

**MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
OF MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES
AND
DEVELOPMENT COOPERATION SECTION
of the Royal Danish Embassy
Phnom Penh
ON
SUPPORT TO “FOREST AND ENVIRONMENT SECTOR”**

The parties above have agreed to implement the support to “Forestry and Environmental Sector” according to the following:

1. The Agreement between The Royal Government of Cambodia and The Government of the Kingdom of Denmark on the Natural Resource Management and Livelihoods Programme 2006-2010 signed on 31st July 2006 by H.E Keat Chhon, Senior Minister, Minister of Economy and Finance and First Vice-Chairman of the CDC and H.E. Ulrik Helwig-Larsen, Ambassador of the Royal Danish Embassy, Bangkok.
2. The “Natural Resource Management and Livelihoods Programme 2006-2010 Document” signed 31st July 2006 by H.E Keat Chhon, Senior Minister, Minister of Economy and Finance and First Vice-Chairman of the CDC and H.E. Ulrik Helwig- Larsen, Ambassador, Royal Danish Embassy, Bangkok and Claire Moran, DFID South Asia, Bangkok.
3. The attached Cover Page of Component Document on “Forest and Environmental Sector” signed on 26 October 2006 by H.E. Lim Sokun, Secretary of State, Ministry of Agriculture, Forestry and Fisheries and Mogens Laumand Christensen, Minister Counsellor, Danida Resident Representative, Development Cooperation Section of The Royal Danish Embassy, Phnom Penh as attached to this MoU.
4. Furthermore, the parties have agreed that the Forestry Administration will established a Commercial Bank Account in a mutual acceptable Commercial Bank for transfer of funds from Danida according to conditions set out in the Agreement between the two Governments stated under item 1. and 2. above.

Phnom Penh

Date: 26 October 2006

Signed by

Signature

H.E. Lim Sokun
Secretary of State,
Ministry of Agriculture, Forestry and Fisheries

Signed by

Signature

Mogens Laumand Christensen
Minister Counsellor, and
Danida Resident Representative
Development Cooperation Section of
Royal Danish Embassy

ANNEX TO THE MoU

Country:	Cambodia	Sector:	Natural Resource Management
Programme:	Natural Resource Management and Livelihoods		
Component:	Sector Development		
Sub-component:	Forest and Environment		
Programme Partner:	Forest Administration (MAFF) and Department of Nature Conservation and Protection (MoE)		
Duration:	12 September 2006 to December 2010		
Overall Budget:	USD 2.270 million		

Component Description:

The Forest Administration (FA) and Department of Nature Conservation and Protection (DNCP) are responsible for the implementation of Forest sector policy. The Forest Sector Action Plan prepared by the technical Working Group-Forestry and Environment forms the basis for the alignment and harmonisation of the sub-component. The sub-component builds on previous Danida and DFID including the funding of the Independent Forest Sector Review (2004) and addresses part of the action plan and, in particular, issues affecting the target population as set out in the overall programme.

The sub-component will explore new approaches to forest management in which the rent from the forest remains largely in public hands, rights are secured and incentives/benefits created for poor people, communities and the decentralised commune councils to manage and regulate forest use and to ensure their livelihoods.

The immediate objective for the sub-component is, therefore, to “*access rights to forests improved and pro-poor management options implemented.*”

By the end of the programme, the sub-component will have contributed, through support to evidence-based policy development to: (a) Improved NRM governance; (b) Improved rights of access; and, (c) more pro-poor service orientation from line agencies.

The Joint Annual Programme Review, representing CDC, Danida and DFID, will be responsible for strategic management decisions, supervision and approval of budget reallocations. The TWG-Forest and Environment will be responsible for monitoring and reporting.

The programme assistance is aligned with the Royal Government of Cambodia development programmes, and harmonised by Danida and DFID through the Multi-donor Livelihood Facility.

Phnom Penh,

Date: 26 October 2006

Signature

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H.E Lim Sokun
Secretary of State
Ministry of Agriculture, Forestry and Fisheries

Signature

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Mogens Laumand Christensen
Minister Counsellor
Danida Resident Representative
Development Cooperation Section of
Royal Danish Embassy, Bangkok