# **CONTRIBUTION AGREEMENT**

## **BETWEEN**

# THE MINISTRY FOR THE ENVIRONMENT, LAND AND SEA OF THE REPUBLIC OF ITALY

## AND

# THE GLOBAL GREEN GROWTH INSTITUTE

FOR THE COOPERATION IN THE FIELD OF CLIMATE CHANGE VULNERABILITY, MITIGATION AND ADAPTATION IN ETHIOPIA

The Ministry for the Environment, Land and Sea of the Republic of Italy ("IMELS") and the Global Green Growth Institute ("GGGI") hereinafter referred to individually as a "Signatory" and jointly as the "Signatories";

**Recognizing** that IMELS is currently developing environmental cooperation activities in the African countries in the field of climate change vulnerability, mitigation and adaptation;

Recognizing the prominent role of Ethiopia in the Horn of Africa;

**Recalling** the objectives of GGGI to promote sustainable development of developing and emerging countries, including the least developed countries;

**Noting that** GGGI is an international organization with its headquarters located in Seoul, Republic of Korea and established by the "Agreement on the Establishment of the Global Green Growth Institute" done in Rio de Janeiro on 20 June 2012 (the "Establishment Agreement");

Considering that IMELS and the Ministry of Environment, Forest and Climate Change of the Federal Democratic Republic of Ethiopia (MEFCC) have expressed willingness to collaborate with GGGI as a technical implementation partner to catalyse and leverage environmental activities in Ethiopia;

Considering that IMELS and GGGI have agreed to support Ethiopia in implementing projects and activities ("Project") in the field of climate change mitigation and adaptation, the details of which are set out in Annexes I and II,

Have agreed as follows:

# ARTICLE 1 OBJECTIVE

The objective of the Project is to support the Ethiopian Government in identifying and promoting projects and technology transfer opportunities, providing ad hoc capacity building activities in the field of renewable energy, early warning system, sustainable agriculture and water resource management, with the aim of supporting sustainable development, local job creation and fostering international partnerships.

## **IMPLEMENTATION OF PROJECT**

- 2.1 The Signatories agree that GGGI shall implement the Project, as described in Annex I [Project Description, Project Implementation, Monitoring and Reporting] and Annex II [Budget] based on the following activities:
  - a. supporting the elaboration of projects,
  - b. providing synergies between IMELS bilateral agreement and CPF 2017-2021,
  - c. strengthening capacity building,
  - d. supporting NDC communication;
  - e. selecting the "liaison" persons,
  - f. monitoring and reporting activities,
  - g. identifying projects for blending bilateral and multilateral funds.
- 2.2 The Signatories agree that IMELS shall provide financial contribution to GGGI (as defined in Article 3.1) who will use the Grant to implement the Project in accordance with this Contribution Agreement, including the annexes hereto which form an integral part hereof.
- 2.3 The Signatories further understand that GGGI may use the Grant to undertake additional related activities that may be jointly agreed in writing by the Signatories.

#### **ARTICLE 3**

# FINANCIAL SUPPORT AND CONTRIBUTION PROCESS

- 3.1 IMELS shall provide a financial contribution to GGGI in the amount of one hundred thousand Euro (EUR 100,000 incl. support costs 13%), to support the implementation of the Project.
- 3.2 The Grant shall be used exclusively to finance the Project activities, as well as indirect costs as set out in Article 3.3.
- 3.3 GGGI may use 13% support cost provisions of the total amount of the Grant to cover its indirect costs.
- 3.4 IMELS shall disburse a first instalment of 50% of the Grant after the signature of the Contribution Agreement, and upon receiving a written request from GGGI.
- 3.5 IMELS shall disburse a second instalment of 40% after month 6 upon receiving a Mid-term Technical and Financial Report from GGGI on the use of the previous payment, and upon receiving a written request from GGGI.
- 3.6 IMELS shall disburse the final instalment of 10% after month 11 upon receiving a draft Final Technical Report from GGGI, and upon receiving a written request from GGGI. GGGI will

submit a Final Technical and Financial Report on the use of the total payment after month 12.

3.7 Payment shall be made to the following bank account:

Account name: Global Green Growth Institute

Bank name: Korea Exchange Bank

Bank address: SEODAEMUN BRANCH

42 Saemunan-ro Jongno-gu, Seoul

Account number: 158-910002-45138Swift code: KOEXKRSE

IBAN: N/A

- 3.8 Upon receiving the Grant, GGGI shall forward a receipt to IMELS indicating the amount and date of receipt and, where applicable, the exchange rate used.
- 3.9 Any interest and income from the investment of the Grant will be retained and used by GGGI for the purpose of the Project, in accordance with the financial regulations, rules, policies and procedures of GGGI.

# **ARTICLE 4**

#### **REPORTS**

- 4.1 To adequately monitor the implementation of activities and the financial expenditures, GGGI will provide IMELS with:
  - a) An inception report within thirty (30) calendar days from the signature of this Contribution Agreement.
    - The Inception Report must include a clear work plan with estimated timelines. If necessary, IMELS shall ask for integrations. Within fifteen (15) calendar days from submission of the report, IMELS shall approve the Inception Report.
  - b) A Mid-term Technical and Financial Report at month 6 on the use of the first payment.
    - The Mid-term Report will describe progress achieved in the implementation of the activities for the period covered by the report, making direct reference to the timetables, targets and performance indicators as set out in the work plan. If necessary, IMELS shall ask for integrations. Within fifteen (15) calendar days from submission of the report, IMELS shall approve the Mid-term Report.
  - c) A draft Final Technical Report at the end of month 11.
    - The draft Final Report will provide an assessment of the anticipated project results/outputs, describes the implementation process (including in particular challenges and difficulties encountered), the achievement of results, and identifies lessons learnt (project conception, of process, of actual delivery of results, etc.), which could be of interest for similar projects. If necessary, IMELS shall ask for integrations.

- d) A Final Technical and Financial Report within ninety (90) calendar days from the expiration of the activities.
  - Within fifteen (15) calendar days from submission of the report, IMELS shall approve the Final Report.
  - The Financial Report will be prepared in USD and converted to EUR using the prevailing exchange rate on 28 February, 2018 and 31 August, 2018.
- 4.2 GGGI shall keep proper financial records in accordance with the financial regulations, rules, policies and procedures of GGGI.

#### **FOCAL POINTS**

- 5.1. The Signatories hereby designate the following focal points for the coordination of the activities and tasks under this Contribution Agreement:
  - a. for IMELS:

Director General

Directorate for Sustainable Development, Environmental Damage, European Union and International Affairs

Ministry for the Environment Land and Sea of the Republic of Italy

Via Cristoforo Colombo, n. 44

00147 - Roma (Italia)

Tel.: + 0039 06.5722.8101 - 8102 - 8104 - 8158

Email: SVI- UDG@minambiente.it;

#### b. for GGGI:

Head of Programs, Africa & Middle East Portfolio

Global Green Growth Institute

19 Fl. Jeongdong Bldg.

21-15 Jeongdong-gil, Jung-gu

Seoul 04518, Republic of Korea

Tel: +82 2 2096 9991

Fax: +82 2 2096 9990

Email: Dex.agourides(a)gggi.org

5.2 If there is a change in the designated focal point, notice shall be provided to the counterparty without delay.

#### **CONSULTATIONS**

The Signatories may hold an annual consultation on an agreed date, if necessary.

#### **ARTICLE 7**

#### **REVIEWS**

- 7.1 IMELS may conduct or participate in a review, evaluation, appraisal, assessment, audit or similar exercise (the "Review") of the Project.
- 7.2 In undertaking any such Review, IMELS shall make best efforts to minimize the burden on GGGI, and to this end, IMELS shall make best efforts to ensure that the timing and terms of reference for any such Review is coordinated with any similar requirements from other donors.
- 7.3 IMELS shall bear the costs associated with any such Review.

#### **ARTICLE 8**

#### CONFIDENTIALITY

Each Signatory shall keep in strict confidence all Confidential Information obtained from or disclosed by the disclosing Signatory pursuant to or in connection with this Contribution Agreement and shall not disclose or permit its representatives to disclose such information to any third party, unless such disclosure is mutually agreed by the Signatories or is otherwise required in accordance with GGGI's Disclosure Policy which can be found at <a href="http://gggi.org/wp-content/uploads/2013/12/Disclosure-Policy 19-June-2014.pdf">http://gggi.org/wp-content/uploads/2013/12/Disclosure-Policy 19-June-2014.pdf</a>.

For purposes of this Contribution Agreement, "Confidential Information" means all information identified as confidential or proprietary by the disclosing Signatory or that ought reasonably under the circumstances to be treated as confidential or proprietary.

#### **ARTICLE 9**

# PROCUREMENT, FRAUD AND CORRUPTION

- 9.1 All procurement to be undertaken in relation to the implementation of the Project shall be carried out in accordance with GGGI's Procurement Rules and procedures as then in effect.
- 9.2 No offer, gift, payment, consideration or benefit of any kind shall be, either directly or indirectly, accepted by GGGI or by its representative(s) as an inducement or reward for the award or execution of contracts financed through or under this Contribution Agreement.

#### STATUS OF THE SIGNATORIES

- 10.1 Neither Signatory nor its personnel shall be considered as an official, agent, employee, representative or joint partner of the other Signatory. Neither Signatory shall enter into any contract or commitment on behalf of the other Signatory.
- 10.2 Each Signatory shall carry out its responsibilities and obligations under this Contribution Agreement in accordance with its regulations and rules applicable to it.

#### **ARTICLE 11**

#### RIGHTS, OBLIGATIONS, PRIVILEGES AND IMMUNITIES

- 11.1 Nothing in this Contribution Agreement shall in any way constitute or imply a waiver, renunciation, termination, or modification by GGGI of any of its privileges, immunities or exemptions granted by any applicable convention or under international law or any other applicable law.
- 11.2 Nothing in this Contribution Agreement will affect the rights and obligations of the Signatories deriving from any decisions, treaties, conventions, or regional or international agreements related to green growth activities, projects or programs to which they are parties.
- 11.3. The right of ownership in property, equipment and goods purchased with Grant shall vest in GGGI.

#### **ARTICLE 12**

#### **VAT AND OTHER TAXES**

IMELS agrees that GGGI may use the Grant to cover VAT and other taxes in the Project in case Ethiopia do not provide tax exemption for GGGI activities.

#### **ARTICLE 13**

#### **AMENDMENT**

This Contribution Agreement may be amended only by written agreement of the Signatories.

#### **DISPUTE RESOLUTION**

Any dispute arising from the interpretation or application of this Contribution Agreement shall be resolved amicably through consultations or negotiations between the Signatories. If the dispute cannot be resolved through consultation or negotiation, the dispute shall be resolved through mediation or other adjudication as agreed by the Signatories.

#### **ARTICLE 15**

#### TERMINATON AND FINAL PROVISIONS

- 15.1 This Contribution Agreement may be terminated by mutual agreement of the Signatories. In such case, steps will be taken to ensure that the termination does not prejudice any prior obligation, project or activity already in progress or which has been programmed in the work plan and budget.
- 15.2 In the case of early termination under Article 15.1 above, GGGI will continue to hold and utilize any amounts of the Grant which are unspent for the purpose of honoring all commitments and liabilities incurred up to the date of effective termination.
- 15.3 Following the implementation of the Project activities, unless otherwise agreed in writing by IMELS, the unused amount of the Grant, including accrued interest, shall be repaid by GGGI to IMELS as soon as possible and, in any event, not later than one hundred eighty (180) days after the termination of the Contribution Agreement.

#### **ARTICLE 16**

#### ENTRY INTO FORCE AND EXPIRATION

This Contribution Agreement shall come into effect upon the transfer of the Grant (as set out in Article 3) and shall remain in force for a period of one (1) year. The Signatories may request in writing an extension of the duration of the project.

IN WITNESS THEREOF, the undersigned, acting on behalf of their respective Signatory, have signed the present Contribution Agreement in English in two originals copies.

## FOR

# THE ITALIAN MINISTRY FOR THE ENVIRONMENT, LAND AND SEA

Francesco La Camera

Director General

Directorate for Sustainable Development, Environmental Damage, European Union and International Affairs

29/09/2017

FOR

THE GLOBAL GREEN GROWTH INSTITUTE

Frank Rijsberman

Director-General

Date: 12/9/2017

#### ANNEX I

## **PROJECT DESCRIPTION**

A Technical Agreement in the field of Mitigation and Adaptation to Climate Change was signed on November 17<sup>th</sup> 2016 between the Italian Ministry of Environment, Land and Sea (IMELS) and the Ministry of Environment, Forest and Climate Change of the Federal Democratic Republic of Ethiopia (MEFCC) with clear areas of technical cooperation.

In Ethiopia, GGGI has built strong presence and relations with key Climate Resilient Green Economy- CRGE sector ministries, development partners, the private sector and civil society and will leverage them to ensure collaborative implementation of agreed areas of cooperation.

Both IMELS and MEFCC have expressed willingness to collaborate with GGGI as a technical implementation partner to catalyse this cooperation agreement in Ethiopia and potentially to extend in other countries.

The project will concentrate on priority areas identified under the IMELS / MEFCC Agreement, where several join areas of interest to GGGI were singled out such as:

- Energy efficient technologies in Transport, Industry and Buildings;
- Electric Power generation from Renewable Sources;
- Developing public awareness campaigns on mitigation and adaptation to global climate change;
- Developing Regional Research activities, including research on the impact of climate change and on the nexus between migration and climate change;
- Good practices exchanges, Resources Sharing, Technical Cooperation and Information Exchange with other Global Climate Initiatives;
- Supporting the Implementation, Monitoring, Reporting and Communication of the NDCs;
- Improving Crop and Livestock production practices for greater food security and higher farmer Income while reducing emissions, also through application of Climate Smart Agriculture approach;
- Increasing Resilience and reducing vulnerability of livelihoods and landscapes to droughts & Floods.

Given the experience of GGGI and the close collaboration with the Ethiopian Ministry, the activities to be implemented under the project shall aim to provide synergies between the broad outcomes identified under the GGGI-Ethiopia CPF 2017-2021, and the suggested outputs under the Work plan between IMELS / MEFCC, namely:

Outcomes (identified under the GGGI-Ethiopia CPF 2017-2021)

- Sector-level programmatic planning support is improved and delivered to federal line ministries, as well as improved programmatic links between sectors
- Federal/sub-national implementation and coordination capacity is increased

- Capacity across sectors is increased to develop and utilize high quality, evidence-based analysis tools

Outputs (identified under the IMELS / MEFCC Workplan)

- Implementation, Monitoring, Reporting and Communication of the NDCs supported: Regularly organize consultative dialogues to review the implementation of NDC national and sectoral adaptation plan and enable the update of the national and sectoral adaptation plan as appropriate.
- Implementation of GTPII:
  Support the Implementation of GTP II to achieve the stated goals of the forestry, food security, water, energy and agriculture sectors, particularly focusing on: Linkages between early warning system of the drought and flood developed and enhanced, develop sustainable agriculture methods, enhance forest management and the socioeconomic contribution of the forest sector, Water use efficiency for irrigation and other uses, Sectors GHG reduction and MRV implementation supported. Introduction of policies, laws and institutional arrangements that stimulates and enables investment in limiting to 145 Mt or lower the national emission at 2025 and develop implementation strategy for the effective implementation of reducing emissions.
- Capacity building, Knowledge sharing and Training:
   Strengthen the national technical capacity and quality of local expertise in environmental management and strengthen the capacity to effectively manage environmental and risks resulting from global climate change. Organization of a technical site visit in Italy in order to share experiences and best practices provided by Italian Companies in the field of renewable/off grid energy sector and sustainable water management.
- Support to the elaboration of at least 4 (four) project proposal in relevant priority areas under the IMELS / MEFCC Agreement.

#### **PROJECT IMPLEMENTATION**

In order to achieve the above synergies, GGGI will recruit under the Project, with IMELS' funding two (2) Ethiopian professionals who will be based at MEFCC's building. They will serve as technical experts ensuring the linkages between the above frameworks and especially supporting the Contribution Agreement and Work plan between IMELS and MEFCC.

The work of the two Ethiopian professionals will be focusing on activities contributing to the outputs detailed above and specifically in devising further projects which can be funded under the IMELS and MEFCC Technical Agreement. A detailed work plan of activities will be submitted at the end of 1<sup>st</sup> month of implementation of the project (Inception Report).

The generic profile of the experts will be:

**Program Officer (PO)**- a young professional with PhD or Masters and will have an entry level experience with 3-5 years with Government/NGOs or similar within the country/region. They will have experience dealing with multiple stakeholders to gather information and assist in analysis of such project. The PO will be based within the MEFCC to coordinate work with IMELS and other local stakeholders, linking project work to international level best practices and findings in the fields and gathering contextual information pertinent to the project. S/he will establish a wide network of relevant local stakeholders.

Detailed job descriptions for the two positions will be developed by GGGI as per the above requirements and expected activities to be carried out for the project.

GGGI will ensure that logistic arrangements are in pace for the two experts to operate effectively from its premises in the MEFCC, including office accommodation, IT equipment, connectivity, etc.

The POs will be reporting directly to the GGGI Ethiopia Country Representative (CR) who will be acting as "Supervisor" and they will collaborate with the Disaster Risk and Natural Resources Advisor, Forestry Advisor, Partnerships and Coordination Advisor, CRGE Facility and Finance Advisor from the Ethiopia country program team. The present activity will be included in the 13% support cost.

The POs, in order to guarantee a high level of communication with relevant stakeholder, will be available for regular meeting, on weekly basis, on the state of the art of the Contribution Agreement with IMELS officers.

# Monitoring and Reporting

GGGI has established corporate procedures and systems for monitoring and reporting of results for all projects. Project monitoring will be performed primarily by the Country Representative. Backstopping will be provided by the country team and where required, by GGGI Headquarters.

The main proposed reports for the project are listed below:

- a) One Inception Report: to be prepared within 30 calendar days from the signature of the Contribution Agreement;
- b) One Mid-term Report: based on the progress of the six months after commencement of the project; and
- c) One draft Final Technical Report: based on the anticipated completion of the project activities. This will serve to summarize the achievements and lessons learned from the entire duration of the project.
- d) One Final Report: based on the completion of the project activities including a Financial Report.

#### Reporting Schedule

Tasks	20	017	2018					
Tasks	Q3	Q4	Q1	Q2	Q3	Q4		
Inception report								
Mid-term Report								
Draft Final Technical Report	_	-	-	- ,		-		
Final Report including Financial Report								

As part of internal GGGI division country programs reporting requirements, quarterly reports on activities completed and (revised) plans will be created throughout the year along with other

projects of the Ethiopia country program and one end of year program report including financial report will be prepared for the country program which can inform progress with the activities and outputs of the project. These reports can be provided to IMELS upon request.

# ANNEX II

# PROJECT BUDGET

			September 2017 -September 2018														
Budget Description	Total Cost/Year		1. Month	2. Month	3	. Month	4. Month	5. Month	6. Month	7. Month	8. Montl	h 9	. Month	10. Month	11. Month	12 Month	Total
\$ 7,185.00	2017	2018												zo. Wonth	11. 14101111	IZ. Worten	-
Officer X8 NTL/equiv. consultant	\$ 35,000.00	\$ 36,400.00			\$	2,916.67	\$ 2,916.67	\$ 3,033.33	\$ 3.033.33	\$ 3.033.3	3 \$ 3.033	3.33 Ś	3.033.33	\$ 3,033,33	\$ 3,033.33	\$ 3,033,33	- \$ 30 100 00
Officer X8 NTL/equiv. consultant	\$ 35,000.0d	\$ 36,400.00	ĺ		\$	2,916.67									\$ 3,033.33		
Total Personnel (A) Communication- External			\$	- \$	- \$	5,833.33			\$ 6,066.67							6,066.67	
communication			\$ 200	.00 \$ 200	.00 \$	200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.0	00 \$ 200	0.00 \$	200.00	200.00	\$ 200.00	200.00	\$ 2,400.0
Capacity building, Knowledge sha Information-learning	ring and Traini	ng					\$ 7,185.00				\$ 7,185	5.00	,		\$ 7,185.00		\$ 21,555,00
material/Publicity							\$ 1,500.00				\$ 1,500	0.00	\$	1,500.00		9	\$ 4,500.00
Supplies and		·															
Maintenance (2 laptops)			\$ 160	.00 \$ 160	.00 \$	160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.0	00\$ 160	0.00 \$	160.00 \$	160.00	\$ 160.00	2,684.19	\$ 4,444.19
Travel-Local								\$ 2,000.00		\$ 2,000.0	0	·	\$	2,000.00		,005	\$ 6,000.00
Total Others (B)			\$ 360	.00 \$ 360	.00\$	360.00	\$ 5,360.00	\$ 2,360.00	\$ 360.00	\$ 2,360.0	0 \$ 16,415	5.00 \$	360.00 \$			2,884.19	•
Sub-total A+B			\$ 360	.00 \$ 360	.00\$	6,193.33	\$ 11,193.33	\$ 8,426.67	\$ 6,426.67	\$ 8,426.6	7 \$ 22.481	1.67 \$	6,426.67	9.926.67	\$ 9,926.67		
Overhead(13%)			\$ 46.	80 \$ 46	.8C \$	805.13	\$ 1,455.13	\$ 1,095.47		\$ 1,095.4					\$ 1,290.47	,	,,
TOTAL USD			\$ 406	.80 \$ 406	.80\$	6,998.47	\$ 12,648.47	\$ 9,522.13							\$ 11,217.13		
TOTAL EUR		- 0.00	€ 363.	.27€ 363	.27€	6,249.63	€ 11,295.08	€ 8,503.27							€ 10,016.90		

**Budget Items Description** 

Category	Group	Description	Notes
Consultat	ions, Workshops	s & Trainings	
	Facilities & Logistics	2 Consultation, validation Workshops (approx. 35 participants ea.)	Hire of venue, provision of facilities and printing of material for consultations and meetings
	Facilities & Logistics	Knowledge sharing, Training/workshop for national/sub national institutions (approx. 70 participants total)	Hire of venue, provision of facilities and meals/snacks for participants
Knowled	ge Management	& Sharing	
	Publication	Roadmaps, Action plans	Publication of final solution, design and supporting evidence. Publication to be actively promoted in influencing national/international stakeholders (including, national government, donors and parallel stakeholders) to ensure better green growth practices in Agriculture, Disaster Risk Management and energy. Publications to be diseminated regionally and internationally through knowledge sharing events. Publication will also be digitally shared via GGGI's Green Growth Knowledge Sharing (GGKP) platform.
	Communication	External/online platforms	knowledge sharing to be digitally shared via GGGI's Green Growth Knowledge Sharing (GGKP) platform and other
	Learning	Printing workshop	Printing material for workshops and training
	Material	materials and reports	
Travel an	d Operational c	osts	
	International	No international travel is anticipated for the project for the first year	
	National	Local travel for Project Imeplementation and Local travel to attend programmatic engagements by staff and provide input to	Travel allocation to manage implementation. As required to attend training, validation workshops and consultations. Includes transportation, perdiem and accomodation costs for local tavel.
		workshops and meetings co-organized by stakeholders in the field	
	Supplies & Maintenance	Supplies & Maintenance	Two laptops that are within GGGI standard ICT guideline(Lenovo X240) will be provided to the Program Officers at the start of the project. Office supplies and items to enable the operations for the project

Programm	natic Staff for p	project management and	implementation
	National	Program Officer (two positions) or equivalent consultants	The Program Officer (PO) will be a young professional with PhD or Masters and will have an entry level experience with NGOs or similar within the country/region. They will have experience dealing with multiple stakeholders to gather information and assist in analysis of such project. The PO will be based within the MEFCC and collaborate with IMELS and other local stakeholders, linking project work to international level best practices and findings in the fields and to gather contextual informatio pertinent to the project. S/he will establish a wide network of relevant local stakeholders. The PO report to the Country Representative. This role will be full time for the duration of the project. The cost of PO indicated in the budget is inclusive of salary and all the benefits and compensations provided by GGGI as per the new grade scale identified for the country-Ethiopia
Overhead			Costs related to general management and support costs. Overhead costs are specifically defined by Council approval and does not include indirect management costs of ensuring GGGI's accountability and management structure. The exact nature of overhead costs are defined in "9.3. Direct Costs and Indirect Support Costs" of GGGI's Financial Policies and Procedures (accessible: http://gggi.org/wp-content/uploads/2016/09/GGGI FinancePolicy v3-0 Council DG-Approved-Jul-2016.pdf)