

**FINANCING AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AND THE SERVIÇO BRASILEIRO DE APOIO ÀS MICRO E PEQUENAS EMPRESAS - SEBRAE
(THE CONTRIBUTOR)**

WHEREAS the SEBRAE hereby agrees to contribute funds to UNDP on a cost-sharing basis (hereinafter referred to as “the Contribution”) to UNDP for the implementation of Project BRA/22/008 - “Fortalecimento do empreendedorismo e das micro e pequenas empresas focadas na biodiversidade brasileira como estratégia de desenvolvimento socioeconômico inclusivo e sustentável” (hereinafter referred to as “the Project”), as described in the Project document BRA/22/008, in Brazil, and submitted to the SEBRAE for information.

WHEREAS UNDP is prepared to receive and administer the Contribution for the implementation of the Project,

WHEREAS the Government of Brazil has been duly informed of the contribution of the SEBRAE to the Project,

WHEREAS UNDP will be the Implementing Agency of the Project,

NOW THEREFORE, UNDP and the SEBRAE hereby agree as follows:

Article I. The Contribution

1. (a) The SEBRAE shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of BRL 2.988.269,00 (two million, nine hundred eighty-eight thousand, and two hundred sixty-nine Reais). The Contribution shall be deposited in the

Banco do Brasil
Agência 1607-1
Conta Corrente 60746-0
CNPJ 03.723.329.0001-79

<u>Schedule of payments</u>	<u>Amount</u>
30/09/2022	BRL 1.569.653,00
30/09/2022	BRL 29.587,00 (Ref. Levy)
20/02/2023	BRL 1.359.850,00
20/02/2024	BRL 29.179,00

(b) The SEBRAE will inform UNDP when the Contribution is paid via an e-mail message with remittance information to contributions@undp.org, providing the following information: SEBRAE, UNDP Brazil Country Office, Project BRA/22/008 - Fortalecimento do empreendedorismo e das micro e pequenas empresas focadas na biodiversidade brasileira como estratégia de desenvolvimento socioeconômico inclusivo e sustentável”. This information should also be included in the bank remittance advice when funds are remitted to UNDP.

^{DS}
AM

^{DS}
MDLES

^{DS}
MSB

^{DS}
CP

^{DS}
MMB

^{DS}
Ca

2. 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 SEBRAE with a view to determining whether any further financing could be provided by the SEBRAE. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by UNDP.
3. 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 programme/project delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules, policies and procedures of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1. The implementation of the responsibilities of UNDP pursuant to this Agreement and the Project document shall be dependent on receipt by UNDP of the contribution in accordance with the schedule of payment as set out in Article I, Paragraph 1, above.
2. 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 SEBRAE on a timely basis a supplementary estimate showing the further financing that will be necessary. The SEBRAE shall use its best endeavours to obtain to UNDP the additional funds required. UNDP shall not absorb any loss (including but not limited to exchange fluctuations) under the Project. All losses (including but not limited to losses as result of currency exchange fluctuations) shall be charged to the Project.
3. If the payments referred to in Article I, paragraph 1, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with Paragraph 2 above is not forthcoming from the SEBRAE or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

Article III. Administration and Reporting

1. Project management and expenditures shall be governed by the regulations, rules, policies and procedures of UNDP.
2. UNDP shall provide to the SEBRAE the following reports in accordance with UNDP accounting and reporting procedures.

^{DS}
AM

^{DS}
MDLES

^{DS}
MSB

^{DS}
CP

^{DS}
MMB

^{DS}
Ca

- (a) From the country office (or relevant unit at Headquarters in the case of regional and global projects) within six months after the date of completion or termination of the Agreement, a final report summarizing Project activities and impact of activities as well as provisional financial data;
- (b) From UNDP Bureau for Management Services/Office of Financial Resources Management, an annual certified financial statement as of 31 December to be submitted no later than 30 June of the following year;
- (c) From UNDP Bureau for Management Services/Office of Financial Resources Management, on completion of the Project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the project.

3. If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of the SEBRAE. The specific nature and frequency of this reporting shall be specified in an annex of the Agreement.

Article IV. General Management Support services

1. In accordance with the decisions, policies and procedures of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the Contribution shall be charged a fee of at least 8%. Furthermore, as long as they are unequivocally linked to the Project, all direct costs of implementation will be identified in the Project budget against a relevant budget line and borne by the Project accordingly.

2. The aggregate of the amounts budgeted for the Project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the Project under this Agreement as well as funds which may be available to the Project for Project costs and for support costs under other sources of financing.

Article V. Evaluation

All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of Brazil in consultation with other stakeholders will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a Project including an evaluation of its Contribution to an outcome which is listed in the Evaluation Plan. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.

Article VI. Equipment

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.

Article VII. Auditing

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP. Should the annual Audit Report of the UN

^{DS}
AM

^{DS}
MDLES

^{DS}
MSB

^{DS}
CP

^{DS}
MMB

^{DS}
Ca

Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the SEBRAE by the country office.

Article VIII. Fraud and Anti-Corruption Measures

The Parties agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP shall maintain standards of conduct to govern the performance of its staff, including of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UNDP Procurement Manual.

Article IX. Anti-Terrorism Measures

Consistent with numerous United Security Council resolutions, including S/RES/1269 (1999), S/RES 1368 (2001), and S/RES/1373 (2001), both the SEBRAE and UNDP are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of UNDP to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use reasonable efforts to ensure that none of the SEBRAE funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

Article X. Advertisement of the contribution

1. The SEBRAE shall not use the UNDP name or emblem, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of UNDP in each case. In no event will authorization be granted for commercial purposes, or for use in any manner that suggests an endorsement by UNDP of SEBRAE, its products or services.
2. The SEBRAE acknowledges that it is familiar with UNDP's ideals and objectives and recognizes that its name and emblem may not be associated with any political or sectarian cause or otherwise used in a manner inconsistent with the status, reputation and neutrality of UNDP.
3. The SEBRAE may make representations to its shareholders and internal budget officials as required about the fact of the contribution to UNDP. Any other use of the UNDP name or emblem, and any other form of recognition or acknowledgement of the contribution of the SEBRAE are subject to consultations between the Parties, and the prior written agreement of UNDP.
4. UNDP will report on the contribution to its Executive Board in accordance with its regular procedures regarding contributions from private donors. Other forms of recognition and acknowledgement of the contribution are subject to consultations between the Parties, but the manner of such recognition and acknowledgement shall be determined at the sole discretion of UNDP.

Article XI. Completion of the Agreement

1. UNDP shall notify the SEBRAE when all activities relating to the Project have been completed in accordance with the Prodoc.

^{DS}
AM

^{DS}
MDLES

^{DS}
MSB

^{DS}
CP

^{DS}
MMB

^{DS}
Ca

2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.

3. If the unutilized funds prove insufficient to meet such commitments and liabilities, UNDP shall notify the SEBRAE and consult with the SEBRAE on the manner in which such commitments and liabilities may be satisfied.

4. In cases where the Project is completed in accordance with the project document any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the SEBRAE.

Article XII. Termination of the Agreement

1. This Agreement may be terminated by UNDP or by the SEBRAE after consultations between the SEBRAE, UNDP and the programme country Government, and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project. This Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate this Agreement.

2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of all or the part of the Project have been satisfied and Project activities brought to an orderly conclusion.

3. In cases where this Agreement is terminated before Project completion any funds below 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be automatically reallocated by UNDP. Any funds above 5,000 USD (five thousand US Dollars) that remain unexpended after all commitments and liabilities have been satisfied shall be reallocated by UNDP after consultation with the SEBRAE.

Article XIII: Notice

Any notice or correspondence between UNDP and the SEBRAE will be addressed as follows:

- (a) To the SEBRAE: Valéria Schneider Vidal
Address:
SEBRAE – SGAS 605 Módulo 30 Brasília - DF
CEP: 70200-904
- (b) Upon receipt of funds, UNDP shall send an electronic receipt to the SEBRAE email address provided below as confirmation that the remitted funds have been received by UNDP:

^{DS}
AM

^{DS}
MDLES

^{DS}
MSB

^{DS}
CP

^{DS}
MMB

^{DS}
Ca

SEBRAE email address: valeria.vidal@sebrae.com.br
Attention: Valéria Schneider Vidal

- (c) To UNDP: Cristiano Prado, Coordinator, Inclusive Socioeconomic Development Unit

Address:
United Nations Development Programme
Complexo Sergio Vieira de Mello Módulo I – Prédio Zilda Arns
Setor de Embaixadas Norte, Quadra 802 Conjunto C, Lote 17
Brasília – DF CEP: 70800-400

Article XIV. Amendment of the Agreement

This Agreement may be amended through an exchange of letters between the SEBRAE and UNDP. The letters exchanged to this effect shall become an integral part of this Agreement.

Article XV. Settlement of Disputes

1. The parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this agreement or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with UNCITRAL Conciliation Rules then obtaining, or according to such procedure as may be agreed between the parties.

2. Any dispute, controversy or claim between the Parties arising out of or relating to this agreement or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph within (60) sixty days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal shall have no authority to award punitive damages. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

Article XVI. Privileges and Immunities

Nothing in this agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNDP.

Article XVII. Entry into Force

This Agreement shall enter into force upon the signature of this Agreement by the parties hereto, on the date of the last signature.

^{DS}
AM

^{DS}
MDLES

^{DS}
MSB

^{DS}
CP

^{DS}
MMB

^{DS}
Ca

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

DocuSigned by:
Maria de Lourdes e Silva
132677B5F4494BE...

For the SEBRAE:
Maria de Lourdes e Silva
Chefe de Gabinete da Presidência

DocuSigned by:
p/ Carlos Arbolada
B21737297C3441F...

For the United Nations Development Programme:
Katyna Argueta
Resident Representative

DocuSigned by:
Alessandro Machado
803227A76A8B4B5...

For the SEBRAE:
Alessandro Vasconcelos Machado
Chefe de Gabinete da Diretoria Técnica do Sebrae

DS
MSB

DS
CP

DS
MMB

**ANNEX – COORDINATION LEVY
UNITED NATIONS GENERAL ASSEMBLY RESOLUTION A/RES/72/279**

The present Annex is an integral part of the Agreement BRA/22/008.

Pursuant to paragraph 10(a) of United Nations General Assembly Resolution A/RES/72/279 (31 May 2018), the SEBRAE agrees that an amount corresponding to 1% of the total contribution to UNDP shall be paid to finance the United Nations Resident Coordinator System. This amount, hereinafter referred to as the “coordination levy” will be held in trust by UNDP until transfer to the United Nations Secretariat for deposit into the United Nations Special Purpose Trust Fund, which has been established to finance the United Nations Resident Coordinator System and is managed by the United Nations Secretariat.

The SEBRAE acknowledges and agrees that once the coordination levy has been transferred by UNDP to the United Nations Secretariat, UNDP is not responsible for the use of the coordination levy and does not assume any liability. The fiduciary responsibility lies entirely with the United Nations Secretariat as the manager of the Resident Coordination System.

The SEBRAE acknowledges and agrees the coordination levy does not form part of UNDP’s cost recovery and is additional to the costs of UNDP to implement the activity or activities covered by the contribution. Accordingly, there is no obligation for UNDP to refund the levy, in part or in full, even where the activities covered by the contribution are not carried out in full by UNDP. As deemed necessary by the SEBRAE, however,

^{DS}
AM

^{DS}
MDLES

^{DS}
MSB

^{DS}
CP

^{DS}
MMB

^{DS}
Ca

especially where the scale of the resources concerned or reputational risk justify the refund transaction costs, the SEBRAE can submit a request for refund to the United Nations Secretariat directly.

UNDP will not administer the coordination levy. UNDP will not report on the use of the coordination levy. UNDP does not have any liability on the use of the coordination levy by the United Nations Secretariat. Clarifications on the administration, reporting and/or use of the coordination levy by the United Nations Secretariat shall be discussed by the SEBRAE and the United Nations Secretariat on bilateral basis.

A contribution of 1% is made under the Agreement. The coordination levy for this Agreement is in the amount of BRL 29.587,00. This coordination levy amount will be transferred to UNDP at the bank account indicated in the Agreement immediately after its signature.

^{DS}
AM

^{DS}
MDLES

^{DS}
MSB

^{DS}
CP

^{DS}
MMB

^{DS}
Ca