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FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA MINISTRY OF MINES, PETROLEUM AND NATURAL GAS

фтС Ref.No MA 233 74

H. Mr. Fredrik Reinfeldt

Global EITI Chair

Oslo, Norway

Subject: Ratification of the Draft validation Report

Dear Mr. Chair,

Since the commitment of February,2009 to implement EITI in our country, tremendous effort has been made to deepen the principle and rules of EITI in line with country's context through active engagements of the Government, companies and civil society organizations. Of course, the commitment from the Secretariat, development partners and other key actors in providing continuous technical and financial support was highly acknowledged for all the achievements which were explicitly stated by the validator's assessment in the draft validation repot.

We, as an MSG/MSB member, have gone through all the draft report produced against the EITI provisions, summary of main findings, international secretariat initial assessments and undertake open discussion on the overall recommendations and scores cited against our achievements as grades indicated except Requirement 1.3. To our mind, civil society engagements either within their constituency or within other stakeholders were free and independent including constituency nominations, advocacy engagement, press release and other related activities for the last a couple of years. As a result, currently more than 45 CSO members voluntarily joined the initiative and actively participated during the outreach programs and public debates held at different occasions.

Apart from this, subsequent to the current practical reform going on in the Country, Civil Society proclamation 621/2009 amendment was concluded by the task force delegated to develop a draft proposal and transferred to Attorney General for final review before making final decision by the

parliament and hop fully, there will be a possible conducive environment in the coming near future to reasonably engage CSO constituency in the EITI implementation process following the emerging high level commitment of the Ethiopian government to engage CSOs in all dimensions of the Country's agenda.

Therefore, considering this all facts on the ground, we would like to request the board to reconsider the findings cited as an impediment on this specific requirement and reasonably rate and modify its comment which should enable us to improve more.

With regard to the second issue (SOE), there is clear regulation that governs the SOE operation. Of course revenue expected from this sector for the reporting period was immaterial because of some instability around the operation area that affected the company to produce with its full capacity. However, it is undeniable that there is some slight legal frame gap in the flow of finance which creates blurred for external observers. Currently, following the national reform going on the Ministry has already resumed amending some of the laws to address such gaps and hopefully this will be one issue to be addressed very soon. Nonetheless, recognizing all the recommendations forwarded, we will strictly plan and workout to correct gaps come in to view.

Finally, I would like to assure the Board that Ethiopia will continue its effort to comply with all the requirements to ensure that EITI should be mainstreamed in all relevant sectors and at the same time I want to reaffirm that the report was endorsed by EEITI MSB/MSG members.

Sincerely

muel Urkato (PhD) Minister

<u>Cc:-</u>

Mr. Eddie Rich (EITI Deputy Executive Director)

Mr. Bady Balde (EITI Africa Director)

Oslo, Norway