



PEFA ASSESSMENT OF CLIMATE RESPONSIVE PUBLIC FINANCIAL MANAGEMENT

ETHIOPIA



Final report

April 2022

Funded by





**PEFA Assessment of
Climate Responsive Public Financial Management
Ethiopia
April 2022**

The PEFA Secretariat confirms that this report meets the PEFA quality assurance requirements and is hereby awarded the **'PEFA CHECK'**.

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29 April 2022

Table of Contents

ACKNOWLEDGEMENTS	9
GLOSSARY	10
1 INTRODUCTION	13
Purpose.....	15
Scope and coverage.....	15
Management, oversight and quality assurance	17
Background.....	17
Country climate profile and Climate change policies.....	17
Climate change policies	18
Legal and Policy Framework.....	20
Institutional structures	22
2 ASSESSMENT FINDINGS.....	26
Main findings.....	26
Analysis by budgetary outcomes.....	28
Aggregate Fiscal Discipline	28
Strategic Allocation of Resources	29
Efficient Service Delivery	30
3 DETAILED ASSESSMENT OF CLIMATE RESPONSIVE PUBLIC FINANCIAL MANAGEMENT	33
CRPFM–1 Budget alignment with climate change strategies	33
1.1 Budget alignment with climate change strategies	33
CRPFM–2 Tracking climate-related expenditure	37
2.1 Tracking climate-related expenditure	37
CRPFM–3 Climate responsive budget circular	40
3.1 Budget circular.....	41
CRPFM–4 Legislative scrutiny.....	41
4.1 Legislative scrutiny of budget.....	42
4.2 Legislative scrutiny of audit and evaluation reports	45
CRPFM–5 Climate responsive public investment management	48
5.1 Climate related provisions in regulatory framework for public investment management	49
5.2 Climate related project selection	50
5.3 Climate related provisions for project appraisal	51
5.4 Reporting from entities in charge of implementation	52

CRPFM–6 Climate responsive asset management.....	53
6.1 Climate responsive non-financial asset management	54
CRPFM–7 Arrangements for complying with monitoring and reporting on climate-related debt and guarantee instruments.....	55
7.1 Climate related fiscal risks.....	56
7.2 Climate related debt and guarantees.....	57
CRPFM–8 Climate responsive procurement	58
8.1 Climate responsive procurement framework	58
8.2 Climate responsive public procurement operations.....	59
8.3 Climate responsive public procurement monitoring	60
8.4 Climate responsive public procurement reporting	61
CRPFM–9 Climate responsive revenue administration.....	62
9.1 Climate related tax management, audit and investigation.....	63
9.2 Climate related tax arrears.....	63
CRPFM–10 Compliance of climate-related expenditure.....	64
10.1 Effectiveness of the systems of controls.....	64
10.2 Audit of the compliance of transactions	65
CRPFM–11 Climate responsive fiscal decentralisation framework.....	66
11.1 Climate responsive fiscal decentralisation legal framework.....	67
11.2 Climate responsive fiscal transfers.....	68
11.3 Climate responsive PFM arrangements applied by subnational governments	69
CRPFM–12 Climate related performance information	70
12.1 Climate related information in performance plans.....	71
12.2 Climate related information in performance reports	72
CRPFM–13 Climate related performance evaluation.....	73
13.1 Climate related evaluation of expenditure	Error! Bookmark not defined.
13.2 Climate related evaluation of taxes	74
CRPFM–14 Expenditure outturn for climate activities.....	75
14.1 Aggregate climate expenditure outturn.....	75
14.2 Climate related expenditure outturn	76
ANNEX 1. SCORING SUMMARY TABLE	78
ANNEX 2. SOURCES OF INFORMATION	83
Annex 2.1. Questionnaire: Preparing the PEFA Climate assessment Climate Change Policy Context	83
Annex 2.2 Persons met during the PEFA climate assessment	96
Annex 2.3 Main legislation	100

General proclamations 100
Proclamations related to environmental protection and environmental health 100
Main climate-related strategies 102
Performance Audit reports of the OFAG (2011) 103

List of acronyms

Acronym	Definition
AABE	Accounting and Auditing Board of Ethiopia
ACWA	ACWA Power Company (A Saudi Based power company)
AMS	Asset Management System
ASYCUDA	Automate System for Customs Data
BCC	Budget Call Circular
BFC	Budget and Finance Standing Committee
BOOT	Build, Operation, Own and Transfer
CDRS	Climate and Disaster Risk Screening
CFTPM	Climate Finance Tracking and Projection Methodology
COFOG	Classification of the Functions of Government
CRGE	Climate Resilience Green Economy
CRPFM	Climate Responsive Public Financial Management
DEMPA	Debt Management Performance Assessment
DFID	Department for International Development, UK
DMD	Debt Management Directorate
DMFAS	Debt Management and Financial Analysis System
EBU	Extra Budgetary Units
ECC	Ethiopian Custom Commission
EFCCC	Environment, Forest and Climate Change Commission
EEP	Ethiopian Electric Power
EIA	Environmental Impact Assessment
EIAR	Ethiopian Institute of Agricultural Research
EMCP	Expenditure Management and Control Program
EPA	Environment Protection Authority
EPC	Environment Protection Council
ERA	Ethiopian Road Authority
ECC	Ethiopian Custom Commission

Acronym	Definition
ETH	Ethiopia
FCDO	Foreign, Commonwealth & Development Office
FDRE	Federal Democratic Republic of Ethiopia
PPPAA	Public Procurement and Property Administration Agency
GFDRR	Global Facility for Disaster Reduction and Recovery
GHG	Green House Gas
GTP	Growth and Transformation Plan
HoPR	House of Peoples' Representatives
IBEX	Integrated Budget and Expenditure
ICT	Information, Communication and Technology
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
INDC	Intended Nationally Determined Contribution
IPP	Independent Power Producers
LFA	Logical Framework Analysis
MDA	Ministries, Departments and Agencies
MEFF	Macro-Economic & Fiscal Framework
MNRE	Ministry of New and Renewable Energy
MoF	Ministry of Finance
MoPD	Ministry of Planning and Development
MRV	Monitoring, Reporting and Verification
MTDS	Mid Term Debt Sustainability
MTEF	Mid-Term Expenditure Framework
NAP-ETH	Ethiopia's National Adaptation Plan
NDC	Nationally Determined Contribution
NDRM	National Disaster Risk Management
OFAG	Office of The Federal Auditor General
PAC	Public Account Committee
PEFA	Public Expenditure & Financial Accountability

Acronym	Definition
PFM	Public Finance Management
PIM	Public Investment Management
PLC	Private Limited Company
PPA	Power Purchase Agreement
PPP	Public Private Partnership
PPPAA	Public Procurement and Property Administration Agency
PPPDS	Public Procurement and Property Disposal Service
REDD	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
RBPM	Results-Based Performance Management
SAI	Supreme Audit Institution
SCR	Sectoral Climate Resilient
SDG	Sustainable Development Goal
SDS	Sector Development Strategy
SIGTAS	Standard Integrated Government Tax Administration System
SNG	Sub National Government
SNNPR	Southern Nation and Nationality People Region
SOE	State Owned Enterprise
TADAT	Tax Administration Diagnostic Assessment Tool
TIN	Tax Identification Number

ACKNOWLEDGEMENTS

At the request of the Ethiopian Authorities, a technical assistance mission was remotely conducted from March to June 2021 to undertake the second pilot Climate Responsive Public Financial Management Review (CRPFMR), this time by using the newly developed Climate Responsive Public Expenditure and Financial Accountability (PEFA) Framework.

This report was prepared by a team consisting of people from the PEFA Secretariat, the Building Resilience in Ethiopia programme (BRE) financed by the UK's Foreign and Commonwealth Development Office (FCDO), the European Union and the World Bank.

The assessment team wishes to give special thanks to Ato Zerihun Getu, CRGE Facility Coordinator of the Ministry of Finance, as well as Medhin Mekonnen Gender and Safeguards Specialist of the CRGE Facility. The project team wishes to express its sincere appreciation for the support received from all the officials and for their cooperation to support this first PEFA Climate assessment in Ethiopia.

GLOSSARY

Subject	Description
Budgetary Central Government	The sector of government where revenue and expenses are regulated and controlled by a ministry of finance, or its functional equivalent, by means of a budget approved by the legislature.
Central Government	Central Government comprises: i) Budgetary Central Government; and ii) Extra Budgetary Units.
Climate Public Expenditure and Institutional Review	A diagnostic tool to assess opportunities and constraints for integrating climate change concerns within the national and subnational budget allocation and expenditure process. The framework has three key pillars: Policy Analysis, Institutional Analysis and Climate Public Expenditure Analysis.
Climate Related Expenditure	Climate related expenditures (CRE) have been defined as financial flows which contribute to financing adaptation or mitigation interventions or a combination of both. The definition of adaptation and mitigation is based on the OECD (Rio marker) definitions, and further narrowed down by national strategies and sectoral plans. Activities and programs identified as climate relevant are classified as adaptation; mitigation; adaptation and mitigation; or supporting areas. There is no positive list of climate relevant activities and programs, but under the methodology programs are designated if reference is made to climate change in national policy documents. The OECD adopted definitions for climate-related expenditure (mitigation and adaptation= as follows. 1. Mitigation – activities that contribute to the objective of stabilisation of greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by promoting efforts to reduce or limit GHG emissions or to enhance GHG sequestration,” and 2. Adaptation – activities that aim to “reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience”. Additionally CC related expenditure also includes activities that respond to the damage and losses on humans, environment and infrastructure caused by a disaster.
Climate Resilient Green Economy (CRGE) Facility	MoF in collaboration with Environment, Forest and Climate Change (EFCCC) established in 2012 and operationalised in 2013 the CRGE Facility to attract climate finance to support the institutional building and implementation of Ethiopia’s CRGE Strategy. The facility is managed under the UN Agencies, CRGE Facility and Regional Economic Cooperation Directorate in MoF.

Subject	Description
	<p>The Government of the Federal Democratic Republic of Ethiopia launched its Climate Resilient Green Economy (CRGE) strategy in December 2011 in Durban, South Africa during the 17th session of the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC). The CRGE’s vision is to achieve middle-income status by 2025 whilst building a climate-resilient green economy – for Ethiopia to become a “green economy front-runner”. There are two main components to the CRGE: the Green Economy Strategy (GES) and the subsequent Climate Resilience Strategy (CRS).</p>
Climate Responsive Assets	<p>Non-financial assets owned by government with a clear goal to reduce GHG emissions, for example government replacing normal vehicles with a fleet of electric or hybrid cars, carbon sinks such as forests and wetlands, and public lands managed to retain and/or capture carbon in vegetation and soils.</p>
Climate Vulnerable Assets	<p>Non-financial assets owned by government, such as lands, buildings, subsoils, production units, infrastructures, transportation systems, and other network infrastructure systems where physical risks arising from changes in environmental conditions and extreme weather events which may lead to the damage or loss of assets, loss of asset value, and adversely, affect delivery of public services and economic activities on public lands. It can also include transition risks arise because of changes in technology, regulation and market conditions as economies decarbonize that may then lead to “stranded” assets that can no longer operate economically.</p>
Extra Budgetary Units	<p>Operate under the authority or control of a central, state, or local government. Extrabudgetary entities are not fully covered by the general budget and may have their own revenue sources, which may be supplemented by grants (transfers) from the general budget or from other sources.</p>
Growth and Transformation Plan (GTP)	<p>The Growth and Transformation Plan (GTP) was a national five-year plan created by the Ethiopian government to improve the country's economy by achieving a projected gross domestic product (GDP) growth of 11-15% per year from 2010 to 2015. The plan included details of the cost (estimated at US\$75–79 billion over the five years). Growth and Transformation Plan II (GTP II - 2015/16-2019/20) was updated in July 2016 by the National Planning Commission.</p>
GTP Policy Matrix	<p>First developed in 2011 by the Government of Ethiopia and its major development partners to ensure a more coordinated approach for the delivery of performance linked aid mainly in the form of budget support grants or concessional loans.</p>

Subject	Description
National Adaptation Plan	A plan submitted to the UNFCCC by least developed countries (LDCs), to describe the country's perception of its most "urgent and immediate needs to adapt to climate change. Prior to 2011 when the CRGE was adopted, Government efforts to address climate change adaptation included Ethiopia's National Adaptation Plan of Action (NAPA), which identified projects with short to medium-term timeframes. The NAPA was updated to the National Adaptation Plan (NAP-ETH) was updated in May 2019.
Nationally Appropriate Mitigation Actions	Any action reducing emissions in developing countries and is prepared under the umbrella of a national governmental initiative.
Nationally Determined Contributions	Embodies efforts by each country to reduce national emissions and adapt to the impacts of climate change. The Paris Agreement requires each Party to prepare, communicate and maintain successive nationally determined contributions that it intends to achieve. Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions. Ethiopia has updated its Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) and formally submitted an update to its enhanced NDC on July 23, 2021.
Outcomes	Outcomes delivered by ministries or third parties under the managerial control of ministries.
Outputs	Outputs delivered by ministries or third parties under the managerial control of ministries.
Paris Agreement	An international agreement to combat climate change and to accelerate and intensify the actions and investments needed for a sustainable low-carbon future.
Public Expenditure and Financial Accountability Assessment (PEFA)	A framework for assessing and reporting on the strengths and weaknesses of PFM using quantitative indicators to measure performance. PEFA is designed to provide a snapshot of PFM performance at specific points in time using a methodology that can be replicated in successive assessments, giving a summary of changes over time.
United Nations Framework Convention on Climate Change (UNFCCC)	Entered into force on 21 March 1994. At the end of 2020, it has 197 Parties (196 countries and European Union (27 countries)) that are signatories to the convention and have taken on the ultimate objective – as part of the ratification – to “stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.

1 EXECUTIVE SUMMARY

The overall performance of public financial management in Ethiopia is generally satisfactory and improving steadily. The legal framework and processes associated with budget preparation and management, treasury management, debt management, accounting and reporting, procurement and asset management, internal audit, external audit, financial information systems, and transparency and accountability in PFM are generally in line with good practice, but they "do not explicitly take climate specifics into account. Such climate-excluding observations are incorporated throughout the report. Key ongoing achievements include, among others, the implementation and expansion of the Integrated Financial Management Information System (IFMIS), the implementation of the e-Procurement system (e-GP). The country has also benefited from IMF support to improve macro-fiscal forecasting and technical assistance to support the Office of the Federal Auditor General (OFAG) and the development of the Accounting and Auditing Board of Ethiopia (AABE), as well as to report on fiscal risks.

In the area of climate responsive Public Financial Management, the IFMIS financial control system could be used to track climate expenditures. The IFMIS system that tracks the budget code, budget sources, as well as the amount of budget allocated for each activity and sector. Hence, the amount of expenditure executed would also allow tracking of climate-related expenditure if an operational tagging mapping would have been implemented. However, IFMIS is not yet used operationally to ensure that climate expenditure is included in transactions and does not allow climate-related expenditure to be highlighted in budget reports.

Ethiopia is supported by the World Bank and the FCDO (formerly DFID) through joint programmes, including climate budget tagging, capacity building in public-private partnerships [PPPs] for climate finance, and improving public investment management systems. The CRGE Facility, the Budget Directorate and the IFMIS project office are working closely with Oxford Policy Management, which manages the FCDO's Building Resilience in Ethiopia (BRE) technical assistance, to establish a system for tagging and tracking climate finance based on budget and expenditure. However, progress on tagging climate-related expenditures is not yet tangible and discussions with the IFMIS team for the creation of new tags are still ongoing. A MRV directorate has also been established within the EFCCC, but a national monitoring, reporting and verification (MRV) system to support its implementation is not yet operational. Particularly, there is not yet a comprehensive and complete monitoring and evaluation system indicating the different actors in the government structure (budgetary institutions, state-owned enterprises and the EBU) and whether they are represented in the modalities of the CRGE facility. Therefore, without detailed measurement, reporting and verification (MRV) of projects and programmes that are expected to have mitigation impacts or co-benefits, it is not possible to establish the balance between activities that could be a carbon source or sink. This is contrary to the expectations of Ethiopia's technical and financial partners, one of whose objectives is the monitoring and reporting of the climate budget.

Furthermore, the climate expenditure policy proposals in the approved medium-term budget estimates do not align clearly enough with the sectors' costed medium-term strategic plans. Budget preparation and execution is based on each level of administrative, economic and programming classification, but climate-related expenditure is not clearly identified. Guidance provided in the Budget Circular could help on how to factor climate change mitigation or adaptation planned expenditure into budget proposals, but it does not provide a methodology to track climate change related (CRE) expenditure.

The planning process allows the government to strategically allocate resources in the budget, but the procedures in place are not specifically based on climate change criteria. At the project selection level,

while projects and related activities are selected according to specific criteria and well-defined processes, a specific prioritisation and selection process for climate-related projects have not yet been put in place.

The coordination process is not yet clearly defined. The audit indicated gaps in terms of coordination of with implementing sector offices and the government has made several readjustments, such as recently the reactivation of the integration of the Environment Protection Authority as the new focal point of the UNFCCC and the disappearance of the EFCCC as part of the Environment Protection Authority (EPA). The Planning and Development Commission (PDC) is responsible for monitoring and evaluating all federal government projects, including those implemented by EBUs and public but do not have enough human resources perform its task effectively.

There are no clear guidelines or procedures to deal with climate-related procurement and no guideline requires climate-related standards in rating tenders.

In summary, Ethiopia's overall performance in climate-related public financial management is still basic and not yet aligned with international standards, in part due to the government's inability to produce reports that clearly identify and track climate-related expenditures.

2 INTRODUCTION

Purpose

1. **The Federal Government of Ethiopia has previously undertaken several PEFA assessments¹. Following these exercises, the Government has carried out a PEFA climate assessment using the pilot version of the PEFA Climate supplementary framework.** The PEFA Climate framework is a set of supplementary indicators that builds on the PEFA framework to collect information on the extent to which a country's PFM system is ready to support and foster the implementation of government climate change policies, i.e., whether it is "climate responsive". PFM systems should generate information essential for reporting against the implementation of national Climate Change (CC) policies. Typically, CC policies should describe how the government intends to reduce greenhouse gas (GHG) emissions, decarbonise the economy and build resilience against the physical impacts of a changing climate. These policies should be aligned with the country's Nationally Determined Contributions (NDCs). Climate change policies and strategies provide context for the PEFA assessment findings but are not themselves the subject of the assessment.
2. **The PEFA Climate assessment reviewed the current performance of the PFM systems, processes, and institutions of the federal government² in relation to climate change.** The identification and specification of climate policies were captured through an inception questionnaire that establishes Ethiopia's CC profile. The questionnaire has been filed by the Ministry of Finance (see Annex I). This was supplemented by interviews with specific government units and additional information gathered as follow-up (see Annex II).
3. **The PEFA Climate report highlight the strengths of the existing system and identify the opportunities for Ethiopia to make PFM more climate responsive.** As this report is the very first PEFA Climate assessment in Ethiopia, it will also establish a baseline of practices in place against which future progress can be measured. It is also anticipated that, as this is a pilot exercise, it will support the evolution of the assessment criterion developed by PEFA secretariat.

Scope and coverage

4. **PEFA indicators are assessed on a four-point ordinal scale from D to A, in line with the PEFA framework.** To justify a score, every aspect specified in the scoring requirements must be fulfilled. A score of D due to insufficient information is distinguished from a score of D due to low-level performance by use of an asterisk. In cases where the question is not applicable to a country's circumstances, the response is "NA."

Table 2-1: Levels of CRPFM practice on a four-point ordinal scale

¹ The most recent took place in 2019 at the federal level, along with six assessments of selected regional states (Oromia, Amhara, Tigray, SNNP, Somali) and the City of Addis Ababa. Prior to that, PEFA assessments at the federal and regional levels were conducted in 2007, 2010 and 2015.

² Policies conducted by regional states are analysed under the indicator CRPFM-11

Score	Level of Practice
A	CC issues and the policy response are mainstreamed in relevant PFM institutions, processes, or systems
B	CC issues and the policy response are partially mainstreamed in the relevant PFM institutions, processes, or systems
C	Initial efforts have taken place to mainstream CC issues and the policy response in the relevant PFM institutions, processes, or systems
D	Performance is less than the basic level of performance

5. The overall score for an indicator is based on the scores for the individual dimensions. The scores for multiple dimensions are combined into an overall score for the indicator using a method based on an approximate average of the scores for the individual dimensions of an indicator, as specified in the conversion table that can be found in the Climate Responsible Public Financial Management Framework guideline³.
6. **The main units of government to be covered by the assessment are budgetary units, extra budgetary units and Public corporations.** In addition to budgetary units, the following table includes the four existing extra budgetary units and the four largest relevant public corporations by profit or loss⁴.

Table 2: Coverage

Budgetary units	Extrabudgetary units	Public corporations
Ministry of Finance	Road Fund	Ethiopian Airlines
Ministry of Revenue (former Ethiopian Revenue and Customs Authority)	Industrial Development Fund	Ethiopian Electric Power
Federal Public Procurement Agency	Oil Stabilization Fund	Ethiopian Railways Corporation
Ministry of Agriculture	Pension and Security Fund	Ethiopian Shipping and Logistics Services
Water Irrigation and Energy Ministry		
Urban Development and Construction		
Trade and Industry		
Mining and petroleum Ministry		

³ <https://www.pefa.org/resources/climate-responsive-public-financial-management-framework-pefa-climate-piloting-phase>

⁴ *Financial statements from FY 2017/2018.*

Table 3: Time period

Designation	Dates
Country fiscal year:	July 8 to July 7 (Gregorian calendar)
Last three fiscal years covered:	Gregorian FY 2017/2018, 2018/2019 2019/2020.
Time of assessment (planned cut-off):	30 June 2021

Management, oversight and quality assurance

7. **The PEFA Climate pilot assessment was undertaken with the support of the World Bank, the EU Delegation in Ethiopia and Foreign, Commonwealth & Development Office (FCDO).** All institutions contributed in the form of staff time (World Bank) and consultants (FCDO, EU Delegation).

Assessment team:

- World Bank: Jean-Marc Philip (PFM expert and Lead), Weijen Leow (PFM climate expert)
- EU Delegation in Ethiopia: Getnet Haile (PFM consultant)
- FCDO: Stephanie Allan, Fantahun Belew Asfaw, Zewdu Hilegebrial, and Dayna Connolly (PFM consultants, BRE Programme).

Peer reviewers:

- Government of Ethiopia (TBD)
- World Bank
- EU delegation
- FCDO
- PEFA Secretariat: Holy Tiana Rame, Sr. public sector specialist.

Background

Country climate profile and Climate change policies

8. **Ethiopia is a country with diverse climatic regions, ranging from lowland deserts and semi-arid zones to temperate zones and highland areas.** With about 115 million people (2020), Ethiopia is the second most populous nation in Africa after Nigeria, and still the fastest growing economy in the region, with 6.1 percent growth in FY2019/20. It is also one of the poorest, with a per capita gross national income of \$890. Despite extreme poverty, the country has experienced recent economic growth and social development⁵.
9. **Ethiopia is highly vulnerable to climate change, due to its dependency on rain-fed agriculture and natural resources as well as its low adaptive capacity to absorb climate change-induced shocks, including increases in average temperature and changes in precipitation.** However,

⁵ World Bank, Country Overview, 2021

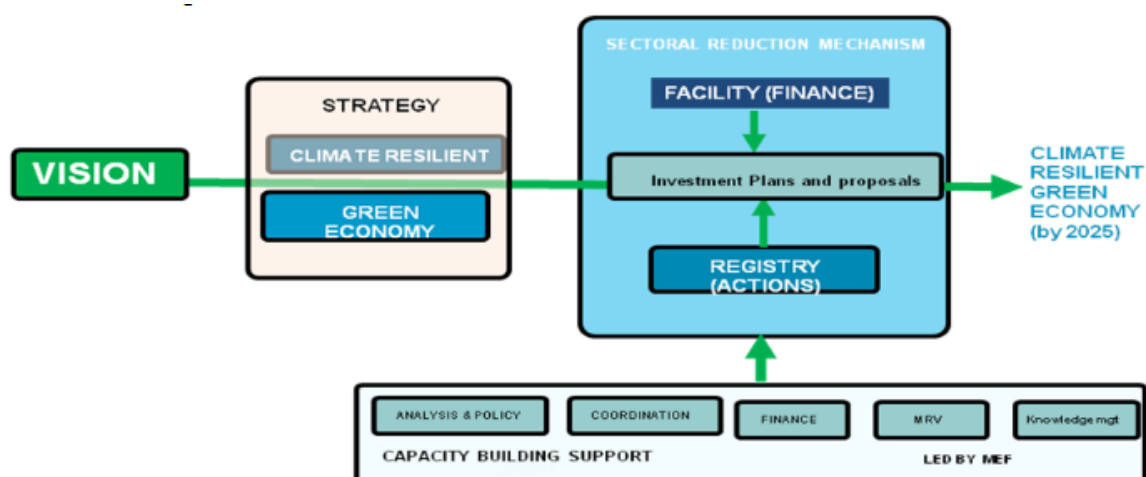
Ethiopia has huge solar energy potential due to its geographical location near the equator. Ethiopia has the potential to produce 10,000 MW in geothermal energy, and 1.3 million MW through wind farm generation in order to limit the negative impacts of climate change.

Climate change policies

- Vision, GTP and CRGE
10. **Ethiopia has a vision to build a climate-resilient and carbon-neutral middle-income economy by 2025. Climate change is recognised in the country’s guiding development vision/plan: the second Growth and Transformation Plan (GTP-II), and its successor, the 10-year Development Plan.** Under the Ten-Years Development Plan, the energy generation needs in the country are expected to increase by 17,000 MW by 2030. If Ethiopia were to pursue a conventional economic development path to achieve its ambition of reaching middle-income status by 2025, GHG emissions would more than double from 150 Mt CO₂e today to 400 Mt CO₂e in 2030⁶. To meet its development objectives, the government has identified key sectors to focus public spending such as: roads, education, agriculture, and health. The country has significantly increased its power generation capacity by about 200%, and most of it is now renewable. In addition, between 2010 and 2015, Ethiopia invested a total of \$1.5 billion in clean energy. It was also mirrored in the mitigation section of the NDC.

 11. **The central climate change strategy of Ethiopia is the Climate Resilient Green Economy (CRGE) strategy, which was developed in 2010 and launched in 2011 on the side lines of COP 17 in Durban.** The CRGE strategy aims for an economy-wide GHG emission reduction of 255 Mt of CO₂ per year in 2030. Following the strategy, sector-specific climate-resilience strategies were developed for Agriculture & Forestry, Water & energy and transport sectors. According to the CRGE, building a green economy requires an estimated total expenditure of around USD 150 billion from 2011-2030.

Figure 1: Architecture of the Ethiopian Vision and the CRGE Initiative



Source: Green Economy Strategy (2011)

- Ethiopia CRGE Facility

⁶ Climate Resilient Green Economy (CRGE) Strategy– 2011.

12. **To support the implementation of the priorities set out in the CRGE Strategy and Investment Plans the Government set up a national financial mechanism called the Ethiopia CRGE Facility.** The CRGE Facility was the Government’s primary financial vehicle to mobilise, access and combine domestic and international, public and private sources of finance to support the institutional building and implementation of Ethiopia’s CRGE Strategy. The CRGE Facility was established in 2012 and became operational in 2013.

▪ *Ethiopia's NDC – UNFCCC*

13. Ethiopia's initial NDC, submitted in 2015, embodied a vision for an ambitious and prosperous future. It drew heavily from the country's Climate Resilient and Green Economy (CRGE) Strategy. The 2013 proclamation creating the Ministry of Environment and Forestry was an important policy milestone to empowering the relevant authority to address climate change. The creation of the National Biogas Energy Programme and the enabling environment support under the Scaling up Renewable Energy Programme (SREP) has led to more mitigation-friendly policies in the energy sector. The health sector climate change adaptation plan is another illustration of a progressive climate responsive policy in Ethiopia.

14. Ethiopia formally submitted an update to its enhanced NDC on July 23, 2021. Updated NDC present some noteworthy changes to the initial NDC:

- updated greenhouse gas (GHG) emissions projections using the most recent national and sectoral emissions inventory data;
- aligning the GHG emissions pathways with national development priorities and sectoral targets from Ethiopia’s new 10-year development plan;
- increased its overall mitigation ambition with a commitment to reduce economy-wide emissions by at least 68.8% by 2030 against the business-as-usual projection, which is an additional 4.8% below the reductions committed in the previous NDC;
- enhancement of the NAP Implementation Roadmap (2019), which now specifies 40 adaptation interventions;
- intention to align Monitoring and Reporting with International and National Processes;
- increasing commitment to a meaningful financial contribution from domestic resources.

15. At a high level, the country is committing to reduce economy-wide greenhouse gas (GHG) emissions by 12.4% in 2030 compared to a business-as-usual (BAU) scenario, using its domestic resources. The emissions reduction target could be further increased to 68.8% by 2030 with financial backing from the international community, which would require a total financing of US\$316 billion. The amount of climate finance allocated from public finance progressively increased from 2013 to 2022, budget allocation for climate actions increased from 39,271,175.240 Birr (from all budget sources) 3,560,260.520 Birr (Treasury) in 2013 to 240,828,123.378 Birr (from all budget sources) 142,786,110.733 Birr (Treasury).

16. It should be pointed out that updated NDC represents a progression in ambition with only 4.8% emissions reduction target by 2030 from the Business-As-Usual (BAU) scenario. As the country previously targeted a 64% reduction from the BAU scenario in 2030 while the financing needs have more than doubled, compared with the US\$150 billion mentioned in the previous NDC. This means that the cost to reduce the GHG emissions by additional 4.8% would be as much as the initial resources required for reducing GHG emissions by 64%. Hence, the cost for reducing one ton of

GHG emission would be 6184\$US while Carbon dioxide prices climbed in 2021 to a record of only EUR 80 per ton in the European Union.

17. **Ethiopia has launched a number on initiatives in order to include the private sector.** Shifting away from a publicly financed infrastructure model, the Government of Ethiopia is undertaking Independent Power Producer (IPP) projects to improve and expand sustainable and quality infrastructure in the country. For instance, the government has adopted a policy that allows the private sector in power generation from hydro, solar, wind and geothermal. Ethiopia has also been seeking to diversify its production of renewable energy to include wind and geothermal sources to ensure a better energy mix. The private sector can also invest in electrical equipment manufacturing like transformer, cable, wire etc. and in off-grid rural electrification. Furthermore, the Government has established a tax regime, which provides duty-free import privileges on clean technologies. In rural areas, farmers voluntarily commit 40 days of free labour for restoration of degraded landscapes and environmental management activities. Finally, to limit the increase in energy demand, the government implemented a \$4 million energy efficiency program, which distributed free compact fluorescent light bulbs, saving about four times its cost in electricity consumption.
- 18.
19. **Ethiopia is pursuing practical action through its Green Legacy initiative to plant 20 billion seedlings in four years.** Under this initiative through mobilising the public, 4 billion and 5 billion seedlings were planted in 2019 and in 2020 respectively. In 2021, massive mobilisation of the public is undergoing to plant 6 billion trees. Although its carbon absorption capacity may vary, it can be considered that one tree stores about 167 kg of CO₂ per year, or 1 tonne of CO₂ per year for every 6 mature trees, thus contributing to the absorption of 1 billion tonnes of CO₂ per year. This should be compared to the 51.1 MtCO₂eq reduction targeted in the updated NDC with a financing need of 316 \$US billions.
20. **Ethiopia has one of the world's largest watershed restoration programs at national level.** This is an ongoing process with participatory watershed management institutions, plans and investments. The World Bank, Canada and Norway, among others, provide substantial support for the national program.

Another impactful work is going on in the forestry sector, including efforts to bring substantial areas of natural forests under participatory forest management (PFM). GoE will also be one of the first African countries to negotiate an Emissions Reductions Purchase Agreement for forest and livestock-based emissions.

Legal and Policy Framework

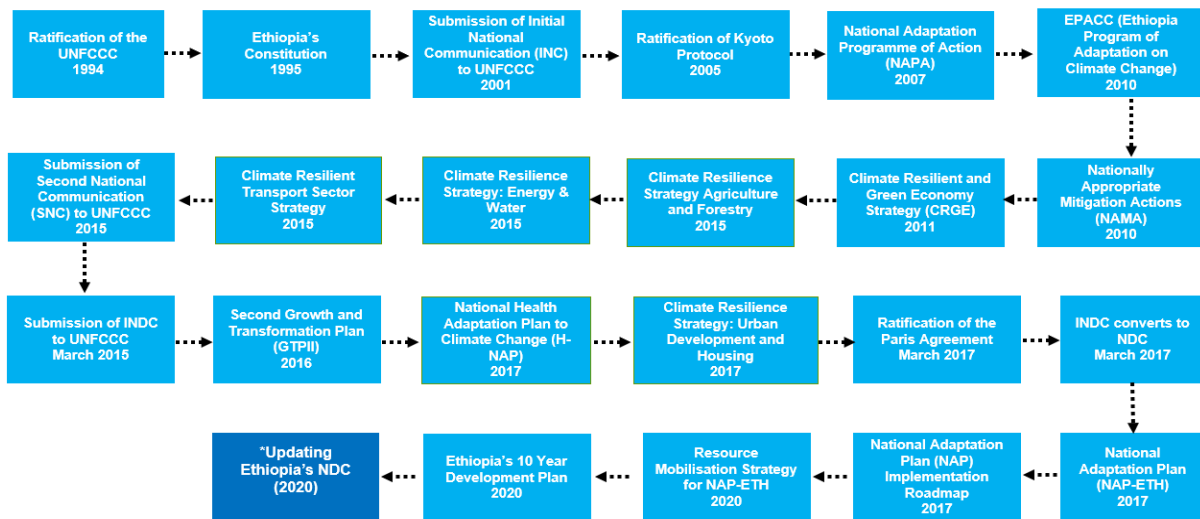
21. **Ethiopia's current Constitution, adopted in 1994, established a federal system of government and includes a legal framework to establish a decentralised PFM system.** It separates the legislative, executive, and judicial powers. Ethiopia is a Federal Parliamentary republic with an executive power vested in the Council of Ministers headed by the Prime Minister. The federal Constitution provides for a four-tier decentralisation framework consisting of regions (or states), zones (cluster of districts), woredas (or districts), and kebeles (wards or neighbourhoods).

22. **Ethiopia has ten regions⁷ and the two municipal cities of Addis Ababa and Dire Dawa.** Under the Constitution, the regions have extensive economic autonomy and judicial powers. Regions have their own Parliament, executive body, and judiciary.
23. **Ethiopia's Constitution incorporates several provisions relevant to the protection, sustainable use, and improvement of the country's environment.** Article 44 guarantees "*the right to a clean and healthy environment*". Additionally, Articles 89 and 92 require national policy and government activities to be compatible with environmental health. Article 89 further obliges the government to ensure sustainable development. The incorporation of these important provisions into the supreme law of the land has raised environmental issues to the level of fundamental human rights.

⁷ Oromia, Amhara, SNNPR, Tigray, Somalia, Afar, Benishangul-Gumuz, Gambella, Harari and Sidama.

24.

Figure 2 : Ethiopia's Climate Change Policy Roadmap (Adopted from the Updated NDC of Ethiopia)



25. **The main laws guiding the PFM framework are the Financial Administration Proclamations.**

There are respectively the Financial Administration Proclamation No. 648/2009 and Financial Administration (Amendment) Proclamation No. 970/2016, which specify provisions relating to financial responsibility, including responsibilities of heads of public bodies and the internal auditor, collection and deposit of public money, budget including approval and notification, transfers and Macroeconomic and Fiscal Framework, disbursement of public money including cash flow forecast and disbursement limit, public debt and loan granted by the government, public accounts, and federal and regional financial relations. This Proclamation empowers the MoF with the responsibility for the federal government budgeting, accounting, internal audit of public bodies, and harmonisation of fiscal relations between the federal government and the regions. The public bodies are responsible for managing the budgets allocated to their sectors. Taxes and duties are collected by the Ministry of Revenue. Other laws considered part of the PFM framework includes Procurement and Property Administration (Proclamation 649/2009), the Office of the Federal Auditor General (Proclamation 68/1997), the Ethics and Anti-Corruption Commission ((Proclamation 235-2001 and 883/2015), and the Powers and Duties of the Executive Organ (Proclamation 04/1995).

Institutional structures

- *Coordination mechanisms for climate-related policies*

26. **Ethiopia has a dynamic institutional framework for the implementation of climate change interventions.** The Ministry of Environment, Forest and Climate Change (MEFCC) established in 2013 was transformed in October 2018 into a Commission (Environment Forest and Climate Change Commission (EFCCC). EFCCC was the lead agency for the coordination of Ethiopia's response to climate change as well as the focal point to the UNFCCC until 2021. Then, the Commission became part of the Ethiopian Environmental Protection Authority (EPA), which was Re-established Under Proclamation No. 1263/2021 in October 2021. Environmental Protection Authority is the new focal point to the UNFCCC. It has established an ad hoc environmental protection authority in the parliament for assessing and reporting implementations, causes and consequences of the environment. The authority initiates draft legislation and submits to the council of ministers. Then, the council of ministers endorsed it and submitted to House of People's Representatives (HPR) for ratification. In addition, environmental protection authority is

responsible for the administration of environmental issues like environmental pollution and environmental impact assessment.

27. **The MoF is responsible for the overall management and administration of resources for the CRGE**, ensuring financial integrity, institutional capacity building in the areas of resource management, overall monitoring and evaluation. Coordination of the CRGE is also achieved through the mainstreaming of CRGE activities into sector programs and a national review process that brings together all the main actors (MoF, EFCCC, National Planning Commission, sector ministries, donors).

- *Financing needs*

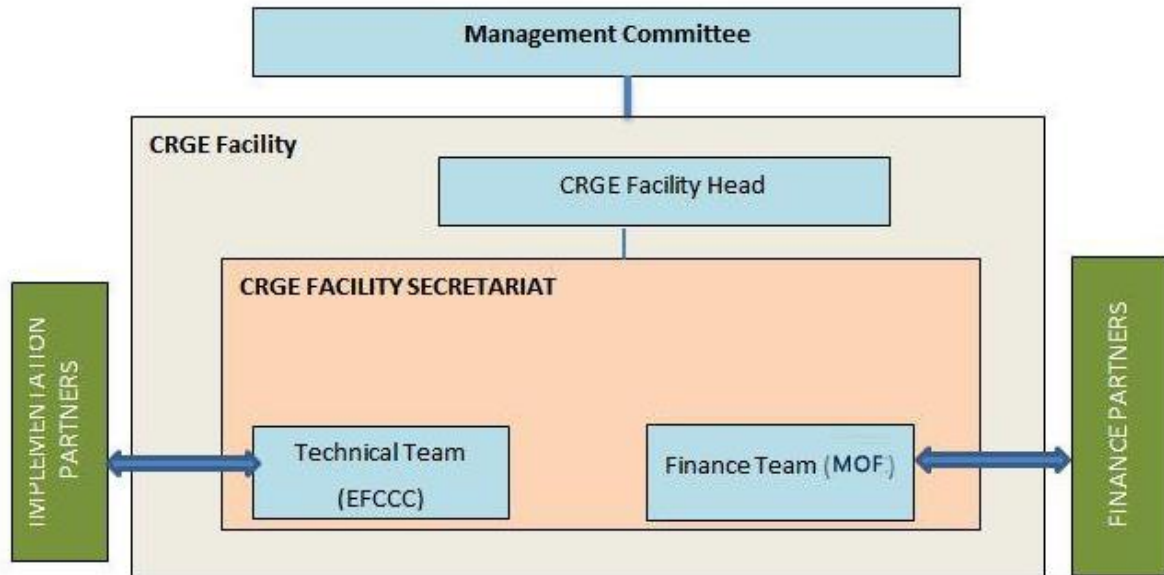
According to the updated NDC, the financial resources required to implement the updated NDC over the period 2020-2030 is estimated as USD 316 billion. The mitigation interventions would require 275.5 billion and adaptation actions would require USD 40.5 billion. Ethiopia is committed to invest USD 63.2 billion from domestic sources. The conditional finance, which is equivalent to USD 252.8 billion should be received from international climate finance sources.

- ✓ *The CRGE facility*

28. **The establishment of the CRGE Facility was a requirement of the Ministry of Finance (MoF) to establish a national climate fund to mobilise climate finance from various sources to realise this vision.** The MoF established and operationalised the CRGE Facility with the EFCCC. This Facility comprises the Ministry of Finance and the EPA who are responsible for the financial and M&E aspects of the CRGE and the technical elements, respectively.

29. **The CRGE Facility is governed by a Management Committee, which is co-chaired by MoF State minister and EPA Commissioner.** All sector ministries involved in the CRGE strategy are represented both at state minister level and by senior level technical expert from their CRGE unit. An Advisory Board, which is comprised of representatives from the development partners, private sector, multilateral development partners, CSOs, and academia functions to enable stakeholders to share and review information relevant to the performance of the CRGE facility and to influence, as appropriate, the resources available to the facility and the ways in which these are utilised. Oversight of the CRGE lies with the country's Environmental Council, which is chaired by the Prime Minister and comprises members from Federal Ministries, Presidents of National Regional States, and representatives of non-governmental bodies, the private sector, and trade unions.

Figure 3: Governance of the CRGE Facility



30. Source: Final Evaluation of Fast Track Investment Projects in Ethiopia. Ethiopia Climate Resilient Green Economy (CRGE) Facility - April 2021

✓ *Other funding*

31. Ethiopia also has the capacity to access conditional funding from the Global Facility for Disaster Reduction and Recovery (GFDRR), which is a grant financing mechanism managed by the World Bank that supports disaster risk management projects. Three projects are presently ongoing funding from the Japan-World Bank Program for Mainstreaming Disaster Risk Management in Developing Countries with a \$900,000.00 funding from Japan-World Bank Program for Mainstreaming Disaster Risk Management in Developing Countries: Enhancing Disaster Resilience in Ethiopia, Building Resilience of Critical Urban Transport Infrastructure in Addis Ababa, and Climate-Smart Resilient Water Supply and Sanitation for selected urban utilities.

32. **The Ministry of Finance of Ethiopia has been accredited by the Green Climate Fund and Adaptation Fund for direct access to external financing.** During the reporting period, MoF has accessed \$50 million grant fund from the GCF and \$10 million from the Adaptation Fund for implementation of climate change adaptation projects. MoF is also working with relevant development partners to upgrade its GCF accreditation status from small to medium sized projects or activities within a program. Ethiopia can also access funding from these international climate finance providers through accredited international entities such as the World Bank, UN Agencies, etc.

33. **To meet its climate resilience and mitigation goals, Ethiopia gets a \$500 million grant from the World Bank.** The Climate Action through Landscape Management (CALM) Program approved on 13th June 2019 will deliver action on climate change through payments for results in participatory watershed management and rural land administration, broadening the geographic reach of past and current initiatives, and consolidating gains through institutional reform.

34. In 2020, the World Bank financed the Second Ethiopia Resilient Landscapes and Livelihoods Project (RLLP) aimed to improve climate resilience, land productivity and carbon storage, and increase access to diversified livelihood activities in selected rural watersheds, with a total cost of 178 US\$, millions.

○ *PFM profile*

35. Major achievements in terms of the ongoing PFM reforms include, among others, the implementation and the extension of the Integrated Financial Management Information System (IFMIS), the implementation of the e-Government Procurement (e-GP) system, the recruitment of technical assistance to support and improve Office of the Federal Auditor General (OFAG)'s operations and the development of the Accounting and Auditing Board of Ethiopia (AABE).

36. The International Monetary Fund (IMF) is providing technical support for the macro-fiscal forecasting, and in joint programs with WB and FCDO (formerly DFID) supporting fiscal risk reporting, climate budget tagging, capacity building in climate finance public-private partnerships (PPPs), and Public Investment Management Systems. FCDO is also supporting tax policy reform. The MOF released a revised tariff manual on August 2021, updating rates on over 8,000 import items, including duty for specific products, whereas previously rates only applied to categories. Rate changes focused on manufacturing and agriculture, aiming mainly to replace imported finished goods with locally produced items. A PEFA assessment conducted in 2019, however, pointed out remaining gaps:

- **Most payments flow through a Single Treasury Account, which is, however, yet to be fully operational.** Substantial number of accounts outside TSA such as: Deconcentrated public bodies, Entities holding separate bank accounts for self-generated revenue, extra-budgetary funds, project accounts, Regions (Regional Central Account) are not linked to the Central Treasury Account (CTA) at National Bank of Ethiopia (NBE). Payroll and procurement are decentralised to the budget institutions (Bis). Procurement is regulated and supervised by the Federal Public Procurement and Property Agency. Internal audit units are established in all Bis and report to the heads of the institutions and are supervised by an Inspection Directorate in the MoF. Independent external audit is provided by the Office of the Federal Auditor General, which reports to Parliament.
- **Extra-budgetary Units (EBUs) in Ethiopia are generally statutory, each established by law.** They have different sources of income as stipulated by law. Some of them have additional budget from the central government (for example, the Road Fund). To the extent of the subsidy (transfer) they receive from the central government, they report and fully comply with all applicable PFM rules and regulations (internal control, internal audit, OFAG's audit, payroll, procurement, and so on). The fund they receive from other sources (which is not part of the central government budget) is subject to audit annually by external auditors (delegated by OFAG). EBUs are administered by their own boards assigned by the government. Their annual performance is subject to scrutiny by Parliament when the relevant ministries deliver their annual report to Parliament.
- **All State-Owned Enterprises (SOEs) and public corporations are operating purely as businesses** and charge market prices for the service or goods they deliver and do not receive subsidies from the government.

- **The budget is a reliable instrument, but there is no effective process to ensure alignment with national policy priorities over the medium or longer term.** The main weaknesses are in revenue forecasting and management, and in the absence of medium/long term fiscal objectives, or a strategy to achieve these, other than in the limited area of public debt. Strategic resource allocation is a weak area of public finance management. At the national level, although the Government dedicates a high proportion of its budget to pro-poor programs, particularly health and social programs, investment and transfers to the regions, the extent of deviations (20%+) means the annual budget does not indicate the final allocation of expenditure. Controls over budget execution are in place but the IFMIS is not fully implemented. The main outstanding issue is roll-out of the IFMIS system which, when fully implemented, should enable further improvements in control.
- **The procurement system does not deliver best value, principally due to the limited information made available to businesses.** However, the Public Project Administration and Management System (PPAMS) Proclamation (PIM Proclamation) was approved by the Parliament in 2020 together with six supporting PIM Guidelines and additional instruction on Project feasibility study whose development the Bank has supported.
- **Presentation of the budget is good, but few reports are made available for public scrutiny.** The process of budget scrutiny is also well developed, and the Parliament has an effective role. The main issue with respect to transparency is the limited number of reports made available for public scrutiny. Important gaps include in-year progress reports and reporting on performance outcomes relative to the performance objectives set out in the budget. Public accounts are reliable and thoroughly audited but are prepared on modified cash rather than an accrual basis and follow local rather than international standards.

3 ASSESSMENT FINDINGS

Main findings

37. The overall performance of Ethiopia in climate-related Public Finance Management is at a basic level. Based on the 14 indicators of the PEFA Climate methodology, 5 indicators scored better than or equal to C, 8 indicators received a score lower than C, while one indicator was non-applicable.

Table 4 : Distribution of the PEFA climate indicators according to their performance

Indicators with a score greater or equal to C	Score
1 Budget alignment with climate change strategies	B
3 Climate responsive budget circular	C
12 Climate related performance information	C+
13 Climate related performance evaluation	B
14 Expenditure outturn for climate activities	C+
Indicators with a score lower than C	
2 Tracking climate-related expenditure	D
4 Legislative scrutiny	D+
5 Climate responsive public investment management	D+
6 Climate responsive asset management	D
7 Climate related liabilities	D+

8 Climate responsive procurement	D
10 Compliance of climate-related expenditure	D+
11 Climate responsive fiscal decentralization framework	D+
Non-rated indicators	
9 Climate responsive revenue administration	NA

38. The assessment findings point out several factors that might have contributed to this result:

Ethiopia's commitment to the fight against global warming has been more realised in terms through projects implementation⁸ than through the update and reinforcement of procedures. The legal framework, and processes associated with budget preparation and management, cash management, debt management, accounting and reporting, procurement and asset management, internal audit, external audit, financial information systems, and transparency and accountability in PFM, are generally in line with good practices, but they do not explicitly consider climate specificities.

- ***The government of Ethiopia has invested over USD 22.1 billion from 2011-2019 (or USD 3.2 billion per year)*** mobilised from domestic, bilateral, multi-lateral sources as well as from international climate finance institutions on climate change mitigation and adaptation projects and programs in agriculture, energy, transport, industry, forest, urban development, health sectors. Out of this, USD 6.4 billion, 8.1 billion, 7.6 billion were invested in climate change adaptation, mitigation, and cross-cutting activities respectively. The above estimate doesn't include the in-kind and free labour contributions of communities in natural resources management, landscape restoration, and other activities⁹.
- ***Climate related expenditure policy proposals in the approved medium-term budget estimates do not clearly align with sector costed medium-term strategic plans.*** The CRGE Facility, the budget directorate and IFMIS project office are closely working the Oxford Policy Management, which manages the Building Resilience in Ethiopia (BRE) Technical Assistance support of the FCDO to establish a budget and expenditure based climate finance tagging and tracking system, but this system is not operational yet. A MRV Directorate has also been established within the EFCCC, but a national Monitoring, Reporting and Verification (MRV) system to support its implementation is not in place yet. "Without detailed Measurement, Reporting, and Verification (MRV) of projects and programmes expected to have mitigation impacts or co-benefits, it is not feasible to ascertain the balance between activities that could be a carbon source or a carbon sink". The annual MRV report should be prepared from 2021/10.

In the absence of a governmental budget tracking or coding system that identifies spending linked to CRGE, or climate change mitigation and climate change adaptation, there is currently no mechanism available to unpack activities funded under the country's development plans to determine climate-change linked expenditure. Clearly identifying and quantifying needs for the

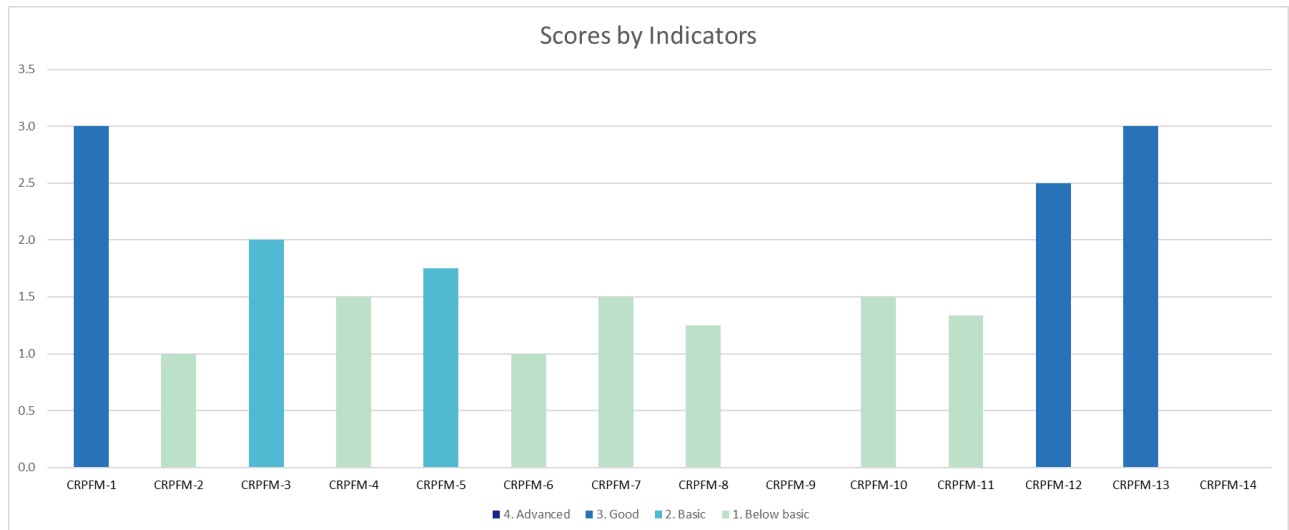
⁸ especially those aimed at renewable energy power generation

⁹ Submission to the Standing Committee on Finance calls for evidence for the 2020 Report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement and the 2020 Biennial Assessment and Overview of Climate Finance Flows – October 2020.

¹⁰ Ethiopia's Climate Resilient Green Economy (CRGE) Strategy (2011-2019) – Implementation Progress Assessment Report - 20 May 2020.

realisation of the NDC/CRGE is one of the critical challenges faced by the country in accessing financial resources. The country requires support to translate its NDC into an investment plan, quantify the needs and build its national, and institutional capacities to access funding. There is no exhaustive and comprehensive M&E system that shows the various players in the government structure (budgetary institutions, SOEs and EBUs) and whether they are represented in the CRGE facility modalities.

Figure 6: Overview of assessment findings.



A visualisation of the evaluation rating is available online at the following link:

<https://public.tableau.com/app/profile/climate.ethiopia>

Analysis by budgetary outcomes

Aggregate Fiscal Discipline

39. **Fiscal discipline is hampered by the difficulty to track climate-related expenditure in the absence of an appropriate classification.** It is difficult to determine the extent to which CC-related expenditures contribute to or detract from fiscal discipline, as the current budget classification does not yet allow for accurate tracking. As a result, many stakeholders, such as line ministries, development partners, etc. conduct M&E of CC projects and programs. For instance, the CRGE Facility has established and operationalised a Monitoring and evaluation framework for its portfolio as well as use by other stakeholders.

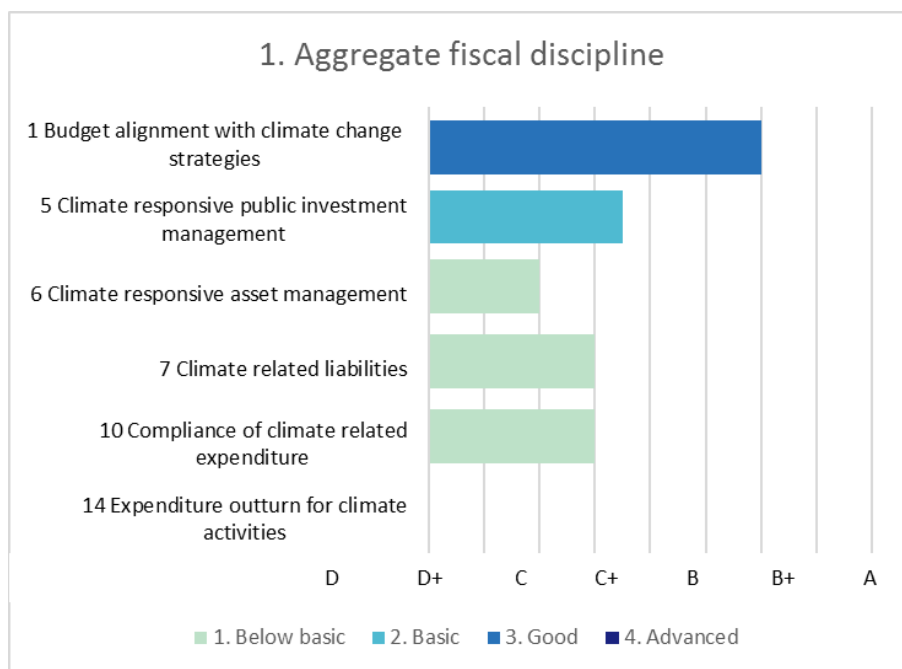
Strengths

- The budget is relatively well aligned with climate change strategies. Sectoral strategic plans with costed projects are developed and the public investment programme contains climate projects. Sub-national governments and public enterprises are also implementing climate change policies (CRPFM-1).
- The government can issue loans to cover climate-related liabilities.
- The legal and regulatory framework provides for a control system for all transactions and procedures, which will cover climate conditionalities if specific transactions require it. Audits and fraud investigations are carried out for all transactions, including climate targets.

Weaknesses

- The asset register is in a nascent stage and is managed in a decentralised manner. It does not contain climate-sensitive information (CRPFM-6). Furthermore, the government does not produce a report that consolidates climate-related fiscal risks. Debt reports are produced annually but do not contain climate-sensitive debt information (CRPFM-7).
- The legislative framework does not require a specific control system on climate-related expenditure.
- There is no specific audit focused on the use of climate-related funds by recipient entities.
- The system for tagging climate-related expenditure is not yet in place, so it is not possible to monitor the implementation of climate-related expenditure.

Figure 4 : Overview of Aggregate Fiscal Discipline



Strategic Allocation of Resources

Strengths

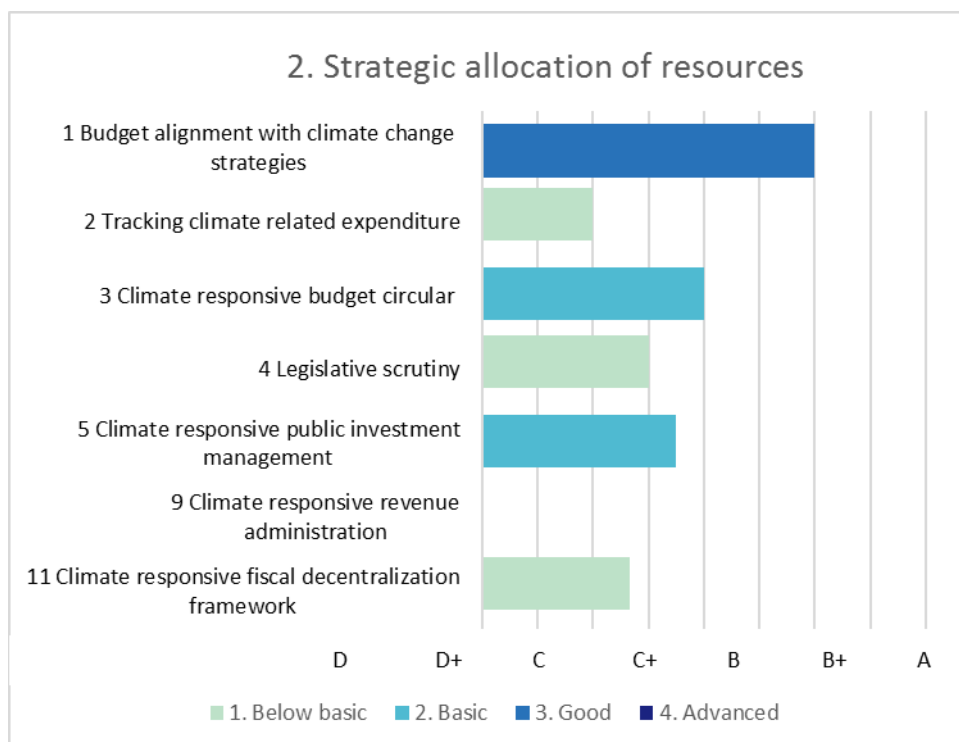
- The budget is relatively well aligned with climate change strategies. Sectoral strategic plans with costed projects are developed and the public investment programme contains climate projects.
- The new Public Investment Proclamation requires public agencies to prepare their projects based on, among other things, climate change screening and environmental assessment.
- Identified infrastructure projects are screened against specific selection criteria.
- Guidelines exist for the assessment of projects. They address climate issues, including mitigation strategy. They also require adaptation measures in the project design to address climate risks.

Weaknesses

- An operational system for tracking climate-related expenditure is not yet in place. The Budget Circular does not provide guidance on how to take into account planned expenditure on climate change mitigation or adaptation in budget proposals.

- There is no provision for climate-related expenditure to be included in the legislative review of the budget.
- The level of compliance of investment project proposals with climate-related objectives or requirements is not very high.
- The prioritisation criteria used to select new investment projects are not directly climate-related.
- No climate-related taxes are currently in place in Ethiopia. GHG emitters are not identified and registered in a database.
- The legal and regulatory framework does not clearly define the competences and mandates of NSEs in relation to climate change mitigation and adaptation.
- Climate change-related conditional transfers exist but are not specifically linked to objectives aligned with the national climate change strategy.
- No climate-sensitive fiscal decentralisation arrangements have yet been put in place at sub-national government level.

Figure 5 : Overview of Strategic allocation of Resource



Efficient Service Delivery

40. As per the Ethiopian fiscal Federalism system and expenditure assignment enshrined in the constitution, Primary service delivery is the responsibility of sub-national governments (Regional and Woreda level governments). However, this sub-national mandate does not include services specifically provided to cope with climate issues (apart from specific climate projects, often funded by donors).

Strengths

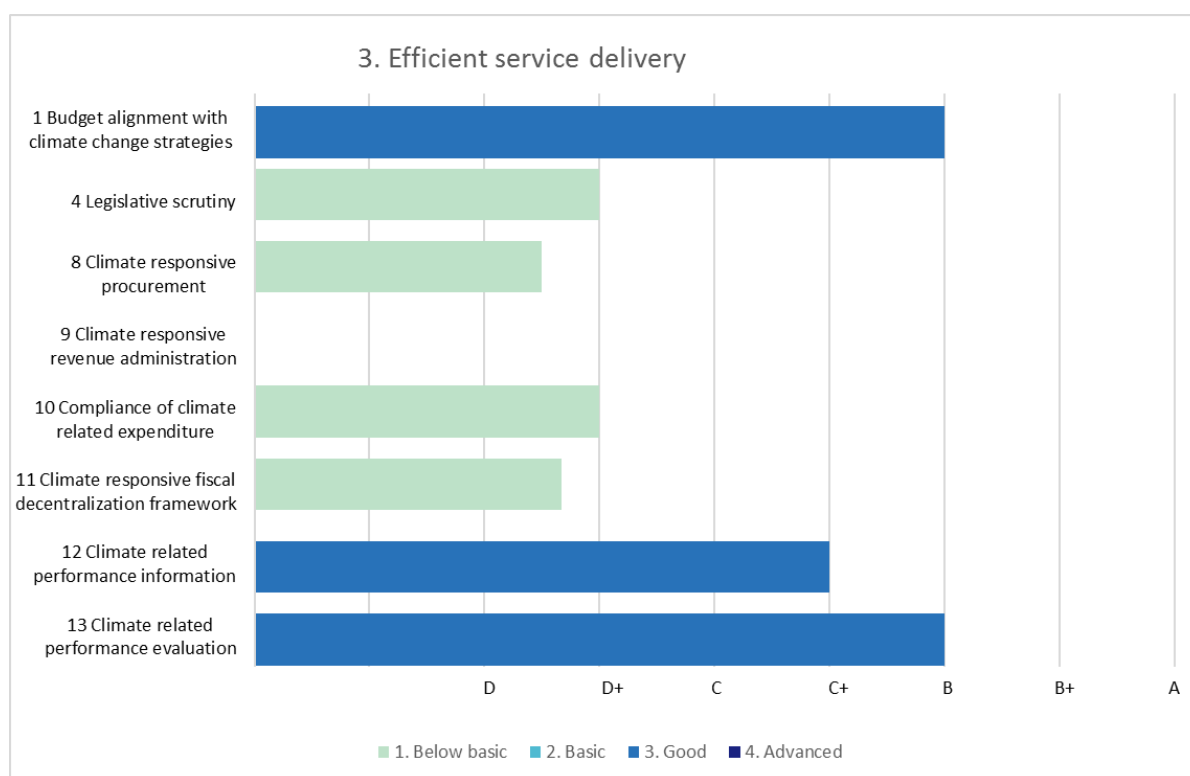
- The budget is relatively well aligned with climate change strategies.

- The Parliament reviews audit reports on the performance of climate change programmes and makes recommendations for action to the executive.
- Simplified procedures exist to expedite procurement in response to climate-related disasters. Databases contain information on the compliance of emergency procurement.
- The monitoring system is able to cover climate conditionalities if specific transactions require it.
- Climate-related information can be found in the performance plans. Some key indicators in the Annual Performance Plans are climate-related. Performance information is available in the supporting documents submitted to the legislator.
- The FOAG has evaluated climate-related programmes and activities at least once in the last three years. These have been published on its website.
- The EPC's report to Parliament also provides information on performance and results achieved in relation to renewable energy targets.

Weaknesses

- The government does not require extra-budgetary units and state-owned enterprises implementing public investment projects to include specific climate objectives, targets and indicators in their contracts or declaration of intent.
- There is no specific framework for green public procurement. The legislation does not establish criteria for determining which products or services are considered climate-sensitive, nor does it define the scope of procurement transactions subject to climate-sensitive procurement principles.
- Climate-sensitive standards are sometimes used to help determine tender requirements and specifications, or award criteria, but they are not specified in the law. Standard tender templates do not define climate-sensitive standards.
- No statistical reporting is provided on climate-sensitive procurement and emergency procurement are published.
- No climate-related taxes are currently in place in Ethiopia. GHG emitters are not identified and registered in a database.
- There is no specific audit focused on the use of climate-related funds by recipient entities.
- Sensitive fiscal decentralisation arrangements have not yet been put in place to clearly define the competencies and mandates of NSEs related to climate change mitigation and adaptation.
- Conditional transfers are not specifically linked to targets aligned with the national climate change strategy.
- Performance plans are not published.
- As no climate-related taxes are currently in place in Ethiopia, no assessment of the contribution of climate-related taxes to climate change has been conducted in the last three years.

Figure 6 : Overview Efficient Service Delivery



The following table and figure provide a summary of the dimension scores by indicators.

Table 5: Scoring summary table.

	Indicator	1	2	3	4	
CRPFM-1	1 Budget alignment with climate change strategies	B				B
CRPFM-2	2 Tracking climate related expenditure	D				D
CRPFM-3	3 Climate responsive budget circular	C				C
CRPFM-4	4 Legislative scrutiny	D	C			D+
CRPFM-5	5 Climate responsive public investment management	C	C	C	D	D+
CRPFM-6	6 Climate responsive asset management	D				D
CRPFM-7	7 Climate related liabilities	D	C			D+
CRPFM-8	8 Climate responsive procurement	D	C	D	D	D
CRPFM-9	9 Climate responsive revenue administration	NA	NA			NA
CRPFM-10	10 Compliance of climate related expenditure	C	D			D+
CRPFM-11	11 Climate responsive fiscal decentralization framework	D	C	D		D+
CRPFM-12	12 Climate related performance information	B	C			C+
CRPFM-13	13 Climate related performance evaluation	B	NA			B
CRPFM-14	14 Expenditure outturn for climate activities	NA	NA			NA

4 DETAILED ASSESSMENT OF CLIMATE RESPONSIVE PUBLIC FINANCIAL MANAGEMENT

CRPFM–1 Budget alignment with climate change strategies

✓ **Guiding questions**

Are climate related sector medium-term strategic plans, medium-term budgets and annual budget aligned with climate change strategies?

Summary table

Indicator/Dimension	Score	Brief justification of the score
CRPFM-1	B	
1.1 Budget alignment with climate change strategies	B	The system in place fulfils 6 elements, including at least 3 basic elements. <i>Basic:</i> (1) sector strategic plans; (2) Climate related projects and initiatives costed in sector medium-term strategic plans (3) climate projects in public investment plans. <i>Advanced:</i> (7) climate change policies apply to subnational governments and public corporations; (10) Medium-term fiscal strategy refers to climate-related fiscal risks and (12) there is a central point of coordination for CC strategies and implementation.

✓ **Coverage**

Budgetary central government.

✓ **Time Period**

Budget and budget documentation submitted to the legislature for FY 2013 (2020/21).

1.1 Budget alignment with climate change strategies

✓ **Legislation**

41. The main laws guiding the budget elaboration is the Financial Administration Proclamation No. 648/2009 and Financial Administration (Amendment) Proclamation No. 970/2016.

✓ **Present situation**

Climate related strategies

42. **The 10 years plan identifies CRGE as one of the 10 strategic pillars, and all sector ministries incorporated CRGE in strategy.** The program budget procedure is allocating budget based on program and performance information to respective results and enable desired results achieved.

43. **Climate change related indicators are incorporated in the six strategic pillars of the policy matrix of the GTP-II as well as the Ten Years Development Plan (TYDP).** Integration of climate change mitigation and adaptation actions into the development plan of the country leads to allocation of

financial resources on an annual basis. Ethiopia follows program budgeting approach, which requires respective ministries to integrate of CRGE initiatives into their sectoral development plans. Integration of climate change (CC) into development plans ensure that the CRGE initiative is part of a comprehensive national plan for public investments as well as the legal and institutional reforms. This policy document is the basis of the program budget preparation and budget allocation to the sectors.

44. **Most of budget entities, such as the Ministry of Health, Education, Infrastructure, Agriculture, EIAR¹¹, etc. have multiannual strategic plans. These plans address CRGE objectives, but the CRGE strategy is not costed in detail. Each public body is required to prepare a sector strategy¹²** and strategic plans of some ministries and other budget entities contain climate-related projects. The cost breakdown distinguishes between recurrent and investment costs, but the impact of future recurrent costs on investment commitments is not presented. Line ministries propose their detailed estimates to the MoF in line with the ceilings indicated in the budget circular (see indicator CRPFM 3). These ceilings consider the government's fiscal policy objectives (including climate related objectives) under budgetary constraints.

Departmental strategic plans do not directly quantify the financial implications of the government's climate policy commitments. The federal government, regions and public enterprises implement climate change strategies and receive resources from the national budget to do so, but this is not formalised in a procedure defined by regulation, as the risks posed by climate change to public finances are not quantified when defining budget policies (for the years in question; efforts to start doing this are underway, led by the Fiscal Policy Unit). Interventions are made through investment projects, financed either by national resources or by external funding.

Budget alignment against strategies

45. **The first stage of planning is the preparation of Macro-Economic Fiscal Framework (MEFF), which is prepared for five years on a rolling basis and approved by the Council of Ministers.** Public bodies prepare their budget, which should align with their objectives defined in their sector strategy and the ceilings indicated in the budget circular.
46. **MoF introduced Program Based Budgeting**, which is operational at the federal level since FY 2012 (Gregorian calendar 2019/2020). The program budgeted is a dual budget system with capital and recurrent budgets prepared separately by planning and finance institutions, respectively. The program budgeting contains a three-year estimate of expenditure and was assumed to integrate the execution of budget with the strategic plan of the organisation that was drawn from GTP (Growth and Transformation Plan) of the nation.
47. **Climate-related expenditures are not tagged under budget classification, because of the absence of a widely used classification and tagging system** (see CRPFM-2). Some projects or activities nevertheless explicitly relate to climate change. Some of the public bodies have also easily identifiable climate-related programmes and/or projects and these are defined to achieve the

¹¹ *Natural Research Strategy, 2016-2030, EARI and ATA. Website: <http://www.eiar.gov.et>*

¹² This is often a five-year strategy based on the national plan but some of the public bodies have prepared a sector strategy based on the new 10 years national plan.

bodies' mandate. This is the case, for instance, of the Environment, Forest and Climate Change Commission (EFCCC) and the Ministry of Water, Irrigation and Energy (MoWIE).

The annual budget document presents estimates of expenditure by administrative function or program and economic type but is still voted by the Parliament based on economic and administrative classifications for the budget year only, even if the MEFF is also provided to the Parliament.

A synthesis of the above elements against the PEFA climate criteria for component CRPFM-1 is reported in the table below:

Table 6 : Fulfilment of criteria for dimension CRPFM-1

Budget alignment criteria	Satisfaction (Y/N)	Justification
Basic elements		
1. Sectoral medium-term strategic plans are prepared. They reflect priorities from national climate change policy and strategy - and in their absence, NDC targets.	Yes	Sectoral medium-term strategic plans are prepared. They reflect NDC targets, which are defined in Ethiopian CC policy.
2. Climate related projects and initiatives are costed in sector medium-term strategic plans.	Yes	Sector medium-term strategic plans are not costed but they contain projects and initiatives that are costed from which it is possible to select climate-related projects.
3. Climate related projects are accounted for in public investment plans.	Yes	All projects are accounted for in public investment plans, and they are costed. Climate-related projects are identified by their designation.
4. Climate related expenditure policy proposals in the approved medium-term budget estimates align with sector costed medium-term strategic plans.	No	There is no sufficient breakdown in the MEFF to present climate related medium-term expenditure. Ministries make their requests only for capital and recurrent expenditure. Hence, there is no climate-related alignment between expenditure policy proposals in medium-term budget estimates and costed medium term strategic plans.
5. Climate related tax policy proposals in the approved medium-term budget estimates align with the national climate change strategy.	No	Tax on used imported cars was increased to 500%, but this was not a component of the national climate change strategy (CRGE). In addition, tax on new cars has been reduced.
6. Climate related annual expenditure and tax estimates align with the	No	Climate related annual expenditure and tax estimates are not separately

Budget alignment criteria	Satisfaction (Y/N)	Justification
approved medium-term budget estimates for the first year.		identifiable within the approved medium-term budget estimates for the first year (see criteria 4). Nevertheless, Ethiopia has removed all fossil fuel subsidies since 2008.
Additional elements		
7. Climate change policy and strategies cover subnational governments, public corporations and other operators in charge of implementation.	Yes	Policies and strategies cover subnational governments, public corporations and other operators in charge of the project implementation. This also relates to climate change projects, and they are costed.
8. Climate change strategies or climate related medium-term budget estimates identify funding gaps and funding sources.	No	Climate related funding gaps and funding sources are not clearly identified in the strategies, because the identification of resource needs does not reach this level of detail.
9. Medium-term fiscal strategy refers to climate targets.	No	A medium-term fiscal strategy that outlines investment and other financial goals is not prepared by the Federal government. Hence, it does not specifically refer to climate targets.
10. Medium-term fiscal strategy refers to climate-related fiscal risks.	Yes	In 2019, the Fiscal risk register, and statements talked about emergencies – including drought – and note that these are heightened with CC.
11. If there is a gap between climate related annual expenditure and tax estimates and the approved medium-term budget estimates for the first year, the annual budget document provides the underlying explanation.	No	Because the annual budget document does not provide any explanation of the gap between annual expenditure and tax estimates and the approved medium-term budget estimates for the first year, it is not done for climate-related tax and expenditure.
12. There is an operational body, unit or team in charge of fostering coordination on climate change activities in line with climate change policies.	Yes	The Environment Protection Authority oversees and coordinates the implementation of the CRGE strategy. The REDD+ National Secretariat has also been implemented within this ministry.

In summary, six elements are fulfilled, including at least 3 basic elements. *Basic*: (1) sector strategic plans; (2) Climate related projects and initiatives costed in sector medium-term strategic plans (3)

climate projects in public investment plans. *Advanced*: (7) climate change policies apply to subnational governments and public corporations; (10) Medium-term fiscal strategy refers to climate-related fiscal risks and (12) there is a central point of coordination for CC strategies and implementation.

Dimension Rating = B

CRPFM–2 Tracking climate-related expenditure

✓ **Guiding question**

Does the government have the capacity to track climate-related expenditure?

✓ **Summary table**

Indicator/Dimension	Score	Brief justification of the score
CRPFM-2	D	
2.1 Tracking climate-related expenditure	D	The system in place does not fulfil at least 3 basic elements.

✓ **Coverage**

Budgetary central government.

✓ **Time Period**

Last completed fiscal year: FY 2012 (2019/20)

2.1 Tracking climate-related expenditure

✓ **Legislation**

48. **The Ethiopian legislation does not yet classify climate-related expenditures and the government does not use a methodology that defines what constitutes “climate change expenditure”.**

49. In the absence of a governmental budget tracking or coding system that identifies spending linked to CRGE, or climate change mitigation and climate change adaptation, there is currently no mechanism available to unpack activities funded under the country’s development plans to determine climate-change linked expenditure¹³.

50. Ethiopia’s Climate Resilient Green Economy (CRGE) Strategy (2011-2019) Implementation Progress Assessment Report recommends that a "coding" or "tagging" system is used to identify actual CRGE and climate mitigation activities under GTP-II. Such an approach will assist in disaggregating some of the “mainstreamed” work under GTP-II per sector that is climate-related. Such a coding or tagging system would also enable association of activities with the SDG-13 goal.

✓ **Present situation**

51. **The NDC lays out Ethiopia’s intentions to align its monitoring and reporting system with the Paris Agreement and provides the required information that will serve as a basis for future reporting.**

13 https://unfccc.int/sites/default/files/resource/CF%20Needs_Ethiopia_rev.pdf

However, there is currently no efficient M&E system in place to track the implementation of projects that aim at GHG reduction. There is no definition yet used by MoF to proceed with the CC classification.

52. As part of a review of expenditures supporting the CRGE, MoF issued a report in 2017 describing a methodology for tracking climate finance: “Climate Finance Tracking and Projection Approach and Methodology in Ethiopia”¹⁴. Currently the system is piloted in few ministries and report on piloting results is done. However, the full system is not operational.
53. **Climate-related expenditure can nevertheless be tracked with an ad-hoc approach, which can help to track climate-related expenditure by sector.** To enable tracking of progress on adaptation specifically, the NDC provides concrete indicators, sets baselines and sets 2030 targets for each indicator, but information on project implementation that is required to calculate GHG emissions or reductions in emissions is sparse and, in many cases, difficult to validate or verify. The IFMIS system that tracks the budget code, budget sources, as well as the amount of budget allocated for each activity and sector and the amount of expenditure executed would also allow tracking of climate-related expenditure if an operational tagging system would have been implemented.
54. **Budget formulation, execution, and reporting used the administrative, economic, programming classification and functional classification but there is no specific methodology for identifying climate change expenditure.** This functional classification is not the same as the Classification of Functions of Government (COFOG) but can be compared to it. Apart from these classifications the Ministry of Finance is currently designing a climate and disaster budget tagging system, but this is not expected to be operational until late 2021 at the earliest. Analysis of the budget expenditure database used to identify climate-related expenditures does not identify fossil fuel subsidies, which is consistent with the reform of fossil fuel subsidies that was a key step in Ethiopia's commitment to a sustainable energy sector. There has been no fossil fuel subsidy in Ethiopia since 2008.

The central government may finance SOEs to support climate-related projects. Some extra budgetary funds, like Road Fund, source their income from different sources including levies from fuel, road service charges, etc. and receive small amount of budget from the central government. The portion of the transfer from the central government is subject to auditing by OFAG. Other sources of revenue are managed by their separate financial management manuals.

Table 7 : Fulfilment of criteria for dimension CRPFM-2

PEFA criteria	Satisfaction (Yes/No)	Justification
Basic elements		

¹⁴ The methodology identified three steps:

- Step 1: Definition of climate finance.
- Step 2: Identification of climate change relevant programs and projects based on the list of climate relevant initiatives listed in the CRGE strategy, GTP-II, INDC, NAP, etc.
- Step 3: Weighting of climate change programs and projects based on the Rio+ climate marker.

PEFA criteria	Satisfaction (Yes/No)	Justification
1. The government uses a methodology that defines what constitutes “climate change expenditure”.	No	Climate Finance Tracking and Projection Methodology (CFTPM) are not implemented yet in Ethiopia. In the absence of a governmental budget tracking or coding system that identifies spending linked to CRGE, or climate change mitigation and climate change adaptation, there is currently no mechanism available to unpack activities funded under the country’s development plans to determine climate-change linked expenditure.
2. The government applies the same methodology across all ministries, departments and agencies to identify climate-related expenditure.	No	The MoF issued a report on the tagging methodology in 2017 and the system is currently piloted in few Ministries However, the full system is not operational.
3. Expenditure related to activities that are counter to climate policy is disclosed in budget documents and in end-of-year budget execution reports (as in Element 4). This covers spending explicitly or implicitly linked to climate change.	No	Expenditure related to activities that are counter to climate policy are not identified either. Hence, they are not disclosed in budget documents and in end-of-year budget execution reports.
4. Climate related expenditure is disclosed by the Ministry of Finance or the budgetary units in budget documents and in end-of-year budget execution reports (as in Element 3).	No	Because the CFTPM has not been implemented yet, climate-related expenditure is not disclosed in budget documents and in end-of-year budget execution reports.
5. The methodology applied by the government to identify climate-related expenditure is reviewed by an entity other than the preparing entity.	No	The methodology applied by the government to identify climate-related expenditure is not implemented yet.
Additional elements		
6. Climate related expenditure is identified using specific budget expenditure line items, program codes, elements in the government’s chart of accounts or markers such as Rio markers.	No	Climate related expenditure is not officially identified using specific budget expenditure line items, Rio markers, etc. This is done through a technical assistance project, which is still ongoing.
7. Climate related expenditure is disclosed in in-year budget reports, including in-year budget adjustments.	No	Climate related expenditure is not disclosed in in-year budget reports, including in-year budget adjustments.

PEFA criteria	Satisfaction (Yes/No)	Justification
8. Budgeted climate related transfers to subnational governments and outturn are identified.	No	Budgeted climate related transfers to subnational governments and outturn are not explicitly identified.
Budgeted climate related transfers to extra budgetary units and public corporations in charge of implementing climate change actions, and outturn, are identified	No	Budgeted climate related transfers to extra budgetary units and public corporations in charge of implementing climate change actions, and outturn, are not identified.

In summary, the system in place does not fulfil at least 3 basic elements.

Dimension Rating = D

✓ On-going reforms

55. A full tagging methodology is in development in MoF. The CRGE Facility, the budget directorate and IFMIS project office are closely working the Oxford Policy Management, which manages the Building Resilience in Ethiopia (BRE) Technical Assistance support of the FCDO to establish a budget and expenditure based climate finance tagging and tracking system. However, the tagging system was not ready yet to be used for the PEFA climate assessment.

CRPFM–3 Climate responsive budget circular

✓ Guiding questions

Does the budget circular take the climate change policies into consideration?

✓ Summary table

Indicator/Dimension	Score	Brief justification of the score
CRPFM-3	C	
3.1 Budget circular	C	Guidance provided in the Budget Circular can help on how to factor climate change mitigation or adaptation planned expenditure into budget proposals, but it does not provide a methodology to track climate change related expenditure

✓ Coverage

Budgetary central government.

✓ Time Period

Last completed fiscal year: FY 2012 (2019/20)

3.1 Budget circular

✓ Legislation

Guidance provided in the Budget Circular can help on how to factor climate change mitigation or adaptation planned expenditure into budget proposals, but it does not provide a methodology to track climate change related expenditure. This is because neither the Climate-Resilient Green Economy (CRGE) strategy nor international declarations such as Ethiopia NDC have been transposed into the Ethiopian legislation yet.

✓ Present situation

56. **The budget circular is the main guidance to the budget units on how to prepare budget submissions.** Given the federal structure, MoF issues budget circular to federal level budget institutions and similarly BoFs do the same at regional level.

57. **Every budgetary sector office drafts their budget proposal based on the budget planning circular sent from federal to region and from region to zone and woreda.** The budget circular includes ceilings by public bodies for both recurrent and capital expenditure. The ceilings are approved by the Council of Ministers together with the overall MEFF resource envelopes and the MTEF just after the Budget Call Circular (BCC) was distributed to public bodies.

58. **The guidance provided in the circular covers the budget for the entire year and subsequent years relevant to medium-term budget systems.** The circular states that budget proposals made by budget entities should be drawn from multi-year forecasts without changing programs and targets if programs are ongoing. The budget circular refers to the Growth and Transformation Plan (GTP), of which CRGE is one of the pillars. Hence, it encourages budget units to plan for the corresponding expenditures for each of the climate-related projects they will submit to the MoF. Hence, the circular can be considered as guidance on how to factor climate change mitigation or adaptation planned expenditure into budget proposals, but it does not provide a methodology to track climate change related expenditure.

In summary, guidance provided in the Budget Circular can help on how to factor climate change mitigation or adaptation planned expenditure into budget proposals, but it does not provide a methodology to track climate change related expenditure.

Dimension Rating = C

CRPFM–4 Legislative scrutiny

✓ Guiding questions

How are climate change aspects included in the legislature’s scrutiny of budget and audit reports?

○ Summary table

Indicator/Dimension	Score	Brief justification of the score
CRPFM–4	D+	

Indicator/Dimension	Score	Brief justification of the score
4.1 Legislative scrutiny of budget	D	The legislature's scrutiny of the proposed budget meets one criteria.
4.2 Legislative scrutiny of audit and evaluation reports	C	The legislature's scrutiny of audit and evaluation reports fulfil three of the PEFA criteria.

✓ *Coverage*

CRPFM-4.1. Budgetary central government

CRPFM-4.2. Central government

✓ *Time Period*

CRPFM-4.1. Last budget and budget documentation submitted to the legislature: 2013 (2020/21)

CRPFM-4.2. Last audit reports or evaluation reports submitted to the legislature: 2010 (2017/18), 2011 (2018/19), 2012 (2019/20).

4.1 Legislative scrutiny of budget

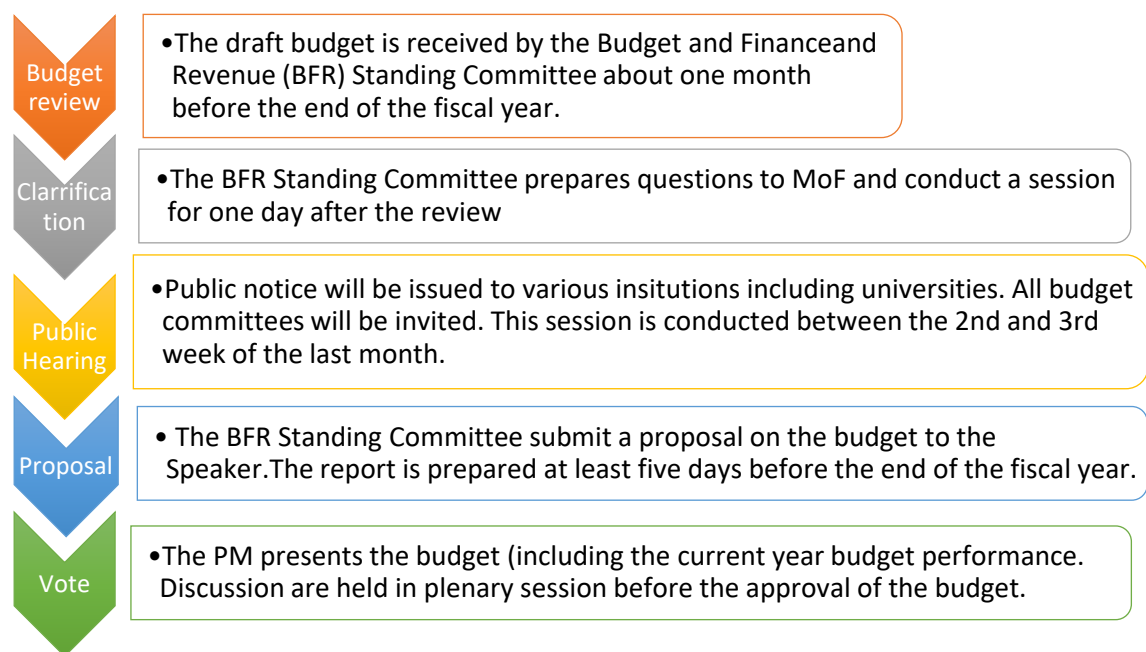
✓ *Legislation*

59. **Article 55(19) of FDRE Constitution and proclamation No.470/2005 and Regulation No.3/2006 have provided for the establishment of different standing and ad hoc committees in the House of Peoples' Representatives (HPR).** These different committees are the House's Business Advisory Committee, the Coordinating Committee, Standing Committees, Sub-Committees, and ad hoc Committees.

✓ *Present situation*

60. **The analysis of the draft budget by the Parliament follows several steps.** These different steps are presented in the following chart.

Figure 7 : Main steps in the analysis of the draft budget by the Parliament



61. **The BFR Standing Committee has three technical officers to analyse the budget proposal, but there is no independent climate council that discuss with or advises the Committee.** However, other standing committee members' representatives attend budget hearings. The standing committee reports a recommendation after the review of the budget. This report is not published.
62. **Various standing committees are responsible for the ex-ante review of performance of the line ministries and agencies under their supervision.** The BFR Standing Committee is responsible for the assessment of the performance of about 25 bodies including the Ministry of Finance and Plan and Development Commission. Other standing committees (including the Agriculture and Pastoralist Affairs Standing Committee, which is responsible for Climate-related public bodies) also do ex-ante performance/impact assessments.
63. **All cross-cutting issues are considered during the budget review and climate is one of them. However, climate change revenue and climate change programs, including expected results is not specifically discussed by the Committee.** This mainly because there is no tagged information in the budget document which indicates which budget is climate-related, although the MEFF is submitted, along with the detailed estimates. On the other hand, it is expected that each budgetary institution will address climate issues before submitting its proposal, as it is a key cross-cutting issue, but these upstream concerns are not reflected in the budget documentation sent to the Legislature. In other words, there is no green budget that the national assembly can analyze.
64. **Information on fiscal risks provided with the annual budget documentation does not refer to climate risk yet and has not been made available to the legislature through another report.** The 2019 Fiscal Risk Statement, which refers to climate change, was not submitted to the legislature. On the other hand, the committee discusses whether validity and justifications presented by the relevant public bodies for contingency budgets. Some of the contingency budget justifications are related to climate impact. The standing committee indicated that the budget of climate-related

public bodies, for example, the National Disaster Risk Management Commission, is reviewed, and relevant standing committee members attend during the budget hearing.

65. **The budget hearing procedures include provisions for public consultation when the annual budget documents are submitted to the legislature.** At the end of the session, the Committee prepares a public hearing to which the universities, civil society, and any interested party are invited. There is no specific restriction and participants can raise their questions and comments on all issues including climate even when the budget documents do not mention them. However, the last speech given by the Minister of Finance before the submission of the budget does not make any reference to climate issues¹⁵.

Table 8 : Criteria fulfilment for dimension CRPFM-4.1

Elements included into the legislature's scrutiny of the proposed budget:	Satisfaction (Y/N)	Justification
(1) Involvement of support mechanisms such as specialised legislature committees, technical and scientific support, expert advice from climate advocacy groups, independent climate councils, or others. A report on the work and conclusions of the committees or groups is published.	No	There are specialised legislature committees, and experts to advise BFR Standing Committee, but there is no expert from climate advocacy groups, or independent climate councils. The report of the BFR Standing Committee is not published.
(2) A performance or impact assessment review of (i) climate change revenue and (ii) climate change programs, including expected results in the future, either through specific impact assessment or information on planned performance.	No	Performance information is available in the supporting documentation submitted to the legislature, but there is neither a performance plan nor impacts assessment review of: (i) CC revenue (CRPFM-9 is NA) or (ii) CC programs during the BSR Standing Committee review of the budget proposal. However, a review of CC performance plans may be done separately as it is expected that each budgetary institution will address climate issues before submitting its proposal.
(3) A review of the positive, neutral or negative contribution to climate change of (i) revenue and (ii) programs or actions that are not directly related to climate change.	No	There is no requirement to review the positive, neutral or negative contribution to climate change of programs or actions that are not directly related to climate change (there is no CC related revenues).

¹⁵ The PEFA report didn't make any reference to climate issues.

Elements included into the legislature's scrutiny of the proposed budget:	Satisfaction (Y/N)	Justification
(4) A review of climate-related fiscal risks	Yes	There is no systematic review of climate-related fiscal risks, so the Budget Standing Committee cannot review them specifically. However, some of the contingency budget justifications are related to climate impact.
(5) A public consultation that includes a specific focus on climate. A report on the feedback received during public consultation is published.	No	Public consultation does not include a specific focus on climate, but participants can raise questions on all climate issues.

In summary, the legislature's scrutiny of the proposed budget meets one criteria.

Dimension Rating = D

✓ On-going reforms

66. **Awareness of the BFR Standing Committee on climate Training has been provided by the Environment, Forest, and Climate Change Commission to all members of the council.** The BFR Standing Committee indicated that it has visited the forestation program implemented by the Ministry of Finance and submitted a report of its findings and recommendation to the Speaker. The report (about four pages) will be prepared for two to three days before five days from the end of the fiscal year. The report shows an assessment of previous budget performance (identified strength and weaknesses), comment, and proposals on the current proposed budget.

4.2 Legislative scrutiny of audit and evaluation reports

✓ Present situation

67. **Parliament's oversight covers both the OFAG's reports on the annual financial statements and the performance reports. The OFAG produced some performance reports on climate activities such as: Audit of the Forest, Environment and Climate Change Commission, the biogas project of the Ministry of Water and Energy, the invasive weed control project by the Biodiversity institution, etc.** OFAG conducted in July 2021 a performance audit on EFCCC on the utilisation of resources allocated for climate adaptation and mitigation and to audit the performance of the EFCCC in provision of support for climate-related projects implementing entities. The audit indicated gaps in terms of coordination of EFCCC with implementing sector offices, as follows:

- EFCCC was supposed to prepare a fifteen years plan in connection with the Sustainable development goal (SDG) and disseminate it to implementing entities. This was not done. Hence, it was not possible to evaluate the SDG performances from the CRGE perspective.
- Though EFCCC prepared a road map three years ago for resource mobilisation, this was not discussed with the relevant stakeholders, and the how part of the road map is not indicated in the strategy. It was not approved;

- The EFCCC didn't identify climate risks and the applicable mitigation interventions in consultation with the relevant sectors;
- Except for the limited measurement it accomplishes in limited regions in Ethiopia, the EFCCC didn't accomplish activities towards greenhouse gas emissions;
- The OFAG identified audit findings on the audit of projects managed by EFCCC which implies the limitation of EFCCC in monitoring projects;
- The commission did not conduct quarterly monitoring and evaluation on climate-related projects. When it conducts monitoring, follow-up of the implementation of findings is weak. It didn't evaluate whether projects it implements were achieved the project objectives and whether funds have been utilized efficiently;
- EFCCC didn't establish a system where it can respond to the requests of implementing entities in connection with challenges in implementing climate adaptation and mitigation projects;
- The EFCCC is mandated to set standards for the selection of technologies from a climate perspective. The audit identified this is not done by the commission;
- Lack of efficient structure from top to down (across government structure) for the implementation of CRGE strategy.

The Public Account Committee has issued recommendations on climate-related expenditures.

As part of its follow-up mechanism, the PAC requests all central government auditees with adverse audit findings to submit action plans with timelines indicating how they intend to respond to OFAG's audit findings, and the recommendations issued by the PAC. It also receives at least semi-annual updates on the progress made in implementing its recommendations.

Table 9 : Criteria fulfilment for dimension CRPFM-4.2

The legislature's scrutiny of audit reports includes:	Satisfaction (Y/N)	Justification
(1) Involvement of support mechanisms such as specialised legislature committees, technical and scientific support, expert advice from climate advocacy groups, independent climate councils, or others.	No	There are specialised legislature committees, but they are not supported by expert advice from climate advocacy groups. The PAC does not get a technical expert advice. Other standing committee members and other related stakeholders including the Auditee attend the hearing.
(2) A review of climate-related executed expenditure and revenue at a level comparable with the approved budget.	No	Annual reports are reviewed through by the legislature, but they do not present climate-related executed expenditure.
(3) A review of audit reports or/and evaluation reports on the performance of climate change programs or activities in line with planned outputs and outcomes.	Yes	The PAC reviews audit reports received from OFAG. The PAC conducted a performance audit on EFCCC on the utilisation of resources allocated for climate adaptation and mitigation. The PAC also audited the performance of the EFCCC in provision of support for climate-related projects implementing entities. However, these reports are not published on the OFAG web site.

The legislature's scrutiny of audit reports includes:	Satisfaction (Y/N)	Justification
(4) A review of audit reports or/and evaluation reports of climate change impacts of the executed budget	No	The audit report reviewed by the PAC contains information about the project expenditures and the effectiveness of the expenditures considering the CRGE strategy (as indicated in the narrative). The performance report (mentioned in point 3) is not only about activities but also assess the budget execution of climate-related activities, such as financed by the Green Climate Fund. However, this is not a report of climate change impacts of the executed budget.
(5) Recommendations for actions issued by the legislature to be implemented by the executive	Yes	<p>The PAC made recommendation related to CC, such as:</p> <ul style="list-style-type: none"> • EFCCC to properly plan in collaboration with the relevant sector ministries to implement the strategic objectives identified in the CRGE Strategy, with a clear measurable indicator / target. • EFCCC to identify communities, places and infrastructure which are exposed to the risk of climate change and to plan for mitigation with a clear and measurable indicator in collaboration with the relevant sectors. • The EFCCC to implement the national framework at all level of government, for the measurement, recording, monitoring and data verification on greenhouse emissions; • The EFCCC to monitor climate-related projects implemented by the various sectors.
(6) Follow-up on their implementation	Yes	The auditee presented an action plan based on the recommendation of the PAC. The auditee is also required to submit a copy of the action plan to the Auditor General. The Auditor-General also follow-up actions at the time of the subsequent audit.

In summary, the legislature's scrutiny of audit and evaluation reports meets three criteria.

Dimension Rating = C

CRPFM–5 Climate responsive public investment management

✓ Guiding question

Has the government put in place climate responsive public investment management arrangements covering laws and regulations; project selection and prioritisation criteria; project appraisal; and reporting from entities in charge of implementing public investment projects?

○ Summary table

Indicator/Dimension	Score	Brief justification of the score
CRPFM–5	D+	
5.1 Climate related provisions in regulatory framework for public investment management	C	The new public investment proclamation requires public bodies to prepare their projects based, among others, on the climate change screening and on environmental assessment. However, there is not a high level of compliance of investment project proposals with the climate-related objectives or requirements.
5.2 Climate related project selection	C	Identified infrastructure projects are screened against a prepared selection criterion. Climate assessment and prioritisation criteria are indirectly used to select new investment projects.
5.3 Climate related provisions for project appraisal	C	Guidelines exist for project appraisal. They address climate issues including mitigation strategy. They also require adaptation measures in the project design to address climate risks.
5.4 Reporting from entities in charge of implementation	D	No evidence was provided that the government required extra budgetary units and public corporations in charge of implementing public investment projects to incorporate specific climate objectives, targets and indicators in their contracts or statement of corporate intent. Most entities do not report back within nine months of the end of the fiscal year.

Coverage

Dimensions 1 to 3: Central government

Dimension 4: Extra budgetary units and controlled public corporations

Time Period

Last completed fiscal year: FY 2012 (2019/20)

5.1 Climate related provisions in regulatory framework for public investment management

✓ Legislation

68. **Laws and regulations do not specifically cover climate responsive public investment management arrangements.** Nevertheless, the GoE has prepared the Environmental and Social Safeguards Framework (ESSF) to address environmental and social issues that may arise from any CRGE investments. The preparation of the safeguards framework is based on the provisions and principles of the national environmental and social policies and legal frameworks, including the Constitution and the Environmental Impact Assessment Proclamation.
69. **The public investment proclamation¹⁶ requires public bodies to prepare their projects based on a feasibility study.** The PIM Proclamation and PIM Guidelines have recently provided climate-related provisions for regulatory framework. This proclamation was issued to assess future environmental impacts before the approval of the development project, involving the public in the process of development decision-making. Climate related provisions have been implemented and operationalised in some major projects at PCN and FS stages in March-June 2021, but it was too late so they could be taken into account in the previous assessment. In addition, the definition of an environmental impact is broad and covers the effects of weather and climate on the project, and project impacts to the climate (i.e., covering both adaptation and mitigation). The legislation does not explicitly require the verification, by an external entity, that investment projects comply with climate-related objectives but an Operating Manual, which sets out detailed requirements for project submission and approval has been elaborated for the CRGE Facility.
70. **In 2017, the Ministry of Finance established the legal and institutional framework for Public Private Partnership (PPP) projects (Proclamation 1076/2018).** Based on this proclamation, projects need to be approved by the PPP Board, which consists of nine members (seven senior government officials and two members from the private sector).

✓ Present situation

71. **MoF requires line ministries to undertake an environmental impact assessment before submitting their programs.** The Ministry's Public Investment Directorate (of the Planning & Development Commission) also produced the following supports:
- Guideline # 2: Feasibility study, Summary Appraisal Submission and Appraisal.
 - Supplementary Technical Guidelines for Feasibility Study Preparation
 - Summary of Appraisal Assessment form (Excel file).
72. **The responsibility for selecting investment projects rests with each public agency. Climate change is considered in the project feasibility, but not expressly as a criterion to choose or set priorities among the public investment projects.**
73. **For public investment management, budget institutions in key climate sectors have departments responsible for climate-related issues.** For instance, the Natural Resource Management Directorate of the Ministry of Agriculture (MoA) is responsible for ensuring climate change activities related to carbon sequestration and climate change resilience building.

¹⁶ Proclamation 299/2002 EIA

74. **Currently, there are twenty-three large PPP projects that have sites identified, feasibility studies done and ready for procurement processing.** These include eight solar photovoltaic, five hydroelectric, five wind, three roads, one housing projects and one petroleum depot which have been approved by the PPP Board. Geothermal developer Corbetti Geothermal PLC signed a Power Purchase Agreement (PPA) with Ethiopian Electric Power (EEP) and an Implementation Agreement with the Government of Ethiopia in March 2020. The PPA sets out the commercial terms to produce up to 150 MW, split into two phases of 50 MW and 100 MW¹⁷. The eight PPP solar energy projects are anticipated to generate 798 MW of electricity. In December 2019, the first PPP Ethiopia Solar Round 1 Project tender was awarded to ACWA, a leading international developer and operator of power generation and water desalination projects. In December 2019 ACWA signed two long-term power purchase agreements (PPA) with Ethiopia's state-owned electricity producer Ethiopian Electric Power (EEP) for two 125 MW solar photovoltaic projects at USD 2.526 cents/kWh over 20 years. The request for proposals for Round 2 of the PPP has been announced. All these projects had an impact assessment before submission of their proposals.

In summary, the legislative framework for public investment management provides climate related objectives and requirements. The new public investment proclamation requires public bodies to prepare their projects with an assessment of environmental impact which includes climate change. The scope covers all public entities. However, there is not a high level of compliance of investment project proposals with the climate-related objectives or requirements.

Dimension Rating = C

5.2 Climate related project selection

✓ Legislation

75. **Ethiopian regulations define a screening process that reviews and prioritises investment projects according to defined criteria.** The legislation does not explicitly state that projects that run counter to the objectives of the CRGE strategy should not be selected but this seems to be done by implication¹⁸.

✓ Present situation

76. **Program design considers the environment, but investment projects prioritisation process does not ensure that the selected projects consider climate assessments and are aligned with government priorities.** The criteria for selecting projects should implicitly align with the national climate change policy defined in the CRGE strategy. This is not explicitly stated in the regulations but indicated in the guidelines. While the provisions for project prioritisation and project appraisal were recently developed by the PIM Proclamation and PIM Guidelines, the implementation and operationalization are yet reached to a high level.

77. **The guidelines used by Public Investment Directorate only indirectly referred to climate-related criteria at the time of the assessment.** Project prioritisation is based on several criteria.

- *Desirability.* Project(s) must be in line with the overall government medium-term strategic plan (in this case, GTP II). Also, projects must be of institutional relevance and provide support to public and private users.

¹⁷ <https://www.mofed.gov.et/en/blog/exploring-utilizing-sustainable-energy-sources-meet-economic-development-needs/>

¹⁸ For example, Ethiopia has defined a renewable energy power generation strategy and no coal-related projects were found in the database that was provided to the assessment team.

- *Achievability*. This relates to the project deliverability, funding mechanisms, and other environmental constraints and challenges.
- *Viability*. This relates to cost implications and mainstream revenue-generating potential, management implications, financial sustainability, and project economic impact.

78. However, the Ministry of Planning and Development did not commence reviews of new projects based on the guidelines developed yet. It is under preparation phase. Hence, it was not possible to get documents about past projects and how they have been selected if any.

In summary, guidance is available on how to consider and include national strategies and objectives into operational plans and projects. Identified infrastructure projects are screened against prepared prioritisation criteria. Climate-related criterion is indirectly used to assist in prioritisation.

Dimension Rating = C

5.3 Climate related provisions for project appraisal

✓ Legislation

79. The legislation referring to climate-related provisions for project appraisal is the new public investment proclamation. Project feasibility includes environmental impact assessments. Article 2 (sub article #7&8) of Proclamation no 1210/2020 requires project feasibility for public investments. This includes:

- *Climate risk screening*: If the project has been screened for short- and long-term climate and disaster risks using the customised Climate and Disaster Risk Screening (CDRS) tool, assessors are asked to provide the overall climate and disaster risk ratings for the project and to check that the FS has considered this subject and that the proposed mitigation measures are acceptable. List of criteria is indicated to see if the screening is acceptable or not.
- *Environment assessment*, which describes a set of criteria. Proposed mitigation strategies are required to be reflected in the document.

80. New guidelines for projects appraisal received from the Ministry of Planning and Development recommend the evaluation of climate change impacts of new investment projects in the feasibility studies. However, they do not clearly refer to adaptation measures in the project design to address climate risks¹⁹.

¹⁹ In his article about improving Environmental Impact Assessment (EIA) system challenges on projects, Dejene pointed out that "These projects are mining explorations that are subject to Federal Government permit, dam and reservoir construction (dam height 15m or more, reservoir storage capacity 3 million m³ or more, or power generation capacity 10MW or more), irrigation development (irrigated area of 3000ha or more), construction of roads (Design and Standard DS1, DS2, DS3) with a traffic flow of 1000 or more, railway construction, taking fish from lakes on a commercial scale, horticulture and floriculture development for export, textile factory, tannery, sugar refinery, cement factory, tyre factory with production capacity of 15,000 kg/day or more, construction of urban and industrial waste disposal facility, paper factory, abattoir construction with slaughtering capacity of 10,000/year or more, hospital construction, basic chemicals and chemical products manufacturing factory, any project planned to be implemented in or near areas designated as protected, metallurgical factory with a daily production capacity of equal or more than 24,000 kg, airport construction, installation for the storage of petroleum products with a capacity of 25,000 liters or more, condominium construction, establishment of industrial zone. More projects should be subjected to EIA.

✓ Present situation

81. Activities are already determined over the five years and climate adaptation and mitigation are mainstreamed. Projects are designed in a way that climate adaptation and mitigation are addressed but climate impacts are not considered at the design level. Projects are not assessed for resilience to physical impacts. However, many of the major infrastructure project design is done and/or supervised by major development partners which require screening for climate risk and inclusion of resilience measures.
82. At the project appraisal level, the EBUs do not specifically provide for appraisals to specifically evaluate CC (mitigation or adaptation) impacts of projects, as it was not seen as an appropriate instrument to do such screening and resilience measure. More specifically, no guidelines for the selection of investment projects refer to GHG emissions as a result of the project implementation (almost all projects are adaptation projects).
83. The public investment management (PIM) assessment conducted in 2017 concluded that the framework for managing public investment projects was weak and that there were no guidelines for project appraisal, selection, costing, and monitoring. Manuals and Guidelines have since been made available but are not yet implemented. Until now, no project has been assessed using the new guidelines.

In summary, guidelines exist for project appraisal and cover mitigation (GHG emissions) and adaptation (through climate and disaster risk screening). However, no project has been assessed using the new guidelines yet.

Dimension Rating = C

5.4 Reporting from entities in charge of implementation

✓ Legislation

84. The Ethiopian legislation does not require extra budgetary units and public corporations in charge of implementing public investment projects to incorporate specific climate objectives, targets and indicators in their contracts or declaration of intent of the company.

✓ Present situation

85. **Implementing units in central government, including EBUs, monitor projects through physical inspection and quarterly and annual financial progress reports.** Some entities have a Monitoring and Evaluation Directorate (PMED). The process is similar to that of public institutions implementing public investment projects and receiving climate-related funding from the government or donors.
86. The Ministry of Planning and Development (PDC) is responsible for monitoring and evaluating all federal government projects, including those implemented by EBUs and public but do not have enough human resources perform its task effectively. Besides, most of SOE indicated that they produce an annual performance report, but these reports were not provided to the assessment

team²⁰. Statements of Corporate Intent and Annual reports of these entities do not include reporting on funding for climate resilience or mitigation specifically.

In summary, regulations do not require extra budgetary units and public corporations in charge of implementing public investment projects to incorporate specific climate objectives, targets and indicators in their contracts or declaration of intent of the company. Besides, most entities do not report back within nine months of the end of the fiscal year.

Dimension Rating = D

✓ On-going reforms

87. Infrastructural and development projects will no longer be implemented without the proper approval of the commission regarding feasibility, environmental and social studies. In accordance with the Public Projects Administration and Management Proclamation No. 1210/2020, each project implementing body shall:

- prepare and submit a concept note and feasibility study for any project identified in its area of work or by an entity under it in accordance with the system established;
- conduct, in its own capacity, an appraisal and quality assurance on projects for which a feasibility study has been carried out investment projects;
- have an appraisal carried out, by an independent body, for small projects for which a feasibility study is required and submit the feasibility study report to the Ministry of Planning and Development and the Ministry of Finance.

88. The Environmental Impact Assessment Proclamation should be amended to solve the gaps and limitations of the existing proclamation for sustainable environmental development. The amendment will help develop a system that controls licensing of environmental impact assessors.

CRPFM–6 Climate responsive asset management

✓ Guiding questions

Does the management of assets ensure that public assets contribute to mitigation and that their sensitivity to climate change is addressed?

✓ Summary table

Indicator/Dimension	Score	Brief justification of the score
CRPFM–6	D	
6.1 Climate responsive non-financial asset management	D	Asset management is decentralised to Budget Institution (BI) level. There is no consolidated register of fixed assets. The registers maintained by the BIs are complete with

²⁰ Monitoring of public corporations is weak; 99.6% (by value) of public corporations submit their annual financial

According to the PEFA report 2019, monitoring of public corporations is weak; 99.6% (by value) of public corporations submitted their annual financial statements to both the government and OFAG between two to five years after the end of the financial year. Only 0.4% (by value) submitted their reports within six months after the end of the financial year.

Indicator/Dimension	Score	Brief justification of the score
		respect to age and usage, but the template does not require the recording of what is a climate-sensitive asset.

✓ *Coverage*

Budgetary central government

✓ *Time Period*

Last completed fiscal year: FY 2012 (2019/20)

6.1 Climate responsive non-financial asset management

✓ *Legislation*

89. **Article 67 of the Federal Government Procurement and Property Administration Proclamation No. 649/2009, dated September 9, 2009, and Directive No. 9/2010 outline the legal and regulatory framework for disposal of fixed assets.** Management of fixed assets is decentralised at the level of each budget unit. Article 65 of the Federal Government Procurement and Property Administration Proclamation No. 649/2009 mandates all heads of budget units to record the date, description, quantity, and cost of acquisition and indicate the custody and usage of fixed assets. The proclamation excludes land from the definition of public property.

90. **The Government Owned Fixed Asset Manual, issued in 2007, provide guidance on the recording, depreciation, disposal, control of government fixed assets.** The definition of fixed assets includes infrastructure (roads, bridges, canals, irrigation systems, sewerage systems, parks, sports fields, etc.). However, it does not seem that this manual is fully operational. Besides, the manual does not recognise land as a fixed asset, and it does not address how to deal with climate issues in the course of non-financial asset management. Property Directive No 9/2011 also describes about non-financial asset management (acquisition, valuation, depreciation, disposal, etc.) but this Directive does not consider climate-related assets. In particular, the directive does not consider land as an asset, whereas all land in Ethiopia is considered public property.

91. **Procedures and rules for the transfer or the disposal of non-financial assets are specified in the Ethiopian law.** The use of land and subsoil includes provisions for climate and are respected. Article 67(3) of the Procurement and Property Administration Proclamation clearly states that all proceeds from disposal shall be paid into the National Treasury. However, the Ethiopian government has not yet identified the potential impact of climate change on its non-financial assets, either individually or by asset class. This it is not mentioned in the asset management strategy (AMS) either.

✓ *Present situation*

92. **Each budget unit maintains an asset register for vehicles, furniture and fittings, computers, and equipment, but there are no records of land, buildings, and subsoil assets.** The asset registers at each budget unit do not provide information of their usage and age²¹.

²¹ This is also confirmed by the PEFA Ethiopia 2019 report.

93. **Because of the lack of specific regulations, the management of non-financial public assets, does not yet consider the risks to assets related to climate change**, such as the risks of drought or forest fires. The impact of these assets on climate is also not assessed.

94. **Procedures and rules on disposal, transfer, and use of lands and subsoils are transparent, but they do not provide climate related arrangements**. The Public Procurement and Property Disposal Service PPPDS advertises in the national newspapers and conducts public auction, with the highest bidder assuming the right of ownership. There is no information available to assess whether transfers of non-financial assets have a negative impact on GHG emissions (increased oil and gas extraction, deforestation, drying of areas, etc.). However, there is a multiple-sector initiative with the involvement of the Ministry of Agriculture, EFCCC and MoF on the disposal of other non-financial assets, mainly obsolete chemicals and fertilisers – dealing with the environmental threat posed by these items.

In summary, because there is no clear and comprehensive asset management policy legislation, exposure and sensitivity of relevant fixed assets to climate variability, extreme weather events and transition risks are not identified for the relevant assets.

Dimension Rating = D

CRPFM–7 Arrangements for complying with monitoring and reporting on climate-related debt and guarantee instruments

✓ **Guiding question**

Has the government put in place arrangements to handle climate-related liabilities, and comply with the specific monitoring and reporting requirements?

✓ **Summary table**

Indicator/Dimension	Score	Brief justification of the score
CRPFM-7	D+	
7.1 Climate related fiscal risks	D	The government does not produce a report which consolidates climate related fiscal risks.
7.2 Climate related debt and guarantees	C	The purposes for which the government can borrow, as specified in the legal framework, allow to cover climate-related liabilities. The legal or regulatory framework specifies arrangements for SNGs and public corporations.

✓ **Coverage**

Central government.

✓ *Time Period*

Last completed fiscal year: FY 2012 (2019/20)

7.1 Climate related fiscal risks

✓ *Legislation*

The Ethiopian legislation does not require the government to publish a report consolidating climate related fiscal risks.

✓ *Present situation*

95. **Ethiopia has made efforts into identifying specific fiscal risks, including natural disasters, and piloted its fiscal risk statement.** The fiscal statement includes a discussion of natural disasters as a specific risk item, and cited data from past drought events. Reference was made to the additional fiscal support required to cushion the impact to agriculture production and the loss of export earnings from hydropower exports. Climate related risks also includes contingent liabilities, such as state guarantees for agriculture loans or crop insurance, and insurance for public asset maintenance.
96. **Debt Management Directorate (DMD) prepares a medium-term debt sustainability (MTDS) analysis which includes a risk analysis.** However, the fiscal risk statement did not provide an estimate of the contingent liabilities. This was confirmed by discussions with the Debt Management Directorate and the Fiscal Policy directorate. Hence, there was no evidence that climate change impacts on fiscal risks are systematically assessed (i.e. beyond droughts and floods, and to consider all sectors) and consolidated into a report.
97. **The World Bank, Foreign, Commonwealth & Development Office (FCDO), and IMF are supporting the government on fiscal risk reporting, public-private partnerships (PPPs) and Public Investment Management, including climate-related issues.** However, the GoE neither produced a report consolidating climate related fiscal risks that included an assessment of climate-related fiscal risks nor considered impacts of such fiscal risks on expenditure and revenue. It was said during the interviews that some partial information on climate related fiscal risks was available for the government own programs and projects, but no documentation was provided.

In summary, the government does not presently produce a report which consolidates climate related fiscal risks.

Dimension Rating = D

✓ *On-going reforms*

98. The Fiscal Policy Directorate is working with the Building Resilience in Ethiopia program (FCDO) to quantify disaster related fiscal risk and incorporate into the MEFF document. FCDO is supporting MoF FPU to develop a fiscal risk modelling tool focused on drought and flood, with the first year of results to be published in 2021 in the MoF's flagship report.

7.2 Climate related debt and guarantees

✓ Legislation

99. **The Proclamation Financial Administration Proclamation No. 648/200922 and the Council of Ministers Regulation No. 190/201023 provide the legal and policy framework legislation for government debt management**, including provisions for approving loans; issuing loan guarantees and undertaking debt related transactions and documented policies. According to the Regulation, the minister of Finance may issue a loan guarantee “*provided that the proceeds of the loan in respect of which guarantee is sought are used to finance the implementation of projects to which priority is given in the development plan of the government approved by the House of Peoples’ Representatives*”²⁴. Public Debt Management and Guarantee Issuance Directive No 46/2017 provide guidance on the manner that public debts and guarantees are issued for both domestic and external debts received by the public bodies and SOEs. The directive does not specifically mention climate-related debts and guarantees.
100. **Ethiopian legislation does not specifically refer to projects to address climate change impacts or risks nor does the legislation explicitly exclude such projects.** There is no legislation either mentioning a methodology for identifying climate-related projects.

✓ Present situation

101. **The Financial Administration Proclamations of regional governments allow them to borrow from domestic sources and from the MoF to bridge a budget deficit gap, which indirectly allow to cover climate-related liabilities.** DMD provides comments to the Standing Committee regarding the impact of the loan on the country’s debt sustainability. The Minister issues the guarantee based on the recommendation made by the Standing Committee (see CRPFM 7.1). There are no restrictions to government borrowing for climate-related activities, this extends to SNGs and public corporations. The Debt Management Directorate of the MoF uses the Debt Management and Financial Analysis System (DMFAS) to record and manage public debt (both domestic and foreign) and guarantees.
102. **Donors have also their own environment-related requirements for granting loans.** MoF Aid Management Platform (AMP) shows all the details of the project budget with its sources. In connection with this reporting on debt will be mandatory and produced from AMP and IFMIS systems which relation to climate-related debt and grant.

In summary, the purposes for which the government can borrow, as specified in the legal framework, allow to cover climate-related liabilities. The legal or regulatory framework specifies arrangements for SNGs and public corporations.

Dimension Rating = C

22 https://www.lawethiopia.com/images/federal_proclamation/proclamations_by_number/648.pdf

23 https://www.lawethiopia.com/images/federal_proclamation/regulations/190.pdf

24 Regulation part 8, section 45 sub section 2.

CRPFM–8 Climate responsive procurement

✓ Guiding question

Does the government take climate change impacts into account when planning and executing procurement decisions?

✓ Summary table

Indicator/Dimension	Score	Brief justification of the score
CRPFM–8	D	
8.1 Climate responsive procurement framework	D	There is no green procurement framework in Ethiopia. The legislation does not establish criteria for determining which products or services are considered climate sensitive, nor does it establish the scope of procurement operations subject to climate-sensitive procurement principles.
8.2 Climate responsive public procurement operations	C	The Law does not require climate responsive standards to be used to help determine tender requirements and specifications, or award criteria. Simplified procedures, however, exist to expedite procurement in response to climate induced disasters.
8.3 Climate responsive public procurement monitoring	D	Procurement databases do not contain information on climate responsiveness but do contain information on emergency procurement compliance of contract awards.
8.4 Climate responsive public procurement reporting	D	No statistical reports are provided on climate responsive procurement and emergency procurement is not reported.

✓ Coverage

Central government.

✓ Time Period

Last completed fiscal year: FY 2012 (2019/20)

CRPFM-8.4. Last completed fiscal year (covering the last three completed fiscal years for the assessment of the CC responsive procurement).

8.1 Climate responsive procurement framework

✓ Legislation

103. **The legislation does not establish any criteria to determine what products or services count as climate-related and it does not identify any climate-related procurement operations.** The main legislation related to procurement is the Ethiopian Federal Government Procurement and

Property Administration Proclamation No. 649/2009 published on 9th September 2009²⁵ and the Federal Government Public Procurement Directive issued by the Minister of Finance published on 8th day of June 2010. Priority products, services, and works for green and adaptive procurement are not yet identified inside the legislation. No framework for verifying that budget units are conducting green or innovative procurement has been designed nor a specific body responsible for climate-sensitive procurement designated.

104. **Two institutions are involved in Public Procurement in Ethiopia. Each central government institution has its own procurement committee, procurement endorsing committee and procurement experts.** The two public procurement institutions are: i) the Public Procurement and Property Administration Agency (PPPAA), which is responsible in policy design, implementation and monitoring; ii) the Public Procurement and Property Disposal Service (PPPDS), which is responsible in procuring and distribute of bulk and strategic commodities and asset disposal of the Federal Public bodies. Practically, small and individual procurement function is decentralised within the central government (all ministries and EBUs).

✓ **Present situation**

105. **The procurement database does not store information on climate responsive aspects of the tenders.** There are no climate related specifications within the existing standard bidding templates. The PPPAA officials indicated that when ministries request for technical support from certain institutions (e.g., Ministry of Transport for vehicle specification Ministry of Innovation, Technology for ICT, etc.) certain basic climate related criteria are included but no evidence of these were provided to the team. Besides, inclusion of such criteria is just the will of the staff in the respective organisations as there is no legal framework which requires this²⁶. Hence, the PPPAA is not able to verify whether contract awards and implementation are consistent with climate responsive specifications defined in the CRGE strategies.

In summary, the legislation does not establish clear criteria for determining which products or services are considered climate sensitive, nor does it establish the scope of procurement operations subject to climate-sensitive procurement principles.

Dimension Rating = D

8.2 Climate responsive public procurement operations

✓ **Legislation**

106. **The procurement proclamation does not refer to environmental impact assessment. It is the Proclamation No. 299/200227 that indicates the need for Environmental Impact Assessments (EIA) and specifications to consider a social and environmental assessment.** There are no clear guidelines or procedures to deal with climate-related procurement and no guideline requires climate-related standards in rating tenders. Emergency procurement is a permitted procurement

25 This proclamation has established the Federal Public Procurement & Property Administration Agency (FPPA) as an autonomous entity under the MoF.

26 1. The government's decision to raise the excise tax on imported vehicles to 500 percent can be viewed as a form of climate standard for public procurement, as the government is a major purchaser of new vehicles. The new tax law aims at discouraging import of used cars which damage the environment and cost more to maintain.

27 <https://www.efccc.gov.et/images/Proclamation/Proc%20No.%20299-2002%20Environmental%20Impact%20Assessment.pdf>

method that can be conducted when approved by the Director-General on a case-by-case basis. In such instances the procurement process may be shortened, and default competitive bidding arrangement disbanded.

✓ Present situation

107. **Climate-responsive standards were not used to determine tender specifications and there is no specific procedures or templates for climate-related procurements.** The procedures and templates are embedded in the technical specification of the respective public bodies. Sectors' offices send their procurement request to the Public Procurement and Property Disposal Service.

108. **Climate responsive standards are sometimes used to help determine tender requirements and specifications, or award criteria, but they are not specified in the law.** They can provide some approximate climate related specifications (for example Euro 2 and Euro 1 standards related to vehicle emission) albeit not based on a framework (or standard) that can be used by the bid evaluating team. For example, the tendering bidding document (template) of the Ethiopian Road Authority includes environmental protection components, where bidders are required to put their price for the list of environmental protection activities in the specific road projects. However, they do not determine specific procedures or templates for climate-related procurements.

109. **There are simplified procedures and templates to expedite procurement in response to climate induced disasters, but they do not include environmental criteria for awarding contracts.** Some simplified procedures and templates are available on the PPPAA website²⁸. None of them mention climate or environment as a criterion. Some of the ICT equipment indicates specification from an environmental perspective, but the procurement Directorate is not generally aware whether the inclusion of such requirements is based on a known framework by the requesting public body. Some procurement operations, such as that for the relief and emergency foods are related to climate, as most of such relief and emergency operations are meant to address the impact of climate disasters. However, since a climate-sensitive procurement framework has not been put in place, the forms to be filled out by the budget units do not include environmental or climate criteria, in any of the planning, award, or execution phases of the procurement process. It should be noted, however, that climate-related criteria are included in donor tenders and procurement procedures.

In summary, the Law does not require Climate responsive standards to be used to help determine tender requirements and specifications, or award criteria. Standard bidding templates do not set out any climate responsive standards. Simplified procedures, however, exist to expedite procurement in response to climate induced disasters.

Dimension Rating = C

8.3 Climate responsive public procurement monitoring

✓ Legislation

110. **Public Procurement and Property Authority (PPPA), which is responsible for public procurement monitoring has the function to regulate the procurement process in accordance with the proclamation and procurement directives.** The PPPA has been established as an autonomous entity under the MoF by the Procurement and Property Administration Proclamation

28 http://www.ppa.gov.et/index.php?option=com_joomdoc&view=documents&path=SBDs&Itemid=257

No. 649/2009. Each central government institution is required by law to publish their approved procurement plans above the threshold in line with the legal requirements.

✓ Present situation

111. **Compliance to publication of procurement plans, tender opportunities and bid evaluation results by the intuitions of the central government institutions is poor.** Nevertheless, these documents contain information on emergency procurement compliance of contract awards, which are related to climate adaptation.

112. **Most central government institutions did not maintain a procurement database or records for contacts including data on what had been procured, value of procurement, and who has been awarded contracts²⁹.** They prepare their annual and performance report directly from the source. Hence, the findings on the management of public contracts show that the accuracy and completeness of the data were not verified by the external auditor nor independently by PPPAA. In addition, there is no system in place to ensure that climate-sensitive requirements are met by suppliers and that goods and services delivered meet environmental or climate change criteria.

113. **Internal audits of procurement processes and procedures are rather good but there is no focus on climate specifications³⁰.** Under its role for monitoring public procurement, PPPA has a directorate for audit and monitoring of procurement and property administration. It conducts procurement audits to monitor compliance of procurement rules and regulations, but it does not verify the compliance of contract awards and implementation with climate responsive specifications. The central government institutions are required by law to publish their approved procurement plans above the threshold in line with the legal requirements, but this is not done yet.

In summary, because there is no verification of tenders and contracts regarding compliance of contract awards and implementation with climate responsive specifications, the monitoring system (through databases or records) does not provide specific information related to the climatic specificities of the contracts. Procurement databases do not contain information on climate responsiveness.

Dimension Rating = D

8.4 Climate responsive public procurement reporting

✓ Legislation

114. **The legislation does not contain specific requirements for climate responsive procurement reporting.** According to the public procurement and property proclamation and procurement directive of the federal government, the annual or quarterly procurement plan, bidding opportunities, contract awards and data on resolution of procurement complaints should be made available to the public through appropriate means.

²⁹ Ethiopia Federal Government 2019 PEFA report

³⁰

<http://etd.aau.edu.et/bitstream/handle/123456789/19512/Meskerem%20Wendwessen.pdf?sequence=1&isAllowed=y>

✓ Present situation

115. **Statistical information and review of actual procurement results do not enable to assess whether procurement has been climate-friendly or not.** Each budget user prepares and submits the annual procurement plan (APP) to the PPPAA at the beginning of the budget year, but APP are not published.

116. **The public has a rather low level of access to procurement information and no statistical report on climate responsive procurement is produced.** Bids are announced through newspapers, but contract awards are not published. Annual procurement statistics, though prepared by the PPPAA, are not published either³¹.

In summary, procurement operations, including emergency operations are reported. However, since a legislative framework has not yet been put in place, data reliability is not systematically verified by an external auditor and no reporting on climate-friendly procurement is provided.

Dimension Rating = D

✓ On-going reforms

- A Methodology Assessment of Procurement Systems (MAPS) exercise was recently completed, and areas of improvement identified.
- E-GP is under design and testing stage. Pilot phase started within 6 institutions in July 2021.

CRPFM–9 Climate responsive revenue administration

✓ Guiding question

Are climate change mitigation and adaptation objectives supported by revenue administration systems?

○ *Summary table*

Indicator/Dimension	Score	Brief justification of the score
CRPFM-9	NA	
9.1 Climate related tax management, audit and investigation	NA	There are currently no climate-related taxes in place in Ethiopia. GHG emitters are not identified and registered in a database.
9.2 Climate related tax arrears	NA	There are no climate-related tax arrears because no climate-related taxes are presently in place in Ethiopia.

✓ Coverage

Budgetary central government

✓ Time Period

Last completed fiscal year: FY 2012 (2019/20)

³¹ Idem,

9.1 Climate related tax management, audit and investigation

✓ Methodology

The PEFA Climate methodology defines climate-related tax as tax where the tax base is a physical unit with a proven specific negative impact on the climate. They include carbon tax, energy tax, emission tax, and carbon border adjustments. Other environmental taxes on waste, water, non-climate-related chemical pollutants are not covered by this indicator.

✓ Legislation

117. **According to the Proc No. 286-2002 Income Tax Proclamation, the Ministry of Revenue (MoR) is responsible for tax collection.** Ethiopian Custom Commission (ECC) has recently come into existence by proclamation number 1097/2018, which is separated from the earlier “Ethiopian Revenues and Customs Authority” headed by a commissioner accountable to Ministry of Revenues.

✓ Present situation

118. **There are currently no climate-related taxes that explicitly aim to track and tax GHG emissions in Ethiopia.** Carbon tax studies have been conducted for Ethiopia, but there is no policy as yet to set a carbon tax. While the excise tax on imported vehicles has a different rate for older vehicles and therefore influences emissions, it is not levied on an emissions basis and does not qualify as a climate tax. This is the same for the duty-free privilege for solar energy equipment.

119. **Ethiopian Custom Commission uses a partly structured and systematic approach for assessing and prioritising compliance risk.** Taxpayers are identified with their Tax Identification Number (TIN) in the Standard Integrated Government Tax Administration System (SIGTAS) and the Automate System Customs Data (ASYCUDA) is also used by the ECC for facilitating the import and export process, but this information cannot be used because GHG emitters are not currently identified and registered in the database.

In summary, no direct emission-based tax has yet been implemented yet, although the excise tax on imported vehicles has indirectly a CO₂ emission-reducing effect.

Dimension Rating = NA

9.2 Climate related tax arrears

✓ Legislation

152. **There is no specific legislation for climate tax arrears.** According to the finance administration proclamation, bills for goods, services, and works should be paid within 30 days after their receipt.

✓ Present situation

Because there is no climate-related tax, it was not possible to assess climate tax arrears.

In summary, there are currently no climate-related tax arrears, because no climate-related taxes are in place in Ethiopia yet.

Dimension Rating = NA

CRPFM–10 Compliance of climate-related expenditure

✓ Guiding question

Has the government put in place a system to assess the compliance of expenditure with climate related criteria?

✓ Summary table

Indicator/Dimension	Score	Brief justification of the score
CRPFM–10	D+	
10.1 Effectiveness of the systems of controls	C	The legal and regulatory framework provides a system of control for all transactions and procedures. These controls are partially effective and would ensure compliance with climate conditionalities.
10.2 Audit of the compliance of transactions	D	Audits and fraud investigations are conducted for all transactions, including climate-related-objectives. Some audits have been conducted by OFAG for climate-related transactions, but they do not contain any information on the use of climate-related monies by receiving entities.

✓ Coverage

Budgetary central government.

✓ Time Period

Last completed fiscal year: FY 2012 (2019/20)

10.1 Effectiveness of the systems of controls

✓ Legislation

120. **The legal and regulatory framework provides a system of controls of budget expenditure which covers all transactions, including climate expenditures.** The Financial Administration Proclamation No. 190/2010 as amended by Proclamation No. 970/2016 empowers the MoF to supervise and monitor the finances of the federal government. The various manuals produced by the MoF outline the internal control procedures and the segregation of duties between budgeting, reporting, auditing, cash management, accounting, and recording. However, the legal framework does not provide any system of controls of the climate conditionalities of transactions.

✓ Present situation

121. **The two financial management systems, Integrated Financial Management Information System (IFMIS) and Integrated Budget and Expenditure System (IBEX), presently used in parallel in Ethiopia could control climate related conditionalities, but those have not been**

implemented yet. Until now, most of the public bodies monitor commitments are using an Excel spreadsheet while others are using the IBEX's commitment feature. Eventually, all transactions will be done through IFMIS³² but presently IFMIS does not have a feature to track commitments (to enable control at commitment stage). The budget accountants use an offline system (on excel spreadsheets) to control commitments. This is found to be less effective as the likelihood of overcommitment is probable³³. There are certain instances where BIs may not be able to pay committed expenditures to contractors due to unavailability of cash. Hence, control system is partially effective. Emergency payments – often climate-related – are controlled and compliant with the procedures.

In summary, the legal and regulatory framework provides a system of control of transactions. These controls are partially effective and would ensure compliance with climate conditionalities.

Dimension Rating = C

10.2 Audit of the compliance of transactions

✓ **Legislation**

122. Legislation on compliance auditing of transactions is in place and effectively implemented.

Proclamation No. 970/2016 empowers the Ministry of Finance to (i) audit public ministries, Department Agencies (MDA), (ii) ensure that appropriate financial management systems are in place, (iii) oversee the internal audit function of public agencies (iv) monitor actions taken on internal audit findings (v) report internal audit findings to the Council of Ministers, and (vi) follow up on actions taken by the Council.

✓ **Present situation**

123. Internal audit is focused on compliance audits rather than systemic audit. For domestic expenditure, the Inspection Directorate, which is housed in the MoF oversees the internal audit function across federal government's public bodies and all Extra Budgetary Units (EBUs), Performance audit is conducted by the inspection directorate and internal audit units, but climate-related objectives may not be systematically analysed.

124. The MoF has developed various manuals on internal audit, but none of these manuals specifically assess the climate impact of programs and activities that indirectly contribute to CC objectives. These programs and activities are in the transportation, housing, urban planning, and agriculture sectors, among others. It was not possible to establish the full list of categories of climate-related transactions, but all climate-related expenditure were implicitly covered by audit and fraud investigations during the last completed fiscal year. In addition, the MoF does not have a department with specific responsibilities for independent assessment or review of climate issues, nor has it developed the technical expertise to conduct climate-related assessments. Hence, there is neither specific audit focused on the use of climate-related monies by receiving entities nor a mechanism in place for recovering undue transactions. There is no system in place for SNGs, extra

32 IFMIS is now composed of the following nine modules: Public sector budgeting (PSB), Cash Management (CM), Account Receivables (AR), Account Payables (AP), General Ledger (GL), Purchasing, Inventory, Fixed Asset and Payroll.

33 According to the PEFA Ethiopia 2019 assessment, irregularities represent about 2% of the total expenditure.

budgetary units and public corporations to report back to the budgetary central government against the use of monies allocated by CRE transfers.

125. **There were some climate-related audits performed by OFAG.** The Auditor General conducts an annual audit of the consolidated account, as prepared and submitted by the Accounts Directorate of the MoF. It also conducted performance audits, which included audit of the financial expenditures in the course related to climate projects. However, they do not contain any information on the use of climate-related monies by receiving entities.

In summary, audits and fraud investigations are conducted for all transactions, including climate-related-objectives. Some audits have been conducted by OFAG for climate-related transactions, but they do not contain any information on the use of climate-related monies by receiving entities.

Dimension Rating = D

✓ **On-going reforms**

OFAG is developing an in-house Audit Finding Implementation Tracking system to enhance its tracking capability.

CRPFM–11 Climate responsive fiscal decentralisation framework

✓ **Guiding question**

How does the PFM system enable the subnational governments to contribute to the climate change mitigation and adaptation strategy?

○ **Summary table**

Indicator/Dimension	Score	Brief justification of the score
CRPFM–11	D+	
11.1 Climate responsive fiscal decentralisation legal framework	D	The legal and regulatory framework does not clearly state the competencies and mandates of SNGs related to climate change mitigation and adaptation.
11.2 Climate responsive fiscal transfers	C	Conditional transfers are linked to the Sustainable Development Goals (SDGs), some of which are associated with goals aligned with the CRGE strategy.
11.3 Climate responsive PFM arrangements applied by subnational governments	D	None of the fiscal decentralisation arrangements criteria are fulfilled.

✓ Coverage

Central government and the subnational governments which have direct financial relationships with CG.

✓ Time Period

CRPFM-11.1 At time of assessment covering the last three completed fiscal years.

CRPFM-11.2 Last completed fiscal year

CRPFM-11.3 At time of assessment

11.1 Climate responsive fiscal decentralisation legal framework

✓ Legislation

126. **The devolution of political and fiscal decision-making powers from the central government to regional states began in 1991 and was institutionalised by the 1995 constitution. The constitution provides the division of both revenue and expenditure responsibilities. For the expenditure you can refer.** The division of taxation powers between the federal government and the local governments is stated in Articles 51 & 52. Article 98 also states that the federal government and the regional states can jointly collect taxes of shared tax sources, which means that they share revenue from personal taxes on enterprises they jointly establish, among other revenue sources.

127. **The legal and regulatory framework does not clearly state the competencies and mandates of SNGs related to climate change mitigation and adaptation.** The fiscal decentralization framework defines the revenue and expenditure responsibilities of the national and SNGs. The SNG also have their framework which defines such responsibilities for the regional government.

128. **The fiscal decentralisation legislation does not take climate change into consideration yet. In other words, there is nothing in the legal and regulatory framework stating the mandates and competencies of SNGs regarding climate change mitigation and adaptation policies.** Powers and functions of SNGs are defined in specific proclamations in which Provision of functions and powers are given to the regional governments. For instance, Article 11(1) of No. 361/2003 the Addis Ababa city government revised charter proclamation states that the city has powers and functions over matters that have not specifically been included in the details of the powers and functions of the executive organs of the federal government.

✓ Present situation

129. **Fiscal decentralisation provisions do not consider climate change issues. The legal and regulatory framework does not specify the mandates and competencies of the SNGs for climate change mitigation and adaptation activities.** Resources are shared between the federal government and the regions, but without specific constraints or recommendations for climate-related expenditures. The responsibilities of the SNGs for the financial management of climate-related disasters are freely decided by them. In Ethiopia, it is the responsibility of the Federal Government to levy new taxes to maintain tax harmonisation. Regional government can issue land and property taxes within their jurisdiction.

130. **There have been no transfers of climate change expertise in the last three completed fiscal years.** The resources allocated to the SNGs are not earmarked for climate change but allow them to implement their climate change-related expertise and mandates as they deem useful or necessary.

131. **There is still no system for SNGs, extra-budgetary units and public enterprises to report to the central budgetary government on the use of funds allocated by transfers (including those related to climate expenditure).** Identifying the use of funds between climate-related and other transactions can be done only based on the selection of climate-related projects or entities. SOEs are largely operating independent of the central government. SOEs and extra budgetary units have their own financial management policy and procedures. They submit audited financial statements to MoF.

In summary, the legal and regulatory framework does not clearly state the competencies and mandates of SNGs related to climate change mitigation and adaptation.

Dimension Rating = D

11.2 Climate responsive fiscal transfers

✓ Legislation

132. **The Ethiopian legislation requires conditional transfers to be in line the Sustainable Development Goals, of which some are climate-related.** Ethiopia's legislation and procedures specify two kinds of subsidies:

- The regular block grant, which is unconditional, shall be transferred in full within a year for each SNG. It is up to the respective region to decide where to allocate the money. Some of the budget could be allocated for environment or climate-related projects or activities, at the regional administration's discretion, based on their regional strategy plan.
- The second type of transfer is a conditional transfer. A conditional grant is provided for specific objectives that the federal government seeks to achieve. Most of conditional transfers are financed through the "*Sustainable Development Goal Fund*", but there are also other types of conditional grants. Most of the project proposal are climate-related (e.g. almost 100% of projects from Somali and Afar regions are climate-related). Subsequent transfers from SDG are based on their performance.

✓ Present situation

133. **Resources allocated to SNGs allow them to implement climate-related projects, but they don't have specific mandates associated with CC.** These resources include both conditional and unconditional transfers, shared taxes, as well as the right to levy local taxes, or other revenue. The pool resource allocation for federal and regional is determined by the MoF through the MEFF. This is presented to the council of ministers and once approved will go to the Parliament for approval. Then the overall package of the SNG allocation is passed to the house of the federation so they can apply the formula and provide allocation to SNGs.

134. **Conditional transfers are not specifically associated with objectives aligned with the CRGE, but they must be used in compliance with the Sustainable Development Goals (SDGs) of which some of the goals are climate-related,** such as:
- Ensure availability and sustainable management of water and sanitation for all,
 - Ensure access to affordable, reliable, sustainable and modern energy for all,
 - Take urgent action to combat climate change and its impacts,
 - Conserve and sustainably use the oceans, seas and marine resources for Sustainable development,
 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
135. **SNGs are required to produce annual financial statements and submit them to the OFAG, which allows for annual reporting on the use of transfers. Audits are regularly carried out by ORAG and the OFAG rechecks on sample basis when reviewing the ESPES audit report. However, there is no distinction between climate-related and non-climate-related expenditures from the transfers.** Hence climate change-related expenditures by SNGs are not better tracked at the regional level than at the federal level. This is due to the absence of an explicit fiscal decentralisation framework encouraging SNG climate actions to be vertically integrated with national policy.

In summary, conditional transfers are linked to the Sustainable Development Goals (SDGs), some of which are associated with goals aligned with the CRGE strategy.

Dimension Rating = C

11.3 Climate responsive PFM arrangements applied by subnational governments

✓ Legislation

136. **Subnational governments have their own PFM laws and regulations which are consistent with those of the federal government but there is no evidence found that specific climate responsive PFM arrangements have been established.** The Public project administration and management proclamation (1210/2020) are only for the Federal government and the regional governments have so far only issued similar laws.

✓ Present situation

137. **Climate responsive PFM arrangements applied by Regional governments have a similar structure than those of the federal government.** Regions are mandated for disposal of non-financial assets under their custody. They have their own similar Procurement and Property Administration manual. There are two regional level departments for procurement: the Procurement and Property Administration Agency (regional level under Bureau of Finance and Economic Development) and the Procurement and Property Disposal Service Directorate (within Bureau of Finance and Economic Development).

The table below presents the fulfilment of criteria for the component.

Table 10: Fulfilment of criteria for climate responsive PFM arrangements applied by subnational governments.

The fiscal decentralisation arrangements satisfy the following criteria:	Satisfaction (Y/N)	Justification
1. National arrangements for tracking climate-related expenditure are applied to SNGs	No	The government currently does not systematically track climate-related expenditures, at federal or subnational levels.
2. The climate change-related investment framework covers SNGs.	No	Mitigation objectives and adaptation for investment programs are not expressly required by SNGs by investment framework. Public investment is required to comply with such criteria only when they are financed by external funding.
3. Procedures and rules for the transfer and disposal of CC sensitive non-financial assets apply to SNGs.	No	Regions do not have specific procedures and rules for the transfer and disposal of CC sensitive non-financial assets. More generally, the rules for asset disposal does not apply to SNGs.
4. The legal or regulatory framework for climate-related debt and guarantees specifies arrangements for SNGs.	NA	The legal framework specifies arrangements for SNGs and public corporations, but they do not specify climate-related debts and guarantees. However, federal or regional governments can borrow to cover climate-related liabilities.
5. The climate related procurement framework covers SNGs.	No	The procurement framework covers SNGs, but there is no green procurement framework.

In summary, none of the fiscal decentralisation arrangements criteria is fulfilled.

Dimension Rating = D

CRPFM–12 Climate related performance information

✓ Guiding questions

Do the executive’s budget proposal or supporting documentation include climate change-related information on planned and actual performance of climate-related programs and services?

✓ Summary table

Indicator/Dimension	Score	Brief justification of the score
CRPFM–12	C+	
12.1 Climate related information in performance plans	B	Objectives, key performance indicators and outputs are assigned to programs and activities. Some of them are climate-related for specific entities. Performance information is available in the supporting documentation submitted to the legislature. Each year, the federal government publishes information on its policy

Indicator/Dimension	Score	Brief justification of the score
		objectives, performance indicators, outputs, and outcomes to be achieved in the next fiscal year. This information is disaggregated by program.
12.2 Climate related information in performance reports	C	Climate related achieved outcomes are reported for some climate-related programs and activities. The Ministerial Steering Committee reports to the Parliament and provides information on achieved outputs on the renewable energy targets.

✓ Coverage

Budgetary central government

✓ Time Period

CRPFM-12.1. Last budget submitted to the legislature FY 2012 (2020/21)

Last completed fiscal year: FY 2012 (2019/20)

12.1 Climate related information in performance plans.

✓ Legislation

138. **As the federal government has adopted and is using program budgeting, the information is disaggregated by program which contain performance indicators.** The legislation requires the MoF to prepare and submits a consolidated performance indicator framework, which is known as 'Volume 2' of the federal government budget to the House of Peoples Representatives (HopR), as part of the budget submission documents.

✓ Present situation

139. **Performance indicators have been provided in the 2018/19 budget document, which is submitted to the Legislative Assembly and published on the MoF website.** In addition to the publication of this document, sector ministries such as education, health, and agriculture, among others, also publish their five-year strategic plans, as well as their annual plans³⁴.

140. **For ministries, which have climate-related responsibilities, such as the Ministry of Agriculture (MoA) Ethiopian Institute of Agricultural Research (EIAR), some indicators in their performance plans are directly related to objectives NDC for renewable energy targets.** For instance, some performance indicators of the Ministry of Agriculture, such as:

- Number of community watersheds with development plan,
- Areas of land covered with soil and water conservation technologies,
- Area of land protected for rehabilitation,
- Number of household heads issued second level of land certification,
- Area of land conserved by small-scale irrigation scheme,
- Number of woreda with soil map

34 PEFA report of Ethiopia (2019).

are related to the Natural Resources Conservation and Utilization (Watershed development, Rural land use and administration, Small-scale irrigation development, Soil fertility management)³⁵. The performance report presents other indicators, such as:

- Food Security, Disaster Prevention and Preparedness
- Strategic food reserves
- Ensuring food security
- Employment opportunity

141. **Annex 2 of the NAP-ETH presents a Logical Framework Analysis (LFA) for implementation with specific objectives, expected results, indicators and means of verification, while also specifying the entity responsible for data collection.** However, environmental markers for climate change action were not used in practice and NAP-ETH has not been costed yet. No follow-up file on information on environmental markers or costed actions were provided to the assessment team. Hence, NAP-ETH cannot be considered as a climate change action plan according to the PEFA Climate methodology.

In summary, performance indicators by output are provided in the 2018/19 budget documentation. This includes, for some ministries, objectives, outputs, and indicators directly related to objectives in the SDS and NDC for renewable energy targets. This documentation is submitted to the Legislative Assembly. Each year, the federal government publishes information on its policy objectives, performance indicators, outputs, and outcomes to be achieved in the next fiscal year. This information is disaggregated by program.

Dimension Rating = B

12.2 Climate related information in performance reports

✓ Legislation

142. **The Ethiopian legislation requires ministries to produce annual performance reports and the MoF to consolidate program budget results into a report.**

✓ Present situation

143. **Performance monitoring is mandatory to ensure that safeguards instruments are prepared to the required standard and approved. In practice, most entities implementing projects produce a Monitoring and Evaluation (M&E) assessment report³⁶ but this is not a performance report.** GoE has attempted to follow a Performance Based Budgeting approach and introduced Balanced Scorecard (BSC) as an integrated performance management system, but most of agencies responsible for performance management have not developed systems to monitor and evaluate performances of public organisations. Hence only a few entities produce performance reports, such as the Ministry of Health (MoH), Ministry of Education (MoE) or the Ethiopian Road Authority (ERA). In addition, the majority of the performance indicators that are followed by the entities that are following them are not climate-related.

³⁵ Ministry of Agriculture and Natural Resources 2016/17 performance report.

³⁶ In the current fiscal year for example, they have conducted about 70 assessments and produced corresponding reports.

144. Each year, the MoF consolidates program budget results into a report which contains information on outputs and outcomes by programs from all sectors, but the report is not published. The Midterm Review of the Second Growth and Transformation Plan (GTP II) Report nevertheless presents performance indicators, targets and achieved outputs for some sectors³⁷. EFCCC reports also provides performance and achieved outputs on the renewable energy targets.

In summary, performance indicators, targets and achieved outputs are reported in the budget documents for some sectors. EFCCC report submitted provides performance and achieved outputs on the renewable energy targets.

Dimension Rating = C

✓ *On-going reforms*

Annex 3 of NAP-ETH shows a template that should be used for regular reviews, covering planned activities, implemented activities, implementation rate, % of activities not implemented, explanation of discrepancies. However, the template is not used but all budget entities.

CRPFM–13 Climate related performance evaluation

✓ *Guiding questions*

Does the government carry out evaluations of its expenditure and revenue climate-related measures?

○ *Summary table*

Indicator/Dimension	Score	Brief justification of the score
CRPFM-13	B	
13.1 Climate related evaluation of expenditure	B	Evaluation of climate-related programs and activities has been carried out at least once in the last three years by OFAG. They have been published on its web site.
13.2 Climate related evaluation of taxes	NA	Because there are currently no climate-related taxes in place in Ethiopia, no evaluation of the contribution of climate-related taxes to climate change has been carried in the last three years.

✓ *Coverage*

Budgetary central government

37 https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwiBx-be_6rxAhXZA2MBHUE6AqUQFjAAegQIBRAF&url=https%3A%2F%2Fwww1.undp.org%2Fcontent%2Fdam%2Fdagethiopia%2Fdocuments%2FGTP%2520II%2520MIDTERM%2520REV%2520Summarized%2520%252012%252011%2520%25202018%2520final_2.pdf&usg=AOvVaw2tjxdi7NWQ3qGA5yoD0wks

✓ *Time Period*

Last three completed fiscal years.

✓ *Legislation*

145. **The Ethiopian legislation requires OFAG to conduct performance audits of government projects and to publish these reports.** As per amendment of Proclamation to the Federal Auditor General Re-establishment Proclamation³⁸), the audit of environmental protections indicated as one of its objectives.

13.1 Climate related evaluation of expenditure

✓ *Present situation*

146. **The design of climate-related public policies is not systematically evaluated through ex-post evaluations, for expenditures financed from national resources.** Investment project evaluations can be part of a program evaluation or specific to an investment project. Evaluation is generally done when the amount of the project exceeds a certain threshold (which is often the case for climate-related projects) and the MoF provided several evaluation reports or certificates that attested to this situation. BIS and EBU submit their action plans for implementation audit recommendations to OFAG which is followed up using an Excel spreadsheet.

147. **For projects financed from external resources, projects are systematically evaluated at mid-term and at the end of the project.** Therefore, those whose objective is adaptation or mitigation of the effects of climate change are subject to evaluation.

148. **OFAG has conducted several performance audits and some OFAG audits discuss the effectiveness of climate-related expenditures against outcomes achieved. OFAG has produced some performance reports on climate activities** such as: Audit of the Forest, Environment and Climate Change Commission, the biogas project of the Ministry of Water and Energy, the invasive weed control project by the Biodiversity institution, etc. they were published available on its website.³⁹

In *summary*, evaluation of climate-related programs and activities has been carried out at least once in the last three years. They have been published on OFAG's web site.

Dimension Rating = B

13.2 Climate related evaluation of taxes

✓ *Legislation*

149. **There is no legal text relating to the Climate related evaluation of taxes.**

38 Proclamation no 669/2010, Article no 4 (3).

39 <https://www.ofag.gov.et/ofag/audit-report/>

✓ Present situation

150. Because of the absence of climate-related taxes, such as carbon tax, the extent to which tax policy can contribute to addressing climate change cannot be assessed.

In summary, because there are currently no climate-related taxes in place in Ethiopia, no evaluation of the contribution of climate-related taxes to climate change has been carried in the last three years.

Dimension Rating = NA

✓ On-going reforms

- The new regulations will make it mandatory for the M&E Directorates in PDC and MoF to monitor and evaluate all government capital investment projects.
- OFAG is developing an in-house software called Audit Finding Implementation Tracking system to enhance its capability for follow-ups. OFAG also has the plan to establish a dedicated Directorate for environmental audit.

CRPFM–14 Expenditure outturn for climate activities

✓ Guiding question

To what extent does the actual aggregate and detailed climate-related expenditures deviate from the originally approved budget?

✓ Summary table

Indicator/dimension	Score	Brief justification of the score
CRPFM-14	NA	
14.1 Aggregate climate expenditure outturn	NA	There is no definition of tagging Climate Related Expenditure (CRE) provided by the government.
14.2 Climate related expenditure outturn	NA	There is no definition of tagging Climate Related Expenditure (CRE) provided by the government.

✓ Coverage

Budgetary central government

✓ Time Period

Last three completed fiscal years: 2017/2018, 2018/2019, 2019/2020.

14.1 Aggregate climate expenditure outturn

✓ Present situation

151. Even if there is no tagging system, the PEFA Climate assessment can be performed on the basis of a list of a group of programs assessed to have high climate change impact and to be

monitored and ex post reviewed on such impact. As it was not possible to track climate expenditure outturn with an existing climate-related tracking system (see CRPFM-2), the assessment team used a hands-on approach to score this dimension. Practically, the team's approach was based on the Rio marker guidance on project titles for capital expenditure and on entities administrative classification for recurrent expenditure tracking climate-related expenditure. This was based on an estimation of the level of impact programs or projects would have on climate change. These expenditures were also classified between "climate change mitigation expenditures" and "climate change adaptation expenditures. However, this approach, which has been followed in technical assistance projects, has not been internalised by the government yet. The assessment team will ask the government if it agrees with the approach used. The results of the aggregate climate expenditure outturn are reported in the table below and the details are reported in Annex 2.

Table 11: Aggregate climate expenditure outturn for the fiscal years 2016/17, 2017/18 and 2018/19 (in million birr)

Years	Budget	Actual	Perc.
2010 (2017/18)	10 947.6	9 551.9	87.3%
2011 (2018/19)	13 784.2	10 899.7	79.1%
2012 (2019/20)	23 032.8	12 685.0	55.1%

Based on the ad hoc classification, aggregate climate-related expenditure outturn would be above 85% of the approved aggregate expenditure for climate actions only in one of the last three years, which is the range for a D rating. However, PEFA climate guidance indicates that the tagging system used for scoring this indicator should relate to the definition provided by the government in the questionnaire and used in CRPFM-2. As there is no such definition, the indicator cannot be scored.

Dimension Rating = NA

14.2 Climate related expenditure outturn

✓ Present situation

152. **The team used the same methodology for tracking Climate related expenditure outturn than for the component 14.1.** Table below presents climate expenditure composition of the approved and actual budget for each of the budget heads in the administrative classification. The deviation results are summarised in the table below.

Table 12: Climate related expenditure outturn for the fiscal years 2017/18, 2018/19 and 2019/20 (in million birr)

Year	Composition variance
2010 (2017/18)	8.4%
2011 (2018/19)	17.1%
2012 (2019/20)	73.9%

Variance in climate-related expenditure composition by administrative classification was more than 15% in at least two of the last three years (2018/19 and 2019/20). However, for the same reason as above, the dimension cannot be scored.

Dimension Rating = NA

ANNEX 1. SUMMARY TABLE OF SCORING

Indic	Label	2021	Justification
CRPFM-1	1 Budget alignment with climate change strategies	B	
	1.1 Budget alignment with climate change strategies	B	The system in place fulfils 6 elements, including at least 3 basic elements. Basic: (1) sector strategic plans; (2) Climate related projects and initiatives costed in sector medium-term strategic plans (3) climate projects in public investment plans. Advanced: (7) climate change policies apply to subnational governments and public corporations; (10) Medium-term fiscal strategy refers to climate-related fiscal risks and (12) there is a central point of coordination for CC strategies and implementation.
CRPFM-2	2 Tracking climate-related expenditure	D	
	2.1 Tracking climate-related expenditure	D	The system in place does not fulfil at least 3 basic elements.
CRPFM-3	3 Climate responsive budget circular	C	
	3.1 Budget circular	C	Guidance provided in the Budget Circular can help on how to factor climate change mitigation or adaptation planned expenditure into budget proposals, but it does not provide a methodology to track climate change related expenditure.
CRPFM-4	4 Legislative scrutiny	D+	
	4.1 Legislative scrutiny of budget	D	The legislature's scrutiny of the proposed budget meets one criteria.
	4.2 Legislative scrutiny of audit and evaluation reports	C	The legislature's scrutiny of audit and evaluation reports fulfil three of the PEFA criteria.
CRPFM-5	5 Climate responsive public investment management	D+	
	5.1 Climate related provisions in regulatory	C	The new public investment proclamation requires public bodies to prepare their projects based, among others, on the climate change

Indic	Label	2021	Justification
	framework for public investment management		screening and on environmental assessment. However, there is not a high level of compliance of investment project proposals with the climate-related objectives or requirements.
	5.2 Climate related project selection	C	Identified infrastructure projects are screened against a prepared selection criterion. Climate assessment and prioritisation criteria are indirectly used to select new investment projects.
	5.3 Climate related provisions for project appraisal	C	Guidelines exist for project appraisal. They address climate issues including mitigation strategy. They also require adaptation measures in the project design to address climate risks.
	5.4 Reporting from entities in charge of implementation	D	No evidence was provided that the government required extra budgetary units and public corporations in charge of implementing public investment projects to incorporate specific climate objectives, targets and indicators in their contracts or statement of corporate intent. Most entities do not report back within nine months of the end of the fiscal year.
CRPFM-6	6 Climate responsive asset management	D	
	6.1 Climate responsive non-financial assets management	D	Asset management is decentralised to the budget institution level. There is no consolidated register of fixed assets. The registers maintained by the budget institutions are complete with respect to age and usage, but the template does not require the recording of what is a climate-sensitive asset.
CRPFM-7	7 Climate related liabilities	D+	
	7.1 Climate related fiscal risks	D	The government does not produce a report which consolidates climate related fiscal risks.
	7.2 Climate related debt and guarantees	C	The purposes for which the government can borrow, as specified in the legal framework, allow to cover climate-related liabilities. The legal or regulatory framework specifies

Indic	Label	2021	Justification
			arrangements for SNGs and public corporations.
CRPFM-8	8 Climate responsive procurement	D	
	8.1 Climate responsive procurement framework	D	There is no green procurement framework in Ethiopia. The legislation does not establish criteria for determining which products or services are considered climate sensitive, nor does it establish the scope of procurement operations subject to climate-sensitive procurement principles.
	8.2 Climate responsive public procurement operations	C	The Law does not require climate responsive standards to be used to help determine tender requirements and specifications, or award criteria. Simplified procedures, however, exist to expedite procurement in response to climate induced disasters.
	8.3 Climate responsive public procurement monitoring	D	Procurement databases do not contain information on climate responsiveness but do contain information on emergency procurement compliance of contract awards.
	8.4 Climate responsive public procurement reporting	D	No statistical reports are provided on climate responsive procurement and emergency procurement is not reported.
CRPFM-9	9 Climate responsive revenue administration	NA	
	9.1 Climate related tax management, audit and investigation	NA	There are currently no climate-related taxes in place in Ethiopia. GHG emitters are not identified and registered in a database.
	9.2 Climate related tax arrears	NA	There are no climate-related tax arrears because no climate-related taxes are presently in place in Ethiopia.
CRPFM-10	10 Compliance of climate-related expenditure	D+	
	10.1 Effectiveness of the systems of controls	C	The legal and regulatory framework provides a system of control for all transactions and procedures. The legal and regulatory framework provides a system of control of transactions. These controls are partially

Indic	Label	2021	Justification
			effective and would ensure compliance with climate conditionalities.
	10.2 Compliance of transactions	D	Audits and fraud investigations are conducted for all transactions, including climate-related-objectives. Some audits have been conducted by OFAG for climate-related transactions, but they do not contain any information on the use of climate-related monies by receiving entities.
CRPFM-11	11 Climate responsive fiscal decentralization framework	D+	
	11.1 Climate responsive fiscal decentralization arrangements	D	The legal and regulatory framework does not clearly state the competencies and mandates of SNGs related to climate change mitigation and adaptation.
	11.2 Climate responsive fiscal transfers	C	Conditional transfers are linked to the Sustainable Development Goals (SDGs), some of which are associated with goals aligned with the CRGE strategy.
	11.3 Climate responsive PFM arrangements applied by subnational governments	D	None of the fiscal decentralisation arrangements criteria are fulfilled.
CRPFM-12	12 Climate related performance information	C+	
	12.1 Climate related information in performance plans	B	Objectives, key performance indicators and outputs are assigned to programs and activities. Some of them are climate-related for specific entities. Performance information is available in the supporting documentation submitted to the legislature. Each year, the federal government publishes information on its policy objectives, performance indicators, outputs, and outcomes to be achieved in the next fiscal year. This information is disaggregated by program.
	12.2 Climate related information in performance reports	C	Climate related achieved outcomes are reported for some climate-related programs and activities. The Ministerial Steering Committee reports to the Parliament and

Indic	Label	2021	Justification
			provides information on achieved outputs on the renewable energy targets.
CRPFM-13	13 Climate related performance evaluation	B	
	13.2 Climate related evaluation of taxes	NA	Because there are currently no climate-related taxes in place in Ethiopia, no evaluation of the contribution of climate-related taxes to climate change has been carried in the last three years.
	13.1 Climate related evaluation of expenditure	B	Evaluation of climate-related programs and activities has been carried out at least once in the last three years by OFAG. They have been published on its web site.
CRPFM-14	14 Expenditure outturn for climate activities	NA	
	14.1 Aggregate climate-related expenditure outturn	NA	There is no definition of tagging Climate Related Expenditure (CRE) provided by the government.
	14.2 Climate related expenditure composition outturn	NA	There is no definition of tagging Climate Related Expenditure (CRE) provided by the government.

ANNEX 2. SOURCES OF INFORMATION

Annex 2.1. Questionnaire: Preparing the PEFA Climate assessment Climate Change Policy Context

While the PEFA Climate framework does not assess the national climate change policies and strategies of a country, the specifics of these policies and strategies need to be captured to contextualise the findings of the assessment. PFM systems should generate the information needed to report against the implementation of national climate change policies. The policies will describe how the government intends to reduce greenhouse gas emissions, decarbonise the economy and build resilience against the physical impacts of a changing climate. These policies should be aligned with the country’s Nationally Determined Contributions (NDCs).

Unless otherwise stated and explained in the Introduction of the PEFA Climate report, PEFA Climate assessment will focus on the implementation of climate change national policies and strategies. Such policies may be designed to address either ‘climate change mitigation’ OR ‘climate change adaptation’⁴⁰ only, or BOTH mitigation and adaptation. Different policy approaches will result in differentiated scores.

The identification and specification of climate policies will be captured through an inception questionnaire that will establish the ‘country climate change profile’. In particular, the questionnaire asks the country to present what constitutes “climate change expenditure” based on the policies in place. Some countries may have defined “climate change mitigation expenditure”, “climate change adaptation expenditure”, and “climate change cross-cutting expenditure”. The terms will be used throughout the assessment. The results of the questionnaire will be described in the introduction as explained in the PEFA report guidance presented under Section 4.

The questionnaire is part of the data collection conducted before the PEFA Climate assessment field work starts. This questionnaire may be filled in by the designated agency overseeing and coordinating the implementation of the climate change activities (if applicable) or the Ministry of Finance with the support of the main line ministries in charge of implementing climate change policies.

Section 1: International Commitments for Climate Change Mitigation and Adaptation

Has the country ratified the United Nations Framework Convention on Climate Change?

Yes, when: May 1994 No

Has the country ratified the Paris Agreement?

Yes, when: March 2017 No

Has the country submitted Nationally Determined Contributions (NDCs)?

a. First NDCs Yes, when: June 2015 No

⁴⁰ Or ‘physical impacts’ and ‘transitional impacts’

b. Revised NDCs⁴¹ yes, when: December 31, 2020, No

If “Yes” to Question 3:

a. What aspects of climate change do the submitted NDCs address?

Climate change mitigation Climate change adaptation Both

How does the country plan to meet its greenhouse gas (GHG) emission reduction targets as described in the NDCs?

Financial support (Specify)

The Ethiopian INDC explicitly states that climate finance is expected to support the implementation of some strategies. The total expenditure required to implement the updated NDC is USD 297 Billion by 2030.

Regulation (Specify) _____

Taxation (Specify) Ethiopia has introduced excessively high excise taxes (up to 500% for models older than 7 years) on import of used vehicles.

Subsidies (Specify) _____

Transfers (Specify) _____

Capacity building (Specify)

The relevant government stakeholders engage with various bilateral and multilateral development partners on building their capacity on MRV, environmental and social safeguard, gender issues, program design, financial management, related with climate change mitigation and adaptation for the realisation of the CRGE vision and NDC targets.

Technology transfers (Specify)

Ethiopia is also encouraging the production of green technologies for energy generation. In this regard, the government has introduced a duty-free privilege for solar technology import and assembly

Others (Specify) _____

Specify the proportion in % of total of conditional contributions

As stated in the updated draft NDC, the conditional contribution is 80% unconditional contributions

The unconditional contribution in the updated draft NDC is 20%

How does the country plan to meet its adaptation objectives as described in the NDCs? (Specify)

⁴¹ If revised NDCs have not been submitted yet, first NDCs will be used for the PEFA Climate assessment

Ethiopia's long term adaptation goal is to mainstream climate change into its development activities.

Increasing resilience in agriculture is a priority because 80% of the population works in agriculture.

Flooding and drought are identified as the two most significant stressors the country faces. The INDC includes specific actions to address these hazards, such as improving agricultural productivity and diversity,

increasing water use efficiency and developing and implementing construction codes reflective of increasing extremes in flooding.

Furthermore,

Ethiopia has developed the following adaptation plans to meet its adaptation objectives described in the NDCs

Five sectoral adaptation plans;

Nine National Regional States and two City Administrations adaptation plans;

The Ethiopian Programme of Adaptation to Climate Change (EPACC 2011)

National Adaptation Programmes of Action for Climate Change (NAPA)

Second Growth and Transformation Plan (the national development plan)

Climate Resilient Green Economy Strategy (CRGE)

NAP-ETH focuses on the sectors that have been identified as most vulnerable, namely: agriculture, forestry, health, transport, power, industry, water and urban. Within these sectors, 18 adaptation options have been identified for implementation at all levels and across different development sectors, recognizing the considerable diversity in context and vulnerability across Ethiopia's regions and social groups. These options are:

1. Enhancing food security by improving agricultural productivity in a climate-smart manner.
2. Improving access to potable water.
3. Strengthening sustainable natural resource management through safeguarding landscapes and watersheds.
4. Improving soil and water harvesting and water retention mechanisms.
5. Improving human health systems through the implementation of changes based on an integrated health and environmental surveillance protocol.
6. Improving ecosystem resilience through conserving biodiversity.
7. Enhancing sustainable forest management.
8. Building social protection and livelihood options for vulnerable people.
9. Enhancing alternative and renewable power generation and management.

10. Increasing resilience of urban systems.
11. Building sustainable transport systems.
12. Developing adaptive industry systems.
13. Mainstreaming endogenous adaptation practises.
14. Developing efficient value chain and marketing systems.
15. Strengthening drought, livestock & crop insurance mechanisms.
16. Improving early warning systems.
17. Developing and using adaptation technologies.
18. Reinforcing adaptation research and development

Has the country formulated and communicated a mid-century, long-term, low greenhouse gas emission development strategy?

Yes, when No (it is a work in progress; the EFCCC is collaborating with WRI, GGGI and the National Plan Commission)

If “Yes” to Question 5:

a. What aspects of climate change do mid-century strategies address?

Climate change mitigation Climate change adaptation Both

How does the country plan to meet its GHG emission reduction targets as described in the mid-century strategies?

(Specify)

How does the country plan to meet its adaptation objectives as described in the mid-century strategy?

(Specify)

Section 2: National Level Strategies

Is climate change identified as a key issue in the national development plan or strategy for economic growth (or equivalent)?

Yes. “Building disaster and climate resilient green economy” is one of the strategic pillars of the National Ten Years Perspective Plan for the period 2021-2030

What is the climate change national framework?

What laws and regulations exist to support implementation of climate change related mitigation and adaptation actions?

Constitution of the country;

Development policy of the ruling party;
Biodiversity conservation and Research policy (1998);
Water Resources Management Policy (2001);
National policy on natural resources and environment (1997);
Pollution Control Proclamation (2002) ;
Proclamation for establishment of environmental organs (2002) ;
Environmental Impact Assessment Proclamation (2002) ;
National biodiversity strategy and action plan (2005);
Bio-fuel development and utilization strategy (2007);
NAPA (2007);
CRGE Strategy (2011);
National Energy policy (2013);
CR Strategies for selected sectors (2014);
Sectoral policies (Forest policy, Energy policy Agricultural policy, transport policy, trade and industry policy, etc.);
NAP (2017);
Environmental and Social Safeguard polices;
Has the government developed a detailed action/implementation plan for achieving the country's climate change goals (e.g. National Action Plan)?

Yes No

Is there a national climate change strategic plan or a low carbon strategy?

Yes, specify: Ethiopia has developed and implementing “Climate-Resilient Green Economy” (CRGE) strategy which aims to keep greenhouse gas emissions low and build climate resilience, while achieving middle-income status by 2025. The strategy is based on four pillars: reducing agricultural emissions, protecting and expanding forests, expanding renewable electricity generation, and adopting energy efficient technologies in transport, industry and the built environment. Originally published in 2011, the CRGE is under review and will be revised along with the NDC. There is NAP and sectoral resilience building strategies.

No

Is there a strategic document that establishes the country's adaptation objectives (e.g. National Adaptation Plan in developing countries)?

Yes, specify

There is the Ethiopia’s National Adaptation Plan (NAP-ETH) which builds on ongoing efforts to address climate change in the country’s development policy framework, including the Climate Resilient Green Economy (CRGE) strategy and its medium and long term development plans as well as sectoral climate resilience strategies and regional and municipal adaptation plans.

No

How does regulation define what constitutes “climate change expenditure”? Does it provide further refinement of the definition⁴²? *(Specify)*

The Ministry of Finance is determined to establish a climate finance tagging and tracking system. It is collaborating with Oxford Policy Management, which is the management agent for the DFID “Building Resilience in Ethiopia” TA support program. OPM has mobilised international experts from IIED and local experts. The team is closely working with the relevant directorates in MoF.

Does regulation instruct how the budget should integrate climate change considerations? *(Specify)*

What are the institutional arrangements for executing climate change related policies and actions? *(Specify)*

At national level, there is CRGE Inter Ministerial Steering Committee, which is chaired by the Prime Minister’s Office. In each key CRGE ministry, there is a dedicated CRGE Directorate. At regional and local levels, the arrangement is ad hoc. The EFCCC and Ministry of Finance have the overall coordination and leadership role to realise the CRGE Vision. The EFCCC’s regional replica, coordinates the implementation of CRGE projects and programs. The Ministry of Finance has also established and operationalised CRGE Facility.

Which sectors and institutions are involved in the implementation of the national climate change strategies and policies?

Sector	Institutions (line ministries and agencies)	Sectoral strategic plan that covers climate change		Climate related Budget for the last FY	
				Submitted to MoF	Adopted by the legislature
Forestry	Environment Forestry and Climate Change Commission	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Agriculture	Ministry of Agriculture				
Energy	Ministry of Water, Irrigation and Energy	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		

⁴² Climate change mitigation expenditure, climate change adaptation expenditure, climate change cross cutting expenditure

Transport	Ministry of Transport	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Industry	Ministry of Industry and Trade	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Urban Development	Ministry of Urban Development and Construction	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Health	Ministry of Health	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		

Note:

There is no practice of budget allocation for climate change mitigation and adaptation actions separately. The practice rather is allocation to sectoral projects and programs, which have direct climate change mitigation and adaptation contributions.

Is there a designated agency overseeing and coordinating the implementation of the climate change activities?

Yes, specify: The Environment, Forest and Climate Change Commission (EFCCC) and the CRGE Facility Ministry of Finance

The Environment, Forest and Climate Change Commission (EFCCC) is the Federal institution for managing the Environment of Ethiopia. EFCCC is responsible to ensure the realisation of the environmental rights, goals, objectives and basic principles enshrined in the Constitution. As well as the Environment Policy of Ethiopia through coordinating appropriate measures, establishing systems, developing programs and mechanisms for the welfare of humans and the safety of the environment.

It is mandated to formulate or initiate and coordinate the formulation of strategies, policies, laws and standards as well as procedures and up on approval monitor and enforce their implementation. It is also responsible for the synergistic implementation and follow-up of international and regional environmental agreements. Including those pertaining to hazardous chemicals, industrial wastes and anthropogenic environmental hazards in which Ethiopia is a party. All MEA's are currently being coordinated and monitored by the Environment, Forest and climate Change Commission.

No

Does the Ministry of Finance have a specific mandate in the implementation of climate change activities?

Yes, specify: Please refer to pages, 47 and 48 of the CRGE Strategy. The Ministry of Finance housed the CRGE Facility which is responsible in mobilising and funding CRGE focused activities. The CRGE facility is engaged in the following areas:

Mobilize funding in a flexible, coordinated and predictable manner that is invested in climate relevant projects and programs compliant with national and international fiduciary standards;

Support efficient and effective actions in GHG emissions reduction and increasing resilience as set out in the national Climate Resilience Green Economy (CRGE) strategy, which is aligned with sustainable development goals; and

Provide a unified engagement point where government, development partners, civil society and other stakeholders can engage and make decisions about climate finance related issues

No

Section 3: Implementation of climate change policies by the government

What are the top five most important measures currently being implemented by the government to reduce the country's generation of GHG emissions? (*Specify*)

- Protecting and re-establishing forests for their economic and ecosystem services, including as carbon stocks
- Electric power financing
- Rural energy and efficient stoves
- Reduced emissions from livestock
- Reducing Emissions from Deforestation and Forest Degradation

What are the top five most important measures currently being implemented by the government to adapt to climate change impacts? (*Specify*)

Enhancing food security by improving agricultural productivity in a climate-smart manner.

Improving access to potable water.

Strengthening sustainable natural resource management through safeguarding landscapes and watersheds.

Improving soil and water harvesting and water retention mechanisms.

Improving human health systems through the implementation of changes based on an integrated health and environmental surveillance protocol.

Does the country have an operational monitoring and evaluation framework to track the implementation of its NDCs and climate actions?

Yes

No

In the last five years, were there any independent assessments⁴³ of the country's achievements in terms of climate change objectives and targets?

⁴³ Independent would refer to an assessment undertaken by a body that is separate from and not subordinate to the government. This could involve an NGO.

Yes, specify: the “CRGE Implementation Progress Review” for the period 2012-2019 was finalised recently in collaboration with the World Bank. Furthermore, the second national communication and sector-specific MRV activities were conducted.

No

Has the country conducted an assessment of the macroeconomic impacts of climate change?

Yes

No

If “Yes” to Question 14

Which sectors were considered? (The impact of the Climate change on the key CRGE Sectors was assessed during the preparation of the CRGE Strategy)

What methodology was used? (Specify)

Has the country assessed the macro-fiscal implications of implementing its climate change plans or NDCs?

Yes

No

Has the country conducted activities to mainstream its climate change plans or NDCs into its PFM systems?

Yes

No

Which public entities (operators) are involved in the implementation of the country’s climate change strategies and policies?

Type of operator	Number of entities	Type of funding		Total Climate related Budget for the last FY
		From BCG ⁴⁴	Other sources	
Extra budgetary units				
Public corporations	All the CRGE Sector Ministries, the EFCCC			
Subnational governments	Regional States			

⁴⁴ Budgetary Central Government

Annex 2.2. Calculation tables for CRPFM-14

Data for year 2010 (2017/18) (in million Birrs and %)

Administrative Head	Budget	Actual	Adjusted Budget	Deviation	Absolute Deviation	Percent
Abay Basin Authority	60.0	57.6	52.4	5.2	5.2	10.0%
Agricultural Transformation Agency	184.1	132.7	160.6	-27.9	27.9	17.4%
Ethiopia Institute of BioDiversity	83.1	64.3	72.5	-8.3	8.3	11.4%
Ethiopian Agricultural Research Council Secretariat	26.2	23.2	22.8	0.4	0.4	1.8%
Ethiopian Agricultural Research Institution	760.3	753.4	663.4	90.0	90.0	13.6%
Ethiopian Biotechnology Institute	93.4	42.2	81.5	-39.4	39.4	48.3%
Ethiopian Energy Authority	21.0	18.8	18.3	0.5	0.5	2.7%
Ethiopian Environment and Forest Research Institute	112.9	71.6	98.5	-26.9	26.9	27.3%
Ministry of Environment, Forest and Climate Change	62.8	362.2	54.8	307.4	307.4	560.7%
Ministry of Mines, Oil and Natural Gas	77.6	60.2	67.7	-7.5	7.5	11.1%
Ministry of Transport	137.1	36.4	119.6	-83.2	83.2	69.6%
Ministry of Water, Irrigation and Electricity	8 852.0	7 679.2	7 723.4	-44.3	44.3	0.6%
National Meteorology Agency	165.0	115.3	144.0	-28.6	28.6	19.9%
Rift Valley Lakes Basin Authority	36.0	28.7	31.4	-2.7	2.7	8.7%
Water Development Fund Office	209.0	65.8	182.4	-116.6	116.6	63.9%
Water Technology Training Institute	67.0	40.4	58.5	-18.1	18.1	31.0%
allocated expenditure	10 947.6	9 551.9	9 551.9	0.0	806.9	
interests						
contingency						
total expenditure	10 947.6	9 551.9				
aggregate outturn (PI-1)						87.3%
composition (PI-2) variance						8.4%
contingency share of budget						0.0%

Data for year 2011 (2018/19) (in million Birrs and %)

Administrative Head	Budget	Actual	Adjusted Budget	Deviation	Absolute Deviation	Percent
Abay Basin Authority	70.7	37.4	55.9	-18.5	18.5	33.2%
Agricultural Transformation Agency	133.4	52.2	105.5	-53.3	53.3	50.5%
Ethiopia Institute of BioDiversity	97.7	95.3	77.3	18.1	18.1	23.4%
Ethiopian Agricultural Research Council Secretariat	32.2	29.5	25.5	4.0	4.0	15.7%
Ethiopian Agricultural Research Institution	804.7	1 058.9	636.3	422.5	422.5	66.4%
Ethiopian Biotechnology Institute	140.6	73.1	111.2	-38.1	38.1	34.3%
Ethiopian Energy Authority	24.4	18.5	19.3	-0.8	0.8	3.9%
Ethiopian Environment and Forest Research Institute	120.8	86.2	95.5	-9.3	9.3	9.8%
Ministry of Environment, Forest and Climate Change	67.1	530.1	53.1	477.0	477.0	899.1%
Ministry of Mines, Oil and Natural Gas	79.2	48.6	62.6	-14.0	14.0	22.4%
Ministry of Transport	95.4	57.6	75.4	-17.8	17.8	23.6%
Ministry of Water, Irrigation and Electricity	11 694.8	8 569.5	9 247.5	-678.0	678.0	7.3%
National Meteorology Agency	159.6	123.9	126.2	-2.3	2.3	1.8%
Rift Valley Lakes Basin Authority	39.4	28.6	31.1	-2.6	2.6	8.2%
Water Development Fund Office	14.6	20.5	11.6	8.9	8.9	77.3%
Water Technology Training Institute	209.6	69.9	165.7	-95.8	95.84277175	57.8%
Allocated Expenditure	13 784.2	10 899.7	10 899.7	0.0	1 861.1	

Data for year 2012 (2019/20) (in million Birrs and %)

Administrative Head	Budget	Actual	Adjusted Budget	Deviation	Absolute Deviation	Percent
Irrigation Development Commission	14 166.2	3 209.3	7 801.9	-4 592.5	4 592.5	58.9%
Ministry of Agriculture	6 324.6	6 251.4	3 483.2	2 768.3	2 768.3	79.5%
Ethiopian Institute of Agricultural Research	845.3	1 159.2	465.6	693.6	693.6	149.0%
Ethiopian Environment and Forest Research Institute	332.3	99.0	183.0	-84.0	84.0	45.9%
Water Development commission (WDC)	259.9	381.4	143.1	238.3	238.3	166.5%
Ministry of Water Irrigation and Energy	205.3	196.5	113.1	83.4	83.4	73.8%
Ethiopian Water Technology Institute	185.5	92.7	102.2	-9.5	9.5	9.3%
Water Development Commission	184.0	284.7	101.3	183.4	183.4	181.0%
Ethiopian Biotechnology Institute	157.1	86.9	86.5	0.4	0.4	0.5%
Federal Urban Land and Land Related Property Registry and Information Agency	118.1	79.4	65.0	14.4	14.4	22.1%
Environment, Forest and Climate Change Commission	84.9	221.4	46.7	174.6	174.6	373.6%
Agricultural Transformation Agency	79.7	49.9	43.9	6.0	6.0	13.7%
Addis Ababa University (AAU)	38.8	66.8	21.4	45.4	45.4	212.6%
Ethiopian Agricultural Research Council Secretariat	36.3	23.3	20.0	3.3	3.3	16.5%
Water Resource Development Fund	15.0	10.0	8.3	1.7	1.7	20.5%
Ministry of Finance (MoF)	0.0	2.1	0.0	2.1	2.1	-
Ministry of Education (MoE)	0.0	2.8	0.0	2.8	2.8	-
Ministry of Women, Children and Youth Affairs (MoWCY)	0.0	0.1	0.0	0.1	0.1	-
Environment, Forest and Climate Change Commission (EFCCC)	0.0	380.5	0.0	380.5	380.5	-
Ministry of Peace (MoP)	0.0	87.3	0.0	87.3	87.3	-
Central Statistics Agency of Ethiopia (CSA)	0.0	0.2	0.0	0.2	0.2	-
Ethiopian Wildlife Conservation Authority (EWCA)	0.0	0.2	0.0	0.2	0.2	-
allocated expenditure	23 032.8	12 685.0	12 685.0	0.0	9 372.0	
interests						
contingency						
Total Expenditure	23 032.8	12 685.0				

aggregate outturn (PI-1)						55.1%
composition (PI-2) variance						73.9%
contingency share of budget						0.0%

Annex 2.2 Persons met during the PEFA climate assessment

Date		Morning	Afternoon
March 2021	17,	10:00 am Plan Commission – Public Investment Ato Bereket 0911097775	2:00 pm Debt Management Directorate Ato Yohannes +251 111 571524
March 2021	18,	10:00am Project Evaluation and Monitoring Directorate Ato Sharew Erkyihun 0913011701	
March 2021	19,	10:00am Private Public Partnership Directorate Ato Fekadu / Ato Samson +251 0913 799512	
March 2021	22,	9:00am Public Procurement Agency Ato Negash +251 913079313 11:00am Treasury Directorate W/ro Neteru +251911 186642 11:30am SDG fund coordinator Ato Samuel Gebregziabher 0911, 395158	2:00 PM Channel One Program Coordination Ato Melaku
March 2021	24,		2:00pm Environment, Forest and Climate Change Commission Ato Nadew 0900767315 4:00 PM CRGE Adugna Nemera Gedefa +251-111-580850 adugna.nemera@gmail.com.

Date	Morning	Afternoon
March 25, 2021	10:30am Budget Directorate Ato Tilahun Budget Director Ato Teferi Demeke MoF Budget Director Advisor Tel +251-91-1433277 Teferi_demeke06@yahoo.com	2:00am Procurement & Public Property Disposal Administration (Cancelled) 3:00am Public Private Partnership Fikadu Wamisho PPP Project Development and Monitoring Directorate. tel 0913799812. Email: <u>fwamisho@MoF.gov.et</u>
March 29, 2021		2:00pm Procurement and Property Disposal Service Shunka Adugna Property Disposal Director 0909080456 <u>shunkaadugna@gmail.com</u> Worku Gezahegn Procurment Director 0962190977 Workugezahegn1986@gmail.com Solomon Fantahun Contract Administration Director 0932209521 <u>soulomoon@gmail.com</u> Tekleberhan G/Meskel – Advisor to the Director General 0911 480446 Teklebrhan97@gmail.com Tirufat Negash – Advisor to the G/M – 0911 621027 tirufatn@gmail.com
March 30, 2021	9:00am Tax Policy Directorate Ato Mulay Weldu Asegehegn Tax Policy Director+251-92-3975077. Email: mulaywel@yahoo.com 10:00am Fiscal Policy Directorate Ato Mezgebu Advisor Tel 0911 678375	
April 1, 2021	Office of the Federal Auditor General	

Date	Morning	Afternoon
	Meeting held with Ato Shasho Mekonen, Assistant of the Auditor General Tel +251911 462194 shashomekonnen@yahoo.com	
April 9, 2021	Ethiopian Road Authority Kefargachew Kassahun Tel +251 911 841156 Environmental Management Team Leader	
April 13, 2021	9:00am Agriculture Research Institute Dr. Chilot Yirga +251 116 474042	
April 14, 2021	9:00am Environment and Forest Commission Nadew and his colleagues (+251 986204682) W/ro Tirhas Mebratu Hindeya Resource Mobilization Project Monitoring Directorate Director 0912 464234 10:00am Planning & Development Commission Habtamu +251 913 176275	
April 15, 2021	Ministry of Agriculture 10:00am Environment Director Berhan +251 916831504 Environment Expert Addisu Negash Tel 0911 023263 11:00 am Planning Director Ato Zena Habtewold - +251 9136390000	
April 18, 2021	Girma Mamo (Phd) Director, Climate, Geospatial and Biometrics Research Directorate Ethiopian Institute of Agricultural Research (EIAR) Mobile: +251911809500 Email: mamogirma2018@gail.com	

Date	Morning	Afternoon
April 22, 2021	Bereket Tesfamaria Public Investment Management Director (at Plan and Development Commission) berekettsion98@gmail.com	
June 3, 2021	9:00 am: Nuramin Seid Abdul Selam - Member of the Revenue, Budget and Finance Standing Committee - 0911 892319 Emebet Tadele - Budget expert - 0111 241030 Teresa Tolosa - Budget expert - 0926 757090	
June 29, 2021	9:00 am: Public Account Committee - The House of Peoples' Representatives. Honorable Mohammed Omer – PAC Chairman - 0911 569368 Mr. Kibru Olana – PAC Expert – 017 030231	

Annex 2.3 Main legislation

General proclamations

- Financial Administration Proclamation No. 648/2009 and Financial Administration (Amendment)
- Proclamation No. 979/2016 Federal Income Tax-proclamation, which provides the legislative policy and administrative basis for taxation.
- Procurement and Property Administration Proclamation No. 649/2009, which guides approval of procurement activities determining procedures of public procurement and establishing the Federal Public Procurement and Property Administration Agency (PPPAA);
- Proclamation establishing the Office of the Federal Auditor General No. 68/1997, which establishes the legislative basis and role of the Supreme Audit Organization (SAO).
- Proclamation on the definition of power and duties of the executive organs (04/1995).
- Proclamation No.9/1995, which established the Environmental Protection Authority, EPA, reproclaimed under Proclamation No.295/2002 as an autonomous Federal Environmental Protection Authority (EPA) then as the Ministry of Environment, Forest and Climate Change with Proclamation No.803/2005EFY and Re-established Under Proclamation No. 1263/2021.
- EPA Proclamation No. 299/2002, which made “Environmental Impact Assessment” to be a mandatory legal prerequisite for the implementation of major development projects, programs and plans.
- Environmental Pollution Control Proclamation No.300/2002.
- Federal Democratic Republic of Ethiopia issued Rural Land Administration and Use Proclamation No. 456/2005.

Proclamations related to environmental protection and environmental health

Proclamation/Regulation	Title	Sources
Proc. No. 9/1995	Proclamation to Provide for the Establishment of the Environmental Protection Authority	Federal Negarit Gazeta Of the Federal Democratic Republic of Ethiopia, 1st Year No.9 Addis Ababa-24th August 1995.
Proc. No. 295/2002	Environmental Protection Organs Establishment Proclamation	Federal Negarit Gazeta Of the Federal Democratic Republic of Ethiopia, 9th Year No.7 Addis Ababa-3rd October 2002.
Proc. No. 299/2002	Environmental Impact Assessment Proclamation	Federal Negarit Gazeta Of the Federal Democratic Republic of Ethiopia, 9thYear No. 11 Addis Ababa 3rd December, 2002
Directive, No.1/2008	A Directive Issued to Determine Projects Subject to EIA	

Proc. No. 300/2002	Environmental Pollution Control Proclamation	Federal Negarit Gazeta Of the Federal Democratic Republic of Ethiopia, 9thYear No. 12 Addis Ababa3rd December,2002
Proc. No. 655/2009	Bio safety Proclamation	Federal Negarit Gazeta Of the Federal Democratic Republic of Ethiopia, 1stYear No. 63 Addis Ababa 9th September,2009
Reg. No. 159/2008	Prevention of Industrial Pollution Council of Ministers Regulation	Federal Negarit Gazeta Of the Federal Democratic Republic of Ethiopia, 15thYear No. 14 Addis Ababa 7th January,2009
Proc. 1090-2010	Hazardous Waste Management	https://www.efccc.gov.et/policies-laws/proclamations.html
	Kyoto protocol amendment ratification	idem
Proclamation/Proc-No.-192-2000	The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal	idem
Proc-No.-279-2002	Stockholm convention on persistent organic pollutants	idem
Proc-No.-355-2003	Bamako Convention Ratification	idem
Proc-No.-356-2003	Basel Convention Amendment Ratification	idem
Proclamation/Proc-No.-362-2003	Cartagena Protocol on Biosafety Ratification	idem
Proc-No.-439-2005	Kyoto Protocol Ratification	idem
Proc 716-2011	Ozone proclamation.pdf	idem
Proclamation-No-896-2015	Biosafety amendment	idem
Proc No. 299-2002	Environmental Impact Assessment	idem
Proc No 513	Solid Waste Management Proclamation	idem

Proclamation 1075/2018	Industrial Chemicals Enrolment and Administration	idem
Proclamation 1065/2018	Forest Development, Protection and Utilisation	idem
Proclamation, 513/2007	No. Solid Waste Management	idem
Proclamation 94/1994	No. Forestry Conservation, Development and Utilisation	idem
Proclamation, 197/2000	No. Ethiopian Water Resources Management	idem
Proclamation 674/2010	No. Pesticide Registration and Control Proclamation:	idem

Main climate-related strategies

153. Ethiopia - Nationally Determined Contribution (NDC)
154. Ethiopia Growth and Transformation Plan I
155. Global Green Growth Institute GGGI's Ethiopia Country Planning Framework 2016-2020
156. Ethiopia's Climate Resilient Green Economy: Green economy strategy
157. Ethiopia Growth and Transformation Plan II (GTP II)
158. Ethiopia's Environmental and Social Safeguards Framework (ESSF) for the CRGE Initiative
159. Climate Finance Tracking and Projection Approach and Methodology in Ethiopia
160. Ethiopia's Climate-Resilient Green Economy, Climate Resilience Strategy: Water and energy
161. Ethiopia's Climate-Resilient Green Economy, Climate Resilience Strategy: Agriculture and forestry

Performance Audit reports of the OFAG (2011)

162. Addis Abeba Light Railway - 2011-12 E C Annual Year Addis Abeba Light Railway - 2011-12 E C Annual Year
163. Archaeological Conservation Authority - 2011-12 E C Annual Year Archaeological Conservation Authority - 2011-12 E C Annual Year
164. Arjo-Dedesa Irrigation Development Dam Project - 2011-12 E C Annual Year Arjo-Dedesa Irrigation Development Dam Project - 2011-12 E C Annual Year
165. Climate Change Adaptation - 2011-12 E C Annual Year Climate Change Adaptation - 2011-12 E C Annual Year
166. Coffee Export And Quality - 2011-12 E C Annual Year Coffee Export And Quality - 2011-12 E C Annual Year
167. Development Bank Of Ethiopia - 2011-12 E C Annual Year Development Bank Of Ethiopia - 2011-12 E C Annual Year
168. Development Of Tourism Ethiopia Tourist Destinations - 2011-12 E C Annual Year Development Of Tourism Ethiopia Tourist Destinations - 2011-12 E C Annual Year
169. Ethio Djubity Railway - 2011-12 E C Annual Year Ethio Djubity Railway - 2011-12 E C Annual Year
170. Ethiopian Intellectual Property - Follow-up - 2011-12 E C Annual Year Ethiopian Intellectual Property - Follow-up - 2011-12 E C Annual Year
171. Ethiopian Maritime Transport Logistics - Follow-up - 2011-12 E C Annual Year Ethiopian Maritime Transport Logistics - Follow-up - 2011-12 E C Annual Year
172. Ethiopian Roads Authority In Nekemte-Bure - 2011-12 E C Annual Year Ethiopian Roads Authority In Nekemte-Bure - 2011-12 E C Annual Year
173. Ethiopian Standard Agency - 2011-12 E C Annual Year Ethiopian Standard Agency - 2011-12 E C Annual Year
174. Federal Housing Corporation - Follow-up - 2011-12 E C Annual Year Federal Housing Corporation - Follow-up - 2011-12 E C Annual Year
175. Federal Ministry Of Labor And Social Affairs - 2011-12 E C Annual Year Federal Ministry Of Labor And Social Affairs - 2011-12 E C Annual Year
176. Federal Prison Projects - 2011-12 E C Annual Year Federal Prison Projects - 2011-12 E C Annual Year
177. Follow-Up Energy Saving - 2011-12 E C Annual Year Follow-Up Energy Saving - 2011-12 E C Annual Year
178. Follow-Up Regular Passport - 2011-12 E C Annual Year Follow-Up Regular Passport - 2011-12 E C Annual Year
179. Follow-up Tourism Service - 2011-12 E C Annual Year Follow-up Tourism Service - 2011-12 E C Annual Year
180. Government Development Agency - 2011-12 E C Annual Year Government Development Agency - 2011-12 E C Annual Year
181. Higher Education Cost Sharing - 2011-12 E C Annual Year Higher Education Cost Sharing - 2011-12 E C Annual Year
182. Ministry Of Finance Vehicle Classification - 2011-12 E C Annual Year Ministry Of Finance Vehicle Classification - 2011-12 E C Annual Year
183. Ministry Of Health - 2011-12 E C Annual Year Ministry Of Health - 2011-12 E C Annual Year
184. MoMP Mining Contract Administration - 2011-12 E C Annual Year MoMP Mining Contract Administration - 2011-12 E C Annual Year
185. MoST Government Scholarship - 2011-12 E C Annual Year MoST Government Scholarship - 2011-12 E C Annual Year

186. National Biogas Technology - 2011-12 E C Annual Year National Biogas Technology - 2011-12 E C Annual Year (70.9 MB)
187. National Electric Access Project - 2011-12 E C Annual Year National Electric Access Project - 2011-12 E C Annual Year
188. Pharmaceutical Industries Support - 2011-12 E C Annual Year Pharmasitucal Industries Support - 2011-12 E C Annual Year
189. Procurement And Property Management Agency - Vehicle Classification - 2011-12 E C Annual Year Procurement And Property Management Agency - Vehicle Classification - 2011-12 E C Annual Year (38.9 MB)
190. Public Social Security Agency - 2011-12 E C Annual Year Public Social Security Agency - 2011-12 E C Annual Year
191. SDG Prepardness - Plan Commission - 2011-12 E C Annual Year SDG Prepardness - Plan Commission - 2011-12 E C Annual Year