

MEMORANDUM OF UNDERSTANDING
(MoU)

Between:


The **Sustainable Trade Initiative (IDH)**, a Foundation established under the law of the Netherlands, registered with the Netherlands Chamber of Commerce under number 53521129, headquartered at Arthur van Schendelstraat 500, 3511 MH Utrecht, The Netherlands, herein duly represented by Ivens Teixeira Domingos, Brazilian, married, bearer of ID Card No. 001.916.532 and, enrolled with the Brazilian individual taxpayer registry (CPF) under No. 840.952.109-15, resident and domiciled in Campo Grande/MS, hereinafter referred to as the **IDH**;

The **City Hall of Paragominas**, a legal entity governed by public law, enrolled with National Registry of Legal Entities (CNPJ) under No. 05.193.057/0001-78, headquartered at Rua do Contorno, 1212 - Centro, CEP. 68625-445, Paragominas, Pará, Brazil, herein represented by the mayor, **Paulo Pombo Tocantins**, Brazilian, married, politician, bearer of ID Card No. 3162133 SSP/PA and CPF 247. 065.312-68, resident and domiciled at Rua Ilhéus 198, Centro, Paragominas/PA, hereinafter simply referred to as **City Hall**;

IDH and City Council will be jointly referred to as "**Parties**" or, separately, as "**Party**";

WHEREAS:

- Paragominas is a pioneer municipality in the control of deforestation and the effective implementation of a municipal environmental management, which has achieved significant advances in relation to the Rural Environmental Registry (CAR), Paragominas has the opportunity to, through its Sustainable Territorial Management Plan, foster and implement a new planning, management and territorial planning model that will contribute to the social and economic development of the region and for the construction of a strong link between the protection of resources and sustainable productive activities;
- The mutual collaboration between the public and private sectors can bring positive results to the municipality of Paragominas, and contribute to the development of an "inclusive and green" low-carbon economy, while fostering the conservation and increasing sustainable production in all segments and social groups, towards the establishment of a "Verified Sourcing Area" (VSA) that will bring distinction and valorisation for products sourced from the municipality, and greater attractiveness for investors;
- TerraCert planning, management and land planning methodology developed by the "French research and international cooperation organization" (CIRAD) is the most suitable for the construction and implementation of the Municipal Territorial Management Plan;



- IDH has been promoting the PPI (Produce, Protect and Include) strategy, a multi-stakeholder and long-term territorial strategy in different regions around the world, in Mato Grosso, at state and municipal levels and in Paragominas; and that such strategy aims at the sustainable development of the territory and to this end, the connection with buying and investing markets is key for the accomplishment of the territorial strategy;
- IDH has been investing and supporting the structuring of a PPI Compact in Paragominas since October 2017;
- The VSA (Verified Sourcing Area) consists of 3 parts, namely, a local multisectoral compact, supply chain transparency and commitment of consumer markets;
- That TerraCert methodology implemented by the City Council aims at the management of the use of the municipal territory and will monitor, publicly and with transparency, the council's conservation and protection goals,
- And that the environmental monitoring pillar is key to approach buying and investing markets; and hence the importance of formalizing this understanding between IDH and City Hall.

The purpose of this MoU is to establish the understandings and intentions of both Parties with respect to this cooperation. The Parties hereby specifically acknowledge that this MoU shall not be construed as an obligation of funds, neither does it establish any legally binding commitment of either Party.

Common vision and goals

1. The Parties agree to execute this mutual cooperation instrument in order to **enable the process for implementing the agenda of the Municipal Territorial Management Plan for Paragominas, as well as structuring the bases for creating a VSA in the municipality, through TerraCert methodology**, as a tool for territorial management, monitoring and publication of results to the different stakeholders of the municipality, in order to adopt the PPI (Produce, Protect and Include) goals to be managed, implemented and monitored by means of a participatory governance framework led by the City Hall, with the contribution and involvement of all the key actors in society.
2. In order to achieve the goals of this MoU, the Parties hereby have the objective to undertake:
 - a. **IDH:** Taking active part in the implementation of the agenda of the Council Territorial Management Plan, primarily in relation to the connection of the territory to the market and the attraction of investments, by structuring the bases for creating a Verified Source Area (VSA), building partnerships with the private sector in order to bring distinction and valorisation of the products originated from the municipality.



- b. **City Hall:** Leading the process for implementing their Municipal Territorial Management Plan, through TerraCert methodology, and provide IDH with all the support, information and technical data required for developing partnerships with the private sector, attracting investments, and structuring the VSA.

Term

3. By means of this MoU, the Parties agree to cooperate for one year, starting on 24 May 2019 and ending on 24 May 2020, and, after one year, the progress will be assessed. Any commitments that are legally binding for the Parties will be set out in a legally binding agreement between the Parties.
4. The rights and obligations of Parties which, by their nature, are intended to survive this termination, will not terminate on such date.

Confidentiality

5. Throughout the duration of this MoU, the Parties may receive and become aware of sensitive and confidential information. Any information or knowledge shared and/or acquired prior to, during and after 2 years from the beginning of this MoU must be treated confidentially and may not be shared with any other organization without the prior written consent of the other Party.

No detrimental activity

6. Each Party to this MoU hereby represents and warrants to others that it is not aware of any activity or any other matter that has not become public information yet, that might prevent a cooperation under this MOU, or that it is detrimental to the interests of the other Party; furthermore, should, in the future, either Party becomes aware of any activity that may be detrimental to the interests of the other Party, the former must immediately notify the Party affected by the relevant facts and circumstances.

General Provisions

7. Nothing in this MoU grants any Party or third parties any ownership, license, or authorization to use the trademark of any Party or other intellectual property without express permission. This includes, but is not limited to, the name, logo, or certification seal of that Party.
8. After mutual agreement and validation of the content, both Parties are free to communicate externally their strong intention to work together.



9. Nothing in this MoU creates an employer-employee bond, an association or other legally constituted structure. Neither Party is authorized to create financial or other obligations on behalf of the other Party without written consent.

10. Focal Points:

a. IDH

Representative: Ivens Domingos

E - mail: domingos@idhtrade.org

b. City Hall

Representative: Jaqueline de Carvalho Peçanha

E - mail: jaquelineadvambiental@gmail.com

11. Both Parties may terminate this MoU at any time, provided that a written notice is sent to the other Party, one (1) month in advance.

IN WITNESS WHEREOF, the parties hereby declare their intentions:

Paragominas, May 24th 2019

By IDH



Name: Ivens Teixeira Domingos
Program Officer of IDH – Brazil

By the City Hall



Name: Paulo Pombo Tocantins
Mayor of Paragominas