Country Programme Action Plan
Between
The Government of Brazil
and
UNDP

The Framework

The Government of Brazil and the UNDP- Brazil CO are in mutual agreement to the content of this document and their responsibilities in the implementation of the country programme,

Furthering their mutual agreement and cooperation for the realization of the Millennium Development Goals and the United Nations Conventions and Summits to which the Government of Brazil and UNDP are committed,

Building upon the experience gained and progress made during the implementation of the previous Country Programme 2002 to 2006,

Entering into a new into a new period of cooperation 2007 to 2011,

Declare that these responsibilities will be fulfilled in a spirit of close cooperation and have agreed as follows:

Part I. Basis of Relationship

1. WHEREAS the Government of Brazil (hereinafter referred to as “the Government”) and the United Nations Development Programme (hereinafter referred to as UNDP) have entered into a basic agreement to govern UN’s assistance to the country (Revised Standard Agreement between the Government of Brazil, the United Nations, the International Labor Organization, the Food and Agriculture Organization of the United Nations, The United Nations Educational Scientific and Cultural Organization, the International Civil Aviation Organization, the World Health Organization, the International Telecommunication Union, the World Meteorological Organization, the International Atomic Energy Agency and the Universal Postal Union and the International Atomic Energy Agency-Expanded Programme of Technical Assistance), which was signed by the parties on 29 December 1964. Based on this Agreement UNDP’s assistance to the Government shall be made available to the Government and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP. In particular, by the decision 2005/1 of 28 January 2005 UNDP’s Executive Board approved the new Financial Regulations and Rules and along with them the new definitions of ‘execution’ and ‘implementation’ enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDG simplification and harmonization initiative. In light of this decision this Country Programme Action Plan (CPAP) together with an Annual Work Plan - AWP (which shall form part of this CPAP, and is incorporated herein by reference) concluded hereunder constitute together a project document under the Brazil-UN Agreement.

Part II. Situation Analysis

2.1. The implementation of the 2002-2006 programme took place mainly during the term of office of the government elected at the end of 2002 and was much influenced by its demands and priorities. This government’s agenda was strongly oriented towards social programmes, basic services and a strong commitment to reduce poverty, nationally and internationally, but also recognized that the consolidation of
macroeconomic stability was a pre-condition to achieving sustainable results in the social area. The President was reelected for a second term in October 2006 and a new government was elected simultaneously. Priorities expressed in the results and resources framework will have to be adjusted and reconfirmed in 2007, in parallel with the UNDAF (United Nations Development Assistance Framework) revision, to reflect new demands of the government and the new Multi Year National Plan to be approved in 2007 for the period of 2008-2011. Taking advantage of this review, the CPD will also be reviewed in respect to the recommendations of the High Level Panel on System-wide Coherence in the areas of development, humanitarian assistance and the environment, (if accepted by the Governments until such date) in order to take advantage of the benefits available to the country through the on-going UN reform.

2.2. The overall performance of the Brazilian economy in the short run, although positive, is not conducive to improvement in life conditions of a great majority of the population. For the period of 2002-2006 GDP growth reached a cumulative rate of 12.5%, as compared to 10.2% in the preceding period. Inflation rates went down from 12.5% in December 2002 to an expected 3.5% rate at the end of 2006. Unemployment rates have shown some improvement in the last two years but are unequally distributed by region, race and gender, and are high at 10%. Economic reforms to improve efficiency and productivity as well as institutional reforms are still needed not only for accelerated and sustainable growth, but also to make it pro-poor with significant reduction in inequalities.

2.3. Inequality measured by the Gini Index has shown persistent improvement during the programme period, having declined from 0.587 in 2002 to 0.569 in 2004. Research studies in academic centers are still ongoing to explain this trend. Initial findings show that this positive result can be attributed to real gains in minimum wage (consequently in social security benefits), improved coverage of the cash transfer system and improvement in the distribution of labor income. Notwithstanding, income inequality remains at very high level by international standards and still constitutes an obstacle to higher human development levels. Additional efforts are still required to extend the coverage and make social policies more inclusive and sustainable.

2.4 Currently, Brazil ranks 69rd on the Human Development Index with an overall index of 0.792 with steady improvement over time but with no progress between the indices of 2006 and 2005 Reports. Data presented at the 2005 National Human Development Report show that regional and racial inequalities influence each other. There are more poor people, whites and blacks, in the Northeast than in the Southeast. The white population in the Southeast has a HDI- M similar to Costa Rica (48th) and, on the other extreme, the northeastern black population has living conditions similar to South Africa (121st).

2.5 When analyzing the performance of Brazil in relation to MDGs the progress is noticeable. Nevertheless, inequality remains one of the most difficult issues to tackle so as to ensure achievement of all targets until 2015. This means that if income, regional and racial disparities are not significantly reduced, Brazil may meet the MDG targets as a "country" but the poorest regions and excluded population may remain below the set targets.

2.6 Brazil is very close to reaching the goal of halving, until 2015, the proportion of people whose income is less than one dollar PPP a day. However, blacks and mulattos continue to live in extreme poverty at a rate almost three times higher than that of whites. Adult malnutrition for Brazil as a whole is compatible with international standards at 4%, but the right to adequate nutrition is not guaranteed to every citizen and disorders associated with inadequate diet are becoming more and more serious.

1 Central Bank Bulletin April 2006 (www.bcb.gov.br)
2 CCA – A UN Reading of Brazil’s Challenge and Potential (http://www.una-brazil.org.br/nacoes_confrontos.php) and "Microeconomic Reforms and Long Term Growth - Ministry of Finance (www.fazenda.gov.br)
4 For comparison purpose within Brazil and with other countries data from the UNDP Human Development Report 2002 was used as well as data from Human Development Atlas for Brazil that presents 120 indicators from the 2000 Census (source Brazilian Statistics Institute - IBGE). This Atlas also presents the Municipal Index of Human Development (DIH-M, an adaptation of the Human Development Index for Brazilian states and Municipalities. http://www.gmne.org.br/dh/indexes/index.php?lay=map&id=1&lang=pt&date=2005b
2.7 As for education, although 93.8% of the population within the 7 to 14 age bracket is enrolled in schools, quality is the problem. The number of basic education students with inadequate performance and attendance continues to be high. Adult illiteracy remains high at 11.9% as well. Women have currently higher levels of education than men in Brazil. It is important to emphasize once again that these indicators mask regional disparities. Major obstacles to the promotion of race and gender equality and female empowerment are related to the discrimination in the labor market and in politics, and to female vulnerability to domestic and sexual violence. Black women are those in the most precarious conditions in the labor market.

2.8 In relation to health targets, Brazil can be considered well positioned. If the current trend continues the reduction target of child mortality will be achieved before 2015. In relation to maternal health, the key problem is underreporting since due to restrictive abortion legislation women tend to opt for illegal termination of pregnancy in which cases fatalities remain unrecorded. AIDS control moves forward, but problems with malaria, TB and leprosy still persist.

2.9 Environmental sustainability, issues of adequate housing, access to clean water and sanitation services still pose major challenges. Out of these issues, access to sanitation presents the greatest challenge to Brazil, with great likelihood of not meeting the MDG target by 2015. By the end of 2004, data from Ministry for Urban Development (National Sewage Information System—SNIS) indicates that only 50% of domiciles have sewage collection services and 69% of all sewage is disposed in the environment without treatment.

2.10 In terms of national capacities analysis shows Brazil as a country with high level of professional skills and experience. Yet, capacity levels within the Government are uneven from area to area and heavily concentrated at the federal level. Technical cooperation is still needed and demanded from international organizations in such areas as social policies design, monitoring and evaluation. At the state level, the existing capacity for development is slowly increasing while at the municipal level considerable shortcomings continue to hamper the efforts of the local governments. The successful implementation of national social policies at the state and municipal levels has been identified by the federal government as a priority for cooperation with international organizations.

Part III. Past Cooperation and Lessons Learned

3.1 The first important lesson learned worth mention is that the traditional way of rendering international cooperation in Brazil needs change. The Brazilian Cooperation Agency (ABC) has reinforced the need for UN Agencies to consolidate the transition from development services, with strong component of support services, to a knowledge-based approach with a significant increase in technical expertise for knowledge production. The transition period will take place during this coming programme cycle: knowledge-based activities are expected to become the growing share of the country’s portfolio. Operational services will still be provided, where and when needed, but will play a declining role starting at the federal level. Special emphasis should also be made on the role UNDP and other UN agencies can have in supporting the external policy of the government through South-South cooperation. This change in approach brings challenges and opportunities to review the traditional way of undertaking technical cooperation and increases UNDP’s relevance to achieve sustainable long-term impact. Finally, the changes in the nature of support requested by the government from UN and UNDP are taking place in parallel with the changes within the UN Country Team that continues to organize itself around a call to deliver as one UN. These contextual elements together with the experience from the past and current programme implementation (see below) set the background for defining the path for UNDP’s future in Brazil.

A. Poverty reduction and increased social inclusion

3.2. UNDP’s intervention in social policies was focused on (i) the implementation of social policies aiming to strengthen critical sectors for human development; (ii) support to decentralization policies and empowerment at the local level especially in health and education sectors; (iii) advocacy of the related MDGs and SHD concepts through projects; (iv) institutional development and capacity building at all
government levels, including support to creation of regulatory agencies in the health sector (ANVISA e ANS); and (v) the build-up of new networks and partnerships with private sector and civil society.

3.3 Human rights protection, human security, gender mainstreaming, race issues, transparency, and local governance have been innovative issues that benefited from intense and high quality cooperation from the UN system. The experience of National Rapporteurs of Human Rights in Brazil has been extremely important to identify and document critical infraction to human rights, and also to point out major issues related to the need of a comprehensive justice and security sector reform. Their conclusions and recommendations provided the CO with substantive content to pursue technical cooperation with the justice system.

3.3. In 2003, the CO started to invest more heavily in the justice system as a condition for social and economic development, the consolidation of democracy and the achievement of MDGs. Some of the most important initiatives financed by UNDP were: (i) the implementation of pilot experiences on Restorative Justice and alternative sentencing, (ii) the application of technology as a tool to facilitate the access to justice for poor communities, and (iii) the development of a series of studies on the management of the judiciary system. On public security issues, UNDP, the National Secretariat of Public Security and the Rio de Janeiro Federation of Industries developed a series of studies that provided the basis for the design of the Unified Public System of Security (SUSP), an important national policy instrument for coordination of efforts.

3.4. An important effort has been undertaken towards the establishment of new partnerships and networks to strengthen corporate social responsibility activities under the aegis of the Global Compact. Brazil is a leader at international level with representation at the UN Global Compact Committee.

3.5. UNDP has provided technical advice in the designing and collaborated in the implementation by developing monitoring and evaluation tools in programmes of conditional cash transfer – Bolsa Familia – and education – Brasil Alfabetizado -, important areas to reduce poverty and inequality that will continue to be supported by this CP (Country Programme).

B. Capacity development and sustainable governance

3.6. Brazil has supported government’s interventions for macroeconomic stability, such as the Reform of the Fiscal Administration based on efficient and transparent management of revenues and expenditures. Those initiatives have been extremely successful and are being replicated at state and municipal levels with the support of the Inter American Development Bank.

3.7 ICTD has also been successfully introduced as a tool to improve governance and to reduce the digital gap for poor communities. Ambitious programmes have been developed to integrate municipal, state and federal legislative houses through a virtual community and a system that links state revenue offices. Special mention should be made of the SIGOB system developed through a UNDP/RBLAC regional project. SIGOB has been successfully installed at the Presidency Office as a tool to manage the president’s agenda as well as the strategic agenda of the Civil Cabinet.

3.8 UNDP Brazil has published an analysis of the Political Reform theme in Brazil in the context of the Democratic Governance programmatic line of RBLAC. The initiative was a spillover of the Programme for the Development of Democracy in Latin America (Programa de Desarrollo de la Democracia en América Latina - PRODAD). This handbook of all conflictive issues related to political reform in Brazil has been successfully used as both advocacy and pedagogic tool. The publication was initially launched in the Brazilian Senate in Brasilia. It was also launched in successive events in Rio de Janeiro, São Paulo, Belo Horizonte and Campinas. The national media has published favorable analysis of UNDP contribution to the national debate about the theme. Forty two national and international political scientists contributed to this analysis and its publication. It paved the way for new initiatives related to the challenges of the Brazilian Democracy, especially in terms of the continental context.
3.9 Another result achieved during this cycle has been the strengthening of the partnership with the government of Brazil in the operationalization of South-South cooperation programmes. Experience shows that there is room for further improvement but this area already offers an opportunity for Brazil to participate in the effort to reduce poverty around the world and as such shall be supported by UNDP. Special mention should be made to the creation of the IBSA Facility Fund (India, Brazil South Africa) a pioneer and unique initiative of South-South cooperation managed by UNDP South-South Cooperation Unit at Headquarters. The Fund is intended to make available best practices developed in IBSA countries to fight poverty and hunger, particularly to provide an IBSA contribution to South-South cooperation modalities.

3.10 Up to this date significant improvements have been achieved by the federal institutions in terms of managerial capacity to the point that they do not require as much operational support as in the past. On the other hand, UNDP’s active presence and technical advice to state and municipal programmes to enable the equivalent modernization have been highly needed and requested through the decentralized state offices. Thus, according to UNDP’s mandate, institutional capacity building at state and municipal levels will remain among the priorities for the next programme cycle.

C. Sustainable environment and energy development

3.10 UNDP’s projects in the environmental area aimed at integrating human population to nature, enhancing sustainable development and improving quality of life while protecting biodiversity and ecological services. The capacity built after the Earth Summit in 1992, both in the CO and in the federal government, has allowed, during the current cycle, investments in the dissemination of projects results, the discussion of global environmental themes and the dissemination of lessons learned, through the promotion of, and participation in seminars, debates, workshops, conferences, publications of books and articles in magazines and at UNDP’s website. These means allowed bringing up such issues as gender and racial equality in respect to access to energy resources as well as sustainable development. Links with other developing countries were established through UNDP knowledge networks that allowed to both showcase the achievements of Brazil and to define further South-South exchange opportunities.

3.11 The projects supported in the period of 2002-2006 assisted the government in the fulfillment of international commitments in biodiversity, and in the mobilization of financial support from GEF and the Montreal Protocol for initiatives related to climate change, international waters, desertification and protection of the ozone layer. Special mention should be made to UNDP’s support to research in the areas of new technologies to generate renewable energy, efficient and environmentally friendly energy transmission systems, biomass and solar thermal power generation, and the pilot testing of a hydrogen fuel cell based public transport.

3.12 UNDP has also supported the institutional and technical consolidation of independent regulatory agencies in the public utilities sector (water, sewage and electricity services), reducing overall private investment risks whilst protecting consumers with lower incomes. UNDP actively supported the links of energy and poverty alleviation by deploying renewable energy in rural electrification in a program called Energy for All (Luz para Todos) that targets 12 million people in the rural areas of the North and Northeast regions.

D. Gender and Race

3.13 The preparation of the National Human Development Report on Racism, Poverty and Violence contributed to the incorporation of specific targets for poverty reduction disaggregated by race and gender in policy making by the Government. Capacity development in strategic planning and policy formulation at the newly created Secretariat for the Promotion of Racial Equality was also a significant step towards the formulation of well-advanced policies including affirmative actions in the educational sector. During this current cycle the racial issue has become one of the outstanding items of the national agenda.
E. Policy and target-setting within the SHD framework

3.15 In the last decade, the concept of sustainable human development was further entrenched in policy setting and policy monitoring and evaluation in Brazil. The federal government used the HDI for budget allocations; mayors from low HDI municipalities have established public policies aimed at improving their indicators; civil society asked for the desegregation of data for whites and blacks unveiling historical inequalities; and private companies began to include the HDI among the indicators examined in the decision making process to allocate private investments.

3.16 UNDP also intensified its work on SHD and invested in the research and development of new tools that enabled more qualitative measurement and reporting on the social condition at the national, state, and municipal levels. Coordinated efforts were undertaken in partnership with national centers of knowledge to develop analytical tools and geo-referred short-term indicators to refine their use as tools for decision makers to better design and focus public policies. In this regard the preparation of the Human Development Atlas for Recife can be considered successful a pilot testing of those new functionalities.

3.17 National and sub-national MDG reports demonstrated being also very valuable tools for authorities to measure the impact of public policies with yearly National MDG reports being prepared by the government with UN agencies’ support under the coordination of UNDP. A first innovative report at state level was prepared in partnership with the Government of São Paulo and other initiatives are under way to train and support state legislatures in several states to work with such reports.

3.18 Based on these initiatives and reports, UNDP has been promoting public debate aiming at incorporating SHD and MDGs in policy formulation. This has been strengthened by a communication strategy and advocacy efforts that included the launching of the monthly magazine Development Challenges in partnership with the federal government’s economic research institute IPEA. In addition, UNDP built new partnerships with the private sector especially to support the MDG’s campaign that had massive impact on the public opinion and received the 2005 Administrator’s Innovation and Commitment award prize. Under the coordination of UNDP the UN system established a partnership with the Presidency of the Republic for the Brazil MDG’s Award to recognize the work of municipal leaders and civil society organizations that are engaged in timely reaching the MDGs. Another partnership was established with the Government’s Research Institute (IPEA) to host UNDP’s Poverty Center in Brasilia and exchange knowledge in poverty issues.

3.19 Distance learning training courses on Human Development concepts conducted in partnership with a private university also placed the SHD and MDGs discussion in the academic scenario where these concepts are being intensively disseminated and debated.

3.20 Commitment towards the dissemination and achievement of MDGs has gradually become the core of UNDP’s CO efforts. During the current cycle, the CO developed its capabilities in policy advice and advocacy testing innovative tools with success, which will also enable knowledge-based interventions in the coming cycle.

Part IV. Proposed Programme

5 http://www.pnud.org.br/publicacoes/atlas_recife/index.php
4.1. The framework of the proposed programme was influenced by two key factors – the needs and requests of the Brazilian Government as supported by other national and international counterparts; and by the ongoing UN Reform and continuous strive of the UN Country team for greater coherence and cohesion of the support provided by the UN family agencies and organizations.

4.2. Several consultations were held with counterparts during the preparation of this document. They validated the repositioning of UNDP CO in Brazil, especially the change in focus towards working with states and municipalities and provision of knowledge-based products and services. Counterparts also stated that technical cooperation has still a contribution to give in terms of support to improve the quality of public programmes and policies especially through monitoring and evaluation. UNDP’s work was also considered relevant to support the federal government to design and implement innovative methodologies and approaches to public policy formulation and implementation bringing international experience from the extensive UN networks.

4.3. The proposed programme builds on CP outcomes of UNDAF and adapts them to the specifics of UNDP’s mandate and MYTF (Multi-Year Funding Framework) goals. Note should be made of the fact that country programme outcomes of the UNDAF’s RRF are the same of CPD’s RRF, with minor modifications. They are being detailed now in this CPAP. In the Joint Strategy meeting 42 persons from UNCT, Government, and CSOs participated. Further consultations were held with high rank officials of the Brazilian Government.

4.4. Most of Brazil’s social and economic indicators have improved in the last years; however, UNDP intends to make a difference by supporting the country to optimize the use of its resources to improve the quality of life of the still excluded and vulnerable populations, which systematically face constraints to fulfill their needs and enjoy limited access to justice to guarantee their rights.

4.5. Addressing inequalities involves building capacity of government, civil society and right holders to monitor and influence the level, focus and efficiency of social expenditures, thus assuring due prioritization of resources and their effective use in social programmes. It also requires strengthening democratic governance and the capacity of right holders to participate in the political life and in decision-making processes.

4.6. In terms of the on-going UN Reform the proposed programme represents a significant step towards clearer and better focused planned outcomes while remaining within the framework of the UNDAF agreed upon with the Government of Brazil in early 2006.

4.7. The emphasis of this CP will be on two crosscutting themes: achieving MDGs not only as a country average but mainly for all excluded and vulnerable groups and fostering democratic governance. Due to strong federalism of the Brazilian states and to maximize effectiveness of UNDP’s interventions the focus will be at the local level. The integration of governance objectives into MDGs implementation is an important mean to expand opportunities and freedoms for all.

4.8. Given the duality in relation to capacity development between different levels of government, technical cooperation will have two scopes: (i) a national scope with action in areas with less capacity focusing on localizing MDGs and strengthening governance at all government levels; and, (ii) and, an international scope in areas in which capacity is already developed, focusing on South-South cooperation through knowledge sharing, thus supporting Brazilian initiatives.

National Scope

4.7 Localizing MDGs will enable prioritization in the use of public resources and their effectiveness to reduce inequalities. Policy advice and knowledge production and transfer for formulation and implementation of public policies will be mainly based on best practices and diagnostic analysis of tools such as Municipal

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Human Development Atlases and State and Municipal Reports on MDGs. Technical Expertise of high quality combined with a clear component of capacity building will be offered where and whenever necessary. Advocacy will focus on contributing to developing partnerships for the achievement of the MDGs.

4.8. **Strengthening Governance** as means to support modernization of state for improving rule of law, external accountability, participation, and transparency mechanisms and to guarantee institutional quality in all areas of government. Knowledge transfer will focus on the dissemination of best practices and lessons learned derived from monitoring and evaluation of projects, programmes and policies. Technical expertise will be provided to build and multiply capacity for development at individual, institutional and societal levels. Advocacy will be exercised with the participation of the UN agencies and networks through policy dialogue mainly on sensitive issues such as human rights, human security, transparency, race and gender to try to influence and enhance public policy formulation and implementation.

**International Scope**

4.10. **South-south technical cooperation** with systematization and sharing of best practices. The government jointly with the CO will identify innovative mechanisms and best practices in the different thematic areas of UNDP’s intervention, and promote the exchange of information among developing countries mainly through Joint Programming with UN agencies. To this end and to the extent allowed by rules and regulations of the Organization, the CO will improve procedures and adapt mechanisms to facilitate the triangulation of operations.

4.11. The emphasis on localizing MDGs, strengthening governance as well as South-south cooperation will be crosscutting throughout all CP Outcomes\(^8\) and ensure that UNDP’s work complements that of other UN family agencies by focusing on areas that UNDP can add value\(^9\):

A. **Promoting equal access and quality to basic public services** (UNDAF Outcome 1: Excluded and vulnerable populations enjoying the right to public services)

4.12. Particular emphasis is given to enhance capacities of government, civil society and right holders in making use of these public services: (i) **access**, since universalization of public services is still restricted by constraints faced by the vulnerable and excluded; (ii) **quality**, given the importance to ensure that the service is offered in line with the standards set out in national plans and international instruments. Participation, as a means to mobilize the beneficiaries and their organizations to demand the services and fight for their rights; and **social control**, which will promote ownership and transparency will both be fostered as a means to ensure access and quality. The sectors for intervention are those chosen in the UNDAF.

4.13. In the **Education** sector, the focus of the outputs will be to support capacity building at all government levels and civil society representatives in areas to improve the quality of services and the inclusion of people in vulnerable situations. Other products encompass developing technical expertise in new areas; pilot testing of innovative instruments; monitoring and evaluation of educational systems; and strengthening managerial capacities and information systems. Policy advice will take place mainly in the context of projects formulation and monitoring and evaluation of projects and programs.

4.14. Outputs in **Health** sector are related to projects with strong capacity building components: enhancing individual capacities of professionals working in decentralized health system, and institutional capacities, given the need to support change in organizational practices for a more efficient and humanized health system. Policy advice will take place mainly in the context of nationally executed project formulation, monitoring and evaluation. With reference to HIV/AIDS, the focus of the work will be on South-South Cooperation through the dissemination of best practices and lessons learned. Brazil is internationally known

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\(^8\) Detailed Country programme Outcomes can be viewed in the Results and Resources Framework Matrix Annex.

\(^9\) As stated above the areas for UNDP intervention will be further reviewed to affirm their continued relevance to the strategic priorities of the new government once the programme of the Government is launched. This will also provide an opportunity to further ensure that interventions of UNDP are consistent with the direction of the ongoing UN Reform.
to have built strong capacity to deal with this epidemic. A target related to leprosy, malaria and TB is included in MDGs to be achieved and linked to capacity building activities of projects of epidemiologic surveillance.

4.15 As for adequate housing, water and sanitation, the main goal is to assist in the achievement of the MDG targets in all regions of the country, specially, in relation to target 11. The focus of these outputs will be technical expertise to expand access by the vulnerable and excluded, especially in terms of decent housing with access to clean water, sewage and electricity services and to strengthen institutional and civil society competencies for participation and social control.

4.16 Regarding decent work the focus will be on advocacy mainly through the preparation and dissemination of a National Report in 2007, in cooperation with ILO, ECLAC and UNDP Poverty Center in Brazil. Strong partnership developed with the members of the Global Compact will provide an important forum for advocacy and policy advice in this area. Further partnerships with universities and training centers, and emphasis on vocational studies will provide poor and at risk youth with skills and knowledge to enter the labor market.

B. Targeting gender and race inequalities (UNDAF Outcome 2 - Gender and racial/ethnic inequalities are reduced taking into account territorial heterogeneities)

4.17. The strategy to achieve the reduction of gender, racial and ethnic inequalities is, together with other UN agencies, strengthen capacities for gender and race mainstreaming into legislation, policies and programmes. The Country Programme outputs include strong advocacy and policy advice contents to implement existing policies at local level. Outputs in this area also relate to technical expertise to enhance institutional capacity at government level – including of the two newly created Secretariats, one for Policies for the Promotion of Gender Equity and the other for Policies for the Promotion of Racial Equity. Capacity development of non-governmental organizations to promote equal opportunities for quilombolas (direct Afro-descendent communities) and indigenous people will also be tackled.

C. Reducing vulnerability to violence (UNDAF Outcome 3 – Reduced violence, promoting peace, conciliation and justice)

4.18. The outputs include: advocacy for multi-sectoral partnerships; mobilization of government and non-government agents and institutions; training, replicating successful local community and government initiatives; and the transfer of knowledge nationally and internationally through south-south cooperation. Social exclusion and inequality, part of the root causes of violence, will be addressed by enhanced capacities of government to integrate different policies that include the construction of a culture of peace, social inclusion, safe public urban spaces, access to justice and institutional modernization of the bodies responsible for public security.

4.19. To guarantee access to justice by poor communities UNDP will continue to test and expand new models of alternative justice system, and also contribute to the modernization of the judiciary system and the structuring of oversight bodies such as the National Council of Justice and the National Prosecutors Council. Technical expertise to use technology to increase access to justice is also on the list of priorities.

4.20. The modernization of the prison system, the establishment of a national immigration policy and the implementation of asset control and recovery are three new areas in the CO. The federal government does not have yet developed all the needed expertise in these areas thus UNDP and other UN agencies and international organizations will work to assist in capacity building.

D. Promoting transparent policies and human rights - (UNDAF Outcome 4 – Effective, transparent and participatory public policies and management are ensured, as a mechanism for the promotion and enforcement of human rights)

4.21. Main products are related to capacity building in public administration reform, transparency and accountability at all different levels of government. In this regard, UNDP will continue to contribute with
policy advice to support the implementation of projects for the modernization of the federal government; studies, research and pilot testing to develop an operational framework for Public Policy Partnerships.

4.22. In the strategy to localize MDGs through knowledge transfer and provision of technical expertise the entry point for UNDP’s intervention will be to support the reform of the fiscal administration in the Municipalities (PNAFM). Based on the use of diagnostic tools, UNDP will provide policy advice for project formulation, implementation and monitoring to build capacity at local level for MDGs achievement, instilling principles of good governance, as well as best practices to increase revenues. Development services where and whenever necessary may be provided. Still at local level, UNDP will support the strengthening of governance mainly to improve the managerial performance and planning capacity of state public services, with emphasis on responsiveness and participation to influence public policy formulation, implementation and oversight. Transparency and accountability will also be further supported at the local level in the context of support to capacity building of State Courts of Accounts.

4.23. UNDP will also work on the side of right holders to develop capacities at the individual and institutional levels and advocacy initiatives to foster the discussion of reform in the political system. Advocacy will also be used to mobilize the private sector to play a greater role putting into practice the Global Compact. To promote human rights awareness among youth, culture and sports will be used as the main instruments.

E. Supporting more sustainable economic development - (UNDAF Outcome 5 – More efficient use of available resources is ensured to promote an equitable and environmentally sustainable economic development)

4.24. Main products are related to provision of policy advice and knowledge transfer for the formulation and implementation of projects at state and municipal levels focused on the achievement of the MDGs and improvements in human development. Advisory services will be based on diagnostic tools, such as MDG reports and Municipal Human Development Atlases. As best practices and lessons learned are systematized in partnership with the academic network they will be disseminated and made available for replication.

4.25. In the context of the conditional cash transfer program, social players at municipal level will be qualified for participation in the social control of eligibility, quality of service delivered and evaluation of the program. Capacity building for participatory planning of public programs and coordination mechanisms will also be provided in the framework of decentralization of public policies. Technical expertise for local development initiatives will be provided so as to support sustainable economic development for job creation.

4.26. Improving life only for today’s citizens may compromise the rights of future generations. Another group of outputs is therefore related to advocacy, capacity building and policy advice for mainstreaming environmental aspects in the formulation, implementation, monitoring and evaluation of public projects, programs and policies and the systematization and sharing of successful experiences and mechanisms.

4.27. Sustainable management of biodiversity – including genetic resources, species and the ecosystem services that support human development – is central to achieving MDGs. Poverty and biodiversity are intimately linked to development and most initiative for the next programme cycle will promote environmental sustainability and poverty alleviation by working directly with local communities in developing their capacities to the sustainable use of natural resources. The main target beneficiaries are indigenous communities and traditional populations.

4.28. In this coming programme cycle UNDP can play a role in capacity building to expand bonus environmental markets such as carbon markets. In the medium and long-term, UNDP can continue to play an important role to support the country in the post-Kyoto Protocol period in building capacities for new trading mechanisms and adaptation policies and in research. Special mention should be made of the areas of new technologies to generate renewable energy; efficient and environmentally friendly energy transmission
systems, bio-fuel, biomass and solar thermal power generation, and pilot testing a hydrogen fuel cell based public transport that will continue to receive support. South-South initiatives will be used to make known the advantages of technologies to promote development.

Part V. Partnership Strategy

5.1 Since the 1980’s, with the decrease in core resources, UNDP Brazil has developed large experience in building partnerships to maximize the impact of its intervention in the country. Recently, an excellent example was the MDGs campaign that, as mentioned, had massive impact on public opinion and received the 2005 Administrator’s Innovation and Commitment award prize. An extensive network ranging from the private sector to universities and civil society organizations, from the Presidency of the Republic to state legislatures was developed. Mention should also be made to the decentralization strategy devised that culminated with partnerships with state governments for the opening of decentralized offices in different regions of the country.

5.2 In a context of a programme that will be almost fully cost-shared with the Brazilian government, international financial institutions (Inter-American Development Bank and the World Bank) and a few bilateral donors, developing partnerships is crucial for the consolidation of synergies and the achievement of results. Private sector shall be a partner mainly for advocacy for human rights protection within the Global Compact Committee, corporate social responsibility, and pilot testing of innovative approaches to rendering services to the poor through Public Private Partnerships (PPP). Civil society organizations will be partners in implementing community projects and the academy will support highly technical interventions. In line with the UN reform, UNDP Brazil will work closely with UN agencies and actively search opportunities for parallel or joint programming, so as to foster complementarities in support of national priorities.

5.3 United Nations system. As expressed by the Brazilian Cooperation Agency, this new cycle shall emphasize that UN interventions are led by a basic strategy – capacity development - taking into account the national context and that a higher level of harmonization of operational procedures is put in place. The partnerships will seek to maximize each agency capacity for a substantive contribution to human development in the country and will be discussed and agreed within the framework of the thematic groups and will target at least one joint intervention per UNDAF outcome. Cooperation among UN agencies will also be articulated in the framework of the local programme approach to be negotiated with the states where UNDP has a local office.

5.4 Taking into account the international scope as defined in the Country Programme, a newly created thematic group for South-South technical cooperation has already started an inventory of all agencies initiatives in other countries to be ready to start the new programming cycle with a strong proposal for Joint Programming. The priority given to South-South cooperation will require an innovative approach and poses an interesting challenge for the UN agencies in Brazil to work more intensively with the global UN network and to adapt procedures to deal with different countries and cultures. The Ministry of External Relations, through ABC and its thematic departments, will play a major role in defining guidelines together with the UN agencies.

5.5 International Financial Institutions. Both the Inter-American Development Bank and the World Bank have offices in the Brazil and a partnership already exists with the CO. There are memoranda of understanding signed by headquarters with those two financial institutions and the World Bank office participated in the UNDAF exercise. Up to now, these partnerships have mainly operational components. A more technical approach has already begun mainly in MDG advocacy and reporting. Also some initiatives in capacity evaluation and development, in areas of evaluation of national policies and of national procurement capacity have already been tested. The big challenge will be to consolidate these partnerships for capacity
development. During the consultations held for the CPD (Country Programme Document), the World Bank has stated interest in participating in programme approach with the state of Bahia. A mission of the World Bank came to the office in July and reiterated their interest in joint efforts to further develop capacity building in Brazil.

5.6 **Bilateral Institutions.** Brazil being considered a country of medium human development is not seen as a priority for bilateral donors. However, triangular initiatives can be expected, in the model already developed with bilateral agencies, such as those of Japan and Canada in specific areas as human rights, fight against racism or in areas that Brazil has some experience to share with less developed countries in the context of South-South cooperation.

5.7 **Civil Society Organizations.** During the previous programme cycle the CO has developed an extensive network of civil society organizations that support mainly human rights, the provision of opportunities to the poorest, with participation, inclusion in partnerships and contribution to mutual learning for poverty reduction and the promotion of environmental sustainability. The main target beneficiaries are indigenous people and traditional populations. This network will continue to participate in the implementation of the country programme. In the Human Rights field, partnership with CSOs have also been very important to support and strengthen the right holders, including an extensive network of South-South cooperation. João Pinheiro Foundation will continue to be a partner in the production of the Human Development Metropolitan Index and other development indicators for infra municipal divisions of metropolitan areas and the related analysis.

5.8 **Academia.** Back in 2002 the country office was already searching for innovative ways to disseminate the concepts of human society organizations through research and education. The country office alone did not have the capacity to meet the growing demand that is also scattered geographically throughout the country. The natural choice was to select a partner able to contribute not only with knowledge production but also with knowledge dissemination and with proven experience in distance learning technology. The ability to provide courses and lead a network of universities with research on the Human Development was essential. This resulted in the establishment of the Human Development Institute at the Catholic University of Minas Gerais. This partnership will be further consolidated in the coming years and the Institute plans to maintain a network of cooperating universities in all Brazilian regions.

**Part VI. Programme Management**

6.1 Brazil has built significant capacity at the federal level in the implementation of policy programmes and projects. Given that further UNDP interventions will have to be differently qualified, UNDP's CO will increasingly focus on the work of offering policy advice and action recommendations, as well as tools and methodologies for knowledge-based products and capacity development. Priority will also be given to joint programming for South-South cooperation which will require innovative approaches and close work of the CO with the Brazilian Cooperation Agency.

6.2 Unlike at the federal level, at the local level considerable support is still needed for capacity building. The CO will invest in the consolidation of its decentralized offices in order to assist states and municipalities. UNDP will work together with State Governments using a methodology of programme approach to enhance effectiveness of intervention at local level. The programme framework will allow UNDP to support the articulation of government's aims and priorities, integrating the processes of micro, medium and macro planning and management of any development effort. This model also will encourage the participation of all UN agencies and other development partners systematizing and prioritizing areas of intervention. This process may not only help to avoid duplicate actions and resources waste, but also allow for donors to support one of the various programme areas according to their comparative advantages. This approach allows for a close understanding of local demands and priorities providing a mean for an effective support
and advice of local authorities. Moreover they allow the provision of new knowledge tools and development products that are better suited to the particularities of local demands. Bringing new technologies and strategies contribute deeply to foster local capacities, and to instigate the political and economic changes necessary to pursue sustainable human development.

6.3 The programme will be nationally executed under the overall coordination of the Brazilian Cooperation Agency (ABC) (Government Coordinating Agency). Government Ministries, Government Agencies, CSOs, the private sector, NGOs, and IGOs10. UN agencies including UNDP will implement the programme activities. The Government Coordinating Agency will nominate the Government Co-operating Agencies directly responsible for the Government’s participation in each UNDP assisted AWP or Project Document. The AWPs will describe the specific results to be achieved and will form the basic agreement between UNDP and each implementing partner on the use of resources. The reference to “Implementing Partner(s)” shall mean “Executing Agency(ies)” as used in the Brazil – UN Agreement.

6.4 In programme design and implementation, UNDP works closely with key partners. The country programme builds on the United Nations reform principles, especially simplification and harmonization, by operating in line with the harmonized common country programming instruments such as the UNDAF results matrix, monitoring and evaluation, and programme resources frameworks in the CPAP and the AWPs. To the extent possible UNDP and partners will use the minimum documents necessary, namely the signed CPAP and signed AWPs to implement programmatic initiatives. However, as necessary and appropriate, project documents would be prepared using, inter alia, the relevant text from the CPAP, and AWPs. UNDP will sign the project documents with partners in accordance with corporate practices and local requirements. In line with the UNDG Joint Programming Guidance Note, the scope of inter-agency cooperation is strengthened to cultivate new programme and geographical convergence.

6.5 Atlas contributes to timely, efficient delivery of activities and effective financial monitoring to manage projects and the UNDP programme. For this reason the Country Office is implementing a transition strategy according to an approved road map that will result in the migration or the integration of the Country Office ERP and the Corporate ERP databases. The country office will provide upon request managerial reports on project implementation to the Brazilian Cooperation Agency, and to the Office of the Comptroller General – CGU.

6.6 All cash transfers to an Implementing Partner are based on the Annual Work Plans or Project Documents agreed between the Implementing Partner and UNDP.

6.7 Cash transfers for activities detailed in AWPs can be made by UNDP using the modalities described below. UNDP office in Brazil will only operate under modalities 2 and 3 during this programme cycle.

1. Cash transferred directly to the Implementing Partner:
   a. Prior to the start of activities (direct cash transfer), or
   b. After activities have been completed (reimbursement);

2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner, or on the basis of a correspondent electronic/digital approval;

3. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners.

6.8 Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released

10 Intergovernmental Organizations
quarterly or after the completion of activities. UNDP shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts (not applicable as for 6.7).

6.9 Following the completion of any activity, any balance of funds shall be reprogrammed by mutual agreement between the Implementing Partner and UNDP, or refunded.

6.10 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN Implementing Partner. A qualified consultant, such as a public accounting firm, selected by UNDP may conduct such an assessment, in which selection the Implementing Partner shall participate. *The Government Brazilian Cooperation Agency will request, when necessary, the good offices of UNDP to proceed with assessment of financial management capacity of Government Implementing Partner*[^11].

6.11 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.

6.12 Resource mobilization efforts will be intensified to support the RRF and ensure sustainability of the programme. Mobilization of other resources in the form of cost sharing, trust funds, or government cash counterpart contributions will be undertaken to secure funding for the programme. In the context of the five year period of MYFF strict application of corporate exchange rate rules presents challenges to the sustainability of resource mobilization.

**Part VII. Monitoring and Evaluation**

7.1 Monitoring and evaluation of the CPAP will be undertaken in line with the UNDAF results matrix and monitoring and evaluation plan. The Government and UNDP will be responsible for setting up the necessary M&E mechanisms, tools and conducting reviews, in order to ensure continuous monitoring and evaluation of the CPAP, to ensure efficient utilization of programme resources as well as accountability, transparency and integrity[^12]. The implementing partners will provide periodic reports on the progress, achievements and results of their projects, outlining the challenges faced in project implementation as well as resource utilization as articulated in the AWP. The reporting will be done in accordance with the existing procedures and harmonized with the UN agencies to the extent possible.

7.2 The Millennium Development Goals Report (MDGR) developed for Brazil will serve as the primary means for reporting on UNDAF activities, complemented by the Annual Report and Workplan of the Resident Coordinator. The indicators used to measure UNDAF outputs will be explicitly linked to the contribution of these outputs to the achievement of the MDGs and consequently the objectives spelled out in the CPD and CPAP.

7.3 Provisions for monitoring and evaluation of the CPAP and related CPD are based on the assumption that they are living documents and must be revised periodically. These adjustments are particularly relevant given the on-going UN Reform and the fact that the time frame for the development of these documents as well as UNDAF have been de-linked from the Government planning cycle.

7.4 Thus, a special review will be made in 2007 to ensure that the CPD and CPAP remains relevant to the national priorities of the Multi-Year National Plan 2008-2011 and the priorities of the Government elected

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[^11]: Please provide evidence of World Bank’s, assessment of public financial management capacity
[^12]: For more details, Cash Transfer Framework should be referred.
in October 2006. Annual reviews will follow to ensure alignment and synchronization with the UNDAF reviews and to revisit and update the CPAP's results and resources framework and prepare for the following year's AWPs. UNDP will actively search for opportunities to develop joint programmes and evaluations with sister agencies to join forces, reduce costs and produce better results.

7.5 Implementing partners agree to cooperate with UNDP for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and personnel responsible for the administration of cash provided by the UNDP. To that effect, Implementing partners agree to the following:

1. Periodic on-site reviews and spot checks of their financial records by UNDP or its representatives,
2. Programmatic monitoring of activities following UNDP's standards and guidance for site visits and field monitoring,
3. Special or scheduled audits: UNDP, in collaboration with other UN agencies, where so desired; and in consultation with the Brazilian Cooperation Agency will establish an annual audit plan, giving priority to audits of Implementing Partners with projects of high amounts (or cash delivery), and those whose financial management capacity needs strengthening.

7.6 To facilitate assurance activities, Implementing partners and UNDP may agree to use a programme monitoring and financial control tool allowing data sharing and analysis.

7.7 The Office of the Comptroller General (CGU) may undertake the audits of Government Implementing Partners. If the CGU chooses not to undertake the audits of specific Implementing Partners to the frequency and scope required by UNDP, UNDP will commission the audits to be undertaken by private sector audit services.

Part VIII Commitments of UNDP

8.1 The commitment of US$ 933,000 of regular Resources, by UNDP during this CPAP is subject to availability of funds.

8.2 UNDP will ensure coherence between the CPAP/AWP, UNDAF results matrix and MDGs, including M & E reporting. Through annual reviews and periodic progress reporting, responsibilities between UNDP, the Government and implementing partners will be emphasized.

8.3 In case of direct cash transfer or reimbursement, UNDP shall notify the Implementing Partner of the amount approved by UNDP and shall disburse funds to the Implementing Partner in 72 hours [not applicable see item 6.7].

8.4 In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners - on the basis of requests signed by the designated official of the Implementing Partner or on the basis of the correspondent electronic/digital approval; or to vendors or third parties for obligations incurred by UNDP in support of activities agreed with Implementing Partners - UNDP shall proceed with the payment within 72 hours provided that all needed documentation is available.

8.5 UNDP shall not have any direct liability under contractual arrangements concluded between the Implementing Partner and a third party vendor.

8.6 Where more than one UN agency provides cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN agencies.

8.7 As requested by Government, UNDP will provide the following support services for activities in the CPAP:
i) Identification and assistance with and/or recruitment of project and programme personnel; procurement of goods and services in accordance with the applicable regulations, rules, policies and procedures;

ii) Identification and facilitation of training activities, including fellowships and study tours;

iii) Access to UNDP-managed global information systems, the network of UNDP country offices and specialized information systems, including rosters of consultants and providers of development services;

iv) Access to the support provided by the network of UN specialized agencies, funds and programmes.

Part IX Commitments of the Government

9.1 This CPAP encompasses a indicative government contribution for cost sharing of US$ 555,030 million, subject to budgetary availability of funds.

9.2 The Government will honor its commitments in accordance with the provisions of the Brazil-UN Agreement, which was signed by the parties on 29 December 1964. The Government shall apply the provisions of the Convention on the Privileges and Immunities of the United Nations agencies to UNDP’s property, funds, and assets and to its officials and consultants.

9.3 In case of government cost-sharing through the CPAP, the following clauses should be included:

i. The indicative schedule of payments, subject to budgetary availability and government policy and plans

<table>
<thead>
<tr>
<th>Programme Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount estimated (in US Dollars)</td>
<td>139,765,056</td>
<td>129,781,838</td>
<td>99,832,183</td>
<td>93,842,252</td>
<td>91,808,671</td>
</tr>
</tbody>
</table>

9.4 UNDP Bank Account: UNDP Representative in Brazil USD Account; Bank of America, 1401 Elm St., Dallas TX 75202; Account No.: 375 222 0643; Wire Routing Number: 026009593; SWIFT Address: BOFAUS3N.

ii. 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 in United States dollars 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 CPAP may be reduced or suspended or terminated by UNDP.

iii. The above schedule of payments takes into account the requirement that the contributions shall be made in advance of the implementation of planned activities when regulation 5.07 and “Risk management guidelines for contributions by donors to other resources” do not apply. The schedule may be amended to be consistent with the progress of CPAP delivery.

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

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13 The clearance of the Finance Division on these clauses is expected soon
v. All financial accounts and statements shall be expressed in United States dollars.

vi. 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 endeavors to obtain the additional funds required.

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

viii. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP Financial Rules and Regulations and approved by the Government.

ix. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery by UNDP for two distinct cost categories related to the provision of support services, namely:

(a) 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 equal to 5%.

(b) Direct costs incurred for implementation support services (ISS) provided by UNDP and/or an executing entity or implementing partner. As long as they are unequivocally linked to the specific programme/project, these costs are built into the project budget against a relevant budget line and, in the case of clearly identifiable transactional services, charged to the project/programme. The implementation of this item shall be subject to a specific procedure to be defined between the Government and UNDP.

The aggregate of the amounts budgeted for the CPAP, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the CPAP under this agreement.

x. 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 UNDP Financial Rules and Regulations.

xi. The contribution by UNDP shall be subject to the internal and external auditing procedures provided for in the UNDP Financial Rules and Regulations and generally accepted auditing principles.

9.5 Mechanisms for participatory planning, monitoring and evaluation on the progress of the country programme involving civil society and other development partners will be implemented. The Government is also committed to organize periodic programme review, planning and joint strategy meetings and where appropriate, coordination of sectoral and thematic development partners' groups to facilitate the participation of donors, civil society, private sector and UN agencies. In addition, the Implementing Partners will facilitate periodic monitoring visits by UNDP staff and/or designated officials for the purpose of monitoring, meeting beneficiaries, assessing the progress and evaluating the impact of the use of programme resources. The Government will make available to UNDP in a timely manner any information about policy and legislative changes occurring during the implementation of the CPAP that might have an impact in co-operation.
9.6 A standard or electronic Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the Annual Work Plan (AWP), will be used by Implementing Partners to request the release of cash transfers, or to secure the agreement that UNDP will primary directly pay for planned expenditure on the basis of a corresponding electronic/digital approval. Other modalities may be used like reimbursement, advance of funds and Agency execution depending on the requirements of the programme. In these cases, the Implementing Partners will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE will be certified by the designated official(s) of the Implementing Partner.

9.7 Cash transferred to Implementing Partners, in the case of Brazil under modalities 2 and 3 of 6.07, should be spent for the purpose of activities as agreed in the AWPs only.

9.8 Cash received by the Government and national NGO Implementing Partners, in the case of Brazil only under modalities 2 and 3 of 6.07, shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities as agreed in the AWPs, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds. Where any of the national regulations, policies and procedures is not consistent with international standards, the UN agency regulations, policies and procedures will apply.

9.9 In the case of international NGO and IGO\(^{14}\) Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended for activities as agreed in the AWPs, and ensuring that reports on the full utilization of all received cash are submitted to UNDP within six months after receipt of the funds.

9.10 To facilitate scheduled and special audits, each Implementing Partner receiving cash from UNDP, in the case of Brazil only under modalities 2 and 3 of 6.07, will provide UNDP or its representative with timely access to:

- all financial records which establish the transactional record of the cash transfers provided by UNDP;
- All relevant documentation and personnel associated with the functioning of the Implementing Partner’s internal control structure through which the cash transfers have passed.

9.11 The findings of each audit will be reported to the Implementing Partner and UNDP. Each Implementing Partner will furthermore:

- Receive and review the audit report issued by the auditors.
- Provide a timely statement of the acceptance or rejection of any audit recommendation to the UNDP and to the SAI.
- Undertake timely actions to address the accepted audit recommendations.

Report on the actions taken to implement accepted recommendations to the UN agencies and to the SAI, on a biannual basis.

\(^{14}\) Intergovernmental Organization
Part X. Other Provisions

10.1 This CPAP supersedes any previously signed CPAP between the Government of Brazil and UNDP and may be modified by mutual consent of both parties on the recommendations of the joint strategy meeting.
10.2 Nothing in this CPAP shall in any way be construed to waive the protection of UNDP accorded by the contents and substance of the United Nations Convention on Privileges and Immunities to which the Government is a signatory.

IN WITNESS WHEREOF the undersigned, being duly authorized, have signed this Country Programme Action Plan on this day, September 13, 2010, in Brasilia, Brazil.

For the Government of Brazil

Signature: ____________________________
Name: Marco Farahi
Title: Director General
Brazilian Cooperation Agency
Ministry of Foreign Affairs

For the United Nations Development Programme
[Brazil]

Signature: ____________________________
Name: Jorge Chediek
Title: Resident Representative
UNDP Brazil