

**DONOR AGREEMENT
BETWEEN
THE DANISH MINISTRY OF FOREIGN AFFAIRS
AND
UNITED NATIONS ENVIRONMENT PROGRAMME**

WHEREAS the Conference of the Parties of the United Nations Framework on Climate Change (UNFCCC) by its decision 1/CP.16, established a Technology Mechanism consisting of a Technology Executive Committee and a Climate Technology Center and Network (hereinafter referred to as CTCN),

WHEREAS the United Nations Environment Programme (hereinafter referred to as "UNEP") hosts the CTCN based on the UNFCCC Conference of Parties' decision 14/CP.18 and UNEP Governing Council with its decision UNEP /GC.27/10,

WHEREAS UNEP is prepared to receive and administer contributions for support to the CTCN and its activities and has for this purpose established a CTCN Trust Fund,

WHEREAS the Danish Ministry of Foreign Affairs (DANIDA) hereinafter referred to as the "Donor") hereby agrees to make a contribution of DKK 27,160,000 (hereinafter referred to as the "Contribution") to UNEP to support the implementation of the CTCN activities,

NOW, THEREFORE, UNEP and DANIDA hereby agree as follows:

Article I. The Contribution

1. The Donor shall, in accordance with the project document and the schedule of payments set out below, contribute to UNEP the amount of DKK 27,160,000*.

The Contribution shall be deposited in the following bank account:

UNEP Trust Fund Account No. 485002809
JP Morgan Chase, International Agencies Division
270 Park Ave. 43rd Floor
New York, N.Y. 10017 - USA
For wire transfers, use ABA No. 021000021, SWIFT No. BIC-CHASUS33 or CHIPS participant No. 0002.

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| Schedule of Payments | Total (DKK) | 1 % Levy (DKK) | Net of Levy (DKK) | 7% PSC (DKK) | Total net of Levy & PSC (DKK) |
|---|----------------------|-------------------|----------------------|---------------------|----------------------------------|
| Instalment 1 (Upon countersignature) | 8,012,418.52 | 79,330.88 | 7,933,087.65 | 518,987.04 | 7,414,100.60 |
| Instalment 2 (November 2021) | 9,993,518.52 | 98,945.73 | 9,894,572.79 | 647,308.50 | 9,247,264.29 |
| Instalment 3 (October 2022) | 9,154,062.96 | 90,634.29 | 9,063,428.68 | 592,934.59 | 8,470,494.09 |
| Total | 27,160,000.00 | 268,910.89 | 26,891,089.11 | 1,759,230.13 | 25,131,858.98 |

* The total contribution of DKK 27,160,000 is the final agreed amount and will take precedent over the contribution value in the project document.

2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNEP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If in such a case, a loss in the value of the balance of funds is recorded, UNEP shall inform the Donor with a view to determining whether any further financing could be provided by the Donor.

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities.

4. UNEP shall receive and administer the payment in accordance with the regulations, rules, and directives of UNEP.

5. All financial accounts and statements shall be expressed in United States dollars.

Article II. Utilization of the Contribution

1. The implementation of the responsibilities of UNEP shall be dependent on receipt by UNEP of the Contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above.

2. If the payments referred to in Article I, paragraph 1, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2 above is not forthcoming from the Donor or other sources, the activities to be implemented under this Agreement may be reduced or suspended by UNEP accordingly.

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3. Any interest income attributable to the Contribution shall be credited to the CTCN Trust Fund and be used by the CTCN Trust in accordance with this agreement.

Article III. Activities to be implemented

The Activities to be implemented with the funds from the Donor and UNEP's Contribution are per the proposal in Annex 1. These activities are consistent with the Programme of Work of the CTCN as approved by UNEP and the CTCN Advisory Board.

Article IV. Administration and reporting

1. Management of the Contribution and expenditures shall be governed by the regulations, rules, and directives of UNEP. UNEP shall ensure that the Contribution is recorded in the accounts of UNEP and reported together with all other funds to the CTCN Trust Fund.
2. UNEP shall provide to the Donor the following reports prepared in accordance with UNEP accounting and reporting procedures:
 - (a) Every year, the status of progress, including the substantive and financial reports, for the duration of the Agreement.
 - (b) Within six months after the date of completion or termination of the Agreement, a final report summarizing activities and impact of activities as well as financial data.
3. All reports must be prepared at outcome level as defined by the Results Framework in the Project Document or later mutually agreed revisions of this.

Article V. Administrative and support services

In accordance with the decisions and directives of UNEP's Governing Council and the Terms of Reference of the CTCN Trust Fund, the Contribution shall be charged 7% for the programme support cost incurred by UNEP in administering the Contribution.

Article VI. Coordination levy

1. Pursuant to paragraph 10(a) of United Nations General Assembly Resolution 72/279 of 31 May 2018, the government of Denmark agrees that an amount corresponding to 1% of the Contribution to UNEP shall be paid to fund the United Nations Resident Coordinator System. This amount hereinafter referred to as the "coordination levy" will be held in trust by UNEP until transfer to the United Nations Secretariat for deposit into the United Nations Special Purpose Trust Fund for the reinvigorated Resident Coordinator system, which has been established to fund the UN Resident Coordinator System and is managed by the United Nations Secretariat.

2. The Donor acknowledges that once the coordination levy has been transferred by the UNEP to the United Nations Secretariat, the UNEP is not responsible for the use of the coordination levy and does not assume any liability. The fiduciary responsibility lies with the United Nations Secretariat as the manager of the Resident Coordinator system.

3. The coordination levy does not form part of the UNEP cost recovery and is additional to the costs of the UNEP to implement the activity or activities covered by the Contribution. Accordingly, there is no normal obligation for the UNEP to refund the levy, in part or in full, even where the activities covered by the Contribution are not carried out in full by UNEP. As deemed necessary by the Donor- and especially where the scale of the resources concerned or reputational risk justify the refund transaction costs – the Donor can submit a request for a refund to the United Nations Secretariat directly or through the United Nations entity. The responsibility to refund the levy lies with the United Nations Secretariat and not with the concerned entity of the United Nations.

4. The coordination levy for this Agreement is DKK 268,910.89. The tentative payment schedule, refer to article I, provides the breakdown of the disbursements of the coordination levy and the payments of the Contribution.

Article VII. Auditing

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations and rules. Should an Audit Report of the Board of Auditors of UNEP contain observations relevant to the contributions, such information shall be made available to the Donor.

Article VIII. Fraud, Mismanagement and Counter Terrorism

1. Both the Donor and UNEP are firmly committed to preventing and detecting fraudulent and corrupt practices. Consistent with the applicable provisions of the UN Charter, the Standards of Conduct for the International Civil Service, the applicable provisions of the United Nations Staff Rules and Regulations, and the UN Financial Rules and Regulations and Procurement Manual, UNEP will use reasonable efforts to ensure that the utilization of the Contribution conforms to the highest standards of ethical conduct and that every part of the Organization, as well as all individual acting on behalf of UNEP, observe the highest standards of ethics and integrity.

2. UNEP, in accordance with its regulations, rules and directives, will ensure that any allegations of fraud and corruption in connection with the implementation of the Project are addressed. UNEP will, in a timely manner and in accordance with its regulations, rules, policies and procedures, provide information to the Donor of any substantiated allegations of fraud or corruption, along with details of actions taken by UNEP to address such allegations.

3. Following the conclusion of any investigation which identifies fraud or corruption involving any activities funded in whole or in part with a Contribution made under this Agreement, UNEP will:

- a) Use reasonable efforts to recover any part of the Contribution when, following and investigation, UNEP, through its internal auditing mechanisms, has established that the funds have been diverted through fraud or corruption;
- b) In connection with (a) above, in consultation with the UN Office of Legal Affairs, give proper consideration to referring the matter to the appropriate authorities of the Member State(s) where the fraud or corruption is believed to have occurred; and
- c) As required by the Donor, and following consultations between the Parties, reimburse to the Donor any part of the Contribution with UNEP has recovered further to sub-section (a) above, or credit it to a mutually agreed activity.

4. Any information provided to the Donor in relation to any matters arising under this Article shall be treated by the Donor as strictly confidential. UNEP shall comply with the UN's applicable data protection principles in the event that it collects, receives, uses, transfers or stores any personal data in the performance of this Agreement.

5. Any other action taken to deal with alleged cases of corruption or fraud shall be consistent with UNEP regulations, rules and directives.

6. Consistent with the United Nations Security Council resolution relating to terrorism, including UNSC resolution 1373 (2001) and 1269 (1999) and other related resolutions, both Parties are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of the Donor to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. To this end, UNEP undertakes to use all reasonable efforts to ensure that none of the funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

7. The Grantee shall abide by applicable international instruments, including the UN Convention on the Rights of the Child and International Labour Organisation conventions.

8. The Grantee agree to ensure that the engagement is implemented in an environment free from all forms of harassment, exploitation, abuse and harassment, sexual or otherwise. The Grantee has zero tolerance for and are firmly committed to take all necessary measures to prevent and address instances of sexual exploitation and sexual abuse in programming activities, and sexual harassment. Sexual abuse is defined as actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. Sexual exploitation is defined as any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another. Sexual harassment means any unwelcome conduct of a sexual nature, that

might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. Sexual harassment may occur in the workplace or in connection with work. While typically involving a pattern of conduct, sexual harassment may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

9. The above definitions are referred to as Sexual Exploitation, Abuse and Harassment (SEAH).

10. UNEP confirms:

- 1) that the UN has adequate policies/standards or frameworks in place to prevent SEAH;
- 2) that all employees of UNEP have been informed about these policies/standards/frameworks; and
- 3) that there are appropriate SEAH reporting procedures and complain mechanisms in the organisation including the protection of victims of SEAH and that prompt and adequate action is taken if SEAH is observed, reported or suspected.

11. In case the development engagement includes subgrantees, the grantee is responsible for ensuring the prevention of SEAH also at the level of subgrantee.

12. The Ministry of Foreign Affairs of Denmark has zero-tolerance towards SEAH and will consider non-adherence to point 1,2 and 3 as grounds for immediate termination of grant.

Article IX. Advertisement of the Contribution

1. The Donor shall not use the UNEP name or emblem, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of UNEP in each case. In no event will authorization be granted for commercial purposes or for use in any manner that suggests an endorsement by UNEP of the Donor, its products, or services.

2. UNEP will report on the Contribution to its Governing Bodies in accordance with its regular procedures regarding contributions. Other forms of recognition and acknowledgment of the Contribution are subject to consultations between the Parties, but the manner of such recognition and acknowledgment shall always be consistent with the United Nations Rules and Regulations to that effect.

Article X. Completion of the Agreement

1. UNEP shall notify the Donor when all activities supported by the Donor under this Agreement have been completed.
2. Notwithstanding the completion of the activities, UNEP shall continue to hold unutilized payments until all commitments and liabilities incurred have been satisfied.
3. Upon completion of the grant any unspent funds must be returned to the Ministry of Foreign Affairs of Denmark.

Article XI. Termination of the Agreement

1. This Agreement may be terminated by UNEP or by the Donor. The Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate the Agreement.
2. Notwithstanding termination of all or part of this Agreement, UNEP shall continue to hold unutilized payments until all commitments and liabilities incurred under this Agreement up to the date of termination have been satisfied.
3. Any payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNEP in consultation with the Donor.

Article XII. Amendment of the Agreement

The Agreement may be amended through an exchange of letters between the Donor and UNEP. The letters exchanged to this effect shall become an integral part of the Agreement.

Article XIII. Settlement of Disputes

1. The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Agreement or the breach, termination, or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with UNCITRAL Conciliation Rules then obtaining, or according to such procedures as may be agreed between the parties.
2. Any dispute, controversy or claim between the Parties arising out of or relating to this Agreement or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph within (60) sixty days after receipt by one Party of the other Party's request for the amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal shall have no authority to award punitive damages. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim, or dispute.

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Article XIV. Privileges and Immunities

Nothing in this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including UNEP.

Article XV. Entry Into Force

This Agreement shall enter into force upon signature by the Parties, being effective from the date of the latest signature and shall remain valid 31 December 2022 unless terminated earlier pursuant to Article XI above.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the Danish Ministry of Foreign Affairs:

For the United Nations Environment Programme:



Rasmus Abildgaard Kristensen
Head of Department for Green Diplomacy



Inger Andersen
Executive Director

Date: 18 December 2020

Date: 17 Dec. 2020 .