

[DA/2015/CTCN/]

**DONOR AGREEMENT
BETWEEN
THE MINISTRY OF THE ENVIRONMENT, JAPAN
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,

WHEREAS the Ministry of the Environment, Japan (hereinafter referred to as the "Donor") hereby agrees to make a contribution of USD 1,000,000 (hereinafter referred to as the "Contribution") to UNEP to support the implementation of the CTCN activities,

NOW THEREFORE, UNEP and the Ministry of Environment, Japan, 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 USD 1,000,000 (one million US Dollar). 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

<u>Schedule of payments</u>	<u>Amount</u>
Within 30 days from receiving of the invoice	USD 1,000,000

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

1. The Activities to be implemented with the funds from the Donor and UNEP's contribution is to exclusively focus on the CTCN activities relating to mitigation measures to control energy-related CO2 emissions (e.g. development and utilization of alternative energy, improvement of energy efficiency, or waste to energy) including programme support cost in developing countries in the Asian region. These activities are consistent with the Programme of Work of the CTCN as approved by UNEP and the CTCN Advisory Board as well as the nature of the Donor's budget.

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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 by the end of Donor's fiscal year (31st March), 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.

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, the contribution shall be charged 13% for the programme support cost incurred by UNEP in administering the contribution;

Article VI. Auditing

1. 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 VII. 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 VIII. 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 IX. 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 X. Amendment of the Agreement

1. 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 XI. 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 XII. Privileges and Immunities


1. 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 XIII. Entry Into Force

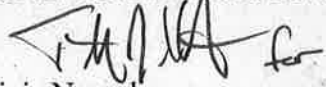
1. This Agreement shall enter into force upon signature by the Parties, being effecting from the date of the latest signature and shall remain valid for 24 months until 31st January 2017 unless terminated earlier pursuant to Article IX above.

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

For the Donor:


Shigemoto Kajihara
Director General
Global Environment Bureau
Ministry of the Environment, Japan

For the United Nations Environment Programme


Ligia Noronha
Division Director
Division for Technology, Industry and Economics
United Nations Environment Programme

(Date) Feb. 4. 2005

(Date) 18 Feb 2005