



联合国
粮食及
农业组织
FOOD AND
AGRICULTURE
ORGANIZATION
OF THE
UNITED NATIONS

ORGANISATION
DES NATIONS
UNIES POUR
L'ALIMENTATION
ET L'AGRICULTURE

ORGANIZACION
DE LAS NACIONES
UNIDAS PARA
LA AGRICULTURA
Y LA ALIMENTACION

منظمة
الغذية
والزراعة
للأمم
المتحدة

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LETTER OF AGREEMENT

Provisions of funds from the
Food and Agriculture Organization of the United Nations, to the

Global Witness Limited, London, UK

(PR 41308)

1. Introduction

The Food and Agriculture Organization of the United Nations (hereinafter referred to as "FAO"), will make available to Global Witness Limited (hereinafter referred to as "Recipient Organization") a financial contribution in the amount of USD 31,000 (thirty one thousand US dollars) for the development of the technical report on Independent Forest Monitoring (IFM) Method.

2. Purpose

- a) The activities for which the funds provided by FAO under this Agreement shall be used are the following:
 - i) Conduct a desk study on Independent Forest Monitoring Method based on the gained experience of the Recipient Organization in developing countries.
 - ii) Prepare a technical report on IFM and present it at the UNFCCC SBASTA June 2009.

(hereinafter referred to as the "project")

- b) The background, the terms of reference, the inputs to be provided by the Recipient Organization, the budget and the identification of the Monitoring/Certifying Officer are given in the attached Annex which constitutes an integral part of this Agreement.

3. General Conditions

- a) Funds provided by FAO under this Agreement are to be used by the Recipient Organization exclusively in support of the project.
- b) The Recipient Organization will be responsible for the organization and conduct of the project. FAO will not be held responsible for any accident, illness, loss or damage which may occur during the implementation of the project.
- c) The use of the official emblem and name of FAO on any publication, document or paper is specifically prohibited without prior written approval from FAO.
- d) All intellectual property rights (including copyright) in the work to be performed under this Agreement shall be vested in FAO, including without limitations the right to use, publish, translate, sell or distribute, privately or publicly, any item or part of thereof. FAO hereby grants

to the Recipient Organization a non-exclusive royalty-free license to use, publish, translate and distribute, privately or publicly, any item or part of the work to be performed under this Agreement for non-commercial purposes. Neither the Recipient Organization nor its personnel shall communicate to any other person or entity any confidential information made known to it by FAO in the course of the performance of its obligations under the terms of this Agreement nor shall it use this information to private or company advantage. This provision shall survive the expiration or termination of this Agreement.

- e) The personnel assigned by the Recipient Organization to the organization and running of the project shall not be considered as staff members of FAO and shall not be entitled to any privilege, immunity, compensation or reimbursement by FAO. Neither the Recipient Organization nor its personnel shall be allowed to incur any commitment or expense on behalf of FAO. Nothing in this Agreement or in any document relating thereto, shall be construed as constituting a waiver of privileges or immunities of FAO, nor as conferring any privileges or immunities of FAO on the Recipient Organization or its personnel.
- f) The present Agreement shall be governed by general principles of law, to the exclusion of any single national system of law.
- g) If, after meeting the costs of the project, there are unexpended funds under this Agreement, the Recipient Organization shall return such unexpended funds to FAO.
- h) FAO shall have the right to terminate this Agreement, by written notice to this effect, if it considers that the continued implementation of the Agreement is impossible or impractical:
 - (a) for unforeseen causes beyond the control of FAO;
 - (b) in the event of a default or delay on the part of the Recipient Organization.
- i) In the event of the Recipient Organization's non-compliance or partial compliance with the terms of this Agreement, it will refund to FAO any payment already received in respect of activities that have not been performed by the Recipient Organization to a standard considered acceptable to FAO.
- j) In the event of termination by FAO for unforeseen causes beyond its control, FAO shall complete all payments which may be due up to the effective date of termination.

4. Reporting

- a. The Recipient Organization shall submit to Mr. Peter Holmgren, Director, Environment, Climate Change and Bioenergy Division, Natural Resources Management and Environmental Department (Rome), the draft technical report on Independent Forest Monitoring (IFM) Method for revision and comments by 1st May 2009.
- b. The Recipient Organization shall submit to Mr. Peter Holmgren, Director, Environment, Climate Change and Bioenergy Division, Natural Resources Management and Environmental Department (Rome), the second draft technical report on Independent Forest Monitoring (IFM) no later than 10 May 2009.

- c. The Recipient Organization shall submit to Mr. Peter Holmgren, Director, Environment, Climate Change and Bioenergy Division, Natural Resources Management and Environmental Department (Rome), the final technical report on IFM to be presented at UNFCCC SBSTA by 31 May 2009.
- d. The Recipient Organization shall submit to Mr. Peter Holmgren, Director Environment, Climate Change and Bioenergy Division, Natural Resources Management and Environmental Department (Rome), an itemized statement of expenditures (certified by the Chief Accountant or similar officer of the Recipient Organization) prior to receiving final payment for the services performed.
- e. The Recipient Organization shall submit to Mr. Peter Holmgren, Director, Environment, Climate Change and Bioenergy Division, Natural Resources Management and Environmental Department (Rome) an unaudited statement of accounts showing the utilization of funds provided under this agreement, certified as to its correctness by the officer responsible for maintaining them.
- f. The Recipient Organization (i) shall maintain supporting documentation showing the utilization of funds under this Agreement and all other documentation and records related to the project for a period of three years following the completion of the project, during which period, FAO or a person designated by the FAO shall have the right to review or audit the relevant records and (ii) shall make available employees or agents with knowledge of the project to respond to questions from FAO.

5. Terms of Payment

- a) For the execution of the project under this Agreement, FAO will make a financial contribution of USD 31,000. The payments will be made as follows:
 - i) USD 10,000 upon signature of the present Agreement;
 - ii) USD 10,000 upon acceptance by FAO of the second draft report, as described under 4 b) above.
 - iii) USD 11,000 upon acceptance by FAO of the itemized statement of expenditures and the final report noted under paragraphs 4c) and 4d) above.
- b) The above amounts will be paid in the currency stated above.
- c) The sum stipulated in paragraph 5a) above represents the full amount to be paid by FAO for all services and activities to be provided by the Recipient Organization under this Agreement.
- d) FAO will make the above-noted payments in accordance with the banking instructions provided below by the Recipient Organization.

6. Settlement of Disputes

Any dispute between FAO and the Recipient Organization arising out of the interpretation or execution of this Agreement shall be settled by mutual agreement. If FAO and the Recipient Organization are unable to reach agreement on any question in dispute or on a mode of settlement other than arbitration, either party shall have the right to request arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL), as at present in force. FAO and the Recipient Organization agree to be bound by any arbitration award rendered in accordance with the above, as the final adjudication of any such dispute.

7. Amendments

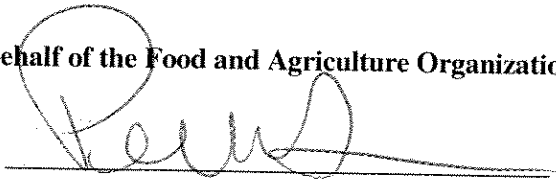
Any amendment to this Agreement shall be effected only on the basis of written mutual consent by the Parties.

8. Entry into Force

- a) The present Agreement will enter into force upon signature by both Parties.
- b) The Recipient Organization must sign this Agreement in duplicate, keep one original and return the other to Peter Holmgren, Director of Natural Resources, Climate Change and Bioenergy Division, FAO Rome.

Signed on behalf of the Food and Agriculture Organization of the United Nations:

Signature: _____



Date: _____

22 APR 2009

Peter Holmgren
Director
Environment, Climate Change and Bioenergy Division
Natural Resources Management Department

Signed on behalf of Global Witness Limited:

Signature: _____

Date: _____

Jeff Kaye
Director
Global Witness

Detailed Banking Instructions

Bank name:	The Cooperative Bank
Account Holder's name:	Global Witness Limited
Account Holder's Address:	Global Witness Ltd 4 th Floor Hamlyn House, Macdonald Road, Upper Holloway, London N19 5DD
Bank address:	Olympic House, 6 Olympic Court Salford M5 2QP
Bank ABA or Swift number:	CPBKGB22
IBAN:	GB44 CPBK 0890 6165 0053 96
Bank account number:	65005396
Sort code:	08-90-61

TERMS OF AGREEMENT

1. Background

The UN-Collaborative Programme for Reducing Emissions from Deforestation and Forest Degradation, is joint effort between FAO, UNDP and UNEP in combating climate change through the creation of technical and financial mechanism to reverse unsustainable practices of natural resources management. The UN-REDD Programme encourage coordinated and collaborative UN support to countries, thus maximizing efficiencies and effectiveness of the organizations' collective input, consistent with the "One UN" approach advocated by UN members.

The UN-REDD Programme, has two components: (i) assisting developing countries prepare and implement national REDD strategies and mechanisms; (ii) supporting the development of normative solutions and standardized approaches based on sound science for a REDD instrument linked with the UNFCCC. The programme helps empower countries to manage their REDD processes and facilitate access to financial and technical assistance tailored to the specific needs of the countries.

In September 2008, UN-REDD programme organized a workshop in Washington DC to develop a roadmap with activities regarding monitoring and verification of carbon emissions, based on identified information and methodological gaps and needs to initiate a process that ensures that the wide body of knowledge and initiatives related to REDD, contribute to a coordinated framework or guidelines for REDD monitoring, assessment and verification systems that are able to support any agreed international REDD approach.

Independent Forest Monitoring (IFM) developed by Global Witness, is a tried and tested method, developed over the last nine years to improve management systems and compliance with laws in the forest sector at national level. IFM has succeeded in improving forest sector governance. It has a proven track record of reducing illegal activity in the forest sector, combating corruption, and improving transparency and accountability within both industry and government.

IFM has been implemented in Cambodia, Cameroon, Republic of Congo (RoC), Honduras and Nicaragua. In addition, a one pilot mission to demonstrate the way IFM works on the ground has been run in the Democratic Republic of Congo (DRC) and a second one is planned for 2009. Scoping / feasibility studies have been undertaken in Ghana, Peru, Mozambique and Tanzania.¹ Global Witness has also run IFM training programmes in Liberia, Indonesia and Central America and developed a Guide to Independent Forest Monitoring available in three languages.

2. Terms of reference

It is recognised that a robust system for monitoring, assessment, reporting and verification (MARV) will be essential for the implementation UN-REDD actions at country level. It is further recognised that independent third party monitoring and verification or review, at both national and international level, should be part of the system. Global Witness will undertake a desk study of IFM experience gained to date and to prepare a report for the 30th session of the UNFCCC SBSTA in June 2009, covering the following

¹ Note Global Witness has undertaken work in all countries except RoC and Tanzania.

2.1 Description of activities

A technical report on Independent Forest Monitoring (IFM), including:

- a) A review of IFM institutional architecture in different cases for the definition of clear lessons for REDD on structure and expectations including:
 - i) 'bridge the gap': the need to build trust and confidence between actors.
 - ii) Modus operandi: Terms of Reference as a process not an imposition.
 - iii) Mandate: The approach of IFM: investigative, evidence-based, focus on systemic issues.
 - iv) Reporting panels and validation / approval of IFM reports as a political process ensuring ownership of the findings and responsibility for the corrective actions clearly lies with those with the power to act.
- b) Case studies highlighting lessons on potential application of IFM to REDD systems and implementation on the ground
 - i) Case studies of real IFM investigations:
 - the resources and methodologies required.
 - the diversity of IFM work, including both field work (e.g. failures regarding forest operations) and desk studies (e.g. investigating the integrity of databases).
 - experiences that informed the development of IFM.
- c) Impacts of IFM
 - i) How does it help to address governance failures? Impacts of IFM on (a) improved procedures, transparency and accountability; (b) improved law enforcement; and (c) changes to the legal framework / operating environment.
 - ii) Clear lessons on the value of IFM to the integrity of national REDD systems.
- d) Conclusions to inform the REDD negotiations and the development of national REDD systems, and to provide clear pointers for further discussions on IFM in the context of REDD.

2.2 Definition of outputs, reports and publications

A technical report containing the findings, conclusions and recommendations of the study, to be presented by the Recipient Organization in UNFCCC SBSTA in June 2009.

FAO and Global Witness agree that the publication, including printing, of reports and documents related to IFM will be covered by a separate co-publishing agreement between the two institutions.

2.3 Duration and timing

The agreement will be implemented from the signature day to June 2009.

2.4 Monitoring and progress reporting

Mr. Peter Holmgren, Director will monitor activities and evaluate progress in terms of deadlines and outcomes for the project NRC FAO Rome:

First draft of the document will be sent on 1st May 2009 for comments and revision.
 Second draft will be sent by 10 May 2009.
 Final technical report sent by 31 May 2009.

3. Budget

Activity	Days		Total USD	Comments
Senior Global Witness IFM specialist	30	USD380/day	11,400	
Contribution to management and strategic direction at the Recipient Organization and overhead			3,000	
Travel London/Rome one person	5	DSA at USD329/day *6days=USD1974 +Airticket USD 626	2,600	Coordination and revision of the material
Validation of the document with identified experts 3 experts developing countries		DSA at USD329/day * 10 days for 3 experts total US\$9870 + Airtickets USD2130 = US\$12 000 for 3 experts	12,000	Include meeting with the identified experts to be held in Rome includes travel and DSA of participants from developing countries.
Communications			2,000	
Total			31,000	

Costs are shown as estimates. Actual costs will be reported on the statement of expenditures before final payment is made.

7. Monitoring/Certifying Officer

Mr. Peter Holmgren, Director NRC, FAO Rome, will monitor the implementation of the Agreement and certify that the terms of the Agreement have been met and that payments can be made.

8. Reimbursements

The Recipient Organization will reimburse FAO any overpayments that may have been effected or excess funds which may remain after the completion of the assessment covered by this Agreement.