

Supplement to section B7a : UNEP proposal submitted in response to UNFCCC CFP 2012-S1

The following information is provided in response to a message with the subject “Request for clarification - proposal to host the Climate Technology Centre” received by UNEP from the UNFCCC secretariat on 20 March 2012. It pertains to UNEP proposal section B7a: “budget proposal that is balanced and scalable and in compliance with UN standards.”

Our proposed budget (Table S.1 below) starts with US\$10m in year 1 and increases to US\$30m in year 5, consistent with elements presented in the two example scenarios in our proposal (section B8a). It has a low cost administrative structure so that the majority of the funds are used for direct responses to country requests, and for knowledge management, capacity building and network building services directly relevant to countries. It thus offers good value for money.

The budget reflects the start-up, expansion and full operation stages of the CTCN. It presumes a quick start and flexibility to expand operations smoothly and efficiently. The budget is smaller in year 1, with a larger proportion devoted for knowledge management, capacity and network building and outreach activities that build a foundation for subsequent expansion. In years 2 to 4 additional staff are placed in regional settings in order to respond to a presumed growth in country requests. Table S.1 also presents the contributions committed by consortium partners (section B7b).

Table S.1 Budget proposal for the CTCN

<i>Main components and assumptions</i>	<i>Estimated cost per year over 5 years</i>					<i>Estimated total cost for 5 years</i>
	Year 1	Year 2	Year 3	Year 4	Year 5	
Administrative and management costs						Total
Staff costs (Core Center)	\$ 1 010 000	\$ 1 010 000	\$ 1 010 000	\$ 1 010 000	\$ 1 010 000	\$ 5 050 000
Staff costs (Regional offices)	\$ -	\$ 330 000	\$ 495 000	\$ 660 000	\$ 660 000	\$ 2 145 000
Office costs (Core Center)	\$ 28 000	\$ 28 000	\$ 28 000	\$ 28 000	\$ 28 000	\$ 140 000
Office costs (Regional offices)	\$ -	\$ 10 500	\$ 15 750	\$ 21 000	\$ 21 000	\$ 68 250
Equipment costs (Core Center)	\$ 12 000	\$ 12 000	\$ 12 000	\$ 12 000	\$ 12 000	\$ 60 000
Equipment costs (Regional offices)	\$ -	\$ 4 500	\$ 6 750	\$ 9 000	\$ 9 000	\$ 29 250
Travel (Core Center)	\$ 156 000	\$ 180 000	\$ 180 000	\$ 180 000	\$ 180 000	\$ 876 000
Travel (Regional offices)	\$ -	\$ 72 000	\$ 108 000	\$ 144 000	\$ 144 000	\$ 468 000
CTCN Advisory board meetings	\$ 42 000	\$ 42 000	\$ 42 000	\$ 42 000	\$ 42 000	\$ 210 000
Programme Support Costs (PSC) - 3%	\$ 300 000	\$ 450 000	\$ 600 000	\$ 750 000	\$ 900 000	\$ 3 000 000
Miscellaneous	\$ 2 000	\$ 1 000	\$ 2 500	\$ 4 000	\$ 4 000	\$ 13 500
Sub-total 1	\$ 1 550 000	\$ 2 140 000	\$ 2 500 000	\$ 2 860 000	\$ 3 010 000	\$ 12 060 000
Level of contributions from consortium partners	\$ 640 000	\$ 640 000	\$ 440 000	\$ 440 000	\$ 440 000	\$ 2 600 000
External financing required	\$ 910 000	\$ 1 500 000	\$ 2 060 000	\$ 2 420 000	\$ 2 570 000	\$ 9 460 000
Knowledge management, capacity and network building activities						Total
Knowledge Management, peer learning and capacity building	\$ 800 000	\$ 800 000	\$ 800 000	\$ 800 000	\$ 800 000	\$ 4 000 000
Outreach, networking and private sector engagement	\$ 1 500 000	\$ 1 300 000	\$ 1 300 000	\$ 1 300 000	\$ 1 300 000	\$ 6 700 000
Sub-total 2	\$ 2 300 000	\$ 2 100 000	\$ 2 100 000	\$ 2 100 000	\$ 2 100 000	\$ 10 700 000
Level of contributions from consortium partners	\$ 1 300 000	\$ 800 000	\$ 800 000	\$ 300 000	\$ 300 000	\$ 3 500 000
External financing required	\$ 1 000 000	\$ 1 300 000	\$ 1 300 000	\$ 1 800 000	\$ 1 800 000	\$ 7 200 000
Technical assistance in response to country requests						Total
Quick response assistance [max. 50k\$/activity]	\$ 650 000	\$ 760 000	\$ 900 000	\$ 1 790 000	\$ 2 390 000	\$ 6 490 000
Estimate of number of quick response interventions	22	25	30	60	80	216
Response projects (Network response to country requests)	\$ 5 500 000	\$10 000 000	\$14 500 000	\$ 18 250 000	\$22 500 000	\$ 70 750 000
Estimate of number of response projects [250k\$/activity]	22	40	58	73	90	283
Sub-total 3	\$ 6 150 000	\$10 760 000	\$15 400 000	\$ 20 040 000	\$24 890 000	\$ 77 240 000
Level of contributions from consortium partners	\$ 1 715 000	\$ 1 855 000	\$ 1 855 000	\$ 1 355 000	\$ 1 355 000	\$ 8 135 000
External financing required	\$ 4 435 000	\$ 8 905 000	\$13 545 000	\$18 685 000	\$23 535 000	\$ 69 105 000
TOTAL	\$ 10 000 000	\$15 000 000	\$20 000 000	\$ 25 000 000	\$30 000 000	\$100 000 000
Total level of contribution from consortium partners	\$ 3 655 000	\$ 3 295 000	\$ 3 095 000	\$ 2 095 000	\$ 2 095 000	\$ 14 235 000
Total external financing required	\$ 6 345 000	\$11 705 000	\$16 905 000	\$22 905 000	\$27 905 000	\$ 85 765 000

Notes: External financing required refers to funding 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 (according to decision 2/CP.17, paragraph 139), assuming that in-kind contributions align with CTCN activities.

The proposed budget assumes that a significant number of responses at a realistic cost per response will be provided through the CTCN, thereby delivering good value for money. The assumed \$250,000 cost per response is consistent with our estimated cost of the two sample requests in the CFP (section B8c and Annex C6). The number of responses to developing country requests that can be serviced increases year by year, reaching 90 responses in year 5, while the number of what we have called quick response interventions increases to 80 in year 5.