



Federal Democratic Republic of Ethiopia

**Ethiopia's Climate Resilient Green
Economy (CRGE) Facility
Terms of Reference**

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Acronyms

CDM	Clean Development Mechanism
COP	Conference of Parties
CRGE	Climate Resilient Green Economy
EPA	Environmental Protection Agency
GHG	Green House Gas
GTP	Growth and Transformation Program
MDBs	Multilateral Development Banks
MOA	Memorandum of Agreement
MoFED	Ministry of Finance and Economic Development
MRV	Monitoring, Reporting and Verification
PMO	Prime Minister Office
PUNOs	Participating United Nations Organizations
REDD+	Reduced Emission from Deforestation and Degradation
ToR	Terms of Reference
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Program

INTRODUCTION: THE CLIMATE RESILIENT GREEN ECONOMY INITIATIVE

1. Ethiopia has registered a double digit annual economic growth rate during the last decade. The International Monetary Fund expects Ethiopia to become one of the world's fastest growing countries over the coming years. At the same time, Ethiopia is also highly vulnerable to climate change. Ethiopia's Growth and Transformation Plan (GTP, 2011-2015) has set the goal of maintaining the double digit growth rate to elevate the country to middle income country status by year 2025 and doing so by pursuing a net-zero greenhouse gas emission growth, while at the same time, building the resilience of the economy to climate shocks. While choosing a low-emission rather than carbon-intensive path for the 2025 horizon is both responsible and will have significant sustainability co-benefits for Ethiopia, Ethiopia's pursuit of a green economy would also enable it to capture the new climate financing and economic competitiveness opportunities such a path offers for Ethiopia.
2. Ethiopia's Climate Resilient Green Economy (CRGE) Initiative outlines the vision, strategy, financing, and institutional arrangements Ethiopia will need to pursue to attain the triple goals of economic growth, net-zero emission, and building resilience. Overtime, the CRGE will go beyond informing the country's Growth and Transformation Plan (GTP) to being merged with it.
3. Since 2009, several components of Ethiopia's Climate Resilient Green Economy Initiative have been under development. These components are outlined in Ethiopia's CRGE Vision document and they include a **CRGE Strategy**, an integrated planning process dubbed '**iPlan**' under which CRGE sector investment plans will be developed, **CRGE institutions** (e.g. CRGE Units in line ministries and in Regional States), a national Monitoring, Reporting and Verification (MRV) system and a **CRGE Facility** as a financial mechanism to support the implementation of the CRGE.
4. **CRGE Strategy: The Green Economy component** has been completed for seven sectors that offer the highest greenhouse gas abatement potential: Power Supply; Buildings and Green Cities; Forestry (REDD+); Agricultural/Soil-based Emissions; Livestock; Transport; and Industry. The CRGE Initiative – including the Green Economy Strategy - was launched on 8 December 2011 in Durban, South Africa by H.E. Mr. Meles Zenawi, Prime Minister of Ethiopia, at a highly successful international event during the Seventeenth session of the Conference of the Parties (COP 17) of the United Nations Framework Convention on Climate Change (UNFCCC).

5. Over 60 Green Economy initiatives have been identified for their potential to ensure that Ethiopia's 2030 greenhouse gas (GHG) emission levels do not exceed the current 150 megatonne CO₂ equivalent. This avoids about 250 megatonne CO₂ equivalent that would be emitted if a conventional development path were followed to meet economic growth goals set in the GTP. Thus, if fully realized, the Green Economy plan can lead to a zero net emission growth. It also makes the avoided 250 megatonne CO₂ equivalent eligible for financial support from international climate finance.
6. The **Climate Resilient component** is now being developed and is expected to be completed early in 2013. The Climate Resilience Strategy will be informed by the Government's plans on disaster risk management. Once the Climate Resilient component is completed, the Green Economy and Climate Resilient strategies will be integrated to form the CRGE Strategy.
7. **CRGE Registry:** Numerous organizations are active in Ethiopia in the field of climate change. For the country to successfully achieve its Climate Resilient Green Economy vision by 2025, it is imperative that these different initiatives complement one other while avoiding duplication. It is also critical that organizations pursuing climate actions in Ethiopia have access to the best available information. To meet these key needs, EPA is already in the process of establishing an in-house Climate Action Registry (CRGE Registry).
8. **CRGE Governance:** The CRGE Initiative has thus far been led and overseen by the Prime Minister's Office, the Environmental Protection Authority, and MOFED. The CRGE Strategy is being developed by (i) technical sub-committees composed of 6-7 government officials from various line ministries in relevant sectors, (ii) a technical committee that coordinates the work of the sub-committees and is chaired by EPA and (iii) an inter-Ministerial steering committee which is a high-level decision making body guiding this process, chaired by the PM's office.
9. Going forward, the full roll-out of the CRGE Initiative will continue to be coordinated and overseen by PMO, EPA and MOFED jointly and from October 2012 to October 2014, the priority sectors and initiatives identified in the CRGE Strategy will be translated into sectoral programmes and investment plans by line ministries and regions. Implementation of the CRGE Strategy will involve both mainstreaming climate change into existing development investments, and new activities. To this end, CRGE Units are gradually being setup in all relevant line Ministries and Regions. Regional investment plans that aggregate woreda proposals for action in support of the national agenda of building a climate resilient green economy will be developed through a Mechanism to Motivate, Support and Reward Results (mMSRr), a

mechanism that includes a performance-based reward system to incentivize community-level action.

10. **MRV system for CRGE:** The iPlan process will also support the setting-up of a national MRV system for monitoring results. The CRGE Registry will be an important element of the MRV system and would eventually be integrated into the national MRV system. EPA in collaboration with respective sectors and ministries will develop internationally acceptable MRV systems.
11. **CRGE Facility:** Besides ensuring the sustainability of the economy, pursuing a climate resilient green economy offers Ethiopia the opportunity to benefit from international climate finance. The UNFCCC's successive agreements (in Copenhagen 2009, Cancun 2010, and Durban 2011) mandate developed countries to provide new and additional climate finance in the amount of \$30 billion between 2010-12 and \$100 billion per annum by 2020 to developing countries to finance their response to climate change. Such financing will be subject to monitoring, reporting and verification (MRV). The agreements also mandate developing countries to prepare low-carbon development strategies or plans whose implementation can be monitored, reported and verified, in order to access such financing. Further, the Green Climate Fund which will be the vehicle through which the \$100 billion per annum will begin to flow by 2020 allows developing countries to have 'direct access'¹ to funds if developing countries have a national mechanism that meets international fiduciary standards.
12. The Government has thus decided to setup a national financial mechanism called the CRGE Facility, to support the implementation of the priorities set out in the CRGE Strategy and the development and implementation of CRGE Investment Plans identified as part of the iPlan process. The Facility will be based in and overseen by MOFED.

¹Over the past few years the term "direct access" has become part of the core vocabulary of climate change finance. It is a short-form for "access to funding without involvement of intermediary (international) implementing entities." National Implementing Entities (NIEs) have to satisfy specific fiduciary standards designed by a given Fund's Board in order to be accredited by the Fund and access finance from it directly without an intermediary. The requirements for accreditation for direct access to the Green Fund have yet to be agreed.

Purpose of the CRGE Facility

13. The Facility is the Government's vehicle to mobilize, access and combine domestic and international, public and private sources of finance to support the institutional building and implementation of Ethiopia's CRGE Strategy, through grants as well as guarantees and results-based payments. By ensuring compliance with international standards and requirements (including on the monitoring, reporting and verification of activities, and the effective and transparent use of finance) it hopes to enable the Government to directly access international climate funds such as the Green Fund.
14. The CRGE Facility will support and incentivise a programmatic approach to climate change activities, minimizing the transaction costs and duplication associated with a projectized approach. The Facility provides a single engagement point where the Government, development partners, the private sector, civil society and other stakeholders can engage and make decisions about climate change issues, thus enhancing coordination and aid effectiveness and reducing fragmentation.
15. The Facility will use climate finance to complement other existing forms of investment to bolster Ethiopia's core climate-compatible development activities (in areas such as food security, energy, infrastructure development and natural resources management), eventually leading to the full integration of CRGE with the Government of Ethiopia's broader Growth and Transformation Plan (GTP). It is the Government's intention that Ethiopia's development partners will increasingly channel their bilateral and multilateral climate funds through the CRGE Facility.
16. The Facility also facilitates the integrated management of climate change with related agendas such as disaster risk. DRM activities outlined under this investment framework will be eligible for financing from the Facility, via a DRM investment plan.
17. The terms for results-based payment will be defined in detail, consistent with international standards, by the CRGE Technical Committee in consultation with the Advisory Group.

Structure of the CRGE Facility

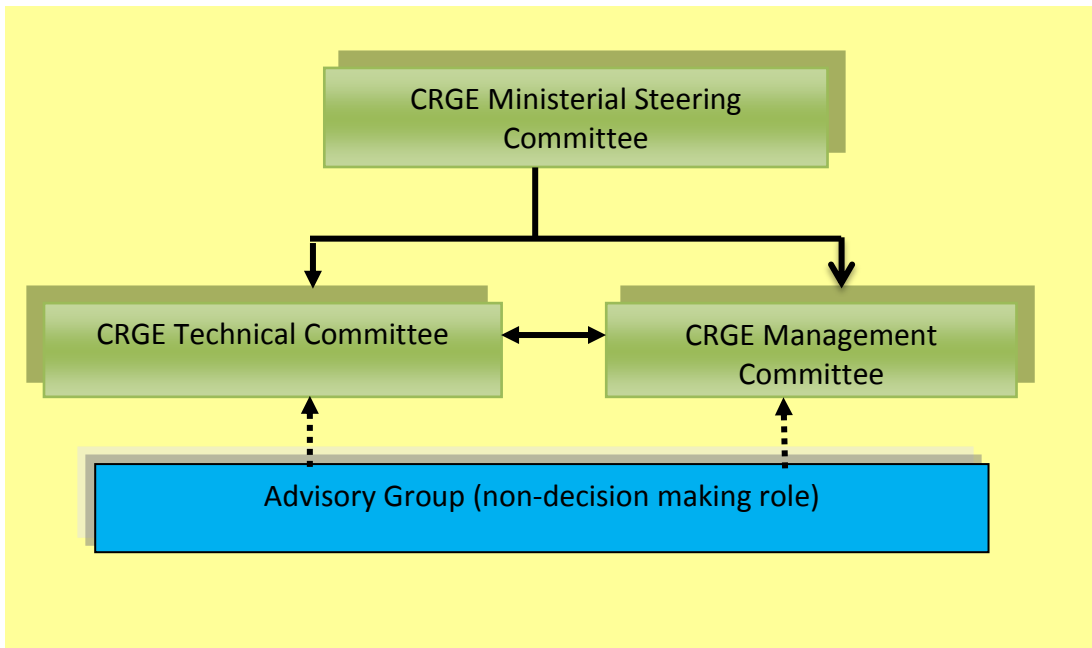
18. The CRGE Facility will have two windows: a **Strategic window** that will exclusively provide support for implementation of activities that have been identified through a strategic process (the 'iPlan') and a **Responsive window** that will provide demand-driven support for implementation and institution-building activities. The Responsive Window will not require the iPlanning process. The strategic investment window will account for more than 75%, of the total funds contributed to the CRGE facility. In line with the principles of Multi-Partner Trust Funds contributions to the Facility, to the extent possible, will not be earmarked, however to allow some flexibility to Partners contributions to the Responsive window can be earmarked. Funds invested in the Strategic window will be pooled and without earmarking. .
19. The **Strategic window** would only consider proposals (investment plans) and associated institution-building requirements generated through the Government's iPlan process. Funds from the strategic window will not be used to finance proposals developed outside the iplan process (i.e. proposals from the responsive window). Investment plans would be submitted by line ministries and regional governments, jointly or in parallel to the standard government budget process. Funds will be allocated by the CRGE management committee, chaired by MOFED, against the investment plans, on an annual basis.
20. Sectoral investment proposals will feature both climate activities undertaken through mainstreaming into existing programmes and through additional programmes. Regional investment proposals are those submitted by regions (alongside ministries), aggregating Woreda proposals generated through the Mechanism to Motivate, Support and Reward Results (mMSRr). Over time, these plans should look to shift from grant to a reward or results-based mechanism for distributing funding. As with the sector investment plans, the regional plans should be generated through the iPlan process and be submitted on a yearly basis.
21. Public funds disbursed through the Strategic window should be used to leverage additional investment. Investment proposals identified under each sector investment plan should specify their financing needs - broken down by source (public, private) and type (grant, guarantee, loan etc.). All mechanisms that are eligible for climate financing including Clean Development Mechanism (CDM) potential should also be identified accordingly in the investment plan.
22. The **Responsive window** will be open to proposals developed outside the iPlan process on a demand-driven basis from a range of stakeholders. This window will be

primarily accessed by Government institutions at federal, regional, local level and by communities. Academic institutions, civil society and private sector organizations will work in partnership with government institutions at federal, regional and local levels and communities. They will all be encouraged to put proposals forward and proposals will need to demonstrate that they are aligned with CRGE goals as outlined in the CRGE Strategy and in particular with published investment plans.

Governance structure of the CRGE Facility

23. The Facility's Governance Structure is streamlined with the existing policy decision-making structures for CRGE as illustrated in Figure 1 below. The Facility will be guided by the overall goals and strategic directions set by the Environmental Council and the CRGE Ministerial Steering Committee.

Figure 1: Governance Structure of the CRGE Facility



24. **The CRGE Ministerial Steering Committee:** The Facility shall be governed by the CRGE Ministerial Steering Committee, chaired by the Prime Minister's Office, that will set the criteria and scope for approving investment plans, and determine the overarching priorities for the CRGE Facility. Furthermore the CRGE Ministerial Steering Committee will be responsible for the following activities:

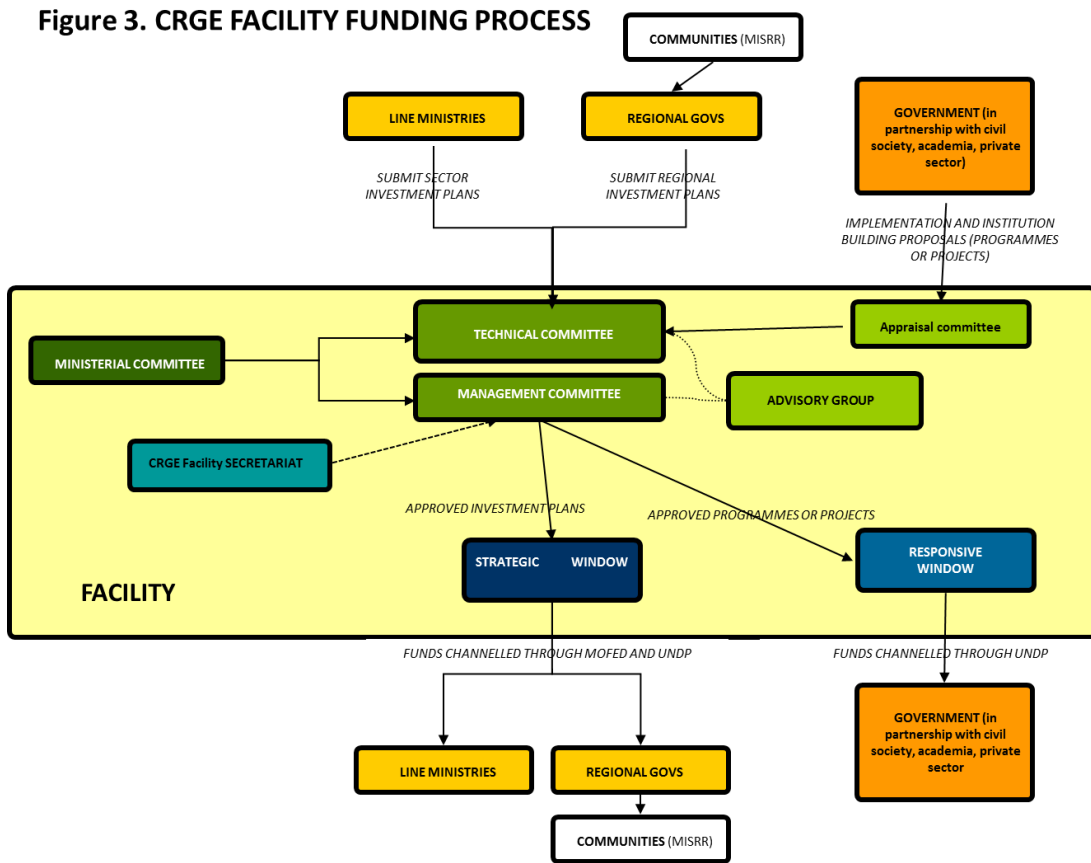
- a. Set overall policy direction and guidance to ensure coherence and/or collaboration between the Facility and national programmes, maintaining

close collaboration with national authorities to ensure flexible adaptation of the Facility activities to changes in national programmes.

- b. Approve the annual overall programme and set the strategic direction of the Facility in order to ensure alignment with the CRGE Strategy
 - c. Facilitates coordination and coherence with other relevant climate change initiatives related to the UNFCCC, the UN Convention on Biological Diversity (CDB), the UN Convention to Combat Desertification (UNCCD), the UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD), the World Bank's Forest Carbon Partnership Facility (FCPF) and Climate Investment Funds (CIF) and initiatives of other international and regional organizations and coalitions.
25. **The CRGE Technical Committee:** The EPA will chair, house and supervise the activities of the CRGE Technical Committee. It will include MOFED's Planning and Research Directorate to ensure alignment with the GTP. Additional members of up to 5 experts will be mobilized from relevant line ministries and others. The CRGE Technical Committee will assess and approve investment plans submitted to both the Strategic and responsive windows by line ministries and regional governments. It will appraise investment plans against both climate criteria (e.g. resilience, green growth) and development criteria (e.g. alignment with the GTP, poverty reduction). Where contributions are associated with UNFCCC funds (e.g. the Green Climate Fund), the CRGE Technical Committee chair will facilitate compatible implementation with internationally emerging MRV requirements. The Technical Committee shall also provide professional views when needed to support external communication by the Facility Management Committee Chair.
26. **The CRGE Management Committee:** MOFED will chair, house and supervise the activities of the CRGE Management Committee. It will include representatives of the Environmental Protection Authority (EPA) and relevant line ministries, as appropriate. It will be responsible for prioritizing the investment plans approved by the Technical Committee and allocating funds from both the Strategic and Responsive windows. In addition, the management committee will have the following responsibilities:
- a. Provide oversight of the Facility, in accordance with the CRGE Ministerial Committee guidance and decisions;

- b. Review and make fund allocation decisions on all Facility activities appraised by the CRGE Technical Committee and in accordance with the parameters set for the Facility within the framework of the CRGE;
 - c. For any funding that is channeled through the UNDP Multi-Partner Trust Fund Office (MPTF Office) as the interim trustee, the Management Committee will authorize the latter to release funds for approved CRGE activities to the CRGE National Account within MOFED.
 - d. Review and approve the Facility's Annual Strategic Plan, which shall include the proposed budget framework and programme priorities. The Annual Strategic Plans shall be prepared by the Facility's Secretariat in collaboration with MOFED and EPA;
 - e. Review and approve the Annual Consolidated Reports that will be submitted by ministries, regions, implementing national entities and the Interim trustee, for submission to Contributors and for public dissemination. The Annual Consolidated Report shall be based on the annual narrative and financial reports of the Facility's programmes, undertaken by line ministries, regions and National Implementing Entities (and compiled by the Facility's Secretariat and submitted to the Interim trustee by MOFED);
 - f. Maintain oversight of financial management of the Facility;
 - g. Oversee effective monitoring and evaluation of all Facility activities to ensure fund-wide success and transparency, including receiving and approving the Annual Monitoring and Evaluation Report from the Facility's Secretariat, including commissioning independent performance evaluations and "lessons learned" exercises;
 - h. Ensure the implementation of an effective communication strategy;
27. The **Facility Advisory Group**: This will consist of development partners (including those capitalizing each of its windows), representatives of multilateral organizations, international NGOs and civil society, private sector and academia. It will review draft investment plans (both regional and sectoral) and provide comments and suggestions to the CRGE Technical and Management Committee. However, the Advisory Group will not be part of the decision-making process, which will remain entirely with the Government of Ethiopia. The Advisory Group will be chaired by development partners, which are supporting the CRGE implementation in Ethiopia, on six monthly rotational bases.

28. The CRGE Facility funding process is illustrated in the following figure.



Stakeholders Roles and Responsibilities

29. **National Implementing Entities:** Under both the Strategic and the Responsive windows, National Implementing Entities are federal (i.e. line ministries) and regional entities that will implement programs in partnership with other non-state actors such as CSOs, private sector, academia, professional associations, youth associations, women associations, etc. National Implementing Entities may prepare proposals for CRGE Facility financing and submit them to the CRGE Technical Committee for review and appraisal. Investment plans prepared under the iPlan process will go directly to the Technical Committee for assessment. Proposals for programme or projects outside the iPlan process will go first to a Fund Committee based in EPA, and successful proposals will then be passed to the Technical Committee. All proposals (for both Strategic and Responsive window financing) will subsequently be forwarded to the Facility Management Committee for the final CRGE Facility financing decision. Federal and regional entities shall each establish a

separate account for the receipt and administration of the funds disbursed to it from the CRGE Facility. This separate ledger account shall be administered by each federal or regional entity in accordance with the National Regulatory Framework. This separate ledger account shall be subject exclusively to the internal and external auditing procedures set forth in the National Regulatory Framework.

30. **Ministry of Finance and Economic Development (MOFED):** MOFED, as the government coordinating entity, in consultation with EPA, shall be responsible and accountable for the effective development, implementation and monitoring and evaluation of the Facility's portfolio implemented by federal and regional entities.

Key functions of MOFED are:

- (a) Full programmatic and financial accountability, on behalf of the Government, for activities implemented by National Implementing Entities;
- (b) Promote Government-wide participation, coordination and coherence in the functioning of the Facility along with EPA;
- (c) Ensure that all investment plans have been cleared by the CRGE Technical Committee and are relevant to the Facility's priorities in accordance with Ethiopia's Climate Resilient Green Economy Strategy and Growth and Transformation Plan , and that all development criteria have been met;
- (d) Release funds from the CRGE National Account to line ministries and regions pursuant to the decision of the management Committee and the National Regulatory Framework and
- (e) Ensure that funds disbursed to federal and regional entities, as approved by the Management Committee, shall not be co-mingled and are released in a timely manner.

31. **Contributors** involved in strategic advice, partnership and oversight to the Facility include other governments (i.e. development partners), private and public entities, including multilateral, intergovernmental and civil society organizations, and individuals. They will release their commitment for both the Strategic and responsive windows directly to the CRGE National Account *or* to the CRGE Facility International Account provisionally administered by the UNDP MPTF Office.

32. **CRGE Facility Management Committee Secretariat:** is composed of a CRGE unit seated in MOFED that will support the Facility Management Committee in close coordination with EPA and the CRGE Technical Committee on Facility related

matters. It will provide liaison and coordination between the Facility's Management Committee, MOFED, EPA and UNDP and provide administrative and substantive support to the CRGE Technical and Facility Management Committees, including support to the Committees' meetings, and compilation and consolidation of financial reports for MOFED. It compiles narrative and financial reports of facility funded activities implemented by National Implementing Entities. It shall also follow-up on the implementation of the decisions of the Facility Management Committee and report back to the Management Committees required.

33. The UNDP MPTF Office: To ensure that international fiduciary standards are met and international climate finance can be accessed immediately, the Government has decided to ask UNDP to manage Strategic and responsive Windows financing that contributors are unable to channel directly through MOFED. The UNDP MPTF Office will provide the following services:

- (a) Strengthen MOFED's capacity to perform fund administration and management functions in order to ensure that National Implementing Entities (line ministries and regions) meet the necessary fiduciary management standards;
- (b) Further to decisions of the Facility Management Committee and upon instruction from MOFED, the MPTF Office shall directly transfer funds into the CRGE National Account within MOFED. The latter shall then transfer funds directly to National Implementing Entities (line ministries and regions);
- (c) Receive financial contributions from those Contributors unable to channel money directly through MOFED, and deposit those in the Facility International Account;
- (d) Administer the funds received, in accordance with UNDP's regulations, rules, policies and procedures, and the Facility TOR;
- (e) Consolidate statements and reports, based on submissions provided by MOFED through the Facility Secretariat containing the submissions of each National Implementing Entity, and provide these to the Management Committee and Contributors;
- (f) Provide final reporting, in accordance with the Facility TOR;
- (g) Disburse funds for any additional costs of the tasks that the Facility's Management Committee may decide to allocate to such organizations in accordance with the Facility TOR.

34. **Other Implementing Entities:** Participating UN Organizations (PUNOs) and Multilateral Development Banks (MDBs) may be requested by the Government to provide capacity development and selected implementation services. In such case, PUNOs or MDBs would assume full programmatic and financial accountability and would carry out the approved activities in accordance with their own applicable regulations, rules, policies and procedures, including related to audit and procurement.

ADMINISTRATION OF FUNDS

35. The Facility will be administered by MoFED. The United Nations Development Programme (UNDP), through its Multi-Partner Trust Fund Office (MPTF Office), will provide provisional fund administration for those resources that are channelled to the Facility's International Account. MoFED will exclusively administer resources that are directly channelled to the Facility's National Account.

36. Operating the Facility requires additional capacity within the Government of Ethiopia. Such capacity development support will be provided to MOFED and EPA by partners through strengthening their respective CRGE units, and supplying CRGE unit staff with direct responsibility for the Facility's operation.

LEGAL INSTRUMENTS OF THE FACILITY

37. The establishment of the Facility will require the:

- (a) Formulation and approval of this Terms of Reference to be agreed upon between the Government and UNDP (as interim trustee of part of the Facility's funding), and development partners (who intend to contribute directly via MOFED);
- (b) Signature of a Memorandum of Agreement (MOA) between the Government and UNDP for the latter's role as the interim trustee of the Facility's International Account;
- (c) Signature of a Memorandum of Understanding between the Government and those development partners intending to contribute directly to the Strategic Window via the National Account MOFED.

38. At the request of the Government, UNDP has agreed to provide partial and interim management role by administering those Strategic Window contributions that

cannot be channelled directly through MOFED, and all contributions to the Responsive Window. While UNDP will provide such fund administration services in the initial years, it will strengthen MOFED's capacity to perform fund administration and management functions in the future. The Management Committee will undertake a comprehensive review of the Facility's operations no later than five years from its establishment and decide when UNDP should hand over its partial fund administration functions to MOFED.

CONTRIBUTIONS TO THE FACILITY

39. Contributions to the Facility will be accepted from the Contributors specified in paragraph 31 above.
40. In support of the overarching objectives of the CRGE and to ensure maximum flexibility and alignment to national CRGE priorities, a key guiding principle for contributions of development partners would be that contributions would be multi-year and un-earmarked. However, if due to policy or statutory requirements Contributors are not able to fully un-earmark their contributions, earmarking by CRGE Facility Window will be accepted.
41. The utilization of both un-earmarked and earmarked contributions will subsequently be approved by the Facility Management Committee on the basis of transparent fund allocation criteria that will be developed by the CRGE Technical Committee and approved by the Facility Management Committee.
42. Contributions to the Facility may be accepted in United States dollars or in any other currency that can be readily utilized. Such contributions shall be deposited into the Facility's National Account or in the International Account. Funds received from Contributors through UNDP MPTF Office will be received on behalf of the Government, and not as UNDP resources.
43. The value of a contribution payment to the International Account, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Gains or losses on currency exchanges shall be recorded in the Facility International Account.
44. To cover the cost of the UNDP MPTF Office fund administration services, UNDP MPTF Office will charge a one-time fee of one per cent (1%) of each contribution deposited in the Facility's International Account. The fee will be deducted from the contribution at the time of its deposit.

REPORTING, TRANSPARENCY, AND ACCOUNTABILITY

45. For each investment plan approved for funding from the Facility's Strategic window, and for each project or initiative approved under the Responsive window, the National Entities through MOFED, and the International Participating Organizations in accordance with the respective Memoranda of Understanding concluded with the Administrative Agent, shall provide to MOFED and the partial interim trustee for funds received from the Facility International Account, the following statements and reports prepared in accordance with the reporting procedures of the Facility:
- (a) Quarterly financial and narrative progress reports at the initial stage of the Facility;
 - (b) Annual certified financial statements and reports as well as narrative progress reports as of 31 December with respect to the funds disbursed to it from the Facility National and International Account and activities performed and results achieved, to be provided no later than three months (31 March) for narrative progress reports and four months (30 April) for financial reports, after the end of the calendar year;
 - (c) Annual certified financial statements and reports as of 31 December with respect to the funds disbursed from the Facility National and International Account, to be provided no later than four months (April 30) after the end of the calendar year;
 - (d) Final narrative reports, after the completion of the activities in each approved investment plan (or project/initiative under the Responsive window), to be provided no later than four months (April 30) of the year following the financial closing of the programmes. The final report will give a summary of results and achievements compared to the goals and objectives of the Facility, as applicable.
 - (e) Certified final financial statements and final financial reports after the completion of the activities in the approved investment plan, to be provided no later than six months (30 June) of the year following the financial closing of the programme, as applicable.
 - (f) There will be annual joint review of stakeholders (implementing national entities, contributors, communities and other entities) for all programs and projects financed through the facility.

(g) After the funding allocation decision is made, the National Entities working together with MOFED and the Facility's Secretariat shall ensure that each activity is subject to the required standards and procedures for accountability and transparency, including all financial and programme performance monitoring, evaluation and reporting

46. In line with the Memorandum of Agreement, the UNDP MPTF Office as the partial interim trustee shall prepare consolidated narrative progress and financial reports for those finances channelled through the Facility's International Account, based on the reports provided by MOFED, and shall provide those consolidated reports to each Contributor to the Facility, as well as to the Facility Management Committee and the CRGE Technical Committee, in accordance with the timetable set forth in the Memorandum of Agreement (MOA).

47. The partial interim trustee shall also provide to MOFED, the Facility Management Committee, the Contributors and the Technical Secretariat an annual certified financial statement on its activities ('Report on Sources and Use of Funds') no later than five months (May 31) after the end of the calendar year, as well as a certified financial statement no later than seven months (July 31) of the year following the financial closing of the Facility, as applicable.

PUBLIC DISCLOSURE

48. The Facility Management Committee, MOFED, EPA and the partial interim trustee shall collaborate to ensure full transparency and accountability of the Facility's finances and operations. The Government and partial Interim trustee shall ensure that the operations of the Facility are publicly disclosed on the website of the Facility (<http://www.mofed.gov.et>) as well as on the partial interim trustee's website (<http://mptf.undp.org>). Website postings shall include a record of decisions of the Facility Management Committee, summary sheets of proposed and approved programmes, programme and Facility-level financial and progress reports, and external evaluation reports, including relevant information on the Facility's finances and operations.

49. Each National Implementing Entity shall take appropriate measures to promote the Facility. Information given to the press and to the beneficiaries of the assistance provided through the Facility, all related promotional material, official notices, reports and publications shall acknowledge the leading role of the Government. In particular, the partial Interim trustee shall ensure that full recognition is given to the role of the Government and national partners in all external communications

relating to the Facility.

OTHER MATTERS

Ownership of Equipment, Supplies and Other Property

50. For Facility-funded activities implemented by National Implementing Entities, ownership of equipment, supplies and other property shall be vested in the Government.

Audit

51. Programme-level auditing of the National Implementing Entities shall be subject exclusively to the internal and external auditing procedures provided in the National Regulatory Framework.

52. The activities of the UNDP MPTF Office, as the partial interim trustee, shall be subject exclusively to the internal and external auditing procedures provided in the financial regulations, rules, policies and procedures of UNDP.

Evaluation and Independent Review of Lessons Learned

53. The Facility Management Committee shall ensure that the CRGE Technical Committee supported by the Facility Secretariat develops an appropriate Monitoring and Evaluation Plan, including a Monitoring, Reporting, and Verification (MRV) plan in accordance with the CRGE planning process, as appropriate, so that all programmes supported by the Facility will undertake proper monitoring and final evaluation which will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation.

54. The Facility Management Committee shall periodically commission an independent “lessons-learned and review studies” of the entire operation of the Facility, as appropriate.

55. MOFED, in consultation with the Facility Management Committee, shall ensure the development of a system for evaluation of the Facility’s use of resources and operations.

Termination of the Facility

56. Notwithstanding completion of the programmes financed from the Facility, as applicable, any unutilized balances shall continue to be held in the Facility Account until all commitments and liabilities incurred in the implementation of the programmes have been satisfied and programme activities have been brought to an orderly conclusion.
57. Any balance remaining in the Facility Account or in the individual separate ledger accounts of National Entities, shall be used for a purpose as decided by the Facility's Management Committee and the Contributors or shall be returned to the Contributors.