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FOOD AND
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ORGANIZATION
OF THE
UNITED NATIONS

ORGANISATION
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UNIES POUR
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ET L'AGRICULTURE

ORGANIZACION
DE LAS NACIONES
UNIDAS PARA
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Y LA ALIMENTACION

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LETTER OF AGREEMENT

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

Wildlife Conservation Society
New York, USA

(PR 41234)

1. Introduction

The Food and Agriculture Organization of the United Nations (hereinafter referred to as "FAO"), will make available to **Wildlife Conservation Society** (hereinafter referred to as "Recipient Organization") a financial contribution in the amount of USD70,000 (seventy thousand US dollars) to establish guidelines for basic carbon accounting and monitor emission reductions in indigenous territories, and make them active participants in developing the REDD strategy in Bolivia.

2. Purpose

- a) The activities for which the funds provided by FAO under this Agreement shall be used are the following:
 - i) Develop guidelines on: (a) monitoring drivers of deforestation, (b) governance and control of territories, (c) economic cost and benefits analysis of different land use choices.
 - ii) Design a system to monitor emission and emission reductions from deforestation and forest degradation at the indigenous territories in Bolivia.
 - iii) Conduct consultation meeting with indigenous communities in Bolivia.
 - iv) Provide a presentation of results to the Consejo Indígena del Pueblo Tacana, Bolivian Government and all stakeholders involved during the process.

(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 (RO) 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 reports the guidelines on: (i) monitoring drivers of deforestation (ii) governance control of territories; (iii) economic cost and benefits analysis of different land use choices, no later than May 11, 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 complete case study of the process towards establishing community-led monitoring system in Takana TCO, no later than May 15th 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) written guidelines on procedures for the establishment and training of comprehensive community-implemented REDD monitoring programmes in Bolivia, no later than May 15th 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), a printed copy of the final reports of the guidelines on (i) monitoring drivers of deforestation, (ii) governance and control of territories and (iii) economic cost benefits analysis for different land use choice, no later than June 15th 2009.
- f) 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.
- g) 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 US\$ 70,000. The payments will be made as follows:
 - i) USD 21,000 upon signature of the present Agreement.
 - ii) USD 28,000, upon acceptance by FAO of the draft reports, the case study and the written guidelines, as mentioned under as mentioned under paragraphs 4(a), 4(b), 4(c) above.
 - iii) USD 21,000 upon acceptance by FAO of the itemized statement of expenditures and the final reports noted under paragraphs 4 (d) and (e).
- 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.

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.

According to the Global Forest Resources Assessment 2005, Bolivia has a deforestation rate of 270 ha/year. Indigenous territories in Bolivia cover 15% of the country, 14 indigenous territories are found overlapping or neighbouring protected areas and are thus critical for the connectivity needs of wide ranging wildlife species as well as for the social, cultural and economic integration of protected areas.

Although indigenous territories and protected areas are typically found in isolated areas with lower rates of deforestation the recent development thrust created by regional initiatives such as IIRSA (Initiative for Regional Infrastructure Integration in South America) will result in vastly different accessibility and change the costs of producing market crops such as soya. New and better roads will also make these areas more attractive for highland colonists. The REDD mechanism can provide economic incentives and resources for sustainable indigenous territorial management

REDD can develop market and non-market investments that can help finance long-term protection and management of tropical forests and in time generate investment capital that will benefit the livelihoods of local indigenous communities. Reducing emission from deforestation in Bolivia will depend on the direct involvement of indigenous people with the legal, financial, and technical aspects of REDD policies and activities that affect their lands. UN-REDD will support the establishment of guidelines to do basic carbon accounting and monitor emission reductions on their territories, making them active participants in developing a REDD strategy for Bolivia.

2. Terms of reference

2.1 Description of activities and definition of outputs

WCS has a well-established relationship and will partner with indigenous community organizations to reduce deforestation. In the Bolivia case, indigenous ownership of the land translates into ownership of the carbon rights, allowing benefits to accrue directly to these communities from market transactions or non-market incentives. This experience allows WCS to implement the activities and deliver the outputs as presented below.

a) Consultation meetings on monitoring drivers of deforestation, governance control of territories, economic cost and benefits analysis in different land use choices:

At least 3 participatory meetings with communities of the Takana TCO will take place to engage them in development of a community-led REDD monitoring program for their territories, development of case study and the validation process of these materials. Communities will be requested discuss on:

- Drivers of deforestation: population and demographic changes leading to changes in work force availability, local changes in technology related to land use changes, changes in physical access
- Governance: capacity to implement territorial management plans and develop and strengthen necessary institutional alliances
- Capacity for control and vigilance of indigenous territories: both from internal and external transgressions of their territorial plans and natural resource use and access regulations
- Indigenous incidence over agricultural, water, energy, transportation and other relevant policy sectors
- Economic cost and benefit analysis of different land use choices: to identify the best mechanism of distribution and delivery of credits at the community level as positive incentives for maintenance of forest cover.

b) Case study development

Consultation process will provide the material for the elaboration of the case study. The case study will present a field example that will highlight: drivers of deforestation, governance in indigenous territories, economic-cost benefit from the community vision.

- c) **Produce written guidelines for monitoring emission and reduction system** to be used as manual/training materials for replicating the process in other TCOs. Guidelines should be based on the results of consultation and validation processes, and will include:

- Participatory tools for determination of social, economic, biodiversity and cultural benefits of indigenous territorial management using conceptual models and monitoring frameworks presented graphically
- Incorporation of specific wildlife and ecological indicators into indigenous territorial management monitoring system currently under design
- Community guard system monitoring forest loss and degradation on the ground
- Frequent satellite image monitoring of broad-scale patterns with special attention paid to areas of known or predicted forest loss
- Fire monitoring on a daily basis across the indigenous territories with on the ground verification whenever possible.
- Threatened species monitoring as identified by indigenous territorial management plan
- Natural resource management monitoring for identified resources within the framework of formally approved specific management plans: timber, cacao, Brazil nut, native bee wild honey, spectacle caiman, ornamental fish, commercial fishing and ecotourism to date.

- d) Presentation of results to the natural resources commission of CIDOB in order to plan for its dissemination through workshops with other indigenous communities under the auspices of CIDOB (indigenous peoples' federation of Bolivia).

2.2 Duration and timing

April: consultation process with indigenous communities

End of April: submit to FAO the draft of case study for inputs and comments

May: Validation process with communities

End May: submit to FAO the second draft

June: Prepare final report

June 15: Deliver to FAO the final report

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	Details	Comments
Total salaries	20,000		
Local professional staff	12,800	2 local professional staff US 80 per day/80 days	
WCS senior staff	7,200	250 working hours of senior staff (30 days)	
Total workshops	34,600	2 consultations (25 participants each) 1 validation of material (25 participants). Calculations are done for 75 participants.	Two participatory workshops with indigenous groups for the design and case study development, and one participatory workshop for the validation of the results and case study. These meetings will take place in the Takana region to reduce costs.
3 Workshops (consultation and validation of materials) and one presentation of results. Takana region.	3,750	75 internal travel from different areas of Bolivia average cost US\$ 50 per person	
Internal transportation	1,500	US\$ 500 each workshop	
Premises (including coffee breaks)	24,300	Estimated cost approx. US\$ 36 per person/per day. Each meeting will last 3 days each meeting.	
Hosting facilities (food and rooms)	5,050	1 presentation of results. One full working day for 100 participants. Food, premises and working documents to be covered. Estimated cost, US\$ 50 per person.	
1 Workshop Presentation La Paz City			
Travel	8,400	3 International travels from WCS HQ New York to Bolivia of Senior Staff one person per three travels.	Participants to the two meeting and senior staff to attend the validation meeting and/or presentation of result as needed
Air ticket	6,000	Air ticket estimated US\$ 2000 each.	
DSA	2,400	DSA 100 per day per 24 days distributed in three travels.	
Administration and overhead	7,000		Communication, printing materials, miscellaneous
Total	70,000		

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