UNITED NATIONS ENVIRONMENT PROGRAMME
SMALL-SCALE FUNDING AGREEMENT (SSFA)
FOR A
GREEN CLIMATE FUND PROJECT
FOR THE READINESS PROJECT “Technology Needs Assessment for the Implementation of Climate Action Plans in Brazil”

This SMALL-SCALE FUNDING AGREEMENT (SSFA) and its Annexes (this “Agreement”) is made:

BETWEEN: The United Nations Environment Programme (hereinafter referred to as “UN Environment), an international inter-governmental organization established by the General Assembly of the United Nations, represented by its Brazil Country Office Representative, Mrs. Denise Hamú Marcos de La Penha, and having its location at Setor de Embaixadas Norte, Quadra 802, Conjunto C, Lote 17, Brasilia, DF, 70800-400.

AND: Centro de Inteligência Territorial – CIT (hereinafter referred to as the “Executing Entity”), a non-profit private legal entity, represented by its President Director Felipe Santos de Miranda Nunes and having its office at Avenida Caledônia, number 343 – Bairro Jardim Canadá, Nova Lima, Minas Gerais, 34007-730.

hereinafter collectively referred to as: “The Parties”.

WHEREAS, as an Accredited Entity for the Green Climate Fund, and in accordance with the Framework Readiness and Preparatory Support Grant Agreement signed between UN Environment and the Green Climate Fund on 11 October 2016 (the “Framework Agreement”), UN Environment is accountable to the Green Climate Fund Board for activities financed by the Green Climate Fund, and to ensure that these are carried out in accordance with UN Environment and Green Climate Fund policies, criteria and procedures.

WHEREAS, Secretary for International Economic Affairs/ Ministry of Economy of Brazil has nominated UN Environment to act as its Delivery Partner for the delivery of specific Readiness and Preparatory Support, and the Green Climate Fund secretariat has approved the Readiness and Preparatory Support Project for “Technology Needs Assessment for the Implementation of Climate Action Plans in Brazil” (“the Project”).

WHEREAS, CIT affirms that it is a non-profit private legal entity and that it has the capacities required to carry out the activities outlined in this Agreement, and that the activities under this Agreement shall be carried out without discrimination of any nature.

Purpose/Objective

1. The Agreement sets forth the terms and conditions of the cooperation between the Parties for the execution of the activities of the Project, described in the project document appended as Annex 1 (Approved Readiness Project). The Project was approved by UN Environment on 31/10/2017, and by the Green Climate Fund Secretariat on the 15/05/2018, appended as Annex 2. The Activities to be executed by the Executing Entity are outlined in Annex 4.

2. The main objective of the TNA Project is to in continuation of the just-finalized GEF Project
"Mitigation Options of GHG Emissions in Key Sectors in Brazil", also in a partnership between the Ministry of Science, Technology, Innovations and Communications (MCTIC) and UN Environment, follow up on the identification of a rationale that takes into consideration sector cost-effectiveness and key technologies to support the NDC compliance. For such, the TNA Project shall establish a national consensus where Technology Action Plans can be built from, aiming at developing local content of priority technologies and sectors in compliance with the NDC and the Brazil Program for the GCF.

Interpretation

3. All Annexes appended to this Agreement shall be construed as an integral part of this Agreement.

Duration

4. This Agreement shall come into force upon signature by The Parties from the date of the latest signature, and shall remain in force until 01st October 2020¹, unless terminated pursuant to paragraphs 32 and 33 of this Agreement.

Cooperation

5. The Parties shall carry out their respective responsibilities in accordance with the provisions of the Agreement.

6. The Parties shall determine and communicate to each other the persons appointed as having the authority and responsibility for the implementation of the approved Agreement on their behalf.

7. Contact details for correspondence on substantive and technical matters as well as on administrative and financial matters are as set out in Annex 3.

8. The Executing Entity shall only use the UN Environment and Green Climate Fund name, logo and emblem in connection with the Agreement with the prior written consent of UN Environment and the Green Climate Fund.

9. The Executing Entity shall not seek nor accept instructions regarding the activities under the present Agreement from any Government or other authority external to UN Environment.

10. The Executing Entity shall refrain from any conduct that would adversely reflect on the United Nations and shall not engage in any activity which is incompatible with the aims and objectives of the United Nations or the mandate of UN Environment.

11. The total cost of the approved Project is of USD 700,000.00, of which USD 50,000.00 will be executed by the Executing Entity in the Agreement.

12. For the detailed Project budget breakdown, please refer to section 4 of the Project in Annex 1. For the detailed Agreement budget break down of Green Climate Funds and co-finance, refer to Annex 5.

Terms and obligations of UN Environment

13. UN Environment agrees to provide, in its role as Green Climate Fund Delivery Partner, oversight (through the Task Manager and Fund Management officer). Specifically, this will include:

a) Timely feedback on all substantive and financial issues;

¹ The legal instrument remains in force for 6 months after the Project.
b) Review and approve any changes to the Work Plan and detailed timetable during the implementation of the Agreement;

c) Process the Agreement revisions if applicable for e.g changes to Budget or Work Plan or activity etc;

d) Ensure communication and information exchange between the Executing Entity, MCTIC, and all other relevant organizations, institutions, programmes and projects;

e) Liaise with the Green Climate Fund Secretariat for all matters related to the Agreement;

f) UN Environment’s clearance is required for the requisitioning of additional items costing above USD 10,000.00 that are not included in the Procurement Monitoring Plan appended as Annex 9. The same principle of clearance by UN Environment shall apply to service contracts or agreements to be procured that are not in the approved procurement plan and costing above USD 10,000.00. UN Environment may refuse to accept such expenditures being charged to the Agreement Budget in case of the Executing Entity’s non-compliance of the above mentioned clearance obligation. Splitting requisitions in order to remain under the set threshold is expressly forbidden and may also lead to the refusal of the expenditures.

Terms and obligations of the Executing Entity

14. The Executing Entity agrees to:

a) Provide support to, and liaise with all key national and international project executing partners and stakeholders, based on guidance from the UN Environment Task Manager and in line with the Agreement;

b) Utilize the Agreement funds, and any supplies and equipment provided by the Project Funds, in strict compliance with the Project Document. In the event that UN Environment determine that any portion of the Project funds have been used for purposes other than the Agreement, such portion shall be refunded to UN Environment by the Executing Entity;

c) Deliver the outputs and demonstrate its best efforts in achieving the results/impacts stipulated in the Agreement Work Plan, as set out in Annex 5;

d) Notify UN Environment in writing on the need for any deviations/modifications to the agreed Work Plan or Budget, for approval;

e) Implement the Agreement activities in accordance with standard Executing Entity Rules and established business processes; and implement procurement activities in accordance with United Nations (UN)/UN Environment rules, policies and procedures; and ensure that the requirements under the agreed Procurement Monitoring Plan, appended as Annex 9, are fully met;

f) Keep records and documentation pertaining to any cash and in-kind co-financing mobilized for inclusion in the final Financial Report;

g) Report to UN Environment in accordance with paragraphs 26 to 28 of this Agreement;

h) Implement Agreement activities in compliance with the relevant safeguard requirements set out in the UN Environment’s Environmental and Social Safeguards Framework\(^2\) and in the Green Climate Fund’s Environmental and Social Safeguards\(^3\);

i) Warrant that it has complied with all applicable Anti-Money Laundering and Countering Financing of Terrorism, checks under all laws and regulations as may be applicable to the UN and to the Executing Entity;

\(^2\) [http://wedocs.unep.org/handle/20.500.11822/8718]

\(^3\) set forth in Annex III of Green Climate Fund Board Decision B.07/02
j) Warrant further that such funds will not be used for any illegal or improper purpose (including bribery) contrary to this Agreement (or any applicable laws of the Host Country), or the Green Climate Fund Policy on Prohibited Practices.

**Personnel administration**

15. The Executing Entity shall be solely and completely responsible and accountable for all services performed by its personnel, agents, employees, or contractors (hereinafter referred to as "Personnel").

16. The Executing Entity shall be considered as having the legal status of an independent contractor. Personnel of the Executing Entity’s contractors or anyone else working for the Executing Entity in the execution of the Agreement or otherwise, are not employees of UN Environment and are not covered by the privileges and immunities applying to UN Environment and its staff pursuant to the Convention on the Privileges and Immunities of the United Nations. UN Environment shall not accept any liability for claims arising out of the activities performed under the Agreement, or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by the Executing Entity’s Personnel as a result of their work pertaining to the activities under this Agreement.

17. The Executing Entity shall ensure that the Personnel assigned to the Agreement meet the highest standards of qualification and technical and professional competence necessary for the achievement of the objectives and results of the Agreement, and that decisions on employment related to the Agreement shall be free of discrimination of any nature. The Executing Entity shall ensure that all personnel are free from any conflicts of interest relative to the Agreement activities.

**Cash advances**

18. The funds shall be provided by UN Environment to the Executing Entity in accordance with the banking details noted below:

   Centro de Inteligência Territorial (CIT)
   CNPJ: 30.619.995/0001-34
   Site: inteligenciaterritorial.org
   Country: Brasil          State: MG           City: Belo Horizonte
   Address: Rua Araguaí, 358, 14º andar sala 1403 E4, Barro Preto, BH/MG. Cep: 30190-110.

   **Banco Itaú**
   **Agência:** 8606
   **Conta:** 26705-5

19. UN Environment shall provide the Executing Entity with funds up to a maximum amount of USD 50,000.00. The resources provided by UN Environment shall only be used by the Executing Entity in pursuit of the Agreement objectives and for the activities to achieve the results as agreed to in the Agreement Work Plan appended as **Annex 5**.

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4 ibid
20. Cash advances:
   a. An initial cash advance of **USD 35,000.00** shall be advanced by UN Environment upon signature of this Agreement by both parties.
   b. Subsequent transfers shall be made upon receipt of the cash advance request using the format appended on **Annex 6** and submission by the Executing Entity to UN Environment of interim reports as required by paragraph 27 of this Agreement. Evidence is required to show that funds previously disbursed by UN Environment have been committed on Eligible Expenditures within 7 months of receipt.
   c. The last payment shall be made upon confirmation of the successful completion of all the activities and submission by Executing Entity to UN Environment of:
      - satisfactory outputs expected of this Agreement in accordance with the Work Plan appended as **Annex 6** and
      - acceptance of Reports as required by paragraph 27 of this Agreement

The payment of the above installments is subject to UN Environment having received the funds associated with the project titled “Technology Needs Assessment for the Implementation of Climate Action Plans in Brazil” from the Green Climate Fund.

**Schedule of Payments**

D= day of the last signature in the Agreement

<table>
<thead>
<tr>
<th>Payments</th>
<th>Date</th>
<th>Percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>14/11/2019</td>
<td>70%</td>
</tr>
<tr>
<td>2</td>
<td>07/04/2020</td>
<td>25%</td>
</tr>
<tr>
<td>3 (reimbursement)</td>
<td>28/07/2020</td>
<td>5%</td>
</tr>
</tbody>
</table>

21. The total expenditure incurred by the Executing Entity under this Agreement shall not exceed the Green Climate Fund-approved budget as set out in paragraph 14. Any expenditure in excess of this budget is the sole responsibility of the Executing Entity. Prior approval of UN Environment is needed in cases where there may be a cost over-run in a budget sub-line to another.

**Unspent balance**

22. Any portion of cash advances remaining unspent or uncommitted by the Executing Entity on completion of the Agreement shall be returned to UN Environment within one month of the presentation of the final statement of account. In the event that there is any delay in such disbursement, the Executing Entity shall be financially responsible for any adverse movement in the exchange rates.

23. Within 3 months upon expiry of this Agreement, the Executing Entity shall refund to UN Environment any unspent balance of the above funds, unless otherwise agreed with UN Environment.

**Maintenance of records**

24. The Executing Entity shall keep accurate and up-to-date records and documents in respect of all expenditures incurred with the funds made available by UN Environment under this

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5 “Eligible Expenditures” means any reasonable costs of goods or services required for the implementation of the Agreement to be financed with the GCF Proceeds, in accordance with the Project Document, the Funded Activity Agreement, and the Accreditation Master Agreement.
Agreement, to ensure that all expenditures are in conformity with the provisions of this Agreement and its Annexes thereto.

25. Upon completion of the Project or termination of this Agreement, the Executing Entity shall maintain the records for a period of at least 5 years unless otherwise agreed upon between the Parties.

**Reporting requirements**

26. All reporting shall be in English and financial reporting in US dollars, and each report shall include any exchange difference, which must be accounted for within the total Green Climate Fund-approved US dollar Project budget.

27. The Executing Entity shall submit to UN Environment or to the Ministry of Science, Technology, Innovation and Communications (MCTIC), on or before the dates below, the reports as follows:

D = day of the last signature in the Agreement

<table>
<thead>
<tr>
<th>Products</th>
<th>Delivery Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product 1:</strong></td>
<td></td>
</tr>
<tr>
<td>Preliminary executive report and summary, in MS-Word format, and presentation in MS-Powerpoint format, covering roadmaps and value chain analysis to remove barriers and risks to the implementation of AFOLU’s prioritized technologies</td>
<td>27/01/2023</td>
</tr>
<tr>
<td><strong>Product 2:</strong></td>
<td></td>
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<tr>
<td>Preliminary report and executive summary, in MS-Word format, and presentation in MS-Powerpoint format, with a qualitative analysis of the environmental, economic, ecosystem, water, health, and social benefits of implementing AFOLU’s prioritized technologies.</td>
<td></td>
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<tr>
<td><strong>Product 3:</strong></td>
<td></td>
</tr>
<tr>
<td>Spreadsheet in MS-Excel format, consolidating comments and responses from the validation workshop and contributions to preliminary technology roadmap reports and analysis of value chains and benefits of AFOLU’s prioritized technologies.</td>
<td>10/03/2023</td>
</tr>
<tr>
<td><strong>Product 4:</strong></td>
<td></td>
</tr>
<tr>
<td>Revised and final consolidated report with executive summary (MS-Word format) and presentation (MS-Powerpoint) of roadmaps and value chain analysis and co-benefits of the implementation of AFOLU’s prioritized technologies.</td>
<td>20/03/2023</td>
</tr>
<tr>
<td><strong>Product 5:</strong></td>
<td></td>
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<tr>
<td>Executive Summary Report (MS-Word) and Presentation (MS-Powerpoint) containing the preliminary Technology Action Plan for local content development and national application of AFOLU’s prioritized technologies.</td>
<td>05/06/2023</td>
</tr>
<tr>
<td><strong>Product 6:</strong></td>
<td></td>
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<tr>
<td>Spreadsheet in MS-Excel format, consolidating comments and responses from the validation workshop and contributions to the AFOLU’s preliminary Technology Action Plan.</td>
<td>22/06/2023</td>
</tr>
<tr>
<td><strong>Product 7:</strong></td>
<td></td>
</tr>
<tr>
<td>Revised and final consolidated report with executive summary (MS-Word) and presentation (MS-Powerpoint)</td>
<td>06/07/2023</td>
</tr>
</tbody>
</table>
of the Technology Action Plan for local content development and national application of AFOLU’s prioritized technologies.

28. The Executing Entity shall submit expenditure statements on the use of funds provided per the format provided in Annex 7, in accordance to the schedule above. UN Environment will not act upon requests for advances of funds without receipt of all due reports.

Audit

29. On completion of the Agreement, the final audited financial statements, wherein Green Climate Fund Proceeds are clearly identified, shall be endorsed by a duly authorized official of the Executing Entity and issued by an independent audit authority (a recognized firm of certified public accountants or for Governments, by a government auditor), and dispatched to UN Environment within 6 months. The audit report and recommendations shall include such comments as the auditor may deem appropriate in respect of Green Climate Fund funded operations and, should clearly indicate that in their opinion:

(a) Green Climate Fund Proceeds were covered by the scope of the audit;
(b) Proper books of account have been maintained;
(c) All Agreement expenditures are supported by vouchers and adequate documentation;
(d) Expenditures have been incurred in accordance with the objectives outlined in the Agreement document;
(e) The expenditure reports provide a true and fair view of the financial condition and performance of the Agreement.

Notwithstanding the above, UN Environment has the right, at its own expense, to have the records of the Executing Entity related to this cooperation reviewed and audited.

Logos and emblems

30. In no event will authorization of UN Environment name (or any abbreviation thereof), logo or emblem be granted for commercial purposes.

Non-compliance

31. The Executing Entity shall comply with all the above-mentioned provisions and agrees that UN Environment reserves the right to withhold any payment due to Executing Entity non-compliance with any of the provisions mentioned hereinabove.

Suspension and termination

32. Either party may terminate this Agreement upon serving a written notice to the other party at least 1 month prior to such termination.

33. This Agreement and the associated Work Plan may be cancelled/terminated/suspended for several reasons including changes in national priorities, poor implementation performance, lack of compliance with financial or reporting obligations.

Dispute settlement

34. The Parties shall settle amicably through direct negotiations, any dispute, controversy or claim arising out of or relating to this Agreement, including breach and termination of the Agreement. Should such negotiations fail, the matter shall be referred to arbitration in accordance with United Nations Commission on International Trade Law Arbitration Rules (UNCITRAL). The
Parties shall be bound by the arbitration award rendered in accordance with such arbitration, as the final decision on any such dispute, controversy or claim.

Privileges and immunities

35. Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and UN Environment.

Notification and amendments

36. This Agreement or its Annexes may be modified or amended only by written agreement between The Parties.

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

For:
United Nations Environment Programme

Mrs. Denise Hamú Marcos de La Penha
Representative of UNEP Brazil

For:
Centro de Inteligência Territorial (CIT)

Mr. Felipe Santos de Miranda Nunes
President Director of CIT

Date: 10.09.2019

Date:
LIST OF ANNEXES TO THE SMALL-SCALE FUNDING AGREEMENT

Annex 1  Readiness Project Document
Annex 2  Approval of the Project from Green Climate Fund Secretariat
Annex 3  Contact details
Annex 4  Activities of the Readiness Project to be executed by Executing Entity
Annex 5  Project Work Plan, Budget and ToR
Annex 6  Cash advance template
Annex 7  Financial Report template
Annex 8  Progress Report template
Annex 9  Procurement Monitoring Plan