

*(A free translation of the original
Portuguese version)*

WWF-Brasil

**Independent Auditor's Report on the
Fund accountability statement of the
Project "GEF Pró-espécies: National Strategy
for the Conservation of Endangered Species"
related to the Not Refundable Financial
Contribution Agreement signed between
WWF-Brasil and FUNBIO
Agreement number 023/2018**

**From January 1st. to
December 31, 2019**

October 2020

**CONHECIMENTO LOCAL,
ALCANCE GLOBAL**

CONTENT

PRESENTATION FORMAT OF THE REPORT.....	3
PART I - INDEPENDENT AUDITORS' REPORT	4
PART II - FUND ACCOUNTABILITY STATEMENT OF THE PROJECT GEF PRÓ-ESPÉCIES.....	7
PART III – EXPLANATORY NOTES TO THE FUND ACCOUNTABILITY STATEMENT OF THE PROJECT GEF PRO-ESPÉCIES.....	8
PART IV – INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS	20
PART V – AUDIT PROCEDURES APPLIED	21

PRESENTATION FORMAT OF THE REPORT

This report is presented as follows:

PART I – INDEPENDENT AUDITORS’ REPORT ON THE FUND ACCOUNTABILITY STATEMENT OF THE PROJECT GEF PRÓ-ESPÉCIEIS: This report was prepared on the basis of the audit standards NBC TA 800 — Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks and NBC TA 805 — Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, issued by Federal Accounting Council (CFC). The report presents our Opinion on the Fund accountability statement of the Project GEF Pró-espécies.

PART II - FUND ACCOUNTABILITY STATEMENT OF THE PROJECT GEF PRÓ-ESPÉCIES AS FROM JANUARY 1^{st.}, 2019 TO DECEMBER 31, 2019: It includes the financial inflows (incomes) and outflows (expenses) related to the executions of the Project GEF – Pró-espécies in that period. Our audit Opinion was issued based on the information presented in this Statement.

PART III – EXPLANATORY NOTES TO THE FUND ACCOUNTABILITY STATEMENT OF THE PROJECT GEF PRO-ESPÉCIES: It presents a brief description of the Project GEF - Pró-espécies, including the accounting bases used for the recognition of incomes and expenses and for the presentation of the financial statement, as well as presents a detail of the incomes received and expenses incurred related to the major lines of the Fund accountability statement included in Part II of this report. This material was prepared by the Project’s management and reviewed by us.

PART IV – INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROLS: It presents information on the result of the review of internal controls and accounting procedures for audit purposes.

PART V – AUDIT PROCEDURES APPLIED: It includes a description of the general audit objectives conducted by us, as well as an indication of the main audit procedures applied in accordance with Brazilian and international auditing standards.

PART I - INDEPENDENT AUDITORS' REPORT

To the
Management and Donors of
Project GEF Pró-espécies
WWF-Brasil
Brasília - DF

Unqualified Opinion

We have audited the Fund accountability statement of the Project GEF-Pró-espécies: National Strategy for the Conservation of Endangered Species (the "Project"), managed by the WWF-Brasil, which comprises the funds received and the payments occurred for the period from January 1st, 2019 to December 31, 2019 and a summary of significant accounting policies and other explanatory information ("Fund accountability statement").

In our Opinion the accompanying Fund accountability statement of the Project GEF Pró-espécies for the period from January 1st, 2019 to December 31, 2019 was prepared fairly, in all material respects, in accordance with the terms and conditions established in the Not Refundable Financial Contribution Agreement and based on the accounting policies presented in the Note 2.

Bases for Opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in following section entitled "Auditor's Responsibilities for the Audit of the Fund accountability statement". We are independent of the WWF-Brasil, in accordance with the relevant ethical principles set forth in the Professional Code of Ethics of the Accountants and the professional standards issued by the Federal Accounting Council – CFC and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a bases for our Opinion.

Emphasis of matter

1) As described in Note 2. a), expenses incurred with the Project are accounted for on a cash basis, that is, when expenses are incurred and paid, cumulatively. However, in order to avoid paralysis of the Project, WWF-Brasil has made advances from its own bank account for the payment of Project expenses, which total R\$923,627 as of December 31, 2019, and which have been included in the Statement of Financial Accounts. Additionally, there are other expenses incurred up to December 31, 2019 and which were not settled until that date, in the amount of R\$319,512, which are not part of the Statement of Accountability.

2) We call attention to Note 2, which describes the bases for the preparation of the Project's Statement of Accountability. This Financial Statement was prepared to provide information to FUNBIO, which is the implementing agency for the GEF, on the financial execution of the Project. Consequently, this Financial Statement and its corresponding explanatory notes may not be suitable for other purposes.

3) On June 9, 2020, we issued an unqualified audit report on the Fund Accountability Statement of the GEF Pro-Species Project for the period from April 19 to December 31, 2018, which is now being restated. As described in note 2 f), this Fund Accountability Statement has been changed and is being restated to reflect some changes requested by the Project Donor, namely (i) the inclusion in the Fund Accountability Statement the project's current bank account balance as of December 31, 2018, since previous report only presented bank balance as of December 31, 2019; ii) the inclusion of an explanatory note to reconcile the audited balances for the period from April 19 to December 31, 2018 with the values of Expenses statements 1 and 2 presented in the Fund of accountability statement of this report.

Our Opinion on the Financial Statement, after the changes mentioned above, remains unqualified.

Responsibilities of the WWF-Brasil Management's for the Fund accountability statement

The WWF-Brasil's management is responsible for preparation of the Fund accountability statement in accordance with terms of the Not Refundable Financial Contribution Agreement – CCFNR signed with FUNBIO, and for such internal control as WWF-Brasil's management determines is necessary to enable the preparation of a Fund accountability statement that is free from material misstatement, whether due to fraud or error.

Responsibilities for the Independent auditor for the Audit of the Fund accountability statement

Our objectives are to obtain reasonable assurance about whether the Fund accountability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our Opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Fund accountability statement.

As part of an audit in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Fund accountability statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our Opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an Opinion on the effectiveness of the WWF-Brazil's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by WWF-Brazil's management.
- Evaluate the overall presentation, structure and content of the Fund accountability statement, including the disclosures, and whether the Fund accountability represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Belo Horizonte, October 23, 2020

NEXIA TEIXEIRA Auditores
Brazilian legal register CRC MG 5.194



Domingos Xavier Teixeira
Partner and Executive Director
Brazilian legal register CRC MG-14.105-O/5-S-DF-103

PART II - FUND ACCOUNTABILITY STATEMENT OF THE PROJECT GEF PRÓ-ESPÉCIES

FUND ACCOUNTABILITY STATEMENT - GEF PRÓ-ESPÉCIES				
		Expense statement 1 e 2	Expense statement 3, 4, 5 e 6	Total
	Notes	From April 19 to December 31, 2018	From 1st January to 31st December 2019	
A - OPENING BALANCE		-	595.356	-
Incomes FUNBIO	3 a)	1.501.726	2.579.799	4.081.525
Financial income	3 b)	2.376	4.564	6.940
B - TOTAL INCOME		1.504.102	2.584.363	4.088.465
C - TOTAL INCOME + OPENING BALANCE		1.504.102	3.179.719	4.088.465
EXPENSES				
5000 - Salaries and Benefits	4	338.071	1.217.350	1.555.421
5100 - Consulting	5.1	4.802	316.585	321.387
5200 - Partnerships	5.2	146.764	900.244	1.047.008
5300 - Travel	6	6.645	49.224	55.869
5400 - Communication	7	13.311	46.022	59.333
5500 - Training and meetings	8	304.059	1.105.390	1.409.449
5600 - Office running costs	9	48.818	279.430	328.248
5800 - Fixed assets	10	46.276	187.774	234.050
D - TOTAL EXPENSES		908.746	4.102.019	5.010.765
F - FINAL BALANCE (C - D)		595.356	(922.300)	(922.300)
G - BALANCE ON THE BANK ACCOUNT		528.654	1.327	1.327
H - DIFFERENCE (F - G)	11	66.702	(923.627)	(923.627)

The accompanying notes are part of the Fund accountability statement

PART III – EXPLANATORY NOTES TO THE FUND ACCOUNTABILITY STATEMENT OF THE PROJECT GEF PRO-ESPÉCIES

1. OPERATIONS

1.1. The entity

WWF-Brasil is a Brazilian non-profit and non-governmental organization, dedicated to the conservation of environmental, aiming promote human activity with the conservation of biodiversity in a harmonic basis, and promote the rational use of natural resources for the benefit of the citizens of today and future generations. It was established in 1996 and based in Brasilia, the institution develops Projects across the country and incorporates WWF's Network, one of the largest independent networks of environmental conservation, with operations in more than 100 countries and support of five million people, including members and volunteers.

Brazil is owner of one of the richest biodiversity in the world; it has one of the largest reserves of fresh water, and on third of the remaining tropical forests. It is estimated that here is one of ten species of plants or animals that exist. For this reason, WWF works in the country since 1971 and nowadays is an organization genuinely Brazilian incorporating the largest worldwide network of nature conservation.

Over the years, the organization has supported various Projects across the country. Some examples are the Program for Conservation of "Mico-Leão-Dourado" and Tamar Project, initiated in the 80's that are among the most important works of Brazilian nature conservation.

Currently, WWF-Brasil executed dozens of Projects around Brazil in partnership with companies, regional NGOs, federal, state and municipal government agencies, developing research and diagnostic activities; protection of species and threatened ecosystems; development of alternative models of conservation and use of natural resources; training and development of associated organizations; dissemination of results through environmental education, environmental policies and communication; and campaigns and social mobilization. In addition, there are also projects to viability of protected areas, by encouraging the sustainable economic alternatives involving and also benefiting local communities.

1.2. The Project

a) Objective

In order to minimize impacts on endangered species, especially those that are not covered by existing conservation instruments, the Ministry of the Environment, in collaboration with its related agencies and partner organizations, has developed the "National Strategy for the Conservation of Endangered Species" (GEF-Pro-espécies).

The main objective of the Project is to promote initiatives to reduce threats and strengthen the conservation status of endangered species. To achieve this objective, the project was structured in four main components, designed to fight against the main causes of species' extinction related to habitat loss, illegal extraction and invasive alien species.

COMPONENTS	OBJECTIVES	STRATEGY
1- Integration of conservation of threatened species in Sectoral Policies	Promote actions to reduce threats and strengthen the conservation framework for endangered species, integrating species conservation into established public policies.	This objective will be achieved through the development of strategic actions and policies to increase the adoption of territorial plans and mitigation measures in agriculture and infrastructure.
2 - Control and sensitization on hunting, illegal extraction and trafficking of wild species	Increase effectiveness in the fight against the illegal or irregular exploitation of biodiversity.	Actions will be taken to develop national capacities to combat environmental crime.
3 - Preventing and early detection of invasive alien species and quickly measures	Create a System of Alert and Control of Invasive Alien Species - SAI to prevent its introduction in Brazil.	This objective will be achieved through the creation of tools and mechanisms for database interaction among the existing systems.
4 - Coordination and communication	Coordinate the activities of the different governance bodies of the Project and monitor the implementation of actions focused on results.	Permanent channels of communication and information flows will be established to enable the monitoring of the Project in real time by all interested parties, including civil society.

The Project will act in at least 12 key areas for conservation of endangered species, totaling 9 million hectares. The expectation is that, by 2022, measures will be taken to protect all endangered species in the country, especially for the 290 that are in the most critical situation, aiming the involvement of 13 Brazilian states.

b) The Project Agreement

The Not Refundable Financial Contribution Agreement - CCFRN was signed on April 19, 2018 between the Fundo Brasileiro para Biodiversidade – FUNBIO as "GEF Implementing Agency" and WWF-Brasil, as "Recipient", with an estimated period of execution of four years. FUNBIO has committed to grant WWF-Brasil up to US\$ 13,435,000.00 (thirteen million, four hundred and thirty-five thousand US dollars) to fulfill the objectives of the Project.

WWF must implement the Project with the assistance of the Ministry of Environment - MMA, the Instituto Chico Mendes de Conservação da Biodiversidade – ICMBio, Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis – IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources; Botanical Garden of Rio de Janeiro - JBRJ; and 13 participating States - MA, BA, PA, AM, TO, GO, SC, PR, RS, MG, SP, RJ and ES.

An estimative of the financial execution of the resources allocated to the Project per year of execution is presented as follows:

Fiscal year	Year 1	Year 2	Year 3	Year 4
Grant	USD 3.005.427	USD 3.653.405	USD 3.675.322	USD 3.100.846
Acuumulated	USD 3.005.427	USD 6.658.832	USD 10.334.154	USD 13.435.000

The resources of the Project are intended to strengthen the Pro-espécies Program, established by MMA Ordinance nº 43/2014, in prevention, conservation and management actions that can minimize threats and risk of extinction of species, integrating the Federal, states and cities under the implementation of public policies.

c) The agents involved in the GEF Pro-espécies

Technical Coordination - MMA: Exercised by the Department of Conservation and Management of Species (DESP/SBio/MMA) and it is responsible for the technical design of the Project. It establishes guidelines for project implementation to effectively achieve the expected impacts, identifying key institutional articulations to enhance results, and supporting to ensure that all agents is working together, aligned with the Project's framework. In addition, the Technical Coordination has the task of guiding the work performed by the executing agency, maintaining an active communication with the implementing agency and participating in the activities of the Coordination Council to ensure the correct progress of the Project.

Implementing agency - FUNBIO: The organization responsible for the development of project proposals, according to GEF rules. After the approval of the proposals, the implementing organization starts to supervise the management of these Projects in their different phases. So, the implementing agency is in charge to support eligible governments agencies and civil society organizations (OSCs) develop, implement, and execute their Projects. In this context, it is the assignment of the implementing agency to follow the entire project cycle to ensure compliance with the GEF rules related to safeguards, procurement and contracting policies, transparency, among others. Within the scope of the GEF Pro-espécies, the implementing agency will act in the Coordination Council providing strategic follow-up and supporting key decision-making.

Executing Agency - WWF-Brasil: The organization responsible for the execution of financial resources, on request of the beneficiaries, and in accordance with the Annual Operational Plans (POAs) prepared by the Operational Core and approved by the Coordination Council. It is responsible also for the implementation of processes and procedures defined by the Coordination Council. In addition, the executing agency will act as executive secretariat of the Executive Committee, supporting the articulation of its members, facilitating meetings and internal and external communication.

Executing Partner - ICMBio: The Chico Mendes Institute of Biodiversity Conservation has as main function to carry out the activities of the Component 1, related to evaluations of the state of conservation of the fauna species, elaboration and execution of National Action Plans (PANs), management of data and training. The entity will also participate in the actions of the

Component 3, in the activities related to the network for the prevention and control of invasive alien species and the early warning and detection system.

Executing Partner - JBRJ - The main function of the Botanical Garden of Rio de Janeiro is to carry out the activities of Component 1 related to assessments of the state of conservation of flora species, elaboration and execution of National Action Plans (PANs), data management and training.

Executing Partner - IBAMA - IBAMA's main function is to carry out the activities of component 2, related to the development of an intelligence system to combat wildlife traffic, and activities of Component 3 as a whole.

Executing Partner - OEMAs - The state environmental agencies have as main function to carry out the activities that will have direct impact in the priority territories of the Project, preferably acting as coordinators of the Territorial Operational Nuclei, responsible for the identification and engagement of local partners.

Other implementing partners - during the course of the Project, other partners will be involved in the implementation of the National Action Plans for the Conservation of Endangered Species (Component 1), facilitating actions to engage society in fighting against the wildlife trafficking (Component 2) and participating in the Early Warning System for Invasive Alien Species (Component 3). These new partners may also be other ministries and municipalities, public or private enterprises, educational and research institutions, foundations and third sector organizations.

2. MAIN ACCOUNTING POLICIES

The explanatory notes below present the main accounting policies adopted by the WWF-Brasil in the preparation and presentation of the Fund accountability statement of the Project, as well as include the requirements established in the Not Refundable Financial Contribution Agreement – CCFRN related to the financial and accountant management. Other requirements involving the technical execution are not included in this report, however they were part of the technical report prepared by the WWF-Brasil and sent to FUNBIO.

a) Accounting bases on the preparation of the Fund accountability statement

The accounting basis established by the Contract for the preparation of the financial statements is the cash basis. In this system, entries are recorded when received and expenses, only when they are incurred and paid, cumulatively. Consequently, no provision is made at the end of the period for those expenses already contracted and executed, but that the financial settlement has not yet occurred. As described in Note # 12, there are expenses incurred by the Project (accrual basis) and not yet settled until December 31, 2019, in the amount of R\$319,512, related to the provision of personnel, taxes, provision of services and others, which will be settled in 2020 and included in future financial statements.

Additionally, there are expenses incurred and paid by WWF-Brasil up to December 31, 2019, in the amount of R\$923,627, as described in Note no. 11., which were included in the Accountability and will be reimbursed by the Project's exclusive bank account to WWF-Brasil when resources are available for this purpose.

b) Record of the transactions

The accounting records of the Project are made as part of the accounting records of WWF-Brasil, through the Protheus system, from where the financial transactions of the Project Pró-espécies are extracted to be included in the Fund Accountability Statement.

The WWF-Brasil maintains the transactions of the Project in a separate cost center, demonstrating the resources received and the expenses incurred, as required in the Project Agreement.

c) Functional currency and presentation currency

In spite of the budget of the Project is presented in the US Dollar, the FUNBIO and the WWF-Brasil established that the functional currency of the Project transactions is the Brazilian Real, being also the presentation currency.

d) Management of the financial resources

FUNBIO's financial resources for the execution of the Project are controlled in an exclusive bank account, aiming at the real segregation of the Project's resources from other WWF-Brasil's resources. Accordingly, the Project's Fund accountability statement, presented in Part II of this report, is a summary of the financial transactions incurred and recorded in the Project's exclusive bank account. Exception to this is due to payments made by the institutional bank account of WWF-Brasil and not yet reimbursed by the Project due to the lack of resources available for this purpose.

For the period from January 1st. to December 31, 2019, WWF-Brasil paid some expenses, totaling R\$923.626, through its institutional bank account, and these expenses were not reimbursed by the Project's exclusive bank account until the end of the audited period. These expenses were presented in the Statement of Project Accountability in the current period, but identified by the project for settlement in the subsequent year.

e) Fund accountability presentation

The Fund accountability statement is presented in Reais, reflecting the funds received from FUNBIO by the WWF-Brasil as part of the Not Refundable Financial Contribution Agreement and the expenses incurred and paid through the Project's exclusive bank account up to December 31, 2019. The expenses are presented according to the standard format defined by FUNBIO.

f) Restatement of the Fund accountability Statement

WWF - Brasil previously prepared the Fund Accountability Statement for the period from April 19, 2018 to December 31, 2019, including the respective explanatory notes. Subsequent to the issuance of this report, the Donor has requested some changes in the content, without any effect on the numbers previously disclosed, as detailed below:

(i) inclusion in the Fund Accountability Statement the current bank account balance of the project on December 31, 2018, previous report only presented bank balance as of December 31, 2019; and

(ii) inclusion of Note 14 containing a reconciliation of the audited balances for the period from April 19 to December 31, 2018 with the values of Expenses statements 1 and 2 presented in the Fund of accountability statement of this report.

3. INCOMES

Disbursements are requested to FUNBIO by the Controlling Analyst of the Pró-Espécies Project, with the validation of the WWF-Brasil project coordination, are authorized by FUNBIO and transferred to WWF-Brasil as the Project develops and the financial execution is confirmed through periodic Fund accountability statement.

A detailing of the Project's income in the present period is as follows:

a) FUNBIO – R\$ 2,579,799

Refers to the transfer provided for in the Contract, for the second year of the project, four deposits were made in an exclusive account, as shown in the table below.

Description	Amount in BRL
February 19, 2019	524.656
April 2, 2019	452.941
July 4, 2019	407.331
August 29, 2019	1.194.871
	2.579.799

b) Financial income – R\$ 4,564

The financial resources received by WWF-Brasil and not yet spent are kept in financial investments. As established in item 4.06 of the Agreement, the income from financial investments must be part of the Project resources. The amount of R\$4,564 represents the income from financial investments for the period from January 1st. to December 31, 2019, net of income tax and bank fees.

4. STAFF COSTS

Refers to the expenses with the payroll, taxes and labor provisions of WWF-Brasil’s employees allocated on the Project.

It is important to mention that the payment of the payroll and social charges of all WWF-Brasil employees is done through the institutional bank account, and the specific costs of the collaborators are allocated to the various Projects managed by WWF-Brasil, including GEF Pró -species. In these cases, the costs are identified and transferred from the specific account of the project to the institutional account of WWF-Brasil, as a way of settling between accounts.

Provisions for vacation and 13th salary are made and accounted for in the Projects, with the discharge of the obligation when taking the vacation or when the 13th salary is due, as provided for in the Collective Labor Agreement. Specifically, for the GEF Pro-species, WWF-Brasil does not recognize the monthly provisions in the rendering of accounts, recognition of the expense only when it is disbursed (see Note 2. a).

The Not Refundable Financial Contribution Agreement – CCFRN establishes fixed positions for the supervision and management of the execution of the Project, however, on the other hand, the Project Agreement does not determine a specific number of professionals who will have their salaries supported by the Project’s resources and their bases. In this way, WWF-Brasil debits the Project the salary and respective charges of each employee in the proportion of their involvement with the Project.

A breakdown of the amounts of expenses incurred in 2019 by nature is presented as follows:

Description	Amount
Salary	755.378
INSS (Social security)	168.440
Benefits (Meal ticket, insurance, etc.)	180.140
FGTS (Government Severance Indemnity Fund)	57.818
13th salary installment	39.069
Advance of 13th Salary	9.899
PIS (Civil Servant's Investment Program)	6.606
TOTAL	1.217.350

5. CONSULTING

5.1. CONSULTING AND RENDERING SERVICES

Refers to the expenses with services rendered by individuals or legal entities provided to the Project, established by contract, such as consulting, autonomous services, graphic services, etc.

The contracting of third-party services is performed by the purchasing department of WWF-Brasil based on the guidelines established by the Network and also based on the Project Operational Manual (MOP), developed by WWF-Brasil together with the Project’s Coordination Council for the execution of this Project. The composition of the costs of providing third party fees by service provider and with a brief description of the activities performed is presented below:

Service Provider	Object of service	Amount paid
Neotrópica - Planejamento, gestão e educ. amb. S/C LTDA - ME	Consultancy for conducting information gathering, moderation, reporting and preparation of the National Action Plan for the Planalto Sul Territory, under the coordination of the work team of the states of Santa Catarina (IMA-SC and SDS-SC) and Rio Grande do Sul (SEMA-RS)	95.104
Alopes Representações	Preparation of documents, survey, organization, analysis and discussion of technical and scientific information on the intentional introduction of exotic microorganisms in the national territory	35.520
Ekoa Treinamentos Corporativos LTDA	Moderation and reporting during the 5th Executive Committee Meeting of the GEF Pro-Especies Project in order to monitor the implementation of the guiding macroplanning, based on an integrated view of the Annual Operating Plans prepared by the Operational Centers, by the states / institutions that have already signed the Agreement Technical Cooperation or are yet to be signed. "	26.432
Others		159.529
TOTAL		316.585

5.2. PARTNERSHIPS

Service Provider	Object of service	Amount paid
Fundação Flora de Apoio a Botânica	Regulate the roles and responsibilities of the parties for the implementation of the project "National Strategy for the Conservation of Endangered Species - GEF PRÓ-ESPÉCIES.	700.244
Fundo de Apoio à Pesquisa - FUNAPE	Regulate the roles and responsibilities of the parties for the implementation of the project "National Strategy for the Conservation of Endangered Species - GEF PRÓ-ESPÉCIES.	200.000
TOTAL		900.244

6. TRAVEL

Refers to the expenses of employees and other actors with actions performed by the Project, such as travel, airfare, food, accommodation, etc.

Travel and displacements with resources from the Project are previously approved by the Coordinator, so the beneficiaries must follow the parameters established by the MOP of the Pro-species Project and the WWF-Brazil employee follows the definition of what is established in the travel policies of the WWF-Brazil for travel and displacements, which, in turn, must present accounts with proof of expenses incurred. By their nature, these expenses are dispersed in the rendering of accounts, with no greater concentration in a given event:

Service Provider	Object of service	Amount paid
Bancorbras Viagens e Turismo	Travel expenses for conducting and participating in training	33.031
Mônaco Viagens e Turismo LTDA	Travel expenses for conducting and participating in training	6.755
Others		9.438
TOTAL		49.224

7. COMMUNICATION

Refers to expenditures on the preparation of advertising materials and advertisements, aimed at dissemination of the Project, such as banner making, marketing campaigns, advertising, preparation of promotional material, among other services.

The composition of these expenses is as follows:

Service Provider	Object of service	Amount paid
Coaching Consultoria e Suporte Técnico LTDA - ME	Promote improvements to the GEF Pró-Espécies project website, in order to facilitate interaction and understanding through a virtual space that seeks to interact and engage diverse audiences in this theme	25.612
Athalaia Gráfica e Editora LTDA	Graphic services	15.824
Other communication services		4.586
TOTAL		46.022

8. TRAINING AND MEETINGS

They refer to expenses incurred in attending meetings and conducting training. A detail of the expenses with Meetings and Training Costs with funds from FUNBIO is presented as follows:

Service Provider	Object of service provision	Amount paid
Bancorbras Viagens e Turismo	Recruitment of service to purchase tickets for the project	501.234
Mônaco Viagens e Turismo LTDA	Recruitment of service to purchase tickets for the project	98.038
Others		506.118
TOTAL		1.105.390

The above expenses, more specifically, were for trips related to meetings and training, whether for employees or third parties.

It is important to highlight that the above costs involve WWF-Brasil employees as well as costs with representatives of other entities involved in the execution of the Project, such as ICMBio, IBAMA, MMA, among others.

9. OFFICE RUNNING COSTS

Refers to the sharing of common operating costs of the WWF Brasil's office that are necessary to develop the activities of the Project, involving rent, maintenance, energy, cleaning, water, phone bills, internet, among other, as well as covert part of the sectors that are not directly involved in the Project execution, but they are demanded under the Project's activities, such as purchasing, accounting, financial and legal department, among others. For these cases, the WWF presents the proof of the expenses incurred. WWF-Brasil and FUNBIO established a

criterion of apportionment of the administrative expenses aiming a systematic allocation of the corresponding costs with the execution of the Project.

A summary of the administrative expenses allocated to the Project in the period is shown below:

Administrative costs	Object of service	Amount paid
CEB Distribuição S.A.	Electricity distribution	5.695
Companhia de Saneamento Ambiental do DF	Water distribution	1.372
Perpétuo Socorro Comercial de Selos LTDA - ME	Purchase of stamps and postage services	1.172
Others		4.378
SUBTOTAL		12.617
Indirect costs	Refer to indirect costs with salaries of WWF employees who provide services for the Project that have been launched in administrative costs	266.813
TOTAL		279.430

a) Indirect costs

In 2019, WWF-Brasil recognized in the account 5600 - Administrative costs the indirect costs of expenses with salaries and charges of employees who are not part of the Pro-Species direct team and who provide human resources services, information technology, financial, administrative and others.

In addition to the personnel directly allocated to the Project, there is a demand for administrative support from the WWF-Brasil structure, such as the hiring and management of the employees, payroll, office use and all related expenses (including reconciliation of accounts), and legal services (including policy review, compliance and drafting of contracts, terms of cooperation, and other legal instruments).

10. FIXED ASSETS

Item	Description	Amount paid
HPE Automotores do Brasil	Buying a vehicle 0km L200 Triton	130.141
Anderson dos Santos Oliveira	Acquisition of items to renovate WWF Brasilia Headquarters	21.580
Others		36.053
TOTAL		187.774

11. DIFFERENCE BETWEEN THE FINAL BALANCE OF THE FUND ACCOUNTABILITY STATEMENT AND THE BALANCE ON THE PROJECT'S BANK ACCOUNT

As already mentioned, the project incurred expenses already paid, however, there were no financial resources available for its payment. In order not to hinder the progress of the Project,

WWF-Brazil provided its own resources to pay for these expenses on behalf of the Project so, when resources there will be available in the Project's bank account, the reimbursement of expenses already should be make.

WWF-Brazil has a systematic control of these expenses pending reimbursement, which totaled R\$ 923,627 until December 31, 2019, with a summary of these expenses by budget line as follows:

Budget category	Institutional Payment
5000 - Salaries and Benefits	243.992
5100 - Consulting	73.433
5200 - Partnerships	323.420
5300 - Travel	16.414
5400 - Communication	2.525
5500 - Training and meetings	142.537
5600 - Office running costs	85.140
5800 - Fixed assets	36.166
Grand total	923.627

12. CONCILIATION BETWEEN THE EXPENSES IN THE ACCOUNTABILITY PROVISIONS (CASH BASIS) FOR EXPENSES INCURRED AND YET NOT PAID

The Fund accountability statement for the period from April 19, 2018 to December 31, 2019 presented a total of expenses incurred and paid of R\$ 5,010,765, and these expenses were paid by the Project's exclusive bank account and also by WWF institutional bank account, as mentioned in Note 11 above. In addition, there are still expenses incurred by the project (accrual basis) and not yet paid until December 31, 2019 in the amount of R\$319,512, referring to the provision of personnel, taxes, provision of services and others, which will be paid in 2020 and included in the expenses report of the following periods.

13. COMPARATIVE BETWEEN THE BUDGET AND THE GEF PRO-ESPECIES PERFORMANCE FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2019

A comparison of the execution of expenditures from January to December 2019 with the budget provided by WWF-Brazil for the same period is as follows:

Description	2019			
	Budget	Execution	% Execution	Resources to perform
5000 - Salaries and Benefits	1.621.000	1.217.350	75%	403.650
5100 - Consulting	2.000.000	316.586	16%	1.683.414
5200 - Partnerships	2.767.491	900.245	33%	1.867.246
5300 - Travel	100.000	49.224	49%	50.776
5400 - Communication	250.000	46.022	18%	203.978
5500 - Training and meetings	1.600.000	1.105.390	69%	494.610
5600 - Office running costs	473.000	279.430	59%	193.570
5800 - Fixed assets	300.000	187.774	63%	112.226
	9.111.491	4.102.021	45%	5.009.470

14. RECONCILIATION BETWEEN BALANCES FOR THE PERIOD FROM APRIL 19 TO DECEMBER 31, 2018 WITH BALANCES FROM EXPENSES STATEMENTS 1 AND 2

For the period from April 19 to December 31, 2018, WWF-Brazil prepared two Interim financial report (expenses statement 1 and 2) which were sent to FUNBIO to inform the Project's financial execution. However, after submission, it was verified the necessity of reclassifications of expenses between lines and the addition / exclusion of some expenses based on the reconciliation of the Project's exclusive bank account. A summary of the adjustments and reclassifications made between the sum of the Interim reports for the Fund accountability statement is as follows:

	Expenses Statement	Reclassifications	Additional / Exclusion	Fund accountability statement
5000 - Salaries and Benefits	338.072	6.385	56.721	401.178
5100 - Consulting	4.802	-	-	4.802
5200 - Partnerships	146.764	-	-	146.764
5300 - Travel	6.645	-	(1.950)	4.695
5400 - Communication	13.311	-	-	13.311
5500 - Training and meetings	304.059	-	-	304.059
5600 - Office running costs	48.817	(6.385)	2.820	45.252
5800 - Fixed assets	46.276	-	9.309	55.585
TOTAL	908.746	-	66.900	975.646

14. SUBSEQUENT EVENTS - COVID 19

The project management is evaluating the effects of COVID-19 on the project's activities and does not believe that it will have any relevant effects on its continuity.

PART IV – INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROLS

To the Management and Donors of
Project GEF Pró-espécies
WWF-Brasil
Brasília - DF

In connection with the audit of the Statement of Accountability of the GEF Project - Pro-species, we have reviewed, for audit purposes, the internal controls and accounting procedures, arising from aspects or matters of less relevance that came to our knowledge at the time of this audit, resulting from the application of certain tests performed for the purpose of complying with, and in accordance with, the auditing standards applicable in Brazil.

During our audit work, we did not detect any issue for improving internal controls and accounting and administrative procedures. All matters raised by us during the audit were properly addressed and resolved by WWF-Brasil.

Belo Horizonte, October 23, 2020

NEXIA TEIXEIRA Auditores
Brazilian legal register CRC MG 5.194



Domingos Xavier Teixeira
Partner and Executive Director
Brazilian legal register CRC MG-14.105-O/5-S-DF-103

PART V – AUDIT PROCEDURES APPLIED

To the Management and Donors of
Project GEF Pró-espécies
WWF-Brasil
Brasília - DF

Dear Sirs and Madams:

We were engaged to conduct the financial audit of the Fund accountability statement of the Not Refundable Financial Contribution Agreement – CCFRN, signed between the Fundo Brasileiro para a Biodiversidade – FUNBIO, as an Implementing agency, and the WWF-Brasil as Recipient, for the period from January 1st, 2019 to December 31, 2019.

In conducting the audit procedures for the purpose of issue an Opinion on the Fund accountability statement of the Project, we based on the NBC TA 800 - Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks and we also have observed and applied the international standards on auditing issued by the IFAC - International Federation of Accountants and by the Federal Accounting Council (CFC).

The objectives of the audit were as follows:

- To evaluate and obtain a sufficient understanding of the internal control structure adopted by WWF-Brasil in relation with the Project, as well as evaluate control risks and identify reportable conditions, including material weaknesses in the internal control structure;
- To conduct tests to determine if the Project complies, in all material respects, with the terms of the Not Refundable Financial Contribution Agreement – CCFRN and applicable laws and regulations; and
- To issue an Opinion on whether the Fund accountability statement of the Project, for the period from January 1st, 2019 to December 31, 2019, presents fairly, in all material respects, the incomes received, and the costs incurred on a cash basis during the audited period, in accordance with the terms of the Project agreement.

The following audit procedures have been applied for the purposes of this report:

1) Procedures related to the Fund accountability statement

- Review of the accounting policies and practices adopted in the preparation of the Fund accountability statement by WWF Brasil;
- Review of the accounting books of WWF-Brasil in order to determine whether income received, and expenses incurred and paid were properly recorded;
- Review of the costs incurred during the audited period to determine their

reasonableness and whether they were properly allocated and documented;

- Review of the procedures implemented by WWF-Brasil for the control of the cash disbursements related to the Project;
- Examination of the designated bank account to verify the payment made related to the expenses incurred;
- Identification of questioned costs, if any, which are not duly supported by appropriate documentation, and those costs, if any, which are ineligible because they not are consistent with the objectives of the Project or in accordance with legal and contractual terms;
- Verify the salaries to determine whether they are reasonable or consistent with the personnel policy established by the WWF-Brasil, and if they were supported by appropriate documentation and recorded in the accounting books;
- Review of costs with third party fees, verifying the adequate documentation to support those payments;
- Review of communication costs, observing the evidence of expenses;
- Review of administrative costs, considering their classification according to contractual and legal definitions;
- Review of the travel, training and meetings expenses to determine if they were supported as established by the agreement and applicable laws and regulations; and
- Review, on a test basis, of the physical evidence of goods and values to prove their existence, and that the financial goods and services were acquired in accordance with the contractual terms.

2) Procedures related to internal controls

- Assessment of the policies and procedures implemented by WWF-Brasil to record, process, summarize and report financial information consistent with the Fund accountability statement's structure and verify if they ensure an adequate compliance with the terms of the Not Refundable Financial Contribution Agreement – CCFRN and applicable laws and regulations;
- Review of procedures and controls established on the resources received, maintained in banks, and the expenses in order to establish the adequacy of these procedures in terms of the agreement;
- Review of control procedures over the purchase of goods and services related to the Project, aiming determine whether the practices defined are appropriate and are being followed; and
- Review of the policies adopted to plan and evaluate the activities established by WWF-Brasil, as well as to monitor the budget and expenditures made by the Project GEF Pro-espécies.

3) Procedures related to terms of the agreement and applicable law regulations

- Identification of the terms of the Not Refundable Financial Contribution Agreement – CCFRN and applicable laws and regulations, and determination of any noncompliance that, if not observed, would have a direct and material effect over the Fund accountability statement;
- Review of the possibility of occurrence of any important matter related to the risk of non-compliance with the standards, including evaluation of the systems of controls related to compliance with applicable Laws and regulations;
- Review of payments made, on a sampling basis, relative to the Project to determine their compliance with the agreement and applicable laws and regulations;
- Identification of costs, if any, considered as inadequate and not supported by documentation or ineligible; and
- Review of the funds used by the Project to determine if their disbursement was authorized and they are consistent to the terms of the agreement.

Belo Horizonte, October 23, 2020

NEXIA TEIXEIRA Auditores
Brazilian legal register CRC MG 5.194



Domingos Xavier Teixeira
Partner and Executive Director
Brazilian legal register CRC MG-14.105-O/5-S-DF-103
