

Ministry of Finance

Directive Number 1039/2025

Seqota Declaration Financial

Administration directive

January 2025

Ministry of Finance

Addis Ababa

Seqota Declaration Financial Administration Directive

Whereas it's necessary to establish a standardized, transparent and accountable financial administration and control system to oversee the government-allocated budget for the Seqota Declaration.

Now therefore pursuant to the authority granted under Article 75 of the Federal Government Financial Administration Proclamation No. 648/2001 (as amended) the Minister of Finance issued this directive.

Part one:

General Provisions

1. Short Title

This directive may be cited as the "Seqota Declaration Financial Administration Directive Number 1039/2025."

2. Definition

Unless otherwise specified to provide a different meaning, the meaning of the term within this directive shall be as follows:

- 1/ **“Seqota Declaration”** mean the government’s commitment to end child stunting under the age of two by the year 2030
- 2/ **“Stunting”** mean a condition caused by chronic malnutrition, which primarily affects physical and cognitive development from conception up to two years of age, which results in impaired physical growth and mental development.
- 3/ **“Budget”** mean to the money allocated by the government, donors and other stakeholders for the implementation of Seqota Declaration.
- 4/ **“Matching Fund”** mean to the budget allocated for the program by the regional/city administration, which is equivalent to the budget transferred from the federal government.
- 5/ **“Inter-ministerial steering committee”** means a committee established by the government to coordinate Food and Nutrition Strategy.

- 6/ **“Institution”** mean a government organization that receives money for the implementation of Seqota Declaration.
- 7/ **“Coordination office”** refers to an office under the regional government/city administration to coordinate the implementation of Food system, Food and nutrition strategy and Seqota Declaration.
- 8/ **“Ministry or Minister”** means the Ministry of Finance and the Minister of the Ministry respectively.
- 9/ **“National regional State”** is established under Article 47 of the Constitution, and it also includes Addis Ababa and Dire Dawa city administrations.
- 10/ **“Regional Finance Bureau”** is a bureau that oversees the government finance at regional and city administration levels.
- 11/ **“Person”** refers to a person created by nature or a body granted human rights by law.
- 12/ The term as defied under the Federal Government Financial Administration Proclamation No. 648/2001 (as amended) and the Financial Administration Regulation shall have the meaning provided in these laws.
- 13/ Anyone expression in the masculine gender shall also include the feminine gender.

3. Scope of application

This directive shall be applicable to all federal and regional institutions that implement the Seqota Declaration program.

part Two

Seqota declaration Financial Administration

4. Budget

- 1) The Seqota Declaration program financial administration shall be handled according to the Government Financial Management Proclamation, regulations, and guidelines as well as executed based on the Government Procurement Proclamation.
- 2) Matching Fund shall be allocated for the Seqota Declaration program by the Federal Ministry of Health and at the regional level, under the regional president offices.
- 3) The budget for the program, as allocated based on the cash flow forecast, shall be transferred to the Federal and Regional Executing institutions. Budget shall be allocated for the Ministry of Finance and the regional finance bureaus for administrative expenditures.

5. Cash Receipt Voucher Recording Procedure

The Seqota declaration executing institutions shall be responsible for collecting income through banks and will use the corresponding advice or slips issued by the bank for financial recordkeeping. The income collection shall be recorded in a financial ledger through the Receipt Voucher (ᐃᐃᐅᐅ-1) for proper accounting.

6. Audit and Oversight

For regional and city administrations, the Financial Statements and reports related to the Seqota Declaration shall be audited by the Office of the General Auditor of the region or city. The audit reports shall then be submitted to the Ministry of Finance, the Ministry of Health, and other relevant bodies.

part Three

Roles and Responsibilities

7. Roles and Responsibilities of the Ministry of Finance

- 1) The Ministry of Finance shall communicate the approved budget for the Seqota Declaration to the Ministry of Health.
- 2) Based on the cash flow forecast/request provided by the Ministry of Health, the Ministry of Finance will transfer funds to the Ministry of Health and the regional and city administration finance bureaus.
- 3) The Ministry of Finance shall open a separate bank account for federal institutions, named “**Seqota Declaration Program**”, and authorized regions to open segregated bank accounts under this name.
- 4) The Ministry of Finance shall submit periodic budget utilization reports to the Ministry of Health.
- 5) The Ministry of Finance shall provide necessary clarifications and explanations about financial recording and closing to the institutions.

8. Roles and Responsibilities of the Ministry of Health

- 1) The Ministry of Health shall oversee and coordinate the Seqota Declaration. It will monitor the proper use of the allocated funds to ensure they serve their intended purpose. The Ministry will also report the execution of the program to the Inter-ministerial steering committee.
- 2) The Ministry shall submit annual budget request to the Ministry of Finance, based on the costed multisectorial woreda based plan approved by the inter-ministerial steering committee.
- 3) The Ministry of Health shall prepare the cash flow forecast based on the approved budget and submit payment request to the Ministry of Finance.
- 4) Based on the approved budget and the detailed work plan, the Ministry of Health shall prepare budget allocation to the regions and city administrations.

- 5) The Ministry shall send an annual physical and financial plan to the regional/city administrative coordination offices.
- 6) The Ministry shall provide capacity-building support to the regional/city administration Seqota Declaration executing institutions.

9. Roles and responsibilities of regional and city administration finance bureaus.

- 1) Receive approved costed multisectoral woreda based plan and budget allocation by regional and city administration council from the coordination office.
- 2) Review the matching fund request submitted by regional and city administration office and presents it to the council for approval.
- 3) Deposit the approved matching fund in the regional and city administration bank account opened in the name of Seqota Declaration program.
- 4) Record income, issues cash receipts and send confirmation to Ministry of Finance for the money received from the Ministry.
- 5) Open class B bank account in the name of “Seqota Declaration Program” for sectors, zones and woredas as necessary.
- 6) Based on the approved plan and budget allocation and cash disbursement schedule from coordination office, transfer cash for sector offices and woredas, when deemed necessary transfer the cash through zones and sub-city administrations.
- 7) Shall provide capacity building and technical support for regional and city administration, sector bureaus, zones and woredas.
- 8) Ensure that income and expenditure recording follows the government’s financial system (IBEX) and the same is being implemented at all levels accordingly.
- 9) Submit quarterly and annual regional/city administration financial reports to Ministry of Finance and the coordination office.
- 10) Ensure financial reports are prepared, audit is conducted for the budget transferred to executives and send the audit report to Ministry of Finance, coordination office and other relevant bodies.

10. Roles and responsibilities of regional coordination office

- 1) Through coordinating regional/city administration implementing sector bureaus, zones and woredas, prepares costed multisectoral woreda based plan, send it to the Ministry of Health

for the budget transferred from Ministry of Finance and matching fund allocated from region/city administration.

- 2) Prepare and send a matching fund request for regional finance bureau and follow-up its endorsement by the regional counsel.
- 3) Prepare budget allocation as per approved budget and costed multisectoral woreda based work plan.
- 4) Submit costed multisectoral woreda based plan to the Ministry of Health to request cash transfer from Ministry of Finance.
- 5) Apportion budget transferred from Ministry of Finance and regional matching fund to sector bureaus and woredas and send to finance bureau.
- 6) Follow-up the budget transferred from Ministry of Finance and regional matching fund is utilized in accordance with costed multisectoral woreda based plan.
- 7) Follow-up the submission of financial report for the budget transferred to executives, review it by the high-level leadership and ensures that audit is going to be conducted.
- 8) Submit quarterly and annual financial and physical report to the Ministry of Health.

11. Regional, Zonal and woreda executive sectors

- 1) In collaboration with the regional coordination office, prepare costed multisectoral woreda based plan, get it approve by the cabinet and submit it to the coordination office.
- 2) Regional executive institutions utilize the budget transferred from finance bureau for planned activities, prepare financial reports, confirm an audit is conducted and send financial utilization and physical performance report.

12. Roles and responsibilities of Woreda finance offices

Woreda finance office ensure the budget transferred from finance bureau is utilized by implementing sectors in accordance with the costed multisectoral woreda based plan, prepare and send financial reports to finance bureau and confirm an audit conducted.

part four

Miscellaneous Provisions

13. Effective date

This directive shall take effect as of the date its registration with the ministry of justice and its uploaded on the official website of the Ministry.

Ahmed Shide

F.D.R.E. Minister of Ministry of Finance