



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

**The H. John Heinz III Center for Science, Economics and The Environment  
Washington DC, USA**

(PR 41306)

### 1. Introduction

The Food and Agriculture Organization of the United Nations (hereinafter referred to as "FAO"), will make available to **The H. John Heinz III Center for Science, Economics and The Environment** (hereinafter referred to as "Recipient Organization") a financial contribution in the amount of USD 58,000 (fifty eight thousand US dollars) to prepare a report on the requirements and implications of measurement for carbon accounting under different REDD constructions.

### 2. Purpose

- a) The activities for which the funds provided by FAO under this Agreement shall be used are the following:
  1. Prepare a report on "Requirements and implications of measurement for carbon accounting under different REDD constructions".
  2. Together with FAO define an expert reference group for the consultation on issues related to carbon accounting and measurements, including commenting on the main report on "Requirements and implications of measurements for carbon accounting under different REDD constructions" of this agreement.
  3. Working with FAO, present the report "Requirements and implications of measurement for carbon accounting under different REDD constructions" during a side event in UNFCCC SBSSTA 1-12 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 any limitations, the right to use, publish, translate, sell or distribute, privately or publicly, any item or part thereof. 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), draft report on "Requirements and implications of measurement for carbon accounting under different REDD constructions" for revision and comments , no later than April 24<sup>th</sup> 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), a second draft report on "Requirements and implications of measurement for carbon accounting under different REDD constructions" for finalization to be presented after the revision and comments provided by the reference group, no later than May 1<sup>st</sup> 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), 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.

- d) The Recipient Organization shall submit to Mr. Peter Holmgren, Director, Environment, Climate Change and Bioenergy Division, Natural Resources Management and Environmental Department (Rome) a final audited statement of accounts showing the utilization of funds as determined under this Agreement within three months following the completion of the project. If the legal status of the Recipient Organization precludes the provision of an audited statement of accounts, 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 will be provided.
- e) The Recipient Organization shall submit to Mr. Peter Holmgren, Director, Environment, Climate Change and Bioenergy Division, Natural Resources Management and Environmental Department (Rome), a printed copy of the final report to be presented at UNFCCC SBSTA by 15 May 2009.
- 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 58,000. The payments will be made as follows:
  - i) USD 17,000 upon signature of the present Agreement;
  - ii) USD 29,000 upon acceptance by FAO of the second draft report, as described under 4 b)
  - iii) USD 12,000 upon acceptance by FAO of the itemized statement of expenditures and the final report noted under paragraphs 4 c) and 4e) 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.

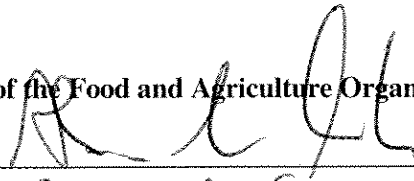
7. Amendments

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: 20.01.2005

Alexander Müller  
Assistant Director-General  
Natural Resources Management Department

Signed on behalf of The H. John Heinz III Center for Science, Economics and The Environment

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Tom Nichols  
Vice President for Finance and Administration / CFO  
The H. John Heinz III Center for Science, Economics and The Environment

**Detailed Banking Instructions**

Bank Name: Bank of America  
Account No: 226000751421  
Swift/BIC Code: BOFAUS3N  
Account Holder: The H. John Heinz III Center for Science, Economics and The Environment

## 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.

REDD mechanism will have to rely on repeated measurements to determine stocks and flows of carbon. These measurements must be sufficiently accurate and precise to meet requirements of carbon accounting stipulated by such a mechanism.

The UN-REDD Programme is commissioning a report that examines the requirements and implications of measurements for carbon accounting, across a set of possible constructions of a REDD mechanism ("REDD" is used in this terms of agreement to describe the full range of possibilities from RED, REDD, REDD+, to AFOLU). The purpose is to provide a summary options paper that can help guide the proceedings towards a REDD mechanism by setting out requirements, options, limitations, cost-efficiencies, and policy implications drawing from existing experiences and expected advances in forest resources monitoring and reporting.

The project is led by FAO as the focal agency on monitoring, assessment, reporting and verification within the UN-REDD Programme. It will engage a small group of experts in a reference group that is expected to meet (in person or virtually) three times over a four month period. Draft findings will be presented in early April 2009 and a final report before SBSTA in June 2009.

### 2. Terms of reference

It is recognised that a robust system for monitoring, assessment, reporting and verification (MARV) for carbon emissions in forest and other land uses areas, will be essential for the implementation UN-REDD actions and respond to different scenarios that may exist at country level.

#### 2.1 Description of activities and definition of outputs

A) *Prepare a report on "Requirements and implications of measurement for carbon accounting under different REDD constructions".*

- 1 Measuring/estimating biomass state and change is the basis for any form of carbon accounting under REDD. (Biomass may include dead and below-ground matter);
- 2 Carbon accounting will be required at national scale as well as at local scale, the report will consider situations down to small-holders' estates;

- 3 Measurement requirements for at **least three scenarios** will be considered:
  - i) “change of change” (e.g. credits based on reductions of deforestation)
  - ii) “change” (e.g. credits based on changes in total carbon stock)
  - iii) “state” (e.g. credits based on carbon stock)
- 4 Measurement requirements for at **least three scopes** will be considered:
  - i) “RED” (reduced emissions from deforestation),
  - ii) “REDD” (reduced emissions from deforestation and forest degradation)
  - iii) “AFOLU” (agriculture, forestry and other land use)
- 5 The report will:
  - i) Present the range of existing and emerging measurement technologies/systems relevant for terrestrial carbon
  - ii) Evaluate their suitability for RED, REDD and AFOLU (inc robustness, capacity needs, etc)
  - iii) Set out the measurement requirements for each scenario and each scope, and across studied scales
  - iv) Draw conclusions re: cost-efficiency, synergies with other measurement needs, and the optimal staged approach to move from a less than comprehensive scope to a comprehensive scope.
- 6 Three basic components of a biomass carbon measurement system will be considered to enable comparisons of needs and implications across scenarios and scopes:
  - i) Models (e.g. allometric conversion functions)
  - ii) Field measurements (e.g. tree diameter and height measures)
  - iii) Remote sensing (e.g. light reflectance measures)

*B) Establish a reference group* for the revision of the main report, and continuous communication regarding the monitoring, assessment, reporting and verification issues.

*C) Present the report:* Working with FAO, The Heinz III Center for Science, Economics, and the Environment, presents the report during a side event in UNFCCC SBSSTA 1-12 June 2009.

## 2.2 Duration and timing

Upon signature of the agreement: Designation of personnel to conduct the research and write report and design the study and report

April: Convoke experts in expert reference group

April Research and consult with expert reference group

May Circulate first draft report to expert reference group

End of May Circulate second draft containing the inputs/comments provided by the expert

June: Prepare final report and prepare presentation to SBSTA

### 2.3 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:

### 3. Budget

Budget line	Total cost	Comments
Salaries - 2 persons	22,000	150 working days
Project management - 2 persons	22,000	through all the project
Travels (2 persons) - Airticket US\$2 700 (total airtickets <b>US\$5 400</b> ) + DSA (US\$329 per night) for 7 nights = US\$2 303 (total DSA <b>USD 4 606</b> ) Total USD10 006	10,000	Washington to Rome for 7 days
Editorial review and layout	4,000	
Total	58,000	

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.