PARTNERSHIP AGREEMENT
between the Norwegian Ministry of Foreign Affairs
and the Federal Democratic Republic of Ethiopia Ministry of Agriculture
on
“Cooperation on reducing greenhouse gas emissions from deforestation and forest
degradation, conservation of forest carbon stocks, sustainable management of forests and
enhancement of forest carbon stocks (REDD+), within the context of Ethiopia’s Climate
Resilient Green Economy (CRGE) Strategy.”

I. PREAMBLE

The Federal Democratic Republic of Ethiopia Ministry of Agriculture (MoA) and the Norwegian
Ministry of Foreign Affairs (MFA), (hereinafter referred to as the "Parties"): recognizing the Joint
Communiqué between Ethiopia, Norway and the United Kingdom focusing on joint
collaboration on international climate change policy and support for Ethiopia’s Climate Resilient
Green Economy (CRGE) Strategy, declared in Durban on the 8th of December 2011;
recognizing Ethiopia’s CRGE Strategy that outlines how to protect Ethiopia from the adverse
effects of climate change and build a sustainable green economy by 2025;
recognizing Ethiopia’s Readiness Preparation Plan (RPP), submitted to the Forest Carbon
Partnership Facility on 25th May 2011, as the basis for REDD+ implementation in Ethiopia;
recalling that Ethiopia and Norway are parties to the United Nations Framework Convention on
Climate Change (UNFCCC), the Kyoto Protocol and the Convention on Biological Diversity (CBD);
recognizing that when an international REDD+ mechanism is established, the activities laid out
in this Partnership Agreement may be continued through such a mechanism;
recognizing that poverty reduction and equitable distribution are key strategies to building a
sustainable economy;
hereby establish a partnership to reduce greenhouse gas emissions from deforestation and
forest degradation, conservation of forest carbon stocks, sustainable management of forests and
enhancement of forest carbon stocks (REDD+) (hereinafter known as ‘the Partnership’).

II. PURPOSE OF THE PARTNERSHIP

The purpose of the Partnership is to contribute to reductions in greenhouse gas (GHG)
emissions from deforestation and forest degradation, conservation of forest carbon
stocks, sustainable management of forests and enhancement of forest carbon stocks
(REDD+), including afforestation and reforestation efforts, through:

a. Collaboration in supporting the development and implementation of Ethiopia’s
REDD+ strategy.

b. Demonstrating the integral role of REDD+ in accomplishing the emission reduction
ambitions set out in Ethiopia’s CRGE strategy.

III. GENERAL APPROACH AND PRINCIPLES

In their cooperation, the Parties will:

a. Ensure that the activities of the Partnership are based on, and are not in conflict
with, guidance on REDD+ provided by the UNFCCC;

b. Give all relevant stakeholders, including local communities and civil society, and in
particular women, the opportunity of full and effective participation in REDD+
planning and implementation.

c. Seek a proportional and progressive scaling up of financing, actions and results over
time, based on the principle of payment for performance.

[Signature]
d. Be fully transparent regarding financing, actions and results.

e. Encourage other development partners to join the Partnership.

f. Ensure coordination with other climate change and REDD+ initiatives.

g. Seek to ensure the economic, social and environmental sustainability and integrity of the Joint REDD+ Partnership.

IV PHASES OF THE PARTNERSHIP

The Partnership will be implemented in three phases as outlined in Articles V, VI and VII of this Partnership Agreement. To expedite progress, different work streams of the Partnership may move forward through the three phases at a different pace, as long as the prerequisite deliverables for a specific work stream has been completed in the preceding phase.


In this phase, MoA will take the main preparatory steps for the implementation of a national REDD+ strategy, including:

a. Developing a preliminary national REDD+ strategy that addresses all key drivers of forest related emissions through a transparent and inclusive multi-stakeholder process. The strategy should also suggest ways to implement Participatory Forest Management and equitable benefit sharing, ensuring gender equality.

b. Establishing a national REDD+ legal, technical and institutional framework for the implementation of the REDD+ strategy, through a transparent and inclusive multi-stakeholder process.

c. Developing a roadmap for and establishing the initial design of a national system to measure, report and verify anthropogenic forest greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and natural forest area changes that is compliant with the latest guidance from the International Panel on Climate Change (IPCC), as part of a comprehensive national GHG inventory.

d. Preparing for the development of a national reference level for greenhouse gas emissions and removals from the forestry sector based on available data on historical forest cover and forest cover changes and emission factors.

e. Selecting and designing one or more regional REDD+ pilots that can inform national REDD+ strategy development and contribute to significant and sustainable emission reductions from the forestry sector.

f. Developing Social and Environmental Safeguards for REDD+ activities in Ethiopia based on UNFCCC guidance, World Bank Safeguard policies, the Environmental Impact Assessment Proclamation of Ethiopia and relevant international instruments, as specified in the Ethiopian R-PP.

MFA is foreseen to provide payments for Ethiopia’s progress on expected deliverables in Phase 1 as specified in Annex 1 of this agreement.

VI PHASE 2: TRANSFORMATION (2015 – 2016)

In this phase, MoA will take the transformational steps identified in Ethiopia’s national REDD+ strategy, including:

• National REDD+ capability building.
• Policy development and implementation.
• Legal reform and law enforcement.
• Implementation of one or more regional REDD+ pilots.

The aim of this phase is to make Ethiopia ready for Phase 3 while also initiating large scale mitigation action.

MFA is foreseen to provide payments for Ethiopia’s progress on expected deliverables of Phase 2. The expected deliverables and key performance indicators of Phase 2 will be defined in an addendum and annexed to this Partnership Agreement.

VII PHASE 3: PAYMENTS FOR VERIFIED EMISSION REDUCTIONS (2016 – 2020)

A CRGE Facility will be established to implement a mechanism for national payment for verified emissions reductions.

a. MoA is foreseen to receive annual payments for independently verified national emission reductions from REDD+ relative to a national compensation level set by Moa and MFA based on Ethiopia’s national reference level as submitted to and approved by the UNFCCC. If no UNFCCC approved reference level has been set for Ethiopia, the agreed compensation level will be based on a national reference level developed by MoA in collaboration with partners, taking into account Ethiopia’s historic emission levels, Ethiopia’s emission reduction targets, the most recent IPCC guidance and relevant UNFCCC decisions.

b. Financial contributions from MFA is foreseen to be channeled through Ethiopia’s CRGE Facility.

The methodology for calculating payments for verified emission reductions from the forestry sector in Phase 3 will be developed and annexed to an addendum to this Partnership Agreement.

VIII FINANCIAL CONTRIBUTIONS AND OTHER SUPPORT

MFA intends to provide financial contributions for Phase 1 and Phase 2 capacity building activities and investments through agreed financial mechanisms. Payments for performance in Phase 1, 2 and 3 is foreseen to be contributed through the CRGE Facility to be allocated for sectoral reduction proposals contributing to rural green growth. The detailed terms and conditions for such support will be regulated in separate contribution agreements.

IX JOINT CONSULTATION GROUP

A Joint Consultation Group (JCG) will be established to contribute to the effective implementation of this Partnership. The JCG will consist of representatives for both MoA and MFA, and any other representatives as agreed by the Parties.

Terms of reference and rules of procedure for the JCG will be agreed during its first meeting. The JCG will meet annually to assess the progress of the Partnership and ensure its effective implementation.
The JCG will carry out its assessment of the Partnership's progress based on annual reports provided by MoA, the reports of multilateral implementation partners, and the reports of the independent verification mechanism described in Article X.

**X INDEPENDENT VERIFICATION MECHANISM**

A mechanism for independent verification of reported emission reductions from Phase 2 and Phase 3 of the Partnership, agreed to by both MoA and MFA, will be established. The delivery of emission reductions will be reviewed through the independent verification mechanism and the results of this review will be reported to the JCG annually. The reports will be public.

Terms of Reference for the Independent Verification Mechanism will be defined in an addendum and annexed to this Partnership Agreement. MFA is foreseen to cover the cost of the independent verification mechanism.

The independent verification mechanism will also contribute to building the capacity of Ethiopia to measure, report and verify emission reductions from REDD+.

**XI DETAILS OF AND AMENDMENTS TO THE PARTNERSHIP**

The details of the Partnership will be further described in addendums and annexed to this Partnership Agreement.

This Partnership Agreement may be amended at any time by the mutual written consent of the Parties.

**XII ENTRY INTO EFFECT AND TERMINATION**

a. This Partnership Agreement shall enter into effect upon signature, and will remain valid until the end of 2020, automatically renewed thereafter for successive 3 year periods unless contrary notification is presented by either of the Parties through diplomatic channels.

b. This Partnership Agreement may be terminated at any time by either of the Parties upon three months prior written notification, through diplomatic channels.

c. This Partnership Agreement will be supplemented by contribution agreements regulating the detailed terms and conditions for financial support. In case of inconsistencies or divergences in interpretation, the contribution agreement(s) shall prevail over this Partnership Agreement.

Done in duplicate in Addis Ababa on the 16th August 2013, in the English language.

**FOR THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS**

Odd-Inge Kvalheim
Ambassador

**FOR THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA MINISTRY OF AGRICULTURE**

Ato Sileshi Getahun
Minister of State
ANNEX 1 – PHASE 1 DELIVERABLES

BACKGROUND

- This annex is based on the principles and modalities set forth in the MoA – MFA Partnership Agreement of [Date]
- The annex describes the expected deliverables and key performance indicators of Phase 1 of the Partnership and will constitute benchmarks for assessing the progress of the Partnership by the Joint Consultation Group.
- Expected deliverables and key performance indicators are based on MoA’s plans for REDD+ readiness building, as specified in Ethiopia’s RPP, submitted to the FCPF on 25 May 2011, with revisions agreed to by the Government of Ethiopia and development partners in the RPP Assessment Missions of November 2011 and March 2012.

EXPECTED DELIVERABLES AND KEY PERFORMANCE INDICATORS

Deliverable 1: Development of a preliminary national REDD+ Strategy that identifies and addresses key drivers of forest related emission through a transparent and inclusive multi-stakeholder consultation process, as provided for in Ethiopia’s RPP. The Strategy has been developed to a level where clear directions are provided, but will only be finalized during Phase 2 of the Partnership.

Key Performance Indicators:

1. A preliminary National REDD+ Strategy that identifies and addresses key drivers of forest related emissions has been completed – through a transparent and inclusive multi-stakeholder consultative process – and made public.
2. The preliminary strategy proposes methods for implementing PFM and equitable benefit sharing, ensuring gender equality.

Deliverable 2: Establishment of a national REDD+ legal and institutional framework for the implementation of the REDD+ strategy, through a transparent and inclusive multi-stakeholder process.

Key Performance Indicators:

1. A National REDD Secretariat has been established by MoA and a National REDD+ Coordinator appointed.
2. The Federal REDD Steering Committee and REDD Technical Working Group have met regularly.
3. The mandate, structure, organizational design, and key internal processes of a federal body or institution to facilitate the protection and economic use of forests have been defined through consultation with relevant stakeholders.
Deliverable 3: Establishing the initial design for a national system to measure, report and verify (MRV) anthropogenic forest related greenhouse gas emissions by sources and removals by sinks and forest carbon stock changes, and changes in natural forest cover, as specified in Ethiopia’s RPP and the MoA – MFA REDD+ Partnership Agreement.

Key Performance Indicators:
1. An assessment identifying existing MRV activities and competencies and initial data gaps has been completed.
2. A roadmap for establishing a national REDD+ MRV system has been developed by the GoE through a transparent and inclusive multi-stakeholder consultative process.

Deliverable 4: Preparation for the development of a national reference level for greenhouse gas emissions and removals from the forestry sector based on available data on historical forest cover and forest cover changes and emission factors.

Key performance indicators:
1. An analysis of historical forest cover and deforestation rates using available remote sensing data and, as appropriate, other data sources, has been completed.
2. An assessment of existing information on emission factors for different forest types in Ethiopia has been completed.

Deliverable 5: Selection and design of one or more regional REDD+ pilots to inform national REDD+ Strategy development. The REDD+ pilots should be undertaken in a region with substantial remaining tracts of natural forests or contribute to significant afforestation/reforestation efforts, contribute to significant and sustainable emission reductions, be developed through a transparent and inclusive multi-stakeholder process, address all key drivers of forest emissions and be designed and implemented at the landscape level.

Key Performance Indicators:
1. One or more regional REDD+ pilots have been designed and credible plans for implementation have been developed through a transparent and inclusive multi-stakeholder process, based on participatory forest management and equitable benefit sharing, ensuring gender equality.

Deliverable 6: Development of Social and Environmental Safeguards for REDD+ activities in Ethiopia. The Environmental and Social Management Framework (ESMF) should be based on the Environmental Impact Assessment Proclamation of Ethiopia, the World Bank safeguard policies and relevant international instruments, as specified in Ethiopia’s RPP.

Key Performance Indicator:
1. An Environmental and Social Management Framework (ESMF) for REDD+ activities in Ethiopia has been developed by the GoE and validated through the use of a Strategic Environmental and Social Assessment (SESA).