, number of trainers, duration and schedule of the training, name of the trainer and how it was selected.

The procurement activities under these projects would include consultants; laboratory analysis and equipment and facilities for the livestock MRV system; PIU staff time (MRV staff, program coordinator, and safeguards management); computers, tablets, GPS, internet devices/dongles, printers, and so on; and capacity-building items. The procurement arrangements under the project are made in accordance with the provisions of the Procurement Regulations to ensure that the correct procurement approach is used to deliver the right results. By designing the right procurement approach, there is far more likelihood of the right bidders participating, better bids being received, and an overall increased chance of achieving value for money.

National Procurement Procedures

When approaching the national market, as shall be agreed in the Procurement Plan, the country's own procurement procedures may be used. The World Bank has reviewed the Standard Procurement Documents issued by the Federal Public Procurement and Property Administration Agency of the FDRE for procurement of goods and works and has found them acceptable and consistent with the World Bank's procurement principles. Hence, national open

competitive bids shall follow the procedure set forth in the Ethiopian Federal Government and Procurement and Property Administration Proclamation No. 649/2009 and Federal Public Procurement Directive issued by the then Ministry of Finance and Economic Cooperation (MoFEC), dated June 10, 2010, provided that such procedure shall be subject to the following requirements as provided in section 5, paragraph 5.4 of the Procurement Regulations for IPF Borrowers (November 2020):

- Open advertising of the procurement opportunity at the national level.
- The procurement is open to eligible firms from any country.
- The Request for Bids/Request for Proposals document shall require bidders/proposers submitting bids/proposals to present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation to the World Bank's right to sanction and the World Bank's inspection and audit rights.
- Contracts with an appropriate allocation of responsibilities, risks, and liabilities.
- Publication of contract award information.
- Rights for the World Bank to review procurement documentation and activities.
- An effective complaint-handling mechanism.
- Maintenance of records of the procurement process.

Other national procurement arrangements (other than national open competitive procurement) that may be applied by the borrower (such as Limited/Restricted Competitive Bidding, Request for Quotation [RFQ]/Shopping/Local Bidding, and Direct Contracting) shall be consistent with the World Bank's core procurement principles and ensure that the World Bank's Anti-Corruption Guidelines and Sanctions Framework and contractual remedies set out in its Legal Agreement apply.

Procurement Oversight and Monitoring Arrangements

Mandatory thresholds for prior review for the proposed project based on procurement risk levels of the project are provided in table 1.1. Based on the risk level of the project, procurement above the applicable thresholds as provided in the table shall be subject to prior review and shall be included in the Procurement Plan. For contracts to be awarded using Direct Selection, the borrower shall submit to the World Bank, for its review and 'no objection', a sufficiently detailed justification, before inviting the firm to negotiations.

Based on the initial risk rating, which is “substantial” the implementing agency of the proposed project shall seek the World Bank’s prior review for equivalent value of contracts, as detailed in table 11

Table 11 Thresholds for Procurement Approaches and Methods (US\$, millions)

					Short List of National Consultants	
Category	Prior Review	Open International	Open National	RFQ	Consulting Services	Engineering and Construction Supervision
Works	≥5.0	≥7.0	<7.0	≤0.2	n.a.	n.a.
Goods, IT, and non-consulting services	≥1.5	≥1.0	<1.0	≤0.1	n.a.	n.a.
Consultants (Firms)	≥0.5	n.a.	n.a.	n.a.	0.2	0.3
Individual consultants	≥0.2	n.a.	n.a.	n.a.	n.a.	n.a.

The following WB's IPF Regulations will govern procurement activities to be carried out by the two grants and these documents will be used together with this PIM to implement procurement plan.

- Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants Dated October 15,2006 and revised in January 2011; and,
- Provisions mentioned in the Financing Agreement.

6.2 Procurement Management for the Carbon Payment (following the BSP)

For ERs (carbon credits) coming from the forest and livestock sectors, the OFLP-ER payments will be made on the basis of ERs achieved as outlined in the ERPD and signed ERPA on 9th of February/2023 between the GoE and the BioCF-ISFL (a World Bank Trustee for ISFL donors/contributors). The program covers the whole of the Oromia Regional State and hence is called a jurisdictional program. The financing provided under the proposed ERPA is to be disbursed in the form of payments against ERs that are periodically reported by the GoE and

independently verified by a third party. Hence, this component will not follow the procurement Regulationprocedures of the World Bank and follow national procurement procedure.

7 RESULTS MONITORING AND EVALUATION ARRANGEMENTS

7.1 Carbon Benefits

For the OFLP, the accounting area of the program is the entire Oromia Regional State, comprising about 300 rural woredas. ER from the eligible subcategories (see table 4) within the entire Oromia Regional State will be measured annually. According to the FDRE’s forest definition, these eligible subcategories cover 9 million ha of forests, spread over about 35 percent of Oromia’s rural woredas.

Measurement and reporting from the GoE to the BioCF will take place every year, starting one year after the ERPA is signed. Third-party verification, contracted by the World Bank, is a requirement before the issuance of ERCs and, subsequently, payments. Third-party verification will take place every two years, following the submission of the biannual monitoring reports by the GoE. Furthermore, to ensure robust implementation of environmental and social risk management in compliance with the World Bank’s ESF, the World Bank may request TPM to ensure that the safeguards and fiduciary control and management systems are being applied effectively at the systems level. The specific schedule for this process will be adjusted as needed, should adjustments be required to the duration of the first and second phases. Payments from the BioCF to the GoE are expected to be made biannually upon verification of ERs.

Monitoring of the land use change (Phases 1 and 2). The OFLP will monitor and account for positive and negative changes in forest cover and associated GHG ER within the regional state boundaries of Oromia. Monitoring of forest cover and forest cover changes follow methodologies that were established at the national level and that are in line with international best practices. The data generated by the OFLP-ERP will feed into the National Forest Monitoring System (NFMS). The outputs of the NFMS will in turn feed into the broader UNFCCC reporting.

Using geospatial data from the Ethiopian Geospatial Information Institute (EGSII), the OFLP/ORCU MRV Unit supported by EFD’s MRV Unit will produce maps and identify the surface in each land use category. Based on this, the two MRV Units will determine the emissions due to the conversion from or into forests and compare it with the baseline to assess the ERs and produce a monitoring report. The verification will be managed by a third-party firm hired by the ISFL. The verification report will determine how many ERCs are generated and issued in the registry.

Function	National	Oromia
----------	----------	--------

Function	National	Oromia
High-level oversight and coordination	<ul style="list-style-type: none"> • The federal REDD+ Steering Committee oversees the process and ensures a link to decision-making. • The federal MRV task force monitors the process and reports to the federal REDD+ Steering Committee. • The MRV Unit manages workflows and day-to-day coordination. 	<ul style="list-style-type: none"> • OEPA/ORCU, supported by the OFLP Steering Committee and Technical Working Group, monitors implementation of MRV within the region.
Measurement	<ul style="list-style-type: none"> • The EGSII collects LULC data. • The EFD MRV Unit produces the map. • The MRV Unit regularly collects, analyzes, and aggregates primary data. 	<ul style="list-style-type: none"> • The ORCU MRV team lead in data collection, analysis, and data aggregation to be done at regional liaising with the national MRV Unit and collects primary and secondary data on program interventions (that is, geographical information on A/R activities, program-level biomass survey data, and so on).
Reporting	<ul style="list-style-type: none"> • The EFD MRV Unit calculates GHG emissions at the regional level. • The EFD MRV Unit delivers official GHG emissions estimates. 	<ul style="list-style-type: none"> • The ORCU MRV Unit will compile results for the EFD MRV Unit for the region and submit a report in the form of a Program Document (for example, following the BioCF-ISFL methodology and Verified Carbon Standard).
Verification	<ul style="list-style-type: none"> • It is to be conducted by national or international entities. • The MRV Unit provides support in verification. 	<ul style="list-style-type: none"> • The ORCU's MRV Unit will be the focal point and lead the verification process.
Support and technical advice	<ul style="list-style-type: none"> • The national MRV expert group provides support and technical advice. • Universities and research institutes will be engaged by the MRV Unit on 	<ul style="list-style-type: none"> • The Oromia REDD+ Technical Working Group provides technical advice.

Function	National	Oromia
	a continuous basis for research and capacity building. The MRV Unit opens a call for research proposals, in close coordination with the ORCU's MRV Unit, on any research needs and liaises with research institutions in Oromia.	
International reporting	<ul style="list-style-type: none"> The EFD's MRV Unit reports to the World Bank's BioCF-ISFL and UNFCCC. 	n.a.

Table 12 Responsibilities of the MRV System

Monitoring of forest degradation (Phase 2 only). A workplan to improve data and methods for the 'forestland remaining forestland' subcategory has been agreed between the FAO, the Norwegian Embassy, and the US Silva Carbon Program. The agreed workplan will improve data collection on the 'forestland remaining forestland' subcategory by the end of 2023. The technical approach will likely involve the use of advanced image analysis algorithms, including BFast and CODED, to track changes between classes within the forestland-remaining-forestland subcategory. A detailed time-bound plan to improve data and methods for the 'forestland remaining forestland' subcategory is still under construction in discussion with several institutions such as the FAO, Silva Carbon, FDRE National MRV team, regional MRV team, and United State Forest Service. The category is expected to meet the ISFL quality requirements by March 2024 to include this category in Phase 2

Monitoring of enteric fermentation (Phase 2 only). The ISFL has proposed to use a GHG emission intensity accounting methodology in the OFLP to calculate ERs from livestock. Emission intensity represents the amount of emissions by livestock per unit of product. Emission intensity is calculated as CO₂ equivalent emissions per unit of milk and meat yield.

As the monitoring requirements are not yet met, the emissions from this subcategory cannot be measured and compared to a baseline in the first phase of the ERPA but to be incorporated in the second ERPA phase as the baseline development is at advanced stage now. An improvement plan was defined (see annex 8) to improve the data collection and design a baseline that meets the ISFL standards. This plan is currently under implementation. Once it is completed, the system to collect (annually) all the variables needed to measure the emissions from enteric fermentation will be in place. It is expected to involve the Ethiopian Statistical Service (ESS) to access annual headcount data on livestock and the milk and meat products for the year.

The MoA, which holds the mandate for livestock sector policy and management, will lead on aspects relating to measuring and reporting of livestock emissions. The MoA will coordinate with the livestock unit of the OBoA, OEPA/ORCU, ESS, EFD MRV Unit (a forthcoming new national umbrella body for MRV of the CRGE sectors), and agriculture/livestock research centers existing at the national and regional levels, as appropriate. Within the MoA, the LFSDP PIU will coordinate and support activities on the MRV system for enteric fermentation.

The umbrella National MRV body, when formally established, will be the main institution responsible for compiling sectoral ERs for the NDC reporting and more generally for international reporting (to the UNFCCC and ISFL). If the establishment of this national body takes more time than anticipated, the EFD MRV Unit will assume temporarily this responsibility and report to the external bodies as needed.

Some of the monitoring activities described above rely on the collection of field data. Due to security and conflict issues, especially in western Oromia, it is possible that field level monitoring may not be possible in some woredas which might affect the monitoring approach. In this case, sampling design for data collection will consider this challenge and would adopt the most available innovative approach to compensate the lack of the data from these problematic areas thus fulfilling expected quality standards of data collection.

7.2 Non-Carbon Benefits

Following the requirements from the ISFL Monitoring, Evaluation, and Learning Framework, latest version of which was approved by the contributors at the 2020 ISFL annual meeting, each project should report on the non-carbon benefits and other co-benefits. Four mandatory non-carbon benefits indicators were designed and integrated in the Results Framework, as outlined in the following table (table 6):Mandatory Indicators from the ISFL Monitoring, Evaluation, and Learning Framework	Indicators Included in the Project Results Framework
T1.2 GHG emission reductions in ISFL program areas (FAP)	“Volume of CO ₂ e Emissions Reductions that have been measured and reported by the Program Entity, verified by a Third Party (Number (tCO ₂ e))”
T2.O2.1 Number of communities or other	“Communities that have received monetary

Following the requirements from the ISFL Monitoring, Evaluation, and Learning Framework, latest version of which was approved by the contributors at the 2020 ISFL annual meeting, each project should report on the non-carbon benefits and other co-benefits. Four mandatory non-carbon benefits indicators were designed and integrated in the Results Framework, as outlined in the following table (table 6):Mandatory Indicators from the ISFL Monitoring, Evaluation, and Learning Framework	Indicators Included in the Project Results Framework
organizations that have received benefits (assets and/or services) from emission reduction payments	and nonmonetary benefits from the emission reductions payments (Number)”
T2.O2.2 Number of people involved in income generation activities due to ISFL support (% women)	“Number of people involved in registered cooperatives that are engaged in forestry and/or livestock-related income generation activities and receiving benefits from the ER Program (% women) (Number (People))”
T2.O3.1 Volume of for-profit private sector finance leveraged to contribute to ISFL objectives	“Volume of for-profit private sector finance leveraged to contribute to OFLP objectives (Amount (USD))”
T2.O3.2 Volume of not-for-profit finance (public or private) leveraged to contribute to ISFL objectives	“Volume of not-for-profit finance (public or private) leveraged to contribute to OFLP objectives. (Amount (USD))”
T2.O3.3 Number of people in private sector schemes adopting sustainable practices	“Number of smallholder farmers in private sector schemes adopting improved agricultural practices (% women) (Number (People))”

Table 12. Mainstreaming of the Non-Carbon Benefits

7.3 Implementation Arrangements for the ORCU MRV

Baselines for Each GHG Emission Category

The overall responsibility for the establishment of the baselines lies with the ORCU except GHG coming from livestock. As such, the ORCU is in charge of ensuring the data are provided by the various agencies and transmitted. The ORCU is also responsible for the calculation of baselines and estimation of precision for those related to forest sector. Baselines are established or

updated at start of each reporting period; thus, ORCU's MRV Unit together with EFD's MRV Unit establish/update baselines for emission coming from the forest sector at the start of each reporting period. For emission coming from the livestock sector (enteric fermentation and manure management), the Livestock MRV Unit in MoA in collaboration with OBoA-livestock MRV Unit, ESS and relevant research institutions establish/update livestock GHG baseline at the start of each reporting period of second phase ERPA.

The validation and confirmation of the baseline (forest), as part of the validation of the ERPD phase, is done by the Steering Committee of the project based on the recommendations from the ORCU and EFD.

For the second phase, before the baselines for livestock and forestry are validated by the OFLP Steering Committee and the National REDD Steering Committee, a technical assessment shall be done by MoA (livestock) and Oromia BoA (livestock), mainly for the baseline related to livestock.

For the land use change (deforestation, afforestation), The ORCU to lead and finance the data collection. The calculation is jointly performed with the EFD, and quality control will be done by the EFD.

For the forest degradation. The data collection to be led by the EFD's MRV Unit assisted by FAO with technical input from Silva Carbon on the methodology. Then, the EFD and ORCU's MRV will be responsible for the calculation and estimation of the baseline (for Phase 2). The estimation will both the remote sensing and forest inventory data.

For the enteric fermentation and manure management, the data collection for initial baseline is led by the ORCU (through the one-off survey financed by the OFLP grant) with the support from Silva Carbon and the Oromia Regional Livestock Bureau. Subsequent update of livestock GHG baseline as described above and GHG monitoring and reporting shall be the responsibility of LFSDP of MoA and OBoA through their respective livestock MRV units.

8 Environment and social Risk management (ESRM)

8.1 Environmental and social risk

The detailed Environmental risk assessment, monitoring of the envisaged environmental and social risks and potential impacts of the ERP phase of the project has been indicated in the Environmental and social management Framework (ESMF) of the project (refer to separate document). The document identifies project implementation level risks management principles and procedures. The document can be used along with the ERP Project Implementation Manual.

Moreover, the benefit sharing operational manual and the benefitsharing plan documents (both separated Documents) have documented the potential environmental and social risks and impacts, risk mitigation measures, risk mitigation procedures and responsibilities during the ERP implementation process. Therefore, these documents can be referred for detail understanding and implementation guidance.

8.2 Environmental and social risks Management

The Implementation of Activities in ERP phase as well as the projects that will be developed by investments to be implemented by benefits accrued from the project potentially entail environmental and social risks. Under such circumstances the Environmental and Social Risk Management (ESRM) instruments shall apply. In this circumstance, the Project Environment and social management framework, Benefit sharing operational manual documents can be referred to. Out of ten the Environmental and Social Standards (ESSs) nine of them are applicable for this project. The ESF requires preparing new ESRM instruments such as the ESCP, SEP and LMP for investment projects such as the OFLP-ERP.

8.3 Environmental and Social risk monitoring

Environment and social risks are regularly monitored. Internally the project coordination unit and the hosting institution will conduct regular internal monitoring including the health and safety risks related to the implementation of OFLP-ERP and communicate to the World Bank team every quarter. External environmental and social auditing would also be conducted at the end of the year two of OFLP ERP period by individual consultant to ensure that the environmental and social risks are properly managed according to the ESRM, environmental and social commitment plan and other social and environmental safeguard instruments of the project. To guide the E&S audit Sample ToR from previous project is attached (Annex 9).

8.4 Grievance Redress Mechanism (GRM)

Grievance Redress Mechanism (GRM) is an integral element of Program management and national GRM that anticipates seeking feedback from beneficiaries and resolve complaints on program activities and performance. Grievances may arise from members of communities who are dissatisfied with

- The eligibility criteria on the realized ERP benefit dividends,
- Community planning and resettlement measures, or
- Actual implementation of project activities in ERP phase.

Grievances will be proactively tracked and managed to ensure that appropriate resolution and actions are taken timely. However, these grievance procedure would not replace existing legal due processes. If these grievance procedures fail to provide a result, complainants can still seek legal redress. The grievance redress mechanisms are generally categorized into three broad classes as traditional, religious and formal.

A grievance mechanism follow these steps:

- (1) Receive and register a complaint;
- (2) Screen and validate the complaint;
- (3) Develop a proposed response;
- (4) communicate the proposed response to the complainant and seek agreement on the response; (5) implement the response to resolve the grievance;
- (6) Close out or refer the grievance; and
- (7) Disclose the feedbacks to the public.

8.5 Traditional Grievances Redress Mechanism

The Oromo Gadaa System the Luba elders (aged 40-48) are responsible for redressing grievances within the community or among groups and individuals, and they shall apply the traditional laws dealing with the distribution of resources, criminal fines and punishment, protection of property, theft, etc. The indigenous/traditional mechanism is the best in redressing grievances both within the community and with the government and/or neighborhood communities. The Gadaa system is one of the best indigenous tools used to harness grievances that arise over the management and use of natural resources.

Religious GRM- Shari'a Court: is a system that is run by local Muslim communities. When traditional GRM fails, the case is referred to the Shari'a court. Communities and individuals who

are not satisfied by the traditional and/or religious GRM can take the case further to the formal GRM. In such cases the traditional/religious grievance redress systems could refer the case to the next formal GRM by the community or individual.

Formal Grievance Redress Mechanism: Formal Grievance Redress Mechanism consists of Arbitration by appropriate formal institutions at Kebele, Woreda, Zone and Regional Public Grievance Hearing Offices (PGHO) in Oromia. Those include Social Courts, Courts, and the Office of the Ombudsman, the Ethiopian Ethics, Anti-Corruption Commission (EACC) and the Ethiopian Human Rights Commission (EHRC). Social Courts (Shengo) operate at Kebele administration all over Oromia region and redress grievances at grass root level. Social courts represent a fundamental and irreplaceable tool for quick and affordable dispute settlement at the kebele level. Social courts have jurisdiction over minor cases of up to 1000 ETB. Courts are formal state judiciary system that may be viewed as external to the parties involved in the grievance. The modern formal court established at woreda level accomplishes the issues of grievances that arise in the community. This court handles both civil and criminal cases. The decision made at woreda court abides to the parties involved in grieves with their rights reserved to take to the case into the next higher level court by appeal.

The Office of the Ombudsman: The Office of the Ombudsman is established to bring about good governance that is of high quality, efficient and transparent, and is based on the rule of law, by way of ensuring that citizens' rights and benefits provided for by law are respected by organs of the executive. The Institution has a jurisdiction over executive organs of the federal as well as regional governments. It is an organ that protects citizens from maladministration. Ethiopian Ethics and Anti-Corruption Commission (EACC): has no jurisdiction to entertain citizen complaints involving maladministration. The enforcement jurisdiction of the EACC is limited to prosecuting or causing the prosecution of serious ethical breaches and corruption that constitute violations of the penal code. Ethiopian Human Rights Commission: The EHRC offers advisory services and has a decision-making power. It only investigates issues relating to violations of fundamental human rights which will exclude the great majority of complaints of maladministration. World Bank Grievance Redress Service: Communities and individuals who believe that they are adversely affected by a Bank-supported project may submit complaints to existing project-level GRMs or the Bank's GRS. The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project-affected communities and individuals may submit their complaint to the Bank's independent Inspection Panel (IP) which determines whether harm occurred or could occur as a result of the Bank's non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention and after the Bank management has been given an opportunity to respond. For information on how to submit complaints to the Bank's

corporate GRS, visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Inspection Panel, visit www.inspectionpanel.org.

OEPA/ ORCU are responsible for timely responding to OFLP ERP affected parties' concerns and grievances related to the E&S performance. For this purpose, ORCU will strengthen the existing GRM, developed under the context of the OFLP grant project, to address citizen's complaints or grievances in a formal, transparent, cost-effective, and time-bound manner. OEPA, in collaboration with sector bureaus will ensure OFLP ERP- affected people/community are adequately informed about the process to register grievances, complaints, and concerns about OFLP-ERP activities. Grievances may arise from members of communities who are dissatisfied with (i) the eligibility criteria, (ii) community planning and resettlement measures, and/or (iii) actual implementation, among others. Grievances will be actively managed and tracked to ensure that appropriate resolution and actions are timely taken, corrective actions are implemented (as applicable), and the outcome is informed to the compliant. Resolution of different types of grievances can be addressed at different levels. The ESRM instruments such as ESMF, SEP and SESA explains the scope, scale, and type of the GRM. It shall be proportionate to the nature and scale of the potential risks and impacts of the project. It also provides the following elements of the approach:

- The appropriate design and scale of the grievance mechanism will be subproject specific.
- Grievance mechanism will be readily accessible to all project-affected parties and inclusive system, process, or procedure that receives and acts upon complaints and suggestions for improvement in a timely fashion and facilitates resolution of concerns and grievances arising in connection with the project. The grievance mechanism of the project will provide project-affected parties with redress and helps address issues at an early stage.
- Handling of grievances will be done in a culturally appropriate manner and be discreet, objective, sensitive, and responsive to the needs and concerns of the Project-Affected Parties- (PAP). The mechanism will also allow for anonymous complaints to be raised and addressed.
- The grievance mechanism is expected to address concerns objectively and in a transparent manner. The involving process or procedure will not prevent the right of the PAP to access formal judicial or administrative remedies concerning the subject of grievance being raised. Also, the grievance mechanism will allow for anonymous complaints to be raised and addressed.

Actions taken on the grievance or suggestions should be informed and balanced. The time frame for grievance resolution depends on factors such as the urgency of the complaint; need for research, investigation, consultation, and funding; and institutional capacity.

Documentation and Tracing complaint cases: The GRC and the respective administrative bodies (from lower to higher) should duly document each individual PAP/PAC case and must be archived. During requests from a court of appeal, individual cases should be properly traceable and necessary timely responses should be provided.

Dispute Resolution: World Bank Framework on ESS5 also indicates that GRM that could be raised related to disputes arising from displacement or resettlement should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms. The GRM/GRC has a mandate to receive and register complaints, convene meetings to resolve the complaints, and respond to the appeals resulting from committees' decisions. The effectiveness of resolution of complaints and appeals will be monitored during implementation. The grievance form will be made available in the Woreda, Kebele offices and on the construction sites, alongside of the description of the grievance mechanisms.

GBV/SEA Complaints: For the GRM to effectively address the issues/incidents related to sexual exploitation and other forms of GBV, the project in general and the Woreda level GRC must set proactive mechanism functional throughout the project life. The following are the working procedures of the WOWCA to handle GBV in the project area.

- The respective Woreda Office of Women & children affairs (WOWCA) should get the capacity building/training on key principles of GBV/SEA case management including confidentiality, non-judgmental, best interest of the survivor, services and referrals.
- Establish a proper channel to receive reports or project-related risks of sexual harassment and GBV, i.e., the risk factors that exacerbate or expose people to GBV;
- Conduct awareness raising campaign regarding the risks of GBV to both men and women in the project area; and key principles of GBV/SEA case management including confidentiality, non-judgmental, best interest of the survivor, services and referrals,
- The respective WOWCA representative in the Woreda GRC will be the focal point who can confidentially receive complaints or reports from the survivors through the different channels indicated above.
- The WOWCA will immediately (maximum 24 hours) communicate the issue/complain to EFD. EFD will report the case to the World Bank
- Record all the reported incidents based on the level of risks and follow-up or track the response process of the referred agency or court until the achievement of satisfactory resolution.

GRM steps

The Grievances management of ERP adopts the national grievances management and the OFLP implementation phase grievances management steps

Step 1: Submission of grievances either orally or in writing: A verbal or in written complaint from a PAP will be received by GRM personnel (or assigned officer) and recorded in a grievance log (electronically if possible) which will be held in each project site, Woreda, region and national level as required.

Grievances can be lodged at any time, either directly to the project office or via the GRM personnel. The process for lodging a complaint is outlined below:

1. The GRM personnel shall receive a complaint from the complainant based on the requirements stated under step 2 below.
2. Notwithstanding the above mentioned form of complaint lodging, the complainant may institute his/her/their complaint through email, regular mail, telephone, website, SMS Text message and other means that may be approved by authorized body and communicated through appropriate means of communication.
3. The GRM personnel shall ask the claimant questions and write the answers onto the Grievance Form⁹. If the complainant can read and write, he/she shall submit the complaint by writing him/herself and corroborating all of the required evidences along with the complaint application letter.
4. The local leader witnesses and the complainant both sign the Grievance Form after they both confirm the accuracy of the grievance.
5. The GRM personnel lodges the complaint in the Grievance Log.
6. The GRM personnel gives appointment to the complainant and issues the necessary decisions on the status of the complaint lodged.

It will be important that all PAP and Communities have access to the grievance process.

Step 2: Recording of grievance and providing the initial response within 24 hours: The GRM personnel who has received the grievance should provide a timely communication back to the complainant(s) that their grievance has been received, will be logged and reviewed for eligibility, and if eligible, will generate an initial response. The GRM personnel, who is

responsible for the initial response, should check the complaint eligibility to be handled through the Grievance Redress Mechanism. Eligibility is often determined on the basis of four broad criteria

- i. Does the complaint indicate that the program has caused a negative economic, social, or environmental impact on the complainant, or has the potential to cause such an impact?
- ii. Does the complaint specify what kind of impact has occurred or may occur, and how the program has caused or may cause that impact?
- iii. Does the complaint indicate that those filing the complaint are the ones who have been impacted, or are at risk of being impacted; or that those filing the complaint are representing the impacted or potentially impacted stakeholders at their request?
- iv. Does the complaint provide enough information for GRM staff to make a determination on the first three questions?

The presence of either of the above four issues shall make the complaint eligible to be heard. Therefore, the eligibility of the complaints should be determined based on the aforementioned four questions within 24 hours.

Step 3: Investigating the grievance and communication of the response within 7 days.

The GRM personnel is responsible for communicating the proposed response back to the complainant in a timely fashion. Responders may also contact the complainant by telephone or set up a meeting to review and discuss the initial approach with the complainant. The response should include a clear explanation of why the response is being proposed; what the response would be; and what the complainants' choices are, given the proposed response. Those choices may include agreement to proceed, request for a review of an eligibility decision or a referral decision, further dialogue on a proposed action, or participation in a proposed assessment and engagement process.

Though practice varies, communication of the proposed response should normally occur within 7 days from receipt of a complaint. The complainant may or may not agree with the proposed response. If there is not agreement, the GRM personnel need to make sure the complainant understands what other recourse may be available, whether through the judicial system or other administrative channels, and to document the outcome of the discussions with the complainant in a way that makes clear what options were offered and why the complainant chose not to pursue them.

When there is agreement between a complainant and the GRM personnel to move forward with the proposed action then the response should be implemented.

Step 4: Complainant response: either grievance closure or taking further steps if the grievance remains open. The final step is to close out the grievance. If the response has been successful, the GRM personnel should document the satisfactory resolution. In cases where there have been major risks, impacts and/or negative publicity, it may be appropriate to include written documentation from the complainant indicating satisfaction with the response. In others, it will be sufficient for the GRM personnel to note the action taken and that the response was satisfactory to the complainant and the organization. In more complex and unusual grievance situations, it may be useful to document key lessons learned and also refer the cases to the appropriate formal courts and tribunals as well. The OFLP ERP grievance mechanism should have a log where grievances are properly registered in writing and maintained as a database, properly recorded and documented. The log will contain record of the persons responsible for an individual complaint, and records of dates for the following events:

- Date the complaint was reported.
- Date the Grievance Log was added onto the project database.
- Date information on proposed corrective action sent to complainant (if appropriate).
- The date the complaint was closed out.
- Date response was sent to complainant

Project-level GRM structures: Grievance Redress Mechanism (GRM): GRM is one of the requirements and most important element in managing the environmental and social risks. As the GRM includes grievance redress related to OFLP-ER, it is important for the DA to ensure that the system is in place. The project grievance system currently in place for the ongoing OFLP project will be strengthened to address complaints related to OFLP-ER.

The ESRM provides project-level grievance mechanism, process, or procedure to receive and facilitate resolution of concerns and grievances of PAP arising in connection with the project. The GRM (Project's Environmental and Social Safeguards) personnel in the project area are the lower level of the GRM structure. The next structure refers to the implementing organization in order of hierarchies (local, regional, and government). If the PAP with the complaints not satisfied by the complaint responses of these GRM structure, they can submit their complaints to the World Bank's Independent Inspection Panel to request an inspection to determine whether harm has occurred as a direct result of project performance's noncompliance with ESSs and procedures. Once all possible redress has been proposed and if the complainant is still

not satisfied then the PAP with the compliant will be advised of their right to the formal legal recourse.

8.6 Specific Training to Major Implementing Actors

Tailor made capacity building support and awareness creation training on the OFLP ERPA ESRM instruments and management systems will be provided to decision makers, technical advisers, experts, coordinators, facilitators and community participants at different levels.

Regional and Zonal levels: training should be provided to technical working groups, technical staff of OEPA and ORCU, OFLP lead facilitators, safeguard specialists and coordinators briefly on:

- The ERPA - ER payments systems, accounting processes as well as E&S risk management consideration;
- ESRM policies of the Government of Ethiopia, World Bank ESF, and ESRM instruments SESA including SDP, ESMF, RF, PF, ESCP, SEP, LMP and SRAM.
- MRV systems, BSM implementation and BS Plans
- Monitoring, reporting and evaluation of ESRM performances; implementation of E&S issues as per the ESRM instruments including the site specific instruments ; review and reporting procedures
- SEP and civic engagement with communities in the regional state.
- Grievance Redress Mechanism (GRM), Gender Based Violence or Sexual Exploitation and Abuse and Sexual harassment (GBV/SEAH), Community Health and Safety (CHS), Occupational health and safety (OHS), and
- Environmental and social advisory services

Woreda level: Awareness creation and capacity building trainings should be given on specific topics for Woreda OFLP coordinators, decision makers/administrators, and land use planning team members, sector office experts, environment and natural resource management experts, and technical team members.

Kebele level: Awareness creation training based on identified gaps in the course of implementation. Kebele administrators, DAs, private sector, PFM members, community representatives, underserved community members and any other relevant institutions like FMC, WU'sC, etc., are the proposed training participants.

9 PROJECT MONITORING, EVALUATION AND REPORTING

9.1 Overview

The overall purpose of Project monitoring and evaluation (M&E) is to collect quantitative and qualitative information to assess whether the development objectives of the Program are being achieved or not, identification of gap, and providing the evidence for taking remedial actions. The M & E system will allow for ongoing learning and feedback throughout implementation of all project components and sub-components. The program has gained significant experiences during the implementation of the mobilization grant, the OFLP M & E system developed during the implementation phase is expected to pave the way for the ERPA/ERPA and the two grants' grants' smooth implementation.

OFLP results monitoring and evaluation (M&E) is a management tool used to systematically track progress of program implementation, demonstrate its results on the ground (Benefit disbursement activities implemented using the benefits/benefits), and assess whether changes in project implementation arrangements and activities are necessary in light of evolving circumstances and evidence.

The specific objectives of OFLP-ERP M&E system will be to:

Generate specific information on progress, processes and performance.

Analyse and aggregate data generated at all levels of government to track progress, process quality and project sustainability.

Promote public accountability by (i) monitoring efficiency and effectiveness to assess and (ii) communicating whether activities are likely to achieve expected results or realize its objectives.

Inform and support management decision making and control during implementation.

Draw lessons from factors that have facilitated or inhibited the achievement of objectives.

Help in strategic communication through provision of information and feedback both internally and externally.

Provide robust information and justification for mobilizing and leveraging additional financing domestically and internationally, including additional ER payments.

The OFLP-ERP M&E system is designed to be cost-effective and simple to implement by the institutions participating in the Program. It will be guided by PDO. Though, the source of funding of OFLP-ERP varied (the two grants and ER payment),, the PDO is one and the same as the two grants will be implemented to strengthen the capacity of PIUs and help to solve financial gaps, while allowing progresses of the grant activities and that of the ERPA to be monitored separately. .

The grants monitoring, evaluation and reporting

The monitoring, evaluation and reporting of the grants components depends on the outputs of sub-components under each component.

Monitoring

Monitoring is an integral part of program management and is a continuous activity. It will help to monitor performance from activities implementation up to measuring of impacts of the Program through tracking of inputs, activities, outputs, outcomes and other aspects of the program on an ongoing basis.

OFLP activity implementation monitoring

The OFLP-ER Project grant activities are in most cases implemented at regional level. At Oromia State level, the program coordination unit (OCRU) will be responsible for the function of the program's M&E system (developed during the mobilization grant implementation phase, focusing on forestry sector only). However, the M & E system of the Livestock sector will be merged with the existing M & E of ORCU through the LFSDP system. The M&E within ORCU/LFSDP will help coordinate activities with all participating entities and their respective sector representation (OEPA, BoA, LFSDP at MoA, EFD) to ensure timely information gathering, follow up and reporting.

Results monitoring

Results Monitoring of PDO level indicators and intermediary outputs for the grants will be conducted regularly to assess and check achieved results prior to reporting to the next level. The PDO level results indicators for MRV systems functional for all relevant land-use sectors (forest degradation, livestock, and land-use change) (Yes/No)

Reporting

Quarterly Progress Reporting. The provision of informative progress reports will be a formal requirement and will be included in the grant and Financing Agreements of the program. The quarterly and annual reports will be prepared and submitted to development partners. The main functions of progress reports are:

Review current progress compared to planned activities, and expenditures compared to budgets;

Provide overall status information on the project since it started – in terms of physical progress and total expenditure;

Identify problems encountered during the reporting period and any remedial actions taken to resolve the problems;

Analyse strength and weaknesses, opportunities and threats;

Discuss quantitative and qualitative progress made in achieving the overall objectives; and,

Provide strategic direction for the next planning cycle.

9.2 Emission Reduction Payment Phase

The monitoring, evaluation and reporting in this phase focuses on the attained ER against the baseline and distribution of ERC benefits as per the BSP and its OM and the implementation of safeguards instruments. The ORCU is the implementing unit for the OFLP, tasked with the program's day-to-day technical and administrative management including ER monitoring, reporting, and safeguards activity supervision to ensure the program's compliance with the ESF instruments. While the ORCU reports administratively to OEPA.

9.2.1. Monitoring of ER performance

The baseline established by OEPA/ORCU to monitor the ER indicators of the forest sector will be used for monitoring the ER performance. The ORCU MRV team is responsible for data collection, registration, and reporting of the forest sector indicators. The table below includes institutional arrangements for data collection, registration and reporting for each indicator. These arrangements may change to incorporate lessons learned during implementation of BSP first phase for the forestry sector

Criteria	Indicator	Frequency of measurement	Monitoring responsibility
BSP preparation	BSP and its operations manual are completed and endorsed by relevant stakeholders and institutions	Once a year after the first ERPA payment of OFLP second phase	OEPA with the support of relevant sector bureaus
	Relevant entities have adequate resources to carry out their responsibilities		EFD with the support from OEPA
	A system is in place to document benefit distribution		EFD with support from OEPA
Compliance with benefit distribution criteria	The criteria, indicators parameters, rules, and weights for benefit distribution were applied correctly	Two months after receiving the ERPA payments	EFD from OFLP Steering Committee and National REDD+

Criteria	Indicator	Frequency of measurement	Monitoring responsibility
	Percentage of benefits distributed to Underserved Population, women, and youth		Relevant sector bureaus
Transparency of the benefit distribution process	The percentage of documents that were published and disseminated		EFD with support from OFLP Steering Committee and National REDD+
Agility in benefit distribution	Number of days that elapsed from the receipt of the resources to actual distribution to communities and cooperatives	Once a year after the first ERPA payment of OFLP second phase	BOF, with support from WOF, supported by ORCU and relevant sector bureaus.
Utilization of the FGRM	Number of complaints and claims related to the benefit distribution received through the FGRM received and addressed	continuous	ORCU with support from relevant sector bureaus
Implementation of ER generating projects carried out by FMCs	Projects implemented as per the work plan	continuous	Relevant sector bureaus with support from Woreda-level Cooperative Office.
Implementation of Community Action Plans ³¹	Projects implemented as per the work plan	continuous	Relevant sector bureaus with support from Woreda-level Cooperative Office.
Implementation of projects for Underserved Peoples, woman, and youth ¹	Projects implemented as per the work plan	continuous	Relevant sector bureaus with support from Woreda-level Cooperative Office.
Implementation of projects carried out by	Projects implemented as per the work plan Co-financing from the	continuous	Relevant sector bureaus with support from Woreda-level

Criteria	Indicator	Frequency of measurement	Monitoring responsibility
private sector entities ¹	private sector		Cooperative Office.
Benefits distribution	Total number and type of beneficiaries that received benefits during the reporting period disaggregated by Gender	annual	Relevant sector bureaus with support from WOF
Promotion of local organization	Number of capacity building events to strengthen organization		

9.2.2. Monitoring of Compliance

OEPA is responsible for monitoring ESRM activities against the ESRM instruments. The level of detail and complexity of the monitoring methods will be proportionate to the risks and impacts of activities financed with ERPA benefits, and the measures and actions identified to address such risks and impacts. All or a mix of the following methods are expected in the monitoring of the OFLP ERP -ESRM.

Stakeholders' consultation and engagement are an inclusive process that needs to be conducted for monitoring throughout the project lifecycle. The monitoring method will require engaging with stakeholders including communities, groups, or individuals affected by the subproject under implementation, and with other interested parties, through information disclosure, consultation, and informed participation in a manner proportionate to the risks to and impacts on affected communities. Likewise, the Bank will have the right to participate in consultation activities to understand the concerns of the affected people, and how such concerns will be addressed by the ORCU for the enhancement of the environmental and social performance of the subproject's implementation.

Field visit: The OEPA will facilitate site visits by Bank staff or consultants acting on the Bank's behalf if that is deemed necessary to monitor the environmental and social performance of the project.

Review checklist: using the E&S checklist monitoring will conduct a survey assessment with different stakeholders at the end of the project year and the inputs will be used to prepare an annual review report

Use of third parties: Where appropriate and as set out in the ESCP, the ORCU will engage third parties or independent experts to complement or verify its own monitoring activities. Where

third parties or independent experts are responsible, the ORCU will collaborate with such parties to establish and monitor the implementation of the environmental and social mitigation measures of the subprojects. The scope of third-party monitoring (TPM) will also include systems-level monitoring of fiduciary mechanisms, including funds flowing through the benefit sharing plan (BSP) and relevant financial and audit controls.

Review and feedback: as appropriate, the Bank will review and provide feedback on the implementing organization's monitoring reports concerning the compliance of the implementation of the ESMPs/ESIAs/RAPs with the requirements of the legal agreement, including the ESCP and ESSs. Based on the feedback, the Bank will propose the necessary corrective measures that will be incorporated.

The following reporting timeframe applies:

Relevant sector bureaus staff should produce a monthly monitoring report their respective implementation and submit to ORCU for prompt decision in case corrective measures needed.

A copy of monthly monitoring reports will be shared with ORCU, involving third parties, project affected communities and other interested parties.

The Bank may require a quarterly monitoring report that provides a detailed information on the environmental and social performance of the subprojects under special circumstances. The project coordination unit will submit to the World Bank (and other entities concerned) annual reports on E&S compliance during the preceding year; OPEA will also undertake annual reviews after the annual report has been prepared and submit to the World Bank.

9.2.3. Reporting

Sector bureaus will support kebeles and private sector entities in generating reports; BOCPA will support FMCs in developing reports. The reports from WOF, Woreda-level Cooperative Office, and Oromia State Regional Government should be approved by OEPA and the OFLP Steering Committee prior submission to BOF. Similarly, the OEPA's report on the use of operating costs and OEPA reports on the use of funds by private sector entities should be previously approved by OFLP Steering Committee prior submission to BOF. BOF should prepare and submit a consolidated financial report to MOF, and this to the World Bank. OEPA will prepare and submit the ER monitoring report, including Annex 2 Information on BSP implementation to EFD. EFD will submit the ER monitoring report to the World Bank. The National REDD+ Steering Committee, with support from OFLP Steering Committee, will review the reports from EFD and MOF prior to submission to the World Bank.

10 Annexes

Annex 1.Result Framework and Monitoring

Indicator Name	PBC	Baseline	End Target
Incentivize the generation of measured, reported and verified Emissions Reductions Credits (ERCs)			
Volume of CO2e Emissions Reductions that have been measured and reported by the Program Entity and verified by a Third Party (Metric ton)		0.00	4,000,000.00
ERCs come from reduced deforestation as well as agriculture and other land use			
MRV systems set up and functional for all relevant land-use sectors (forest degradation, livestock, and land-use change) (Yes/No)		No	Yes
Payments are distributed in accordance with an agreed benefit sharing plan			
Emission Reductions payments distributed in accordance with an agreed Benefit Sharing Plan (Yes/No)		No	Yes

Annex 2 Intermediate Result Indicators

Indicator Name	PBC	Baseline	End Target
People in forest & adjacent community with monetary/non-monetary benefit from forest (Number)		0.00	400,000.00
Communities that have received monetary and non monetary benefits from the Program (Number)		0.00	2,000.00
Number of people involved in registered cooperatives that are engaged in forestry and/or livestock-related income generation activities and receiving benefits from the ER Program (Number)		0.00	25,000.00
[Breakdown indicator]: Number of women involved in registered cooperatives that are engaged in forestry and/or livestock-related income generation activities and receiving benefits from the ER Program (Number)		0.00	15,000.00
Volume of for-profit private sector finance leveraged to contribute to OFLP objectives (Amount(USD))		0.00	20,000,000.00
Number of smallholder farmers in private sector schemes adopting improved agricultural practices (Number)		0.00	10,000.00
Volume of not-for-profit finance (public or private) leveraged to contribute to OFLP objectives (Amount(USD))		0.00	30,000,000.00

Annex 3 Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Volume of CO2e Emissions Reductions that have been measured and reported by the Program Entity and verified by a Third Party	This indicator measures the Volume (i.e., ERs) aspect of the transactions in CO2e. It is conditioned on the existence and operation of a National GHG Monitoring system to measure and report the ERs generated by the ER Program, from both the forestry and livestock sectors. All ERs generated by the ER Program during each Reporting Period are subject to Verification by an Independent Reviewer contracted by the World Bank Group in consultation with the Program Entity.	Reporting periods as set in ERPA.	National MRV system	Review of ER Monitoring Report and conclusions of the Third Party Verification	Emissions from the forest sector: EFD, OEPA/ORCU Emissions from the livestock sector (Phase 2): Livestock Sector Department of the MoA and Livestock Unit of BoA in Oromia
MRV systems set up and functional for all relevant land-use sectors (forest degradation, livestock, and land-use change)	This indicator will monitor the performance of the grant segments that support the creation of MRV infrastructure to effectively monitor ERs from all relevant land-use sectors.	Reporting periods as set in ERPA	ER Monitoring report	Review of ER Monitoring Reports	ORCU, EFD (MRV Unit), MoA (Livestock MRV Unit)
Emission Reductions payments distributed in accordance with an agreed Benefit Sharing Plan	This indicator seeks to capture the development aspects of the transaction. ERPA payments have to be distributed based on a Benefit Sharing Plan (BSP) that has been deemed acceptable to the World Bank. To be deemed acceptable to the World Bank, a BSP must meet all of the requirements, as detailed in criterion 3.6 of the ISFL ER Program Requirements. ER Monitoring Reports will have to provide evidence satisfactory to the World Bank Group that the Benefits have been shared in accordance with the BSP.	Reporting periods as set in ERPA	ER Monitoring Report	As part of the preparation of the ER Monitoring Reports	EFD, OEPA/ORCU, MoA, Oromia BoA, MoF

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
People in forest & adjacent community with monetary/non-monetary benefit from forest	Number of people benefiting from the BSP	Annual	ORCU based on the execution of the BSP		
Communities that have received monetary and non monetary benefits from the Program	This indicator will estimate the comprehensiveness of the program as a landscape approach. "Communities" are considered Kebeles (the local administrative unit). There are about 6,000 kebele in Oromia, out of which 35% are considered in "forest area." It is therefore expected that the benefits of the program for the first phase (forest) will impact at least 2,000 kebeles. The phase 2 (livestock) is expected to expand the geographic impact of the program.	Reporting periods as set out in ERPA	ER Monitoring Report	Review of data from ER Monitoring report	ORCU
Number of people involved in registered cooperatives that are engaged in forestry and/or livestock-related income generation activities and receiving benefits from the ER Program	This indicator aims to capture specifically the number of people in registered cooperatives involved in activities that generate income as a result of OFLP-ER program interventions.	Reporting periods as set out in ERPA	ER Monitoring Report	Review of data from BSP section of ER Monitoring report, looking at the registered forest coops and dairy and feedlot farmer coops in which payments have been made that aim to generate income.	ORCU
[Breakdown indicator]: Number of women involved in registered cooperatives that are engaged in forestry and/or livestock-related income generation activities and receiving benefits from the ER Program	See parent				
Volume of for-profit private sector finance leveraged to contribute to OFLP objectives	This indicator reports the volume of for-profit private sector financing leveraged to support the OFLP. For-profit private sector organizations	Reporting periods as set out in ERPA	Self-reporting by ORCU/Steering	ORCU assessment	ORCU, Steering Committee

	are defined as any non-governmental, for-profit organization ranging from small and medium sized enterprises to national and multinational firms.		Committee		
Number of smallholder farmers in private sector schemes adopting improved agricultural practices	This will measure the number of smallholder farmers adopting improved practices through participation in OFLP-related private sector schemes (for example, adopting coffee stumping or improved livestock feeding and breeding practices, etc.)	Reporting periods as set out in ERPA	EFD Progress report	Data to be reported to PIU	ORCU
Volume of not-for-profit finance (public or private) leveraged to contribute to OFLP objectives	This indicator reports the volume of not-for-profit financing leveraged to support the OFLP. Not-for-profit organizations are defined as public or non-governmental organizations or initiatives, ranging from publicly funded programs to civil society organizations or roundtables.	Reporting periods as set out in ERPA	Self-reporting by ORCU/Steering Committee	ORCU assessment	ORCU, Steering Committee

Annex 4. Detailed indicator definitions

The indicators of the ERPA and the two grants are illustrated in detail in the following paragraphs.

Volume of CO₂-e Emissions Reductions that have been measured and reported by the Program Entity and verified by a Third Party (Metric ton)

This indicator measures the Volume (i.e., Emission Reduced) aspect of the transactions in CO₂-e. It is conditioned on the existence and operation of a National GHG Monitoring system to measure and report the ERs generated by the ER Program, from both the forestry (Deforestation, Forest Degradation and Enhancement of forest carbon) and livestock (Enteric fermentation from cattle) sectors. All ERs generated by the ER Program during each Reporting Period are subject to Verification by an Independent Reviewer contracted by the World Bank Group in consultation with the Program Entity.

The OFLP-PIU MRV team together with National MRV team will adopt a robust ER estimation methodology for the forest and livestock sector. The methodology is consistent with the approach used to quantify activity data at the regional scale for ERPD preparation and Forest Reference Level baseline setting and the GHG inventory of livestock for Oromia, including the one off survey of GHG to data improvement. Seven Land Use Land Cover Classes (LULC) will be used for classification namely; Forest land, Cropland, Grassland, Settlement, Shrub land, Wetland and Other land. This will be consistent with IPCC LULC classes except that Grassland is subdivided into two, Grassland and Shrub land as this category was proposed by the assessment team during the review of the report of Oromia LULC change detection in 2019. This is done because these two LULC classes are completely different in terms of carbon sequestration but they are merged as one class in IPCC 2006.

The top-level land use and land cover classes analyzed were based on Ethiopian Forest Definition, IPCC Good Practice Guidance and FAO (FAO, 2002, 2005, 2010; IPCC, 2000). These land categories used for deforestation analysis were mentioned below.

The estimation of emission reduction from livestock (cattle) will adopt the GHG inventory of Oromia and livestock GHG inventory data improvement plan in Oromia region documents.

Indicator 2. MRV systems set up and functional for all relevant land-use sectors (forest degradation, livestock, and land-use change) (Yes/No)

This indicator will monitor the performance of the grant segments that support the creation of MRV infrastructure to effectively monitor ERs from all relevant land-use and the livestock sectors.

Indicator 3. Emission Reductions payments distributed in accordance with an agreed Benefit Sharing Plan (Yes/No)

This indicator seeks to capture the development aspects of the transaction. ERPA payments have to be distributed based on a Benefit Sharing Plan (BSP) that has been deemed acceptable to the World Bank. To be deemed acceptable to the World Bank, a BSP must meet all of the requirements, as detailed in criterion 3.6 of the ISFL ER Program Requirements. ER Monitoring Reports will have to provide evidence satisfactory to the World Bank Group that the Benefits have been shared in accordance with the BSP.

Annex 5 OFLP-ER project Costs by Components (US\$) [ISFL Grant US\$0.75 million]

S/N	Cost Item	Unit	Quantity	Budget Estimate (USD)		Total
				Year 1	Year 2	
1	Personnel					
1.1	OFLP Coordinator	No	1	14,400.00	14,400.00	28,800.00
1.2	Social Safeguards Specialist	No	2	24,000.00	24,000.00	48,000.00
1.3	Environmental Safegaurds Specialist	No	2	24,000.00	24,000.00	48,000.00
1.4	MRV Specialist	No	4	48,000.00	48,000.00	96,000.00
1.5	Forest Resource assesement & MRV Specialist	No	1	12,000.00	12,000.00	24,000.00
1.6	Procurement Specialist	No	1	12,000.00	12,000.00	24,000.00
1.7	IT Specialist	No	1	12,000.00	12,000.00	24,000.00
1.8	M & E Specialist	No	1	12,000.00	12,000.00	24,000.00
1.9	Financial Management Specialist	No	1	12,000.00	12,000.00	24,000.00
1.10	Assistant Financial Management Specialist	No	1	9,600.00	9,600.00	19,200.00
1.11	Legal, policy and comincation Specialist	No	1	12,000.00	12,000.00	24,000.00
1.12	Drivers	No	3	14,400.00	14,400.00	28,800.00
	Sub Total		19	206,400.00	206,400.00	412,800.00
2	Equipment					
2.1	Labtop, tablet and other equipment	Pcs	5	-	16,500.00	16,500.00

2.2	Internet Device (Dongle)	Pcs	10	1,000.00	-	1,000.00
2.3	Internet Air Time	Pcs	10	4,200.00	4,200.00	8,400.00
	Sub Total			5,200.00	20,700.00	25,900.00

S/N	Cost Item	Unit	Quantity	Budget Estimate (USD)		Total
				Year 1	Year 2	
3	Safeguards Supervision and MRV Monitoring					
3.1	MRV activities Supervision	Lumpsum		58,250.00	58,250.00	116,500.00
3.2	Safeguards Supervision	Lumpsum		40,000.00	40,000.00	80,000.00
3.3	Regional Steering Committee meeting	Lumpsum		5,087.91	5,087.91	10,175.82
3.4	Audit	Lumpsum		15,000.00	15,000.00	30,000.00
	Sub Total			118,337.91	118,337.91	236,675.82
4	Operational cost					
4.1	Stationery	Lumpsum		0.00	10,000.00	10,000.00
4.2	Vehicles maintenance including fuel, insurance and lubricants	Lumpsum		15,000.00	15,000.00	30,000.00
5	Financial Management	Lumpsum		4,000.00	8,000.00	12,000.00
5.1	Financial Management supervision	Lumpsum		4,000.00	3,000.00	7,000.00
5.2	Financial Management Audit	Lumpsum			5,000.00	5,000.00

	Sub Total			19,000.00	33,000.00	52,000.00
	Total			348,937.91	378,437.91	727,375.82
	Contingency (4.84%)			10,694.99	11,929.19	22,624.18
	Grand Total			359,632.90	390,367.10	750,000.00

Annex 6 OFLP-ER project Costs by Components for PROGREEN Grant: US\$1.2 million

Cost Item	Total Financing Allocated (US\$ million)	As % of Total Financing Amount	timeline					
			Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)	Year 6 (2029)
Acquisition of MRV equipment and installation	240,000.00	20	240,000					
capacity building training program	280,000.00	23	20,000	30,000	60,000	70,000	70,000	30,000
sampling and laboratory analysis	150,000.00	13		20,000	32,500	32,500	32,500	32,500
Livestock GHG monitoring and reporting	330,000.00	28		50,000	70,000	70,000	70,000	70,000
Supervision and Coordination	128,000.00	11	5,000	29,000	28,000	22,000	22,000	22,000

salary for a Livestock MRV specialist	72,000.00	6	12,000	12,000	12,000	12,000	12,000	12,000
	1,200,000.00		277,000	141,000	202,500	206,500	206,500	166,500

Annex 7. Improvement plan

Background

1. In accordance with the requirements of the ISFL, ER payments will only be made for eligible subcategories by estimating the baseline and monitoring the emissions and removals from these eligible subcategories. To be eligible, the baseline and the monitoring should use at minimum Intergovernmental Panel on Climate Change (IPCC) Tier 2 methods and data. In addition, the emissions baseline shall be constructed based on the average annual historical GHG emissions and removals over a historical period (baseline period) of approximately 10 years. If these requirements are not met for all relevant subcategories when the ERPA is signed, a plan is developed on how the methods and data can be improved with the aim of including these subcategories at a later phase during the term of the ERPA.

2. In the case of this project, the relevant subcategories have been identified in table 6.1. As can be seen, there are two subcategories where the requirements on data and methods (that is, the use of minimum IPCC Tier 2 data and methods) are not met. These subcategories are 'forestland remaining forestland' and 'enteric fermentation from cattle'. For each of these subcategories, specific activities have been planned to improve the methods and data with the aim of having sufficient quality data and methods available by the end of 2023. At that point, these subcategories can be included in the baseline and monitoring approach and ER payments could be made for these subcategories, if applicable.

Table 6.1. List of Eligible Subcategories per Sector and per Phase

Sector	Subcategory	% of Emissions	Requirements			Conclusion
			Emissions Baseline	Methods and Data	Spatial Information	
LULUCF	Forestland remaining forestland	34	Met	Not met	Met	Phase 2
LULUCF	Forestland converted to grassland	5	Met	Met	Met	Phase 1 and 2
LULUCF	Forestland converted to cropland	5	Met	Met	Met	Phase 1 and 2
LULUCF	Grassland converted to forestland	>1	Met	Met	Met	Phase 1 and 2

Sector	Subcategory	% of Emissions	Requirements			Conclusion
			Emissions Baseline	Methods and Data	Spatial Information	
LULUCF	Cropland converted to forestland	>1	Met	Met	Met	Phase 1 and 2
Livestock	Enteric fermentation - cattle	17	Met	Not met	n.a.	Phase 2

Planned Improvements for Forestland Remaining Forestland

3. The methods and data used for estimating the emissions under this subcategory. There are no sound data on the extent of changes within the forest (such as logging or other activities that reduce the number of trees) and the emission factors associated with the changes are currently obtained from the Woody Biomass Inventory and Strategic Planning Project, which was a one-off inventory completed in 2004.

4. A plan to improve the data was therefore compiled with experts from the FAO, the US Forest Service (through the US Silva Carbon Program), and the GoE. The focus will be on improving data on the changes within the forest through the use of remote sensing techniques that apply advanced algorithms (such as BFast/LandTrendr/continuous change detection and classification (CCDC)/continuous degradation detection (CODED) to a time series of satellite images. These data will be combined with data from Ethiopia's most recent forest inventory and additional field measurements, if required, to improve the estimates for forestland remaining forestland.

5. The workplan and funding has been agreed between the FAO, the Norwegian Embassy in Ethiopia, and the US Silva Carbon Program with the aim of finalizing the work by the end of 2023.

Planned Improvements for Enteric Fermentation - Cattle

6. Different improvements were identified to ensure that the data and methods for estimating the emissions from enteric fermentation from cattle meet the ISFL requirements. Data gaps exist for three main areas:

- Cattle population and herd structure
- Animal performance
- Manure management systems (MMS)

Table 6.2. Detailed Description of Data Gaps

Farming System	Data Gaps	How to Improve the Data and Data Collection Method	Responsible Institutions to Provide/Collect Data
Commercial dairy	<ul style="list-style-type: none"> No complete survey of total population and herd structure available Total population and herd structure estimated using various data sources and methods 	<ul style="list-style-type: none"> Survey or census-based estimates of total populations and herd structure or populations Data acquisition protocol developed to collect data on number of animals (local breed and pure/exotic breed) and cattle herd 	<p>CSA has planned to include the annual survey of population and herd structure in commercial dairy system by 2022.</p> <p>The OFLP grant is financing a one-off detailed survey of population, herd structure, and animal performance.</p>
Smallholder dairy	<ul style="list-style-type: none"> Total population available from CSA but no herd structure data for crossbred/exotic cattle Herd structure from other data sources 	<ul style="list-style-type: none"> Annual data herd structure for crossbred/exotic cattle. Data acquisition protocol developed to collect data on number of animals (local breed and pure/exotic breed) and cattle herd. 	<p>CSA agreed to report herd structure separately for crossbred/exotic cattle annually.</p>
Commercial feedlot	<ul style="list-style-type: none"> No representative survey or census data Population estimated using exports as a proxy 	<ul style="list-style-type: none"> Survey or census-based estimates of total feedlot populations Data acquisition protocol developed to collect data on number of animals (local breed and pure/exotic breed), fattening cycle per year, typical weight at purchase, and desired weight at slaughter 	<p>CSA has planned to include the annual survey of population and herd structure in the commercial dairy system by 2022.</p>
Mixed crop-livestock farming system	Parameters: Live weight of cows and oxen: live weight estimated using literature, no fully representative dataset available	<ul style="list-style-type: none"> Representative survey on live weight through a one-off large survey. The data acquisition protocol developed recommended that data on live weight could be estimated using heart girth measurement and/or body length measurement for both local and pure/exotic breeds. 	<p>The OFLP grant is financing a one-off detailed survey.</p>
Mixed crop-livestock farming system	Parameters: Feed digestibility energy (DE%) for cows and oxen; DE% estimated using CSA diet composition data plus additional assumptions	<ul style="list-style-type: none"> Survey of diet composition for cows and oxen. It is recommended to conduct a one-off large survey by CSA or any institution. The data acquisition protocol developed can be used to collect diet composition and DE%. 	<p>The OFLP grant is financing a one-off detailed survey.</p>
Commercial dairy system	Parameters: Milk yield - Milk yield estimated using one 2018 survey and interpolation of trend	<ul style="list-style-type: none"> Annual data on commercial milk yields. It is recommended to conduct a one-off large survey by CSA. The data acquisition protocol developed can be used to collect average milk yield per day from one lactating cows, lactation period, and calving interval. This question will be asked for indigenous and crossbred cattle separately. 	<p>CSA has planned to include the annual survey on milk yield from lactating cows in commercial dairy system by 2022.</p>

Farming System	Data Gaps	How to Improve the Data and Data Collection Method	Responsible Institutions to Provide/Collect Data
Smallholder dairy system	<p>Parameters: Milk yield; Milk yield estimated using one 2018 survey and interpolation of trend</p> <p>CSA does not report milk yield specific for crossbred/exotic cows</p>	<ul style="list-style-type: none"> Annual data on smallholder milk yields. Disaggregate CSA annual livestock survey will provide milk yield data for crossbred/exotic cows in smallholder dairy system. The data acquisition protocol developed can be used to collect average milk yield per day from one lactating cow, lactation period, and calving interval. This question will be asked for indigenous and crossbred cattle separately. 	CSA has planned to include the annual survey of population and herd structure in commercial dairy system by 2022.
Mixed crop-livestock	<p>Lack of country-specific activity data on MMSs and manure characteristics (amount of manure produced and the portion of the manure that managed in the specific manure management system (MMS))</p> <p>The percentage of animal populations and MMSs in different productions needs to be determined so that more specific data such as Volatile Solids (VS), Methane Conversion Factor (MCF) can be used</p> <p>Better data are required on the proportion of manure managed in different MMSs.</p>	<ul style="list-style-type: none"> Representative sample surveys of manure management practices (manure characteristics, amount of manure produced, portion of manure managed in different MMSs, and other related data important for the Tier 2 Emission Factor (T 2EF) calculation should be done). The data acquisition protocol developed can be used to collect data on animal manure management practices in the dry and wet seasons. Each household head will be asked about the proportion of different MMSs for each season. 	The OFLP grant is financing a one-off detailed survey.
Commercial dairy	Same as above	<ul style="list-style-type: none"> Representative sample surveys of manure management practices (manure characteristics, amount of manure produced, portion of manure managed in different MMSs, and other related data important for the T2EF calculation should be done). The data acquisition protocol developed can be used to collect data on animal manure management practices in the dry and wet seasons. Each household head will be asked about the proportion of different MMSs for each season. 	The OFLP grant is financing a one-off detailed survey.
Smallholder dairy	Same as above	<ul style="list-style-type: none"> Representative sample surveys of manure management practices (manure characteristics, amount of manure produced, portion of manure managed in different MMSs, and other related data important for the T2EF calculation should be done). The data acquisition protocol developed by UNIQUE can be used to collect 	The OFLP grant is financing a one-off detailed survey.

Farming System	Data Gaps	How to Improve the Data and Data Collection Method	Responsible Institutions to Provide/Collect Data
		<p>data on animal manure management practices in the dry and wet seasons. Each household head will be asked about the proportion of different MMSs for each season.</p>	
Smallholder and commercial feedlots	Same as above	<ul style="list-style-type: none"> • Representative sample surveys of manure management practices (manure characteristics, amount manure produced, portion of manure managed in different MMSs and other related data important for the T2EF calculation should be done). • The data acquisition protocol developed can be used to collect data on animal manure management practices in the dry and wet seasons. Each household head will be asked about the proportion of different MMSs for each season. 	The OFLP grant is financing a one-off detailed survey.

Annex 8 TERMS OF REFERENCE FOR PROJECT STAFF

1. PROGRAM COORDINATOR

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's 292 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the ERP over the coming Six-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground "Emission Reduction" from deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an "enabling environment" through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, He will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites districts of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2024, for the next 8 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

ERP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, ERP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP is led by Oromia Environment, Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the ERP implementing unit within OEPA. As such, OEPA/ORCU has decided to use part of the proceeds of the grant and ER payments to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of

the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of Program Coordinator in ORCU

KEY DUTIES AND RESPONSIBILITIES

The Coordinator will be responsible for the overall coordination and management of the Oromia Forested landscape Program Emission Reduction Project. His/ her main tasks will be to ensure that all activities related to the program will be implemented in an efficient and coordinated manner.

SPECIFIC TASKS

The OFLP-ERP Coordinator:

- Reports directly to the director general office of OEPA and send reports to the Oromia vice president office after these are cleared by OEPA.
- Coordinates and manages OFLP_ERP across the Oromia region.
- Leads OFLP_ERP implementation through coordination of activities of relevant sector bureaus and initiatives/projects (including CSOs, private sector and other development partners) having objectives similar to OFLP-ERP, by bringing them all onto a common programmatic platform.
- Acts as the secretariat at REDD+ Steering Committee for Oromia and represented by OEPA chairs the Oromia REDD+ Technical Working Group and ensures representation of all relevant sectors and initiatives operating in the region.
- Coordinates the development and implementation of the OFLP-ERP joint annual work plan and budget.
- Manages and coordinates OFLP-ERP implementation by supervising the ORCU team on a day-to-day basis and ensuring that all safeguards, procurement, and FM procedures are efficiently and effectively applied.
- Participates in regional-level planning processes and ensures that OFLP-ERP objectives and activities are fully integrated.
- Liaises through OEAA with key national decision-making bodies such as MEFCC, national REDD+ secretariat, MoF, national planning commission, and other relevant sector ministries, on forest and land use issues for better coordination of activities, use of financial resources, and technical and policy support for scaling up action to reduce deforestation and forest degradation thus improving overall use of land and natural resources.
- Leads the development and implementation of the enabling environment for ER payments, including participation in the preparation of the Benefit Sharing Mechanism,

MRV/REL (requiring liaison with the national-level MRV/REL Unit), safeguards (including Grievance Redress Mechanism), and other requirements as appropriate.

DELIVERABLES

The deliverables required from the Program Coordinator include: (i) Planning and convening various critical meetings (Steering Committee and Technical Working Group, and other coordination platforms), (ii) Review the consolidated AWPB and PP for OFLP-ERP and make sure these are consistent with the program's legal documents, the PIM and the PAD before seeking internal clearances of the OEAA's director general, the steering committee and officially submitting for the World Bank, (iii) Represents the OFLP-ERP in various international, national and regional events, (iv) Review the consolidated periodic reports for OFLP-ERP and make sure these sufficiently reflect both the physical and financial performances as compared to the approved AWPB and PP while ensuring the reports meet the minimum standard and quality before seeking internal clearance of the OEPA's director general and then officially submitting to the Oromia VP office, the MEFC and the World Bank and (v) In collaboration with Development Partners, plans and leads periodic implementation support missions.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the OFLP Program Coordinator are summarized below:

- Master's degree or equivalent in forestry, natural resources, Environmental economics, environmental science;
- Experience in environmental policy, international development, organizational development;
- A minimum of twelve years of professional or equivalent experience in development, and project/program management;
- Experience in policy support and/or project implementation in Ethiopia, in Oromia is an asset;
- Proven ability to plan, organize and effectively implement activities;
- Experience in coordination and ability to work in teams, as well as in complex environments.
- Good communications skills, including fluency in English, Amharic and Oromiffa;

- Understanding of government functioning;
- Experience in dialogue processes between Government and civil society, and on consensus building;
- Knowledge of REDD+ and climate change is an asset;
- Proven written, analytical, presentation and reporting skills and demonstrated computing skills and
- Good communication skills, including fluency in English, Amharic and Afaan Oromo (ability to write and speak in Afaan Oromo is mandatory).

SUPERVISION, COORDINATION AND REPORTING

The ORCU Program Coordinator will play a coordinating function between the relevant national and regional implementing agencies, National REDD+ Secretariat, and the Civil Society Organizations, NGOs and the Private sector and other various REDD+ stakeholders in Oromia National Regional State.

S/he will be based at the ORCU in the OEPA in Finfinnee, and reports to the OEPA director general or his delegate. The PC will also communicate with the SC and the World Bank Task Team Leader as and when needed to ensure timely project progress, smooth flow of funds, proper procurement and financial management of Mobilization grant, adequate safeguards implementation, collaboration with relevant ongoing projects in Oromia and elsewhere and more. Project progress will be reported as indicated in the mobilization grant agreement, as well as any reports requested by the Vice President of Oromia, OEPA and the Steering Committee.

2. ENVIRONMENTAL SAFEGUARD SPECIALIST

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP-ERP include all of Oromia's 292 rural woreda.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the OFLP-ERP over the coming Six-years. The grant seeks to foster equitable and sustainable low carbon development

in Oromia through on-the-ground “enabling investments” that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an “enabling environment” through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, He/Hewill support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2024, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP-ERP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP-ERP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, ORCU is led by Oromia Environment Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP-ERP implementing unit within OEFCCA. As such, OEFCCA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of an Environmental Safeguards Specialist in OFLP-ERP.

KEY DUTIES AND RESPONSIBILITIES

The Environmental Safeguards Specialist will ensure the environmental impacts and risks associated with implementation of Oromia Forested Landscape Program Emission Reduction Project activities are addressed from early stage as per the safeguards requirements of the GoE and the World Bank and ensure that proper communications related to safeguards management across relevant initiatives and stakeholders are maintained in the entire regional State of Oromia.

SPECIFIC TASKS

The ORCU Environmental Safeguards Specialist:

- Under the guidance and oversight of the ORCU Coordinator, closely works with the national REDD+ social safeguards specialist, to ensure that the environment safeguards instruments prepared for OFLP-ERP are effectively and efficiently implemented and monitored across the Oromia National Regional State;

- Co-leads (with the social safeguards specialist) the implementation of the safeguards subcomponent activities financed by the OFLP-ERP grant;
- Follows up on and ensures the establishment/strengthening of functional OFLP-ERP environment safeguards systems across the state;
- Ensures the integration of environmental issues into the OFLP-ERP and other REDD+-relevant initiatives;
- Prepares environmental and social safeguards training and awareness materials for capacity building of OFLP-ERP stakeholders found at different administrative levels;
- Provides technical support on environmental safeguards capacity building, implementation, monitoring, communication, and documentation;
- Monitors environmental safeguards compliance and outcomes during OFLP-ERP implementation;
- Prepares and submits regular reports on environmental safeguards to the Oromia REDD+ coordinator and
- Performs any additional responsibilities and tasks as needed by the ORCU coordinator.

DELIVERABLES

The deliverables required from the Environmental Safeguards Specialist include: (i) Consolidated AWPB and PP for activities identified under environmental safeguards management subcomponent of OFLP-ERP;(ii) prepare environmental safeguard training and awareness materials, and training/awareness reports; (iii) prepare consolidated periodic reports on Environmental Safeguards Management of OFLP-ERP, (iv) prepare consolidated periodic environmental performance monitoring report; and (v) identify, report and document lessons learnt on OFLP-ERP environmental safeguards management,(vi) draft mission agendas, discussion notes, presentations related to his/her profession, training materials prepared, training schedule (vii) back office reports (field reports including constraints and suggested action for management attention), minutes, produced templates for data collection and etc.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the Environmental Safeguards Specialist are summarized below:

- MSC/BSc Degree in the fields of Forestry, Ecology, Environmental Sciences, or related fields;
- Experience of at least eight years for MSc or ten years for BSc in the field of environmental impact assessment, forest conservation or other development projects;
- Experience with communication in the development context;

- Experience in environmental impact evaluation is an important asset;
- Knowledge of safeguard policies, and REDD+ is an asset;
- Experience in dialogue processes between Government and civil society, and on consensus building;
- Knowledge of REDD+ and climate change is an asset;
- Proven written, analytical, presentation and reporting skills and demonstrated computing skills and
- Good communication skills, including fluency in English, Amharic and Afaan Oromo (ability to write and speak in Afaan Oromo is mandatory).

SUPERVISION AND COORDINATION

The Environmental Safeguards Specialist will be a team member of the ORCU and closely works with the Environmental Safeguards Specialists of National REDD+ Secretariat, the Social Safeguards Specialist of ORCU and OEFCCA's EIA Specialists. S/he will be based at the ORCU in the OEPA in Addis Ababa, and reports to the ORCU Coordinator.

3. SOCIAL SAFEGUARD SPECIALIST

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP-ERP include all of Oromia's 292 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program Emission Reduction Project to implement the OFLP-ERP over the coming six-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground "enabling investments" that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an "enabling environment" through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, she/He will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in

selected sites of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2018, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP -ERP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP-ERP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP-ERP is led by Oromia Environmental Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP-ERP implementing unit within OEPA. As such, OEPA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of a Social Safeguards Specialist in ORCU.

KEY DUTIES AND RESPONSIBILITIES

The ORCU Social Safeguards Specialist will ensure the social impacts and risks associated with implementation of Oromia Forested Landscape Program activities are addressed from early stage as per the social safeguards requirements of the GoE and the World Bank and ensure that proper communications related to social safeguards management across relevant initiatives and stakeholders are maintained in the entire regional State of Oromia.

SPECIFIC TASKS

The Social Safeguards Specialist:

- Under the guidance and oversight of the ORCU coordinator, closely works with the national REDD+ social safeguards specialist, the ORCU's environmental safeguards specialist to ensure that the social safeguards instruments prepared for the OFLP-ERP are effectively and efficiently implemented and monitored across the Oromia National Regional State;
- Co-leads (with the environmental safeguards specialist) the implementation of the safeguards subcomponent activities financed by the OFLP-ERP grant;

- Follows up on and ensures the establishment/strengthening of functional OFLP-ERP social safeguards systems (GRM, BSM, consultation, participation, and civic engagement; and disclosure of relevant program information to program-affected people and stakeholders) across the state;
- Ensures the integration of social issues into OFLP-ERP activities and other REDD+-relevant initiatives;
- Provides technical support on social safeguards capacity building, implementation, monitoring, communication, and documentation;
- Monitors social safeguards compliance and outcomes during OFLP-ERP implementation;
- Prepares and submits regular reports on social safeguards to the Oromia REDD+ coordinator and
- Performs any additional responsibilities and tasks as needed by the ORCU Coordinator.

DELIVERABLES

The deliverables required from the Social Safeguards Specialist include: (i) Consolidated AWPB and PP for Social safeguards management activities identified under Safeguards subcomponent of OFLP-ERP; (ii) Consolidated periodic reports on Social Safeguards Management of OFLP, (iii) Consolidated periodic social performance monitoring report; and (iv) identify, report and document lessons learnt on OFLP-ERP environmental safeguards management, (v) training materials prepared, field and mission schedules, training schedules, power point presentation, , back office report (field visit report), training event report (vi) produced templates for data collection, (vii) TORs prepared related to on his/her area of expertise& reviewed documents and etc..

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the Social Safeguards Specialist are summarized below:

- MA/BA Degree in the fields of sociology, anthropology, economics, rural development, social-forestry, communication, or related fields;
- Experience of at least eight years for MA or ten years for BA in the field of social impact assessment, forest conservation or other development projects;
- Experience with communication in the development context;
- Experience in social impact evaluation is an important asset;
- Knowledge of safeguard policies, and REDD+ is an asset;

- Experience in dialogue processes between Government and civil society, and on consensus building;
- Knowledge of REDD+ and climate change is an asset;
- Proven written, analytical, presentation and reporting skills and demonstrated computing skills and
- Good communication skills, including fluency in English, Amharic and Afaan Oromoo (ability to write and speak in Afaan Oromoo is mandatory).

SUPERVISION AND COORDINATION

The ORCU Social Safeguards Specialist will be a team member of the ORCU and closely works with the Social Safeguards Specialist of the National REDD+ Secretariat, the Environmental Safeguards Specialist of ORCU, OFLP Safeguards Coordinators, and OEPA's EIA Specialists. S/he will be based at the ORCU in the OEPA in Addis Ababa, and reports to the Oromia REDD+ Coordination Unit.

4. FOREST RESOURCE ASSESEMENT & MRV SPECIALIST

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's 292 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the OFLP-ERP over the coming Six-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground "enabling investments" that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an "enabling environment" through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, He/She will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2018, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP-ERP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP-ERP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP-ERP is led by Oromia Environmental Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP-ERP implementing unit within OEPA. As such, OEPA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of Forest Resource Specialist in ORCU.

KEY DUTIES AND RESPONSIBILITIES

The OFLP-ERP Forest Resource Assessment and MRV Specialist will be responsible for planning and follow-up of OFLP-ERP activities related to forest development, conservation and sustainable forest management across the Oromia national Regional state.

SPECIFIC TASKS

- Under the guidance and oversight of the ORCU coordinator and in close coordination of OEPA's regional Forestry and MRV team and , MRV specialist of ORCU, coordinates forest sector investment activities identified under Forest Management Investment Subcomponent of OFLP-ERP;
- Maintains close working relationships and helps coordinate with GoE's sectors and other related initiatives/projects that affect or are affected by forest sector activities;
- Supervises and provides technical support to sectors and projects by ensuring that technically sound and harmonized on-the-ground forest investment activities are being applied across sectors and projects;
- Participates in policy development and economic analyses activities;
- Assists on forest resource monitoring, MRV, M&E, development of Forest Management Information System, and other related OFLP activities, as needed;
- Develop and implement activities in the OFLP-ERP annual work plan and budget related to forest MRV and work closely with other ORCU team members and sector offices more generally on monitoring and information management for forest and land-use;

- Lead regional level forest inventory operations, prepare and compile boundary maps and shape files of forests and restoration sites, clean, store and analyze field data according to the national guidelines/standards, operational procedures;
- Update regional level activity data (AD) and emission factor (EF) data sets of the region with the support from the N-MRV unit, compile and communicate all the data to the N-MRV unit;
- Regularly collecting and organizing primary and secondary activity data (AD and EF) from lower levels;
- Calculating program level GHG emissions and emissions reductions including associated uncertainties;
- Provide technical assistant to assistant MRV specialist and the Woreda forestry experts on application of tools, operational procedures for field data collection, compilation and communication to regional MRV unit.
- Ensure concurrence and compatibility in using the methodologies and reporting through checking against the standard operational procedures developed by the national;
- Coordinate forest resources inventory, monitoring and MRV activities across Oromia;
- Help the coordination of OFLP-ERP activities with other initiatives/projects operating in Oromia by ensuring a harmonized methodological framework developed for the region is adopted across the board (carbon stock and emissions reduction);
- Lead the establishment of a forest management information system (MIS) and development of associated soft and hard ware capacities within ORCU;
- Compile all primary and secondary data and results generated at project/intervention levels;
- Check all data and results in order to confirm that these are in accordance to the standards defined in the MRV modalities, these requiring technical level reviews including checking geographical data or biometric data from biomass surveys;
- Work very closely with ORCU M & E specialist to ensure data consistency, transparency, efficiency and proper documentation of data related to forest resources and land uses
- Ensure quality of the data collected/generated from lower level by woreda forestry experts and different projects and assistant MRV specialist based at ORCU
- Support in hiring, steering and quality control of MRV-related consultancies; and
- Collects relevant forest-sector-related data/information;
- Prepares and submits regular reports and
- Performs any additional responsibilities and tasks as needed by the OFLP Coordinator.

DELIVERABLES

The deliverables required from the Forest Resource Specialist include (i) Consolidated AWPB and PP for on-the-ground investment activities identified under forest management investment subcomponent of OFLP-ERP; (ii) Prepare consolidated periodic reports on forest management investments of OFLP, (iii) Consolidated reports on activities implemented by different sectors and partners throughout the state related to forest protection, development and management, and (iv) identify, report and document lessons learnt on forest management investment activities conducted using project resources (A/R, PFM and forest based livelihoods), (v) Contribute and involve in development of Forest Management Information System for OFLP, (vi) Elaborate and draft ToRs, technical and meeting notes for the activities in his areas of expertise, (vii) draft mission agendas, discussion notes, minutes, presentations related to forest investment activities, training materials prepared, training schedule (viii) back office reports (field reports including constraints and suggested action for management attention), produced templates for data collection and etc.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the Forest Resource Assessment and MRV Specialist are summarized below:

- MSc/BA degree in the fields of Forestry, Silviculture, Ecology, Natural Resources Management, or related fields;
- Experience of at eight years for MSc or ten years for BSc in the field of forest development, forest conservation, forest utilization and Participatory Forest Management;
- Experience with communications in the development context;
- Experience in forestry project management and implementation is an important asset;
- Knowledge of national and regional forest policies, and REDD+ is an asset;
- Good communication skills, including fluency in English, Amharic and Afaan Oromoo (ability to write and speak in Afaan Oromoo will be mandatory)
- Experience in social impact evaluation is an important asset;
- Knowledge of safeguard policies, and REDD+ is an asset;
- Experience in dialogue processes between Government and civil society, and on consensus building.

- Proven written, analytical, presentation and reporting skills and demonstrated computing skills

SUPERVISION AND COORDINATION

The Forest Resource Assessment and MRV Specialist will be a team member of the ORCU and closely works with all OEPA's and OFWE's Regional, Zonal and Woreda offices (in particular these falling within deforestation hotspots) on issues related to forest development, conservation and sustainable forest management. S/he will be based at the ORCU in the OEPA in Addis Ababa, and reports to the ORCU Program Coordinator.

5. MRV SPECIALIST

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's 287 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the OFLP-ERP over the coming five-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground "enabling investments" that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an "enabling environment" through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, it will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites in 49 districts of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2018, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP-ERP

implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP is led by Oromia Environmental Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP-ERP implementing unit within OEPA. As such, OEFCCA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of a Measurement, Reporting and Verification (MRV) Specialist in ORCU.

KEY DUTIES AND RESPONSIBILITIES

The MRV Specialist is responsible for development of a regional forest monitoring system and of a database management system which serves REDD+ reporting as well as overall forest monitoring objectives including biodiversity and social safeguard monitoring of REDD+ activities and other related information.

SPECIFIC TASKS

The MRV Specialist will:

- Develop and implement activities in the OFLP-ERP annual work plan and budget related to forest MRV and work closely with other ORCU team members and sector offices more generally on monitoring and information management for forest and land-use;
- Lead regional level forest inventory operations, prepare and compile boundary maps and shape files of forests and restoration sites, clean, store and analyze field data according to the national guidelines/standards, operational procedures;
- Update regional level activity data (AD) and emission factor (EF) data sets of the region with the support from the N-MRV unit, compile and communicate all the data to the N-MRV unit;
- Regularly collecting and organizing primary and secondary activity data (AD and EF) from lower levels;
- Calculating program level GHG emissions and emissions reductions including associated uncertainties;
- Provide technical assistant to assistant MRV specialist and the Woreda forestry experts on application of tools, operational procedures for field data collection, compilation and communication to regional MRV unit.
- Ensure concurrence and compatibility in using the methodologies and reporting through checking against the standard operational procedures developed by the national;
- Coordinate forest resources inventory, monitoring and MRV activities across Oromia;
- Help the coordination of OFLP-ERP activities with other initiatives/projects operating in Oromia by ensuring a harmonized methodological framework developed for the region is adopted across the board (carbon stock and emissions reduction);

- Lead the establishment of a forest management information system (MIS) and development of associated soft and hard ware capacities within ORCU;
- Compile all primary and secondary data and results generated at project/intervention levels;
- Check all data and results in order to confirm that these are in accordance to the standards defined in the MRV modalities, these requiring technical level reviews including checking geographical data or biometric data from biomass surveys;
- Work very closely with ORCU M & E specialist to ensure data consistency, transparency, efficiency and proper documentation of data related to forest resources and land uses
- Ensure quality of the data collected/generated from lower level by woreda forestry experts and different projects and assistant MRV specialist based at ORCU
- Support in hiring, steering and quality control of MRV-related consultancies; and
- Performs other tasks assigned by ORCU Coordinator.

DELIVERABLES

The deliverables required from the MRV Specialist include: regional land use maps; regional level forest inventory data (AD & EF) including shape files; emission reduction and removals reports; established system for storing and managing regional level data set; analysis of reports on forest; updated regional level FRL; sampling design documents; Training manuals and data collection templates ,periodic ER reports; inputs to AWPB & PP; reviewed reports, inputs to mission document preparation; minutes of workshops/meetings, TORs, and inputs in development of regional Forest management Information systems and etc.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the MRV Specialist are summarized below:

- MSc/MA in the fields of Remote Sensing (RS) and GIS plus BSc in forestry fields;
- Relevant demonstrated work experience of at least three in RS and GIS after holding an MA/MSc in RS and GIS plus four years in areas of forest inventory, forest management planning and other related forest operations;
- Solid knowledge and experience on natural resource inventory theory and methodologies, forest monitoring;
- Demonstrated expertise in GIS and Remote Sensing applications and forest inventory planning and implementation;
- Strong quantitative and qualitative analytical skills;

- Proficient computer skills, in particular MS Excel and Access;
- High attention to detail and timeliness, particularly in the collection, organization and analysis of information;
- Resourceful, creative, and highly adaptive to new work environments;
- Knowledge of REDD+ is an asset;
- Excellent communication skills, including fluency in English, Amharic and Afan Oromoo (ability to write and speak in Afaan Oromoo is mandatory).

SUPERVISION AND COORDINATION

The MRV Specialist is a team member of Oromia REDD+ Coordination Unit based in OEPA regional office and closely works with MRV Unit of the Ministry of Environment, Forest and Climate Change, other relevant government and non-governmental agencies, civil society organizations and the private sector. S/he reports to OFLP Coordinator.

6. MONITORING AND EVALUATION SPECIALIST

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's 292 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the OFLP over the coming five-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground “enabling investments” that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an “enabling environment” through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, she/he will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites in 49 districts of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2018, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP-ERP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP-ERP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP-ERP is led by Oromia Environmental Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP implementing unit within OEPA. As such, OEPA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of a Monitoring and Evaluation Specialist in OFLP.

KEY DUTIES AND RESPONSIBILITIES

The ORCU Monitoring and Evaluation (M&E) Specialist will ensure the M&E framework including M&E manual for the program is in place, and responsible for preparation of OFLP-ERP annual work plan, budget and compile progress reports for review by regional steering committee.

SPECIFIC TASKS

The M&E Specialist:

- Coordinate and supervise OFLP-ERP plans (physical and financial) at all levels of OFLP structures (regional, zonal and woreda levels);
- Leads M&E by ensuring periodic and high-quality and consistent data compilation and consistent aggregation at all levels;
- Manage development of data collection methods and tools (survey tools);
- Prepare formats and enters monitoring data for eventual processing and tracking of OFLP progress;
- Facilitate capacity building trainings to ORCU staff on M&E, data collection and processing methods and use of monitoring tools;
- Liaise with sectors' M&E experts, officials of other initiatives/projects for adoption and use of unified M&E results framework (monitoring indicators, data collection and processing system);

- Compile and submit periodic M&E reports and also coordinate/carryout periodical reviews;
- Assist in the preparation of periodic World Bank Group implementation support missions with M&E focus and
- Perform other responsibilities and tasks as requested by the ORCU Coordinator.

DELIVERABLES

The deliverables required from the M&E Specialist include but not limited to: (i) Consolidated reports on activities (physical and financial) carried out regularly, (ii) analytical briefings as requested by the ORCU Coordinator, (iii) mission agendas, (iv) discussion notes, (v) minutes, (vi) presentations related to M&E, (vii) training materials, training schedule, back office reports, (viii) templates/tools for data compilation & collection and communicate to field staff, (ix) reviewed reports/documents, consolidated reports, and etc.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the M&E Specialist are summarized below:

- MA/BA degree in economics, agricultural economics, sociology or socio-economic & relevant fields from recognized university. Relevant MSc degree is an advantage;
- A minimum of eight years of work experience for MA or ten years for BA in the field of M&E;
- Sound knowledge of participatory M&E approaches and techniques;
- Fluency in written and spoken English, Afan Oromo Excellent written and spoken communication skills in English and Amharic (ability to write and speak in Oromifa will be an advantage);
- Sound knowledge in the development of result/performance based indicators;
- Experience in developing and managing M&E systems;
- Good computer skills both for entering and analyzing the data in the standard M&E systems;
- Experience in projects financed by external donors is an advantage and
- Knowledge and experience on REDD+ topics, climate change mitigation and adaptation strategies, forest management and natural resource management.

SUPERVISION AND COORDINATION

The M&E Specialist will be based at ORCU in OEPA regional office in Finfinne, and closely works with all project staff and relevant experts of OEPA and other implementing sectors at all levels of administration. S/he reports to the OFLP Coordinator.

7. FINANCIAL MANAGEMENT SPECIALIST

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP-ERP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's 287 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the OFLP-ERP over the coming six-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground "enabling investments" that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an "enabling environment" through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, she/he will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites in 49 districts of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2018, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP-ERP is led by Oromia Environmental Protection Authority (OEPA), with

Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP_ERP implementing unit within OEPA. As such, OEPA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of a Financial Management Specialist based at EPA in the ORCU.

KEY DUTIES AND RESPONSIBILITIES

The Financial Management Specialist based at OEPA oversees and facilitates the overall Financial Management (FM) of OFLP-ERP at federal level and communication with the WB and OEPA on Financial Management affairs.

SPECIFIC TASKS

The Financial Management Specialist based at OEPA:

- Oversees, monitors and facilitates the overall financial management aspects of OFLP-ERP program work plans and budgets for ORCU and OEPA;
- Ensure consistency of the allocation of financial resources;
- Responsible for the day-to-day management of the Designated Account and the Birr account;
- Provide guidance, training and support to OEPA/ORCU and other implementing agencies on financial management, and disbursement and reporting of the ORCU resources to ensure the timely implementation and reporting on the project;
- Disburses resources to OEPA as per the instruction of the ORCU, collect reports from these institutions and consolidate and report on the use of funds to government, donors, and other stakeholders;
- Collects and aggregates financial data and information from regions and prepares consolidated quarterly and annual financial reports to be submitted to the World Bank and MoFEC, and handle the audit of the project financial statements and
- Liaises with the NBE and World Bank on disbursement of funds to OEPA.
- Performs other tasks assigned by the National REDD+ and ORCU Coordinators.

DELIVERABLES

The deliverables required from the project accountant include but not limited to the following:

- A detailed Work Plan and procurement plan;

- Financial Management plan and updated project financial plan;
- Financial data management and reporting system;
- Organizing “good practice” documentation of OFLP-ERP financial transactions in both soft and hard copies; and
- Progress or monitoring report of project Financial Management plan.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the Financial Management Specialist based at OEPA are summarized below:

- MA/BA in financial management, accounting, business administration or relevant fields obtained from recognized university;
- Practical experience in financial management of at least eight years;
- Experience of working for projects financed by external donors;
- Knowledge of financial policies and procedures of the World Bank is an important asset;
- Knowledge of computerized financial management system and
- Excellent communication skills, including fluency in English, Amharic and Afan Oromo (ability to write and speak in Afaan Oromo is mandatory).

SUPERVISION AND COORDINATION

The FM Specialist based at OEPA will be a team member of National REDD+ Secretariat and closely works with the OEPA/ORCU, EFD /National REDD+ Secretariat and the World Bank. The FM Specialist based at OEPA reports to National REDD+ Secretariat and the ORCU Coordinators.

9. PROCRUMENT SPECIALIST

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State’s programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's 287 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the OFLP over the coming five-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground “enabling investments” that address deforestation, reduce

land-use based emissions, and enhance forest carbon stocks, and developing an “enabling environment” through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, she/he will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites in 49 districts of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2018, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP-ERP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP-ERP is led by Oromia Environmental Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP-ERP implementing unit within OEFCCA. As such, OEFCCA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of a Procurement Specialist in ORCU.

KEY DUTIES AND RESPONSIBILITIES

The Procurement Specialist will be a key staff member of the Oromia REDD+ Coordination Unit whose key roles would be to increase the efficiency of the processing of procurement including:

- supporting and strengthening of the structures for procurement management of the sub procurement process of the Oromia Environmental Protection Authority (OEPA);
- Coordinate, plan and carry out all procurement activities of the program under close supervision of the Program Coordinator;
- Technically assist the program's overall procurement management and timely execution of the agreed procurement plan and responsible for all program procurement transactions and documentations and.

SPECIFIC TASKS

The Procurement Specialist:

- Review program Reports, program Appraisal Documents, Development Financing Agreements, Supervision Mission Aide Memoires (if any), Post Procurement Review (PPR) Mission Reports (if any) and Federal and Regional Government Public Procurement Proclamations and Directives, to ensure that that s/he is aware of the elements of established program arrangement and agreements concerning procurement; issues arising and the requirements of the program procurement systems;
- Prepare and get approved procurement Plan and carry out procurement activities consistent with the approved Procurement Plan;
- Support other program procurement implementing offices and visits to these agencies to provide the necessary technical support, if required;
- At PCU, meet with the top leadership of ORCU and all the staff involved in procurement and advise on the provisions of the applicable public procurement proclamation and directives, as well as the development Financing Agreement for the program concerned and agree a structure and work flow necessary for efficient procurement performance;
- Assist procurement plan implementation of the program for works, goods and consultancy services in accordance with World Bank's Procurement Guidelines;
- Provide technical support and guidance to ORCU program coordinator and the program team in all aspects of procurement of works, Goods, consultancy services and non-consultancy Services;
- Initiate and coordinate training for Procurement staff in procurement with particular focus on IDA/World Bank procurement procedures;
- Monitor the program procurement implementation by OFLP to ascertain compliance with IDA procurement regulations;
- Update the program's Procurement Plan as appropriate in consultation with World Bank;
- Coordinate/guide the preparation of Terms of Reference, Specifications, and Bidding documents for works, Goods & Consultant Services;
- Coordinate the bid evaluation process and thereafter preparation of bid evaluation report for submission to the relevant authorities for approval and to The World Bank for No Objection, if required;
- Advise on responding to procurement enquiries and complaints by prospective bidders and/or consultants;
- Advise on follow-up and Management of contracts by the program;
- Ensure that proper maintenance of files and Procurement Register Books are up-to-date.
- Develop and implement a proper procurement tracking system;
- Develop a system and advise the program coordinator on fast inspection and acceptance of works, consultancy services deliverables and goods procured;

- Develop a procurement processing, monitoring and reporting system and take a lead in the preparation of regular reports on the status of procurement activities in the program;
- Prepare reports and participate in OFLP-ERP implementation support missions and Mid-Term Reviews by the Development partners, as found necessary;
- Advice on how to follow up on shortages and defective supplies/services that are in breach of contract provisions and
- Perform any additional responsibilities and tasks as needed by the ORCU Coordinator.

DELIVERABLES

The deliverables required from the Procurement Specialist include: (i) A detailed Work Plan and procurement plan; (ii) Procurement plan and updated project procurement plan; (iii) A procurement data management and reporting system; (iv) Organizing “good practice” bidding documents and evaluation reports for each method of procurement for works, goods, non-consulting services, and consulting services in both soft and hard copies; Progress or monitoring report of project procurement plan and etc.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the Procurement Specialist are summarized below:

- Minimum of Bachelor degree or equivalent of an advanced degree with a major in a relevant discipline (e.g. Engineering, Law, Procurement, Finance, Business or Commerce);
- A minimum of four years of direct relevant experience for MA/MSc and six years for BSc/BA in public procurement, including broad expertise in the management of procurement in the public and/or private sector;
- Having direct relevant experience in the procurement management of World Bank or other donor financed programs is an asset;
- State-of-the-art knowledge of the concepts, principles and practices which govern international procurement, the contracting of consultant services, the development of public procurement policies, among others;
- Seasoned knowledge of all major facets of Bank operations and procurement policies and practices as applied across a range of Bank lending operations at all phases of the program cycle, and ability to address broader issues at sector/country level;
- Proven analytical and evaluative skills, including the ability to independently provide well-researched analyses on key procurement issues and problems;
- Knowledge of country conditions generally and of procurement-related legislation, systems and practices;

- Good understanding of critical linkages and relationships among clients' business drivers, business operations and objectives and Procurement processes;
- Ability to promote client commitment to ensuring implementation and longer-term sustainability of program;
- General knowledge of training methods is an asset;
- Strong communication skills and persuasiveness in presenting, negotiating and resolving highly complex issues, both orally and in writing in English (ability to write and speak in Afaan Oromoo will be mandatory) and
- Strong interpersonal skills and orientation as a team member.

SUPERVISION AND COORDINATION

The Procurement Specialist will report on all her/his activities to the ORCU program coordinator of but will liaise with all Implementing offices of the ORCU On all administrative matters, the Procurement Specialist will report to the Program coordinator.

10. LIVESTOCK MRV SPECIALIST

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's 287 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the OFLP-ERP over the coming five-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground "enabling investments" that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an "enabling environment" through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, it will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites in 49 districts of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2018, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP-ERP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP is led by Oromia Environmental Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP-ERP implementing unit within OEPA. As such, OEFCCA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of a Measurement, Reporting and Verification (MRV) Specialist in ORCU.

KEY DUTIES AND RESPONSIBILITIES

The LIVESTOCK MRV Specialist is responsible for development of a regional forest monitoring system and of a database management system which serves REDD+ reporting as well as overall forest monitoring objectives including biodiversity and social safeguard monitoring of REDD+ activities and other related information.

SPECIFIC TASKS

The MRV Specialist will:

- Develop and implement activities in the OFLP-ERP annual work plan and budget related to forest MRV and work closely with other ORCU team members and sector offices more generally on monitoring and information management for forest and land-use;
- Lead regional level forest inventory operations, prepare and compile boundary maps and shape files of forests and restoration sites, clean, store and analyze field data according to the national guidelines/standards, operational procedures;
- Update regional level activity data (AD) and emission factor (EF) data sets of the region with the support from the N-MRV unit, compile and communicate all the data to the N-MRV unit;
- Regularly collecting and organizing primary and secondary activity data (AD and EF) from lower levels;
- Calculating program level GHG emissions and emissions reductions including associated uncertainties;
- Provide technical assistant to assistant MRV specialist and the Woreda forestry experts on application of tools, operational procedures for field data collection, compilation and communication to regional MRV unit.
- Ensure concurrence and compatibility in using the methodologies and reporting through checking against the standard operational procedures developed by the national;

- Coordinate forest resources inventory, monitoring and MRV activities across Oromia;
- Help the coordination of OFLP-ERP activities with other initiatives/projects operating in Oromia by ensuring a harmonized methodological framework developed for the region is adopted across the board (carbon stock and emissions reduction);
- Lead the establishment of a forest management information system (MIS) and development of associated soft and hard ware capacities within ORCU;
- Compile all primary and secondary data and results generated at project/intervention levels;
- Check all data and results in order to confirm that these are in accordance to the standards defined in the MRV modalities, these requiring technical level reviews including checking geographical data or biometric data from biomass surveys;
- Work very closely with LSDP M & E specialist to ensure data consistency, transparency, efficiency and proper documentation of data related to forest resources and land uses
- Ensure quality of the data collected/generated from lower level by woreda forestry experts and different projects and assistant MRV specialist based at MoA
- Support in hiring, steering and quality control of MRV-related consultancies; and
- Performs other tasks assigned by LSFDP Coordinator.

DELIVERABLES

The deliverables required from the MRV Specialist include: regional land use maps; regional level forest inventory data (AD & EF) including shape files; emission reduction and removals reports; established system for storing and managing regional level data set; analysis of reports on forest; updated regional level FRL; sampling design documents; Training manuals and data collection templates ,periodic ER reports; inputs to AWPB & PP; reviewed reports, inputs to mission document preparation; minutes of workshops/meetings, TORs, and inputs in development of regional Forest management Information systems and etc.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the LIVESTOCK MRV Specialist are summarized below:

- MSc/MA in the fields of Remote Sensing (RS) and GIS plus BSc in forestry fields;
- Relevant demonstrated work experience of at least three in RS and GIS after holding an MA/MSc in RS and GIS plus four years in areas of forest inventory, forest management planning and other related forest operations;
- Solid knowledge and experience on natural resource inventory theory and methodologies, forest monitoring;

- Demonstrated expertise in GIS and Remote Sensing applications and forest inventory planning and implementation;
- Strong quantitative and qualitative analytical skills;
- Proficient computer skills, in particular MS Excel and Access;
- High attention to detail and timeliness, particularly in the collection, organization and analysis of information;
- Resourceful, creative, and highly adaptive to new work environments;
- Knowledge of REDD+ is an asset;
- Excellent communication skills, including fluency in English, Amharic and Afan Oromoo (ability to write and speak in Afaan Oromoo is mandatory).

SUPERVISION AND COORDINATION

The MRV Specialist is a team member of LSDP Unit based in MoA and closely works with MRV Unit of the Ministry of Agriculture, other relevant government and non-governmental agencies, civil society organizations and the private sector. S/he reports to OFLP Coordinator.

The reports required/expected from the OFLP-ERP Procurement Specialist will be in both soft and hard copies and distributed to: (i) the Program coordinator, (ii) the Head of procurement sub process of OEPA, and (iii) the relevant offices of OEPA. The title, contents, and timing of the reports will be as in the table below:

S/n.	TITLE	CONTENT	TIMING
1	Work Plan	Schedule of engagement	Working Days from Commencement of the Assignment
2	Agreed Organization and Work Flow for the Procurement Function	Description of the organization structure for procurement management and the detailed Procurement Work Flow design including the Actors, as well as their roles and Responsibilities	Working days after the finalization and approval of the schedule of engagement
3	Progress/procurement Plan implementation	Plan and actual with specific recommendations for improvements	Quarterly

	monitoring report		
4	Status of the procurement function	The Staffing strength (including qualifications, experience and procurement training attended) manning the procurement function, the updated program procurement plan, and outstanding procurement issues	Quarterly after concluding the provision of hand-holding procurement support to each procurement staff in OFLP and OEPA
5	Assignment Final Report	Review of the impact of the assignment, issues and lessons learned, recommendations for further improvement	At the end of the Assignment/yearly

11. LEGAL, POLICY AND COMMUNICATION SPECIALIST.

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's 292 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the OFLP over the coming five-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground "enabling investments" that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an "enabling environment" through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, He/she will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites in

49 districts of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2018, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP-ERP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP is led by Oromia Environmental Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP-ERP implementing unit within OEFCCA. As such, OEPA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of Institutions and Policy Specialist in OFLP.

KEY DUTIES AND RESPONSIBILITIES

The Institutions and policy specialist is responsible for development and implementation of activities in the OFLP-ERP annual work program and budget on policy analysis, development, and harmonization, to advance successful forest investment in the Oromia National Regional State. In addition, the specialist is expected to identify gaps in the application of policy, rules, regulations and procedures and provide recommendations to improve them.

SPECIFIC TASKS

The Institutions and Policy Specialist:

- Under the guidance and oversight of the ORCU coordinator, supervises the development and implementation of activities in the ERP joint annual work program and budget on policy analysis, development, and harmonization, to advance successful forest investment in the region;
- Advises on forest-related policy development activities outside the ERP work program;
- Leads the institutional coordination tasks under the ERP operation by analyzing institutional mandates and linkages of implementing government bodies and proposes best options for institutional coordination for ERP implementation at the regional, zone, and woreda levels.
- Leads development and strengthening of new institutions, as required by ERP, including community institutions, cooperatives, user groups, and so on.

- Liaises with higher regional and national policy and decision-making bodies as appropriate, thus seeking strong political and administrative support toward smooth implementation of ERP;
- Under the guidance and oversight of the ORCU, supervises the development and implementation of activities in the ERP joint annual work plan and budget on communication and more generally on monitoring and information management for forest and land use;
- Advises on related monitoring activities outside the OFLP-ERP work plan;
- Leads communication research work to help develop the ORCU's communication strategy and needs in the ERP phase;
- Coordinates development of a communication strategy for ERP;
- Develops and coordinates implementation of capacity-building programs to equip ORCU technical staff, on strategic communication methods and tools;
- Leads the development of outreach programs for ERP by involving local media outlets, journalists, and others means, as needed;
- Leads the preparation and dissemination of ERP newsletters;
- Leads the development of behavioral-change programs targeting deforestation hotspot areas and coordinates consultation programs on proper applications of safeguards, BSM, and GRM in the OFLP woredas and
- Perform any additional responsibilities and tasks as needed by the ORCU Coordinator
- Coordinate research, policy analysis and collaborative dialogue among various stakeholders;
- Performs other tasks assigned by ORCU Program Coordinator.

DELIVERABLES

The deliverables required from the Institutions, Policy and Communication Specialist includes but not limited to: (i) Policy dialogue, (ii) policy briefs, (iii) analytical studies (coordination) on policy and institutional reform and harmonization, (iv) training, (v) local level institution development (PFM, JFM, coops, etc.), (vi) inputs to policy and institution reforms, (vii) inputs to technical and monitoring missions focusing on policy and institutional aspects, (viii) annual work plan and budget, and procurement plan for the activity sets he is responsible for, etc.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the Institutions and Policy Specialist are summarized below:

- MSc/MA, BSc/BA degree in the fields of Natural resource policy, Environmental Sciences, Natural Resource Management, Rural development; Public Administration, Social Science, Development Economics, Agricultural Economics, Natural Resource Economics, political science, environmental law, sustainable development, or other relevant field;

- A minimum of eight years experience for MSc/MA and ten years for BSc/BA, of which at least 5 years relevant professional experience in policy formulation, analysis and evaluation in the NRM sector;
- Proven experience in the development of policy and institutional arrangements;
- Knowledge of the county's forest and natural resource sectors and climate change policies, laws, development and management issues is highly desired;
- Experience working in the forest, natural resource and climate change sectors, especially related to financial and incentive mechanisms.
- Good understanding of institutional framework and forest governance structures at national, regional and local levels;
- Strong management skills including ability to provide strategic guidance and technical oversight;
- Experience in policy and institutional review;
- Good communication skills, including fluency in English, Amharic and Afaan Oromo (ability to write and speak in Afaan Oromo is mandatory).

SUPERVISION AND COORDINATION

The legal and Policy and communication Specialist will be based in OEPA in Finfinne and s/he will report to the ORCU Coordinator.

12. ASSISTANT FINANCIAL MANAGEMENT SPECIALIST

BACKGROUND

The Oromia National Regional State Forested Landscape Emission Reduction Project (OFLP-ERP), a national pilot program, is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's 287 rural woredas.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes Program to implement the OFLP over the coming five-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground "enabling investments" that address deforestation, reduce

land-use based emissions, and enhance forest carbon stocks, and developing an “enabling environment” through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, she/he will support community-centered activities that reduce deforestation and land-use based emissions, as well as enhance forest carbon stocks in deforestation hotspots in selected sites in 49 districts of Oromia. It will set the stage for improving land use management in the rest of the state.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2018, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP-ERP's implementation arrangements involves a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP implementation requires an extensive cross-sectoral policy and investment coordination. Within the regional state of Oromia, OFLP is led by Oromia Environmental Protection Authority (OEPA), with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP implementing unit within OEPA. As such, OEPA/ORCU has decided to use part of the proceeds of the grant to engage multi-disciplinary team of experts to be assigned at different government administrative tiers of the Oromia National Regional State. Therefore, this Terms of Reference (ToR) describes the terms of engagement of a Financial Management Assistant based in the ORCU.

KEY DUTIES AND RESPONSIBILITIES

Under the direct supervision of the Financial Management Specialist based at ORCU, the Financial Management Assistant has the overall responsibility of recording accounting transactions, financial management, monitoring of cash inflow and outflow, budget.

SPECIFIC TASKS

The Financial Management Assistant:

- Reviews payment requests to verify that all the necessary supporting documents have been attached and that the payments are for eligible expenditures as per the grant agreement;
- Makes sure that all payments are made after approval has been obtained from the designated official;
- Monitor checks are used sequentially, appropriately and completed correctly;

- Checks cash payment vouchers and the related documents submitted by the cashier for replenishment are correctly and reconciled with the documents and the cash count;
- Ensure that all cash operation procedures and internal controls are strictly followed;
- Carries out cash count at the end of every week and at any other interval as per the IRC policy;
- Records all cash in office, petty cash and bank transactions on the excel format using the correct codes;
- At the end of the month or at any appropriate shorter interval;
- Reconciles cash balance per records with the result of cash count;
- Reconciles bank balance as per records with the balance on bank statement (Prepare Bank Reconciliation);
- Investigates and explains any difference arising from the reconciliation, if any;
- Sends all original financial documents and financial report prepared in excel format at the end of every month;
- Provides training on government and World Bank financial policy rules and procedures;
- Ensures that the established control systems for assets acquisition, handling and utilization are consistently applied;
- Checks that vehicle fuel consumption is within normal limits by comparing the mileage with the corresponding fuel consumption;
- Tracks the status of personal advances and ensures their timely settlement;
- Make sure the Authorization Schedule issued is in place and appropriated logistics/procurements are completed and attached;
- Make sure taxes and any other liabilities paid timely;
- Coding all the transaction properly on the Finance vouchers as per approved PR;
- Ensure the fulfillment of all financial documents (Collections and disbursements) is as per the government and World Bank audit requirement and

- Perform other relevant tasks assigned by the Financial Management Specialist based at ORCU

DELIVERABLES

The deliverables required from the Financial Management include: (i) A detailed Work Plan and procurement plan; (ii) Financial Management plan and updated project financial plan; (iii) Financial data management and reporting system; (iv) Organizing “good practice” documentation of OFLP-ERP financial transactions in both soft and hard copies and (v) Progress or monitoring report of project Financial Management plan and etc.

REQUIRED SKILLS, COMPETENCIES AND EXPERIENCE

The main skills, competencies and experience required by the Financial Management Assistant are summarized below:

- MA/BA in financial management, accounting, business administration or relevant fields obtained from recognized university;
- Practical experience in financial management of at least six years for MA and eight years for BA;
- Experience of working for projects financed by external donors;
- Knowledge of financial policies and procedures of the World Bank is an important asset;
- Knowledge of computerized financial management system and
- Excellent communication skills, including fluency in English, Amharic and Afan Oromo (ability to write and speak in Afaan Oromoo is mandatory).

SUPERVISION AND COORDINATION

The Financial Management Assistant is a team member of Oromia REDD+ Coordination Unit and closely works with Financial Management Specialists of ORCU and the National REDD+ Secretariat, Director of Finance and Property Administration of OEPA and other implementing agencies. S/he will report to the Financial Management Specialist based at ORCU.

Annex 9 ToR to guide E& S Audit and H& S procedures

Terms of Reference for Conducting Environmental Audit

Background

The Oromia National Regional State Forested Landscape Project (OFLP) is Oromia National Regional State’s programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions

from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's rural Woredas. OFLP has three components. These components are Enabling Investments, Enabling Environment and Emissions Reduction (ER) Payments. The enabling investments aim to make investments in participatory forest management and reforestation/afforestation in deforestation hotspots Woredas, as well as extension services, and land-use planning at local levels. The enabling environment aims to improve the effectiveness and impact of institutions, incentives and safeguards management at all levels. The third component is emission reduction purchase agreement that delivered when results will be achieved and verified by a third party.

The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes to implement the OFLP over the coming five-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground “enabling investments” that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an “enabling environment” through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, the grant supports community-centered activities that reduce deforestation and land-use based emissions, as well as enhances forest carbon stocks in deforestation hotspots in selected sites in 51 Woredas of Oromia.

The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2019, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.

OFLP implementation arrangements involve a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. Within the regional state of Oromia, OFLP is led by Oromia Environment, Forest and Climate Change Authority (OEFCCA) with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP implementing unit within OEFCCA. As the drivers of deforestation and forest degradation are often linked to other sectors, OFLP implementation requires an extensive cross-sectoral policy and investment coordination with relevant sectors to keep forests standing.

It was agreed at the UNFCCC Conference in Cancun in 2010 (COP16) that a set of seven safeguards should be promoted and supported while undertaking REDD+ activities. In the Durban Agreement, REDD+ Countries required to develop Safeguard Information Systems (SIS) and submit summary of report. Therefore, countries undertaking REDD+ activities need to develop country level approaches that enable them to respond to the safeguards outlined in the Cancun and Durban Agreements.

The OFLP intervention has the potential to deliver social and environmental benefits that go beyond the reduction of greenhouse gas emissions but may also entail potential risks to people and the environment. These benefits and risks will depend on a number of factors related to specific regional circumstances. To address environmental and social issues of OFLP intervention, OFLP safeguard

instruments (ESMF, RPF, PF, SA and others) have been prepared based on the national REDD+ safeguards instruments, World Bank policy and other relevant national and Oromia regional environmental and social policies and legal frameworks. These safeguards instruments are part and package of the OFLP and their implementation should be integrated with the components of the program.

The capacity building training was offered to relevant implementing partners drawn from all administrative levels of Oromia National Regional State. The objectives of the training were to provide guiding principles for assessment and management of environmental and social aspects of the program activities to be financed under the OFLP, to systematically identify, predict, and evaluate beneficial and adverse environmental and social impacts of the program activities, and to design enhancement measures for beneficial impacts, and implement mitigating measures for adverse impacts. Based upon the capacity building delivered, site specific safeguards instruments were prepared, consulted upon and disclosed; and are being implemented in deforestation hotspot areas of the program.

The environmental and social audit is a management tool consisting of a systematic, documented, periodic and objective evaluation of environmental and social performance, management systems and equipment with the aim of facilitating management control of environmental practices and assessing compliance with an operation's or activity's environmental policies, including meeting regulatory requirements. Environmental audit can help to systematically evaluate OFLP activities and processes to determine how far these activities and programmes comply with the approved OFLP environmental and social safeguard tools. To this end, the study of environmental audit will provide information on the status of OFLP interventions against the OFLP safeguards instruments (SESA, ESMF, RPF and PF, and Consultation and Participation Plan), which were prepared based on the safeguard standards of the GoE system and the World Bank.

2. Objective

2.1. General objective

The general objective of the study is to assess and evaluate the environmental and social safeguards performance of the OFLP, including its subprojects and activities against the OFLP safeguards instruments, and provide recommendation based on the findings of the assessment.

2.2. Specific objectives

The specific objectives are to:

- Review of the environmental and social safeguards implementation status of OFLP activities/interventions, the two legacy REDD+ Projects (Bale Mountains Eco-Region REDD+ Project and REDD+ Joint Forest Management in the five Woredas of Ilu Abba Bora Zone), and REDD+ investment Program (RIP) and others against OFLP safeguard instruments (prepared based on relevant environmental guidelines, regulations and policy document of the GoE, and World Bank Policy);

- Assess any significant environmental and social issues observed/occurred due to OFLP interventions and the two legacy REDD+ project and others, including REDD+ Investment Program (RIP);
- Identify the gaps in implementing the safeguard instruments for OFLP and the environmental and social review of the two legacy REDD+ projects as well as RIP and evaluate the effectiveness of environmental and social management and performance systems of OFLP safeguard instruments;
- Identify and recommend required technical assistance, capacity building training and awareness needed by OFLP staff and relevant stakeholder/implementing partners; and
- Identify feasible, cost-effective mitigation and/or corrective measures and opportunities for overall improvement of environmental and social management practices; and prepare clear action plan accordingly.

3. Scope of the work

The scope of environmental and social auditing will encompass the analysis of the actual environmental compliance of projects/programs(with the OFLP safeguards instruments) in the course of their implementation, through the assessment of the effectiveness of environmental and social impact mitigation and enhancement measures, and the gaps and the challenges(being) occurred under (a) OFLP grant financing; (b) the two legacy REDD+ projects; and (c) programs/projects (including RIP) implemented outside the implementation Woredas of OFLP's enabling investment areas/Woredas. **OFLP** has two components; namely,(a) Enabling Investment(Afforestation and Reforestation (A/R)) implemented by Oromia Environment and Forest Climate Change Authority (OEFCCA) and Participatory Forest Management(PFM) implemented both by OEFCCA and Oromia Forest and Wild life Enterprise (OFWE) in deforestation hotspot areas/Woredas, and (b) Enabling Environment implemented throughout Oromia National Regional State. **The two legacy REDD+ Projects** (Bale Mountains Eco-region REDD+ Project, and REDD+ Joint Forest Management in the five Woredas of Ilu Abba Bora Zone) will be assessed in line with the implementation of the Environmental and Social Review prepared before a year ago. **RIP and other initiatives** (which are not financed by the OFLP) will be assessed in accordance with the OFLP safeguards instruments. Accordingly, the following tasks will be carried out.

- ✓ Review of documents: A review of relevant OFLP environmental and social safeguards instruments (ESMF, PF, RPF, SA, ESMP (prepared for site specific intervention) etc.)that help to implement OFLP (Enabling environment and Enabling investment(A/R and PFM)); and the environmental and social review of the two legacy REDD+ projects; and RIP and other initiatives; as well as safeguards monitoring and biannual/annual reports, among others;
- ✓ Compliance status assessment: Assess whether there is safeguards compliance with the OFLP safeguards requirements, at different administrative levels;
- ✓ Identify gaps in implementing site-specific safeguard instruments (ESMPs) for OFLP subprojects and other REDD+ initiatives (including the two legacy REDD+ projects, and RIP) against the OFLP safeguards instruments to achieve the objectives of the safeguard requirements;

- ✓ Identification of impacts: Identify any environmental impacts (positive and negative) due to implementation of OFLP in hotspot and non hotspot areas; the two legacy REDD+ projects; and RIP and others;
- ✓ Security situation assessment for implementing proposed A/R and PFM subprojects: Assess security issue in some representative Woredas specifically related with A/R and PFM hotspot Woredas if they are accessible;
- ✓ Propose appropriate mitigation measures for the adverse environmental impacts and enhancement measures for beneficial impacts as per the scope of the assignment;
- ✓ Assess consultations: Consult local communities and other relevant stakeholders in OFLP hotspot areas, the two legacy REDD+ projects, and RIP intervention areas regarding their engagement and awareness, including safeguards management, to ensure broader community and stakeholder support of the programs/projects implementations in their respective areas and propose mitigation options;
- ✓ Documentation and Information dissemination: Assess environmental safeguards documentation and information dissemination process of the program and other initiatives at different administrative levels;
- ✓ Safeguards capacity and commitment assessment of implementing institutions: Assess the safeguards capacity and commitment of OFLP and other initiatives (including the two legacy REDD+ projects and RIP), implementing partners and other proponents to ensure safeguards compliance with the OFLP safeguards instruments requirements; and recommend capacity building training and awareness needed if there are gaps;
- ✓ Site visits: Conduct field visits to observe OFLP subprojects, the two legacy REDD+ projects and other initiatives (such as RIP) to obtain first-hand information on environmental management status of representative subprojects/project activities as per site specific safeguards instruments prepared for them;
- ✓ Action plan: Prepare a compliance action plan and/or monitoring plan for OFLP, the two legacy REDD+ projects and other initiatives, including RIP;
- ✓ Propose appropriate recommendations based on the outputs of the assignment.

4. Methodology

To achieve the assignment/task listed above, the consultant will:

- Conduct desk review of the relevant documents of OFLP (including OFLP safeguards instruments (includes site specific safeguard instruments, ESMF, SA, RPF, PF, etc.), ESR of the two legacy REDD+ projects, and others initiatives (including RIP) and policy and legal frameworks of GoE and World Bank Safeguards Policy etc;
- Conduct meetings, interviews and focus group discussion with concerned stakeholders (OEFCCA/ORCU, OFWE, FARM AFRICA, EWNRA etc. at different administration levels, development agents (DAs), local leaders and local community to get their opinion and reflection on the impact and procedure of safeguard management due to OFLP intervention (Enabling Environment and Enabling Investment) and other initiatives, including the two legacy REDD+

Projects (Bale Mountains Eco-region REDD+ Project, and REDD+ Joint Forest Management in the five Woredas of Ilu Abba Bora Zone) and REDD+ Investment Program (RIP), among others;

- Conduct field visits to gather relevant information (such as physical, environmental and social) from selected program intervention/implementation sites, including A/R, PFM and the two legacy REDD+ Projects; and identify safeguards issues in the respective sites clearly.

5. Supervision and Responsibility

The consultant will work under the direct supervision of the Oromia REDD+ Coordination Unit and will also receive technical support from the EFCCC, OEFCCA and the World Bank task team members. The consultant organizes the report and conduct field visit to the intervention areas together with the consultant hired by ORCU for social audit. In addition, the consultant will work closely with the social consultant whose contract will run along with this consultancy. The findings of the two assessments will be combined into a single document to provide a clear picture of how Environmental and Social Safeguards Management is exercised by the Oromia Forested Landscape Program, the two legacy REDD+ Projects and other initiatives, including RIP.

ORCU will facilitate field visits, meetings for the consultants, provide relevant information/documents on the Program as well as will engage through each consultative process.

6. Deliverables

The consultant will prepare and submit:

1. Inception report including a detailed methodology, suggested contents of the report, and action plan on how to conduct the study, roles of the individual consultant, and other relevant information for achieving the objectives of the assignment, among others;
2. Draft environmental and Social audit report;
3. Final environmental and Social audit report

7. Schedule

The timeframe for the consultancy assignment is three months from the date the of contract signature. See table below for further information.

8. Qualification and Experience

- The consultant should have Msc/MA degree in Environmental science, Environment and Development, Forestry , Natural Resource Management and related field with related experience in environment audit (Environmental Audit);
- The consultant should have Msc/MA degree in Social science(sociology, Developmental study social work, , and related field with related experience in social audit, social assessment and social impact assessment (Social Audit);
- Minimum of 10years of related work experience in field of reconnaissance survey, experience in auditing of environmental management system, experience in ESIA;
- The consultant are capable of addressing all the government and world bank safeguards policies triggered by the program;

- The consultant should have the ability to analyze a range of environmental issues in relation to Natural resource management;
- Experience in working with minority groups (underserved groups) and vulnerable peoples of Ethiopia;
- Experience in data analysis, both quantitative and qualitative;

Sample two. Terms of Reference for Conducting Social Audit

1. Background

The Oromia National Regional State Forested Landscape Project (OFLP) is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner interventions on all forested landscapes in Oromia. OFLP aims to reduce net Green House Gases (GHGs) emissions from the land use sectors across the boundaries of the Oromia National Regional State. The primary geographic areas of OFLP include all of Oromia's rural Woredas. OFLP has three components. These components are Enabling Investments, Enabling Environment and Emissions Reduction (ER) Payments. The enabling investments aim to make investments in participatory forest management and reforestation/ afforestation in deforestation hotspots Woredas, as well as extension services, and land-use planning at local levels. The enabling environment aims to improve the effectiveness and impact of institutions, incentives and safeguards management at all levels. The third component is emission reduction purchase agreement that delivered when results will be achieved and verified by a third party.

- The Government of Ethiopia has received a grant from the World Bank's BioCarbon Fund Initiative for Sustainable Forest Landscapes to implement the OFLP over the coming five-years. The grant seeks to foster equitable and sustainable low carbon development in Oromia through on-the-ground "enabling investments" that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks, and developing an "enabling environment" through statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment. In particular, the grant supports community-centered activities that reduce deforestation and land-use based emissions, as well as enhances forest carbon stocks in deforestation hotspots in selected sites in 51 districts of Oromia.
- The grant will lay-ground to unlocking a BioCarbon Fund commitment to purchase up to 10 million tons of carbon dioxide emission reductions. The Emission Reduction Purchase Agreement (ERPA) is expected to become effective in 2019, for the next 10 years, based on verifiable results in slowing state-wide deforestation and expanding new forests.
- OFLP implementation arrangements involve a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. Within the regional state of Oromia, OFLP is led by Oromia Environment, Forest and Climate Change Authority (OEFCCA) with Oromia REDD+ Coordination Unit (ORCU) serving as the OFLP implementing unit within OEFCCA. As the drivers of deforestation and forest degradation are often linked to other

sectors, OFLP implementation requires an extensive cross-sectoral policy and investment coordination with relevant sectors to keep forests standing.

- It was agreed at the UNFCCC Conference in Cancun in 2010 (COP16) that a set of seven safeguards should be promoted and supported while undertaking REDD+ activities. In the Durban Agreement, REDD+ Countries required to develop Safeguard Information Systems (SIS) and submit summary of report. Therefore, countries undertaking REDD+ activities need to develop country level approaches that enable them to respond to the safeguards outlined in the Cancun and Durban Agreements.
- The OFLP intervention has the potential to deliver social and environmental benefits that go beyond the reduction of greenhouse gas emissions but may also entail potential risks to people and the environment. These benefits and risks will depend on a number of factors related to specific regional circumstances. To address environmental and social issues of OFLP intervention, OFLP safeguard instruments (ESMF, RPF, PF, SA and others) have been prepared based on the national REDD+ safeguards instruments, World Bank policy and other relevant national and Oromia regional environmental and social policies and legal frameworks. These safeguards instruments are part and package of the OFLP and their implementation should be integrated with the components of the program.
- The capacity building was offered to relevant implementing partners drawn from all Woredas of Oromia National Regional State at different administration level, to provide guiding principles for assessment and management of environmental and social aspects of the program activities to be financed under the OFLP, to systematically identify, predict, and evaluate beneficial and adverse environmental and social impacts of the program activities, and to design enhancement measures for beneficial impacts, and implement mitigating measures for adverse impacts. Upon the capacity building delivered site specific safeguards instruments are implemented in deforestation hot spot area of the program.
- The social audit is a management tool consisting of a systematic, documented, periodic and objective evaluation of social performance, management systems and equipment with the aim of facilitating management control of social practices and assessing compliance with an operation's or activity's social policies, including meeting regulatory requirements. Social audit can help to systematical evaluate of OFLP activities and processes to determine how far these activities and programmes comply with the approved OFLP environmental and social safeguard tools. To this end, the study of social audit will provide information on the status of OFLP interventions against the agreed environmental and social principles outlined in the OFLP safeguards instruments, namely ESMF, RPF, SESA, PF, GA, BSM, etc.

2. Objective

2.1. General objective

The general objective of the study is to assess and evaluate the performance, Process, procedure and applications of safeguards instruments during OFLP implementation against OFLP instruments and also provide recommendation.

2.2. Specific objectives

The specific objectives are to:

Review of the social safeguards implementation of OFLP activities/interventions, the two legacy REDD+ Projects (Bale Mountains Eco-Region REDD+ Project and REDD+ Joint Forest Management in the five districts of Ilu Abba Bora Zone), and REDD+ investment Program (RIP) and others against OFLP safeguard instruments (prepared based on relevant social guidelines, regulations and policy document of the GoE, and World bank Policy);

- ✓ Assess any significant social issues observed/occurred to the local communities, cultural and archeological resources, and livelihoods due to OFLP interventions, two legacy REDD+ project and others, including RIP;
- ✓ Identify the gaps in implementing the safeguard instruments for OFLP and the environmental and social review of two legacy REDD+ project as well as RIP; and evaluate the effectiveness of social management and performance systems of OFLP safeguard instruments;
- ✓ Identify and recommend required technical assistance, capacity building training and awareness needed by OFLP staff and relevant stakeholder/implementing partners;

3. Scope of the work

The scope of social auditing will encompass the analysis of the actual social compliance with legal and policy frameworks in the course of project/programs implementation, assessment of the effectiveness of social impact mitigation and enhancement measures, and assessment of the gaps and the challenge occurred under(a) OFLP grant financing, (b) the two legacy REDD+ projects, and (c) programs/projects (including RIP) implemented outside the implementation Woredas of OFLP's enabling investment areas/Woredas. Regarding OFLP, it has two program components namely;(a) Enabling Investment(Afforestation and Reforestation (A/R)) implemented by Oromia Environment and Forest Climate Change Authority (OEFCCA) and Participatory Forest Management(PFM) implemented both by OEFCCA and Oromia Forest and Wild life Enterprise (OFWE) in deforestation hot spot area/Woredas, and (b) Enabling Environment implemented throughout Oromia National Regional State and also the two legacy REDD+ Projects (Bale Mountains Eco-region REDD+ Project, and REDD+ Joint Forest Management in the five districts of Ilu Abba Bora Zone)will be assessed in line with the implementation of the Environmental and Social Review prepared before a year ago. RIP and other initiatives (which are not financed by the OFLP) will be assessed in accordance with the OFLP safeguards instruments. through stakeholder consultation (OEFCCA/ORCU, OFWE, FARM AFRICA, Ethio-wetlands and Natural Resources Association (EWNRA)) Development agents, local leaders and local community and field visit to A/R and PFM sites, and desk review to examine the prepared site specific safeguards instruments in hot spot area and to examine the records and documentation. Accordingly, the following tasks will be carried out.

- ✓ Review of documents: A review of implementation documents of OFLP safeguards instruments (ESMF, PF, RPF, SESA, ESMP(prepared for site specific intervention) etc.)that helps to implement OFLP (Enabling environment and Enabling investment(A/R and PFM)), the environmental and social review of the two legacy REDD+ project activities and RIP and other initiatives;;
- ✓ Safeguard instruments: check the availability of safeguard instruments and awareness

- ✓ Asses the understanding, awareness and application of local communities about OFLP and other relevant programs;
- ✓ Grievances redress mechanism functionality: assess the establishment and functionality of GRM including community awareness, resolution status, reporting, documentation and review logbooks
- ✓ Labor and working condition: assess labor and working condition in nursery sites, A/R site and PFM;
- ✓ Gender: analyze the gender dimension of the OFLP implementation done so far;
- ✓ Assess adequacy of environmental and social mitigation measures, technical support and monitoring budget;
- ✓ Land and Voluntary land donation: assess the site plan preparation, land acquisition and Voluntary land donation process and documentation;
- ✓ Vulnerable groups: assess the inclusiveness of vulnerable groups in the cooperatives and associations;
- ✓ Compliance status assessment: Assess whether there are safeguards compliance with the OFLP safeguards requirements or not; ;
- ✓ Identification of gaps: Identify gaps in implementing site specific safeguard instruments (ESMPs) for OFLP subprojects and other REDD+ initiatives (including the two legacy REDD+ project and RIP) to achieve the objectives of the safeguard requirements;
- ✓ Identification of impacts: Identify any social impacts(positive and negative) due to implementation OFLP in the hot spot and non-hot spot areas, the two legacy REDD+ project; and RIP and others;
- ✓ Security situation assessment: Assess the implication of the security situation on the environmental and social implementation and monitoring; Propose appropriate mitigation measures for the adverse social impacts and enhancement measures for beneficial impacts if any not addressed;

Consultations and Stakeholder engagement:

- (i) Consult local communities and other relevant stakeholder's in OFLP hot spot areas (Woredas) the two legacy REDD+ project, and RIP intervention area regarding their engagement and awareness, including safeguard management, to ensure broader community and stakeholders. Also, consult underserved groups and vulnerable peoples in inclusive manner support of the programs/projects implementations in their respective areas and to propose mitigation options;
- (ii) Assess consultation and stakeholder's engagement process including inclusiveness and gender balance;
- (iii) Assess the nature of stakeholder engagement (communities, groups, or individuals, and civil society) and relevance of the method used for consultation and participation, in particular with local communities;

Documentation and Information dissemination: Assess safeguards instruments documentation and information dissemination process of the program and other initiatives;

Capacity and commitment assessment of implementing institutions: Assess the capacity (human resource, inputs include finance and logistics) and commitment of OFLP and other initiatives

(including the two legacy REDD+ projects and RIP) implementing partners and other proponents to ensure safeguards compliance with the OFLP safeguards instruments requirements; and recommend capacity building training and awareness needed if there are gaps

Action plan:

Prepare a compliance action plan and/or monitoring plan for the OFLP, the two legacy REDD+ projects and other initiatives, including RIP;

Propose appropriate recommendations based on the outputs of the assignment.

4. Methodology

To achieve the assignment/task listed above, the consultant will:

- ✓ Conduct desk review of the relevant documents of OFLP including OFLP safeguards instruments (includes site specific safeguard instruments, ESMF SESA, RPF, PF, etc), ESR of the two legacy REDD+ projects, and others initiatives (including RIP) and policy and legal frameworks of GoE and World Bank Safeguards Policy etc;
- ✓ Conduct meetings, interviews and focus group discussion with concerned stakeholders (OEFCCA/ORCU, OFWE, FARM AFRICA, EWNRA etc at different administration level, Development agents(DAs), local leaders and local community to get their opinion and reflection on the impact and procedure of safeguard management due to OFLP intervention(Enabling Environment and Enabling Investment and other initiatives including the two legacy REDD+ Projects (Bale Mountains Eco-region REDD+ Project, and REDD+ Joint Forest Management in the five districts of Ilu Abba Bora Zone,) and REDD+ Investment Program (RIP), among others;
- ✓ Conduct field visits to gather relevant information (such as physical, environmental and social) from selected program intervention/implementation sites, including A/R, PFM and the two legacy REDD+ Projects; and identify safeguards issues in the respective sites clearly.
- ✓ 5. Supervision and Responsibility
- ✓ The consultant will work under the direct supervision of the Oromia REDD+ Coordination Unit and will also receive technical support from the EFCCC, OEFCCA and the World Bank task team members. The consultant organizes the report and conduct field visit to the intervention area together with the consultant hired by ORCU for social audit. In addition, the consultant will work closely with the environmental consultant whose contract will run along with this consultancy. The findings of the two assessments will be combined into a single document to provide a clear picture of how Environmental and Social Safeguards Management is exercised by the Oromia Forested Landscape Program, the two legacy REDD+ Projects and other initiatives, including RIP.
- ✓ ORCU will facilitate field visits, meetings for the consultants, provide relevant information/documents on the Program as well as will engage through each consultative process.
- ✓ 6. Deliverables
- ✓ The consultants will prepare and submit:
- ✓ Inception report including a detailed methodology, suggested contents of the report, and action plan on how to conduct the study, roles of the individual consultant, and other relevant information for achieving the objectives of the assignment, among others;
- ✓ Minutes of consultations with stakeholders;

- Draft social audit report;
- Final social audit report

7. Schedule

The timeframe for the consultancy assignment is three months from the date the contract signature. See table below for further information.

8. Qualification and Experience

- ✓ The consultant should have Msc/MA degree in Social science(sociology, Developmental study social work, , and related field with related experience in social audit, social assessment and social impact assessment;
- ✓ Minimum of 10years of related work experience in field of reconnaissance survey, experience in auditing of social management system, experience in ESIA;
- ✓ The consultant are capable of addressing all the government and world bank safeguards policies triggered by the program;
- ✓ The consultant should have the ability to analyze a range of social issues in relation to Natural resource management;
- ✓ Experience in working with minority groups (underserved groups) and vulnerable peoples of Ethiopia;
- ✓ Experience in data analysis, both quantitative and qualitative;
- ✓ Excellent analytical and report writing skills

Sample three. THE ENVIRONMENT, SOCIAL AND HEALTH & SAFETY REQUIREMENTS

[Minimum Standards to consider to Contract Bid Documents

The Contractor is required to establish Environment and Social risk management unit staffed with relevant experts and maintain same throughout the project implementation period.

The Contractor must provide and maintain, as far as is practicable, a working environment for its employees and members of the public that is safe and without risk to health. The Contractor must itself, and must ensure that any subcontractors of the Contractor, at all times identify and take all necessary precautions for the health and safety of all persons, including the Contractor's employees and subcontractors and members of the public, who may be affected by the execution of the Works.

The Contractor shall, throughout the design, execution, and completion of the Works and Services, take all reasonable precautions to preserve the condition of the environment, consider public and occupational safety and addressing any non-compliance to resolving of any defects therein.

Engagement of Staff and Labor

- ✓ Except as otherwise stated in the Specification, the Contractor shall make arrangements for the engagement of all staff and labor, local or otherwise, and for their payment, housing, feeding and transport.
- ✓ The Contractor shall provide and employ on the Site in the installation of the facilities such skilled, semi-skilled and unskilled labor as is necessary for the proper and timely execution of the Contract. The Contractor is encouraged to use local labor that has the necessary skills.
- ✓ The Contractor shall comply with all the relevant labor Laws applicable to the Contractor's Personnel, including Laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights.
- ✓ The Contractor shall at all times during the progress of the Contract use its best endeavors to prevent any unlawful, riotous or disorderly conduct or behavior by or amongst its employees and the labor of its Subcontractors.
- ✓ The Contractor shall, in all dealings with its labor and the labor of its Subcontractors currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious or other customs and all local laws and regulations pertaining to the employment of labor.

Facilities for Staff and Labor

- ✓ Except as otherwise stated in the Specification, the Contractor shall provide and maintain all necessary accommodation and welfare facilities for the Contractor's Personnel. The Contractor shall also provide facilities for the Employer's Personnel as stated in the Specification. These include lodging, medical assistance, alimentation and sanitary installations for the employees living in the contractor's base camps to comply with the Social, Sanitary and Health Conditions of Labor requirements. Specific quantities of facilities such as drinking water supplies, toilet facilities, waste disposal bins, etc. should be estimated as much as possible.
- ✓ The Contractor shall not permit any of the Contractor's Personnel to maintain any temporary or permanent living quarters within the structures forming part of the Permanent Works.

Supply of Foodstuffs and Water

The Contractor shall arrange for the provision of a sufficient supply of suitable food as may be stated in the Specification at reasonable prices for the Contractor's Personnel for the purposes of or in connection with the Contract.

The Contractor shall, having regard to local conditions, provide on the Site an adequate supply of drinking and other water for the use of the Contractor's Personnel.

Measures against Insect and Pest Nuisance

The Contractor shall at all times take the necessary precautions to protect the Contractor's Personnel employed on the Site from insect and pest nuisance, and to reduce their danger to health. The Contractor shall comply with all the regulations of the local health authorities, including use of appropriate insecticide.

Alcoholic Liquor or Drugs

The Contractor shall not, otherwise than in accordance with the Laws of the Country, import, sell, give barter or otherwise dispose of any alcoholic liquor or drugs, or permit or allow importation, sale, gift barter or disposal by Contractor's Personnel.

The Contractor shall pay particular attention to combat Gender Based Violence-GBV (with zero tolerance), Violence Against Children (VAC), alcoholism, and drug abuse. The Contractor shall develop workers' Codes of Conduct to mitigate such social risks at project execution sites. The purpose of these Codes of Conduct and Action Plan for Implementing ESHS and OHS Standards, and Preventing Gender Based Violence (GBV) and Violence Against Children (VAC) is to clearly define obligations on all project staff (including sub-contractors and day workers) with regard to implementing the project's environmental, social, health and safety (ESHS) and occupational health and safety (OHS) requirements, and; help prevent, report and address GBV and VAC within the work site and in its immediate surrounding communities.

These Codes of Conduct are to be adopted by those working on the project and are meant to:

- Create awareness of the ESHS and OHS expectations on the project;
- Create common awareness about GBV and VAC and:
 - (a) Ensure a shared understanding that they have no place in the project; and,
 - (b) Create a clear system for identifying, responding to, and sanctioning GBV and VAC incidents.

Prohibition of all Forms of Forced or Compulsory Labor

- The Contractor shall not employ "forced or compulsory labor" in any form. "Forced or compulsory labor" consists of all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

Prohibition of Harmful Child Labor

- The Contractor shall not employ any child to perform any work that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

Health and Safety

- The Contractor shall at all times take all reasonable precautions to maintain the health and safety of the Contractor's Personnel. In collaboration with local health authorities, the Contractor shall ensure that medical staff, first aid facilities, sick bay and ambulance service are available at all times at the Site and at any accommodation for Contractor's and Employer's Personnel, and that suitable arrangements are made for all necessary welfare and hygiene requirements and for the prevention of epidemics.
- The Contractor shall contract or make an agreement with the nearby hospital for cases requiring further treatment.
- The Contractor shall provide such first aid facilities and ensure that his staffs abide by such first aid procedures as shall be required by the Public Body
- The Contractor shall appoint an accident prevention officer at the Site, responsible for maintaining safety and protection against accidents. This person shall be qualified for this responsibility, and shall have the authority to issue instructions and take protective measures to prevent accidents. Throughout the performance of the Contract, the

Contractor shall provide whatever is required by this person to exercise this responsibility and authority.

- The Contractor shall ensure the safety on sites during the whole period of execution and shall be responsible for taking the necessary steps, in the interests of his employees, agents of the Public Body and third parties, to prevent any loss or accident, which may result from carrying out the works.
- The Contractor shall take all essential steps, on his own responsibility and at his expense, to ensure that existing structures and installations are protected, preserved, and maintained. He shall be responsible for providing and maintaining at his expense all lighting, protection, fencing, and security equipment which proves necessary for the proper implementation of the tasks or which may reasonably be required by the Engineer.
- If, during the implementation of the tasks, urgent measures are necessary to obviate any risk of accident or damage or to ensure security following any accident or damage, the Engineer shall give formal notice to the Contractor to do what is necessary. If the Contractor is unwilling or unable to undertake the necessary measures, the Engineer may carry out the work at the expense of the Contractor to the extent that the Contractor is liable.
- While carrying out the Works, the Contractor shall comply, and shall ensure that its employees comply with, the requirements of relevant Health and Safety and other relevant legislation,
- The Contractor shall ensure the co-operation of its personnel in all prevention measures designed against fire, or any other hazards, and shall notify the Public Body of any change in the Contractor's working practices or other occurrences likely to increase such risks or to cause new hazards.
- The Contractor shall conduct regular awareness for the public and passerby on safety precautions and management

Information, Education, Consultation and Communication

- The Contractor shall throughout the contract, conduct information sharing and continuous stakeholder/public consultations in and around work sites, concerning the risks and impacts, and appropriate mitigation measures and safety precautions with respect to the contract works and services.
- The Contractor, shall throughout the contract (including the Defects Notification Period):
 - (i) conduct Information, Education and Consultation Communication (IEC) campaigns, at least every other month, addressed to all the Site staff and labor (including all the Contractor's employees, all Sub-Contractors and Employer's and Project Manager's employees, and all truck drivers and crew making deliveries to Site for construction activities) and to the immediate local communities, concerning the risks, dangers and impact, and appropriate avoidance behavior with respect to of Sexually Transmitted Diseases (STD)—or Sexually Transmitted Infections (STI) in general and HIV/AIDS in particular; (ii) provide male or female condoms for all Site staff and labor as appropriate;

and (iii) provide for STI and HIV/AIDS screening, diagnosis, counseling and referral to a dedicated national STI and HIV/AIDS program, (unless otherwise agreed) of all Site staff and labor.

- The Contractor shall include in the program to be submitted for the execution of the required facilities, an alleviation program for Site staff and labor and their families in respect of Sexually Transmitted Infections (STI) and Sexually Transmitted Diseases (STD) including HIV/AIDS. The STI, STD and HIV/AIDS alleviation program shall indicate when, how and at what cost the Contractor plans to satisfy the requirements of this Sub-Clause and the related specification. For each component, the program shall detail the resources to be provided or utilized and any related sub-contracting proposed. The program shall also include provision of a detailed cost estimate with supporting documentation. Payment to the Contractor for preparation and implementation this program shall not exceed the Provisional Sum dedicated for this purpose.

ESHS Requirements

The Contractor and his subcontractor, if available shall consider the following Environment, Social, Health and Safety requirements:

- No pollutants shall be allowed to enter any watercourse;
- No unauthorized or indiscriminate felling of trees shall be permitted;
- No open or uncontrolled fires shall be permitted;
- The Contractor shall not cause areas of stagnant water to form, on the surface or in open containers;
- The Contractor shall avoid dust, noise and any other nuisance to the workers, staffs, community residing nearby and any passerby and conduct regular monitoring as stated in the Site management plan and ESMP to comply the national and international standards, including World Bank policies and standards
- All spoil or waste materials remaining after the works must be neatly disposed of in approved dump sites; any dump sites shall be reinstate accordingly, during closure of the site;
- The Contractor shall ensure that the Works, including the action of individual workers, do not result in any littering and haphazardly disposal of wastes. Where such littering and unmanaged waste disposal does occur the Contractor shall be responsible for the collection, segregation, transportation, temporary storage and proper final disposal of the litter;
- Excavations, finished works are to be protected from adverse weather and any work damaged by adverse weather is to be repaired by the Contractor.
- The Contractor shall take all reasonable steps to protect the environment (both on and off the Site) and to limit damage and nuisance to people and property resulting from pollution, noise and other results of his operations.
- The Contractor shall prepare and implement Site Management plan (Contractor Environmental and Social Management Plan) comprises of all sub plans to address each environmental, social and safety matter; These include: safety management plan, Waste

management plan , emergency preparedness plan, Quarry restoration plan, spoil disposal management plan, Physical cultural resource plan with chance find procedures; Camp site management plan, spontaneous settlement management plan, labor influx management plan, dust management plan, etc.;

- The Contractor shall assign qualified environmental, social and safety management experts for regular implementation, follow up and reporting of Environmental, Social, Health and Safety activities as identified in the management plan.

Records of Contractor's Personnel

- The Contractor shall keep accurate records of the Contractor's personnel, including the number of each class of Contractor's Personnel on the Site and the names, ages, genders, hours worked and wages paid to all workers. These records shall be summarized on a monthly basis in a form approved by the Project Manager and shall be available for inspection by the Project Manager until the Contractor has completed all work.

Reporting and communication

- The contractor and the sub-contractor shall take full responsibility of the public and workers safety and shall take all reasonable steps to protect the environment (both on and off the Site) and to limit damage and nuisance to people and property resulting from pollution, noise and other results of his operations. The Contractor shall prepare Method statements during construction, including Environmental management
- The Contractor is required to establish Environment and Social Risk Management unit staffed with qualified environmental, social and safety management experts and maintain same throughout the project implementation period. At least one qualified HSE coordinator shall be on-site at all times during the drilling campaign, including the initial and final mobilization activities; to liaise with the Engineer on all Health and Safety matters. The Contractor shall also prepare a safety management plan, consists of an early notification and reporting procedures and make available to all staffs.
- The Contractor's staff shall follow a system of accident notification and recording in accordance with the Contractor's own accident notification and reporting procedures. All notifiable accidents shall immediately be brought to the attention of the Engineer.
- The Contractor shall send to the Project Manager, details of any accident as soon as practicable after its occurrence as per the specified reporting form and report timing requirement. The Contractor shall maintain records and make reports concerning health, safety and welfare of persons, and damage to property, as the Engineer may reasonably require.
- The Contractor shall prepare and implement Site Management plan (Contractor Environmental and Social Management Plan) comprises of all sub plans to address each environmental, social and safety matter; These include: safety management plan, Waste management plan , Quarry restoration plan, spoil disposal management plan, chance find procedures;
- **Camp site management plan, labor influx management plan, dust management plan, etc.**

Annex 10. Environmental and social impacts and impact mitigation measures

ESS	Potential Negative E&S impacts and Risks	Mitigation Measures
ESS6	Impacts on Natural habitats and biodiversity	<ul style="list-style-type: none"> ○ Screen sub-projects in conformity with the requirements of the ESS6 (biodiversity risks and impacts) ○ Conduct careful and suitable site selection through a participatory process for sub-component infrastructures ○ Apply site specific ESRM instrument (ESIA/ESMP) to avoid, minimize, reduce and mitigate E&S risks and impacts ○ Conduct planting and re-vegetation of sites to compensate loss of trees and vegetation ○ Prioritize and minimize impacts on indigenous trees of importance, avoid cutting of mother trees
	<ul style="list-style-type: none"> ○ Some activities such as small-scale rehabilitation of social services centers (schools, health centers, etc.), reforestation /afforestation, may cause disturbance to natural vegetation, cultivated lands and areas of significant importance for nature and biodiversity conservation. ○ Activities might affect important flora, fauna and soil micro-organisms affecting ecosystems' functions. 	
ESS8	Cultural/ Historic heritage sites	<ul style="list-style-type: none"> ○ Activities will be carried out only in areas selected, through a consultative process that includes prior informed consent of local communities ○ Comply with the national laws, guidelines and standards on the protection of sacred sites, cultural and heritage sites and areas of historical significance ○ Activities will be screened and site-specific ESIA/ESMPs will be prepared, including ESS8 requirements (chance finds procedure) ○ Avoid or exclude activities that have adverse impact on historical, cultural and heritage values through screening process ○ Conduct ESIA and identify areas of historical significance to avoid damage to such resources ○ If there is an encounter unexpectedly with cultural heritage artefacts during implementation, chance finds procedure will apply
	<ul style="list-style-type: none"> ○ Sub-project activities such as small-scale rehabilitation or access roads, reforestation /afforestation may cross or fall in and around areas that have cultural/religious, historic and heritage values, which will cause negative impact on such heritages/sites 	
ESS5	Land acquisition, access restriction and involuntary resettlement	<ul style="list-style-type: none"> ○ Avoid or minimize involuntary land acquisition during subproject implementation as possible

	<ul style="list-style-type: none"> ○ Sub-project activities may induce minor level of land acquisition and /or restriction of access to legally designated parks, protected areas, or forest management/reforestation areas; ○ 	<ul style="list-style-type: none"> ○ Where land acquisition is unavoidable, prepare and implement voluntary land donation guidelines ○ VLD should not occur if physical dislocation is implied ○ In cases where access restrictions and economic losses occur, adopt and implement procedures outlined in the PF, and compensate PAPs in accordance with the ESS5 ○ If involuntary resettlements are unavoidable, the principles outlined in the RF should be implemented. ○ Based on the ESIA results, a specific resettlement action plan (RAP) should be prepared and implement in accordance with ESS5, consistent with the RF
ESS2	<p>Gender-based Violence (GBV); Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH)</p> <ul style="list-style-type: none"> ○ Risks associated with presence of contract/construction workers and due to the high potential for labor influx ○ Unemployed youth may be attracted to project sites in search of jobs and project benefits for their livelihoods. Hence, they will cause and be exposed to GBV and SEA/SH ○ Women are likely to be exposed to sexual violence, abuse and exploitation, harassment from project workers 	<ul style="list-style-type: none"> ○ ORCU and the OEPA shall ensure that site specific assessment of GBV/SEA/SH risks is conducted as part of the ESIA/ESMP and GBV action plan is prepared for prevention and response measures to be taken. ○ A policy of zero-tolerance should be stated in worker engagements terms for sexual harassment, exploitation, and abuse within the workplace ○ Apply a strict code of conduct to manage and administer measures to avoid or minimize GBV ○ Assign a GBV specialist to manage the risks and to closely work with relevant institutions such as Woreda Women and Social Affairs Offices ○ Provide training for project implementers and beneficiaries on SEA, SH and GBV and its prevention ○ Put in place accessible GRM and adopt a systematic monitoring and reporting system to ensure safe and ethical reporting to alert cases of GBV with adequate response. ○ Prepare GBV management plan and implement ○ Prepare a gender management plan and implement
ESS2	Child Labour use	<ul style="list-style-type: none"> ○ Adhere to the LMP of the OFLP-ERP for procedures

	<ul style="list-style-type: none"> ○ The risk of engaging child labor by contractors and other parties may be higher because of lack of awareness on the laws and proclamations of labor about child labor 	<ul style="list-style-type: none"> ○ Comply with the national labor law and ESS2 of the World Bank ESF ○ Work in consultation with local authorities on engagement of young labor (15 years as a minimum age) if children are to be engaged in construction works;
ESS4	<p>Occupational Health and Safety (OHS) Risks</p> <ul style="list-style-type: none"> ○ Rehabilitation activities and other related sub-activities will have risks and impacts on the health and safety of project workers, contract workers due to unexpected accidents and/ unplanned events resulting from injuries, falls, fatal accidents, diseases both communicable and non-communicable, any related incidents 	<ul style="list-style-type: none"> ○ develop and implement occupational health and safety (OHS) measures ○ Workers must be provided with personal protective equipment (PPE) and relevant training on the use, handling and maintenance of the PPE ○ Enforce rules making use of PPEs as mandatory for the safety and health of workers. ○ Conduct regular monitoring on OHS by ORCU ○ Provide all project workers on workplace code of conduct
Ess4	<p>Security risk (conflicts)</p> <ul style="list-style-type: none"> ○ There could be unexpected civil disturbances because of the on-going volatility of security conditions in some parts of the region, there is potential for social conflicts 	<ul style="list-style-type: none"> ○ Conduct security risk assessment using ESIA and prepare ESMP for security risk management and safety ○ Collect timely information and share security updates with staff and stakeholders
ESS7	<p>Underserved communities and vulnerable groups</p> <ul style="list-style-type: none"> ○ Forest dependent communities, forest dwellers, socially disadvantaged groups, resource poor and the vulnerable forest-dependent communities might be excluded ○ Underserved communities including occupational and ethnic/clan minorities (e.g., smiths, potters, tanners, and pastoralist women), likely to be highly marginalized due to discriminatory acts/social norms 	<ul style="list-style-type: none"> ○ Allocate a certain proportion of ER (5 %) to support such groups as per the BSP ○ Promote fair treatment, non-discrimination, and equal opportunity in development activities ○ Ensure participation by preparing for the SEP ○ Apply culturally appropriate GRM ○ Provide equal opportunity and strictly observe non-discrimination of vulnerable groups from any benefits ○ Provide training and capacitate vulnerable groups to enable them develop livelihood strategies (organizing in small and medium enterprises)

		<ul style="list-style-type: none"> ○ Due attention should be paid to the protection of vulnerable groups during implementation ○ Exclude those activities that negatively impact underserved and vulnerable communities
ESS10	Grievance redress mechanism	<ul style="list-style-type: none"> ○ Strengthen and implement the existing GRM on handling of grievances PAPs ○ Provide training to GRC members and communities on the provisions of the GRM
	<ul style="list-style-type: none"> ○ Oversight of the grievance redress mechanism ○ Low awareness on GRM provisions and observations 	
ESS1	Weak capacity to implement ESRM	<ul style="list-style-type: none"> ○ Allocate budget for awareness and capacity building training and provide training on ESRMs and their implementation at all levels of government ○ Building on existing knowledge on project design and implementation ○ Establish safeguard information system at the federal EFD and synergize collection of information through hierarchy of management
	<ul style="list-style-type: none"> ○ Government institutions may lack the required manpower, skill and knowledge to fully implement the ESRM 	
ESS10	Inadequate coordination among sector offices	<ul style="list-style-type: none"> ○ Uphold the Signed MoU with the partners and adopt the communication and joint implementation provisions ○ Work closely with the focal persons
	<ul style="list-style-type: none"> ○ Implementing Sector bureaus and partners may not smoothly coordinate the planning, implementation and monitoring of project activities at different levels 	
ESS7	Risk of social exclusion	<ul style="list-style-type: none"> ○ Implement the principles of equal opportunity and non-discrimination as in the LMP and ESS2 ○ Adhere to the benefit-sharing principles defined under the ERPD and the BSP ○ Observe and uphold provisions in the GRM
	<ul style="list-style-type: none"> ○ Exclusion from PFM membership and accessing forest resources ○ Resource poor and the vulnerable forest-dependent communities might be excluded ○ Exclusion of PFM non-members from benefit sharing 	

Annex 11. OFLP-ERP Budget and Procurement Plan Preparation Steps

Step 1: The OEPA/ORCU I level will lead the preparation and compilation of budget and Procurement Plan. It covers budget needs for activities to be implemented by OEPA and those activities to be implemented by other Sector Offices (Agriculture, Environment and Land-Use, Water and Energy). This budget and Procurement Plan also captures the budget and Procurement Plan of OEPA Woreda Office and those activities to be implemented by other Woreda Sector Offices. Then OEPA I Office would make necessary analysis, discussions, compilation and approval. OEPA I office would communicate (travel to) and discuss with OEPA Woreda to clarify and agree on budget and Procurement Plan issues before approval. Finally, the approved compiled budget and Procurement Plan will be submitted to OEPA/ORCU Regional Office.

Step 2: The OEPA Regional Office/ORCU will lead the preparation and compilation of budget and Procurement Plan at Regional level. It also includes the consolidated budget and Procurement Plan received from OEPA/ORCU I Offices. Then OEPA/ORCU Office would make necessary analysis, discussions, consolidation and approval. If there is any concern, OEPA Regional Office/ORCU would communicate (travel to) and discuss with OEPA I Office to clarify and agree on budget and Procurement Plan issues before approval.

Step 4: OEPA/ORCU Office would share the approved budget and Procurement Plan with the Vice President Office of Oromia. The latter makes necessary analysis, discussions, and endorses the budget and Procurement Plan, after necessary adjustment is done if any.

Step 5: The proposed and approved budget and Procurement Plan by Regional OEPA/ORCU Office and the Vice Presidency Office of Oromia National Regional State (VPONRS) will be submitted to EFD. EFD would make necessary analysis and discussions from the perspective of OFLP-ERP Grant Agreement, Disbursement Letter, PAD and other basic documents and reach at agreement on the proposed OFLP-ERP Annual Budget and Procurement Plan that accommodates amendment of EFD comments if any.

Step 6: The final approved budget and Procurement Plan by OEPA/ORCU and EFD would also be submitted to the WB through EFD for no-objection.

Step 7: Once WB-no-objection is provided, EFD will share it with OEPA/ORCU. EFD also submit OFLP-ERP Annual budget and Procurement Plan to MoF. The budget will further be submitted to the Council of Ministers so that the OFLP-ERP budget would be proclaimed at the Federal level under EFD overall budget. EFD also shares the approved budget and Procurement Plan with other implementing agencies or Regional Sector Bureaus (BoA, BoL, BoWERD, etc.).

Step 8: OEPA/ORCU disseminates the approved budget and Procurement Plan to all program implementers in a timely manner. During implementation, OEPA/ORCU Offices operating at

various level are responsible to compare actual expenditures with that of the approved budget and Procurement Plan to monitor progress and identify variations. OEPA/ORCU examines the significant variations and justify the rationale or the corrective action need to be taken. The approach would serve management for follow up and decision making. For the sake of the analysis, OEPA/ORCU Office will use the Interim Financial Report (IFR) of the Program as well as the budget ledgers to be established for each expenditure as indicated in the Federal Government's finance manual.

Budget Ledger Cards

The purpose for the budget function of the Budget Ledger Card is to maintain a continuous and updated record for each budgeted item of expenditure by implementing agency and source of finance. Budget Ledger Card shall be maintained for each item of expenditure under each Programme Components with approved budget. The format of the budget ledger card for the Programme shall be the one that is given in the government accounting manual.

The Budget Ledger Card serves two purposes:

- Maintains the adjusted budget and commitments against the budget, and
- Maintains a record of total expenditure by item of expenditure for each implementing agency by source.

Budget ledger card Format Approved budget	Addition to budget	Reduction to budget	Revised budget	Payment received	Unpaid balance	Commitment	Balance not committed

Budget and Procurement Plan Calendar

The budget preparation at the implementing agency level starts before March of the year.

- Regions and Federal IA prepare Annual Action Plan based on ceiling for forthcoming fiscal year (**March 1**)
- EFD finalize consolidation of OFLP-ERP work plan and budgetand Procurement Plan and approved for forthcoming fiscal year(**March 15**)
- EFD Submits OFLP-ERP budgetand Procurement Plan to MOFED for forthcoming fiscal year, after obtaining approval from the Bank (**30th March**)

- Council of Ministers approves budget and recommends it to Parliament for forthcoming fiscal year (**May**)
- Parliament approves budget for forthcoming fiscal year(in late June/early July)
- Execution of the budgets starts at the beginning of the fiscal year on July 8.

Annex 12. OFLP-ERP Chart of Accounts

<i>Account Title</i>	<i>AC/No</i>
Cash on Hand	4101
Cash at Bank - US\$ Special A/C-IDA	4202
Cash at Bank POOLED BIRR ACCOUNT	4110
Cash at Bank IMPLIMENTING AGENCY	4110
CASH SHORTAGE & OVERAGE	4203
ADVANCE TO STAFF : TRAVEL	4211
ADVANCE TO STAFF : PURCHASE	4211
ADVANCE TO REGIONS	4208
OTHER ADVANCE WITHIN GOVERNMENT	4210
ADVANCE TO CONSULTANTS	4252
ADVANCE TO SUPPLIERS	4253
OTHER RECIEVABLES	4274
ACCOUNT PAYABLE	5001
SUNDRY PAYABLES	5002
ACCRUED PAYABLES	
DUE TO STAFF	5021
DUE TO RGIONS	5026
SALARY PAYABLE	5004
PENSION PAYABLE	5005
INCOMETAX PAYABLE	5006
VAT PAYABLE	5007
WITHHOLDING TAX PAYABLE	5008
TRANSFER	4000-4999
TRANSFERS, MOFED TO EFD	4006

TRANSFER, EFD TO OFWE	4007
TRANSFER, EFD TO OAB	4008
TRANSFER, OFWE To BRABCHES	4009
TRANSFERS	4017
NET ASSETS EQUITY	
REVENUEE EXTERNAL ASSISTANCE	
REVENUEE EXTERNAL LOAN	
IDA	3014
EXPENDITURES	6000-6999
SALARIES TO PERMANENT STAFF	6111
SALARIES TO CONTRACT STAFF	6113
SALARIES TO CASUAL STAFF	6114
ALLOWANCE/BENEFITS	6120
OFFICE SUPPLIES	6212
MEDICAL SUPPLIES	6214
PRINTING	6213
FUEL AND LUBRICANTS	6217
OTHER MATERIALS AND SUPPLIES	6218
MISCELLANEOUS EQUIPMENTS	6219
AGRICULTURAL, FORESTRY AND MACHINERY INPUTS	6221
TRAVELLING & OFFICIAL ENTERTAINMENT SERVICE	6230
PERDIEM (DSA)	6231
TRANSPORT FEE	6232
MAINTENANCE AND REPAIR SERVICE	6240
MAINTENANCE AND REPAIR VEHICLE	6241
MAINTENANCE AND REPAIR EQUIPMENT	6543
MAINTENANCE AND REPAIR OF BUILDING, FURNISHING & FIXTURES	6244

CONTRACT SERVICE	6250
CONTRACTED PROFESSIONAL SERVICE	6251
RENT	6252
ADVERTISING	6253
INSURANCE	6254
FEES & CHARGES	6256
ELECTRICITY	6257
TELECOMMUNICATION CHARGES	6258
WATER AND UTILITIES	6259
TRAINING SERVICE	6270
LOCAL TRAINING	6271
EXTERNAL TRAINING	6272
TRAINING RELATED PERDIEM	6273
TRAINING RELATED TRANSPORT FEE	6274
PURCHASE OF VEHICLES	6311
PURCHASE OF EQUIPMENT	6313
PURCHASE OF BUILDING, FURNITURE AND FIXTURE	6230

Annex 13. IFR Formats

Oromia Forested Landscape Project

Interim Unaudited Financial Report

Content

Discussion of Financial performance, Notes & Explanations

Consolidated Statement of Sources and Uses of Fund

Statement of Uses of Funds by Sub programs

Statement of Designated accounts by account/donor

Supporting schedules



Annex 14. Financial Performance – Note

<u>Ministry of Environment, Forest and Climate Change (EFD)</u>				
<u>OromiaForested Landscape Program-ERP</u>				
<u>Sources & Uses of Funds (in Ethiopian Birr)/</u>				
<u>For The Quarter Ended</u>				
Particulars	Current Quarter (In ETB)/I	Cumulative Year to date (In ETB)/II	Cumulative (To date) (In ETB Birr)/II(a)	Remarks
Opening Balance				
Trust fund account 1 (Designated USD Acct.	-		-	
Trust fund Account 2 (Designated USD Acct.)	-		-	
Pooled Birr Account at Federal	-		-	
Bank Balance at Regional	-		-	
OEPA/ORCU	-		-	
BoA (if applicable)	-		-	
BoWERD				
BoL				
OFWE				
Other implementing agencies as required	-		-	
Cash On Hand Balance at Federal			-	

and Regional	-			
Advance at Federal and Regional	-		-	
Payables at Federal and Regional	-		-	
Total Opening Balance	-		-	
Add: Sources				
Trust fund Account 1	-		-	
Trust fund Account 2 (Designated USD Acct.)				
Total Source For the Period	-		-	
Total Available Fund For The Period	-		-	
Less : Program Expenditures	-		-	
Total Available Fund less Total Expenditures	-		-	
Foreign Exchange Difference/IV	-		-	
Net Fund Available	-		-	
Ending Balance				
Designated Account - TF 1	-		-	
Designated Account - TF 2	-		-	
Bank Balance at Regional	-		-	
OEPA/ORCU	-		-	

Other implementing agencies as required	-		-	
Cash On Hand Balance at Federal and Regional	-		-	
Advance at Federal and Regional	-		-	
Payables at Federal and Regional				
Total Ending Balance	-		-	

NOTES:

I - The amounts are drawn from the ledger accounts of the program

II - Program of the fiscal year

II(a) - Program to date (for the whole life of the project)

III- The following rates were used for conversion: 1us Dollat=XXBirr (Separately for opening and closing balances of DA)

IV - The gain or loss on exchange rate is determined by the rate prevailing at the reporting date.

Prepared	Approved	By
By _____	_____	
Signature	Signature	
_____	_____	
Date	Date	
_____	_____	

Ministry of Environment, Forest and Climate Change (EFD)**Oromia Forested Landscape Program-ERP****Consolidated Expenditures Summary (in Ethiopia Birr) and (in USD)****For The Quarter Ended _____**

Particulars	Annual Budget (1)	1st Quarter Exp (2)	2nd quarter Exp (3)	3rd quarter Exp (4)	4th quarter Exp (5)	Total Exp for the year (6)	Variance /Remaining Budget/ (1-6)=7	% of
Expenditures(Applications)								
<i>Component 1: Enabling Investments</i>								
1.1 Sub Basin Land-use planning support								
1.2 Investment and Extension Services								
1.3. Forest Management Investment in Deforestation Hotspots								
Sub Total Component 1								
<i>Component 2: . Enabling Environment</i>								
2.1 Institutions								
2.2 Incentives								
2.3 Information								
2.4. Safeguards Management								
2.5. Program Management								
Sub Total component 2								
Grand Total of the Project								

Prepared

By _____

Signature

Date

Approved By _____

Signature _____

Date _____

Ministry of Environment, Forest and Climate Change (EFD)

Oromia Forested Landscape Program-ERP

Consolidated Expenditures Summary (in Ethiopia Birr) by Category

For The Quarter Ended _____

Particulars	Annual Budget (1)	1st Quarter Exp (2)	2nd quarter expenditure (3)	3rd quarter expenditure (4)	4th quarter expenditu re (5)	Total expenditu for the
						(6)
Expenditures(Applications)						
<i>Component 1: Enabling investments</i>						
Goods						
Non consulting services						
Consulting services						
Training and workshop						
Sub Total Component 1						
<i>Component 2: Enabling Environment</i>						
Goods						
Non consulting services						
Consulting services						

Training and workshop						
Sub Total component 2						

Ministry of Environment, Forest and Climate Change

Oromia Forested Landscape Program-ERP

Fund flow statement Pooled Bank a/c ____ (Birr)

As of

	<u>Birr</u>	<u>Birr</u>
Balance brought forward		
Cash Transfer From IDA		
Fund available for use		
Fund transfer		
OEPA/ORCU		
Incoming and Out going		-
Total Transfer & bank service Charge		
Cash at Bank		

Prepared By _____

Signature _____

Date _____

Approved

Signature

Date

By



Ministry of Environment, forest and climate change Oromia Forested Landscape Program-ERP STATEMENT OF FUND FLOW (TF1) and (TF 2) DESIGNATED DOLLAR ACCOUNT NO. THE PERIOD, FROM		
	USD	BIRR
OPENING BALANCE		
Add :Receipt		
grant Fund Received	-	-
Fund Available for use		
Less :Transfer and Expenditure		
Transfer to pool birr account as at		
Expenditures		
Bank services Charges		
Total transfer & expenditure	-	-
closing balance		
Actual exchange rate of		
closing balance /Leger birr account/		
Add gain or (Loss) on Foreign exchange Gain		
Balance After Gain of foreign exchange		

Prepared By _____	Approved _____	By _____		
Signature _____	Signature _____			
Date _____	Date _____			

Ministry of Environment, forest and climate change Oromia Forested Landscape Program-ERP STATEMENT OF CASH MOVMENT OEPA/ THE PERIOD, FROM	
	At Regional office
	<u>Birr</u>
Opening Balance	
Add :Cash transfers	
Transfers from EFD	
Fund Available for use	-
Less :Expenditure	
1. enabling investment	
1.1	
1.2	
1.3	
2. enabling environment	
2.1	
2.2	
2.3	
2.4	
2.5	
Total expenditure	-
Closing balance	-

Breakdown of closing balance Cash and Bank balances Receivables Payables Others Total Closing Balance Balances	 -
Prepared By _____ Signature _____ Date _____	

Annex 15. Simplified Statement of expenditures

Statement of Expenditures (SOE)

Payment made during the period from to

The following expenditures have incurred during the retroactive financing period (please tick) ☐ Yes ☐ No

The following expenditures have incurred during before the closing date of the loan/credit/grant (please tick) ☐ Yes ☐ No

Financier:
Loan/Credit/Grant #
Application #
Category #
Page #:

ONLY for the Designated Account													
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No	Supplier's Name	Brief Description of the expenditure	Prior Review Contract? (YES or NO)	Contract # (Client Correction # for Prior Review contracts)	Contract currency & amount (original + amendments)	Invoice number	Date of payment	Total amount of invoice covered by Application (net of rebates)	% Financed by the Bank	Eligible Amount (Col 9 X 10)	Exchange rate	Date of Withdrawal from the Designated Account	Amount Withdrawn from the Designated Account (Col 11 / 112)
0.00								0.00		TOTAL		0.00	

Supporting documents for this SOE are retained at _____
(insert location)

A separate form should be used for retroactive financing
A separate form should be used for each category

Annex 16. Audit Terms of Reference for external Auditor

TERMS OF REFERENCE FOR ETHIOPIA

Oromia Forested Landscape Program-ERP

1. BACKGROUND

Development objectives:

The overarching Program Development Objective is to reduce net greenhouse gas (GHG) emissions and improve sustainable forest management in Oromia.

The project has two main components namely Enabling Investments and enabling environments.

Accounting centers for program funds currently include: (i) EFD; (ii) OEPA; (iii) OEPA All these institutions would maintain accounting books and records and prepare financial reports in line with the system outlined in the FM guideline. Detail arrangements for consolidation of the Program financial information are discussed under Financial Reporting below. Each implementing agency is responsible for maintaining the Program's records and documents for all financial transactions occurred in their offices.

The detail financial management arrangement for the project can be seen on the Project Appraisal Document (PAD)

The accounting period to be covered by the audit: The fiscal year of the Program is from 8 July to 7 July of the next year. The audit period requested for the first year implementation of the Program is from

2. OBJECTIVE OF THE PROJECT AUDIT

The objective of the audit of the Project Financial Statements (PFSs) is to enable the auditor to express a professional opinion(s) on the financial position of the project at the end of each fiscal year, and on funds received and expenditures incurred for the relevant accounting period.

The project books of accounts provide the basis for preparation of the PFSs by the project implementing agency and are established to reflect the financial transactions in respect of the project. The implementing agency maintains adequate internal controls and supporting documentation for transactions.

3. PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The responsibility for the preparation of financial statements including adequate disclosure is that of the implementing agency. The agency is also responsible for the selection and application of accounting policies. The agency would prepare the PFSs in accordance with the Federal Government of Ethiopia's accounting policies and procedures.

The auditor is responsible for forming and expressing opinions on the financial statements. The auditor would carry out the audit of the project in accordance with the International Standards on Auditing (ISA), as promulgated by the International Federation of Accountants (IFAC). As part of the audit process, the auditor may request from the implementing agency written confirmation concerning representations made in connection with the audit.

4. SCOPE OF THE AUDIT

The auditor will prepare a work plan to ensure adequate coverage of the various institutions that receive project funds and cover all the major risk areas.

As stated above, the audit of the project will be carried out in accordance with International Standards on Auditing (ISA) promulgated by the International Federation of Accountants (IFAC), and will include such tests and auditing procedures as the auditor will consider necessary under the circumstances. Special attention should be paid by the auditor as to whether the:

- (a) World Bank financing (and all external financing where the World Bank is not the only financier) has been used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided – please see *<state here clearly the relevant financing agreements*
- (b) Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;
- (c) Goods, works and services financed have been procured in accordance with the relevant financing agreements including specific provisions of the [World Bank Procurement Policies and Procedures](#)¹⁰;
- (d) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) or Interim Unaudited Financial Statements (IFS) methods of reporting. The auditor is expected to verify that respective reports issued during the period were in agreement with the underlying books of account;
- (e) Designated Accounts (if used) have been maintained in accordance with the provisions of the relevant financing agreements and funds disbursed out of the Accounts were used only for the purpose intended in the financing agreement;

¹⁰Depending on the complexity of procurement activities, the auditor may consider involving technical experts during the audit engagement. In cases where such experts are involved, the auditor is expected to comply with provisions of [International Standard on Auditing 620: Using the Work of an Expert](#). Consideration to use of the work of experts should be brought to the early attention of the borrower and the World Bank for mutual agreement and appropriate guidance.

- (f) National laws and regulations have been complied with, and that the financial and accounting procedures approved for the project (e.g. operational manual, financial procedures manual, etc.) were followed and used;
- (g) Financial performance of the project is satisfactory.
- (h) Assets procured from project funds exist and there is verifiable ownership by the implementing agency or beneficiaries in line with the financing agreement.
- (i) Ineligible expenditures included in withdrawal applications are identified and reimbursed to the Designated Accounts. These should be separately noted in the audit report.

In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters:

- a) ***Fraud and Corruption:*** Consider the risks of material misstatements in the financial statements due to fraud as required by ISA 240: The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements. The auditor is required to identify and assess these risks (of material misstatement of the financial statements) due to fraud, obtain sufficient appropriate audit evidence about the assessed risks; and respond appropriately to identified or suspected fraud;
- b) ***Laws and Regulations:*** In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the implementing agency with laws and regulations may materially affect the financial statements as required by ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements;
- c) ***Governance:*** Communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of an entity as required by International Standards on Auditing 260: Communication of Audit Matters with those Charged with Governance.
- d) ***Risks:*** In order to reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the financial statement level, and design and perform further audit procedures to respond to assessed risks at the assertion level as required by Internal Standard on Auditing 330: the Auditor's Procedures in Response to Assessed Risks.

5. PROJECT FINANCIAL STATEMENTS (PFSS)

1. The auditor should verify that the project PFSs have been prepared in accordance with the agreed accounting standards (see paragraph 3 above) and give a true and fair view of the financial position of the project at the relevant date and of resources and expenditures for the financial year ended on that date

The Project Financial Statements (PFSs) should include:

- (a) A statement of funds received, showing funds from the World Bank, project funds from other donors and counterpart funds separately, and of expenditures incurred;
- (b) A summary of the activity in the Designated Account;
- (b) A Balance Sheet (if deemed necessary);
- (c) A Summary of the principal accounting policies that have been adopted, and other explanatory notes;
- (d) A list of material assets acquired or procured to date with project funds

As an Annex to the PFSs, the auditor should prepare a reconciliation of the amounts as “received by the Project from the World Bank”, with those shown as being disbursed by the Bank.

6. UNAUDITED INTERIM FINANCIAL REPORTS (IFRs)

In addition to the audit of the PFSs, the auditor is required to verify all IFRs used as a basis for the submission of loan withdrawal applications to the World Bank. The auditor will apply such tests and auditing procedures as considered necessary under the circumstances. Annexed to the PFSs should be a schedule listing individual IFR withdrawal applications by specific reference number and amount.

The total withdrawals under the IFR procedures should be part of the overall reconciliation of Bank disbursements described in paragraph 5 above

7. DESIGNATED ACCOUNT

In conjunction with the audit of the Project PFSs, the auditor is also required to review the activities of the Designated Account associated with the project. The Designated Account usually comprises:

- Advance deposits received from World Bank;
- Replenishments substantiated by withdrawal applications;
- Interest that may have been earned on the accounts, and which belong to

the recipient; and

- Withdrawals related to project expenditures

The auditor should pay particular attention as to the compliance with the Bank's procedures and the balances of the Designated Accounts at the end of the fiscal year (or period). The auditor should examine the eligibility of financial transactions during the period under examination and fund balances at the end of such a period, the operation and use of the DAs in accordance with the relevant general conditions, relevant financing agreements and disbursement letter, and the adequacy of internal controls for this type of disbursement mechanism.

For this Project, the Designated Accounts are referred to in the general conditions, the Financing Agreement (subsection 5.3) and Disbursement Letter (para. I).

The auditor should also examine eligibility and correctness of:

- Financial transactions during the period under review;
- Account balances at the end of such a period;
- The operation and use of the Designated Account in accordance with the financing agreement; and
- The adequacy of internal controls for the type of disbursement mechanism

8. AUDIT REPORT

The auditor will issue an opinion on the project financial statements (PFSs). The annual audit report of the project accounts should include a separate paragraph highlighting key internal control weaknesses and non-compliance with the financing agreement terms.

9. MANAGEMENT LETTER

In addition to the audit report, the auditor will prepare a management letter, in which the auditor will:

- (a) Give comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
- (b) Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement;

- (c) Report on the degree of compliance of each of the financial covenants in the financing agreement and give comments, if any, on internal and external matters affecting such compliance;
- (e) Communicate matters that have come to his/her attention during the audit which might have a significant impact on the implementation of the project;
- (f) Give comments on the extent to which outstanding issues/qualifications issues have been addressed;
- (g) Give comments on previous audits' recommendations that have not been satisfactorily implemented; and
- (e) Bring to the recipient's attention any other matters that the auditor considers pertinent, including ineligible expenditures.

Ideally, the management letter should also include responses from the implementing agency to the issues highlighted by the auditor.

10. AVAILABLE INFORMATION

The auditor should have access to all legal documents, correspondences, and any other information associated with the project and deemed necessary by the auditor. The auditor will also obtain confirmation of amounts disbursed and outstanding at the Bank. Available information should include copies of the relevant: project appraisal document; financing agreement; financial management assessment reports; supervision mission reports and implementation status reports.

11. GENERAL

The financial statements, including the audit report, management letter and management response should be received by the Bank no later than six months after the end of the accounting year to which the audit relates.

The auditor should submit the report to the recipient's designated agent rather than to any staff member of the project entity. The agent should then promptly forward two copies of the audit report and accompanying statements to the Bank together with the management letter and management response.

It is highly desirable that the auditor becomes familiar with the Bank's Guidelines on Annual Financial Reporting for World Bank-Financed Activities, June 30, 2003, which summarizes the Bank's financial reporting and auditing requirements. The auditor

should be familiar with World Bank Procurement Guidelines, which can be obtained from the project implementing agency. The auditor should also be familiar with the Bank's Disbursement Handbook for World Bank Clients, Disbursement Guidelines for Projects: May 2006. These documents are available on the Bank's website and could be obtained from the Task Team Leader.

Procurement Arrangements

1. Given the Country Context ,The Procurement procedures for OFLP are separately defined for the two grants and the ER payments. The procurement under the two grants will follow the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017, August 2018 and November 2020). The project will be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. Countries will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record and track procurement transactions, and will be governed by the provisions stipulated in the Legal /Grant Agreement. The procurement under ER payment will follow the BSP and its OM for the Project as well as the policies and procedures of the WB's carbon financing, and will be governed by Emission Reduction Purchase Agreement (ERPA) signed between the WB and the FDRE on 9th of February 2023.

2. The envisaged Procurement activities under the project under the two grants will be include consultants; laboratory analysis and equipment and facilities for the livestock MRV system; PIU staff time (MRV staff, program coordinator, and safeguards management); computers, tablets, GPS, internet devices/dongles, printers, and so on; and capacity-building items. The procurement arrangements under the project are made in accordance with the provisions of the Procurement Regulations to ensure that the correct procurement approach is used to deliver the right results. By designing the right procurement approach, there is far more likelihood of the right bidders participating, better bids being received, and an overall increased chance of achieving value for money.

24. Procurement Assessment :

The OFLP acts as the programmatic umbrella coordinating activities and partnering with multiple projects for a multisector, multi-partner integrated management of Oromia's landscapes. The OFLP operates as a coordination platform working with all relevant agriculture-forested landscape-related initiatives in the region. The ORCU within OEPA is acting as a Program Coordination Unit between regional government line institutions, agriculture- and

forest-based unions, private sector, civil societies, and research institutions and academia to support the Program objectives. A memorandum of understanding was signed with six regional entities (OEPA, OFWE, BoA,¹¹ Livestock and Fisheries Resource Development Agency, Bureau of Land [BoL],¹² and Bureau of Water and Energy Resource Development [BoWERD]) for implementation of the OFLP grant. This institutional setup will continue to evolve during the current OFLP-ERP implementation period. This also include LFSDP PIU in Livestock and Fisheries Resource Development Agency, Bureau of Land [BoL], is also will be used for the project implementation for the Livestock sector Grant .

latest procurement assessment, the procurement performance and procurement risk in the LFSDP have been rated ‘Moderately Satisfactory’ and ‘Substantial’, respectively in successive missions.

The arrangement enhanced the internal control and check & balance in the procurement decision making process. Through the successive phases of OFLP project, these agencies have acquired significant experience in implementing Bank financed projects. However, the project has been heavily reliant on the project coordination unit established at ORCU within OEPA and the exposure of the existing structure to Bank financed projects has been minimal.

Thus, the experience in the existing system with regard to Bank financed projects is modest as it is for the first time ORCU to use IPF Regulations of November 2020.

Staffing: The procurement unit has one permanent staff with adequate qualification (minimum BA Degree) and experience in procurement. The assessment has also shown that many of the experts attended short term procurement trainings organized by the respective regional procurement regulatory bodies. However, the procurement experience on Bank financed projects using IPF Regulations has been observed to be limited due to the limited or no exposure of the staff working in the permanent structure. Besides, the project procurement would be governed by the Regulations in which there is no experience within the Implementing agencies. Thus, it is imperative that procurement training on the procurement

¹¹ Previously named Bureau of Agriculture and Natural Resource (BoANR).

¹² Previously named Bureau of Rural Land Administration and Use (BoLAU).

framework (Regulations) is organized and delivered to technical and procurement experts working in the PIUs and the IAs.

the arrangement established for CIG's procurement through a collaboration of beneficiary communities and the respective finance office is functional and is delivering expected results. However, the senior procurement expert position at the federal PCU has remained vacant for a very long time. As a result, the federal PCU has not been able to play its key role in coordinating the overall procurement activities and building procurement capacity in the project. In the MTR mission, the volume of procurement activities implemented at local level including CIGs, and the performance thereof, has not been reported and remained unknown.

This will be enhanced by hiring a procurement expert to fill the vacancy to ensure the project is going to do well.

Project Procurement Strategy for Development (PPSD) and Procurement plan. A PPSP for the project were prepared with "initial Procurement planning" and submitted to the Bank . It was agreed this will be including the Procurement Plan for the project, with details of the cost estimates, selection methods and market approach options and the time schedules. The initial Procurement Plan will be cleared by the WB within the PPSP.

The project and as part of the Progress report during implementation will submit to the WB procurement monitoring and contract implementation information.

In Ethiopia, for federal budgetary bodies, public procurement is regulated by the Public Procurement and Property Administration Proclamation No. 649/2009. The Proclamation establishes the Federal Public Property and Administration Agency as a body responsible for regulation and monitoring of federal bodies' public procurement activities. The eleven regional states and two city administrations have their own procurement proclamations and directives, which are basically, drafted using the federal one as a prototype. The regional implementing agency is OEPA, which has a procurement system similar to the Federal Public Procurement Agency, while most of the documents are in the regional language, Afan Oromo.

This grant procurement activities will be carried out in accordance with the World Bank Procurement Regulations for IPF Borrowers, dated July 2016 and last updated in November 2020; Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by

IBRD Loans and IDA Credits and Grants (dated October 15, 2006, and revised as of July 1, 2016); and the provisions stipulated in the Legal Agreement.

It was agreed that the project undergoes mandatory Independent Procurement Audit (IPA) processes by a process of hiring an independent procurement audit firm selection and the Bank as well will going to carry a Regular annual Procurement Post Review (PPR) .

During all procurement processes the suppliers are required to complete a disclosure form for any actual or potential conflict of interest during the tendering process, to be signed and included in their solicitation submissions. Similarly, all contractual agreements include conflict-of-interest clauses prohibiting such activity. procurement staff, focal points and members from different procurement-related Committees must also complete a form declaring they are free from conflict of interest and have no financial or personal interest in the cases to be reviewed. If it is determined that a conflict of interest does exist, that person is fully removed from any involvement in the procurement process.

Procurement Risk: The overall project procurement risk was assessed to be “**Substantial**” and residual risk assessed as based on the country situation, the procurement performance and procurement risk in the LFSDP have been rated ‘Moderately Satisfactory’ and ‘Substantial’, respectively

1. Procurement Objectives and Approach for the Project

Below are some of the envisioned objectives in line with circumstances and procedures indicated in the above sections:

- a.** Determine acceptable arrangements for awarding contracts and procurement methods that lead to optimal results, which ensuring transparency, efficiency and value for money (including competition, as appropriate)
- b.** Maintain proficient and qualified dedicated procurement needed staff to expedite the procurement processes and ensure contracts are executed according to the plan.
- c.** Ensure clear and concise technical specifications and terms of reference.
- d.** Procure and provide all goods and services to the program beneficiaries and else necessary for the achievement of the project objectives at the right price, from the right source, at the right time and quality, in the right quantity and deliver to the right place.

- e. Carry out regular monitoring and supervision to support procurement implementation so that to carry out the procurement function efficiently and effectively.
- f. Build capacity of the market, through advance identification of capable and qualified contractors/suppliers through market analysis and provide support as needed, and
- g. Deliver within budget and to expectations outlined in the Financing Agreement

Where possible, the project will lean into existing Long-Term Agreements as well as rosters for eligible service providers or vendors to ensure speedy procurement, and direct selection, in line with pre-determined eligibility, qualification criteria and cost appetite. And, to the extent possible, national procurement will be sought unless goods and services found are not anticipated to meet desired specifications to optimally deliver on the Project,

All procurement processes are to be undertaken in line with agreed prescribed policies and procedures. Majority of the procurement encompasses local purchase of laboratory analysis and equipment and facilities for the livestock MRV system, computers, tablets, GPS, internet devices/dongles, printers, and so on; and capacity-building items as well as recruitment of PIU staff and/or consultants on deliver on various project activities.

All these will be following the approved thresholds for procurement types, especially around distinctions around selection of national versus international goods and service providers. The PPSD assesses the local market to first determine whether required qualities and quantities of desired goods and services can be delivered at the right time, meeting the desired specifications and cost expectations. As discussed above, international procurement is sought when the local market cannot accommodate the request from the project.

Recommended Procurement Approach for the Project

3. procurement under the two grants will follow the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017, August 2018 and November 2020). The project will be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. Countries will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record and track procurement transactions, and will be governed by the provisions stipulated in the Legal /Grant Agreement. The procurement under ER payment will follow the BSP and its OM for the Project as well as the policies and procedures of the WB's

carbon financing, and will be governed by Emission Reduction Purchase Agreement (ERPA) signed between the WB and the FDRE on 9th of February 2023.

The following are activities envisaged to be implemented under the proposed Project:

Work: Works will include maintenance of schools, clinics, and roads, construction of fire breaks, Construction of local level community development works such as establishing or maintaining social infrastructure, constructing forest access roads or village access roads as part of a social development plan, there might also be a case where small irrigation dams and canal structures will be constructed in support of the local communities livelihoods etc.

Goods and Non-Consulting Services: Goods and non-consulting services will include contracts for procurement of MRV server, tablet, office equipment, GPS and ICT equipment, improved beehives equipment, tree seeds, seedlings, nursery materials including, polythene tubes, equipment, field survey and inventory materials, camping equipment, planting materials, protective gears, etc.

Consulting Services: Consulting Services shall include long-term contracts for project staff on Financial Management, Procurement, Monitoring and Evaluation, Environmental and Social Safeguards; Measurement, Reporting and Verification of the ER achieved statewide both from forestry and livestock sectors, Consultancy services for feasibility assessment, Consultancy services for environmental and social safeguards instruments audit; financial and procurement management audits, etc.

Planned project procurement and approaches.

The PIUs will follow the World Bank IPF Regulations “November 2020” and the procurement will be conducted by the PIU specifically will be established to manage this project . following the OFLP and LFSDP experience the procurement under the Project , in addition to considering its well-known established rosters of firms, will advertise to give the opportunity to all other potential firms that exist in the market, the use of STEP and the advertisement with UNDB and local newspapers is crucial.

Standard Procurement Documents issued by the World Bank to be used by Borrowers for IPF-financed projects include the General Procurement Notice, Specific Procurement Notice,

Request for Expression of Interest, Request for Proposals, and Request for Bids documents. These documents will be used for works, goods, consulting, and non-consulting services to be procured through international open competitive bids and for consulting services contracts. In addition, the implementing agencies will use Standard Bid Evaluation Forms for procurement of goods, works, and non-consulting contracts, and the Sample Form of Evaluation Report for selection of consultants.

National Procurement Procedures

1. When approaching the national market, as shall be agreed in the PP, the country's own procurement procedures may be used. The World Bank has reviewed the Standard Procurement Documents issued by the Federal Public Procurement and Property Administration Agency of the FDRE for procurement of goods and works and has found them acceptable with regard to consistency with the World Bank's procurement principles. Hence, national open competitive bids shall follow the procedure set forth in the Ethiopian Federal Government and Procurement and Property Administration Proclamation No. 649/2009 and Federal Public Procurement Directive issued by MOFEC dated June 10, 2010, provided that such procedure shall be subject to the following requirements as provided in section 5, paragraph 5.4 of the Procurement Regulations for IPF Borrowers (November , 2020):

- Open advertising of the procurement opportunity at the national level
- The procurement is open to eligible firms from any country
- The Request for Bids/Request for Proposals document shall require bidders/proposers submitting bids/proposals to present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anticorruption Guidelines, including without limitation to the World Bank's right to sanction and the World Bank's inspection and audit rights
- Contracts with an appropriate allocation of responsibilities, risks, and liabilities
- Publication of contract award information
- Rights for the World Bank to review procurement documentation and activities
- An effective complaint - handling mechanism
- Maintenance of records of the procurement process

2. Other national procurement arrangements (other than national open competitive procurement) that may be applied by the Borrower (such as Limited/Restricted Competitive Bidding, RFQ/Shopping/Local Bidding, and Direct Contracting), shall be consistent with the World Bank's core procurement principles and ensure that the World Bank's Anticorruption

Guidelines and Sanctions Framework and contractual remedies set out in its Legal Agreement apply.

Procurement Oversight and Monitoring Arrangements

3. Mandatory thresholds for prior review for the proposed project based on procurement risk levels of the project are provided in Table X.1. Based on the risk level of the project, procurement above the applicable thresholds as provided in the table shall be subject to prior review and shall be included in the PP. For contracts to be awarded using Direct Selection, the Borrower shall submit to Bank , for its review and ‘no-objection’, a sufficiently detailed justification, before inviting the firm to negotiations.

Based on the initial risk rating, implementing agency of the proposed project, which is “High”, shall seek the World Bank’s prior review for equivalent value of contracts as detailed in Table X.2 below.

Table X.1. Thresholds for Procurement Approaches and Methods (US\$, millions)

		Short List of National Consultants				
		Open International	Open National	RFQ	Consulting Services	Engineering and Construction Supervision
Category	Prior Review (US\$ millions)					
Works	≥5.0	≥7.0	<7.0	≤0.2	n.a.	n.a.
Goods, IT, and non-consulting services	≥1.5	≥1.0	<1.0	≤0.1	n.a.	n.a.
Consultants (Firms)	≥0.5	n.a.	n.a.	n.a.	0.2	0.3
Individual Consultants	≥0.2	n.a.	n.a.	n.a.	n.a.	n.a.

Frequency of Procurement Supervision: The WB under the project will carry out a Regular implementation support missions which will be conducted every six months or when needed if

earlier determined to be required and any agreed “PPR” and annual Independent Procurement Audit Firm (IPA) hiring .

Complaints Management and Dispute Resolution Systems: The Project operations are governed by the World Bank Regulations for handling any procurement related complaints.

Annex 18. Floating Period of Bids Table

SN	Procurement Types	Mode of Procurement		
		ICB	NCB	Shopping
1	Works	45	30	5
2	Goods	45	30	5
3	Other Service	45	30	5
4	Consultancy Service			
	EOI	15	15	
	Request for proposal	30	30	

Annex 19. Important records to be kept for procurement of Goods, Works and Non-consultancy services for different method

SN	Description	ICB	NCB	Shopping
1	Copy of the GPN with publication date	√	√	
2	Copy of the Specific Procurement Notice with publication date	√	√	
3	No-objection from World Bank to draft Bidding document	√		
4	Modifications/addenda to bidding documents (if any)	√	√	√
5	Final bidding documents/RFQ issued to bidders	√	√	√
6	Bid-opening report	√	√	
7	Government notice on composition and start of evaluation committee	√	√	
8	Clarifications requested from bidders and written replies	√	√	√
9	Bid Evaluation Report /quotation comparison report	√	√	√
10	Analysis of Bid Evaluation Report and recommendation	√	√	
11	Comments by the World Bank and/or no-objection on award of contract	√		
12	Copy of Letter of Acceptance	√	√	√
13	Copy of signed contract	√	√	√
14	Copy of letter to the World Bank transmitting signed contract for disbursement	√		
15	Publication of Award in UNDB online and dg-Market or national press	√	√	
16	Contract amendments	√	√	√
17	Inspection certificates	√	√	√
18	Payment Certificates	√	√	√

SN	Description	ICB	NCB	Shopping
19	Completion certificates	√	√	√
20	Copies of guarantees	√	√	
21	Claims and Disputes	√	√	√

Annex20. Important records to be kept for selection of consultancy services

SN	Description	Selection of consulting firm	Selection of Individual consultant
1	Copy of the general Procurement Notice	√	
2	Advert for Request for Expression of Interest and publication date	√	
3	List of Consulting firms having expressed their interest	√	
4	Documentation provided by Consultants	√	
5	Report for the evaluation of Eols (short listing report)	√	
6	Comments/no-objection from the World Bank to proposed short list	√	
7	Request for Proposal (RFP) and Terms of Reference	√	
8	No-objection/Comments by the World Bank to draft RFP	√	
9	Notice by Borrower of RFP sent to short listed firms	√	
10	Notice by Borrower of proposals received and opening of technical Proposals	√	
11	Notice by Borrower of appointment of evaluation committee	√	
12	Technical Evaluation Report	√	
13	Analysis/comments by the Bank of Technical Evaluation Report.	√	
14	Minutes of Opening of Financial Proposals.	√	
15	Financial Evaluation Report.	√	
16	Combined Technical and Financial Evaluation Report	√	
17	No-objection by the World Bank to recommendation for selected consultant and authorization to negotiate	√	

SN	Description	Selection of consulting firm	Selection of Individual consultant
18	No-objection by the World Bank to negotiated initialed draft contract)	√	
19	No-objection from the World Bank to initialled draft contract	√	
20	Copy of signed contract	√	
21	Letter to the World Bank transmitting copy of signed contract for disbursement	√	
22	Publication of Award	√	
23	Contract Amendments	√	
24	Consultant Reports	√	
25	Technical Assistance Reports	√	
26	Claims and Disputes	√	
27	Folders for Contracts with Individual consultants for technical assistance and training: Name on a folder for each individual consultant, terms of reference, request for EoI, short list, CVs and evaluation report		√

Annex21. Basic Steps of processing procurements at various levels

I. At OEPA/ORCU Regional Office level

Steps	Activity	Responsibility
1	Identification of procured items	OFLP-ERP Coordinator in consultation with Sector Offices
2	Preparation of Procurement Plan	ORCU's Procurement Specialis*/

3	Approval of Procurement Plan	Director, OEPA/ORCU WB
4	Preparation of bidding documents/RFPs	Procurement Specialist*
5	Approval of bidding documents/RFPs	Tender Committee/WB
6	Advertisement of the bid	Procurement Specialist*
7	Bid/proposal opening	Tender Committee
8	Bid/proposal evaluation	Technical/Tender Committee/with the assistance of the ORCU Procurement Specialist
9	Endorsement of evaluation report	Tender Committee
9	Approval of evaluation reports	Director, OEPA/ORCU/WB
10	Preparation of contract document	Procurement Specialist*
11	Approval of contract document	Director, OEPA/ORCU/WB
12	Contract award/signature	Director, OEPA/ORCU
13	Contract monitoring/follow-up	Procurement Specialist*

*with the assistance of Procurement Specialist

II. At OEPA/ORCU I level

Steps	Activity	Responsibility
1	Identification of procured items	OFLP-ERP Lead Facilitator in consultation with Sector Offices
2	Preparation of Procurement Plan	Procurement Specialist
3	Approval of Procurement Plan	OEPA head
4	Preparation of bidding documents/RFPs	Procurement Specialist
5	Approval of bidding documents/RFPs	Tender Committee
6	Communication or advertisement of the bid	Procurement Specialist
7	Bid/proposal opening & Evaluation	Tender Committee

8	Approval of evaluation reports	OEPA head
9	Preparation of contract document	Procurement Specialist
10	Contract award/signature	OEPA head
11	Contract monitoring/follow-up	Procurement Specialist

l ii. At other Implementing agencies at Regional Office level

Steps	Activity	Responsibility
1	Identification of procured items	OFLP-ERP Coordinator in consultation with Sector Offices
2	Preparation of Procurement Plan	Procurement Specialist*
3	Approval of Procurement Plan	Bureau Head, OEPA/ORCU, WB
4	Preparation of bidding documents/RFPs	Procurement Specialist
5	Approval of bidding documents/RFPs	Tender Committee/WB
6	Advertisement of the bid	Procurement Specialist
7	Bid/proposal opening	Tender Committee
8	Bid/proposal evaluation	Technical/Tender Committee
9	Approval of evaluation reports	Bureau Head /ORCU/WB
10	Preparation of contract document	Procurement Specialist
11	Approval of contract document	Bureau head/ORCU/WB
12	Contract award/signature	Bureau head
13	Contract monitoring/follow-up	Procurement Specialist

Annex 22. **Steps for Procurement of Goods, Works and Non-Consultancy Services**

Shopping

Steps

1. Procurement Specialist initiates procurement action to the Procurement Committee for approval.
2. Procurement Specialist shortlists bidder from the register of providers in a rational manner using a rotation table,
3. Procurement Specialist sends quotation/solicitation letters to vendors.
4. Procurement Committee sets up evaluation committee with PS as secretary/member.
5. Bids received and evaluated.
6. Bid Evaluation Report (BER) prepared by the PS and sent to Procurement Committee for approval.
7. Notification of Award sent to the successful bidder.
8. Contract signing.
9. Contract implementation.

NCB (Post Review)

Steps

1. Procurement Specialist prepares specification, BOQ and Drawings in liaison with user department and submits to tender committee for approval.
2. Submits to Finance and Procurement Unit for review.
3. Advertisement.
4. Public Bid Opening.
5. Committee carries out the evaluation.
6. Bid Evaluation Report submitted to Procurement Committee for review.
7. Bid evaluation report sent to procurement endorsing/tender committee

8. Bid Evaluation Report sent to FINANCE AND PROCUREMENT UNIT for review.
9. Award notification sent to the Bidder.
10. Signing of contract.

ICB (Prior Review)

Steps

1. Procurement Specialist prepares specifications and BOQs in liaison with Technical/user departments.
2. Submits to Project Coordinator for approval.
3. Sends to FINANCE AND PROCUREMENT UNIT for review.
4. Reviewed documents are sent to the Bank for 'No Objection'.
5. Advertisement
6. Public Bid Opening.
7. Finance, Procurement and Property Administration Director constitutes Evaluation Committee.
8. Committee carries out evaluation.
9. Submits Bid Evaluation Report to Project Coordinator for review.
10. Bid Evaluation report sent to procurement/tender endorsing committee.
11. Bid Evaluation Report submitted to FINANCE AND PROCUREMENT UNIT for review.
12. Bid Evaluation Report submitted to the Bank for 'No Objection'.
13. Notification to successful bidders/Award of contract.
- 14.** Signing of contract.
- 15.** Contract Implementation

16.

Annex 23. Procedures for Selection of Consultants QCBS procedures

When the QCBS is used, the RFP shall include a Letter of Invitation, Information to Consultants, the TOR, and the proposed contract. The steps to be followed for QCBS are:

1. Preparation of EOI, TOR.
2. Submission for Bank's review.
3. No objection received.
4. Advertise EOI.
5. Submission of EOI by consultant.
6. The head of implementing agency will set-up Evaluation Committee conduct evaluation
7. Approval of the evaluation report by procurement/tender endorsing committee
8. Submission of short list and RFP to WB.
9. Receive No Objection notification from WB.
10. Receive proposals from consultants.
11. Opening and evaluation of Technical proposals.
12. Approval/endorsing of evaluation reports by procurement/tender committee.
13. Submission of technical evaluation report to the Bank .
14. No objection received on technical evaluation report from the WB.
15. INotification of Techninical Evaluation Result and Invitation for Opening of Financial ProposalsOpening of Financial Proposal.
16. Prepare and Submit Combined Technical and Financial Evaluation Report
17. Approval/endorsing of combined technical and finacila evaluation reports by procurement/tender committee.
18. Send Combined Technical and Financial Evaluation Report to the WB.
19. Negotiation of contract.

20. Submit Minutes of Negotiation and Draft contract and receive No objection from the WB.
21. Notification of award.
22. Contract signature.
23. Send signed contract to WB for documentation.
24. Contract Implementation

Consultant Qualification Selection (CQS)

The steps to be followed in the CQB are:

1. Preparation of TOR.
2. Advertisement.
3. Evaluation.
4. Negotiation.
5. Notification of award.
6. Contract signing.
7. Acceptance of first draft or interim report.
8. Acceptance of finalreport.

Individual Consultant (IC)

The steps to be followed in the section of IC are:

1. Preparation of TOR.
2. Short listing.
3. Evaluation.
4. Notification of award.
5. Receipt of interim report.
6. Receipt of final report.

Annex 24. Approach and methodology of GHG data collection, analysis and computation

The Approach and methodology of GHG data collection, analysis and computation of the Emissions reduction during the consecutive ER monitoring and reporting phases will follow the ISFL requirements adopted in baseline setting. The first step is the preparation of the GHG Inventory for Agriculture, Forestry and Other Land Use (AFOLU) sector, applying the methodology, categories and subcategories from the 2006 IPCC Guidelines.

Description of the Program GHG Inventory

Oromia National Regional State GHG Inventory is elaborated with the use of 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Part of the calculations - emissions in agriculture - is done with the use of the IPCC Software (latest version) which is also based on the 2006 IPCC Guidelines. The IPCC software could be used given the information collected in agriculture sector. Emissions and removals in LULUCF are calculated on spreadsheets. The software, as well as the Guidelines, assisted in compiling a complete, sub-national Greenhouse Gas Inventory for Oromia for the Agriculture, Forestry and Other Land Use (AFOLU) sector.

The elaboration of the GHG Inventory includes good practices in inventory compilation so that the final estimates of the Oromia National Regional State GHG Inventory are neither over nor underestimated, and uncertainties are estimated and reported (reduced as far as possible).

Greenhouse Gases considered in the baseline were carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄). CO₂ is the main Greenhouse Gas in LULUCF sector, while N₂O and CH₄ are present in the agriculture sector. Thus, the monitoring and reporting will consider these gases if deemed necessary.

The categories and subcategories applied in the GHG Inventory are the same as the 2006 IPCC Guidelines. The table below shows the categories in the agriculture (livestock and other) and LULUCF sectors to be considered while monitoring and reporting.

Table Sector, categories and subcategories in GHG Inventory

Sector	Categories	Subcategories
Livestock	Enteric fermentation	Cattle
		Sheep
		Swine

	Manure management	Other livestock
		Cattle
		Sheep
		Swine
		Other livestock
		Indirect N ₂ O emissions
Other	Rice cultivation	Irrigated
		Rain-fed
		Deep water
		Other
	Agricultural soils	Direct N ₂ O emissions from managed soils
		Indirect N ₂ O emissions from managed soils
	Urea application	

Detail category description to accounting change

Sector	Categories	Subcategories
LULUCF	Forest land	Forest land remaining forest land
		Grassland converted to forest land
		Cropland converted to forestland
	Cropland	Cropland remaining cropland
		Forestland converted to cropland
		Grassland converted to cropland
		Settlement converted to cropland
	Grassland	Grassland remaining grassland
		Forestland converted to grassland
		Cropland converted to grassland
	Wetlands	Wetlands remaining wetlands
		Land converted to wetlands
	Settlements	Settlements remaining Settlements
		Cropland converted to Settlements
		Grassland converted to settlements
	Other land	Other land remaining other land
		Grassland converted to other land
	Harvested wood products	

IPCC description of categories

Forest land

Land spanning more than 0.5 ha covered by trees (including bamboo with a minimum width of 20m or not more than two-thirds of its length) attaining a height of more than 2m and a canopy cover of more than 20% or trees with the potential to reach these thresholds in situ in due course (National Forest Reference Level Submission, 2017; Minutes of Forest sector management, ME FCC, Feb. 2015).

Forest subcategories

- a. Natural forest
- b. Plantation forest
- c. Bamboo

Cropland

Land use category that includes areas used to produce adapted crops for harvest; this category includes both cultivated and non-cultivated lands. Cultivated crops include row crops or close-grown crops and hay or pasture in rotation with cultivated crops. On-cultivated cropland includes continuous hay, perennial crops and horticultural cropland. Cropland also includes land with alley cropping and windbreaks, as well as lands in temporary fallow or enrolled in conservation reserve programs. Roads through Cropland, including interstate highways, state highways, other paved roads, gravel roads, dirt roads, and railroads are excluded from Cropland area estimates and are, instead, classified as Settlements. It was advised that Ethiopia is a unique case in cropland mapping due to the vast production of teff that usually has the same reflectance as grasslands.

Cropland subcategories

- a. Annual Cropland
- b. Perennial Cropland

Grassland

Land use category on which the plant cover is composed principally of grasses, grass-like plants, forbs, or shrubs suitable for grazing and browsing, and includes both pastures and native rangelands. This includes areas where practices such as clearing, burning, chaining, and/or chemicals are applied to maintain the grass vegetation. Savannahs, waterlogged areas, low woody plant communities and shrubs, such as mesquite, mountain shrub, etc. are also classified as Grassland if they do not meet the criteria for Forest Land. Grassland includes land managed with agro-forestry practices such as silvi-pasture and windbreaks, assuming the stand or woodlot does not meet the criteria for Forest Land. Roads more than 5m wide through Grassland, including highways, other paved roads, gravel roads, dirt roads, and railroads are excluded from Grassland area estimates and are, instead, classified as Settlements.

Grassland subcategories

- a) Shrub land
- b) Grassland

Wetland

A land use category that includes land covered or saturated by water for all or part of the year. Managed Wetlands are those where the water level is artificially changed or those created by human activity. Certain areas that fall under the managed Wetlands definition are covered in other areas of the IPCC guidance and/or the inventory, including Cropland (e.g., rice cultivation), Grassland, and Forest Land (including drained or un-drained forested wetlands).

Settlement

Land use category representing developed areas consisting of units of 0.25 acres (0.1 ha) or more that includes residential, industrial, commercial, and institutional land; construction sites; public administrative sites; railroad yards; cemeteries; airports; golf courses; sanitary landfills; sewage treatment plants; water control structures and spillways; parks within urban and built-up areas; and highways, railroads, and other transportation facilities. Tracts of less than 10 acres (4.05 ha) that may meet the definitions for Forest Land, Cropland, Grassland, or Other Land but are surrounded by urban or built-up land are also included in the settlement category. Rural transportation corridors located within other land uses (e.g., Forest Land, Cropland) are also included in Settlements.

Other land

All land areas that do not fall into any of the other five land use categories.

There are other documents to which the Oromia GHG Inventory can be compared to detect consistent results: The Second National GHG Inventory of Ethiopia, “Ethiopia’s three years greenhouse gas inventory” (still being elaborated by the Environment, Forestry and Climate Change Commission), the National Forest Reference Level and the National State Regional (Oromia) Forest Reference Level.

Enteric fermentation is a digestive process by herbivores by which carbohydrates are broken down by micro-organisms into simple molecules for absorption into the bloodstream. The process produces methane. Although ruminants are the largest source, both ruminant and non-ruminant animals produce CH₄.

1. Forest sector

Forest based CO₂ sequestration projects, regardless of their methodological approach, are always defined by the interaction of two carbon pools: a) the CO₂ stored in the forest ecosystem and b) the CO₂ present in the atmosphere. Forests are sinks for atmospheric carbon. This holds especially true for young or immature forests, if they are not disturbed and are not yet at equilibrium of increment, harvest and/or decay and harvest. This positive net sequestration of CO₂ can be traded via emission reduction certificates, e.g. to offset emissions from industrial production, travelling and energy consumption. In

contrast, the atmospheric pool increases if forests are destroyed leading to the release of the stored CO₂. This occurs if forest lands are converted into other land uses such as agriculture, or through forest management activities like harvesting or natural disturbances like forest fires or pests. In all these cases forests become sources of CO₂.

There are three major types of forest-based carbon projects that either sequester CO₂ or reduce CO₂ emissions.

1. Afforestation/Reforestation (AR) projects increase the amount of carbon in living biomass and soil by establishing forests on non-forest land. Typical examples are afforestation and reforestation of protected areas, agricultural land and degraded or eroded land. This category of projects includes classical forest plantations with high yielding and fast growing tree species such as eucalyptus or pines.

2. Reducing Emissions from Deforestation and Forest Degradation (REDD) projects: According to the IPCC 4th assessment report, emissions from the clearance of forests are responsible for about 17% of global CO₂ emissions. Reducing high deforestation and degradation rates is considered to be a very cost-effective way to decrease global greenhouse gas emissions and to support developing countries in better managing their natural resources. The reduction of emissions from deforestation and forest degradation via protection, carbon stock enhancement as well as improved and sustainable forest management in developing countries has gained importance in the current debate on climate change.

Thus the OFLP ER project will consider these forest project/intervention types. However, to be forest land and accounted for ER, it should fulfill the national forest definition.

The national and regional (Oromia) MRV team elaborated the activity data for estimation of GHG. The methodology is based on a sampling approach to target potential areas of change and to assess the land-use and land-use changes of the samples when analyzing satellite images.

The approach and methodology of GHG data collection will embark on the approach and methodology used during Regional/National GHG inventory estimation.

1.1. Sampling design

According to IPCC Good Practice Guidance for Land Use, Land Use Change and Forestry (IPCC GPG LULUCF) (Chapter 5.3.4) areas and changes in areas can be estimated using sampling (sample based activity data (AD) estimation) i.e., Estimation via proportions. This approach requires that the total area of the survey region is known, and that the sample survey provides only the proportions of different land-use classes. IPCC GPG LULUCF (Chapter 5.3.3.2) also states that 'it is efficient to use systematic sampling, since in most cases this will increase the precision of the estimates. Systematic sampling also simplifies the fieldwork'. Therefore, systematic sampling design will be adopted for the GHG data collection and analysis, in similar manner with the baseline GHG data development.

10.1 1.2. Sample based activity data (AD) estimation

10.2 Sample data collection

After generating sample plots, those reference sample plots will be assessed using Collect Earth Engine (CEO). This Google Earth plugin allow users to visually assess the LULC of sample locations with the freely available data from Google Earth. The activity data for deforestation and afforestation/reforestation will be assessed as an average of annual forest loss and forest gain in hectares in the monitoring period, as stipulated in the ERPA framework agreement. Satellite imagery will be used in combination with sample data from Google Earth observations to determine the spatial extent of forest and LULC change.

Survey design will be created for each CEO project. CEO is a tool for collecting reference data from very high, high and medium resolution satellite imageries. It was developed by Food and Agriculture Organization of the United Nations (FAO) under the Open Foris Initiative. CEO is a free and open-source image viewing and interpretation tool, suitable for projects requiring information about land cover and/or land use. CEO enables simultaneous visual interpretations of satellite imagery, providing global coverage from MapBox and Bing Maps, a variety of satellite data sources from Google Earth Engine.

According to good practice guideline (GPG) of the IPCC, emission estimates shall neither over-nor underestimate the actual emissions as far as can be judged, and reduce uncertainties as far as practicable given national circumstances. It is also good practice to quantify uncertainties and report them in a transparent manner. A correct identification and quantification of the various sources of uncertainty will helps to assess the robustness of any GHG inventory and prioritize efforts for their further development/improvement.

1.3. Uncertainty estimates

To quantify and report uncertainty, confidence intervals will be calculated and reported around the area estimates, which provide an indication of the precision of the estimate. Precision gives a description of random errors or variability. Large confidence intervals indicate a large statistical variability of the population. The 95% confidence interval for the area estimates are calculated by multiplying 1.96 by the standard error of the area estimate.

1.4. Quality Assurance and Quality Control (QA & QC)

Formal and informal QA/QC approaches will be employed. Informal QA/QC is done involving qualitative approaches to identifying problems with analysis. Practical training will be given to the data collectors before the real work to assure consistent interpretation skills among the interpreters.

1.5. Data analysis

All collected data will be processed and analyzed using Microsoft Excel (Functions like 'IF', 'Pivot', 'VLOOKUP', 'LEFT', etc...). Moreover, visualization is performed using R-Statistical software latest version at the period of data analysis. The geospatial analysis is carried out using QGIS and Arc GIS software.

1.6. Satellite data acquisition

The wall-to-wall mapping was needed for visualizing where each land use land cover (LULC) is spatially located and to increase the understanding of readers of the locations of forests. In order to classify the LULC for the monitoring period, high spatial resolution Planet NICFI level-1 imagery is acquired for the monitoring period covering the boundary of the regional state. Planet NICFI level 1 imagery is a product of Norway's International Climate and Forests Initiative (NICFI) satellite program. It has a spatial resolution of 4.77 m. Therefore, there was a chance to capture most trees and smaller patches as small as about 25 m² in size or with a length/width of 4.77 m. Very high resolution (VHR) imagery from Google Earth will also be used as auxiliary data for better visualization.

2. Livestock Sector

During the preparation of OFLP ERPD Methane emission from Enteric Fermentation for cattle was estimated using tier 1 method and default emission factors from the 2006 IPCC Guidelines. This is due to the absence of national or regional detailed livestock population and country-specific data on methane conversion factor and Gross Energy (GE), required to estimate emission under tier 2 methods. However, recently Guideline on Data Collection and Estimation of GHG Emission from Livestock and Manure Management" developed for the country and Oromia in particular. As part of phased approach emission accounting of different sectors, Oromia developed GHG emission of livestock by UNIQUE and GHG Data improvement plan for data gap by a consultant firm. Thus, the approach and methods in collecting and analysis of GHG from livestock to obtain ER credit payment will follow the same approach and methodology adopted by the two studies.

Pivotal role of the Central Statistics Agency (CSA) in collecting time series on animal numbers (disaggregated as required) necessary for the Tier 2 reporting on a regular and sustainable basis. It was agreed that the LFSDP will take the lead in implementation of Phase I developing the overall methodology for data collection and computation, the OFLP, will implement Phase II, piloting the approach in Oromia.

The two GHG inventory reports using IPCC Tier 2 approach done by UNIQUE at national (from cattle, sheep and goats) and Oromia (from cattle) level have identified a number of data gaps which contributes to high uncertainty in the T2 EF computation. The inventory covers the period from 1994 to 2018. These reports have recommended improving the data for improved accuracy of the T2EF calculation and hence better emission inventory of the livestock sector (cattle, sheep and goat) using Tier 2 method. The data gaps are either missing data or poor quality data or both. The main data gaps identified by the reports are described under section 3 below.

The estimation designed to collect relevant data input for GHG emission accounting in Oromyia National Regional State (ONRS), following the IPCC Guideline, i.e. '*2019 Refinement to the 2006 IPCC guidelines for National Greenhouse Gas Inventories*'. As suggested in the guideline either Tier 1 or Tier 2 will be used as a methodology of GHG emission accounting. Tier 1 would be simply calculated by multiplying population data with default emission factors developed grossly for the African countries. It was understood that Tier 1 could not reflect the real situation of Ethiopian production system (Ethiopian CRGE, 2011) because emission factors inherently vary from one country to another depending on existing livestock population, feed characteristics (feed composition and nutritive values), variation in animal breeds, difference in productivity parameters, difference in manure management systems, and manure characteristics.

Tier 2 was, however, designed to mine country specific data that could better reflect management practices, diets, and animal productivity in different production systems. This is because emissions per animal estimated could also be changed over time if data on management practices or productivity were updated (IPCC 2006, FAO put year, UNIQUE). A Tier 2 approach was, therefore, universally accepted method for capturing the effects of livestock development and climate change mitigation policies on emissions from the sector and to implement carbon credit system for farmers. The IPCC Tier 2 guidelines could also provide different coefficients (such as for estimating feed intake in enteric and manure management system (MMS) emissions, coefficients for estimation of CH₄ and N₂O emission) depending on production system, animal sub-categories (IPCC 2006/2019) that cannot be obtained from other methodologies.

For livestock GHG monitoring (in the agreed monitoring period), cattle population will be divided into four categories by existing production systems of the country: 1) Mixed Crop Production (MCL) System; 2) Pastoral and Agro-Pastoral (PAP) system; 3) Small and Large Commercial Dairy Production (SLCDP) system; and 4) Commercial Feedlot (CFL) system consistence with baseline data generated. It will further classify based on age and sex. Then, high and low productivity systems are defined based on relevant attributes such as feed base, genetics (local and cross/pure breed), production purpose (milk, meat, both). Within each production system, livestock management practices, feed utilization, animal productivity, and manure management practices will be used as important parameters to understand the contribution of the existing cattle production system in the region on GHG emission accounting. These will help to calculate GHG emission using country specific population, production systems, productivity, feed characterization and manure management systems. For creating homogenous sub groupings, herd composition is divided into local and pure/cross breed cattle within each production system. Except the feedlot production system, cattle are sub categorized based on age, sex and production purpose as:

Since Tier 2 emissions estimates require 'feed intakes' for a representative animal in each subcategory, detailed animals' typical diet for each production system will be defined. Broadly, animal diets are

classified as 1) Natural grazing; 2) Crop residues; 3) Improved forages; 4) concentrates; and 5) Others, including household leftovers. Under each feed category, feed type which might be provided from within the feed menu to each subcategory will be exhaustively listed out. As feeds given to animals differ in volume, quality, availability and price, feed types and its proportion in the “feed basket” to specific subcategory of animal will be defined for farmers to recall of feeding practices and volume.

To estimate feed intake, live weight data are required for each animal subcategory. Heart Girth measurement will be used to estimate proxies for live weight of the representative sample animal using a ‘Heart Girth Measurement Tape’. Depending on genetics (local or pure/cross breeds), the circumference or heart girth estimation varied. For local breeds, HG will be measured from a point slightly behind the shoulder blade, down the fore-ribs and under the body behind the elbow all the way around. Because data collection targets individual animals, one animal for each subcategory will be measured, but number of animals will be increased for animal less common in the total herd so that rare animal subcategory does not end up with very low sample size. After the measurement, the live weight will be calculated using the method described in Goopy et al. 2017. For pure or cross bred animals, the tape reading for live weight were directly recorded. Then, live weight was calculated using the BOX COX linear regression equation: $LW^{0.3595} = 0.02451 + 0.04894 * HG$. Heart Girth measurement and live weight with Mean and Standard Deviation (SD) or Median as needed were reported.