

LETTER OF AGREEMENT**BETWEEN****THE UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)****AND****THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION
(UNESCO)**

WHEREAS the United Nations Environment Programme (hereinafter referred to as "UNEP") was endorsed by the General Assembly in 1997 as the leading global environment authority that sets the global environment agenda, promotes the coherent implementation of the environment within the UN system and that serves as an authoritative advocate for the global environment and which has as a major area of focus of its global mandate to ensure capacity building and technical assistance in particular with respect to institutional strengthening in developing countries.

WHEREAS the United Nations Educational, Scientific and Cultural Organization of the United Nations, (hereinafter referred to as "UNESCO") is a specialized UN Entity and has a mandate in attaining quality education for all and lifelong learning, mobilizing science knowledge and policy for sustainable development, addressing emerging social and ethical challenges, fostering cultural diversity, intercultural dialogue and a culture of peace and building inclusive knowledge societies through information and communication. As UNESCO encourages international peace and universal respect by promoting collaboration among nations. It conducts studies, facilitates knowledge sharing hence UNESCO works to create the conditions for dialogue among civilizations, cultures and peoples, based upon respect for commonly shared values. It is through this dialogue that the world can achieve global visions of sustainable development encompassing observance of human rights, mutual respect and the alleviation of poverty.

WHEREAS UNEP and UNESCO (hereinafter collectively referred to as "Parties") share common goals and objectives with regard to environment and sustainable development as areas of common goals and wish to collaborate to further these common goals and objectives within their respective mandates and governing rules and regulations.

WHEREAS, having joined the United Nations Development Group (UNDG) in 2003, UNEP is developing closer cooperation with UNESCO and other UNDG members in strategic planning of initiatives in support of environmental sustainability and will work within UNDG to promote the mainstreaming of environmental considerations in UN Country Frameworks.

WHEREAS the Parties intend to conclude this Letter of Agreement (hereinafter referred to as "LOA") with the aim to utilize their respective comparative advantages, to increase their collaboration and joint activities in support of the project titled: "Protecting critical orangutan habitat through strengthening protected areas in northern Sumatra" (hereinafter referred to as the "project").

**NOW THEREFORE, UNEP AND UNESCO HAVE AGREED TO COOPERATE UNDER THIS
LOA AS FOLLOWS:**

**Clause 1
Interpretation**

1. Annexes, including Annex 1; Project document, Annex 2; Implementation Plan and Annex 3; Budget, attached to this LOA shall be considered an integral part of this LOA. Unless the context otherwise requires, references to this LOA shall be construed as a reference to this LOA including the Annexes hereto, as varied or amended in accordance with the terms of this LOA
2. The project document, implementation plan and the budget are appended and shall be construed an integral part of this LOA.
3. This LOA supersedes all prior LOAs, communications and representations, whether oral or written, concerning the subject matter thereof.

**Clause 2
Purpose**

1. The purpose of this LOA is to provide a framework of cooperation and understanding and to facilitate collaboration between the Parties to further their shared goals and objectives with regard to the protection of critical orangutan habitat through strengthening protected areas in northern Sumatra, Indonesia.
2. The objectives of this LOA will be achieved through:
 - a. Regular dialogue meetings between UNEP and UNESCO;
 - b. Annexes to this LOA define the joint activities, projects and programmes, pursuant to Clauses 3 and 4.

**Clause 3
Scope of Implementation**

1. UNESCO shall implement the activities and shall retain overall responsibility for the project as stipulated in Annex-1.
2. UNEP shall make available to UNESCO funds up to the maximum amount of USD 375,000 (Three hundred seventy five thousand US Dollars only), pursuant to Annex-3 and in accordance with Clause 5 below.
3. The Parties shall carry out their respective responsibilities in accordance with the provisions of this Agreement, and shall undertake such responsibilities in accordance with their respective business processes, policies and procedures.
4. The Parties shall keep each other informed of all activities pertaining to the implementation of this Agreement and shall consult on issues that may have a bearing on the status of either Party in the country or that may affect the achievement of the objectives of this Agreement.

Clause 4 Organization of the Cooperation

1. The Parties shall hold regular bilateral meetings to:
 - a. Discuss technical, administrative and operational issues related to the Project;
 - b. Review progress of work undertaken by UNESCO pursuant to Annex-1 of this LOA.
2. Where either party is organizing a meeting with external participation at which policy matters related to the aims of this LOA will be discussed, the party shall, where appropriate, invite the other party.
3. Both UNEP and UNESCO shall identify focal points, to coordinate cooperation in each area identified for collaboration. In addition, both Parties shall identify an overall focal point responsible for oversight of implementation of project, pursuant to this LOA.

Clause 5 Budget

1. For the costs of identified activities as detailed in Annex 3, UNEP will pay UNESCO USD 375,000 (Three hundred and seventy five thousand USD only). Funds will be made available in three installments as indicated below:
 - a. An advance of USD 187,500 (One hundred and eighty seven thousand and five hundred US Dollars only) will be paid upon signature of this agreement by both parties;
 - b. A second installment of USD 93,750 (Ninety three thousand, seven hundred and fifty US Dollars only) will be paid after receipt of an interim progress report and interim certified financial report, showing the usage of the first installment; and
 - c. The remaining balance of USD 93,750 (Ninety three thousand seven hundred and fifty US Dollars only) will be paid 6 months prior to the termination of this agreement upon receipt of narrative and financial report stating progress to date.
2. Payment will be made in favor of UNESCO as follows:

Account name	UNESCO Trust Fund (US Dollar)
Bank	JP Morgan Chase Bank
Bank address:	International Money Transfer Division, 4 Metrotech Center, Brooklyn, New York, NY 112 USA
Swift/BIC	CHASUS33
ABA/Bank Code	0210-0002-1
Account No	949-1-191558

3. UNESCO will maintain a separate account for any disbursements pertaining to this LOA and shall submit to UNEP at the end of the first and second year of implementation, a detailed breakdown of expenditures incurred, duly certified by an authorized official of UNESCO. The expenditures will be reported by object of expenditure as per the attached budget in Annex 3 of this LOA. Any portion of cash advances remaining unspent or uncommitted by UNESCO on completion of the activities under this LOA will be reimbursed to UNEP within two (2) months of the presentation of the expenditure report.

4. All financial accounts and reports shall be expressed in United States Dollars and shall be subject exclusively to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of UNESCO. The Organization shall retain, for a period of three years, all supporting documentation relating to financial transactions under this Agreement.
5. The funds made available by UNEP shall be used in accordance with UNESCO's regulations and rules.

Clause 6 Reporting

1. UNESCO shall provide UNEP with the following reports prepared in accordance with the UNEP regulations, rules and procedures applicable:
 - (a) An inception report within 3 months from the start of project implementation, detailing the progress of the project in line with the Project Document in Annex-1.
 - (b) A narrative and financial progress report to be provided on 31 May 2012 and every six months of the implementation period.
 - (c) A final narrative and final certified financial report, to be provided no later than two (2) months after the end of the project, on 31 October 2013 .

Clause 7 Knowledge Management

1. The parties shall jointly undertake to incorporate, within their global knowledge network, access to the full range of each others' services. UNESCO undertakes to disseminate through their country office network information available from UNEP on the advisory and project services UNEP can provide. UNEP undertakes to disseminate through their networks the information available from UNESCO on the advisory and project services UNESCO can provide.
2. The Parties shall review the possibility of joint missions and needs assessments, jointly hosting training activities and sharing information.

Clause 8 Status of UNESCO Personnel

1. For the purpose of implementation of this LOA, no agents, sub-contractors or employees of UNESCO shall be considered in any respect as agents or staff members of UNEP. UNEP shall not be liable for the acts or omissions of UNESCO or its personnel or persons performing services on behalf of UNESCO.
2. In carrying out the activities under this LOA, the personnel of UNESCO shall not be considered in any respect as being the employees or agents of UNEP. UNEP shall not accept any liability for claims arising out of acts or omission of UNEP or its personnel, or of its contractors or their personnel, in performing the Services under the project or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by UNESCO and its personnel as a result of their work pertaining to the project.

N/A

**Clause 9
Dispute settlement**

1. UNEP and UNESCO shall use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Agreement or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, shall be resolved through consultation between the Executive Heads of the Parties.

**Clause 10
Intellectual Property Rights**

1. The Parties shall consult with each other regarding the Intellectual Property Rights as appropriate relating to any project or benefits derived thereof in respect of activities carried out pursuant to this LOA.

**Clause 11
Notification and Amendments**

1. Each Party shall notify one another in writing, within 1 month of any proposed or actual changes that the Party deems necessary for the execution of this LOA.
2. Upon receipt of such request, the Parties shall consult each other with a view to reaching an agreement on any actual or proposed measure(s) suggested by the other Party under Clause 11(1) above.
3. This LOA may be amended only by mutual agreement of the Parties reflected in writing.
4. All correspondence regarding this LOA between UNESCO and UNEP should be addressed to:

For UNESCO:

For Technical Matters: Programme Specialist for Environmental Science, UNESCO Office,
Jakarta
Robert Lee

For Financial Matters: Financial and Administrative Officer, UNESCO Office, Jakarta
Mathewos Mehari

For UNEP:

For Technical Matters: GRASP Programme Manager
Johannes Refisch

For Financial Matters: GRASP Programme Manager and DEPI's Funds Management Officer
Johannes Refisch and Didier Salzmann

**Clause 12
Termination**

1. This LOA may be terminated by either party by giving 2 months prior notice to the other Party in writing.
2. In the event of this LOA being terminated UNESCO shall be compensated on a pro rata basis for no more than the actual amount of work performed to the satisfaction of UNEP.
3. Unless agreed otherwise, upon termination of this LOA, the rights and obligations of the Parties defined under this LOA, will cease to be effective.

**Clause 13
Duration**

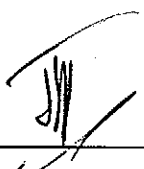
1. This LOA shall be effective upon the last date of signature of the approving officials and remain in force for 24 months unless terminated in accordance with Clause 12 above.

**Clause 14
Non-expendable equipment**

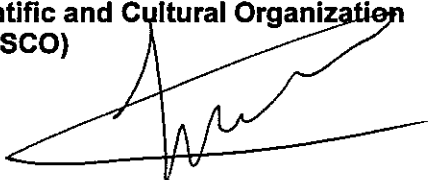
1. The Parties agree that the purchase and ownership of supplies and equipment will be determined in accordance with the regulations, rules, directives and procedures applicable to the relevant UN Organizations, including, where applicable, any agreement with the relevant host Government

IN WITNESS WHEREOF, the duly authorized representatives of the Parties affix their signatures below.

For United Nations Environment Programme


Ibrahim Thiaw
Director, DEPI
Date: 25/08/11

**For United Nations Educational,
Scientific and Cultural Organization
(UNESCO)**


Hubert Gijzen,
Director UNESCO Office, Jakarta
Date: 08/09/2011

Annexes:

Annex1: Project document
Annex 2 : Implementation Plan
Annex 3: Project Budget



Annex1: Project document**Gunung Leuser Project Description****Project Title**

Protecting critical orangutan habitat through strengthening protected areas in northern Sumatra.

Project Justification

Though Indonesia is endowed with some of the richest and most diverse marine and terrestrial ecosystems on this planet, it also comprises many of the most threatened species and ecosystems on earth. In the past 50 years, the island of Sumatra has experienced severe deforestation, which is threatening the survival of many of its endemic species, and increasing the vulnerability of Indonesia to climate change effects.

The Gunung Leuser National Park, being one of the best areas representing the Sumatran biodiversity, is facing an increasing number of conservation and management challenges due to the increasing development pressure on the natural environment. However, an effective response to the pressures has been absent, as the national park is suffering many of the typical problems faced by Indonesia's protected area authorities (i.e. weak management capacities, low education and motivation of staff members, poor communication skills, limited infrastructure and equipment). Since 2005, and with the support of the Spanish Government, UNESCO has been working in Gunung Leuser National Park (GLNP) to support the Indonesian government's efforts to address environmental threats in GLNP and adjacent conservation areas. The UNESCO programme in GLNP has successfully engaged the park authorities and park staff in protecting the national park unique environment and has been acknowledged by the Indonesian Ministry of Forestry as key in improving the capacities of the national park. UNESCO's efforts in the park have focused in improving the parks capacities to deal with the main causes of forest degradation resulted from human pressure, such as illegal logging, encroachment and agricultural expansion.

Despite these successful efforts, the onslaught of destructive human activities has led to severe deforestation and forest degradation. This has led to increased human-wildlife conflicts including crop-raiding by orangutans and attacks on livestock by tigers.

As such there is a serious need to:

- Provide support to park staff*to be able to better address threats and challenges in selected areas.
- Engage local communities in park management activities in order to strengthen the sense of ownership by local communities in park management.
- Restore critical orangutan habitats in order to provide corridors that allow orangutan sub-populations to interbreed and find food.

The Government of Indonesia is showing its commitment towards improving the management of its protected areas, through assigning higher resources, both technical and economical, to the national parks and other protected areas. Nevertheless, stronger efforts are needed, especially in regards to enforcing the law that protect the national park and the biodiversity it hosts. In this project, UNESCO will continue its efforts aimed to support the effective field presence of the park staff and local communities to ensure law enforcement mechanisms are put in place and implemented.

UNESCO has identified the lack on adequate equipment and capacities to effectively deal with these threats, and therefore fail to protect the unique species that live in these protected areas. The project will carry out an assessment on the equipment and training needs, as well as provide the identified and prioritized needs.

Additionally to increasing the effective presence of the park staff in the field, UNESCO will work with community based organizations in developing a more conducive environment for ecotourism in areas adjacent in the park. UNESCO will provide relevant training to local tourism practitioners to ensure that ecotourism initiatives are carried out in a more sustainable and eco-friendly manner, ensure the long term success of this activity and the fair revenue sharing among the stakeholders. UNESCO, which has already experience in carrying out eco-tourism supporting projects, both in Gunung Leuser and other areas in Indonesia, will align with the Ministry of Forestry and Ministry of Tourism authorities' priorities at national level to promote the natural assets that can constitute a great source of income whilst protecting the natural environment. This will also contribute to raise the public awareness regarding the importance of protecting key species and ecosystems, as they constitute a feature for visitors and generate benefit to the local communities.

In addition, and given the large forest areas that have already faced severe degradation, there is a need to carry out a systematic and scientifically sound ecological restoration of critical wildlife habitats, including orangutan. Based on previous assessments, including orangutan census, population and distribution, UNESCO will select highly relevant orangutan habitat areas, which have been disturbed or degraded, to rehabilitate them. In 2008, UNESCO initiated a scientific study in primary forests in the GLNP, to analyze the composition and abundance of tree species in order to carry out an ecological restoration in some degraded areas of the park. The restoration activities, which have covered a pilot area of 30 Ha, is successfully replicating the natural succession, with a high survival rate for the planted trees, up to 80%. Based on the recommendations provided by preliminary study, the tree species used for the restoration are local species, and the species composition and abundance has been enhanced in those species that constitute primary food for the wildlife. Hence, the planting has been enriched with local fruit trees, in order to attract the wildlife, which is a good seed-disperser agent, and will therefore contribute to the expansion of the forest. UNESCO has prioritized the local communities' participation in the ecosystem restoration activities, in order to ensure the sustainability of the activities.

The Government of Indonesia has acknowledged the success of this scientifically based ecosystem restoration. The Secretary to Director General for Forest Protection and Nature Conservation, of the Ministry of Forestry of Indonesia has visited the restoration area, to get information about the methodology implemented for the restoration, and has expressed their interest in adopting this methodology in their restoration activities. In the Strategic Planning 2010-14 of the Ministry Forestry is targeted to restore 2.5 million hectares of production forest, 500 Ha of them in GLNP. To contribute to this aim and ensure the appropriate methodology UNESCO will organize a national workshop and produce comprehensive guidelines of the scientifically-sound ecosystem restoration, as well as the lessons learned from the previous projects.

Given the success of the past ecosystem restoration activities, UNESCO is also aiming to continue the restoration project, as well as to expand to new areas within the national park.

Annex 2 : Implementation Plan

OVERALL OBJECTIVE		Strengthening the management of Gunung Leuser National Park (GLNP) to protect critical orangutan habitat in northern Sumatra.		
Action 1	Results	Impacts	Outputs	
1.0 Provide equipment and build capacity for improved law enforcement and monitoring	Improved protection and management of critical wildlife habitats in GLNP and adjacent areas	Improved capacity of GLNP staff to address threats in selected areas.	-GLNP staff well trained and equipped with GPS, radios etc	
Activities				
1.1 Assessment of equipment and capacity building needs			Sep-Oct 2011	
1.2 Provision of equipment			Nov 2011- Mar 2013	
1.3 Training and capacity building			Nov 2011-Mar 2013	
Action 2	Results	Impacts	Outputs	
2.0 Support community based ecotourism development.	A more conducive environment for ecotourism development is in place	The local communities are aware of the need to take into account the impact of ecotourism into the natural environment	Agreements between local stakeholders on sustainable ecotourism development	
			- Improved awareness towards the conservation of GLNP	
Activities				
2.1 Meetings with local stakeholders to develop agreements for developing sustainable ecotourism.			Sep 2011- Apr 2012	
2.2 Implement small scale interventions to support sustainable ecotourism development in pilot areas.			Dec 2011- June 2013	
2.3 Produce ecotourism awareness and promotion materials.			Oct 2012- June 2013	
Action 3	Results	Impacts	Outputs	
3.0 Ecological restoration of degraded critical orangutan habitats in GLNP	Population of key species in GLNP and adjacent ecosystems remain stable	Orangutan habitat in GLNP improved and increased	- Restoration area expanded from 30ha to approximately 100ha	
			- Restoration database improved	

			- Restoration Guidelines produced and disseminated
Activities			Timescale
2.1 Maintenance and monitoring of pilot restoration site			Sep 2011- June 2013
2.2 Expansion of restoration area			Dec 2011-June 2013
2.3 Improvements to restoration database			Dec2011-June 2013
2.4 National workshop on ecosystem restoration strategy			April 2012
2.5 Remote-sensed monitoring to measure success			Mar 2013 -June 2013
2.6 Production of Guidelines for scientifically sound ecosystem restoration			May 2012- Aug 2012

Annex 3: Project Budget

UNESCO Code	Sub-code	ITEM OF EXPENDITURES	TOTAL in USD
10	1	PROJECT PERSONNEL	
11		Technical staff	
	1.1	Programme Specialist (P5)	11,846
	1.2	Project Officer (NO-A)	26,563
	1.3	Technical Advisor for Capacity Building and Policy Development (NO-A)	18,750
	1.4	Technical Advisor for Environmental Science (NO-B)	8,200
			65,359
13		General Staff	
	1.5	Project Assistant (L4)	9,000
	1.6	GIS Expert (L4)	10,500
	1.7	Admin. Assitant (L5)	3,525
			23,025
		Subtotal personnel	88,384
10'	2	MISSIONS	
	2.1	Coordination missions	16,450
	2.2	Project evaluation mission	4,000
	2.3		0
		Subtotal travel	20,450
		SUBTOTAL PROJECT PERSONNEL	108,834
20	3	SUBCONTRACT	
	3.1	Training for improved law enforcement	21,000
	3.2	Support community based ecotourism development	0
	3.2.1	Meetings with stakeholders to develop agreements for ecotourism.	4,000
	3.2.2	Implement small scale interventions to support sustainable ecotourism	27,000
	3.3	Ecological Restoration of Degraded Critical Orangutan Habitats in Gunung	
	3.3.1	Maintenance and monitoring of pilot restoration site	40,000
	3.3.2	Expansion of restoration area	40,000
	3.3.3	National workshop on ecosystem restoration strategy	20,000
	3.4	Support FORINA in carrying out a national orangutan workshop	10,000
		SUBTOTAL SUB-CONTRACT	162,000
30	4	TRAINING, SEMINAR, MEETINGS	
	4.1	Travel grants for partners/participants	4,200
		SUBTOTAL TRAINING, SEMINAR, MEETINGS	4,200
40	5	EQUIPMENT	
	5.1	Equipment for GLNP rangers	20,000
	5.2	GIS software & maps	4,000
	5.3	Ecotourism awareness material production	16,000
	5.4	Ecological restoration guidelines	20,000
	5.5	Office supplies (paper, stationeries)	1,900
	5.6	Office rent	9,600
		SUBTOTAL EQUIPMENT	71,500
50	6	MISCELLANEOUS	
	6.1	Telephone cost	1,350
	6.2	Photocopy	330
	6.3	Other communication costs (courier, internet, postage)	750
	6.4	Hospitality costs	1,504
	6.5	Administrative costs	24,533
		SUBTOTAL MISCELLANEOUS	28,467
		TOTAL	375,000
		GRAND TOTAL	375,000