



United Nations Environment Programme



Distr.
LIMITED

UNEP/OzL.Pro/ExCom/3/12
15 April 1991

ORIGINAL: ENGLISH

Executive Committee for the
Multilateral Fund under the
Montreal Protocol

Third Meeting
Montreal, 15-19 April 1991

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

Draft Agreement

between

the Executive Committee of the Contracting Parties to the Montreal Protocol

and

the United Nations Environment Programme

concerning

Co-operation in the Implementation of Activities

Supported by the Interim Multilateral Fund

established under the Montreal Protocol

A. Purpose of the Agreement

1. The general purpose of this Agreement is to define the modalities for cooperation with the Contracting Parties to the Montreal Protocol in the implementation of the provisions of the Protocol to protect the Ozone Layer. The Contracting Parties have agreed to provide financing to meet the cost of various activities designed to enable developing countries, Parties to the Protocol, particularly those operating under Paragraph 1 of Article 5 of the Protocol, to comply with the control measures envisaged in the Protocol.

2. So, the specific purpose of the Agreement is to specify modalities of co-operation with the Executive Committee in implementing the programmes which will be entrusted by the Committee to the United Nations Environment Programme (UNEP).

B. Scope of Co-operation

3. The Executive Committee will provide financing for UNEP to undertake:

- a. promotion of the objectives of the Montreal Protocol;

b. research of data gathering, according to the provisions of the Protocol; and

c. clearing house functions. The clearing house functions will comprise the following activities:

(i) assist Parties operating under Paragraph 1 of Article 5 of the Protocol, through country-specific studies and other technical assistance arrangements to identify their needs for co-operation;

(ii) facilitate technical co-operation to meet these identified needs;

(iii) disseminate information and relevant materials, hold workshops and training sessions and other related activities for the benefit of Parties that are developing countries; and

(iv) facilitate and monitor other multilateral, regional and bilateral co-operation available to Parties that are developing countries.

C. Operational Procedures

4. UNEP agrees to co-operate with the Executive Committee and eligible Contracting Parties in the areas detailed in Section B, and for this purpose, a work programme will be presented by UNEP to the Executive Committee. In the development of the work programme, UNEP will consult with the World Bank and the United Nations Development Programme before making proposals to the Executive Committee on matters of interest to them and will pay due regard to their views. The work programme will be presented to the Committee at least six weeks before its meeting. The work programme shall identify the nature of the activity for which financing is requested, its timing and duration, cost details, beneficiaries, and expected outcome of the activity.

5. Upon approval by the Executive Committee of the programme of activities proposed by UNEP, UNEP will administer and manage the approved projects in accordance with:

- a. the financial rules, regulations and procedures of the Environment Fund;
- b. the guidelines for the implementation of activities supported by the Multilateral Fund as established by the Executive Committee; and

- c. the application of considerations relevant to effective and economically efficient implementation of programmes and projects that are consistent with any criteria adopted by the Parties or the Executive Committee.

6. In discharging its responsibilities, UNEP will use, as appropriate, its Headquarters Secretariat, its Regional Offices, its Specialised Offices, especially its Industry and Environment Office, as well as the Secretariat of the Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol.

7. The Executive Committee shall arrange for the transfer to UNEP of resources allocated by the Committee for the implementation of the activities approved by it. The transfer of resources will be made on a quarterly basis at the rate of 25% of the approved annual cost payable at the beginning of each quarter, except for the approved cost of the Secretariat of the Fund, which will have to be paid on a two-yearly basis at the beginning of 1991 and every two years thereafter, to allow the appointment of the Chief and members of the Secretariat for two years as a start and the extension of their contracts for similar periods, if approved by the Committee.

D. Financial Provisions

8. UNEP will receive 13 per cent of the funds made available to it from the Interim Ozone Multilateral Fund as support cost for the management of the cost of the Secretariat and for the implementation of the programmes and projects entrusted to it.

9. UNEP will present to the Executive Committee, with the six monthly financial reports referred to in Paragraph 12 of this Agreement, any requests for meeting unforeseen increases in costs of the implementation of the approved activities which result from unaccounted for inflation, change in exchange rates, etc.

10. The accounts of the resources transferred to UNEP shall be subject to the internal and external audit applicable to the Environment Fund.

11. UNEP shall not be required to start any activity supported by the Multilateral Fund before the transfer of resources according to Paragraph 7 above.

E. Reports

12. UNEP will report to the Executive Committee as follows:

- i) A financial report on the use of the resources transferred to it by decisions of the Executive Committee will be submitted every six months; and
- ii) A substantive report on the progress in the implementation of the activities supported by the Multilateral Fund will be submitted annually.

F. Settlement of Disputes

13. Any dispute, controversy or claims arising out of, or in connection with this Agreement, or any breach thereof shall, unless it is settled by direct negotiation, be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. The Parties agree to be bound by any arbitration award rendered in accordance with this section as the final adjudication of any dispute.

G. General Provision

14. Nothing in or relating to any provision in the Arrangement shall be deemed a waiver, expressed or implied, of the privileges and immunities of the United Nations, including UNEP.

H. Participation in Meetings

15. The Executive Director of UNEP, or his representative, will participate in meetings of the Executive Committee and of the Contracting Parties to report and consult on UNEP's activities in these arrangements.

I. Amendment or Termination of Agreement

16. The present arrangements may be terminated or amended six months after an agreement to this effect is reached between the Executive Committee and the Executive Director of UNEP.

J. Effective Date

17. This Agreement will become effective on the date it is signed by an authorised officer on behalf of the Executive Committee and by the Executive Director of UNEP on behalf of it.