

**United Nations Development Programme  
Project Document**

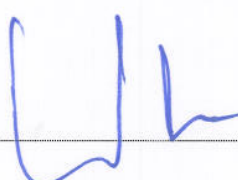
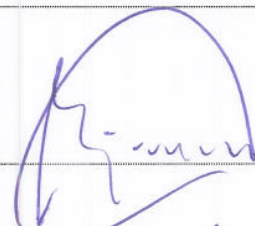

<b>Project Title</b>	Capacities for Local Human Development
<b>UNDAF Outcome(s):</b>	Outcome 4: Effective, transparent and participatory public policies and management ensured, for the promotion and enforcement of human rights
<b>Expected CP Outcome(s):</b>	Outcome 7: Social players exercising enhanced participatory democracy at the different government levels
<b>Expected Output(s):</b>	<ol style="list-style-type: none"> <li>1. Local Institutions capacities strengthened</li> <li>2. Local development indicators defined and baseline established</li> <li>3. Integrated municipal policies for development identified and partnerships established</li> <li>4. Policy coordination mechanisms and M&amp;E system established</li> <li>5. Experiences of the pilots codified and UNDP support products for municipalities developed</li> </ol>
<b>Executing Entity:</b>	CNM – Confederação Nacional dos Municípios
<b>Implementing Agencies:</b>	CNM

**Brief Description**

The project aims to foster development and the achievement of the Millennium Development Goals (MDGs) through capacity building of local public administration and by involving civil society in selected municipalities of Brazil and is based on the premise that sound local policies will lead to better managed and more equitable development process.

The project represents an innovation in terms of the recipient of the services and types of products and services delivered to the local beneficiaries of the project. The project will be implemented in pilot municipalities that have demonstrated interest in and commitment to identify development issues and needs and later on implement and monitor progress towards set objectives.

Programme Period: 2007-2011	Total resources required	US\$2,000,000.00
Atlas Award ID: 00050514	Total allocated resources:	US\$2,000,000.00
Start date: 09/04/2009	• Regular	US\$2,000,000.00
End Date: 31/12/2011	• Other:	
PAC Meeting Date: 09/04/2009	o Donor	_____
Management Arrangements: NGO Execution	o Government	_____
	Unfunded budget:	_____
	In-kind Contributions	_____

Agreed by:	Name/Title:	Signature:	Date:
Brazilian Cooperation Agency:			22/09/09
National Municipal Confederation:	PAULO ZIULKOSKI / PRESIDENTE		29/08/09
UNDP:			29/03/09

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## I. SITUATION ANALYSIS

With the economy among the world's 10th largest in terms of GDP, Brazil ranks only 70<sup>th</sup> on the Human Development Index. It is not a poor country but one that is extremely unequal, Gini index at 0,568 (2004), and a country that contains a very large number of poor people (defined as the population having a household income of less than one-half of the minimum wage), i.e. 54 million out of 180 million people in 2003. IPEA/IBGE data shows that in 2007 the total number of poor increased to 57 million or up to 30,3% of the total population<sup>1</sup>. Furthermore up to 11,5% of population were in extreme poverty in 2007 (aprox. 22 mln). Nonetheless, Brazil has the potential to tackle the development challenges it faces.

As a middle income country Brazil is well on its way towards achieving nearly all national MDG targets. However the assumption that all MDG targets will be met shortly is true only when analysed at a macro (national) level. Disaggregated data on all Millennium Development Goals shows significant gaps and inequalities among various social groups as well as among the regions of the country.

Along the same lines Brazil suffers from enormous regional inequalities. Modern industry, agriculture and finance are concentrated in the South and Southeast (especially in Sao Paulo State), while crushing poverty predominates in the Northeast and the Amazon regions. Once these inequalities are considered, it becomes clear that country-wide solutions and development plans will not lead to satisfactory results. While a number of federal programmes such as *Bolsa Familia* have helped to alleviate the inequalities and fostered the growth of a middle-class, data shows that economic inequalities are on the increase in 2/3 of Brazilian municipalities.

The complex challenges of promoting sustainable growth, reducing disparities, eradicating poverty and hunger require the consolidation of a more inclusive society where women and men, of any racial group, are assured equal access and rights to education, health, food, housing, employment, justice and security. Addressing inequalities involves building capacity of government, civil society and Right Holders, at all levels, to monitor and influence the level, focus and efficiency of social policies and expenditures. In this respect, ensuring effective, transparent and participatory public policies and management, for the promotion and enforcement of human rights was established as the fourth outcome of the UNDAF 2007-2011. This also reflects the national goal of promoting and expanding citizenship and strengthening of democracy.

Thanks to the intensive MDG advocacy campaign lead by the Presidency of Brazil local governments have started to integrate their development actions and plans focusing on the achievement of the MDGs. In February 2009 Federal Government and Brazilian municipalities launched a pact "*Agenda de Compromissos*" declaring mutual commitment to the achievement of sustainable development and MDGs. However the results of these first attempts show that their capacities for local development and addressing the MDGs need to be strengthened. Furthermore, the municipalities lack adequate capacity to monitor on-going work and feed the results of monitoring and evaluation exercises into further policy making cycles in an integrated and continuous manner.

UNDP recognises the need for approaches tailored to meet development needs of the excluded groups and disadvantaged regions. This has led UNDP to design its services and their delivery mechanisms in a way that allows direct access to the municipalities. Capitalising on the existing partnerships, including those cultivated by the UNV Programme, in order to establish coalitions in support of the efforts that the pilot

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<sup>1</sup> Current Brazilian population is 190.945.342 based on IBGE estimates

municipalities are undertaking through resource mobilization and increased civic action in support of the commonly agreed aims.

This project is based on the needs analysis carried out by the UNDP in contact with the State and Municipal governments.

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## II. STRATEGY

Considering the above context, addressing underlying causes of exclusion and inequalities, whether they would be gender and race-based or regional, is the key focus for UNDP work in Brazil. By providing policy advice for project formulation, implementation and monitoring to build capacity at local level for MDGs achievement as well as strengthening local governance structures mainly aiming to improve the managerial performance and planning capacity the project most directly contributes to the Outcome 7 of the current Country Programme 2007-2011 (Social players exercising enhanced participatory democracy at the different government levels) However due to the cross-cutting nature of capacity development activities the project will also contribute to the achievement of other 7 CP outcomes, namely:

1. Improved access to and quality of basic social services.
2. Targeting gender and racial/ethnic inequalities through capacity building, mainstreaming and participation.
3. Violence prevention and reduction and victim care policies and programs designed and implemented in an integrated manner.
4. Increased participation of civil society, private sector and government institutions in the monitoring and enforcement of human rights.
5. Public administration provided with instruments for modernized and transparent management.
6. Prioritization of, increased allocation to and execution of public budgets in social programs, maintaining efficiency in the use of available resources.
7. Sustainable development government policies designed and implemented.

This project aims to deliver support and services to the municipalities so as to strengthen their capacities and to equip local officials, NGOs and private sector institutions with the knowledge, experience and tools necessary to design policies and municipal programmes leading to the achievement of the development goals of the municipality. More specifically the objectives of the project are to contribute to the on-going efforts of the municipalities to ensure sustainable and inclusive socio-economic development by:

1. Providing pilot municipalities with the necessary data basis and methodologies to conduct development baseline assessment and baseline capacity assessment.
2. On the basis of the baseline capacity assessments design and implement capacity building programmes for the local government, civil society and private sector institutions aimed at increasing government effectiveness, developing public servants' capacities for policy development and coordination, capacities for monitoring and impact assessments as well as strengthening the capacities of the NGOs and private sector enterprises to engage in a policy dialogue and local development planning, all focused on MDGs.
3. Implementing a support programme in policy making and development planning that will result in tailor made development plans (with a particular focus of addressing entrenched gender and racial inequalities and exclusion as well as bringing in UNDP experience in carbon neutral and integrated social policies areas) accompanied by sets of municipal policies setting the context for the

implementation of the development plan leading to the achievement of the municipal MDG targets.

4. Providing support in establishing policy coordination mechanisms necessary for the planning and implementation processes that will ensure policy coherence and alignment of political and administrative actions leading to the achievement of the development goals.
5. Strengthen the capacity of the pilot local governments for monitoring and accountability, including the establishment of monitoring mechanisms for the developed MDG focused strategic plans, applying integrated social policies approaches and knowledge on carbon neutral strategies and approaches.
6. On the basis of this experience develop a range of new products and substantive services that UNDP Brazil will offer to its partners in the country. These products constitute an integral part of the office change strategy and will be developed and deployed throughout the duration of the project (rather than at the end of it).

The project builds on the methodological approaches codified and developed by the UNDP and other partners (e.g. Human Development conceptual framework, Toolkit for Localizing The Millennium Development Goals; Localizing the Millennium Development Goals: Opportunities for Local Leaders; UNDP Practice Note on Supporting Capacities for Integrated Local Development, Manual for Localizing the MDGs in Brazil, UN Habitat "Good policies and enabling legislation for attaining MDGs: a methodology for participatory review and assessment" among others). This consolidated methodology will be implemented in pilot municipalities with the aim of strengthening the institutional capacity of the participating local governments and by involving civil society and other important partners for integrated MDG focused development.

The project includes a set of the core elements that will remain the same in all four cases. These include (a) baseline assessments; (b) identification of a set of municipal policies for development of selected municipalities and establishment of mechanisms for policy coordination; (c) capacity development programme aimed at strengthening local governance institutions and building their capacities to develop and implement integrated policies for development; and (d) codification of the experiences and development of a range of new substantive MDG and capacity development focused services and products to be offered to other UNDP partners.

Each element of the project will define the implementation of the next stage:

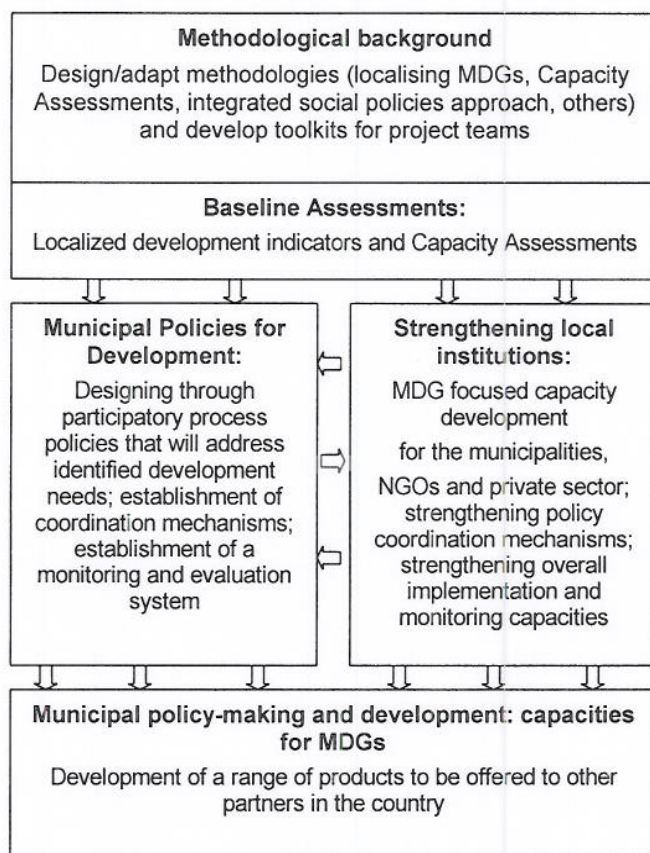
1. The availability of methodological guidance for each of the phases of the project as well as the innovative components such as capacity for MDG localization, carbon 0 analysis, integrated social policies approach and others) for the project teams as well as the stakeholders is critical to the successful implementation of the entire project framework.
2. The availability of data on the current development status of the pilot municipality is a pre-condition for the next stage focused on designing municipal policies and plans to achieve set development targets (MDGs). Therefore the first stage of the project will aim to ensure that the development situation analysis is carried out in order to establish baseline MDG indicators and assess current capacity levels.
3. Capacity needs assessment will lay the ground for the capacity development programme aimed at supporting on-going policy-making process and addressing capacity needs in terms of continuity of the process and readiness of the participating local actors to take active part in the implementation of the agreed upon strategies.

4. A number of mechanisms will be established to coordinate MDG planning and policy-making process. These same structures, after adequate methodological support (and training where necessary) will serve as implementation monitoring mechanisms ensuring continuity and achievement of development impacts. Additional attention will be given to streamlining administrative processes within the municipality and to strengthening fiscal management capacities in order to ensure the sustainability and equitability of the initiated development processes.

Partnerships with the civil society, private sector UN agencies, other national and international organizations and agencies will be mainstreamed throughout the project components in order to build the network of opportunities for the longer-term projects of the pilot municipalities that can not be completed before the end of this project.

For the achievement of these project objectives UNDP will share with the executing partners, implementing organisations as well as local stakeholders its flagship methodologies such as capacity assessment, results based management, change management, MDG needs assessment, management and other relevant methodologies. In particular, municipal associations such as Frente Nacional dos Prefeitos, a Associação Brasileira dos Municípios, Instituto Brasileiro de Administração Municipal, as well as think tanks and training institutions working on municipal capacity development will be invited to take part in the workshops and other events validating methodologies as well as findings. This information dissemination strategy will ensure greater access to the results of the project and will benefit the project in terms of increased sustainability of its impacts by establishing a peer network that took part in the learning process.

Furthermore the selected pilot municipalities whenever possible will be included in UNDP and CNM initiatives aimed at building knowledge and capacities on integrated social policies as well as carbon neutral pilots.



*Core elements of the project*

### III. RESULTS AND RESOURCES FRAMEWORK

#### Intended Outcome as stated in the Country Programme Results and Resource Framework:

Social players exercising enhanced participatory democracy at the different government levels

#### Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Engage citizens and civil society organisations in designing and implementing of national and local development policies and programmes

#### Applicable Key Result Area (from 2008-11 Strategic Plan):

#### Partnership Strategy

**Project title and ID (ATLAS Award ID):** Capacities for Local Human Development (BRA08/022/ 00050514)

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<b>Output 1:</b> Local capacities developed	<i>Target year 1:</i> - Methodological guidelines prepared - Baseline on capacity assessment indicators developed  <i>Target year 2:</i> - CSOs and Private Sector stakeholders capacities developed - Local Government Institutions' capacities developed	Analysis and development of the methodological framework Identifying and mobilising local stakeholders Training for stakeholders in the private sector and CSOs Capacity assessments and development for local government institutions	CNM	Contracts 550.000,00 Supplies 60.000,00 Travel 20.000,00 Miscellaneous 20.000,00  Total: 650,000.00 USD
<b>Output 2:</b> Local development indicators	<i>Target year 1:</i> - Methodological guidelines prepared - Baseline on MDG indicators developed	Analysis and development of the methodological framework Methodological training for local implementing partners (including capacity assessments and development methodologies) Baselines on local development indicators	CNM	Contracts 300.000,00 Supplies 20.000,00 Travel 5.000,00 Miscellaneous 10.000,00  Total: 335,000.00 USD
<b>Output 3:</b> Municipal	<i>Target year 1:</i>	Design toolkits for MDG focused	CNM	Contracts 310.000,00

<p>policies for development designed</p>	<p>- Participatory consultations with local actors implemented - Municipal development plans designed <i>Target year 2:</i> -Municipal policy areas prioritised and key partnerships established</p>	<p>policy-making Participatory consultations/workshops for policy design Design Development Plans Establish partnerships for implementation</p>	<p>Supplies 20.000,00 Travel 10.000,00 Miscellaneous 10.000,00  Total: 350,000.00 USD</p>
<p><b>Output 4:</b> Policy Coordination Mechanism and M&amp;E system established</p>	<p><i>Target year 1</i> - Policy Coordination Mechanism established <i>Target year 2</i> - M&amp;E Systems established</p>	<p>Design toolkits for change management and M&amp;E systems Design coordination mechanisms Design M&amp;E mechanisms</p>	<p>Contracts 250.000,00 Supplies 20.000,00 Travel 10.000,00 Miscellaneous 15.000,00  Total: 295,000.00 USD</p>
<p><b>Output 5:</b> New support products for municipalities developed and deployed</p>	<p><i>Target year 1</i> -Systematisation of existing methodological frameworks for work at municipal level <i>Target year 2</i> - Costing mechanisms developed - New products developed - New products packaged</p>	<p>Systematisation of existing methodologies Development and testing of costing mechanisms Systematisation of Local Development Plans design Systematisation of policy coordination and M&amp;E systems design and implementation Validating, packaging and publishing new products, accompanying toolkits</p>	<p>Contracts 280.000,00 Supplies 10.000,00 Travel 20.000,00 Miscellaneous 10.000,00  Total: 320,000.00 USD</p>
<p><b>Project evaluation</b></p>	<p>Continuous monitoring Audits Final evaluation</p>	<p>UNDP</p>	<p>Contracts 30.000,00 Supplies 5.000,00 Travel 10.000,00 Miscellaneous 5.000,00  Total: 50,000.00 USD</p>







Diagnostics and planning team structured	<b>implementing partners</b>	Development of materials	CNM	UNDP- Spain Trust Fund	Travel	1,000.00
Capacities of the implementing team to apply the methodology developed/strengthened	Training on human development needs assessment	Training on human development needs assessment	CNM	TRAC 2	Supplies	5,000.00
Local development needs diagnostics conducted	Local development needs diagnostics conducted		CNM		Misc.	2,500.00
Priority intervention areas identified	Priority intervention areas identified		CNM		<b>Sub-total</b>	13,500.00
	<b>2.3 Local development diagnostics</b>	<b>2.3 Local development needs diagnostics</b>	CNM		Contracts	215,000.00
	Identification of key stakeholders	Identification of key stakeholders	CNM	TRAC 2	Travel	1,000.00
	Conducting data collection and analysis	Conducting data collection and analysis	CNM	TRAC 2	Supplies	5,000.00
	Consultations with civil society, private sector, federal and state bodies	Consultations with civil society, private sector, federal and state bodies	CNM	TRAC 2	Misc.	2,500.00
			CNM		<b>Sub-total</b>	218,500.00
			CNM		Contracts	60,000.00
			CNM	TRAC2	Travel	1,000.00
			CNM	TRAC2	Supplies	5,000.00
			CNM	TRAC 2	Misc.	2,500.00
			CNM		<b>Sub-total</b>	68,500.00
			CNM		<b>Total Output 1</b>	335,000.00
<b>Output 3: Municipal policies for development designed</b>		<b>3.1 Local development plans</b>	CNM		Contracts	270,000.00
Baseline: Municipal policies are not integrated and not in line with the local Human Development priorities	Local development planning	Local development planning	CNM	TRAC2	Supplies	15,000.00
Municipalities lack resources for the implementation of the integrated HD focused policies	Public consultations	Public consultations	CNM	TRAC2	Travel	5,000.00
Target:	Action plans and budgets developed	Action plans and budgets developed	CNM	TRAC2	Misc.	5,000.00

Participatory consultations with local actors implemented	Public policies to be developed under the plan identified	CNM								
4 Municipal development plans designed		CNM								295,000.00
	<b>3.2 Policy areas for partnering</b>									
	Partnership opportunities identified	CNM		TRAC2	Contracts					40,000.00
	Capacities for partnerships strengthened	CNM		TRAC2	Supplies					5,000.00
	Partnerships established	CNM		TRAC2	Travel					5,000.00
		CNM			Misc.					5,000.00
		CNM			<b>Sub-total</b>					55,000.00
		CNM			<b>Total Output 3</b>					350,000.00
<b>Output 4: Policy Coordination Mechanism and M&amp;E system established</b>	<b>4.1 Toolkits for PP coordination and M&amp;E systems</b>	CNM		TRAC2	Contracts					50,000.00
Baseline: No existing efficient M&E mechanisms for LHD	Identification of relevant experiences/models	CNM			Supplies					5,000.00
Target	Systematization	CNM			Travel					5,000.00
4 M&E Systems established	Design and dissemination	CNM			Misc.					5,000.00
Intersectoral PP coordination systems established and strengthened		CNM			<b>Sub-total</b>					65,000.00
	<b>4.2 PP coordination mechanisms</b>	CNM			Contracts					150,000.00
	Identify appropriate mechanisms	CNM		TRAC2	Supplies					10,000.00
	Develop stakeholder capacities to take part in PP coordination mechanism	CNM		TRAC2	Travel					0.00
	Implement PP coordination mechanism	CNM		TRAC2	Misc.					5,000.00
		CNM			<b>Sub-total</b>					165,000.00
	<b>4.3 M&amp;E mechanisms</b>	CNM			Contracts					50,000.00
	Identify appropriate mechanisms	CNM		TRAC2	Supplies					5,000.00
	Develop stakeholder capacities to take part in M&E mechanism	CNM		TRAC2	Travel					5,000.00
	Implement M&E mechanism	CNM		TRAC2	Misc.					5,000.00
		CNM			<b>Sub-total</b>					65,000.00
		CNM			<b>Total</b>					295,000.00

Output 5: New knowledge products developed and deployed		Output 4				
<p><b>Output 5: New knowledge products developed and deployed</b></p> <p>Baseline: Areas where new products may be developed and deployed identified</p> <p>Indicators:</p> <p>Targets:</p> <p>Systematization of methodological frameworks for work at municipal level</p> <p>Costing mechanisms developed</p> <p>New products developed</p>	<b>5.1 Knowledge mechanism</b>	UNDP	TRAC2	Contracts	310,000.00	
	<b>5.2 Systematization and publication of methodologies</b>	CNM	TRAC2	Travel	30,000.00	
	Validation workshops	CNM	TRAC2	Supplies	15,000.00	
	Dissemination workshops	CNM	TRAC2	Misc.	15,000.00	
	Publication and distribution of materials	CNM				
	<b>5.3 Audits</b>	UNDP				
	<b>5.4 Project Monitoring and Evaluation</b>	UNDP				
				<b>Sub-total</b>		370,000.00
				<b>Total Output 5</b>		370,000.00
				<b>Grand total</b>		2,000,000.00

A designated officer will act as the project manager and has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the AWP, to the required standard of quality and within the specified constraints of time and cost.

Financial management of the Project will be implemented in line with the modalities defined in the UNDP Programme and Operations Policies and Procedures guide and detailed in the project cooperation agreement. Any costs resulting from this and other support services incurred by UNDP will be recovered through the mechanisms defined by POPPs.

UNDP's and CNM Operations units will act as project support for the project manager as requested by him/her. UNDP RBLAC regional Knowledge management team will support methodologically the Project Manager as well as project teams as requested by the manager.

Different components when necessary will be implemented by responsible parties, selected implementing partners and contracted consultants and companies under the supervision of the Project Manager and Project Board.

Annual audits will be conducted as defined in the UNDP Programme and Operations Policies and Procedures.

## VI. MONITORING FRAMEWORK AND EVALUATION

Ref.	Responsible person	Target audience	Type of report required	Time Line	Status
1.	Project Manager	Project Board	Quarterly progress and financial report	At the end of every quarter	
2.	Project Manager	Project Board	Annual progress and financial report	At the end of the calendar year	
3.	Project Assurance	Project Board & Project Manager	Quality Assessment Report	Upon completion of milestones/targets and outputs as per AWP	

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to

assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.



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## VII. LEGAL CONTEXT

The project document shall be the instrument envisaged in the Supplemental Provisions to the Project Document, attached hereto.

Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency 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 executing agency'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 this agreement.

The executing agency 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). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

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## VIII. ANNEXES

1. Risk Log
2. Special Clauses
3. Agreements



**Special Clauses.** In case of government or third party cost-sharing through the project which is not within the CPAP the following clauses will be referred to:

- UNDP Representative in Brazil USD Account: Bank of America, 1401 Elm St., Dallas TX 75202; Account N<sup>o</sup>.: 375 222 0643; Wire Routing Number: 026009593; SWIFT Address: BOFAUS3N;
- UNDP Representative in Brazil BRL Account: Banco do Brasil S/A, Agência Empresarial Brasília (3382-0), c/c 60746-0, Brasília, DF.

The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.

All financial accounts and statements shall be expressed in United States dollars.

If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.

If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [ ]above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.

Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 5% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.

Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

**Agreements.** Any additional agreements, such as cost sharing agreements, project cooperation agreements signed with NGOs<sup>2</sup> (where the NGO is designated as the "executing entity") should be attached.

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<sup>2</sup> For GEF projects, the agreement with any NGO pre-selected to be the main contractor should include the rationale for having pre-selected that NGO.



## Annex I: RISK LOG

Project Title:				Award ID:					
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Date: Submitted, updated by	Last Update	Status
1	Difficulties in coordinating the involvement of municipal, civil society and private sector representatives	October 2008	Strategic	<i>Probability: Average Impact: High</i>	Project activity that allows encouraging stakeholders to participate in the process Close monitoring of the processes	Project Manager	Project Developer	October	
2	Delays in implementing other linked UNDP and CNM knowledge initiatives	October 2008	Organizational	<i>Probability: Low Impact: Average</i>	Acceptance, Project activity sequencing that allows methodological adjustments later on the process	Project Manager	Project Developer	October	
3	Failure to secure funding and partnerships for the implementation of the developed plans due to market changes	October 2008	Financial	<i>Probability: Average Impact: Average</i>	Acceptance, search for other funding sources and partnerships	Project Board/ project manager	Project Developer	October	
4	Changes in political structures of the pilots due to 2010 elections	October 2008	Political	<i>Probability: Average Impact: Low</i>	As the implementation of the project will take place at a local level the possible impact of the changes would be limited	Project Manager	Project Developer	October	