

Small-Scale Funding Agreement (SSFA) for Project Preparation Grant (PPG) of the project "Implementation of the National Biosafety Framework of Peru"

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

BETWEEN: United Nations Environment Programme (hereinafter referred to as "UNEP"), an international inter-governmental organization established by the General Assembly of the United Nations, represented by its Division of Global Environment Facility Coordination (UNEP/DGEF) and having its office at United Nations Avenue, Gigiri, P.O. Box 30552, Nairobi, Kenya.

AND: Ministry of the Environment (MINAM) (hereinafter referred to as the "Executing Agency"), a public institution of the Government of Peru, represented by the General Direction of Biodiversity and having its office at Avenue Guardia Civil 205, San Borja, Lima, Peru.

hereinafter collectively referred to as "The Parties".

Purpose/Objective

1. The Agreement sets forth the terms and conditions of the cooperation between The Parties for the execution of the Project Preparation Grant (PPG) of the project *Implementation of the National Biosafety Framework of Peru* as set out in the "Request for Project Preparation Grant" appended as **Annex 1** and approved by the Global Environment Facility (GEF) Chief Executive Officer (CEO) in the letter dated 18 December 2008 appended as **Annex 2**. The details of the various activities under the PPG are as set out in **Annex 1**.
2. The main objective of the PPG is the preparation of a CEO approval request document for a Medium Size Project to have a workable and transparent national biosafety framework in place in Peru that will contribute to the conservation and sustainable use of biodiversity by enabling full implementation of the Cartagena Protocol on Biosafety (CPB) and of national biosafety regulations. The Project Identification Form setting out the full details of the proposed project is appended as **Annex 3**.

Interpretation

3. All Annexes appended to this Agreement shall be construed as an integral part of this Agreement.
4. Definitions of terms used in this Agreement are provided in **Annex 3**.

Duration

5. This Agreement shall come into force upon signature by The Parties from the date of the latest signature, and shall remain in force until **31/08/09** unless terminated pursuant to paragraph 34 and 35 of this Agreement. The PPG milestones, as set in the CEO approval letter appended in **Annex 2**, shall be adhered to. In the event that a milestone cannot be met, EA shall inform UNEP one month before the date of the milestone to enable UNEP to comply with the terms of the CEO approval.

Cooperation

6. The Parties shall carry out their respective responsibilities in accordance with the provisions of the Agreement.
7. The Parties shall determine and communicate to each other the persons appointed as having the authority and responsibility for the project implementation on their behalf.
8. Contact details for correspondence on substantive and technical matters as well as on administrative and financial matters are as set out in **Annex 4**.
9. The Executing Agency shall only use the UNEP and GEF name, logo and emblem in connection with the project with the prior written consent of UNEP.
10. The Executing Agency shall not seek nor accept instructions regarding the activities under the present Agreement from any Government or other authority external to UNEP.
11. The Executing Agency 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 UNEP.
12. The total cost of the project is US\$ 38,560 of which US\$ 24,560 is GEF financing and the balance is co-financing as described below (in-kind contributions).

Cost of the project

GEF PPG:	US\$ 24,560
Co-finance (cash):	US\$
Co-finance (in-kind):	US\$ 14,000
Total:	US\$ 38,560

13. For detailed budget breakdown of GEF funds and co-finance, refer to Appendix 1 and Appendix 2.

Terms and obligations of UNEP

14. UNEP agrees to:
 - a) Provide, in its role as GEF implementing agency, project oversight (through the Task Manager and Fund Management officer). Specifically this will include:
 - b) Timely feedback on all substantive project and financial issues;
 - c) Review and approve the monitoring plan and detailed timetable to be developed during the inception report of the project activities;
 - d) Participate and provide substantive inputs to Steering Committee meetings and any other required meetings of the project activities;
 - e) Provide technical support and assistance to the project where required;
 - f) Provide feedback and process project revisions if applicable;
 - g) Ensure communication and information exchange between the Executing Agency, UNEP, and all other relevant organizations, institutions, programmes and projects;
 - h) Liaise with the GEF Secretariat for all matters related to the PPG.

Terms and obligations of the Executing Agency

15. The Executing Agency agrees to:
 - a) Provide programmatic implementation support to, and liaise with, the various stakeholders based on guidance from UNEP Task Manager;
 - b) Deliver the outputs and demonstrate its best efforts in achieving the results/impacts stipulated in the project implementation plan appended as **Annex 5**;

- c) Notify UNEP in writing on the need for any deviations/modifications to the agreed Implementation Plan or Budget, for approval;
- d) Implement the PPG activities in accordance with standard Executing Agency Rules and established business processes;
- e) Make available to the project the cash and in-kind co-financing as set out in Appendix 2 from the Executing Agency and make its best efforts to ensure that all pledged third party co-financing materializes or undertake resources mobilization efforts to compensate for any shortfall in co-financing;
- f) Report to UNEP in accordance with paragraphs 26 to 28 of this Agreement.

Personnel administration

- 16. The Executing Agency shall be solely and completely responsible and accountable for all services performed by its personnel, agents, employees, or contractors (hereinafter referred to as "Personnel").
- 17. The Executing Agency shall be considered as having the legal status of an independent contractor. Personnel of the Executing Agency's contractors or anyone else working for the Executing Agency in the execution of the project or otherwise, are not employees of UNEP and are not covered by the privileges and immunities applying to UNEP and its staff pursuant to the Convention on the Privileges and Immunities of the United Nations. UNEP 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 Agency's Personnel as a result of their work pertaining to the activities under this Agreement.
- 18. The Executing Agency shall ensure that its personnel meet the highest standards of qualification and technical and professional competence necessary for the achievement of the objectives and results of the project, and that decisions on employment related to the project shall be free of discrimination of any nature. The Executing Agency shall ensure that all personnel are free from any conflicts of interest relative to the project activities.

Cash advances

- 19. The funds shall be deposited in the Executing Agency's bank in accordance with the banking details provided to UNEP on the Third Party Form appended as **Annex 6A**:
- 20. UNEP shall provide the Executing Agency with funds up to a maximum amount of US\$ 24,560. The resources provided by UNEP shall only be used by the Executing Agency in pursuit of the project objectives and for the activities to achieve the results as agreed to in the project implementation plan appended as **Annex 5**.
- 21. An initial cash advance of US\$ 12,560 shall be transferred from UNEP upon signature of this Agreement by both parties¹.

PPG up to 6 months	PPG over 6 months
The second and final transfer shall be made upon confirmation of the successful completion of all the activities and submission by Executing Agency to UNEP of:	Subsequent transfers shall be made upon receipt of the cash advance request using the format appended on Annex 6B and submission by EA to UNEP of interim reports as required by <u>paragraph 27</u> of this

¹ Do not choose between "PPG up to 6 months" and "PPG over 6 months" in relation to subsequent transfers. The table "as is" should be included in the legal instrument irrespective of the length of the PPG.

<ul style="list-style-type: none"> ▪ satisfactory outputs expected of this project in accordance with the implementation plan appended as Annex 5; or ▪ acceptance of reports as required by <u>paragraph 27</u> of this Agreement. 	<p>Agreement.</p> <p>The last payment shall be made upon confirmation of the successful completion of all the activities and submission by Executing Agency to UNEP of:</p> <ul style="list-style-type: none"> ▪ satisfactory outputs expected of this project in accordance with the implementation plan appended as Annex 5; and ▪ acceptance of reports as required by <u>paragraph 27</u> of this Agreement.
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22. The total expenditure incurred by the Executing Agency under this Agreement shall not exceed the GEF-approved budget as set out in paragraphs 10 and 11. Any expenditure in excess of this budget is the sole responsibility of the Executing Agency. Prior approval of UNEP is needed in cases where there may be a cost over-run in a budget sub-line to another.
23. Other than consultants, no personnel costs or procurement of goods shall be authorized under the PPG budget.

Unspent balance

24. Any portion of cash advances remaining unspent or uncommitted by the EA on completion of the project shall be returned to UNEP 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 Agency shall be financially responsible for any adverse movement in the exchange rates.
25. Within 3 months upon expiry of this Agreement, the Executing Agency shall refund to UNEP any unspent balance of the above funds.

Maintenance of records

26. The Executing Agency shall keep accurate and up-to-date records and documents in respect of all expenditures incurred with the funds made available by UNEP under this Agreement, to ensure that all expenditures are in conformity with the provisions of this Agreement and its Annexes thereto.
27. Upon completion of the project or termination of this Agreement, the Executing Agency shall maintain the records for a period of at least 3 years unless otherwise agreed upon between the Parties.

Reporting requirements

28. All reporting shall be in English and financial reporting in US dollars, and any exchange difference accounted for within the total GEF-approved US dollar project budget.
29. The Executing Agency shall submit to UNEP, on or before the dates below, the reports as follows²:

² Do not choose between "PPG up to 6 months" and "PPG over 6 months" in relation to reporting requirements. The table "as is" should be included in the legal instrument irrespective of the length of the PPG.

Report	Template appended as	Reporting period	Date required
For PPG up to 6 months			
Expenditure statement	Annex 7	01 Apr-31 Jul '09	By 31 Aug'09
Co-finance report	Annex 8	01 Apr-31 Jul '09	By 31 Aug'09
Final report	Annex 9	01 Apr-31 Jul '09	By 31 Aug'09
	Co-finance report	Annex 8	N/A
	Final report	Annex 9	N/A

Financial report

30. The Executing Agency shall submit quarterly expenditure statements on the use of funds provided, as per the format appended as **Annex 7** and within 1 month of the end of the quarter to which they refer.

Audit

31. UNEP has the right, at its own expense, to have the records of the Executing Agency related to this cooperation reviewed and audited.

Logos and emblems

32. In no event will authorization of the GEF or UNEP name (or any abbreviation thereof), logo or emblem be granted for commercial purposes.

Non-compliance

33. The Executing Agency shall comply with all the above mentioned provisions and agrees that UNEP reserves the right to withhold any payment due to Executing Agency non-compliance with any of the provisions mentioned hereinabove.

Suspension and termination

34. Either party may terminate this Agreement upon serving a written notice to the other party at least 1 month prior to such termination.
35. This PPG and the associated project proposal 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

36. Any dispute arising out of or in connection with this Agreement shall be settled amicably between UNEP and the Executing Agency. Should attempts at amicable negotiation fail, any such dispute shall, upon request by either party, be referred to arbitration in

accordance with the UNCITRAL arbitration rule. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

Privileges and immunities


37. 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 UNEP.

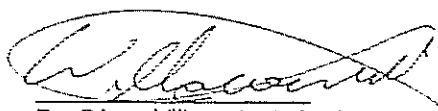
Notification and amendments

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

For:
United Nations Environment Programme

For:
Ministry of the Environment of Peru
(MINAM)

By: 
Ms. Maryam Niamir-Fuller
Director,
Division of GEF Coordination,
UNEP

By: 
Dr. César Villacorta Arévalo
General Secretary

Date: 17-04-09

Date: 14/04/2009

LIST OF ANNEXES TO THE SMALL SCALE FUNDING AGREEMENT

- Annex 1 Request for Project Preparation Grant
- Annex 2 CEO approval letter
- Annex 3 Project Identification Form (PIF)
- Annex 4 Contact details
- Annex 5 Project implementation plan
- Annex 6A Third party form
- Annex 7 Quarterly expenditure statement template
- Annex 8 Co-finance report template
- Annex 9 Final report template

LIST OF APPENDICES

- Appendix 1 GEF Budget
- Appendix 2 Co-finance budget