DONOR AGREEMENT
BETWEEN
THE MINISTRY FOR FOREIGN AFFAIRS OF FINLAND
AND
UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)

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, (Annex A),

WHEREAS the Ministry for Foreign Affairs of Finland, (hereinafter referred to as the “Donor”) hereby agrees to make a contribution of Euro 200,000, (hereinafter referred to as the “Contribution”) to UNEP to support the implementation of the CTCN activities, covering the planned period June-December 2015 (hereinafter referred to as the “Support Period”).

NOW THEREFORE, UNEP and the Ministry for Foreign Affairs of Finland hereby agree as follows:

Article I. The Contribution

1. The Donor shall, in accordance with the schedule of payments set out below, contribute to UNEP the amount of Euro 200,000 (two hundred thousand) covering the planned Support Period. The Contribution shall be deposited in the following bank account:

   UNEP Trust Fund
   Account No. 485 002 809
   J.P. Morgan Chase
   International Agencies Banking
   270 Park Ave, 43rd Floor
   New York, N.Y. 10017, USA

   Wire Transfer:
   Chase ABA number: 021000021
SWIFT number: BIC-CHASUS33 or
CHIPS participant number: 0002

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<th>Schedule of payments</th>
<th>Amount</th>
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<td>Upon signature</td>
<td>Euro 200,000</td>
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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.

3. Any interest income attributable to the contribution shall be credited to the CTCN Trust Fund.

**Article III. Activities to be implemented**

The Activities to be implemented with the funds from the Donor and UNEP’s contribution is to focus on provision of technical assistance to developing countries to facilitate the transfer and dissemination of technologies by the CTCN. 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 annually provide to the Donor copies of the CTCN substantive and financial reports provided to the Conference of Parties of the United Nations Framework on Climate Change.

Article V. Administrative and support services

1. In accordance with the decisions and directives of UNEP's Governing Council and the Terms of Reference of the CTCN Trust Fund (annex A), the contribution shall be charged 10% for the programme support cost incurred by UNEP in administering 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. 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 acknowledgement of the contribution are subject to consultations between the Parties, but the manner of such recognition and acknowledgement 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. If the unutilized payments prove insufficient to meet such commitments and liabilities, UNEP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.

4. 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 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.
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 effecting from the date of the latest signature and shall remain valid until 31 December 2015 unless terminated earlier pursuant to Article X above.

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

For the Donor:  

Pekka Puustinen  
Director General  
(Date) 12/6/15

For the United Nations Environment Programme

Ligia Noronha  
DTIE Director  
(Date) 26/6/15

Annex A: Terms of Reference for the Administration of the Trust Fund to support the Activities of the Climate Technology Centre and Network
TERMS OF REFERENCE FOR THE ADMINISTRATION OF THE TRUST FUND TO SUPPORT THE ACTIVITIES OF THE CLIMATE TECHNOLOGY CENTRE AND NETWORK

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

The United Nations Environment Programme, on behalf of a consortium of partner institutions, submitted a proposal to host the CTC and the Conference of Parties, by its decision 14/CP.18, selected the United Nations Environment Programme and the consortium of partners institutions as host of the CTC; this decision was then approved by UNEP Governing Council with its decision UNEP/GC.27/10.

The mission of the Climate Technology Centre and Network 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, in order 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.

UNEP, on behalf of the consortium of partner institutions, negotiated a MoU with the Conference of the Parties of the United Nations Framework Convention on Climate Change regarding the hosting of the CTC containing further details on the Purpose, Functions, Governance of the CTC, and the roles and responsibilities of the members of the consortium.

The CTCN shall be operational for an initially period until 2026 and the United Nations Environment Programme, on behalf of a consortium of partner institutions, shall host the CTC for an initial term of five (5) years with two four-year renewal periods, if so decided by the COP and UNEP.

The CTCN aims to raise at least US$ 10M in the first year, a significant portion of which shall be deposited in the Trust Fund.

The text of the MoU between UNEP and the UNFCCC and the UNEP – UNIDO Joint Project Document as approved by UNEP, form the basis of the Terms of Reference for the Trust Fund.

1. The purpose of the Trust Fund is to pay for the functions of the CTCN as described by paragraph 123 of decision 1/CP.16 and for programmes and activities included in the Programme of Work of the CTCN as determined by UNEP in close consultation with the Director of the CTCN and as approved by the Advisory Board of the CTCN.

2. The Trust Fund shall be established with effect from July 1st 2013 to December 31st 2017 unless extended by decision of the COP, subject to the approval of the Executive Director of UNEP.
3. The Trust Fund is established consistent with UN regulations, rules and procedures applicable to UNEP, and all other relevant policies and procedures promulgated by the Secretary-General of the United Nations.

4. Funds in the Trust Fund are to be used for activities consistent with UN regulations, rules and procedures applicable to UNEP, any other rules and regulations established by the decision of the COP that are not inconsistent with such regulations, rules and procedures and the terms of any relevant donor agreement. Such funds may be used to pay only those costs budgeted by CTCN for:

- responding directly or through the Network to requests from National Designated Entities (NDEs) in developing country Parties to the UNFCCC;
- facilitating 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 discharge of CTCN functions;
- training of NDEs on roles, functions, and operational modalities of the CTCN;
- programmes and activities included in the CTCN Programme of Work and approved Project Document;
- engaging and developing linkages with the Technology Executive Committee and other relevant thematic bodies and institutions under the UNFCCC; and
- the Climate Technology Centre, its staff, and administrative support for meetings and activities of the CTCN.

5. UNEP may draw on the funds deposited in the Trust Fund for approved programmes, activities and projects, subject to the conditions in paragraph 4, and consistent with UN regulations, rules and procedures applicable to UNEP.

6. UNEP will, consistent with UN regulations, rules and procedures applicable to UNEP, host the CTC, and perform other functions as endorsed by Advisory Board of the CTCN in consultation with UNEP. The CTC will provide organizational and logistical support, manage communications and public outreach (website, press releases, etc.), organize workshops and capacity building activities, prepare the annual report to the COP, develop proposals for an annual work plan and budget and ultimately implement programmes as endorsed by the Advisory Board of the CTCN.

7. The Trust Fund is open to contributions of any amount from governments and, subject to UNEP procedures, non-government entities, the private sector, including industry, foundations, other non-governmental organizations and other stakeholders, subject where appropriate to the conclusion of relevant donor agreements and consistent with UN regulations, rules and procedures applicable to UNEP.

8. Payments into the Trust Fund will be made in U.S. Dollars unless otherwise agreed by UNEP and the donor in writing prior to the deposit, and shall be deposited into the following account:

   UNEP Trust Fund
   Account No. 485-002809
9. All contributions received into the Trust Fund and not immediately required for the financing of programmes, activities and projects consistent with the purpose of the Trust Fund referred to in paragraph 1 above, shall be invested at the discretion of the United Nations and income earned shall be credited to the Trust Fund unless otherwise specified by the terms of the relevant donor agreement.

10. No commitments against the resources of the Trust Fund may be made in advance of corresponding resources having become available to the Trust Fund.

11. Should the resources paid into the Trust Fund, including the investment income credited to it in accordance with paragraph 10 above, exceed the amount spent by UNEP or other parties concerned on activities financed from the Trust Fund, the surplus amount, after settlement of all outstanding obligations and after presentation of the final statement of account, shall be disposed of in accordance with the applicable terms of any relevant donor agreement or, in the absence of such terms, in accordance with the decision of the COP.

12. Unless otherwise agreed with the donor, UNEP should deduct from the income of the Trust Fund:

   a. 3% for UNEP for contributions to be passed through to UN partners which require only a single consolidated report from the Trust Fund, and 7% for the other UN partner; or
   
   b. 10% for contributions to be implemented by UNEP or non-UN partners which require only a single consolidated report from the Trust Fund; or
   
   c. 13% for any other contributions implemented by UNEP or other partners requiring specific reporting on individual donor expenditures.

13. Annual accounts of the Trust Fund shall be provided to the CTCN Advisory Board. The Trust Fund shall be subject to the internal and external auditing procedures provided for in the UN Financial Regulations and Rules. Should an Audit Report of the Board of Auditors of UNEP contain observations relevant to the Trust Fund, such information shall be made available to the COP.