

**PARTNERSHIP AGREEMENT**  
**Between the Government of the Federal Democratic Republic of Ethiopia through the**  
**Ministry of Finance and the Government of Norway through the**  
**Ministry of Climate- and Environment**

on

"Cooperation on reducing greenhouse gas emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forests and enhancement of forest carbon stock (REDD+) and on promoting sustainable development through protecting the country's natural environment and promote climate resilience within the context of Ethiopia's Nationally Determined Contributions, Climate Resilient Green Economy Strategy, and Long Term Low Emission Development Strategy".

**I. PREAMBLE**

The Government of the Federal Democratic Republic of Ethiopia through Ministry of Finance and the Government of Norway through the Ministry of Climate and Environment (hereinafter referred to as the "Parties"):

*Recognizing* the ambitious targets in our respective National Determined Contributions (NDC) under the Paris Agreement;

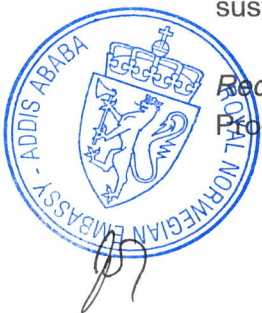
*Appreciating and building on* the long-term cooperation between Ethiopia and Norway in development and climate change responses, including the Partnership Agreement between the Parties on REDD+ within the context of Ethiopia's Climate Resilient Green Economy (CRGE) Strategy which was entered into on 16<sup>th</sup> August 2013;

*Recalling* the Joint Communiqué among Ethiopia, Norway and the United Kingdom focusing on joint collaboration on international climate change policy and support for the CRGE Strategy, declared in Durban on the 8<sup>th</sup> December 2011, and the renewal and expansion of the Communiqué through the Lima Declaration of 10<sup>th</sup> December 2014;

*Acknowledging* Ethiopia's CRGE Strategy that outlines how Ethiopia will reach middle income status while limiting 2030 greenhouse gas (GHG) emissions to 2010 levels and protect the country from adverse effects of climate change and build a sustainable green economy;

*Acknowledging* Ethiopia's goal to restore 22 million hectares of degraded and deforested land as a crucial element to mitigate climate change and to revitalize environmental sustainability while also improving livelihoods;

*Recognising* Ethiopia's REDD+ Strategy and the National Forest Sector Development Programme (NFSDP) as the basis for REDD+ implementation in Ethiopia;



*Acknowledging* the crucial role that protecting and restoring forest ecosystems can play in this critical decade to meet the goals of the United Nations Framework Convention on Climate Change and Paris Agreement, the Convention on Biological Diversity and its Global Biodiversity Framework, and the Sustainable Development Goals. And *recalling* that Ethiopia and Norway both signed the Glasgow Leaders Declaration on Forest and Land Use;

*Recognizing the focus bestowed to the Land-use Change and Forestry (LUCF) sector in achieving 86% of the national emission reduction target by 2030 and doubling the forest cover by 2030, and the implementation of the CRGE Strategy and Ethiopia's Ten-Year Perspective Development Plan (TYPDP)*

*Reaffirming* that Ethiopia and Norway aim to promote an integrated perspective on forests, food and land use systems seeking to deliver on health-, food security-, economic growth-, climate- and biodiversity goals;

hereby renew and extend the partnership between the Parties on REDD+ within the context of the CRGE Strategy and Long-Term Low Emission Development Strategy (hereinafter referred to as "the Partnership") until 2030.

## II. PURPOSE OF THE PARTNERSHIP

The purpose of the Partnership is:

- a) to contribute to the achievement of Ethiopia's Nationally Determined Contributions (NDC), and, in particular the NDC target of the LUCF sector achieving 86% of the national emission reduction target by 2030 and doubling the forest cover by 2030, and the implementation of the CRGE Strategy and Ethiopia's Ten-Year Perspective Development Plan (TYPDP);
- b) to contribute to the achievement of Ethiopia's national biodiversity targets, as articulated in Ethiopia's Biodiversity Strategy and Action Plan (NBSAP);
- c) to contribute to reductions in GHG emissions from REDD+, namely from reduced deforestation and degradation, and increased uptake of GHG from afforestation, reforestation and forest restoration activities, through supporting the implementation of Ethiopia's REDD+ Strategy;
- d) to contribute to Ethiopia's commitment for forest landscape restoration, including under the African Forest Landscape Restoration Initiative (AFR100) to restore 22 million hectares of degraded lands by 2030;
- e) to contribute to reducing vulnerability to the impacts of climate change and support climate adaptation through supporting forest and food system components of Ethiopia's CRGE National Adaptation Plan (NAP);
- f) to contribute to sustainable and equitable development, poverty reduction and environmental sustainability;





- g) Through all of the above, contribute to improve soil health, water availability and overall land productivity, which in turn will help strengthen sustainable food systems, and improve food security and local livelihoods.

### III. GENERAL APPROACH AND OBJECTIVES

In their cooperation, the Parties will:

- a) Ensure that this Partnership be based on, and that nothing in this Partnership should be in conflict with, the United Nations 2030 Agenda for Sustainable Development including the Sustainable Development Goals, the Paris Agreement and relevant decisions of the UNFCCC, and the Convention on Biological Diversity (CBD). The Partnership should also build on and make use of best existing knowledge and recommendations from published reports from the IPCC and IPBES;
- b) Give all relevant stakeholders, including local communities and civil society, and in particular women and youth, the opportunity of full and effective participation in REDD+ planning and implementation;
- c) Be fully transparent regarding financing, actions and results;
- d) Ensure coordination and active collaboration with all other REDD+ relevant initiatives, plans, and strategies. This includes national-, bi- and multilateral REDD+ relevant initiatives taking place in Ethiopia such as the Green Legacy Program, Oromia Forested Landscape Program (OFLP), etc.
- e) Encourage the participation of other partners in the Partnership and mobilizing external funding from public and private sources.
- f) Promote the development of robust carbon accounting, reference levels and a transparent, comprehensive and fully operational National Forest Monitoring System (NFMS).
- g) Ensure the economic, social and environmental sustainability and integrity of all REDD+ efforts in Ethiopia.

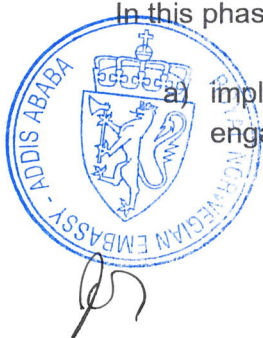
### IV. PHASES OF THE PARTNERSHIP

The Partnership will build on results achieved thus far under the 2013 Partnership Agreement and is intended to be structured in two phases, the activities of which may in some cases be overlapping: “REDD+ Implementation Phase” and “Emission reductions and removals phase”.

### V. REDD+ IMPLEMENTATION PHASE

In this phase, Ethiopia will:

- a) implement the second phase of the REDD+ Investment Programme (RIP II), effectively engaging private sector, civil society as well as multilateral organizations and research



institutions as appropriate, and efficiently making use of relevant research, knowledge and findings produced by such organizations;

- b) operate a National Forest Monitoring System (NFMS) that can deliver reliable forest information that can be used for several purposes, including for the national GHG inventory, reporting under the Paris Agreement, reporting on annual emissions for REDD+ (compatible with international standards such as Architecture for REDD+ Transactions (ART)/The REDD+ Environmental Excellence Standard (TREES)), informing policy development and implementation, and other uses such as development of National Biodiversity strategies and Actions Plans (NBSAP);
- c) operate a Safeguards Information System and submit regular safeguards summary reports on the Cancun Safeguards in relation to REDD+;
- d) Where synergies exist, coordinate and link REDD+ work with national plans and strategies such as the NBSAP and NDC. Such coordination also includes coordinating across sectors, particularly the agricultural sector, represented by the Ministry of Agriculture and the Agricultural Transformation Institute;
- e) Give particular focus to areas of natural forest and forest containing high biodiversity, in order to protect the forest and biodiversity here within.

## VI. EMISSION REDUCTIONS AND REMOVALS PHASE

In this phase, Ethiopia intends to:

- a) Achieve high-integrity national-level emission reductions from reduced deforestation and forest degradation, and increased carbon sinks through afforestation/reforestation and forest restoration;
- b) Based on Ethiopia's submission of the TREES Concept Note<sup>1</sup>, undertake independent third-party validation and verification of the emission reductions and removals in accordance with ART/TREES with a view to generate TREES credits;
- c) Demonstrate that equitable benefit-sharing arrangements for benefits from sales of forest carbon credits have been developed in a consultative, transparent and participatory manner.
- d) Aim to produce such results as described in a) to c) latest by the end of 2026.

## VII. FINANCIAL CONTRIBUTIONS

Norway intends to:

- a) Contribute up to NOK 273 million for the implementation of the second phase of the REDD+ Investment Program (RIP II) as announced on September 5th 2023, and endeavour to assist Ethiopia in attracting additional funding from other sources to fill the financing gap for RIP II





- b) Support Ethiopia with mobilising market demand for high-integrity carbon credits from reduced deforestation, forest degradation and removals.
- c) Guarantee up to USD 15 million<sup>2</sup> for verified TREES credits for the result years 2018-2022 at a price of USD 10 per ton<sup>3</sup>, provided that such credits are issued within the timeframe set out in VI(d) above. If a third-party buyer accepts to buy the volume (or a portion of the volume) guaranteed by Norway through a market mechanism, the Norwegian contribution will be reduced proportionally.
- d) Guarantee up to USD 60 million<sup>4</sup> for verified TREES credits for the result years 2023-2027 at a price of USD 10 per ton<sup>5</sup>. If a third-party buyer accepts to buy the volume (or a portion of the volume) guaranteed by Norway through a market mechanism, the Norwegian contribution will be reduced proportionally.

The Parties acknowledge that:

- e) All Norwegian contributions are subject to annual parliamentary approval.
- f) Financial contributions from Norway will be channelled through agreed financial mechanism(s), with the detailed terms and conditions regulated in separate contribution agreements. In case of inconsistencies or divergences in interpretation, the contribution agreement(s) shall prevail over this Partnership Declaration.
- g) Financial contributions from Norway shall be invested in a way that contributes, directly or indirectly, to the targets of the CRGE Strategy and NDC.
- h) Ethiopia remains committed to finance the continued implementation of forest activities including operationalizing national forest monitoring systems in order to achieve the objectives of the CRGE Strategy and its National Development Plan.
- i) Norway will endeavour to assist Ethiopia in attracting funding from other sources.

## VIII. JOINT CONSULTATION GROUP

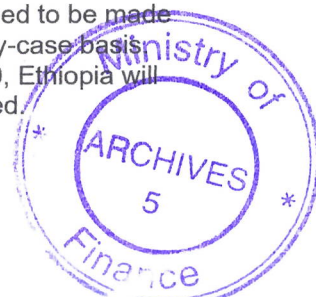
A Joint Consultation Group (JCG) will contribute to the effective implementation of this Partnership. The JCG will consist of representatives from Ethiopia's Ministry of Finance and the Ministry of Agriculture, Ethiopian Forestry Development as well as representatives from the Norwegian embassy in Addis Ababa and the Norwegian Ministry of Climate and Environment. In addition, other representatives as agreed by the Parties, may be invited to the meeting, such as representatives from the Ethiopian Ministry of Irrigation and Lowland Development, Ministry of Planning and Development, and Ministry of Water and Energy.

<sup>2</sup> Not exceeding NOK 150 million

<sup>3</sup> Emissions reductions paid for by Norway as results-based payments will not be counted towards Norway's Nationally Determined Contribution (NDC). They will remain available for use towards Ethiopia's NDC, at its own discretion

<sup>4</sup> Not exceeding NOK 600 million. For budgetary reasons, payments would generally need to be made on a regular basis. Nevertheless, Norway will strive to offer some flexibility on a case-by-case basis

<sup>5</sup> If the Norwegian public sector floor price for TREES credits increases beyond USD 10, Ethiopia will be offered the same price for corresponding years to which a new price has been agreed



The Ministry of Finance will call for the JCG group meeting annually, propose an agenda, and draft minutes from the meeting. Meeting agenda and minutes will be agreed by the JCG.

## IX. AMENDMENTS TO THE PARTNERSHIP

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

## X. LEGAL STATUS

This Partnership Agreement is a mutual cooperation on REDD+ and does not intend to create any legal relations between the Parties.

## XI. ENTRY INTO EFFECT AND TERMINATION

- a) This Partnership Agreement shall enter into effect upon signature and will remain in force until 31 December 2030. Effective upon execution of this Partnership Agreement by all the Parties, the Parties agree that the 2013 Partnership Agreement shall terminate and will be replaced by this Agreement.
- b) This Partnership may be terminated at any time by one of the Parties upon three months prior written notification. Notwithstanding the foregoing, steps will be taken to ensure that the termination of this Partnership will not be prejudicial to any activities or programmes undertaken within the framework of the Partnership.

Done in Duplicate in Addis Ababa on the 27<sup>th</sup> February 2024, in the English language.

  
Ahmed Shide  
Minister



FOR THE ETHIOPIAN MINISTRY  
OF FINANCE



FOR THE NORWEGIAN  
MINISTRY OF CLIMATE  
AND ENVIRONMENT

