

**Advisory Board to the CTCN
22nd Meeting**

22– 27 September 2023
AB/2023/22/22.1

**CTCN Resource Mobilization and Partnership
Strategy for 2023-2027**

1. Background

Decision 2/CP.17 mentions that the costs associated with the Climate Technology Centre and the mobilization of the services of the Network should be funded from various sources, including the financial mechanism of the Convention, bilateral, multilateral, and private-sector channels, philanthropic sources as well as financial and in-kind contributions from the host organization and participants in the Network.¹ Parties in a position to do so were invited to support the CTCN through the provision of financial and other resources.

In the years that followed, the CTCN established its first Advisory Board funding taskforce to guide the CTCN's resource mobilization efforts. The Centre's first resource mobilization strategy for 2018 - 2021² was developed and considered at the 11th Advisory Board meeting. The CTCN has since reported on its resource mobilization efforts annually through its joint annual report to the COP and CMA and through its annual operating plan report presented at the Board's spring meeting each year, alongside the Centre's annual financial report.

More recent COP and CMA decisions have called for the CTCN to enhance further its resource mobilization efforts from various sources in order to implement its third Programme of Work (PoW) effectively³. Decision18/CP.27 further requested the CTCN to finalize and implement a resource mobilization and partnership strategy and include information thereon in its annual report to the COP.

2. Introduction

The Second Independent Review of the CTCN underscored the CTCN's unique positioning within the climate technology space, with no real competition from similar centres⁴. As a result, the CTCN is well-positioned to assist countries in achieving their Nationally Determined Contributions and Sustainable Development Goals.

Considering this, the CTCN's new PoW for the period 2023 –2027 aims to enhance the transformational impact and scale of its core activities through utilizing two proven technology enablers (national systems of innovation and digitalization) and focusing on five system transformation areas (water-energy-food nexus, buildings and infrastructure, sustainable mobility, energy systems, and business and industry), while maintaining a country-driven approach.

The present resource mobilization and partnership strategy has been developed to support the full implementation of the new PoW. It outlines strategic actions and targets that the Centre will pursue to successfully mobilize the resources required for its activities and operating costs. On this basis, more detailed resource mobilization activities to be carried out each year are described in the CTCN's Annual Operating Plan, approved by the Board at its fall meeting each year. Annual reports are provided to the CTCN Advisory Board and donors, as well as to the COP and CMA, summarizing the CTCN's progress in implementing these activities and in reaching the set targets.

As such, the strategy focuses on mobilizing resources for the CTCN's activities and operating costs, in order to leverage financial resources for the implementation of technical assistance outcomes, which is addressed programmatically, including through the development of strategic matchmaking

¹ Decision 2/CP.17, paragraph 139.

² [ab201811_11.2_ctcn_resource_mobilization_strategy_v2_clean.pdf \(ctc-n.org\)](#)

³ [CTCN Programme of Work for 2023-2027](#)

⁴ [Report on the second independent review of the effective implementation of the CTCN](#)

activities.

Furthermore, being hosted by the UN Environment Programme (UNEP), the CTCN must also follow the policies, rules, and procedures when mobilizing resources. This includes, but is not limited to, UNEP's Strategy for Private Sector Engagement and rules that govern what in-kind contributions can be received.

3. Current funding modalities

The CTCN relies on different types of resources to fund its activities and operating costs including:

- Core or unearmarked funding: This funding modality covers most of the CTCN secretariat's core operating costs and essential capacity for programme delivery. Funds from unearmarked sources are pooled together in the CTCN's Multi-Donor Trust Fund (MDTF) forming a flexible source of funding available to cover gaps for technical assistance projects that do not meet the conditions of earmarked donor contributions or for global projects. Furthermore, the funds directed through the MDTF incur lower overhead costs, allowing for a greater portion of the funds to be allocated towards the CTCN's activities. Contributions in the MDTF have validity until the end of the PoW period and donors receive a consolidated annual financial statement and narrative report, reviewed and endorsed by the Advisory Board at its spring meeting.
- Earmarked funding: This CTCN's share of earmarked funding has increased over the past years, where donors specify conditions for the use of the funds, such as targeted technical assistance, capacity building, or designated regions of intervention, and includes contributions both from member states and other mechanisms, such as the Green Climate Fund (GCF), the Adaptation Fund, and the Global Environment Facility (GEF). Funding that is earmarked for specific purposes is not included in the MDTF but is managed as a separate grant according to the conditions and/or validity of the funding. While the CTCN has greatly benefited from the valuable earmarked contributions in implementing project activities, the lack of flexibility in funding core fixed costs and gaps in project activities must be noted.
- Pro-bono and in-kind contributions. This modality of funding takes the form of:
 - Support provided by donor Parties in the form of technical expertise/experts to support in specific areas.
 - Financial support provided by donor Parties for the implementation of specific technical assistance and capacity-building activities within their own national processes.
 - Services and knowledge products tendered by Network members free of cost.

To date, approximately 112 million USD has been raised by the CTCN from various sources since its establishment in 2013. Between 2018–2022 (2nd PoW), the CTCN had an annual average income of approximately 10.5 million USD – fluctuating between a minimum of 3.82 million USD in 2019 and a maximum of 14.2 million in 2022 USD.

To date, the main sources of funding for the CTCN were through contributions from donor Parties (accounting for approximately 83% of the total funding) and the remaining from other sources of funding including the Green Climate Fund (GCF), the Adaptation Fund, the Global Environment Facility (GEF), and the NDC Partnership. In addition, the CTCN has also received pro bono and in-kind support mainly towards technical assistance projects.

4. Objectives

The overall objective of the resource mobilization and partnerships strategy is to ensure adequate, predictable, and flexible funding for the CTCN to implement its PoW for 2023 – 2027.

Adequate funding in the context of the CTCN implies the mobilization of a minimum of 50 million USD to implement the CTCN's five-year PoW, as per the indicative financial plan included in the PoW. Predictable funding suggests a healthy balance between multi-year contributions that are conducive to strategic and priority-setting planning with lower administrative costs, and one-time or annual contributions. Flexible funding suggests a balance between earmarked⁵ and unearmarked funding from donors to sustain a demand-driven approach.

This Resource Mobilization and Partnership Strategy is built upon a three-step approach to achieving a cumulative and incremental impact.

To that end, the Strategy sets out to secure a minimum of USD 10 million per year which will support a baseline business continuity scenario for the CTCN's 3rd Programme of Work.

Further to stakeholder engagement as part of this Strategy implementation, and dependent on diversification of funding, including from new Party donors, as additional funding and support may become available over time, the Strategy will subsequently seek to secure USD 20 million per year to enable the CTCN to further enhance its activities.

In addition, the Strategy, may in due course consider an enhanced ambition scenario of USD 30 million per year.

5. Strategic Actions

This section outlines the strategic actions that will guide the CTCN's resource mobilization efforts over the period 2023-2027.

Strategic Action 1 – Sustain, strengthen, and diversify engagement with donor Parties.

The following actions are intended to foster more proactive outreach and stronger engagement with former, current, and new potential bilateral donor Parties.

Actions to be implemented	
1.1	Conduct a stakeholder mapping of former and existing engagement with bilateral donor Parties and potential new donors to enable more tailored strategies to be developed for managing engagement with each stakeholder.
1.4	Develop and implement an execution plan outlining specific objective, targeted bilateral donors, and desired outcomes for engagement, with a view to: <ul style="list-style-type: none"> - Retain the top donor Parties - that is donors which presently contribute the majority of CTCN funding. - Secure new commitments from donor Parties, including those that have not yet made contributions to the CTCN. - Revitalize relationships with former donor Parties who no longer contribute to the CTCN, including analysing their reasons for no longer funding the CTCN and incorporating lessons learned.
1.3	Leverage technical cooperation (e.g., pro-bono and in-kind) throughout the CTCN network and with donor Parties to develop further capabilities (technical assistance, capacity-building, strategic matchmaking, south-south and triangular cooperation) that do not rely on ongoing operational expenditure from the Secretariat's core budget.

⁵ Earmarked funds to specific sectors, activities or projects

³<https://unfccc.int/resource/docs/2012/cop18/eng/08a02.pdf#page=8>

1.4	Monitor the progress of bilateral donor engagement efforts and evaluate the effectiveness of the strategies applied and, if needed, adjust approaches.
1.5	Strengthen engagement with UNEP's resource mobilization unit.

The CTCN's target for the period 2023-2027 is to increase the baseline by at least 20 per cent of the funding commitments from existing bilateral donors and through new donor Parties. The CTCN will also increase in-kind and pro-bono contributions by at least 10-15 per cent.

Strategic Action 2 – Enhance and diversify engagement with development financing sources and international financial institutions.

The following actions are intended to strengthen engagement with development financing sources, such as the operating entities of the Financial Mechanism and the Adaptation Fund, and to diversify the resource base through enhanced engagement with international financial institutions, including multilateral and regional development banks.

Initial efforts will be focused on developing and nurturing fewer, yet strategically coordinated, partnerships and opportunities to develop larger, higher-impact programs and to engage in joint project development to mobilize funding.

Actions to be implemented	
2.1	Strengthen engagement with the Financial Mechanism on a programmatic level.
2.2	Sustain and deepen existing engagement and partnerships with international financial institutions.
2.3	Expand efforts to mobilize funding for CTCN activities from relevant international financial institutions, including by: <ul style="list-style-type: none"> - Conducting a mapping of international financial institutions and identify synergies between the CTCN's work and their priorities. - Building on recent/ongoing success in mobilizing resources from international development banks, develop targeted actions for selected financial institutions.
2.4	Monitor the progress of engagement efforts with financing entities, evaluate the effectiveness of the strategies applied and adjust approaches as. Integrate relevant new COP and CMA guidance.

The CTCN's target for the period 2023-2027 is to at least double resources mobilized through its portfolio of activities funded through resources from relevant operating entities of the Financial Mechanism, the Adaptation Fund, and other international financial institutions, and to build trust, strengthen credibility and solidify its partnerships with international financial institutions by developing and nurturing strategic partnerships that could mobilize resources for the CTCN.

Strategic Action 3– Strengthen efforts to mobilize resources from the private sector and philanthropic organizations.

The following actions will support the CTCN's efforts to engage more strategically with the private sector and philanthropic organizations for the purpose of mobilizing financial and in-kind resources for the CTCN's activities.

Actions shall be implemented in alignment with UNEP's Strategy for Private Sector Engagement and partner assessment and selection processes, mindful that both the private and philanthropic sectors operate under different modalities compared to the CTCN's traditional donor base.

The actions will capitalize on the CTCN's extensive experience engaging with the private sector outside of resource mobilization efforts. Indeed, the CTCN engages actively with the private sector for the implementation of technical assistance projects and the delivery of capacity-building activities. Technical assistance activities also involve active engagement with local businesses or local business associations to generate enabling business environments for climate technology development and transfer.

Actions to be implemented	
3.1	Identify engagement points suitable for private sector and philanthropic engagement and define administrative procedures for engagement.
3.2	Develop promotional materials/ credible business cases that use appropriate vocabulary and language that resonates with private sector partners and the philanthropic sector.
3.3	Conduct a mapping of private sector and philanthropic opportunities, drawing on existing profiles of private sector and philanthropic organizations having collaborated with UNEP, and identify synergies between the CTCN's work and their priorities.
3.4	Draft an execution plan for engagement with identified key prospects and connections, including UNEP partner due diligence requirements and a plan for environmental and human rights safeguards, as well as considerations of the key prospect's mode of operations and vision of issues related to climate, profitability and long-term sustainability. Successful engagement with a first group of prospects, including entities the CTCN is currently in touch with, will enable more rapid development of subsequent prospects.
3.5	Leverage technical cooperation (e.g., pro-bono and in-kind) throughout the CTCN network and with donor Parties to develop further capabilities (technical assistance, capacity building, strategic matchmaking, South-South and triangular cooperation) that do not rely on ongoing operational expenditure from the Secretariat's core budget.

The CTCN's target for the period 2023-2027 is to develop partnerships with a minimum of 5 private sector and philanthropic organizations that can mobilize resources for CTCN activities.

Strategic Action 4 - Strong Advisory Board engagement in ongoing resource mobilization.

Continued strong engagement and leadership of the CTCN Advisory Board is critical to the success of ongoing resource mobilization efforts and as a complement to the Secretariat's efforts. Advisory Board members act as spokespersons for the CTCN, participate actively in the climate technology ecosystem, and promote and raise resources for the CTCN and its mission. The Advisory Board's strategic guidance in adopting the PoW, Annual Operating Plans, and financial reporting is also crucial to advancing resource mobilization efforts.

The following actions will foster an enhanced enabling environment for greater ownership of the Board to support resource mobilization efforts.

Actions to be implemented	
4.1	Facilitate and provide support to the establishment and effective functioning of a CTCN Advisory Board taskforce on Resource Mobilization and Partnerships.
4.2	Invite Board members to engage on strategic areas of resource mobilization, including, engagement with the private sector and philanthropic organizations/foundations.
4.3	Make resource mobilization a standing item of Advisory Board meetings to engage and keep Parties, and relevant stakeholders informed of the CTCN's performance in securing funds;
4.4	Engage Advisory Board members in outward facing events and workshops to build an awareness and understanding of the CTCN.

Strategic Action 5—Increase visibility and outreach and strengthen communication of CTCN impacts.

Communications is pivotal to propel resource mobilization. Tailored campaigns and messaging are crucial to gain and maintain global attention and engage with the donors' community (public and private). Work in this area is already underway, with the current planned delivery of a series of specifically tailored communications outputs on individual strategic areas and the update of the CTCN website.

The CTCN will make strategic use of communication in its ongoing efforts to mobilize resources, including effective planning and research to ensure targeted audiences are well-defined and interests well-understood.

Actions to be implemented	
5.1	Develop a communication and outreach strategy to provide guidance on delivery mechanisms, messaging and distribution of attractive and quality information on CTCN activities.
5.2	Participate in strategic events and organize joint events with partners and donors, including side events organized at high-visibility events such as the UN General Assembly, the UNFCCC Conference of the Parties and subsidiary body meetings, the UNFCCC Regional Climate Weeks and other international climate-technology-related events;
5.3	Develop promotional materials/ solid business cases to assist Board members and other stakeholders in their communication with potential donors regarding the CTCN.
5.4	Maximize opportunities to promote donor visibility, including through events, publications and social media outreach as well as offering highly visible pledging opportunities to new and returning donors.
5.5	Provide donors with evidence on the impact of (potential) investments.

The CTCN's target for the period 2023-2027 is to develop 20-30 impact stories to support resource mobilization efforts. Additional communication and outreach targets will be defined in the communication and outreach strategy.

Strategic Action 6– Enhance TEC-CTCN joint resource mobilization efforts.

Decision 18/CP27 invites the Technology Executive Committee (TEC) and the CTCN to jointly pursue collaborative partnerships and strategic engagement with bodies, processes and initiatives under and outside the Convention, including in the private sector, with a view to facilitating the implementation of all activities under the joint work programme.

The same decision encourages the Secretariat supporting the TEC and the CTCN to collaborate closely, including on resource mobilization, to ensure effective implementation of the Joint Work Programme.

Actions to be implemented	
6.1	Discuss with the UNFCCC Secretariat supporting the work of the TEC the possibility of assigning focal points in each Secretariat to further collaborate on resource mobilization issues, for the effective implementation of the joint work programme and implement actions in accordance with the outcomes of discussions.
6.2	Discuss with the UNFCCC Secretariat supporting the work of the TEC the possibility of developing a joint resource mobilization plan for the effective implementation of the joint work programme and implement actions in accordance with the outcomes of discussions.
6.3	Discuss with the TEC the possibility of establishing a joint TEC-CTCN working group to support and advise the two bodies on collaborative partnerships and strategies engagement, including with the private sector, with a view to facilitating the implementation of all activities under the joint work programme, and implement actions in accordance with the outcomes of discussions.
6.4	Work with the UNFCCC Secretariat technology team and the UNFCCC resource mobilization office on modalities for receiving additional funding for the activities of the Technology Mechanism through the UNFCCC.

The CTCN's target for the period 2023-2027 is to improve coordination and collaboration with the TEC to mobilize new partnerships and resources collectively. Targets will be jointly defined with the TEC on the basis of outcomes from discussions, including those held during the joint sessions of the TEC and CTCN Advisory Board.

