

**DONOR AGREEMENT
BETWEEN
THE GOVERNMENT OF BELGIUM
AND
UNITED NATIONS ENVIRONMENT PROGRAMME**

WHEREAS the Government of Belgium, acting through its **Directorate-General** for Development Cooperation, (hereinafter referred to as the “Donor”) has decided to make a contribution of EUR 3,000,000 (hereinafter referred to as the “Contribution”) to the United Nations Environment Programme (hereinafter referred to as “UNEP”),

WHEREAS UNEP is prepared to receive and administer the contribution for furthering action on implementation of the globally agreed goals and targets for climate change,

WHEREAS Belgium has agreed to contribute funds to support the Thematic Fund for Climate Stability,

WHEREAS the Contribution shall be managed in line with the Framework Agreement between the Government of Belgium and United Nations Environment Programme signed on 12 September 2016 (hereinafter referred to as the “Framework Agreement”,

NOW THEREFORE, UNEP and the Donor 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 3,000,000. Notwithstanding the provision in the preamble on the Framework Agreement between the Government of Belgium and United Nations Environment Programme, the contribution shall be deposited in the bank account below and managed under the UNEP Thematic Trust Fund for Climate Stability:

Account name: UNITED NATIONS (USCH5)

Account number: 485-002809

Bank name and address:

J. P. Morgan Chase

International Agencies Banking Division

277 Park Ave. 23rd Floor

New York, N.Y. 10172 USA

WIRE TRANSFERS: CHASE ABA NUMBER = 021000021, SWIFT NUMBER = CHASUS33, NATIONAL ROUTING: 0002.

<u>Schedule of payments</u>	<u>Amount</u>
Before 31 December 2023	Euro 3,000,000

2. The value of the payment shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment.
3. The payment shall be made in advance of the implementation of planned activities. It may be amended in consultation with the Donor.
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 Article I, paragraph 1, above.
2. If the payment referred to in Article I, paragraph 1, above is not received in accordance with the payment schedule, 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 UNEP Account and shall be utilized in accordance with established UNEP procedures.

Article III. Activities to be implemented

The Activities to be implemented with the funds from the Donor and UNEP's contribution is as per the attached description of the goals and activities of the Thematic Fund for Climate Stability in Annex 1.

Article IV. Administration and reporting

1. Management of the contribution and expenditures shall be governed by the regulations, rules and directives of UNEP.
2. UNEP shall make available annually to the Donor the following reports prepared in accordance with UNEP accounting and reporting procedures: Annual Programme Performance Reports, Board of Auditors' Financial Report and Audited Financial Statements.
3. In addition, the parties may agree that, UNEP may provide more frequent reporting. The specific nature and frequency of this reporting shall be specified separately.

Article V. Administrative and support services

In accordance with the UN financial rules, regulations and applicable policies, the contribution shall be charged 10% for the programme support cost incurred by UNEP in administering the contribution.

Article VI. Equipment

Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNEP.

Article VII. Auditing

The contribution shall be subject exclusively 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 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. The Donor acknowledges that it is familiar with UNEP's ideals and objectives and recognizes that its name and emblem may not be associated with any political or sectarian cause or otherwise used in a manner inconsistent with the status, reputation and neutrality of UNEP.
3. UNEP will report on the contribution to its Governing Council 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 IX. Anti-terrorism

Consistent with United Nations (UN) Security Council Resolutions relating to terrorism, including UN Security Council Resolution S/RES/1269 (1999), S/RES/1368 (2001), and S/RES/1373 (2001) and related resolutions, both the Donor and UNEP are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. Similarly, UNEP recognizes its obligation to comply with any applicable sanctions imposed by the UN Security Council. UNEP shall use all reasonable efforts to ensure that the Contribution is not used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime.

Article X. Prevention of Misconduct

1. Both Parties have a zero-tolerance approach towards fraud, corruption, bribery, any other financial irregularities, harassment, sexual harassment, sexual exploitation and abuse, abuse of authority, violation of the fundamental principles of procurement rules and discrimination and any other forms of misconduct ('Misconduct'). UNEP shall take robust and prompt action in response to any Misconduct. The zero-tolerance policy applies to UNEP staff members, individual contractors, vendors, implementing partners, responsible parties and any other third parties which are engaged by UNEP in relation to the activities as indicated in the specific agreements with such individuals and third parties.

2. To this end, UNEP shall maintain standards of conduct governing the performance of its staff, including the prohibition of Misconduct in connection with the award and administration of contracts, grants, or other benefits, as set forth in UNEP's regulations, rules, procedures and policies.

3. If UNEP becomes aware of any credible allegations of Misconduct, UNEP will, in accordance with its regulations, rules, policies and procedures, and contractual arrangements, report such allegations of Misconduct to the Investigations Division of the Office of Internal Oversight Services (OIOS), the internal oversight body of the United Nations.

4. UNEP will notify the Donor as required on suspected Misconduct relating to the use of its funding. Notifications will be issued as soon as UNEP receives a preliminary complaint or report and when a final report by OIOS or UNEP is issued.

5. The Donor reserves the right to suspend payments if the funds are found to be misused or not satisfactorily accounted for.

Article XI. Prevention of Sexual Harassment, Sexual Exploitation and Abuse

1.
 - a. Sexual exploitation and abuse

The Donor and the Recipient have a zero tolerance for inaction approach to tackling sexual exploitation and abuse ("SEA").¹ This means the Recipient and its implementing partners will take all reasonable steps to prevent SEA by both its employees and any implementing partner and respond appropriately when reports of SEA arise, in accordance with their regulations, rules, policies and procedures.

Unless inconsistent with a specific regulation, rule, policy or procedure governing the Recipient, the Recipient will apply the IASC Six Core Principles Relating to Sexual Exploitation and Abuse² and the following principles and practices when implementing the activities under this arrangement and provide evidence to demonstrate this where required:

¹ See UNSG Bulletin ST/SGB/2003/13 for the definition of sexual exploitation and abuse.

² <https://psea.interagencystandingcommittee.org/update/isc-six-core-principles>

- a) Adherence to the IASC-Minimum Operation Standards on “Protection from sexual exploitation and abuse by own personnel” and/or [the] SEA elements of the Core Humanitarian Standard on Quality and Accountability;
- b) A **victim/survivor-centered approach**³ to SEA issues;
- c) Strong leadership and signaling on tackling SEA;
- d) Make all reasonable efforts to address gender inequality and other power imbalances;
- e) Reporting to enhance accountability and transparency;
- f) Ensure that SEA standards from this arrangement are reflected in funding templates with implementing partners, [for UN entities: by means such as, but not limited to, adherence to the United Nations Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners].

b. Sexual harassment

The Donor and the Recipient have a zero tolerance for inaction approach to tackling sexual harassment (“SH”).⁴ This means the Recipient will take all reasonable steps to prevent SH and respond appropriately when reports of SH arise, in accordance with its regulations, rules, policies and procedures.

Unless inconsistent with a specific regulation, rule, policy or procedure governing the Recipient, the Recipient will apply the following principles and practices when implementing the activities under this arrangement:

- a) A victim/survivor-centered approach to SH issues;
- b) Strong leadership and signaling on tackling SH;
- c) Make all reasonable efforts to address gender **inequality** and other power imbalances;
- d) Reporting to enhance accountability and transparency;

2. The Recipient will adhere to the following requirements:

a. Allegations of SEA

(i) The Recipient will promptly report all allegations of SEA credible enough to warrant an investigation through the **Secretary-General’s** reporting mechanism (the “Report”).

(ii) When the Recipient reports an allegation of SEA to, or becomes aware of an allegation reported through, the Report that is (i) directly related to the activities funded by this arrangement or, (ii) would have a significant impact on the partnership between the Recipient and the Donor, the

³ A victim/survivor centered-approach is one for which the victim/survivor’s dignity, experiences, considerations, needs, and resiliencies are placed at the center of the process, from the initial program design to investigating and responding to potential incidents. Consistent with the UN Protocol on Allegations of SEA Involving Implementing Partners, the victim/survivor should be informed, consulted during the decision-making process, and provide consent on the possible use and disclosure of their information. Those interacting with the victim/survivor and/or handling information regarding the allegation will maintain confidentiality, ensure safety of the victim/survivor, and apply victim/survivor-centered principles which are safety, confidentiality, respect, and non-discrimination. When the victim/survivor is a child, the approach will consider the best interests of the child and engage with the family/caregivers as appropriate. Staff and partners should comply with host country and local child welfare and protection legislation and international standards, whichever gives greater protection.

⁴ See the UN System Model Policy on Sexual Harassment and the UN Secretary-General’s Bulletin ST/SGB/2019/8 for the uniform definition of sexual harassment in the UN System.

Recipient will promptly notify the director-general of the DGD Heidy Rombouts (heidy.rombouts@diplobel.fed.be) of the report made and the relevant arrangement number, if applicable and provide information containing the level of detail that the Recipient is aware of.

(iii) Upon request from the Donor, the Recipient agrees to provide further available relevant information the Recipient is aware of for allegations notified under paragraph 2a (ii) including about subsequent measures taken by the Recipient, unless disclosure of such information would be inconsistent with the Recipient's regulations, rules, policies and procedures concerning disclosure of information

b. Allegations of SH

(i) The Recipient will report allegations of sexual harassment and measures taken through existing reporting mechanisms.

(ii) Where the Recipient has determined that the allegations would have a significant impact on the partnership between the Recipient and the Donor, the Recipient will promptly director-general of the DGD Heidy Rombouts (heidy.rombouts@diplobel.fed.be) and provide information containing the level of detail of the existing reporting mechanisms.

(iii) Upon request from the Donor, the Recipient agrees to provide further available relevant information, that the Recipient is aware of unless disclosure of such information would be inconsistent with the Recipient's regulations, rules, policies and procedures concerning disclosure of information.

3. It is understood and accepted that the Recipient's arrangement to report on SEA and SH will be performed in accordance with the Recipient's regulations, rules, policies and procedures, including its rules on confidentiality, and is subject to not compromising the safety, security, privacy and due process rights of any concerned persons.

4. When the Recipient becomes aware of reasonable suspicions, complaints or reports of SEA or SH by its personnel, the Recipient will, as appropriate under its regulations, rules, policies, and procedures, take reasonable, swift and appropriate action to stop harm occurring, investigate and report to relevant authorities (for potential criminal matters), as appropriate and when safe to do so, after considering the wishes of the victim/survivor.

5. The Donor or any of its duly authorized representatives may, in accordance with agreed mutually accepted terms of reference, carry out reviews or evaluations or other assessment measures to verify the Recipient's zero tolerance for SEA and SH, provided that such measures are consistent with the single audit principle governing the UN, if applicable. The Recipient will fully cooperate within the scope of the terms of reference with any such reasonable requests by the Donor or any of its duly authorized representatives or agents to carry out such measures.

6. Any information or documentation provided in accordance with these provisions will be treated by the Donor with utmost discretion in order to ensure, *inter alia*, the probity of any investigation, protect sensitive information, ensure the safety and security of persons and respect

the due process rights of all involved. The Donor will presume information/documentation to be confidential, deliberative, and investigatory and will ensure that information/documentation provided to the Donor will be available solely to those who strictly require access to such information/documentation. Any disclosure of such information/documentation beyond such personnel will require notification and consultation with the Recipient. The Donor will obtain the express written authorization of the Recipient before disclosing any such information/documentation in a judicial proceeding or to the public, unless disclosure is otherwise required by law applicable to the Donor and is not subject to the Recipient's privileges and immunities under international and/or national law (such as information/documentation constituting UN archives).

7. Unless the regulations, rules, policies, and procedures applicable to the Recipient are amended at an earlier stage, and/or there are other substantive changes to any of the referenced policies, processes or mechanisms, the above provisions are subject to possible review two years after the date of the Donors' mutual decision on their text with the Recipient. Any changes to the above provisions that may be mutually decided following such a review will take effect at least four years after the date of the Donors' mutual decision on the present text with the Recipient, until which time the above provisions will continue to apply.

Article XII. 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 XIII. 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 XIV. 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 XV. 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 XVI. 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 XVII. Entry Into Force

This Agreement shall enter into force upon signature by the Donor and UNEP, being effective from the date of the latest signature, and remain effective until 31 December 2025 unless terminated earlier pursuant to Article XIII 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:

For the United Nations Environment
Programme:



18.10.2023

Caroline Gennez
Minister of Development Cooperation
and Major Cities Policy
Date:



Inger Andersen
Executive Director

Date: 24th Nov. 2023

Thematic Fund for Climate Stability

Climate Stability is one of UNEP's three main strategic objectives and as such will depend on countries making balanced progress towards their mitigation and adaptation commitments under the Paris Agreement and the 2030 Agenda for Sustainable Development. By 2025 the Thematic Fund for Climate Stability will support:

Access to finance and technology to help countries achieve the goals of the Paris Agreement	Decarbonization and resilience to drive global growth	Greater transparency in line with the Paris Agreement to become the norm for States and territories
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The three overarching goals of the Thematic Fund for Climate Stability Fund are:

Goal-1

Science and Transparency: State and non-state actors adopt the enhanced transparency framework arrangements under the Paris Agreement

Resources from the Climate Stability fund will be used to achieve this goal by:

- Enhancing UNEP's role as a provider of scientific information that measures progress towards carbon neutrality and resilience and assesses the potential and risks associated with the measures applied. UNEP will compile, assess, and communicate the latest climate-related scientific data and propose policy options to help public- and private-sector decision makers engage in ambitious climate actions in line with the goals of the Paris Agreement.
- Helping UNEP assist countries in meeting their transparency and reporting obligations of the enhanced transparency framework established under the Paris Agreement.
- Capitalizing on UNEP's role as a data-driven authority to support national institutions in tracking and reporting on climate actions, including through the development of greenhouse gas inventories; mapping progress towards their nationally determined contributions and adaptation actions; and tracking financial support provided and mobilized. The enhancement of existing national arrangements and sharpening of related regulatory frameworks will be central to these actions.
- Pursuing reporting synergies with global and regional Multilateral Environmental Agreements (MEAs), and the Intergovernmental Panel on Climate Change. This will contribute to greater coherence in tracking progress in the implementation of climate actions.
- Assisting countries in assessing and better reporting on their climate-related national capabilities and circumstances, including their capacity-building and technology needs,

related finance, investment and trade trends, especially for least developed countries and small island developing states.

- Helping UNEP facilitate the collection, sharing and validation of climate-related knowledge and data at national and subnational levels. This will contribute to enhanced statistics, capacity and promote science-based policy making and accountability across ministries towards the implementation of mitigation and adaptation actions.

Goal-2

Sectoral Solutions: Decision makers at all levels adopt decarbonization, dematerialization and adaptation pathways towards climate stability and resilience

Resources from the Climate Stability fund will be used to achieve this goal by:

- Helping UNEP, in collaboration with its networks, support countries in taking full advantage of the opportunities presented by **decarbonization**, dematerialization and adaptation. This work will focus on sectors with the highest emissions and importance for societal resilience.
- Designing and highlighting opportunities for action in such sectors through action-oriented partnerships, including private-sector alliances, and support at the country-level uptake of sustainable and poverty-eradicating solutions.
- Assisting UNEP to connect countries to climate technology solutions by providing technical assistance, capacity-building and advice on technology solutions and accelerated access to climate technologies for low-emission and climate-resilient development.
- Facilitating the development of enabling policies, and legal and regulatory frameworks for solutions tailored to the needs of countries and the needs of vulnerable groups, including people living with disability, youth, children, indigenous people and people living in poverty.
- Assisting countries embed decarbonization, dematerialization and resilience in their revolving climate aspirations while also linking them to adjustments in the policy and regulatory frameworks. Those frameworks will inform nationally determined contributions and long-term strategies, as well as climate adaptation planning (e.g., early warning systems).
- Supporting UNEP's effort to expand ecosystem-based adaptation as a key measure to build resilience of the ecological foundation of economies and the poorest population segments in both urban and rural areas.
- Supporting the digitalization of climate solutions, through standardization, certifications, digital applications and e-commerce platforms. UNEP will also scale up efforts to reduce the carbon footprint of the information and communications technology sector, focusing on data centres, blockchain applications and the gaming sector.

Goal-3

Finance and Consumers: Support large scale activation of finance and consumer behavior in support of the Paris Agreement

Resources from the Climate Stability fund will be used to achieve this goal by:

- Supporting the accelerated alignment of private and public finance with the long-term finance goals of the Paris Agreement. Such work will support the adoption of sustainable business and market models that can facilitate a shift towards low-emission and resilient pathways in public- and private-sector investments and long-term planning across all sectors.
- Leveraging UNEP's partnerships and multi-stakeholder platforms to support the accelerated design and implementation of public policies and fiscal incentives to address climate risks and impacts within the scope of an investment environment that is conducive to the achievement of the Paris Agreement goals.
- Providing reliable, accessible, state-of-the-art environmental information, including on public policies and incentives, that reduces uncertainty and risk in decision making.
- Contributing to climate stability and resilience by accelerating the adoption of low-carbon behaviors and products by sectors and consumers. Digital solutions will drive sustainable production and consumption of low-carbon goods and services through increased carbon emissions transparency, fiscal incentives and legal frameworks.
- Aiding countries to catalyze public support and political will for climate action. UNEP's work will also support advocacy for societal change that brings climate-positive outcomes while creating jobs, eradicating poverty and enabling a just transition. The focus will remain firmly on generating science-driven public support for ambitious climate action and supporting sustainable consumer behavior.
- Helping UNEP act as a link between policymakers and the public. For example, communicating the benefits of using sustainable products and adopting sustainable lifestyles while sharing information that supports making the economic case for such change. Facilitating public access to environmental information and increasing public awareness through formal and non-formal education, youth-led action and grassroots campaigns will be key levers of change that will shift knowledge and attitudes across society and unearmarked funding will be used to directly fund such activities.

4 August 2022