

# Grant Agreement

The

**United Nations Environment Programme UNEP  
Division of Technology, Industry and Economics  
15 rue de Milan  
75441 Cedex 09  
Paris  
France**

- hereinafter referred to as "the Recipient" –

and

**Deutsche Gesellschaft für  
Internationale Zusammenarbeit  
(GIZ) GmbH  
Dag-Hammarskjöld-Weg 1-5  
65760 Eschborn  
Federal Republic of Germany**

- hereinafter referred to as the "GIZ" -

herewith enter into the following Agreement for the Project

## **Sector project technology cooperation in the energy sector**

Country: **Supra-regional**

### **For correspondence and invoices** (Please quote on all correspondence and invoices)

Contract No.: 81168016

Project Processing No.: 12.2499.7-001.00

#### Project Management

Section/Division: OU 4420 Energy I      Reference: kh  
Responsible: Mr. K. Heising

#### Contract Management

Section/Division: 5320      Reference: 5320-Sch  
Responsible: C. Schatz

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

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## Article 1

### Amount and Purpose of the Grant

- 1.1 On behalf of the Government of the Federal Republic of Germany, the GIZ shall make available to the Recipient a grant of

**up to EUR 425,000.00**

- 1.2 The Recipient shall use the grant exclusively for expenditures within the Project described in Article 2 as attributed to the GIZ grant according to the Schedule of Estimated Expenditures which sets out details of the Project expenditures. The Recipient shall be entitled to 13% administrative overheads of the expenditures, provided that these are included in the Schedule of Estimated Expenditures. The Schedule of Estimated Expenditures is attached hereto (Annex 1) and forms an integral part of the Agreement.
- 1.3 The Agreement shall enter in force upon signature by both parties. The grant is made available from the date when the Agreement comes into force until 31 December 2014. Only expenditures effected during this period and relating to activities carried out during this period may be financed from the grant. Otherwise the written approval of GIZ is required. The GIZ shall have the right to refuse disbursements after 31.12.2013.
- 1.4 The Recipient shall use the GIZ grant only for necessary and reasonable expenditures in accordance with sound business principles.
- 1.5 The GIZ grant may be used only for expenditures not already financed under other subsidies or long-term loans.
- 1.6 The Recipient shall be entitled to spend up to 10% more than the amounts mentioned above for any budget line provided that expenditures are reduced by the same amount in one or more of the other budget lines.
- 1.7 With respect to the reports produced pursuant to Article 3 and 6 and all studies, documents or other work results, including computer programs, resulting from the project implementation and financed in whole or in part from the grant, the Recipient shall retain all intellectual

property rights and herewith grants the GIZ a non-transferable license to print, copy, reproduce, process, translate and use in electronic media, this material produced, in a lawful manner, provided it is for non-commercial purposes and that full acknowledgement of the Recipient is prominently displayed within any such material.

## Article 2

### The Project

2.1 The objective is to support early activities in response to developing country requests and start-up costs associated with launching and operationalizing the CTCN.

2.2 In order to achieve this aim, the following measures are planned:

Specifically, the GIZ contribution will be applied mainly towards:

- i. Providing advice and support related to the identification of technology needs and the implementation of environmentally sound technologies, practices and processes;
- ii. Facilitating the provision of information, training and support for programmes to build or strengthen capacity of developing countries to identify technology options, make technology choices and operate, maintain and adapt technology;
- iii. Facilitating prompt action on the deployment of existing technology in developing country Parties based on identified needs;

But will also support activities related to:

- a. Stimulating and encouraging, through collaboration with the private sector, public institutions, academia and research institutions, the development and transfer of existing and emerging environmentally sound technologies, as well as opportunities for North-South, South-South and triangular technology cooperation;
- b. Facilitating a network of national, regional, sectoral and international technology centres, networks, organization and initiatives
- c. Performing other such activities as may be necessary to carry out its functions;

Under activity (c), other activities as may be necessary to carry out the functions of the CTCN may include development of procedures for handling and responding to Requests from NDEs, set up and development of the Network, training and capacity building, and outreach and communications activities.

A fundamental premise of the CTCN is that it is a country-driven process. Therefore, the actual services of the CTCN will very much depend on the type of requests received from NDEs, and the bulk of the GIZ contribution has been earmarked to activities that respond directly to country requests. It is important that the contribution to the CTCN remains flexible in order to adapt to the expressed needs of developing countries.

Details are laid down in the Project Proposal of 12 November 2013, which is attached hereto (Annex 1) and forms an integral part of the Agreement.

## Article 3

### Disbursement Procedure

- 3.1 The Recipient shall request the disbursement in the Agreement currency to the amount of € 425,000.00. The call for this disbursement shall be submitted in one copy originally signed and must include the project number and the Agreement number.
- 3.2 Disbursements shall be made only in the year 2013. The entitlement to the grant shall lapse if the grant is not requested in good time in the year specified.
- 3.3 All payments by the GIZ shall be made into the Recipient's account:

Account holder:	United Nations Environment Programme
Name and place of bank:	J.P. Morgan AG Frankfurt Branch
Account number:	6161603755
Account currency:	Euro
Bank code:	501 108 00
Swift code:	CHASDEFX
IBAN:	DE56501108006161603755

All amounts paid by the GIZ shall remain in the afore-mentioned account as trust funds until they are used for paying the supplies and/or services to be financed from the grant.



The amounts paid into the afore-mentioned account by the GIZ shall receive interest as far as permissible within the scope of the relevant legal provisions.

The interest accruing in this connection shall be used for payment of the measures to be financed and shall be indicated separately in the submission of accounts. The GIZ reserves the right to deduct such interest from the pledged amount of the grant.

- 3.5 GIZ shall accept the reporting format of the Recipient for the funds made available by the GIZ. All receipt and expenditures related to the activities and/or expenditure categories to be financed from the GIZ grant are recorded according to the Financial Rules and Regulations of the Recipient.
- 3.6 If the Recipient does not submit a financial statement or an inventory in the correct manner or by the due date, the GIZ can suspend payments until such a financial statement or inventory is presented.
- 3.7 The value of transactions (income and expenditure), when made in a currency other than the currency of the Agreement, 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 Recipient 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, the Recipient shall inform the GIZ with a view to determining whether any further financing could be provided by the GIZ.

Settlements for expenditure in a currency different to the currency of this Agreement shall be made at the United Nations operational rate of exchange in effect on the date of payment.

The contribution shall be subject to the internal and external auditing procedures provided for in the UNEP 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 GIZ.

3.8 Upon completion of the Project, but not later than 8 weeks after the completion of all measures, the Recipient shall submit to the GIZ a final financial statement originally signed and provide the GIZ with evidence of how the amounts disbursed have been used. The financial statement shall be expressed in United States dollars. The expenditures shall be entered chronologically and broken down according to expenditure categories or measures as specified in the Schedule of Estimated Expenditures (Annex 1). Any funds remaining from the grant, including any interest accrued, shall be returned to the GIZ in the contract currency immediately and without separate request at the exchange rate resulting from the latest advance disbursement/s credited to the account (see article 3.7). To minimize the risk of repayment the Recipient shall monitor the effective balance of funds before the final advance disbursement is requested.

### 3.9 The Recipient shall

- a) secure the financing of the Project and, upon request, furnish the GIZ with evidence proving that all expenditures not financed from the present grant are covered;
- b) keep for three years after submission of the final financial statement books, records and the originals of the supporting documents, clearly identifying all expenditures for the services and supplies for the Project and those services and supplies financed from the grant;
- c) document the transfer of ownership of those items which are destined for third parties according to the Project Proposal;
- d) enable the representatives of the GIZ to visit the project site, subject to prior agreement between the parties and to any security restrictions;
- e) supply any information on the Project and its further progress which the GIZ may request;
- f) of its own accord promptly inform the GIZ of any circumstances seriously affecting or jeopardizing the accomplishment of the purpose of this Agreement or the implementation of the Project;



- g) not use the grant for expenditures completely financed under other subsidies or long-term loans.

## Article 4

### Purchasing of Goods and Services

4.1 Procurement of supplies and services shall be made according to the United Nations rules and regulations for procurement and contracts.

## Article 5

### Suspension of Disbursements and Repayment

- 5.1 The GIZ shall be entitled to either suspend or terminate disbursements if
- a) the Recipient is not able to furnish evidence proving the use of the grant for the purpose stipulated in this Agreement;
  - b) goods purchased by the Recipient for the Project and financed from the grant are not used or cease to be used for the purpose of the Agreement;
  - c) the Recipient has violated any other obligation under this Agreement;
  - d) before conclusion of the Agreement or during its execution, the Recipient has given false information or withheld relevant information affecting the allocation or disbursement of the grant;
  - e) any extraordinary circumstances have arisen which preclude or seriously jeopardize the purpose of the grant, the implementation of the Project, or the performance of the obligations assumed by the Recipient under this Agreement; or



f) the Government of the Federal Republic of Germany terminates, suspends or modifies the relevant contract with GIZ which is basis for this Agreement.

5.2 The GIZ shall be entitled to demand immediate repayment of all or part of the grant if any of the circumstances referred to in Article 5.1 a) to d) arise and have not been remedied within a period to be stipulated by the GIZ, which shall, however, be not less than 30 days. Where Article 5.1 a) applies, only those amounts shall be repaid for which the Recipient is unable to furnish evidence of the use for the purpose stipulated in this Agreement. Where Article 5.1.b) applies, only those amounts relating to the goods concerned shall be repaid.

5.3 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.

## Article 6

### Implementation of the Project

6.1 The description of the measures in Article 2.2 including the Project Proposal (Annex 1) constitutes the binding framework for the implementation of the Project.

6.2 Major changes to the measures described under Article 2.2 including the Project Proposal or major changes to the estimated expenditures, must be reported immediately to the GIZ. Such measures may be commenced only on the basis of revised planning and with the prior approval of the GIZ.

6.3 The Recipient shall draw up a final report describing the implementation and results of the Project in the light of the aims set and submit it to the GIZ not later than eight weeks after the completion of all measures.

6.4 In any publication on the Project, the Recipient shall always indicate in an appropriate manner that it is conducting or conducted its activities within the framework of a project financed or cofinanced by the GIZ on behalf of the Government of the Federal Republic of Germany.



## Article 7

### Final Provisions

- 7.1 The Recipient shall ensure that the persons it entrusts with the preparation and implementation of the project and the awarding of contracts for the provision of materials and services to be financed do not demand, accept, provide, grant, promise or accept promises for illegal payments or any other advantages in connection with these tasks.
- 7.2 In the event of a provision of this Agreement being invalid, this shall not affect the validity of the remaining provisions. Any deficiency in consequence thereof shall be remedied by a provision consistent with the purpose and intent of this Agreement.
- 7.3 The Recipient shall not assign or transfer, pledge or mortgage any rights under this Agreement.
- 7.4 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.
- 7.5 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 awards rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.
- 7.6 Amendments and changes to this Agreement as well as any statements and notices which shall be made under this Agreement shall only be valid in writing.

**Grant Agreement**

Eschborn, *28/11/13*

Paris, *06/12/2013*

Deutsche Gesellschaft für  
Internationale Zusammenarbeit  
(GIZ) GmbH

United Nations Environment  
Programme (UNEP)

*15/1*  
.....  
Contract Management

*[Signature]*  
.....  
Director of Department  
Water, Energy, Transport

*[Signature]*  
.....  
Director ad interim  
Division of Technology, Industry  
and Economics

Annexes:

Annex 1: Project Proposal of 12 November 2013 including the schedule of estimated expenditures

Annex 1



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement    Programa de las Naciones Unidas para el Medio Ambiente  
Программа Организации Объединенных Наций по окружающей среде    برنامج الأمم المتحدة للبيئة

联合国环境规划署



## Project Document

12 November 2013

### Support to the UNFCCC Climate Technology Centre and Network

#### Project Executive Summary

The issue of technology transfer has been a cornerstone of the United Nations Framework Convention on Climate Change (UNFCCC) since the Convention was established. At the 16th session of the COP in December 2010, Parties agreed to establish a Technology Mechanism consisting of a Technology Executive Committee and a Climate Technology Centre and Network. The stated mission of the Climate Technology Centre and Network (CTCN) is to stimulate technology cooperation and to enhance the development and transfer of technologies and to assist developing country Parties at their request "to build or strengthen their capacity to identify technology needs, to facilitate the preparation and implementation of technology projects and strategies taking into account gender considerations to support action on mitigation and adaptation and enhance low emissions and climate-resilient development". The ultimate goal of the CTCN is to help developing countries achieve a low carbon and climate resilient development path through the accelerated deployment of climate technologies.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) contribution would support activities that build and strengthen developing countries' technology capacity in response to requests for support submitted to the CTCN. Such activities could include the provision of advice and technical assistance on, among other items, the technology needs assessment process, the design of policies and programmes to foster development and deployment of environmentally sound technologies, and activities that mobilize financing for climate relevant technologies. The contribution would also support some start-up activities associated with launching and operationalizing the CTCN, including establishment and testing of procedures for handling requests, network development, training and capacity building, and communication and outreach activities.

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## Project Justification

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### 1. CTCN Background and Rationale

The issue of technology transfer has been a cornerstone of the United Nations Framework Convention on Climate Change (UNFCCC) since the Convention was established, with each subsequent Conference of the Parties (COP) taking decisions to promote the development and transfer of climate relevant technologies. As a major step forward, the Technology Mechanism was agreed by Parties at the 16<sup>th</sup> session of the COP in Cancun in December 2010. The Technology Mechanism consists of a Technology Executive Committee and a Climate Technology Centre and Network.

### 2. CTCN Objectives

As articulated by Parties, the stated mission of the Climate Technology Centre and Network (CTCN) is to stimulate technology cooperation and to enhance the development and transfer of technologies and to assist developing country Parties at their request, consistent with their respective capabilities and national circumstances and priorities, "to build or strengthen their capacity to identify technology needs, to facilitate the preparation and implementation of technology projects and strategies taking into account gender considerations to support action on mitigation and adaptation and enhance low emissions and climate-resilient development"<sup>1</sup>. The ultimate goal of the CTCN is to help developing countries achieve a low carbon and climate resilient development path through the accelerated deployment of climate technologies.

### 3. CTCN Expected Achievements, Outputs and Activities

The CTCN is expected to contribute to the development objective of reducing both the carbon intensity and the climate vulnerability of development and growth in developing countries. The CTCN will reduce the risks and costs of technology transfer and so prompt wider and faster deployment and diffusion of technologies throughout relevant sectors of developing country economies by supporting them to make informed choices about mitigation and adaptation technologies. The expected outcome of the CTCN is to achieve accelerated, diversified and scaled-up, transfer of Environmentally Sound Technologies (EST) for climate change mitigation and adaptation, consistent with their national socio-economic and sustainable development priorities, including through increased investment. Achieving this outcome requires the building and strengthening of developing countries' capacity to identify technology needs and the preparation and implementation of technology projects and strategies.

In accordance with COP decisions<sup>2</sup>, the CTCN will specifically undertake the following functions:

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<sup>1</sup> Decision 1/CP.16, page 20, para. 123(ii)

<sup>2</sup> Decision 1/CP.16, page 20, para. 123

“The Climate Technology Centre shall facilitate a network of national, regional, sectoral and international technology networks, organizations and initiatives with a view to engaging the participants of the Network effectively in the following functions:

(a) At the request of a developing country Party:

- (i) Providing advice and support related to the identification of technology needs and the implementation of environmentally sound technologies, practices and processes;
- (ii) Facilitating the provision of information, training and support for programmes to build or strengthen capacity of developing countries to identify technology options, make technology choices and operate, maintain and adapt technology;
- (iii) Facilitating prompt action on the deployment of existing technology in developing country Parties based on identified needs;

(b) Stimulating and encouraging, through collaboration with the private sector, public institutions, academia and research institutions, the development and transfer of existing and emerging environmentally sound technologies, as well as opportunities for North–South, South–South and triangular technology cooperation;

(c) Facilitating a network of national, regional, sectoral and international technology centres, networks, organization and initiatives with a view to:

- (i) Enhancing cooperation with national, regional and international technology centres and relevant national institutions;
- (ii) Facilitating international partnerships among public and private stakeholders to accelerate the innovation and diffusion of environmentally sound technologies to developing country Parties;
- (iii) Providing, at the request of a developing country Party, in-country technical assistance and training to support identified technology actions in developing country Parties;
- (iv) Stimulating the establishment of twinning centre arrangements to promote North–South, South–South and triangular partnerships, with a view to encouraging cooperative research and development;
- (v) Identifying, disseminating and assisting with developing analytical tools, policies and best practices for country-driven planning to support the dissemination of environmentally sound technologies;

(d) Performing other such activities as may be necessary to carry out its functions;”

#### 4. The UNEP-Led Consortium

At the 18<sup>th</sup> session of the COP in Doha in December 2012, a UNEP-led consortium of 13 institutions was selected to host the CTCN. The Consortium of partners is committed to making the CTCN a driving force for a sustainable low-carbon and climate resilient future through a pioneering approach to accelerating technology development and transfer. The CTCN will operate on the premise of local and national ownership and country driven needs, and will focus on building and strengthening developing country capacity to address technology challenges and opportunities for adaptation and mitigation.

The Consortium partners are already working on a wide range of training and capacity building programmes with developing countries, engaging with wide groups of stakeholders including public and private entities and civil society.

The Consortium comprises the following institutions:

- United Nations Environment Programme (UNEP) - lead
- United Nations Industrial Development Organisation (UNIDO)
- Asian Institute of Technology (AIT) – Thailand
- Bariloche Foundation (BF) – Argentina
- Council for Scientific and Industrial Research (CSIR) – South Africa
- The Energy and Resources Institute (TERI) – India
- Environment and Development Action in the Third World (ENDA-TM) – Senegal
- Tropical Agricultural Research and Higher Education Center (CATIE) – Costa Rica
- World Agroforestry Centre (ICRAF) – Kenya
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) – Germany
- Energy Research Centre of the Netherlands (ECN) – The Netherlands
- National Renewable Energy Laboratory (NREL) – United States of America
- UNEP Risø Centre, including expertise from UNEP-DHI Centre (URC) – Denmark

## 5. CTCN Governance and Organisational Structure

The governance and management of the CTCN derives from COP Decisions, notably Decisions 1/CP.16, 2/CP.17, X/CP.18, and is detailed in a Memorandum of Understanding<sup>3</sup> (MoU) between the UNFCCC Conference of the Parties and the United Nations Environment Programme, as leader of the Consortium. The MoU specifies the hosting arrangements for the Copenhagen-based Climate Technology Centre (CTC) including that the CTC will be a dedicated entity within UNEP but covered by UNEP regulations, rules, and procedures, UNEP Governing Council decisions, and the provisions of the host agreement. The CTCN will be guided by an Advisory Board and managed by the UNEP-led consortium with accountability through UNEP as the signatory of the MoU.

Figure 1 illustrates the organisational structure of the CTCN and shows the progression from strategic guidance to delivery of services. Strategic guidance originating from the COP to the UNFCCC and the TEC comes from the Advisory Board. Requests for technical assistance from developing countries are required to pass through their National Designated Entities (NDEs), the CTCN focal points in the countries. UNEP and UNIDO will manage the Centre, supported technically by the Consortium partners.

<sup>3</sup> Draft Decision X/CP.18, Annex I



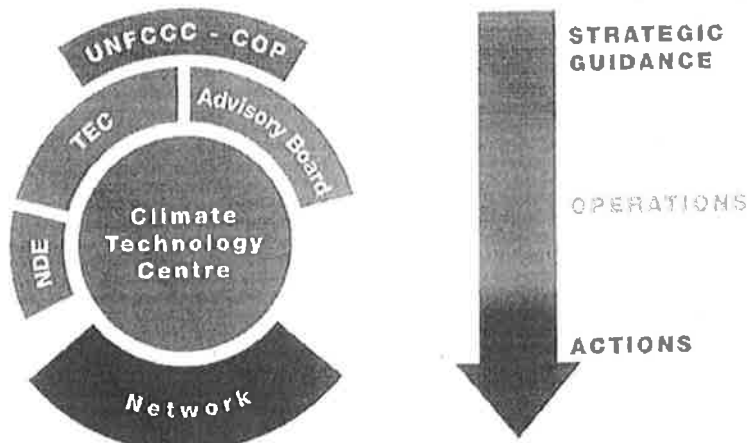


Figure 1: Structure of the CTCN

A wide and diverse Network of regional and national institutions is being created to provide a delivery mechanism that responds effectively and efficiently to developing country requests. It is anticipated that types of institutions to be included in the Network, subject to criteria determined by the Advisory Board<sup>4</sup>, will broadly represent stakeholders ranging from regional climate technology centres and networks to intergovernmental, international, regional and sectoral institutions, organisations, partnerships and initiatives that could contribute to technology deployment and transfer. There is scope as well for research, academic, financial, non-governmental, private-sector and public-sector organisations and partnerships in the Network.

In addition to the core functions of the CTCN, its work will be supported by broader outreach and awareness activities and by a knowledge management system that enables learning and leads to an enhanced quality of requests over the life of the CTCN.

## 6. Current Status of the CTCN

The CTC is located in Copenhagen, Denmark within the new UN City building. When fully staffed, the Centre will have a Director, five professional staff, and support staff. One staff member has been hired and recruitment of the remaining positions is expected to be completed by the end of 2013.

A key part of the CTCN structure are the National Designated Entities (NDEs) described earlier. The UNFCCC requested that each Party nominate its NDE by 29 March 2013 but few Parties did so by the deadline, revealing a need to provide countries with information regarding possible roles and responsibilities for NDEs. Although the CTCN released a guide with the hope that Parties might benefit in the structuring and selecting of their NDEs, further training of NDEs is required.

To better understand country needs and priorities, UNEP and its partners conducted a series of Regional Expert Dialogues in developing countries throughout 2013. The input received from these dialogues has helped steer the development of CTCN services and identified priority areas in different parts of the world. Regional Expert Dialogues have been conducted as follows:

<sup>4</sup> Decision 2/CP.17, page 48, Annex VII, para. 9



- Bangkok, Thailand, 21-22 May
- Cartagena de Indias, Colombia, 18-19 July
- Midrand, South Africa, 29-30 July
- Dakar, Senegal, 3-4 September
- Washington, D.C., USA, 18 September
- Brussels, Belgium, 30 October 2013 (forthcoming)

Based on feedback from these stakeholder consultation and other sources of information, five priority sectors were identified as follows:

- Energy
- Water
- Industry
- Agriculture
- Forestry

As mentioned in section 5, the CTCN is guided by an Advisory Board. The first CTCN Advisory Board meeting was held on 14-15 May 2013 in Copenhagen. This first meeting was mainly procedural and a Chair (Griff Thompson, USA) and Vice-Chair (Fred Onduri, Uganda) were elected. At this meeting the Advisory Board also agreed on its rules of procedure. The second CTCN Advisory Board meeting was held on 9-11 September 2013 in Bonn, back to back with a meeting of the Technology Executive Committee (TEC). Substantive progress was achieved at this meeting with the Advisory Board approving several documents that provide the necessary guidance for CTCN operations. At this second meeting of the Advisory Board, the following occurred:

- The Modalities and Procedures of the CTCN were approved.
- The CTCN Programme of Work (PoW) was discussed and approved (see Annex 1). This is a five year rolling programme (2013-2017) that describes how the CTCN will deliver on its activities and targets and the budget required. The Advisory Board agreed to review the PoW as the CTCN becomes fully operational and make any adjustments needed.
- The criteria for prioritizing requests from developing country Parties were approved.
- The guiding principles and criteria for establishing the Climate Technology Network were approved, allowing the Network to be established.

Given the significant interest from developing countries in submitting requests, the CTCN needs to become operational as quickly as possible with a view to providing the expected technical assistance and services.

## 7. Funding of the CTCN

As per the Terms of Reference of the CTCN<sup>5</sup>, the initial term of agreement to host the Climate Technology Centre will be for five years, with two four-year renewal periods, if so decided by the Conference of the Parties. In light of this, the timeline of this Programme will cover the first five years of operation, with the possibility of the extensions.

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<sup>5</sup> UNFCCC Call for proposals (CFP) 2012-S1 for hosting the Climate Technology Centre, Annex 1, para. 21

According to COP Decisions<sup>6</sup>, the costs associated with the CTC 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 of organization and participants in the Network. The ultimate scope of services of the CTCN will depend on the actual funding committed as well as the volume and nature of requests for assistance. Initial funds committed to the CTCN will be used for the set up of the basic structure and the operationalization of the CTCN to provide services in priority thematic areas. As the level of funding increases, the scope of the services may be expanded to the entire range of thematic areas and the capacity to respond to the number of country requests increased.

Based on the Programme of Work approved by the Advisory Board, the CTCN has a planned budget of \$100 million over five years. Approximately 75 percent of the budget has been allotted to technical assistance in response to country requests while approximately five percent has been allotted to each of outreach, networking and private sector engagement and knowledge management, peer learning and capacity building. The detailed CTCN budget is found in Table 6 of the Programme of Work.

The CTCN has and continues to engage with potential donors to meet this budget target. To date, donor contributions total approximately \$16 million. Most of the contributions received to date are flexible. However, given the Programme of Work, most of the initial funds have been directed to start-up activities such as development and design of the CTCN knowledge management system and regional networking and outreach activities.

Once the CTCN passes the start up phase of operationalization, the CTCN can focus on its primary function of responding to country requests (i.e., activity (a)). As such, the CTCN has an on-going need for funding that will support post-start up activities in response to country requests.

## **8. Contribution by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**

The objective of the GIZ contribution is to support early activities in response to developing country requests and start-up costs associated with launching and operationalizing the CTCN. Specifically, the GIZ contribution will be applied towards activity (a) of section 3 above but will also support activities (b), (c), and (d).

Under activity (d), other activities as may be necessary to carry out the functions of the CTCN may include development of procedures for handling and responding to Requests from NDEs, set up and development of the Network, training and capacity building, and outreach and communications activities.

A fundamental premise of the CTCN is that it is a country-driven process. Therefore, the actual services of the CTCN will very much depend on the type of requests received from NDEs, and the bulk of the GIZ contribution has been earmarked to activities that respond directly to country requests. It is important that the contribution of donor countries to the CTCN remain flexible in order to adapt to the expressed needs of developing countries. Table 1 below presents an indicative budget for GIZ's contributions to the CTCN.

<sup>6</sup> Decision 2/CP.17, page 26, para. 139, 140



**Table 1: Indicative Budget and Expenditure Timeline for GIZ Contribution**

	CATEGORY	Budget	Timeline
1	Training and capacity building workshop (e.g., NDEs, TNA, project development, fund mobilization)	€25,000 (\$34,000)	Jan - Jun 2014
2	Consultants "CTCN operationalization" (e.g., procedures for request, network development, NDE liaison/support including on-going refinement of procedures)	€90,000 (\$123,000)	Nov 2013 - Dec 2014
3	Subcontracts "Responding to early country requests" (i.e., initial requests received by the CTCN that will help refine internal procedures for responding to country requests)	€300,000 (\$400,000)	Jan - Dec 2014
4	Outreach and communications meetings (including outreach materials such as CTCN reports, flyers, brochures, publications)	€10,000 (\$13,000)	Jan - Dec 2014
	<b>Total</b>	<b>€ 425,000 (\$570,000)</b>	

Note: approximate US\$ equivalents have been expressed in table. Values are inclusive of 13% Programme Support Costs.

Most of the GIZ contribution will be directed towards responding to the initial requests received by the CTCN. These initial requests are expected to be in the smaller category called "Quick Response Interventions" and are valued at approximately \$50,000 each. However, there may be one or two initial requests in the larger category called "Response Project" that are valued at up to approximately \$250,000.

The scope of services of the CTCN is broad so the CTCN has identified priority sectors based on stakeholder consultations. The initial requests to the CTCN are expected to fall under the following five priority sectors:

- o Energy
- o Water
- o Industry
- o Agriculture
- o Forestry

Supplemental human resources in the form of consultants will be used to support CTCN start-up operations, namely development of essential functions and processes. In particular, before requests for assistance can be received from NDEs, the CTCN must develop and communicate the CTCN procedures for submission of requests by NDEs. There is also a continuing need to update and refine CTCN processes to the experiences and feedback of NDEs. The CTCN will work collaboratively with NDEs when responding to initial requests to the CTCN to ensure a continually improved CTCN submission and response process is in place.

Meetings and training workshops will serve a number of purposes, from initial training of NDEs to stakeholder consultations that enhance private sector engagement and contribute to overall CTCN outreach and communication activities. The latter will ensure that NDEs understand the scope of services available from the CTCN, but also serve to promote the CTCN and attract additional support from stakeholders who share common goals.





## 9. Reporting and Evaluation

The Project will follow UNEP standard reporting and evaluation processes and procedures. Reporting is an integral part of the UNEP Project Manager's responsibility, including reporting on any activities conducted by partners under UNEP's supervision.

The GIZ contribution will be placed in the UNEP Trust Fund established for the CTCN and consequently benefit from standardized financial and substantive reporting.

UNEP will also submit periodic reports to the Advisory Board on CTCN operations. The reports will contain information on requests received and activities carried out by the CTCN, information on efficiency and effectiveness in responding to these requests, and information on ongoing work, as well as lessons learned and best practices gained from that work. Furthermore, the UNFCCC will commission an independent evaluation of the CTCN during year four of its operation.

A handwritten signature in black ink, appearing to be 'M' or 'M.' followed by a flourish.

