

Accountable Grant Agreement

The Secretary for State for Foreign and Commonwealth Affairs represented by:

Jonathan Michael Dunn
Economics Counsellor
British Embassy Brasilia

for the Foreign and Commonwealth Office (the Authority) has agreed to make a grant of funds to:

London School of Economics Enterprise
8th Floor, Tower 3, Houghton Street - London WC2A 2AZ
Simon Flemington, Chief Executive Officer

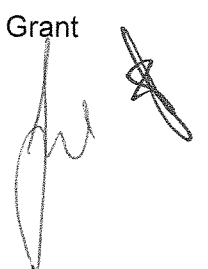
(the Grantee), referred to collectively as the **Parties** and each individually as a **Party**, upon the following terms.

1 – Definitions

- 1(1) In this Accountable Grant Agreement the following terms shall have the meaning set out below:
- (a) **'Equipment'** means the tools and machinery which the Grantee may use in order to conduct research and other necessary activity for which grant funding has been provided;
 - (b) **'Project'** means the activity in support of a **Improving PPPs in Brazil: Efficiency and Transparency – PPY BRA 1050** for which the Authority has sought proposals and awarded grant funding to the Grantee under this Accountable Grant Agreement;
 - (c) **'Project Implementation'** means all steps which the Grantee undertakes in order to deliver the Project which is being supported by this Accountable Grant Agreement.

2 - Purpose of the Grant

- 2(1) The grant is made for the implementation of the project entitled: **Improving PPPs in Brazil: Efficiency and Transparency – PPY BRA 1050** (the Project). The title, purpose, outputs and activities of the Project are set out in Annex A (the Final Bid Form).
- 2(2) The grant is awarded to the Grantee on the terms set out in this Accountable Grant Agreement (hereafter "the Agreement") and its Annexes.



- 2(3) The Grantee is responsible for the proper use and administration of the grant and undertakes that the grant funding will only be used for the purposes of carrying out the Project in accordance with Annex A (the Final Bid Form).
- 2(4) The Authority reserves the right to make payment of the grant subject to such governance arrangements (including terms of reference, steering committees and virtual boards) as it considers appropriate and proportionate in order to support and manage the relationship with the Grantee. This reservation may be exercised because of the budget, scope or complexity of a Project.

3 – Project Duration

- 3(1) The Project's duration is from **1st April 2013** to **February 2015**. Any amendment to this period must be agreed by both Parties and recorded in writing.
- 3(2) Project Implementation will begin on the day **after** the last of the two Parties signs this Accountable Grant Agreement.
- 3(3) Financing by the Authority for subsequent years of the operation is not guaranteed. The continuation of funding for the Project in subsequent financial years will be dependent on the following:
- (a) Availability of funding to the Authority;
 - (b) satisfactory progress under the milestones or any other measures which the Parties agree for the Project; **and**
 - (c) an assessment of the progress made against original bid documents, where such assessment does not fall under the matters assessed at clause 3(3)(b).
- 3(4) The assessment of progress described in clause 3(3) shall take place before the end of the first financial year and at the end of any subsequent financial years.

4 – Financial arrangements

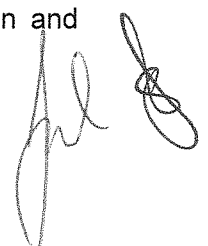
- 4(1) Subject to clauses 3(3) and 8 below, the Authority shall provide up to a maximum of **£30,000 (Thirty thousand pounds sterling)** towards the total costs of the Project, of which **£15,000 (Fifteen thousand pounds sterling)** will be paid in the current financial year.
- 4(2) The Authority will provide funding 1 month in arrears.
- 4(3) If, in order to implement the Project, the Grantee buys goods or services using grant funds it must take account of the Authority's statement of Procurement good practice set out in Annex C and provide information to show that its procurement processes are transparent, fair and allow for open competition, if requested to do so by the Authority.



- 4(4) The Authority provides funding under this Accountable Grant Agreement on the basis that the Grantee will not use grant funding to purchase Equipment in order to implement the Project.
- 4(5) If the Grantee considers that it is necessary or that it may be necessary to use grant funding to buy Equipment it shall inform the Authority of this at the earliest opportunity. The Grantee shall not purchase Equipment using grant funding provided under this Accountable Grant Agreement unless the Authority has consented to such use of funding and this is recorded in writing as an additional Annex to the agreement. The Authority reserves the right to consider any failure to seek its consent before using grant funding to purchase Equipment as a material breach of this Accountable Grant Agreement.
- 4(6) If the Grantee purchases Equipment to implement the project it shall maintain an inventory and notify the Authority of all purchases of equipment made from grant funding provided for the Project. Entries in the inventory must include the following information:
- (a) description;
 - (b) specific identification (e.g. serial number);
 - (c) date of purchase;
 - (d) original value (including VAT if paid);
 - (e) location and/or use;
 - (f) person responsible for the purchase.
- 4(7) If the Grantee has an existing process by which it records all purchases this process may be used to record the information set out in clause 4(4)(a) – (f).
- 4(8) If the Grantee purchases Equipment, with the Authority's consent, any non-consumable items of Equipment purchased from grant funding with an initial value of more than £1,000 and a useful life of more than one year at the end of the Project's duration will be the property of the Authority and must not be disposed of except as the Authority directs.
- 4(9) The Project funds should be spent in the appropriate financial year for which they were intended – as set out in Annex B (the Project Activity Based Budget). Funds may only be carried forward to subsequent years with the **prior** agreement of the Authority's representative.
- 4(10) At the end of the funding period all unused funding shall be returned to the Authority.

5 – Reports and Payments

- 5(1) The Project's costing is set out in Annex B (the Project Activity Based Budget).
- 5(2) From **June 2013** and every 3 months thereafter, the Grantee shall provide a brief narrative report (the Quarterly Monitoring Report) of the activities undertaken and



outputs achieved under the Project and include an assessment of the progress made against original bid documents. This assessment should also compare progress against the indicators of success recorded in Annex A (the Final Bid Form).

- 5(3) On **May 2013** and every 3 months thereafter, the Grantee shall submit a report stating how the Project funds were spent, including details of any consultants' fees and travel expenses.
- 5(4) All financial reports should include originals or copies of invoices and receipts. The Authority shall return the originals of invoices and receipts to the Grantee within one month of the receipt of the financial report.
- 5(5) The Grantee shall ensure that all funding received from the Authority is identifiable in its accounts. Unless otherwise agreed, grant funds shall be transferred to a separate bank account nominated solely for this Project.
- 5(6) Once the Project has been completed, a final grant payment will only be made when a final report (a "Project Completion Report") has been submitted to such person and in such form as is required by the Authority.
- 5(7) The Authority reserves the right to commission an external audit of the financial report covering the implementation of the Project at any time. Where the Authority exercises this right it will bear the cost of such audit.
- 5(8) The Authority reserves the right to reclaim at any time within a period of 5 years after the date of this Accountable Grant Agreement any grant money which:
 - (a) remains unspent at the termination of this Project; or
 - (b) money spent for purposes which do not fall within Annex B (the Project Activity Based Budget); or
 - (c) is unaccounted for.

Authority Access to sites and records

- 5(9) In order to account for its use of public funds to Parliament or to any other body which is authorised to scrutinise its expenditure and in line with its own internal processes for monitoring and evaluation, the Authority may request reasonable access, on notice, to:
 - (a) project sites which the Grantee owns or occupies and where any activity in support of the Project has been undertaken;
 - (b) records (in any form and howsoever stored) which demonstrate how grant funding provided under the Agreement for the Project has been used.



5(10) The Grantee shall provide access to the Authority or its authorised representatives for the purposes specified in clause 5(10) to the following:

- (a) project sites which the Grantee owns where any part of the performance of the Project takes place; **and**
- (b) all relevant records for the purposes of monitoring, evaluation and audit.

5(11) Where the Grantee occupies premises which belong to a third party and Project records or other information is located in such premises, it will take such action as is necessary to enable the Authority to visit the premises and inspect all relevant Project records.

6 – Monitoring and Evaluation

6(1) The Authority will supervise the progress of the Project throughout and reserves the right to:

- (a) carry out monitoring/evaluation visits at a time agreed with the Grantee on reasonable notice being given; or
- (b) to appoint an external evaluator.

6(2) The method and timing of the evaluation of the Project will be at the discretion of the Authority.

6(3) The Grantee will make staff available to meet with, answer questions, and provide management information to the evaluator appointed by the Authority.

7 – Amendment of the Accountable Grant Agreement

7(1) This Accountable Grant Agreement may only be amended by written agreement of the Parties.

8 – Termination of the Accountable Grant Agreement

8(1) Either Party may terminate this Accountable Grant Agreement upon one month's written notice to the other if:

- (a) the other Party commits a material breach of any terms of this Accountable Grant Agreement and the breach is not remedied after communication and within the period agreed by the Parties; or
- (b) there is a force majeure event which prevents the implementation of the Project.

8(2) The Authority may terminate this Agreement, on one month's notice to the Grantee, if:

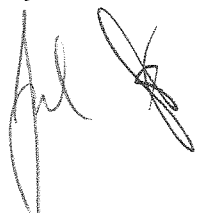
- (a) any changes occur which, in the opinion of the Authority, impair significantly the value of the contribution of the Project towards the Authority's policy objectives;
 - (b) there are changes to the Authority's policy priorities within which the Project is to be delivered; or
 - (c) the funding available to the Authority becomes, or is likely to become, in the Authority's sole opinion, insufficient for it to continue to finance the Project.
- 8(3) On termination of this Accountable Grant Agreement the Grantee shall provide financial and narrative reports (including invoices and receipts) up to the date of such termination.
- 8(4) A joint review between the Authority and the Grantee shall be undertaken at any time during the implementation of the Project if the Authority considers it necessary to refocus the Project outputs. If the Project outputs are not achieving the agreed objectives, impact and deliverables, the Authority may terminate the Project at any stage. Where such termination arises, the Authority will honour all expenditure that was reasonably incurred by the Grantee prior to its receipt of the Authority's notice to terminate the Project.
- 8(5) On termination of this Accountable Grant Agreement the Authority retains the right to recover any funds given to the Grantee under the Agreement which have not been used for the purposes of implementing the Project or cannot be accounted for.

9 – Acknowledgement of Funding

- 9(1) Unless the Parties agree otherwise, the Grantee shall acknowledge the contribution of the Authority (and any particular funding source) on materials produced in the course of the Project (including information available in electronic format) and at all public events.
- 9(2) Subject to clause 9(1), the Grantee shall consult the Authority on all promotion or publicity of the Project and seek the Authority's approval before using any of the Authority's branding or acknowledgement of the Authority's funding in publicity material, materials produced during the Project and/or at public events.

10 – Responsibility for Personnel

- 10(1) The Grantee undertakes to provide adequate supervision of and care for its staff, agents and visitors, and accepts that in no circumstances will the Authority be responsible for the acts or omissions of the Grantee's staff, agents or visitors or for any loss or liability to third Parties arising as a result of the Project, which remains the entire responsibility of the Grantee.
- 10(2) In the event that it is necessary for the Grantee or any of its representatives or associates involved in the Project to travel in order to perform the tasks specified in Annex A, the Grantee shall be responsible for obtaining security advice from security



providers that are established and reputable with appropriate experience, qualified personnel and insurance cover. The costs of any specialist security provision shall be borne by the Project budget.

10(3) Subject to 10(4), where the Authority has publicly advised against all travel to a country or region where the Project is to be implemented or where the Authority has highlighted specific security or safety concerns, the Grantee must liaise closely and in good time with the Authority about the feasibility of travel to such country or region.

10(4) Where the Grantee has access to its own source of advice and processes for ensuring the safety and security of its personnel (including contractors and other authorised agents) it may rely on such provisions and shall bear the responsibility for all such personnel.

11 – Intellectual Property Rights

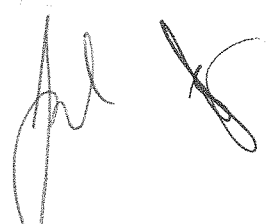
11 (1) Any intellectual property rights which arise in the course of the implementation of the Project by the Grantee shall belong to the Grantee provided that the Grantee hereby grants to the Authority a worldwide, perpetual, royalty free licence to use such intellectual property rights for any purpose directly connected with the Project.

11(2) Save as provided in Article 11(1) above this Accountable Grant Agreement shall not vest in either Party any rights over the other Party's intellectual property rights. In particular, neither Party shall own or assert any interest in the other Party's existing intellectual property rights "Background IP".

11(3) The Grantee warrants, represents and undertakes that it will take all reasonable steps to ensure that its implementation of the Project under this Accountable Grant Agreement will not infringe any intellectual property rights of any third party. The Grantee agrees to indemnify and hold the Authority harmless against all liability, loss, damage, costs and expenses (including legal costs) which the Authority may incur or suffer as a result of any claim of alleged or actual infringement of a third party's intellectual property rights because of the Grantee's negligent implementation of the Project.

12 – Information on Employees/Sub-contractors

12(1) The Grantee shall provide to the Authority upon request and to the extent permitted by the data protection principles of transparency, legitimate purpose and proportionality and applicable United Kingdom labour and data protection law any and all information regarding each of its employees and sub-contractors (including confidential personal information) who are engaged in implementation of the Project which is being funded under this Accountable Grant Agreement as the Authority may require in order to carry out any checks which the Authority (in its absolute discretion) deems necessary.

Two handwritten signatures in black ink are located at the bottom right of the page. The first signature is a cursive-style name, and the second is a more stylized, possibly illegible signature.

13 – Freedom of Information

- 13(1) The Grantee acknowledges that the Authority is subject to the requirements of the UK Freedom of Information Act 2000 and the UK Environmental Information Regulations 2004 and shall assist and cooperate with the Authority (at the Grantee's expense) to enable the Authority to comply with any information disclosure obligations it may have under this legislation.

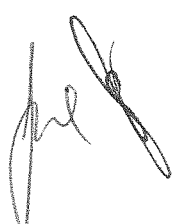
14 – Dispute Resolution

- 14(1) The Parties shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with this Accountable Grant Agreement.
- 14(2) The Parties may use a dispute resolution approach, other than that specified in clause 14(1), which they agree.
- 14(3) If the Parties cannot agree on how to resolve a dispute or, having referred a matter to dispute resolution, are unable to resolve the dispute pursuant to clause 14(1) the dispute may, by agreement between the Parties, be referred to mediation in accordance with the Model Mediation Procedure issued by the Centre for Effective Dispute Resolution's ("CEDR"), or such other dispute resolution procedure other than litigation as is agreed by the Parties. Unless otherwise agreed between the Parties, the mediator will be nominated by CEDR. To initiate the mediation the Party shall give notice in writing (the ADR Notice) to the other Party, and that latter Party will choose whether or not to accede to mediation. A copy of the ADR Notice should be sent to CEDR. The mediation will start no later than 14 days after the date of the ADR Notice.
- 14(4) The performance of the obligations which the Grantee has under this Accountable Grant Agreement will not cease or be delayed because a dispute is referred to mediation pursuant to clause 14(3).

15 – Entire Agreement

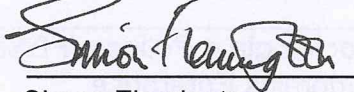
- 15(1) This Accountable Grant Agreement constitutes the entire agreement between the Parties hereto (including terms of reference where applicable) and supersedes all negotiations, representation or agreements either written or oral preceding it, without prejudice to the Authority's rights and remedies at law or otherwise.
- 15(2) The Grantee acknowledges that the Authority shall be responsible for determining in its absolute discretion whether any information is exempt from disclosure and that any notice or indication provided by the Grantee that information is commercially sensitive or confidential is of indicative value only.

16 – Law



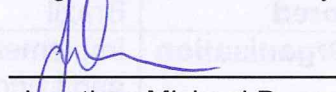
16(1) This Accountable Grant Agreement will be governed by and construed in accordance with English law. The Parties hereby irrevocably submit to the exclusive jurisdiction of the English courts. The submission to such jurisdiction will not (and will not be construed so as to) limit the right of the Authority to take proceedings against the Grantee in any other court of competent jurisdiction, nor will the taking of proceedings by the Authority in any one or more jurisdictions preclude the taking of proceedings by the Authority in any other jurisdiction, whether concurrently or not.

Signed for the Grantee



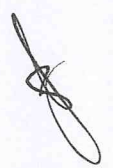
Simon Flemington
Chief Executive Officer
Date

Signed for the Authority



Jonathan Michael Dunn
Economics Counsellor
Date 20/5/17

Source of information	Starts before project	Indicators of success
Press cut Official reporting Remainder and Care	Current PFI tenders are often incomplete, with no information and lack of clarity on the evaluation criteria. Lack of clarity and transparency within the sector investor	By March 2014, at least 100 civil servants from Care and Remainder (to be confirmed) sites with capacity to apply policy and guidance tools to increase transparency and efficiency in PFI projects
Press cut Official reporting New contracts submitted	Remainder and Care currently have to make amendments and revise contracts instead of the lack of experience	By March 2014, improvement in the operation of PFI contracts in Care and Remainder in at least 3 roads such as roads, public transport, and ports
Press cut States PFI units	Currently most sites in PFI project analysis	By March 2015 other partner sites and the Brazilian Federal

Annex A The Final Bid Form
Full Project Proposal Form

This project was approved by Concept Board to proceed to full bid on 23/01/13.

1. Basic Information

Project Title	Improving PPPs in Brazil: Efficiency and Transparency		
Countries covered	Brazil		
Implementer/Organisation	Implementer: Escola de Sociologia e Política (FESP), and London School of Economics Enterprise		
Cost to FCO (total from Budget below)	FY 2013/14: £ 97,624 FY 2014/15: £ 67,108		
Project Start Date	April 2013	End Date	August 2015

Project Purpose

By March 2015 Brazilian States in the Northeast (such as Ceará and Pernambuco) designing and implementing PPPs in sectors such as roads, public transportation, and ports with increased transparency and efficiency.

Indicators of success	Status before project	Source of information
By March 2014, at least 100 civil servants from Ceara and Pernambuco* (to be confirmed) states with capacity to apply policy and guidance tools to increase transparency and efficiency in PPP projects.	Current PPP tenders are often incomplete, with no information and lack of clarity on the evaluation criteria. Lack of clarity and transparency worries private sector investors.	Pernambuco and Ceará official reporting Press cuts
By March 2014, improvement in the elaboration of PPP contracts in Ceará and Pernambuco in at least 3 sectors such as roads, public transport, and ports.	Pernambuco and Ceará currently have to make amendments and revise contracts drafted due to lack of experience.	Pernambuco and Ceará official reporting New contracts elaborated
By March 2015 other Brazilian states and the Brazilian Federal	Currently most states in Brazil employ their own PPP project analysis.	States PPP units Press cuts

Government incorporate these guidelines into their own PPP strategies.	There is not a unified guideline that all Brazilian states follow.	
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Outputs	<p>1. Ceara and Pernambuco* states with capacity to apply policy and guidance tools to increase transparency and efficiency in PPP projects, in at least 3 sectors such as ports, roads, and public transportation.</p> <p>2. Dissemination of effective and transparent PPP analysis tools to other Brazilian states and the Brazilian Federal Government.</p>
Main Activities	<p>1.1 Creation of a project steering committee with members of the states PPP units, Federal Government and Secretariats involved in PPP projects.</p> <p>1.2 Analysis of problems and difficulties for the implementation of PPPs with transparency and efficiency.</p> <p>1.3 Capacity building workshop for Pernambuco and Ceara Civil Servants on drafting PPP contracts and analysing PPP proposals. The workshop will bring UK experts from HM Treasury, CityUK, Infrastructure UK, International Project Financing Association (IPFA). It will also be possible to share best practices with other Brazilian states such as Minas Gerais.</p> <p>1.4 Technical mission to the UK for members of the steering committee to perform practical exchange of experiences.</p> <p>1.5 Elaboration of guidelines to be used by public sector bodies and their advisors when drafting PPP projects.</p> <p>1.6 Training session for Ceara and Pernambuco Civil Servants on how to incorporate the guidelines and employ them.</p>

	<p>1.7 Applying the guidelines for project design in each state to test the model.</p> <p>2.1 Workshop with other Brazilian PPP units (including Federal) to share best practices and discuss the project results.</p> <p>2.2 Final report including lessons learned and recommendations for PPP units.</p> <p>2.3 Final seminar to launch and disseminate the project's results.</p>
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Background

<p><u>Improving PPPs in Brazil: Efficiency and Transparency</u></p> <p>This project will support at least 2 Brazilian states in Northeast (Ceara and Pernambuco*) to have a more efficient and transparent PPP framework, using the UK as a reference.</p> <p>The framework will be shared with other States such as Minas Gerais, Goias, São Paulo and the Brazilian Federal Government.</p> <p><u>Strategic Fit</u></p> <p>This project supports Programme Strategy objective to encourage Brazil's economy to continue to grow strongly through improving the business environment (1.2) and the efficiency of the public sector (1.4). It also supports Whitehall strategy indicator of engaging with Brazil on the implementation of economic reforms for a better business environment. Furthermore it will support PPPs in areas such as roads, public transportation, and ports which represent HVOs for the UK.</p> <p><u>Fit with Wider Portfolio</u></p> <p>Project "Mainstreaming Public Private Partnerships" of last year helped establishing PPPs in Brazil in areas such as Waste in Minas Gerais. This project will now improve the quality, particularly on transparency and efficiency of PPPs in Brazil, with impact to improve business environment, stimulate transparency and increase efficiency of public sector. The Northeast region has been selected due to government engagement and potential PPPs ahead, in sectors such as roads, ports, public transportation, and also prisons.</p> <p><u>Support of Host Government</u></p> <p>The states are being selected by the Regional Post in Pernambuco and the</p>

Economics Team in Brasilia and Sao Paulo. Currently, there are consultations with Ceará (local engagement confirmed) and Pernambuco (not confirmed yet).

Ceará currently have new legislation regarding the implementation of PPPs and are encouraging new investments to occur via PPP. Ceara's first major PPP was the construction of the stadium that will host the World Cup in Fortaleza. It also intends to develop PPPs for areas such as roads and public transport.

Other states such as Goias, São Paulo and Minas Gerais have also indicated that they need additional support to implement their own PPP agenda. This project may assist them.

The Brazilian Federal Government also considers PPPs as an alternative for the implementation of major infrastructure projects and supports the projects' activities.

Timing

The Brazilian Finance Ministry has recently announced measures to boost potential for PPP projects. The maximum amount each state is allowed to invest annually on PPPs has been increased from 3% to 5% of the state's liquid revenue. These changes will take effect in 2013. **In addition, a recent presidential decree has allowed companies involved in PPP projects to pay tax duties over the lifespan of the concession, instead of immediately on funds received for these projects.**

Furthermore, **The Federal Government has recently announced a R\$133bi (£40bi) plan for infrastructure development over the next 25 years.** The plan has been nicknamed "PAC of the Concessions" in reference to the government's PAC (Growth Acceleration Programme) programme, whose two stages launched in 2007 and 2010 already called for investments of over R\$2 trillion (£600bi) in infrastructure projects. The Government also intends to tackle ports and airports.

UK Added Value

PPPs were first designed in the UK and are widely used by policy makers to deliver infrastructure projects and services, particularly in roads, airports, waste and prisons. **UK expertise will help Brazil to implement an efficient policy and guidance framework to analyse PPP projects and make them more transparent and predictable for private and public agents.**

The last PPP related project implemented last year has demonstrated Brazilian stakeholders the UK experience in the field. Organisations such as Infrastructure UK, CityUK, and HMTreasury are regarded as a reference in Brazil.

2. Project Risk Analysis

Risk Description	Likelihood	Impact	Management
1. Lack of engagement from	Medium	High	Both Pernambuco and Ceara



Pernambuco and Ceara PPP units to the project			participated in the project design. But Post is checking other options in the Northeast to replace states if needed.
2. Guidelines produced by the project are not used by states	Medium	High	Engage early in the project implementation with relevant stakeholders in Ceara and Pernambuco to ensure project has buy in and its results will be used to improve efficiency and transparency on PPPs.
3. Dissemination strategy is not effective in reaching other Brazilian states and the Brazilian Federal government	Medium	Medium	Invite since the beginning of the project other states and the Federal government to participate of the project activities. Elaborate an effective dissemination strategy.

3. Project Stakeholders

Stakeholder	Interest	Likely Impact +/-	Management
1. States of Ceara and Pernambuco	Both states will be the main beneficiaries of the project.	+	Senior officials from each state will take part of the project activities since the beginning. Technical officials will also be involved since the start.
2. Brazilian Ministry of Planning	Wishes to have a better environment for the implementation of	+	Will be invited to project activities and will be a focal point for the

	PPPs in the country.		dissemination strategy.
3. Other Brazilian states such as Goiás, Minas Gerais, and São Paulo	Already have best practices experiences on PPPs, or are willing to benefit from the project's outcomes.	+	Will participate of the project activities supporting Pernambuco and Ceara with previous experiences. Will also benefit from the project's dissemination strategy.
4. London School of Economics Enterprise	Will be one of the project's implementers	+	Will support project activities by providing UK expertise in PPPs
5. Escola de Sociologia e Política (FESP)	Will be the project's local implementer	+	Will support every aspect of the project implementation and provide technical support.
6. PPP Brasil	Is interested in increasing PPP efficiency and transparency in Brazil	+	Will be invited for the project activities and provide technical support when requested.
7. HM Treasury, CityUK, Infrastructure UK, International Project Financing Association (IPFA)	Interested in disseminate the UK experience on PPPs and benefit from the project results.	+	Will be invited to participate of the project activities showcasing the UK experience on PPPs.

4. Institutions

Please briefly describe the implementing organisation's capacity to deliver the project

London School of Economics Enterprise (LSE Enterprise)

The LSE Enterprise was set up by the LSE in 1993 to enable and facilitate commercial application of the LSE's expertise and intellectual resources, mainly via its Consulting and Executive Education arms. A wholly owned subsidiary of the LSE, the company offers a professional interface with the academic community with a comprehensive range of project management and support capabilities. LSE Enterprise is the access point to all LSE faculty for external consulting and commercial work with projects delivered in more than 85 countries across the six

continents.

Fundação Escola de Sociologia e Política de São Paulo (FESPSP)

The FESPSP participated in the main events in the history of the social sciences in Brazil, having promoted new experiences in field research of the Brazilian social reality. Nowadays, the FESPSP is a centre of excellence in research and teaching of social sciences disciplines. The institution also has a consultancy, research and executive education department, having already implemented hundreds of projects for private, public and third sectors' clients, including many of them in the field of PPPs.

Please briefly describe the level of participation of beneficiary group(s) in planning the project?

Both the states of Ceara and Pernambuco participated of the design phase of the project. Meetings were held with them to assess their interest.

5. Project Budget

Has funding for this project been sought from other donors (EU, DfID, other countries), private institutions or co-funding with the host government? YES	
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If no, why not?	If yes, please complete below.
	Name of organisation?
	States of Pernambuco and Ceara
	Have you heard the outcome? Briefly describe the position.
	Will provide co-funding for the project activities
	Type (e.g. in kind or budget) :
	In Kind and budget support
	If budget, amount: In Kind and monetary co-funding to support project events and communication strategy worth £ 32,000

6. FCO Costs

Proposed start date of project	April 2013	Estimated end date	August 2015
Please state how costs will be divided in each Financial Year (FY April – March)	FY 2013/14	£ 97,624	
	FY 2014/15	£ 67,108	
	Total cost to FCO	£ 164,732	
Total Cost of Project? (FCO/other donor(s))		£ 196,732 (£ 32,000 Co-funding from Ceara)	

The FCO has committed to substantially increase its contribution to UK Official Development Assistance (ODA) in order to meet the UN target of 0.7% GNI devoted to ODA by 2013. We must record and monitor ODA project expenditure. To count as

ODA - is this Project "ODA-able"?	Yes
DAC listed countries	

7. (a) Procurement

Have you considered EU thresholds for the project (these might be subcontracts within the project) as highlighted in the box above?	Yes
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(b) Procurement

How will you ensure that all procurement is fair and transparent and seeks value for money (VFM)
FCO procurement guidelines will be respected throughout the implementation of the project activities. The British Embassy in Brazil will monitor project expenses ensuring procurement procedures are being enforced.

8. Sustainability

- By supporting the design and implementation of effective and transparent PPPs in two Brazilian states and disseminating the results to other states, this project will contribute for the creation of a long term culture of implementing high standard PPPs in Brazil.
- The project will support the improvement of the business environment in Brazil, long term economic growth and facilitate trade between Brazil and other countries.

9. Longer Term Impact

- More efficient and transparent implementation of Brazil's infrastructure development programmes such as Brasil Maior and PAC.
- With the UK as a reference on PPPs, Brazilian states and the Federal Government designing better and more transparent public private partnerships that will benefit the country's economic development.



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Annex C Statement of minimum Procurement Good Practice principles

1. Good procurement practice includes the key principles set out below:
 - Purchasing should be done with the aim of securing value for money.
 - Purchasing should be done by competition unless there is a robust justification (legal/operational) for not having a competition.
 - Buyers should have, develop and use their awareness of particular supply markets to improve the quality and competitiveness of goods/services etc that are offered (effective supplier management).
 - Buyers should comply with applicable legal and international obligations.
 - *Wherever possible* anything purchased should have been produced in a sustainable manner.
 - Ethical conduct is extremely important.

2. Ethical conduct relates in particular to ensuring that:
 - Buyers' integrity must be beyond reproach (this is relevant to matters such as the acceptance of gifts and hospitality from suppliers or equally offering gifts or hospitality to suppliers)
 - Staff involved in purchasing activity must declare any interest they have in a particular transaction whether this is because of personal gain to them or to a family member or close associate (effective management of potential and actual conflicts of interest)
 - The confidentiality of information is protected unless there is a lawful reason which justifies disclosure (e.g. compliance with the UK Freedom of Information Act 2000, contractual agreement between contract Parties that certain types of information can be disclosed). There may also be reasons based on government policy which require disclosure of certain types of information.
 - Any information provided to suppliers should be accurate and not intentionally misleading or misleading due to inattention on the buyer's part.
 - All suppliers are to be treated fairly (i.e. not favouring one supplier or acting to the disadvantage of another)
 - The competition process does not undermine ongoing relationships with suppliers. This is about conducting purchasing activity in a way that inspires confidence in the fairness of the process.