

United Nations Development Programme
Country: Malaysia
Project Document

Project Title:

10MP/NI 4.4/National REDD+ Readiness in Malaysia

UNDAF Outcome(s):

Not Applicable

Expected CP Outcome(s):

CP Outcome 3: Malaysia has improved environmental stewardship through sustainable energy development and environmental management

- Management of biodiversity and natural resources enhanced
- Climate change mitigation and adaptation initiatives implemented

Expected Output(s):

1. Improved data management system of greenhouse gas emissions and ozone depleting substance consumption
2. Improved capacity of stakeholders in environmental management, planning and implementing integrated approaches that also respond to the needs of the poor
3. Non-CPAP Output:
 - Draft National Institutional Framework for REDD+ developed and endorsed by the National Committee on REDD+.
 - Draft National Policy and Legal Framework for Generation of Revenues from Forest Carbon and Ecosystem Services endorsed by the National Committee on REDD+.

Executing Agency:

Ministry of Natural Resources and Environment (NRE)

Implementing Partner:

REDD Unit, Ministry of Natural Resources and Environment (NRE)

Enabling Partner:

UNDP Malaysia

Responsible Parties:

Economic Planning Unit (EPU), Environment and Natural Resources Economics Section (ENRES)

Brief Description:

Reducing emissions from deforestation and forest degradation (REDD) has assumed global significance in the climate change debate, as it is considered to be a cost-effective mitigation option. By adding the '+' to REDD, the role of conservation, sustainable management of forests and enhancement of forest carbon stocks is emphasized, being identified as essential to achieve the goal of reduced emissions.

The REDD+ mechanism is a mechanism to create incentives to protect, better manage and wisely use forest resources, in line with the global fight against climate change. However, reducing emissions from the forest sector comes with a cost, especially in countries with good forest management history such as Malaysia. This project aims at developing a national framework that includes the policy, legal and institutional components for REDD+, exploring and providing recommendations on sustainable funding mechanism for REDD+ implementation, as well as improving capacity and stakeholder participation in REDD+ management. These outputs will be essential in the formulation of the National REDD+ Strategy, which will aim at enhancing conservation of natural forest and reduce forest degradation. The framework will be built upon ongoing best practices being undertaken in managing the forest, and will enable decision makers to make informed decisions related to REDD+ based on national and international circumstances, taking various costs and benefits into consideration. Activities carried out through this project must 'do no harm', and contribute to improving livelihoods.

Programme Period: 2011 – 2013

Key Result Area (Strategic Plan): Towards Improved Quality of Life through Sustainable Environmental Management.

Atlas Award ID: TBD

Start date: October 2011
End Date: June 2013

PAC Meeting Date: 3 October 2011

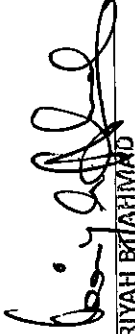
Management Arrangements: NIM

2011 AWP budget: USD 3200
2012 AWP budget: USD 481 600
2013 AWP budget: USD 58 200
Total resources required: USD 543 000


Total allocated resources:

UNDP:
TRAC USD 217 200
Government CS USD 325 800
Government of Malaysia (GoM):
In-kind Contribution USD 131 000
Total USD 543 000
GMS 6% (of 325 800) USD 19 548
TOTAL: USD 693 548

Agreed by Government of Malaysia –
Economic Planning Unit:


DATUK NORIYAH BT AHMAD
Director General
Economic Planning Unit

Agreed by UNDP:


Kamal Malhotra
Resident Representative

18/10/11

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ABBREVIATIONS

AGC	Attorney General's Chamber
APR	Annual Progress Report
AWP	Annual Work Plan
BDS	Benefit Distribution System
CDR	Combined Delivery Report
CP	Country Programme
CPAP	Country Programme Action Plan
CS	Cost Sharing
ENRES	Environment and Natural Resources Economics Section, EPU
EPU	Economic Planning Unit, Prime Minister's Department
FACE	Funding Authorization and Certificate of Expenditures
FAO	United Nation's Organization for Food and Agriculture
FPIC	Free Prior Informed Consent
FRIM	Forest Research Institute Malaysia
GHG	Greenhouse gas
GoM	Government of Malaysia
IPCC	Intergovernmental Panel on Climate Change
JPSM	Department of Forestry Peninsular Malaysia (Jabatan Perhutanan Semenanjung Malaysia)
LULUCF	Land Use, Land Use Change and Forestry
MDG	Millennium Development Goals
MoA	Ministry of Agriculture and Agro-based Industry
MRV	Monitoring, Reporting and Verification
NGOs	Non-Governmental Organisations
NIM	National Implementation Modality
NPD	National Project Director
NPP	National Physical Plan
NRE	Ministry of Natural Resources and Environment
NSC	National Steering Committee
REDD	Reduced Emissions from Deforestation and forest Degradation
REDD+	Reduced Emissions from Deforestation and forest Degradation, plus conservation, sustainable management of forests and enhancement of forest carbon stocks.
SREP	Small Renewable Energy Power Programme
TK	Traditional Knowledge
TRAC	Target for Resource Assignment from the Core
TWC	Technical Working Committee
UN	United Nations
UNEP	United Nations Environment Programme
UNDP	United Nations Development Programme
UNFCCC	United Nations Convention Framework on Climate Change
WWF	World Wide Fund for Nature Malaysia
MoF	Ministry of Finance

I. SITUATION ANALYSIS

Reducing emissions from deforestation and forest degradation has assumed global significance in the climate change debate, as it is considered to be a cost-effective mitigation option (Stern, 2007). However, reducing the emissions from these activities come with a cost, especially in countries with good forest management history. A country with considerable tropical rain forest, forest resources in Malaysia play an important role in national economic development, as well as being a source of income and other customary uses for local people. Malaysia is advanced in sustainable forest management and has large areas of protected forest. In a global context, forests, and especially tropical forests, play an integral role in climate change mitigation. Not only are they one of the most important carbon sinks, but they also constantly remove carbon from the atmosphere through photosynthesis, which converts atmospheric carbon into organic matter.

REDD+ is a cutting-edge forestry initiative that aims at tipping the economic balance in favor of sustainable management of forests by placing a value for the carbon stored in trees. This would make forest's economic, environmental and social goods and services benefit countries, communities, biodiversity, and forest users, while also contributing to important reductions in greenhouse gas emissions. A REDD+ mechanism is a climate change mitigation solution that many agencies globally are currently developing and supporting. However, a fully-fledged global REDD+ mechanism involving carbon offsets and financing has yet to be standardized. While waiting for such a mechanism to be established, countries are carrying out activities to prepare to benefit from such mechanism and to make informed decisions about participating or not, once the mechanism is established.

At the COP 15 (4/CP.15) held in Copenhagen, Denmark, in December 2009, the COP noted consensus among some of the Parties with the Copenhagen Accord, which agreed "on the need to provide positive incentives to such actions through the immediate establishment of a mechanism, including REDD+. The adoption of REDD+ extended the allowed activities to include:

- reduction of emissions from deforestation;
- reduction of emissions from forest degradation; conservation of forest carbon stocks;
- pursuance of sustainable management of forests; and
- enhancement of forest carbon stock

On the other hand, at the COP 16, (1/CP.16) UNFCCC Parties formalized the adoption of REDD+ and agreed to develop the following elements:

- (a) A national strategy or action plan;
- (b) A national forest reference emission level and/or forest reference level or, if appropriate, as an interim measure, sub national forest reference emission levels and/or forest reference levels;
- (c) A system for providing information on how the safeguards are being addressed and respected throughout the implementation of the REDD+;
- (d) National strategies or action plans, should address, inter alia, the drivers of deforestation and forest degradation; land tenure issues, forest governance issues, gender considerations and the safeguards identified in paragraph 2 of appendix I to this decision, ensuring the full and effective participation of relevant stakeholders, inter alia indigenous peoples and local communities;
- (e) REDD+ activities should be implemented in phases, beginning with the development of national strategies or action plans, policies and measures, and capacity-building, followed by the implementation of national policies and measures and national strategies or action plans that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and evolving into results-based actions that should be fully measured, reported and verified.

It is important to note that REDD+ is *part* of the climate change solution, but REDD+ alone cannot adequately mitigate or abate climate change. The implementation of REDD+ must co-exist with significant emission reductions in both developed and developing countries if we hope to curb climate change. In Malaysia, utilization of renewable energy resources is continuously being promoted. These include the Small Renewable Energy Programme (SREP) and to promote energy efficiency. Policies proposals have also aimed at providing incentives to encourage application of renewable energy in power generation, industries, commercial and residential sectors, transport, waste and agriculture. In relation to Land Use, Land Use Change and Forestry (LULUCF), potential mitigation options proposed is to maintain existing forest cover, reduce emissions from forest and land use related activities, and, where appropriate, increase existing forest cover (Malaysia Second National Communication to the UNFCCC, 2011). As part of this commitment, Malaysia is now developing a National Strategy on REDD+ to further enhance conservation of national forest and reduce forest degradation. The Strategy will be built upon the on-going best practices being undertaken in managing the forest. While deforestation rates have stabilised in Malaysia, REDD+ may focus on the forest degradation and the + components. As a crucial input to such strategy, this project aims at establishing an institutional arrangement, identify policy and legal gaps for REDD+ implementation and proposing a payment mechanism.

The design of any legitimate REDD+ framework or strategy must also include guidelines and safeguards that ensure the eventual benefits from REDD+ reach the very communities that maintain and protect forests and biodiversity. Stakeholders and custodians of the forest must be involved at all stages of the design and implementation so that *they* are the ones who benefit from protecting forests.

By considering and involving custodians of the forest in policy design and implementation, one also ensures the livelihoods of communities depending on forest, whom might still live in poverty, or be at risk of becoming poor should their interests not be properly considered. REDD+ can potentially create employment and contribute to the achievement of full and productive employment and decent work for all, including women and young people (MDG 1). The National REDD+ Framework will directly lay out the foundation on how to integrate principles of sustainable development into country policies and programmes, and therefore reverse the loss of environmental resources (MDG 7). REDD+ being a mechanism to create an incentive for developing countries to protect, better manage and wisely use their forest resources, also encourages global partnerships, as it aims at being part of, and an example of, an open, rule-based, predictable, non-discriminatory trading and financial system (MDG 8).

This project will contribute to building an environment that enhances quality of life, linked to the outcome of 'valuing the nation's environmental endowment' in the 10th Malaysia Plan. Further, the outputs of the activities to be carried out under this project will strengthen the development of a climate resilient growth strategy, and enhance conservation of the nation's ecological assets, identified in the 10th Malaysia Plan as strategies under the National Programme 4.4 - the Natural Resource, Energy and Environment Programme.

Through activities which will be a part of this project, capacity of stakeholders in environmental management and planning will be strengthened. The project will contribute to improved integrated approaches that also respond to the needs of the poor. The project also aims to facilitate improved data management system of greenhouse gas emissions and ozone depleting substance consumption. Through this project, an Institutional, Policy and Legal framework for REDD+ will be proposed, as well as a possible funding mechanism. This will include building capacity and consensus among stakeholders and beneficiaries, as well as preparing Malaysian stakeholders to benefit from a carbon funding mechanism once established. Ultimately, this project will contribute to Malaysia having

improved environmental stewardship through sustainable environmental management, regardless of the shape and form of a future REDD+ funding mechanism in Malaysia. The REDD+ readiness activities must 'do no harm', and also contribute to improving livelihoods, regardless of future policy decisions.

A National Committee on REDD+ was established in Malaysia earlier this year (2011). The Committee is chaired by the Secretary General NRE and includes representatives from the Ministry of Natural Resources and Environment, the Ministry of Finance, the Ministry of Agriculture and Agro-based Industry, the Ministry of Plantation Industries and Commodities, the Department of Forestry Peninsular Malaysia, the Department of Forestry Sarawak, the Department of Forestry Sabah, the Forestry Research Institute Malaysia, Malaysia Centre for Geospatial Data Infrastructure, the Department of Agriculture, the Department of Town and Country Planning, the Economic Planning Unit, the State Economic Planning Units (Kedah, Perlis, Penang, Perak, Pahang, Terengganu, Kelantan, Selangor, Melaka, Negeri Sembilan, Johor, Sabah, Sarawak) and the AG Chamber. The tasks of the committee has been to formulate directions and strategies for REDD+ implementation in Malaysia, to formulate, coordinate and monitor national action plans on REDD+, to advise on the evaluation and coordination as well as financial mechanisms of REDD+ projects in Malaysia; and to discuss Malaysia's recommended position on issues related to REDD+ in international forums

In addition, a Technical Committee on REDD+ was set up with member from the Ministry of Natural Resources and Environment, the Department of Forestry Peninsular Malaysia, the Department of Forestry Sarawak, the Department of Forestry Sabah, the Department of Agriculture, the Department of Statistics, Remote Sensing Agency of Malaysia, the Malaysia Centre for Geospatial Data Infrastructure, Land and Survey Department Sabah, the Department of Agriculture Sabah, the Land and Survey Department Sarawak, the Department of Wildlife Protection and National Parks and the AG Chamber. The Committee was a continuation after the forest cover meetings and discussions originally held to coordinate all efforts to finalize Malaysia's total forest cover figures, which would be the baseline for Malaysia's REDD+ Strategy. The Technical Committee for REDD+ was established to facilitate a national strategy for REDD+ on top of finalizing the forest cover figures. Both these committees will be strongly involved in the implementation of this project (see Management Arrangements page ...), the National Committee on REDD+ functioning as a Steering Committee for this project.

The larger National REDD+ Strategy, to which this project contributes, will consider the following:

- Identify the primary drivers of deforestation and forest degradation and collaborate with diverse stakeholders to propose science-based conservation interventions such as legislation, incentive structures and capacity building.
- Establish initiatives to measure site baselines for biodiversity, ecosystem services and carbon stocks, against which to measure future change.
- A transparent, robust Monitoring, Reporting and Measureable process for REDD+ activities and biodiversity safeguards
- Institutional arrangement for mainstreaming REDD+ activities
- Sustainable financing system for REDD+ mechanism,
- Identify, establish and thoroughly study a diversity of REDD+ pilot/demonstration sites, and corresponding provincial and regional pilot/demonstration sites.
- Collaboratively establish a broad REDD+ research agenda, including on policy, social science and carbon cycle aspects of REDD+.
- Assess the concept of Free Prior Informed Consent in a Malaysian setting
- Propose a Benefit Distribution System

This project will be an early and essential step towards such strategy, encouraging consensus at federal and state levels, as well as other stakeholders and beneficiaries. An Institutional Framework, as

well as a sustainable finance mechanism will be proposed to be considered further by policy makers. The development of an Institutional, Policy and Legal Framework for REDD+ in Malaysia, as well as proposing a mechanism for sustainable financing, is an absolute crucial input to any larger REDD+ strategy. The goal of this project, and the larger REDD+ strategy, is to facilitate effective and coordinated implementation of REDD+ processes and activities to contribute to an overall sustainable development and the climate change agenda.

II. STRATEGY

Implementing Partner:

REDD Unit, Ministry of Natural Resources and Environment, Malaysia (REDD-NRE)

In 2004, the NRE was created to improve environmental and natural resource management. A National Physical Plan (NPP) 2005-2010, was adopted to provide standards and to enhance integrated land use planning. Further, NRE is the national focal point for Climate Change. Malaysia is signatory to the United Nations Convention Framework on Climate Change (UNFCCC) and Kyoto Protocol. NRE is reporting to UNFCCC and presenting Malaysia's priorities in international agendas related to Climate Change, as well as ensuring that commitments made globally are followed up and implemented in Malaysia. By conducting this project, NRE will be translating obligations of the UNFCCC and Kyoto Protocol into concrete policies at national level and creating the much-needed framework on REDD+. Through proposing an Institutional, Policy and Legal Framework for REDD+ in Malaysia, as well as a funding mechanism, costs and benefits for Malaysia will be identified. Through this REDD+ Readiness process, new source of income for Malaysia could be identified, in tandem with the nation's emphasis on a new engine for sustainable growth.

Enabling Partner:

United Nations Development Programme (UNDP)

UNDP is committed to the achievement of Millennium Development Goals (MDG) in ensuring environmental sustainability. In particular, this project further complements the Outcome 3 of Country Programme Action Plan (CPAP) between UNDP and Government of Malaysia (GoM) (2008 – 2012) which is to improve quality of life and enhance sustainable development through environmental management of biodiversity and natural resources. UNDP has a long history of supporting national capacity building activities to ensure effective implementation of policies and programmes in the area of biodiversity conservation and management; and incorporation of environmental considerations into the planning and development of non-environmental agencies. Through this, UNDP will provide key necessary resources and technical assistance in Malaysia's early steps to develop a REDD+ framework. Through the UN-REDD programme and the extended UN family, UNDP can also tap into the technical expertise of FAO and UNEP having specialized experiences in aspects of, among other fields, Free Prior Informed Consent (FPIC), development of Benefit Distribution System (DBS) and Monitoring, Reporting and Verification (MRV).

Responsible Parties:

Facilitated by the Ministry of Natural Resources and Environment, inputs and guidance from the Environment and Natural Resources Economic Section in the Economic Planning Unit is crucial throughout the project cycle. Also essential, is the cooperation and advice from the Ministry of Finance and the Attorney General's Chambers, which will strengthen consensus through the process and facilitate the adaptation of recommendations that will be presented through this project.

Through implementation of this project, and under the guidance of the REDD+ Unit within NRE and with advice from ENRES, the following entities will also be crucial:

Peninsular Malaysia Forest Department (JPSM), Sabah Forest Department and Sarawak Forestry Department: The forest departments will provide technical and operational inputs to build a realistic and sustainable national framework for REDD+. JPSM experience and knowledge of the forest management issues at respective state are essential in exploring sustainable funding mechanism. Further, JPSM buy-in will be necessary for a successful REDD+ implementation at the state level.

Forest Research Institute Malaysia (FRIM): A wide range of research experience in the forests of Peninsular Malaysia makes FRIM an essential partner, mainly because of their technical expertise and solid knowledge of the situation on the ground.

World Wide Fund for Nature (WWF): Inputs from NGOs, and specifically WWF-Malaysia, with a long standing experience with REDD+ Readiness activities, community involvement and Forest Conservation will be essential.

Sustainability:

This project is envisaged to begin in October 2011 and end in June 2013. During the project implementation, NRE will liaise closely with the Forest Departments of Sabah, Sarawak and Peninsular Malaysia, as well as other relevant stakeholders. Lessons learned from the region will be presented through experts in the UN REDD programme which will support, even though Malaysia is not part of the UN REDD programme. Following the completion of this Project, the Government of Malaysia commits to further develop the REDD+ Strategy.

When approved, this will have a wide range of implications on identified laws and regulations to be reviewed. The Institutional, Policy and Legal framework for REDD+ will involve proposed funding required for the REDD+ unit to continue its work in close cooperation with the forest departments in Peninsular Malaysia, Sabah and Sarawak.

The Technical Committee on REDD+ will be strongly involved in the implementation of this project and will link the efforts to the wider REDD+ strategy in Malaysia and the outcomes of this beyond the implementation period. The National Committee on REDD+ will advise and endorse the final outcomes.

Project Outputs:

The project will consist of the following key outputs:

Output 1: Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+.

- Conduct an inception workshop. To include stocktaking on National REDD+ Readiness activities and Regional Lessons learned.
- Review relevant Ministries' Departments and Agencies current and planned roles in issues related to forestry and land use.
- Conduct a series of stakeholder's consultation workshops to solicit inputs to the institutional arrangements (maximum 4).
- Draft Institutional Framework for REDD+ Implementation in Malaysia, including proposed roles and responsibilities.

The Institutional Framework for REDD+ will include a proposed approach to overcome challenges and utilize capacities available. Project staff will be hired to assist the REDD+ in NRE and facilitate this process, which is subject to move when/if a more suitable entity is created or identified. This will also build capacity on REDD+ among government officials. The REDD+ unit will be able to better advise,

when appropriate, on actions to be taken to achieve harmonization between various interventions and efforts being made in relation to REDD+. The findings as well as drafting exercises and expert and stakeholder consultations will map out on-going activities and actors related to REDD+ in Malaysia and build on lessons learned.

To encourage consensus on the Institutional Framework for REDD+ and the policies that are to be proposed, and thereby strengthen its impact and sustainability, high level consultation at federal level (inter-ministerial), federal-state level and state level (Sabah, Sarawak, Peninsular Malaysia) is essential. This will not only solicit support for the Institutional Framework for REDD+ in Malaysia, but also create awareness of benefits and costs of REDD+ implementation, as well as respond to existing concerns. A series of stakeholder consultation workshops will be arranged to solicit inputs. The project might include travelling to some international and regional meetings or conferences relating to REDD+, which will inform and strengthen the Malaysian REDD+ initiatives and direction.

The Draft Institutional Framework for REDD+ will include proposed roles and functions for each ministry, department and agency, and build consensus for the REDD+ direction. The agreed Draft Institutional Framework for REDD+ in Malaysia will feed into the National REDD+ Strategy, which will be endorsed by the relevant national councils.

Output 2: Draft National Policy and Legal Framework for Generation of Revenues from Forest Carbon and Ecosystem Services endorsed by the National Committee on REDD+.

- Stocktaking and gap analysis on existing legal and policy framework for forestry and land use issues, related to generation of revenues from forest carbon and ecosystem services.
- Conduct two workshops to receive stakeholder's inputs.
- Draft recommendation paper for National Policy and Legal Framework for REDD+ implementation.

A variety of laws, policies and regulations are in place in relation to land use, forestry and trade in Malaysia. To enable REDD+ to function within a legal and policy framework, some of these laws need to be reviewed and incorporated into national and state policies. First, these laws need to be identified, further adjusted to enable a REDD+ mechanism to function and carbon and ecoservices to be traded.

Also essential for the success of a REDD+ strategy and eventually REDD+ implementation, is to identify and review the economic drivers of forest degradation. The REDD+ strategy will then include ways to mitigate risks that these drivers might present in the REDD+ implementation, and aim at proposing realistic and financially viable and sustainable alternatives to forest degradation. In addition, the benefits of indigenous people, women and local communities must be considered in any step of the process.

Output 3: Draft Sustainable Funding Mechanism for REDD+ Implementation endorsed by the National Committee on REDD+.

- Review relevant existing Funding Mechanisms.
- Fact finding mission to review international best funding practices.
- Explore alternative and innovative funding options.
- Stakeholder's consultations at federal, state and community level on Benefit Distribution System and Payment Mechanisms.
- Propose a Sustainable Funding Mechanism for REDD+ Implementation.

The REDD+ strategy in Malaysia aims at identifying a financially sustainable mechanism to finance REDD+ implementation. Through this output, various alternatives need to be reviewed, and inputs from private sector and other stakeholders will be an advantage. The implication of any set up for a

fund to finance REDD+ will be assessed. Included in this, a benefit distribution system (BDS) will be proposed to ensure benefits are fairly distributed to the rightly owners of forest and safeguards. This needs to build on the institutional and legal framework that is being developed for REDD+ in Malaysia, and will feed into the overall REDD+ strategy

The Free Prior Informed Consent (FPIC) process being developed as part of the *Capacity Development for the Formulation of a Policy and Regulatory Framework for Access and Benefit-sharing of Biological Resources in Malaysia* project will be used as a guide in developing the BDS. The FPIC will consider the indigenous and local communities' input, and look at how gender plays a role in Management of Natural Resources to ensure women's participation is encouraged and their interests considered. Also essential is that the linkages between Native Customary Rights and any policies on land use are understood and that the rights of indigenous peoples are ensured.

<p>Intended Outcome as stated in the Country Programme Results and Resource Framework: <i>Outcome 3: Malaysia has improved environmental stewardship through sustainable energy development and environmental management</i></p>	<p>Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:</p> <ol style="list-style-type: none"> 1. Improved capacity of stakeholders in environmental management, including planning and implementing integrated approaches that also respond to the needs of the poor. 2. Improving data management system of greenhouse gas emissions and ozone depleting substance consumption 3. Non-CPAP Outputs: <ul style="list-style-type: none"> - Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+. - Draft National Policy and Legal Framework for Generation of Revenues from Forest Carbon and Ecosystem Services endorsed by the National Committee on REDD+. - Draft Funding Mechanism for REDD+ Implementation endorsed by the National Committee on REDD+. <p>Baseline: Malaysia is signatory to the United Nations Convention Framework on Climate Change (UNFCCC) and Kyoto Protocol. No Institutional, Policy or Legal Framework for REDD+ implementation available. No Funding Mechanism for REDD+ implementation available.</p> <p>Targets:</p> <ol style="list-style-type: none"> 1. Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+. 2. Draft National Policy and Legal Framework for Generation of Revenues from Forest Carbon and Ecosystem Services endorsed by the National Committee on REDD+. 3. Draft Funding Mechanism for REDD+ Implementation endorsed by the National Committee on REDD+.
<p>Applicable Key Result Area (from 2008-11 Strategic Plan): Towards Improved Quality of Life through Sustainable Environmental Management.</p>	<p>Partnership Strategy</p> <p>The REDD Unit within NRE will be the implementing agency, until if/when a more suited entity is identified through the project implementation. A National Committee on REDD+ and a Technical Committee on REDD+ has earlier this year (2011) been established in Malaysia. This National Committee on REDD+ will fill the function of a National Steering Committee, while the Technical Committee on REDD+ will function as a Technical Working Committee to this project.</p>

INTENDED OUTPUTS	OUTPUT TARGETS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output 1: Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+. Baseline: No National Institutional Framework for REDD+ available.</p>	<p>Stocktaking Report on existing REDD+ Readiness activities and Regional Lessons learned. Draft Institutional arrangements for REDD+ Reviewed draft Institutional Arrangements or REDD+ Implementation. Draft National Institutional Framework for REDD+ Implementation proposed.</p>	<p>Conduct an inception workshop. To include stocktaking on National REDD+ Readiness activities and Regional Lessons learned. Review relevant Ministries' Departments and Agencies current and planned roles in issues related to forestry and land use. Conduct a series of stakeholder's consultation workshops to solicit inputs to the institutional arrangements (maximum 4). Finalize draft Institutional Framework for REDD+ Implementation in Malaysia, including proposed roles and responsibilities.</p>	<p>REDD+ Unit, Project Manager, UNDP, EPU</p>	<p>Project Manager Local consultants Meetings/Workshops Travel Miscellaneous</p>
<p>Output 2: Draft National Policy and Legal Framework for Generation of Revenues from Forest Carbon and Ecosystem Services endorsed by the National Committee on REDD+. Baseline: No National Policy and Legal Framework for Generation of Revenues from Forest Carbon and Ecosystem Services. Draft National Policy and Legal Framework for Generation of Revenues from Forest Carbon and Ecosystem Services endorsed by the National Committee on REDD+.</p>	<p>Stocktaking and gaps analysis report. Review existing legal and policy framework for forestry and land use issues, related to generation of revenues from forest carbon and ecosystem services. National Policy and Legal Framework for Generation of Revenues from Forest Carbon and Ecosystem Services.</p>	<p>Stocktaking and gap analysis on existing legal and policy framework for forestry and land use issues, related to generation of revenues from forest carbon and ecosystem services. Conduct two workshops to receive stakeholder's inputs. Finalize draft recommendation paper for National Policy and Legal Framework for</p>	<p>REDD+ Unit Project Manager, UNDP, EPU</p>	<p>Local consultants Meetings/Workshops Travel Miscellaneous</p>

		REDD+ implementation.	Framework for Generation of Revenues from Forest Carbon and Ecosystem Services proposed.	Ecosystem Services available.
Local consultants Meetings/Workshops Travel Miscellaneous	REDD+ Unit Project Manager UNDP EPU	Review relevant existing Funding Mechanisms and explore new funding options. Fact-finding mission to explore international best funding practices. Stakeholder's consultations at federal, state and community level on Benefit Distribution System and Payment Mechanisms. Finalize proposal on Sustainable Funding Mechanism for REDD+ Implementation.	Stocktaking Report. Mission report on fact finding mission. Draft Benefit Distribution System and Payment Mechanisms proposal. Sustainable Funding Mechanism proposed.	Output 3: Draft Sustainable Funding Mechanism for REDD+ Implementation endorsed by the National Committee on REDD+. Baseline: No sustainable Funding Mechanism for REDD+ Implementation available.
Total costs: 543 000				

IV. ANNUAL WORK PLAN YEAR 2011

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME 2011				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Budget Description	Amount
Output 1: Draft National Institutional Framework for REDD+ endorsed by the National committee on REDD+ baseline: National Institutional Framework for REDD+ available.	Project team established Inception Workshop planned				REDD+ Unit, UNDP			
	Activity Result: Associated Actions:							
targets: project team established Inception Workshop planned	- Hire Project Manager					x	Project Manager	500
	- Hire Consultants					x	Local Consultant	900
Output 2 and 3: NA							Miscellaneous:	1800
TOTAL 2011							CS: 0 TRAC:3200	3200

ANNUAL WORKPLAN YEAR 2012

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME 2012				RESPONSIBLE PARTY	Funding Source	Budget Description	Amount
		Q1	Q2	Q3	Q4				
Output 1: Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+. Baseline: o National Institutional Framework for REDD+ available. Targets: Stocktaking Report on existing REDD+ Readiness activities and Associated Actions: - Stocktaking Report on existing REDD+ Readiness activities and Regional lessons learned. - Draft Institutional arrangements for REDD+ - Reviewed draft Institutional Arrangements or REDD+ Implementation.	- Conduct a series of stakeholder's consultation - Review relevant Ministries' Departments and Agencies current and planned roles in issues related to forestry and land use. - Conduct an inception workshop. To include stocktaking on National REDD+ Readiness activities and Regional lessons learned. - Project Manager costs - Consultants costs - Conduct an inception workshop. To include stocktaking on National REDD+ Readiness activities and Regional lessons learned. - Review relevant Ministries' Departments and Agencies current and planned roles in issues related to forestry and land use. - Conduct a series of stakeholder's consultation	x	x	x	x	REDD+ Unit, Project Manager, UNDP, EPU	CS: Project Manager	59800	114000
		x	x	x	x			14000	14000
		x	x					21000	21000
		x	x						
		x	x						
		x	x						
								16000	

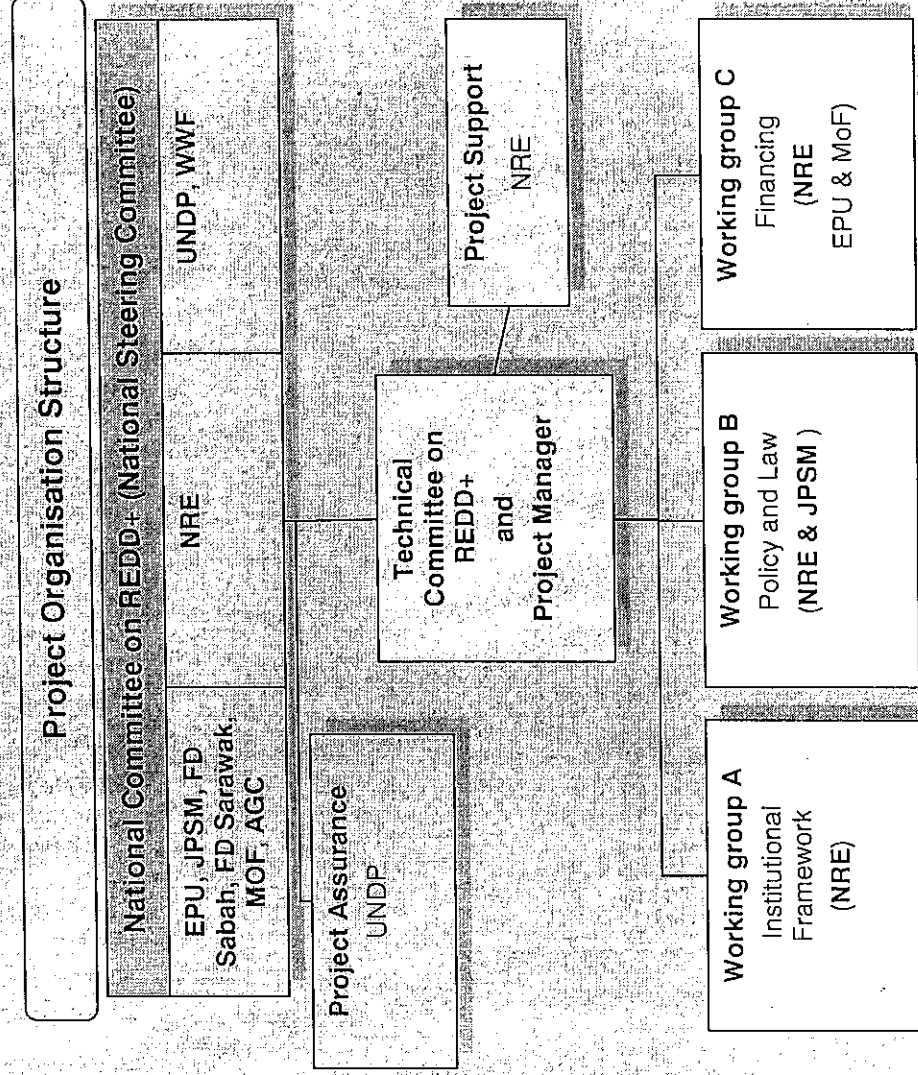
EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME 2012				RESPONSIBLE PARTY	Funding Source	Budget Description	Amount
		Q1	Q2	Q3	Q4				
targets: Draft review of existing legal and policy framework for forestry and land use issues, related to generation of revenues from forest carbon and ecosystem services. Stocktaking and gaps analysis report.	- Stocktaking and gap analysis on existing legal and policy framework for forestry and land use issues, related to generation of Revenues from Forest Carbon and Ecosystem Services.						TRAC	10000	
							TRAC	10000	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME 2012				RESPONSIBLE PARTY	Funding Source	Budget Description	Amount
		Q1	Q2	Q3	Q4				
targets: Mission Stocktaking Report. - Stocktaking and gap analysis on existing legal and policy framework for forestry and land use issues, related to generation of revenues from forest carbon and ecosystem services. Stocktaking and gaps analysis report.	- Stocktaking Report. - Mission report/recommendation paper on fact finding paper on REDD+ mechanism for REDD+ Sustainable Funding mechanism endorsed by the national Committee on REDD+ implementation available.					REDD+ Unit, Project Manager, UNDP, EPU	TRAC	25000	
	Activity Result: Associated Actions:								

FINDING MISSION		ANNUAL WORKPLAN YEAR 2013							TOTAL 2012	
Activity Result:	Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+.	Q1	Q2	Q3	Q4	RESPONSIBLE PARTY	Funding Source	Budget Description	Amount	
- Fact finding mission to explore international best practices.	- Stakeholder's consultations at federal, state and community level on Benefit Distribution System and Payment Mechanisms.		x	x	x		TRAC	Travel/ Allowances	55000	
- Draft proposal on Sustainable Funding Mechanism for REDD+ Implementation.							TRAC	Workshops	15000	
							TRAC	Travel/Allowances	10000	
							TRAC	Miscellaneous	800	
							CS: 925800 TRAC: 155800		481600	

EXPECTED OUTPUTS		TIMEFRAAME 2013							PLANNED BUDGET	
Activity Result:	Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+.	Q1	Q2	Q3	Q4	RESPONSIBLE PARTY	Funding Source	Budget Description	Amount	
Output 1: Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+.	Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+.					REDD+ Unit, Project Manager, UNDP, EPU	TRAC	Project Manager	9500	
Associated Actions:										
- Project Manager costs		x	x							

V. MANAGEMENT ARRANGEMENTS



The already established National Committee on REDD+ and the Technical Committee on REDD+ will govern the project. A representative from the Ministry of Rural and Regional Development, the project manager and UNDP will be added to the already existing members if these committees on issues related to this project. The project progress will be reported to the National Committee on REDD+ on REDD+.

National Committee on REDD+ (functioning as the National Steering Committee)

A National Committee on REDD+ was set earlier this year to The National Committee was set up by the NREto formulate directions and strategies for REDD+ implementation in Malaysia, formulate, coordinate and monitor national action plans on REDD+, advise on the evaluation and coordination as well as financial mechanism of REDD+ projects in Malaysia; and discuss Malaysia's recommended position on issues related to REDD+ in international forums. Committee is chaired by the Secretary General NRE and includes representatives from Ministry of Natural Resources and Environment, Ministry of Finance, Ministry of Agriculture and Agro-based Industry, Ministry of Plantation Industries and Commodities, Department of Forestry Peninsular Malaysia, Department of Forestry Sarawak, Department of Forestry Sabah, Forestry Research Institute Malaysia, Malaysia Centre for Geospatial Data Infrastructure, Department of Agriculture, Department of Town and Country Planning, Economic Planning Unit, State Economic Planning Unit (Kedah, Perlis, Penang, Perak, Pahang, Terengganu, Kelantan, Selangor, Melaka, Negeri Sembilan, Johor, Sabah, Sarawak) and the AG Chambers.

The National Committee REDD+ will function as the Steering Committee for this project. The Committee will provide guidance and direction to the project implementation process according to the established detailed work plan monitoring tool. UNDP and the Project Manager shall be invited to the discussions within the Committee related to this project. The Terms of References (TOR) of the National Committee on REDD+ related to this project shall be agreed among by the stakeholders within the first three months of the project.

National Project Director (NPD)

The National Project Director will be responsible for coordinating project activities among the main parties to the project. Among these responsibilities are to ensure that the project document and project revisions requiring Government's approval are verified within NRE and processed through the Government co-ordinating authority in accordance with established procedures and providing direction and guidance on project-related issues. The NPD also has the authority to disburse funds upon the advice from the National Steering Committee or the Project Manager based on the required project milestones. It is assumed that the NPD is the Deputy Secretary General in NRE.

Technical Committee on REDD+ (functioning as Technical Working Committee)

A Technical Committee on REDD+ has already been established in Malaysia, chaired by the Deputy Secretary General of NRE. This committee will serve the functions of a Technical Working Committee. The Technical Committee on REDD+ will handle all technical matters relating to the project. The Technical Committee on REDD+ consists of representatives from the Ministry of Natural Resources and Environment, the Department of Forestry Peninsular Malaysia, the Department of Forestry Sarawak, the Department of Forestry Sabah, the Department of Agriculture, the Department of Statistics, Remote Sensing Agency of Malaysia, Malaysia Centre for Geospatial Data Infrastructure, the Land and Survey Department Sabah, the Department of Agriculture Sabah, the Land and Survey Department Sarawak and the Department of Wildlife Protection and National Parks. Specific TORs for the Technical Committee on REDD+ in relation to this project will be agreed upon within the first three months of the project.

Consultants and Technical Support

Technical support will be provided by local and international professionals with extensive experience working in relevant areas as required by the project. The UNDP global knowledge network will provide valuable inputs through best practices and lessons learned from similar experiences in other countries.

Project Assurance

The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures that appropriate project management milestones are managed and completed. A UNDP Programme Officer will hold the Project Assurance role for the UNDP together with a representative from the International Cooperation Division, EPU, representing the GoM.

Project Manager

The Project Manager will manage the project on behalf of the National Committee on REDD+ and the Technical Committee on REDD+ in close coordination within the Term of Reference agreed to by the National Committee on REDD+ and the Technical Committee on REDD+. The Project Manager is responsible for day-to-day management and decision-making for the project together with an identified officer of the implementing agency. The Project Manager ensures that the project produces the results specified in the project document to the required standard of quality and within the specified constraints of time and cost.

The Project Manager will be recruited externally and will report administratively and programmatically to the NPD and reports on project progress during Steering Committee meetings. He or she will prepare progress reports in timely and required manner, and provide the information needed to agree disbursement of funds. The TOR of the project manager shall be agreed among the stakeholders as soon as the project commences.

Financial Management

Based on the approved AWP, UNDP will provide required financial resources to the Implementing Partner to carry out project activities during the annual cycle. Under the Harmonized Approach to Cash Transfer (HACT), the following modalities may be used:

- Direct cash transfers to the Implementing Partner, for obligations and expenditures to be made by them in support of activities;
- Direct payments to vendors and other third parties, for obligations incurred by the Implementing Partner; (See Annex III and Annex X)
- Reimbursement to the Implementing Partner for obligations made and expenditure incurred by them in support of activities.

The Implementing Partner and Project Manager will work closely with UNDP to monitor the use of the financial resources and are accountable for

- Managing UNDP's resources to achieve the expected results;
- Maintaining an up to date accounting system that contains records and controls to ensure the accuracy and reliability of financial information and reporting. Expenditures made should be in accordance with the, Annual Work Plans and budgets.

At the end of a quarter/year, UNDP prepares a Combined Delivery Report (CDR), which records all disbursements made under the project for verification. The Implementing Partner and UNDP should sign this CDR.

A project revision shall be made when appropriate; to respond to changes in the development context or to adjust the design and resources allocation to ensure the effectiveness of the project provided that the project remains relevant to the country programme. A project revision shall be supported by the record of an approval decision made by the National Committee on REDD+ related to this project, and an updated and signed AWP.

UNDP Support Services

Generally, UNDP provides two categories of services to programmes/projects. This first category includes general oversight, management, and quality control, while the second includes direct services in the context of implementation such as:

- Payments, disbursements and other financial transactions;
- Recruitment of staff, project personnel, and consultants;
- Procurement of services and equipment, including disposal if applicable;
- Organization of training activities, conferences, and workshops, including fellowships;
- Travel authorization, visa requests, ticketing, and travel arrangements.

The above will be carried out based on UNDP policies and procedures. Following the principles of best value for money, fairness, integrity, transparency, and effective competition. In this connection, reference is made to the Letter of Agreement (ANNEX X) for the Provision of Support Service which was signed between UNDP and the Government (EPU) on 6 December 2001.

UNDP will charge for the support services as follows:

- A. provision of general management support (GMS) for activities funded under Government Cost sharing (CS) at 6%
- B. for providing implementation support services (ISS) the charges will be based on actual cost or on the Universal Price List (UPL) applicable for both TRAC and CS funded activities

In-Kind Contribution

In addition to the financial resources through UNDP, the implementing partner will provide the following in-kind contribution (see specifications in the budget, page 30 -31):

- Assist in gaining access to all relevant data and information required to for the project that is accessible for public viewing;
- Office space (i.e. room/workspace) for the Project Manager, consultants and experts;
- Use of office support facilities by the Project Manager, consultants and experts (e.g. fax machine, stationary, photostat machine, telephone), and secretarial support where applicable;
- Facilities for convening meetings, workshops and seminars.

VI. MONITORING FRAMEWORK AND EVALUATION

The project activities will be closely monitored by UNDP. In compliance with UNDP regulations, the following will be conducted:

a) Project Monitoring and Review Meetings

- The National Committee on REDD+, serving as a Steering Committee
The National Committee on REDD+ will meet after the receipt of each project report or at least twice a year, whichever is greater and address project issues raised by the Project Manager, review project progress reports and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to the project document. A final National Committee on REDD+ project meeting should also be held at the end of project completion to agree to and endorse the final findings and outcomes of the project and to make recommendations towards project closure.
- Technical Committee on REDD+ Meetings
The Technical Committee on REDD+ will meet as regularly as required to assist the National Committee on REDD+_ in monitoring and advising the technical implementation of the project and its activities. The Technical Committee on REDD+ acts as the technical advisors to the National Committee on REDD+, and regularly reviews the progress of all project outputs.
- Annual Project Review Meeting
This internal review meeting will be chaired by EPU during the fourth quarter of the year to assess the performance of the project based on the Annual Work Plan (AWP) submitted at the beginning of the calendar year as well as the Annual Progress Report submitted during the fourth quarter of each calendar year. The review will involve all key project stakeholders and the Implementing Partner, and will focus on the extent to which progress have been made towards achievement of the outputs and that they remain aligned to appropriate outcomes as outlined in the project document. This review should update output targets and results achieved. In the last year of the project, the review will be a final assessment.
- Final Project Review Meeting
A Final Project Review meeting will be conducted towards the end of the project completion. Its purpose is to assess the performance and success of the project. It should look at sustainability of the results, including the contribution to related outcomes (and the status of these outcomes) and capacity development. It will also review lessons learned and recommendations that might improve design and implementation of other UNDP-funded projects. The meeting will discuss the Final Project Review Report that should be submitted two weeks prior to the Final Project Review Meeting.

b) Progress Reporting Documents

- Mid Year Progress Report
A Mid Year Progress Report shall be prepared by the Project Manager and shared with the EPU/ National Committee on REDD+ by 30 June of each project year. As a minimum requirement, the Mid Year Progress Report shall utilize the standard template for the Annual Project Report (APR) covering a six-month period.

- Annual Progress Report(APR)

An Annual Progress Report shall also be prepared by the Project Manager and shared with the EPU/ National Committee on REDD+ by the end of the last quarter of each year. The Annual Progress Report shall highlight risks and challenges, the summary of results achieved, and lessons learnt of the project for that reporting year.

- Final Project Review Report

This document which is prepared by the implementing partner is a structured assessment of progress based on the chain of results initially defined in the Project Document and Annual Work plans and will include information on financial allocations of expenditure. It may be supplemented by additional narrative to meet specific reporting needs of stakeholders, especially the donor(s). The following should be submitted together with the report:

- Lessons learnt log - summarizing the information captured throughout the implementation of the project;
- Minutes of National Committee on REDD+ project meetings;
- Minutes of Technical Committee on REDD+ project meetings;
- Annual signed CDRs;
- Statements of cash position (if applicable);
- Statements of assets and equipment.

This report will be discussed at the Final Project Review meeting mentioned above.

- Final Project Evaluation

Project evaluation assesses the performance of a project in achieving its intended results. It yields useful information on project implementation arrangements and the achievement of outputs. It is at this level that direct cause and attribution can be addressed given the close causal linkage between the intervention and its effect or output. Project evaluation provides valuable information to support informed decision-making and serves to reinforce the accountability of project managers. Depending on the purpose, project evaluations can be commissioned by the management at any time during the project cycle: at mid point, just before or after completion. They should ideally take place around the time of completing a project to determine the future of the project (e.g. continuation or termination of the project), to decide whether the concept should be scaled up or replicated elsewhere, and/or to generate lessons that are of strategic significance for the organization. The evaluation should be conducted by an independent consultant.

c) Financial Monitoring and Quality Assurance

- Combined Delivery Reports

The Combined Delivery Report (CDR) is the report that reflects the total expenditures and actual obligations (recorded in Atlas) of a Project during a period. This report is prepared by UNDP using Atlas and shared with the implementing partner on a quarterly basis and at the end of each year. The Implementing Partner is required to verify each transaction made and sign the quarterly issued CDR report. Statements of cash position as well as assets and equipments should also be submitted together with the CDR on a yearly basis.

- Audit

Audit is an integral part of sound financial and administrative management, and of the UNDP accountability framework. The project will be audited at least once in its lifetime and in accordance with the threshold established for the annual expenditures by the Office of Audit and Investigations (OAI). The audit provides UNDP with assurance that resources are used to achieve the results described and that UNDP resources are adequately safeguarded

The selection of an Audit Firm shall be through a competitive Request for Proposals, in consultation with the Implementing Partner and EPU, or if possible can be performed by the National Audit Authority. UNDP procedures must be followed as per the specific Terms of Reference for Audits of NEX/NIM Projects.

The audit is expected to provide assurance related to the following broad areas:

- Project progress and rate of delivery (PP)
- Financial management (FM)
- Procurement of goods and /or services (PR)
- Human resource selection and administration (HR)
- Management and use of equipment and inventory (EQ)
- Record-keeping systems and controls (R)
- Management structure (MS)
- Auditors' comments on the implementation status of prior year audit

d) Technical Reports (Addition from ProDoc Template sourced from POPP, accessed 1 Oct 2010)

The following reports should be produced by the consultants with an indicative timing of submission. The approval of reports is subject to the endorsement of the Technical Committee on REDD+ and the National Committee on REDD+.

Inception Report

The inception report should provide the description of activities to be undertaken, the adopted methodology, detailed work plan (containing clear delegation of work and its timeline), the final list of experts, stakeholders and organizations/networks involved. This will be prepared three months after the commencement of the project.

Interim Report

This report shall include interim findings based on the outputs defined in the project document and shall be submitted by the end of the 9th month of the project (mid 2012).

Final Report

This report shall comprise the final findings of the project as well as a description of the activities undertaken and the outputs achieved throughout the project as well as any lessons learnt and should be submitted in the final quarter of the project. This will be a consolidated report incorporating all the three outputs.

VII. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference, constitute together the instrument envisaged and defined in the Supplemental Provisions to the Project attached hereto and forming an integral part hereof, as "the Project Document"

Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999).

This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.

General responsibilities of the Government, UNDP and the Executing Agency

1. All phases and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP's policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.
2. The Government shall remain responsible for this UNDP-assisted development project and the realisation of its objectives as described in this Project Document.
3. Assistance under this Project Document being provided for the benefit of the Government and the people of (the particular country or territory), the Government shall bear all risks of operations in respect of this project.
4. The Government shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the "Co-operating Agency"), which shall be directly responsible for the implementation of the Government contribution to the project.
5. The UNDP undertakes to complement and supplement the Government participation and will provide through the Executing Agency the required expert services, training, equipment and other services within the funds available to the project.

6. Upon commencement of the project the Executing Agency shall assume primary responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.

7. Part of the Government's participation may take the form of a cash contribution to UNDP. In such cases, the Executing Agency will provide the related services and facilities and will account annually to the UNDP and to the Government for the expenditure incurred.

(a) Participation of the Government

1. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. Budgetary provision, either in kind or in cash, for the Government's participation so specified shall be set forth in the Project Budgets.

2. The Co-operating Agency shall, as appropriate and in consultation with the Executing Agency, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.

3. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.

4. Within the given number of man-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the Government may be made by the Government in consultation with the Executing Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.

5. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.

6. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary, after delivery to the project site.

7. The Government shall make available to the project - subject to existing security provisions - any published and unpublished reports, maps, records and other data which are considered necessary to the implementation of the project.

8. Patent rights, copyright rights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.

9. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.

10. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the Project Budget. Payment of this amount shall be made to the UNDP in accordance with the Schedule of Payments by the Government.

11. Payment of the above-mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to commencement or continuation of project operations.

(b) Participation of the UNDP and the executing agency

1. The UNDP shall provide to the project through the Executing Agency the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.

2. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Manager¹ who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency's participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.

3. The Executing Agency, in consultation with the Government and UNDP, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.

4. Fellowships shall be administered in accordance with the fellowships regulations of the Executing Agency.

5. The Executing Agency may, in agreement with the Government and UNDP, execute part or the entire project by subcontract. The selection of subcontractors shall be made, after consultation with the Government and UNDP, in accordance with the Executing Agency's procedures.

6. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held by the Executing Agency. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Executing Agency.

7. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.

8. Prior to completion of UNDP assistance to the project, the Government, the UNDP and the Executing Agency shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly there from. The UNDP may, however, at its discretion, retain title to part or all of such equipment.

¹ May also be designated Project Co-ordinator or Chief Technical Adviser, as appropriate.

9. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP, and if necessary the Executing Agency, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.

10. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

Rights, Facilities, Privileges and Immunities

1. In accordance with the Agreement concluded by the United Nations (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.

2. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.

3. The Executing Agency's contractors and their personnel (except nationals of the host country employed locally) shall:

(a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;

(b) Be immune from national service obligations;

(c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;

(d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project;

(e) Be accorded together with their spouses and relatives dependent on them the same repatriation facilities in the event of international crisis as diplomatic envoys.

4. All personnel of the Executing Agency's contractors shall enjoy inviolability for all papers and documents relating to the project.

5. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organization which may be retained by the Executing Agency and on the personnel of any such firm or organization, except for nationals of the host country employed locally, in respect of:

(a) The salaries or wages earned by such personnel in the execution of the project;

(b) Any equipment, materials and supplies brought into the country for the purposes of the project or which, after having been brought into the country, may be subsequently withdrawn there from;

(c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and

maintenance of equipment mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and

(d) As in the case of concessions currently granted to UNDP and Executing Agency's personnel, any property brought, including one privately owned automobile per employee, by the firm or organization or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn there from upon departure of such personnel.

6. The Government shall ensure:

(a) Prompt clearance of experts and other persons performing services in respect of this project; and

(b) The prompt release from customs of:

(i) Equipment, materials and supplies required in connection with this project; and

(ii) Property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

7. The privileges and immunities referred to in the paragraphs above, to which such firm or organization and its personnel may be entitled, may be waived by the Executing Agency where, in its opinion or in the opinion of the UNDP, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP or the Executing Agency.

8. The Executing Agency shall provide the Government through the resident representative with the list of personnel to whom the privileges and immunities enumerated above shall apply.

9. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

Suspension or termination of assistance

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that it is prepared to resume its assistance.
2. If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate the project.
3. The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.

Award ID:											
Output/Atlas Activity	Implementing Partner	Source of Funds	Atlas Code	ERP/Atlas Budget Description	Year 1 (2011)	Year 2 (2012)	Year 3 (2013)	Total (USD)	Total (RM)		
Output 1: Draft National Institutional Framework for REDD+ endorsed by the National Committee on REDD+.	NRE	UNDP (TRAC & CS)	71305	Service Contracts-Individuals (Project Manager)	500	59800	9500	69800	221615		
			71405	Local Consult.-Sht Term-Tech	900	114000	5000	119900	380683		
			71605	Travel Tickets-International	0	10000	0	10000	31750		
			71610	Travel Tickets-Local	0	6000	0	6000	19050		
			71615	Daily Subsistence Allow-Intl	0	2000	0	2000	6350		
			71620	Daily Subsistence Allow-Local	0	12000	0	12000	38100		
			71635	Travel - Other (Monitoring)	0	0	0	0	0		
			75700	Training/Workshop/Conference	0	65000	0	65000	206375		
			74500	Misc - Sundry	1800	0	0	1800	5715		
				Subtotal		3200	268800	14500	286500	909638	190500
			71305	Local Consult.-Sht Term-Tech	0	40000	0	40000	20000	60000	190500
			71400	Contractual Services – Individ (Supervisory)	0	5000	0	5000	3000	8000	25400
			71400	Contractual Services – Individ (Managerial)	0	10000	0	10000	5000	15000	47625
			71605	Travel Tickets-International	0	5000	0	5000	1000	6000	19050
			71615	Daily Subsistence Allow-Intl	0	3000	0	3000	2000	5000	15875
			71610	Travel Tickets – Local	0	1000	0	1000	1000	2000	6350
			71620	Daily Subsistence Allow - Local	0	1000	0	1000	4000	12000	38100
			73125	Common Services - premises	0	8000	0	8000	4000	12000	38100
			74105	Management and Reporting Services	0	5000	0	5000	3000	8000	25400
			75110	Facilities and Admin. Services	1000	1000	1000	2000	1000	3000	9525
				Subtotal		1000	80000	41000	122000	384175	

Award ID:		Output/Atlas Activity	Implementing Partner	Source of Funds	Atlas Code	Year 1 (2011)	Year 2 (2012)	Year 3 (2012)	Total (USD)	Total (RM)
NRE	Output 2: Draft National Policy and Legal Framework for Generation of Revenues from Forest Carbon and Ecosystem Services endorsed by the National Committee on REDD+.	UNDP (TRAC & CS)	71305	Local Consult.-Sht Term-Tech	0	87000	13000	100000	317500	317500
			71635	Travel - Other (Monitoring)	0	10000	0	10000	31750	31750
				Training/Workshop/Conference	0	10000	0	10000	31750	31750
			74500	Misc - Sundry	0	800	0	800	2540	2540
				Subtotal	0	107800	13000	120800	383540	383540
			71610	Travel Tickets-Local	0	1000	1000	2000	6350	6350
			71620	Daily Subsistence Allow-Local	0	1000	1000	2000	6350	6350
				Subtotal	0	2000	2000	4000	12700	12700

Output/Atlas Activity	Implementing Partner	Source of Funds	Atlas Code	ERP/Atlas Budget Description	Year 1	Year 2	Year 3	Total (USD)	Total (RM)	
Output 3: Draft Sustainable Funding Mechanism for REDD+ Implementation endorsed by the National Committee on REDD+	NRE	UNDP (TRAC & CS)	71305	Local Consult-Sht Term-Tech	0	25000	5000	30000	95250	
			71605	Travel Tickets-International	0	30000	0	30000	95250	
			71610	Travel Tickets-Local	0	10000	5000	15000	47625	
			71615	Daily Subsistence Allow-Intl	0	25000	0	25000	79375	
			75700	Training/Workshop/Conference		15000	20000	35000	111125	
			74500	Misc - Sundry	0	0	700	700	2223	
		GOM (in-kind)		71305	Local Consult-Sht Term-Tech	0	25000	5000	30000	95250
				71605	Travel Tickets-International	0	30000	0	30000	95250
				71610	Travel Tickets-Local	0	10000	5000	15000	47625
				71615	Daily Subsistence Allow-Intl	0	25000	0	25000	79375
				75700	Training/Workshop/Conference		15000	20000	35000	111125
				74500	Misc - Sundry	0	0	700	700	2223
		Subtotal					0	105000	30700	135700
UNDP's Contribution (TRAC - CS)					0	105000	30700	135700	430848	
Travel Tickets-Local					0	1000	1000	2000	6350	
Daily Subsistence Allow-Local					0	1000	1000	2000	6350	
Misc - Sundry					0	500	500	1000	3175	
Subtotal					0	2500	2500	5000	15875	
UNDP's Contribution (TRAC - CS)					3200	481600	58200	543000	1724025	
GOM's Contribution					1000	84500	45500	131000	415925	
Grand Total					4200	566100	103700	674000	2139950	

ANNEX II: Risks and Mitigation

Description	Type	Impact Probability	Mitigation Measures
The value of US Dollars foreign exchange against the ringgit may reduce during the project cycle	Financial	Probability: Medium Impact: Medium	There will be a need to regularly monitor the exchange rate to ensure that it does not affect the budget of the project. If there are major changes, the budget will be adjusted accordingly and approved by the National Committee on REDD+.
Difficulties in federal-state project engagement due to the federal-state constitutional structure.	Institutional	Probability: Medium Impact: Medium	All states are represented through the National Committee on REDD+. All states represented. The project will conduct extensive consultation with the state level stakeholders to create awareness and political support of the proposed National framework for REDD+.
Lack of awareness about- and understanding of- REDD+ among relevant ministries and agencies, state forest departments, state economic planning unit and senior state administration.	Institutional	Probability: Medium Impact: High	Strategies of knowledge sharing through stakeholder's consultations and workshops.
REDD+ standard mechanisms globally not formalized	International political/	Probability: Medium Impact: Low	Through the project national finance mechanisms will be explored. In addition, all activities and outputs should be useful for Malaysia regardless of the outcome of REDD+ on the international level.
Competing economic interests.	Economic/ Political	Probability: High Impact: High	<ul style="list-style-type: none"> - develop concrete, practical and cost effective standards for REDD+ implementation. - Ensure transparency and inclusiveness. - Emphasis on true value of forest products, produced and managed sustainably - Build consensus -Identify drivers of deforestation and forest degradation and consider risk mitigation strategies.

ANNEX III: Financial arrangements

The UNDP Resident Representative ensures that the project has an internal control system that allows it to monitor effectively the financial activity of the project and to support and monitor the progress towards achieving results.

UNDP may assist with direct payments to other parties for goods and services provided to the project. In this connection, the government implementing agency will forward to the UNDP a standard form.

**ANNEX IV: TERMS OF REFERENCE: National Committee on REDD+ related to this project
(Functioning as a National Steering Committee)**

The National Committee on REDD+ will monitor the conduct of the project and provide strategic guidance to the project team on the implementation of the project. The National Committee on REDD+ is chaired by the Secretary General of Ministry of Environment or someone assigned by the Secretary General. The National Committee on REDD+ consist of representatives from the Ministry of Natural Resources and Environment, the Ministry of Finance, the Ministry of Agriculture and Agro-based Industry, the Ministry of Plantation Industries and Commodities, the Department of Forestry Peninsular Malaysia, the Department of Forestry Sarawak, the Department of Forestry Sabah, the Forestry Research Institute Malaysia, Malaysia Centre for Geospatial Data Infrastructure, the Department of Agriculture, Department of Town and Country Planning, the Economic Planning Unit, the State Economic Planning Units (Kedah, Perlis, Penang, Perak, Pahang, Terengganu, Kelantan, Selangor, Melaka, Negeri Sembilan, Johor, Sabah, Sarawak) and the AG Chamber. In addition to the already established members of the National Committee on REDD+, a representative from the Ministry of Rural and Regional Development, as well as UNDP and the Project Manager, will participate in discussions related to this project.

REDD+ Unit will act as Secretariat to the National Committee on REDD+ on issues related to this project. The National Committee will meet after the receipt of each project report or at least twice a year, whichever greater. The Committee will have the following duties and responsibilities under this project:

- Provide policy guidance on matters pertaining to the implementation of the project;
- Monitor and evaluate the implementation of the project towards fulfilment of the objectives stated in the project document;
- Review, approve and endorse proposed work plan and budget;
- Initiate remedial actions to overcome all constraints in progress of the project;
- Review and approve relevant changes to the project design;
- Coordinate the roles of the various organizations involved in the execution of the project and ensure harmony with related activities;
- Advice on the long term sustainability strategy of the project;
- Review and approve all related reports to the projects.

ANNEX V: TERMS OF REFERENCE: Technical Committee on REDD+

The roles described below will be taken up by the existing National Technical Committee for REDD+, plus one representative from the Ministry of Rural and Regional Development.

In relation to this project, the Technical Committee on REDD+ will assist the National Committee on REDD+ in monitoring the conduct of the project and providing technical guidance on the implementation of the project. The technical Committee on REDD+ will act as technical advisors to the National Committee on REDD+. The Technical Committee is chaired by the Deputy Secretary General (Environment) from NRE. The Project Manager will act as Secretariat to the Technical Committee on REDD+ in issues related to this project. The members of the Technical Committee on REDD+ consists of representatives from the Ministry of Natural Resources and Environment, the Department of Forestry Peninsular Malaysia, the Department of Forestry Sarawak, the Department of Forestry Sabah, the Department of Agriculture, the Department of Statistics, Remote Sensing Agency of Malaysia, the Malaysia Centre for Geospatial Data Infrastructure, the Land and Survey Department Sabah, the Department of Agriculture Sabah, the Land and Survey Department Sarawak, the Department of Wildlife Protection and National Parks. In addition, the Ministry of Rural and Regional Development will be encouraged to participate.

The Technical Committee on REDD+ will, under this project, be specifically responsible for:

- Provide guidance and decisions on matters pertaining to the technical aspects of the project such as the training needs assessment, the training implementation strategy and the development of the training modules to ensure that they meet with the objectives set in the project document and with international good practices and standards ;
- Monitor and evaluate the technical implementation of the project towards fulfillment of the objectives stated in the project document;
- Review and comment on the proposed technical work plan; and
- Regular monitoring of the progress of the project and recommend approved technical reports to the National Committee on REDD+

ANNEX VI: TERMS OF REFERENCE: National Project Director

National Project Director is a staff member of the GoM's implementing agency of a UNDP-supported project and in this case will be the head of the NRE REDD Unit. His/her main responsibility is to coordinate project activities among the main parties to the project: the Government co-coordinating authority, the consultant, and UNDP.

Specifically, he/she works in close collaboration with the project manager, as well as UNDP and his/her responsibilities include:

- Ensuring that the project document and project revisions requiring Government's approval are processed through the Government co-coordinating authority , in accordance with established procedures;
- Preparing work plans in discussion with the project manager, UNDP, and consultants;
- Mobilizing national institutional mechanisms for smooth progress of project;
- Reviewing project status reports;
- Providing direction and guidance on project-related issues;
- Providing advice and guidance to the project team;
- Approve financial transactions.

Annex VII: TERMS OF REFERENCE: Project Manager

The Project Manager will be primarily focused on the administrative, financial and operational aspects of the project. The project manager's role is to manage and coordinate the implementation of various project activities in ensuring quality and timeliness of activities and delivery of outputs. He/She will be based at the NRE.

The specific tasks of the Project Manager are:

- Provide direction for the project based on the project document and decisions made by the Technical Committee on REDD+ and the National Committee on REDD+. Manage and coordinate the implementation of project activities to ensure the maintenance of quality and timeliness, and delivery of outputs;
- Liaise and work closely with the project partners and beneficiaries;
- Report regularly to the National Committee on REDD+ and the Technical Committee on REDD+ on the project's progress;
- Maintain close contact with designated focal points from UNDP and other stakeholders, indicating any estimated changes to the work plan, and proposing a budget revision when appropriate;
- Ensure that the requisite allocations are available in accordance with the agreed budget and established schedules of payment, if any, in consultation with the National Project Director and UNDP
- Coordinate and facilitate the work of multiple component teams engaged in the implementation of project activities;
- Work closely with key stakeholders in the drafting and preparation of relevant TORs for local consultants;
- Monitor the project funds and resources; as well as, prepare progress and financial reports of the project when required;
- Maintain an up-to-date accounting system to ensure accuracy and reliability of financial reporting;
- Be responsible for the delivery of the project results and final outputs;
- Establish a monitoring plan for activities implemented by project consultants;
- Be actively involved in the preparation of relevant knowledge products (including publications and reports);
- Where necessary and upon advice by UNDP, perform the function of ATLAS External User, creating requisitions and vouchers, and other relevant ATLAS processes.
- Ensure that no statements are made/announced, and no data/output are released regarding the findings without prior consent from UNDP and EPU.

Duration: 21 Months

Reports to: National Project Director

Qualifications and skills:

1. Masters degree or equivalent in Environmental Science/Environmental Law/Natural Resources Management/Life Science or a related discipline. Work experience in lieu of formal qualifications will also be considered.
2. At least 5 years experience in the field of environment, including forest policies and management
3. Relevant exposure to UN or government projects will be an added advantage.
4. Knowledgeable in issues related to Sustainable Forest Management, REDD+ and similar subject areas, would be an advantage.
5. Have a good understanding of environmental law or conservation financing.
6. Project management experience will be an asset. Candidate must be able to multitask and work independently

7. Be proactive, energetic, committed and innovative
8. Have good interpersonal skills, diligent, open-minded and dedicated. Flexible and mature person
9. Excellent writing and organization skills. Strong command of English and Bahasa Malaysia.
10. Commitment to principles of Transparency, Accountability, Inclusiveness, Integrity and, Participation.

ANNEX VIII: Project Annual Report Template

DATE:

Award ID:

Description:

Implementing Partner:

Period Covered:

1. Project Issues:

Status of Project Risks:	Open Project Issues:
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2. Project Performance

OUTPUT 1:

ID

Description:

YYYY target:

YYYY Achievement:

Activity ID:

Deliverable Description:

Start and End Date:

% Progress to date

Quality Criteria	Date	Results of Activities		
		User Perspective	Resource Status	Timeliness

Financial

Account	Fund	Donor	R. Party	Budget	Expenditure	Balance

OUTPUT 2:

Project ID

Description:

YYYY Target:

YYYY Achievement

Activity ID:

Deliverable Description:

Start and End Date:

% Progress to date

Quality Criteria	Date	Results of Activities		
		User Perspective	Resource Status	Timeliness

Financial Summary

Account	Fund	Donor	R. Party	Budget	Expenditure	Balance

3. Lessons Learned

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ANNEX X: Letter of Agreement for the Provision of Support Service



UNIT PERANCANG EKONOMI
Economic Planning Unit
JABATAN PERDANA MENTERI
Prime Minister's Department
BLOK B5 & B6,
PUSAT Pentadbiran Kerajaan Persekutuan
62502 PUTRAJAYA,
MALAYSIA

Telefon: 88881111
FAX:

Ruj. Tuan:
Your Ref:

Ruj. Kami:
Our Ref:

Tarikh:
Date:

(2) YUPES91/000-299

13 December 2001

BY FAX: (03)2552870 / 84 HANO

Resident Representative
United Nations Development Programme
Wisma UN
Blok C Komplek Pejabat Damansara
Jalan Dungan
Damansara Heights
50490 KUALA LUMPUR

Dear Madam,


Letter of Agreement Between UNDP and the Government For the Provision of
Support Services under National Execution

Reference is made to your letter dated 26 October 2001 on the above subject.

2. We are pleased to attach herewith two (2) copies of the duly signed letter of agreement for your further action.

Thank you.

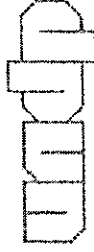
Yours sincerely,


(Patricia Chia Yoon Moi)
for Director General
Economic Planning Unit

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United Nations Development Programme

Sustainable human development



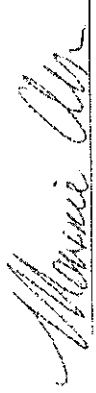
Dear Sir,


1. Reference is made to consultations between officials of the Government of Malaysia (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally executed programmes or projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its Executing Agent designated in the relevant project document, as described below.
2. The UNDP country office may provide support services for execution activities, such as assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Executing Agent is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the cost-sharing component of the project where applicable.
3. In addition, the UNDP country office may provide, at the request of the Executing Agent, the following support services for implementation activities:
 - (a) Identification and assistance with and/or recruitment of project and programme personnel;
 - (b) Identification and facilitation of training activities, including fellowship, short-term training and study tours;
 - (c) Procurement of goods and services; and
4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the project document, in the form provided in Attachment hereto. If the requirements for support services by the country office change during the life of a programme or project, the annex to the project document is revised with the mutual agreement of the UNDP Resident Representative and the Executing Agent.
5. The relevant provisions under Article VIII of the Agreement between United Nations Special Fund and the Government of the Federation of Malaya concerning assistance from the Special Fund dated 25 July 1961, regarding facilities, and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally executed programme or project through its designated Executing Agent. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the project document.

Street Address: Wisma UN, Blok C, Komplek Pejabat Damansara, Jalan Dungun, Damansara Heights, 50480 Kuala Lumpur
Telephone: 255 9122 / 255 9133 Facsimile: 255 2870 E-mail: resistr.my@undp.org
Mailing Address: P.O. Box 12544, 50782 Kuala Lumpur

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions under Article IX of the Special Fund Agreement.
7. The manner and method of cost recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the project document.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.
10. If you are in agreement with the provisions set forth above, please sign and return to this Office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally executed programmes and projects.

Yours sincerely,


Signed on behalf of UNDP
Maxine Olson
Resident Representative



For the Government
Name/Inisial: Iskandar Dzokumaln b. Badarudin
Date: Director General
Economic Planning Unit
Prime Minister's Department

AEC 2001