

## **PROCLAMATION NO \_\_\_\_/2024**

### **A PROCLAMATION TO PROVIDE FOR THE ESTABLISHMENT OF THE GREEN LEGACY AND DEGRADED LANDSCAPE RESTORATION SPECIAL FUND AND TO DETERMINE ITS ADMINISTRATION**

WHEREAS, rehabilitating degraded landscapes and conserving and responsible use of natural and manmade forest resources is fundamental to ensure their economic, social, and ecological benefits to the nation in a sustainable way;

WHEREAS, it is found necessary to establish a sustainable funding mechanism for green legacy initiatives;

WHEREAS, it is necessary to support the national vision to move towards climate-resilient and low-emission economic development;

WHEREAS, to be able to attain these objectives, it is necessary to establish coordinated and sustainable financing from domestic resources and putting in place mechanisms to distribute funds to all Regions in equitable ways and for this to happen it is found necessary to establish Green Legacy and Landscape restoration Special Fund;

NOW, THEREFORE, in accordance with Article 55 (1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

## **PART ONE**

### **GENERAL PROVISIONS**

#### **1. Short Title**

This Proclamation may be cited as "**The Green Legacy and Degraded Landscape Restoration Special Fund Establishment and Administration Proclamation No. \_\_\_\_/2024.**"

#### **2. Definitions**

Unless the context requires otherwise, in this Proclamation:

- 1/ "Region" means a region designated by Article 47 of the Constitution of the Federal Democratic Republic of Ethiopia and for the purpose of this proclamation, it also includes the Addis Ababa and Dire Dawa City Administrations.

- 2/ “Responsible Department” means the United Nations Agencies, Climate Resilient Green Economy Facility and Regional Economic Cooperation Directorate within the Ministry of Finance
- 3/ “Green Legacy” means a program being implemented since 2019 that aims at planting diverse tree seedlings that have multifaceted uses and that are ecologically friendly by mobilizing the public.
- 4/ “Degraded landscape” means land that has lost its productivity, and its ecological services significantly and hence requires rehabilitation.
- 5/ "Restoration of Degraded Landscape" refers to the rehabilitation of degraded landscape to be used for afforestation and agroforestry.
- 6/ ‘Formula’ means the calculation used in determining the share of each region from the portion of the budget of the special fund appropriated to the Regions.
- 7/ “Accessing Entities” means Federal government institutions and the Regions, that implement projects supported by the special fund, and includes other bodies that meet the criteria set by the steering committee for this purpose in accordance with article 8 sub-article 2 of this proclamation.
- 8/ “Development Partners” means international institutions, governments, non-governmental organizations, and foundations that provide financial, technical, and in-kind support to the Special Fund.

## **PART TWO**

### **Establishment of the Special Fund**

#### **3. Establishment**

- 1/ The Green Legacy and Degraded Landscape Restoration Special Fund (hereinafter referred to as "the Special Fund") is hereby established by this Proclamation.
- 2/ The Special Fund shall serve as a permanent source of finance to achieve the objectives of this Proclamation.

#### **4. Objectives of the Special Fund**

The Special Fund shall have the following specific objectives:

- 1/ Support the rehabilitation of degraded landscape through assisted natural regeneration, afforestation and reforestation to develop existing and new forests;
- 2/ Enhance the sustainability of seedlings planted through the Green Legacy initiative and productivity of degraded landscapes that have been rehabilitated through mobilization of citizens;
- 3/ Create employment opportunities and sustainable livelihoods particularly for the youth and women through forestry development and improving the provision of ecological services;
- 4/ Using locally adaptable perennial plants develops riversides, areas around dams and other water bodies;
- 5/ Support urban beautification and greening work;
- 6/ Contribute to achieving Ethiopia's international forest sector-centered goals, especially the objective of lowering carbon emissions;
- 7/ Mobilize additional resources to forest development and conservation from development partners;
- 8/ Enable Ethiopia to benefit from an international carbon financing mechanism from forests developed by the special fund;
- 9/ Support capacity building, research and innovations that contribute to adapting to and mitigating climate variability and change

## **5. Finance Sources of the Special Fund**

The Fund shall be collected from the following financing sources:

- 1/ Budgetary allocations by the Federal Government;
- 2/ Support from development partners, civil society and the private sector

## **6. Proportion and depositing of the Special fund**

- 1/ The budget to be allocated to the special fund by the Federal Government as per Article 5 (I) of this Proclamation shall be between 0.5 to 1.0 percent of the annual budget allocated by the federal government from domestic revenue sources. The actual annual allocation to the special fund shall be approved by the House of People's Representatives as part of the annual federal government budget following the recommendation of the Ministry.

- 2/ The money from the budget to be allocated to the special fund by the Federal Government as per Article 5 (1) hereof shall be deposited every three months into the bank account opened to the special fund by the Ministry of Finance.
- 3/ Support secured from development partners, civil society and the private sector for the Special Fund as per Article 5(3) shall be administered in accordance with the procedures and guidelines to be issued by the Ministry of Finance.

## **7. Allocation and Release of Funds**

- 1/ The annual budget allocated by the Federal Government to the special fund pursuant to Article 5 (1) hereof shall be appropriated to the Federal Government and the Regions in accordance with the criteria set by the Ministry of Finance.
- 2/ The Ministry of Finance shall prepare and submit to the House of Federation for approval, the formula to be used to determine the share of each Region from the portion of the budget of the Special Fund appropriated to the Regions in accordance with sub article (1) hereof. However, for the transition, the formula that the House of Federation issued for the general budget subsidy may be applied.
- 3/ Notwithstanding sub-article 2 of this article, the share of the Addis Ababa and Dire Dawa City Administration from the budget allocated to the special fund by the federal government shall be prepared by the Ministry of Finance, with the final decision thereon being made in accordance with the understanding reached through consultation with the respective city administration.
- 4/ Without prejudice to sub-article 1 and 2 of this Article, quarterly disbursement of the allocated annual budget from the Special Fund to accessing entities shall be based on:
  - a) Performance,
  - b) The Regions allocating a matching budget and disbursing same to projects implemented in the respective Region/City Administration, and
  - c) The allocation of the minimum matching budget by the Regions pursuant to Para (b) above shall go into effect when consensus is reached on the proportion of the matching budget through consultation among entities specified in article 10 hereof and upon approval thereof by the Council of Representatives of each Region.
- 5/ Budget that has not been transferred until the end of the fiscal year as per sub-article 3 of this article shall be combined with the budget allocated to the special fund of the next fiscal year and distributed in accordance with sub-article 1 of this article.

## **8. Accessing Entities of the Special Fund**

- 1/ The Federal government institutions and the Regions that implement projects supported by the special fund shall directly benefit from the special fund.
- 2/ In addition to those mentioned in Art 8(1) above, the Steering committee may set criteria to allow other entities to have direct access to the Special Fund.

## **9. Account of the Special Fund**

- 1/ Accessing Entities shall keep an accurate and complete book of account of projects implemented with financial support obtained from the Special Fund
- 2/ Accessing entities shall prepare a financial statement showing the use of the money of the special fund transferred to them by the Federal Government, within one month of the end of the fiscal year and submit same to the Ministry of Finance.
- 3/ The Ministry of Finance shall consolidate the financial statements it receives from accessing entities as per sub-article 2 of this article, close the account of the special fund and submit the consolidated financial statement of the fiscal year to the Auditor General of the Federal Government or the auditor designated by it for examination within three months of the end of the fiscal year.
- 4/ The audit report of the use of the budget allocated by the Federal Government to the Special Fund shall be submitted to the Steering Committee within six months of the completion of the fiscal year.

## **PART THREE**

### **Administration of the Special Fund**

## **10. Executive Organs of the Special Fund**

Organs of the Fund are the Ministry of Finance, the Ministry of Agriculture, the Ministry of Plan and Development, the Ethiopian Forest Development and Finance Bureaus' of the Regions, and the Addis Ababa City Administration.

## **11. The Steering Committee**

- 1/ The Special Fund shall have a steering committee overseeing its use and Implementation.
- 2/ Members of the steering committee shall be heads of organs of the fund specified in Article 10 of this Proclamation.

- 3/ The Ministers of Finance and Agriculture shall, in order of their sequence be the chairperson and vice chairperson of the steering committee.
- 4/ The responsible Department shall carry out the administrative functions of the fund and serve as the secretary of the steering committee.

## **12. Powers and duties of the Steering Committee**

- 1/ Oversees the use and implementation of the Special Fund
- 2/ Approves the program framework, strategy, and directives of the Special Fund
- 3/ Approves projects to be supported by the Special Fund
- 4/ Reviews the overall performance of the Special Fund
- 5/ Reviews the Audit Report of the Special Fund and ensures that recommendations of the Audit report are duly implemented
- 6/ Decides on projects that shall be discontinued or canceled
- 7/ Sets criteria to allow more entities to benefit from the special fund.

## **13. Meetings of the Steering Committee**

- 1/ The Steering Committee shall have one regular meeting annually. However, extraordinary meetings of the Steering Committee may be held at any time when called by the Chairman.
- 2/ The quorum shall be constituted when more than half the members are present at any Meeting.
- 3/ Decisions shall be made by a majority vote of those present. In case of a tie, the chairman shall have a casting vote.
- 4/ Without prejudice to the provision of this article, the Steering committee may adopt its own rules of procedure.

## **14. Powers and Duties of the Ministry of Finance**

The Ministry of Finance shall have the powers and duties to:

- 1/ Administer the Special Fund,
- 2/ Recommend the amount of the budget allocated to the special fund each year, and ensure its approval as part of the annual federal government budget.

- 3/ Prepare the formula on the basis of which the budget allocated by the Federal Government to the special fund is distributed to each region, submit the formula to the House of Federation for approval and implement same upon approval.
- 4/ Sets the criteria for determining the share of the Federal Government and the Regions from the Special Fund and prepares the budget accordingly.
- 5/ Informs each Region of its share determined according to the formula of the House of Federation.
- 6/ Ensures that the National Program framework of the Special Fund is prepared every five years and submitted to the Steering committee
- 7/ Issues directives concerning the special fund administration, program/project management and financial administration; develops operational systems and conducts capacity-building in connection therewith;
- 8/ Recommends to the steering committee the approval of Project concepts and project proposals prepared by accessing entities after reviewed by relevant institution and announces the evaluation results.
- 9/ Ensures accessing entities to submit their annual plan and cash flow report for approved projects and effect budget transfer as per the approved annual work plan
- 10/ Monitors and evaluates the performance of projects financed by the Special Fund and produces a consolidated report
- 11/ Mobilizes additional resources for the Special Fund from development partners, civil societies, and the private sector
- 12/ Facilitates the conditions and makes agreements with the relevant parties for projects supported by the special fund to benefit from international carbon trade.
- 13/ Ensure the Special Fund to be audited in accordance with article 9 (3) hereof.
- 14/ Chair the special fund steering committee

## **15. Powers and Duties of the Ministry of Agriculture**

- 1/ Serves as vice chairman of the Steering Committee
- 2/ Issues technical standards and implementation manuals for the Special Fund

- 3/ Prepares the five-year national program framework that guides the special fund in conjunction with the Ethiopian Forestry Development and with the participation of the relevant stakeholders.
- 4/ Follows up, oversees and renders support to the Ethiopian Forestry Development in connection with the discharge of functions and responsibilities assigned to it in this proclamation.

#### **16. Powers and Duties of the Ministry of Planning and Development**

- 1/ Appraise the Program framework plan of the Special Fund and notify the result
- 2/ Undertakes mid-term and terminal evaluation of the Program framework implementation of the Special Fund

#### **17. Powers and Duties of the Ethiopian Forestry Development**

- 1/ Causes the submission of concept notes and project documents, Presides over the reviews of concept notes and project proposals and submits its recommendations to the Ministry of Finance
- 2/ Prepares technical guidelines to be used for site selection and identification of seedlings to be planted by projects supported by the Special Fund, and provides support to the Regions.
- 3/ Gathers baseline data and put in place a Measurement, Reporting, and Verification (MRV) system that is needed to support projects financed by the Special Fund to benefit from international carbon markets
- 4/ Prepares report on the socio-economic and ecological significance as well as on carbon emission reduction contributions of projects financed by the Special Fund
- 5/ Conducts capacity building activities enabling it to discharge the functions and responsibilities assigned to it in this Proclamation.

#### **18. Accessing entities of the Federal Government**

Accessing entities of the Federal Government shall prepare and submit concept notes and project proposals to be implemented using the financial support from the Special Fund, implement same upon approval, monitor its progress and submit report

#### **19. Duties and Responsibilities of the Regions regarding projects supported by the Special Fund**

The Regions shall:



- 1/ Allocate annually the matching budget for the Special Fund
- 2/ Select and prepare sites to be rehabilitated by the Special Fund, prepare same and issue land use certificate
- 3/ Organize members of the communities who will be beneficiaries of projects supported by the Special Fund and give legal recognition thereto
- 4/ Prepare and submit concept notes and project proposals to be implemented using financial support from the Special Fund, implement the projects upon approval, monitor their progress and submit reports on their implementation.

## **20. Budget for Administering the Special Fund**

The Budget for administering the special fund shall be allocated annually from the special fund

## **PART FOUR**

### **Miscellaneous Provisions**

## **21. Inapplicable Laws**

No law or customary practice shall, in so far as it is inconsistent with this Proclamation, have force or effect in respect of matters provided for by this Proclamation.

## **22. Power to Issue Regulation and Directive**

- 1/ The Council of Ministers may issue regulations for the implementation of this proclamation.
- 2/ The Ministry of Finance may issue directives for the implementation of this proclamation and the regulations issued pursuant to sub-article (1) of this Article.

## **23. Effective Date**

This Proclamation shall enter into force on the date of its Publication in the Federal Negarit Gazette.

*Done in Addis Ababa, this \_\_\_\_ day of \_\_\_\_ 2024*

***SAAHLEWORK ZEWDE  
PRESIDENT OF THE FEDERAL DEMOCRATIC  
REPUBLIC OF ETHIOPIA***