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Programme



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Executive Committee of the
Interim Multilateral Fund for the
Implementation of the Montreal Protocol

Fifth Meeting
Montreal, 18-22 November 1991

AGREEMENT

**BETWEEN THE UNITED NATIONS ENVIRONMENT PROGRAMME
AS THE TREASURER OF THE INTERIM MULTILATERAL FUND
FOR THE MONTREAL PROTOCOL AND THE EXECUTIVE COMMITTEE
OF THE INTERIM MULTILATERAL FUND ESTABLISHED BY THE PARTIES
TO THE MONTREAL PROTOCOL**

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WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer ("Protocol") to the Vienna Convention for the Protection of the Ozone Layer ("Parties") have established the Interim Multilateral Fund for the Implementation of the Montreal Protocol ("Fund") to operate under the authority of the Parties through an Executive Committee to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of Article 5 of the Protocol to comply with the control measures of the Protocol;

WHEREAS at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations and the Executive Committee entrusted the Executive Director of UNEP with its administration;

WHEREAS the Parties have designated the United Nations Development Programme ("UNDP"), the World Bank ("Bank") and the United Nations Environment Programme ("UNEP") as implementing agencies for the work programme of the Fund;

WHEREAS by decision of the Executive Committee UNEP shall, in addition to being designated as an implementing agency, act as "Treasurer" of the Fund with responsibility for the disbursement of funds for activities to each of the implementing agencies including itself under the guidance of the Executive Committee;

NOW THEREFORE, the Executive Committee and UNEP hereby agree as follows:

Article I

1.1 UNEP in its capacity as treasurer will administer the Fund in accordance with the Financial Regulations and Rules of the United Nations.

1.2 UNEP in its capacity as Treasurer will, at the beginning of each calendar year, inform all Parties not operating under paragraph 1 of Article V of the Protocol of their contributions due to the Fund and request remittance of Parties contributions.

- 1.3 UNEP in its capacity as Treasurer will acknowledge receipt of contributions from Parties and shall, from time to time, issue reminders to Parties whose contributions are outstanding.
- 1.4 UNEP in its capacity as Treasurer will seek contributions from other Parties.
- 1.5 Contributions paid by Parties will be placed in a bank account established by UNEP in its capacity as Treasurer for the purpose of receiving such contributions.
- 1.6 Contributions received and not immediately required will be invested by the United Nations and interest earned shall be credited to the Fund.
- 1.7 The accounts of the Fund will be maintained in United States dollars.
- 1.8 UNEP in its capacity as Treasurer will not be responsible for unpaid contributions by Parties.

Article II

- 2.1 UNEP in its capacity as Treasurer will enter into agreement with each implementing agency regarding the administration of funds remitted to them from the Fund. These agreements shall be consistent with the agreements between the Executive Committee and the implementing agencies.
- 2.2 UNEP in its capacity as Treasurer will remit funds to the implementing agencies on the basis of work programmes and corresponding budgets approved by the Executive Committee.
- 2.3 UNEP in its capacity as Treasurer will not be obligated to remit funds over and above those available in the Fund account.
- 2.4 Funds remitted to the implementing agencies will be disbursed by them in accordance with their respective financial regulations and rules.

Article III

- 3.1 UNEP in its capacity as Treasurer will not seek reimbursement for costs incurred for services it will provide pursuant to this Agreement.

Article IV

4.1 UNEP will submit accounts of the Fund to the Executive Committee for each calendar year based upon the expenditures incurred by the Fund Secretariat, the statements of expenditure submitted by the implementing agencies taking into account interest earned by them on Fund balances they have held as well as interest earned by UNEP on balances it holds as Treasurer of the Fund.

4.2 The accounts of the Fund will be subject solely to the Internal and External Audit of the United Nations. Should there be any comments made by the Auditors relating to the accounts, UNEP in its capacity as Treasurer will advise the Chief Officer of the Fund Secretariat and the Chairman of the Executive Committee immediately.

Article V

5.1 Any dispute, controversy or claims arising out of, or in connection with, this Agreement, will, unless it is settled by direct negotiation, be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. The Executive Committee and UNEP agree to be bound by any arbitration award rendered in accordance with this section as the final adjudication of any dispute.

Article VI

6.1 This agreement shall enter into force upon signature by both parties.

6.2 This agreement shall remain in force until such time as both parties agree to terminate it. Should one party wish to terminate the agreement, such termination notice shall be given 90 days prior to its intended termination.

6.3 Any amendment to this agreement shall require the concurrence in writing of both parties.

6.4 In case of conflict between the terms and conditions of this agreement and the Financial Regulations of the United Nations, the latter will prevail.

for UNEP

for the Executive Committee