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Executive Committee for the
Multilateral Fund under the
Montreal Protocol

Third Meeting
Montreal, 15-19 April 1991

DRAFT AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE EXECUTIVE COMMITTEE

MODEL UNDP (PROGRAMME) TRUST FUND AGREEMENT

AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME

AND

INTERIM MULTILATERAL FUND ESTABLISHED UNDER THE MONTREAL PROTOCOL

WHEREAS the Interim Multilateral Fund Established Under the Montreal Protocol (hereinafter referred to as "the Donor") has informed the United Nations Development Programme (hereinafter referred to as "the UNDP") of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP for the purposes of co-operating and assisting in feasibility and pre-investment studies and in other technical assistance measures including planning, preparation and implementation of country programmes and specific projects and co-ordination of communications and outreach efforts of participating governments and other organizations;

WHEREAS it is understood that the trust fund shall be utilized to finance projects which the UNDP, with the concurrence of the Donor and the concurrence of the Beneficiary Government(s) concerned, deems appropriate;

WHEREAS the UNDP is prepared, through a trust fund established by its Administrator under its financial regulations and rules, to receive and administer the contribution;

WHEREAS the UNDP in accordance with its established operating procedures and practices shall designate an executing agency for the implementation of each project financed from the trust fund (hereinafter referred to as "the Executing Agency");

NOW THEREFORE, the UNDP and the Donor hereby agree as follows:

Article I

1. The UNDP shall establish a trust fund under the financial regulations and rules of the UNDP for the receipt and administration of the contribution.

2. The Donor shall, in the manner referred to in paragraph 3 of this Article, place at the disposal of the UNDP the contribution for agreed activities.

3. The Donor shall transfer the agreed amounts for each activity in full, on approval to the UNDP Contributions Account Number 015-002284, Chemical Bank, New York.

4. All financial accounts and statements shall be expressed in United States dollars.

Article II

1. The trust fund shall be utilized by the UNDP for the purpose of meeting the costs of the projects as set out in the relevant project documents as well as the costs of support services relating thereto as specified in the following paragraph.

2. The trust fund shall be charged with a percentage of all project expenditures made from the trust fund, which amount shall, in accordance with UNDP regulations, rules and directives, be utilized by the UNDP in reimbursement for support services provided by the Executing Agency and any other support services required. The amount required for such costs shall be specified in the approved project documents.

3. Any interest income derived from contributions to the trust fund shall be credited to the trust fund in accordance with UNDP procedures.

Article III

1. The trust fund shall be administered by the UNDP in accordance with UNDP regulations, rules and directives, applying its normal procedures for the execution of its projects.

2. Project management and expenditures shall be governed by the regulations, rules and directives of the UNDP and, where applicable, the regulations, rules and directives of the Executing Agency.

Article IV

1. The implementation of the responsibilities of the UNDP and of the Executing Agency pursuant to this Agreement and the relevant project documents shall be dependent on receipt by the UNDP of the contribution in accordance with Article I, paragraph 3 above.

2. The aggregate of the amounts budgeted for the projects, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available under this Agreement.

3. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) the UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavours to obtain the additional funds required.

4. If the contribution-payments referred to in Article I, paragraph 3 above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 3 above is not forthcoming from the Donor or other sources, the assistance to be provided pursuant to this Agreement may be reduced, suspended or terminated by the UNDP.

Article V

Ownership of equipment, supplies and other property financed from the contribution shall vest in the UNDP. Matters relating to the transfer of ownership by the UNDP shall be determined in accordance with the relevant policies and procedures of the UNDP.

Article VI

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the UNDP.

Article VII

The UNDP shall provide the Donor on request with the following reports prepared in accordance with UNDP accounting and reporting procedures:

(a) periodic progress reports;

(b) an annual report which will provide information on income and expenditure during the previous year;

(c) a final report within six months after the date of completion or termination of each project.

Article VIII

The UNDP shall notify the Donor when all activities relating to the purposes for which the trust fund was established have been completed.

Article IX

1. Notwithstanding the completion of the projects financed from the trust fund, the UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities brought to an orderly conclusion.

2. If the unutilized contribution-payments prove insufficient to meet such commitments and liabilities, the UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.

3. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be returned to the Donor.

Article X

1. After consultations have taken place between the Donor, the UNDP and the recipient Government(s), and provided that the contribution-payments already received are sufficient to meet all commitments and liabilities incurred in the implementation of the projects, this Agreement may be terminated by the UNDP or by the Donor. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.

2. If the unutilized contribution-payments are insufficient to meet such commitments and liabilities, the UNDP shall notify the Donor and consult with the Donor on the manner in which such commitments and liabilities may be satisfied.

3. Notwithstanding termination of this Agreement, the UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities brought to an orderly conclusion.

4. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by the UNDP in consultation with the Donor.

Article XI

This Agreement shall enter into force upon signature and deposit by the Donor of the first contribution-payment to be made in accordance with Article I, paragraph 3 of this Agreement.

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 Development Programme:
[Signature]	[Signature]
Name:	**Name:**
Title:	**Title:**
Date:	**Date:**