

**STANDARD LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
BOLSA DE VALORES DE CABO VERDE ON THE IMPLEMENTATION OF PROJECT
00126408: INTEGRATED SUSTAINABLE AND INCLUSIVE FINANCE PROJECT (TRAC 2) and
PROJECT 00131935 CONNECTING BLUE ECONOMY ACTORS: GENERATING
EMPLOYMENT, SUPPORTING LIVELIHOODS AND MOBILIZING RESOURCES WHEN UNDP
SERVES AS IMPLEMENTING PARTNER**

Your Excellency,

1. Reference is made to the consultations between officials of the United Nations Development Programme (hereinafter referred to as "UNDP") in Cabo Verde and officials of *Bolsa de Valores de Cabo Verde* with respect to the realization of activities by *Bolsa de Valores de Cabo Verde* in the implementation of projects 00126408: INTEGRATED SUSTAINABLE AND INCLUSIVE FINANCE PROJECT (TRAC 2) and 00131935 CONNECTING BLUE ECONOMY ACTORS: GENERATING EMPLOYMENT, SUPPORTING LIVELIHOODS AND MOBILIZING RESOURCES, as specified in Attachment 1: Project Document, to which UNDP has been selected as implementing partner.
2. In accordance with the Project Document and with the following terms and conditions, we confirm our acceptance of the activities to be provided by *Bolsa de Valores de Cabo Verde* towards the project, as specified in Attachment 2: Description of Activities (hereinafter referred to as "Activities"). Close consultations will be held between *Bolsa de Valores de Cabo Verde* and UNDP on all aspects of the Activities.
3. *Bolsa de Valores de Cabo Verde* shall be fully responsible for carrying out, with due diligence and efficiency, all Activities in accordance with its Financial regulations, rules and other directives, only to the extent they are consistent with UNDP's Financial Regulations and Rules. In all other cases, UNDP's Financial Regulations and Rules must be followed.
4. In carrying out the activities under this Letter, the personnel and sub-contractors of *Bolsa de Valores de Cabo Verde* shall not be considered in any respect as being the employees or agents of UNDP. UNDP does not accept any liability for claims arising out of acts or omission of *Bolsa de Valores de Cabo Verde* or its personnel, or of its contractors or their personnel, in performing the Activities or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by *Bolsa de Valores de Cabo Verde*, and its personnel as a result of their work pertaining to the Activities.
5. Any subcontractors, including NGOs under contract with *Bolsa de Valores de Cabo Verde*, shall work under the supervision of the designated official of *Bolsa de Valores de Cabo Verde*. These subcontractors shall remain accountable to *Bolsa de Valores de Cabo Verde* for the manner in which assigned functions are discharged.
6. Upon signature of this Letter, UNDP will make payments to *Bolsa de Valores de Cabo Verde*, according to the schedule of payments specified in Attachment 3: Schedule of Activities, Facilities and Payments.
7. *Bolsa de Valores de Cabo Verde* shall not make any financial commitments or incur any expenses which would exceed the budget for the Activities as set forth in Attachment 3. *Bolsa de Valores de Cabo Verde* shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when *Bolsa de Valores de Cabo Verde* is aware that the budget to carry out these Activities is insufficient to fully implement the project in the manner set out in the Attachment 2. UNDP shall have no obligation to provide *Bolsa de Valores de Cabo Verde*



with any funds or to make any reimbursement for expenses incurred by *Bolsa de Valores de Cabo Verde* in excess of the total budget as set forth in Attachment 3.

8. *Bolsa de Valores de Cabo Verde* shall submit a cumulative financial report each quarter (30 September, 31 December, 31 March, and 30 June). The report will be submitted to UNDP through the UNDP Country Director or UNDP Resident Representative within 30 days following those dates. The format will follow the standard UNDP expenditure report a model copy of which is provided as Attachment 4. UNDP will include the financial report by *Bolsa de Valores de Cabo Verde* in the financial report for projects 00126408 INTEGRATED SUSTAINABLE AND INCLUSIVE FINANCE PROJECT (TRAC 2) and 00131935 CONNECTING BLUE ECONOMY ACTORS: GENERATING EMPLOYMENT, SUPPORTING LIVELIHOODS AND MOBILIZING RESOURCES.

9. *Bolsa de Valores de Cabo Verde* shall submit such progress reports relating to the Activities as may reasonably be required by the project manager in the exercise of his or her duties.

10. *Bolsa de Valores de Cabo Verde* shall furnish a final report within 12 months after the completion or termination of the Activities, including a list of non-expendable equipment purchased by *Bolsa de Valores de Cabo Verde* and all relevant audited or certified financial statements and records related to such Activities, as appropriate, pursuant to its Financial Regulations and Rules.

11. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and *Bolsa de Valores de Cabo Verde*.

12. Any changes to the Project Document which would affect the work being performed by *Bolsa de Valores de Cabo Verde* in accordance with Attachment 2 shall be recommended only after consultation between the parties.

13. For any matters not specifically covered by this Letter, the Parties would ensure that those matters shall be resolved in accordance with the appropriate provisions of the Project Document and any revisions thereof and in accordance with the respective provisions of the Financial Regulations and Rules of the *Bolsa de Valores de Cabo Verde* and UNDP.

14. The arrangements described in this Letter will remain in effect until the end of the project, or the completion of activities of *Bolsa de Valores de Cabo Verde* according to Attachment 2, or until terminated in writing (with 30 days notice) by either party. The schedule of payments specified in Attachment 3 remains in effect based on continued performance by *Bolsa de Valores de Cabo Verde* unless it receives written indication to the contrary from UNDP.

15. Any balance of funds that is undispersed and uncommitted after the conclusion of the Activities shall be returned within 90 days to UNDP.

16. Any amendment to this Letter shall be effected by mutual agreement, in writing,

17. All further correspondence regarding this Letter, other than signed letters of agreement or amendments thereto should be addressed to Steven Ursino, Head of UNDP, UNICEF & UNFPA Joint Office a.i. UN Building, Achada Santo Antonio, Praia, Cabo Verde.

18. *Bolsa de Valores de Cabo Verde* shall keep the UNDP Country Director/Resident Representative fully informed of all actions undertaken by them in carrying out this Letter.

19. UNDP may suspend this Agreement, in whole or in part, upon written notice, should circumstances arise which jeopardize successful completion of the Activities.

20. Any dispute between the UNDP and *Bolsa de Valores de Cabo Verde* arising out of or relating to this Letter which is not settled by negotiation or other agreed mode of settlement, shall,



at the request of either party, be submitted to a Tribunal of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, who shall be the chairperson of the Tribunal. If, within 15 days of the appointment of two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint the arbitrator referred to. The Tribunal shall determine its own procedures, provided that any two arbitrators shall constitute a quorum for all purposes, and all decisions shall require the agreement of any two arbitrators. The expenses of the Tribunal shall be borne by the parties as assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.

21. If you are in agreement with the provisions set forth above, please sign and return to this office two copies of this Letter. Your acceptance shall thereby constitute the basis for your *Bolsa de Valores de Cabo Verde* participation in the implementation of the project.

Yours sincerely,

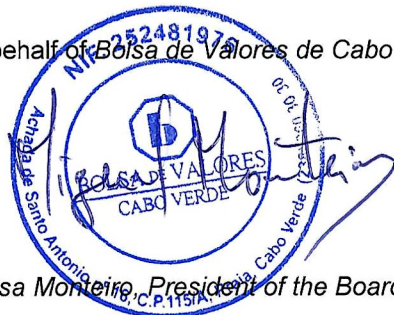
Signed on behalf of UNDP



Steven Ursino, Head of UNDP, UNICEF & UNFPA Joint Office a.i.

28/09/2022

Signed on behalf of *Bolsa de Valores de Cabo Verde*



Miguel Pedro Sousa Monteiro, President of the Board of Directors

28/09/2022

Attachment 1

BLU-X PHASE II Project Document

BVC-LGX Partnership Agreement

OCEAN RACE CABO VERDE – BLU-X Strategic Partnership Workplan

JOINT SDG FUND Project Document: Connecting blue economy actors: Generating
employment, supporting livelihoods and mobilizing resources



Attachment 2

DESCRIPTION OF ACTIVITIES

Project numbers: 00126408 INTEGRATED SUSTAINABLE AND INCLUSIVE FINANCE PROJECT (TRAC 2) and 00131935 CONNECTING BLUE ECONOMY ACTORS: GENERATING EMPLOYMENT, SUPPORTING LIVELIHOODS AND MOBILIZING RESOURCES

Results to be achieved by

Bolsa de Valores de Cabo Verde will continue developing 'Blu-X', a platform dedicated to sustainable finance with the objective of capitalizing the domestic and regional blue economy. In order to contribute to the further operationalization of Blu-X and achievement of its impact objectives, the following outputs should be achieved by the end of this LOA:

1. Blu-X platform issues and lists sustainable finance instruments (e.g. thematic bonds) capable of attracting international private investment to diversify sources of financing and investment in SDG-aligned projects
2. Promote Financial Development and Financial Inclusion in the Blue Economy Sector through the issuance of dedicated thematic bonds

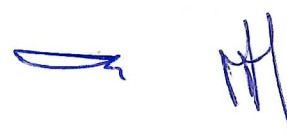
Work to be performed by *Bolsa de Valores de Cabo Verde*

Output 1

1. Capacity-Building in Sustainable Finance through partnership with LGX
 - a. Mentoring and exchanging of knowledge to support the development of the "Blu X" platform, including on-site visits
 - b. Review and provision of input to documents and other technical support related to the issuance and listing of thematic bonds, especially to attract international investment and develop secondary markets
2. Strategic Partnerships, Communication, Promotion and Outreach
 - a. Implementation of the workplan developed under the Ocean Race Cabo Verde and Blu-X strategic partnership

Output 2

1. Identification of an appropriate sustainable finance instrument supporting the blue economy linked to ongoing initiatives within the INFF framework,
 - a. including identification of appropriate issuer
 - b. thematic bond instrument for financing local blue economy projects, including draft bond framework
2. Technical and financial assistance for the issuance process, listing, and management of a thematic bond instruments for the blue economy (private sector focus)
 - a. Establishment of a funding mechanism that incentivizes & supports sustainable bond issuances
 - b. Development of local capacity for third party opinions (external, pre-review; post-review, etc.)



Description of inputs:

Provide a detailed description of the project inputs by activity. This may include personnel, contracts, training, equipment, miscellaneous and micro-capital grants.

- Training and Capacity Building Services delivered by LGX based on BVC-LGX partnership agreement, including On-site visits, logistics, IT equipment rental, catering, experience and information sharing, exchanges, training, staff development etc. for the development of the Blu-X platform
- Communications, graphic design, printing, and related services for implementing the Ocean Race Cabo Verde – Blu-X strategic partnership
- Consultancies for the identification of blue bond issuers and development of the bond framework(s)
- Contracting of external reviews and other consultancy / expert services to guide the sustainable bond issuance processes
- Other relevant inputs as determined necessary over the course of the execution period with consent from the steering committee



Schedule of Activities, Facilities and Payments

Year _2022-23

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i>	Timeframe				Planned Budget		Schedule of payments by UNDP			
		Q4 '22	Q1 '23	Q2 '23	Q3 23	Budget Description	Amount	Q4 '22	Q1 '23	Q2 '23	Q3 23



Output 1: Blu-X platform issues and lists sustainable finance instruments (e.g. thematic bonds) capable of attracting international private investment to diversify sources of financing and investment in SDG-aligned projects	Blu-X – LGX partnership Mentoring and exchanging of knowledge to support the development of the “Blu X” platform	X				Mentoring and exchanging of knowledge to support the development of the “Blu X” platform (including On-site visits, logistics, IT equipment rental, catering, experience and information sharing, exchanges, training, staff development etc.)	15,000 UNDP TRAC-2	X		
Indicators: 5 GSSS or blue bonds (total) listed on Blu-X by 30/6/2023, at least one of which is a blue bond and received at least 250,000 USD in foreign investment	Review and provision of input to documents and other technical support related to the issuance and listing of thematic bonds, especially to attract international investment and develop secondary markets									
Baseline: 3 GSSS or blue bonds										
Timeline for target: 30/6/2023	Training on Sustainable Finance offered by LGX Academy, Provision of tailor-made training(s) (on Sustainable Finance)									



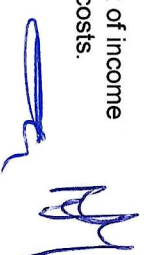
		X					Review and provision of input to documents and other technical support related to the issuance and listing of thematic bonds, including to attract international investment and develop secondary markets	20,000	X			
	Strategic communications & Partnerships		X				Official Blu-X Launch Event at FIC/Ocean Week	15,000	X			
			X				Ocean Race strategic partnership workplan implementation	150,000 UNDP TRAC-2	X			



Output 2.1 A sustainable financial instrument supporting the blue economy is developed	Identification of an appropriate sustainable finance instrument supporting the blue economy linked to ongoing initiatives within the INFF framework, including identification of appropriate issuer and thematic bond instrument for financing local blue economy projects	X	X			Advisory service to prospective issuer for identifying appropriate sustainable taxonomy/bond principle/standard, including draft of bond framework by Blu-X unit	50,000	X			
Output 2.1.1 indicator Number of appropriate identified financial mechanisms											
Output 2.1.2 indicator Number of financial products in the blue economy sector developed (including microfinancing)	Technical and financial assistance for the issuance process, listing, and management of a thematic bond instruments for the blue economy (private sector focus)		X	X	X	The establishment of a funding mechanism that incentivizes & supports sustainable bond issuances (External review, risk mitigation, (inter)national contracting of consultancy services for the third party opinion (external, pre-review, pos-review, etc.)	100,000 SDG Fund	X		X	
						Total	350,000				

Note:

- Expenditures for personnel services may be limited to salary, allowances and other entitlements, including the reimbursement of income taxes due and travel costs on appointment to the project, duty travel within the programme country or region and repatriation costs.



- UNDP shall be responsible for providing miscellaneous services such as secretarial assistance, postage and cable services and transportation as may be required by *Bolsa de Valores de Cabo Verde* in carrying out their assignment.
- Adjustments within each of the sections may be made in consultation between UNDP and *Bolsa de Valores de Cabo Verde*. Such adjustments may be made if they are in keeping with the provisions of the Programme Support/Project Document and if they are found to be in the best interest of the project.

A handwritten signature in blue ink, consisting of a stylized 'u' followed by a series of vertical strokes.

Attachment 4

MODEL UNDP EXPENDITURE REPORT

Period _____

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i>	Planned Budget		Payments and Expenditures		
		Budget Description	Amount	Payments received	Expenditures	Balance
		Total				

