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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-eighth Meeting  
Montreal, 3-7 April 2006

**TREASURER SERVICES: FOLLOW UP TO DECISIONS 42/42 (c) AND 47/48 (d).**

1. Document UNEP/OzL.Pro/ExCom/48/Inf.3 is submitted by the Secretariat in response to decision 42/42 (c) requesting the Secretariat to ensure that the functions of the Treasurer are clearly distributed between the P4 and the P5 positions, and decision 47/48 requesting the Secretariat to withhold an amount of US \$100,000 pending the report from the Secretariat on the appointment of the P5 position by UNON. It provides information additional to paragraph 4 of document UNEP/OzL.Pro/ExCom/48/2 on the Secretariat activities, which advises of the follow up made by the Secretariat with both UNON and UNEP on decision 42/42(c) and of the action taken by the Chair of the Executive Committee in the absence of an official reply from either UNEP or UNON to the Secretariat on this issue.
2. After the issuance of Document UNEP/OzL.Pro/ExCom/48/2, a letter was sent by the Executive Director of UNEP dated 27 March 2006 in reply to the Chair letter of 19 December 2005. Both letters are annexed to this document.
3. Since the letter from the UNEP Executive Director seeks information from the Executive Committee, the Committee may wish to consider how to take this matter forward, and what further action should be taken in respect of the US\$100,000 that have been withheld from the Treasurer's fee for 2006.

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.



**MULTILATERAL FUND**  
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL  
*Secretariat*

19 December 2005

Dear Dr. Töpfer,

I have the honor to refer to the agreement between the Executive Committee and UNEP on the provision of treasury services for the Multilateral Fund at a cost of US\$500,000 per annum for a consecutive period of 5 years effective 1 April 2004.

By decision 42/42 the Executive Committee of the Multilateral Fund decided to approve the agreement between UNEP and the Executive Committee and to request the Secretariat to ensure that the functions of the Treasurer as defined in the appendix I to the Agreement were clearly distributed between the P4 and the P5 posts indicated in the UNON proposal.

At its 47<sup>th</sup> meeting, in response to a question on the use of the US\$500,000 and the appointment of the P5 staff member, the Treasurer explained that two P4s were presently assigned to undertake the activities related to the functions of the Treasurer to the Fund.

The Executive Committee consequently decided at its 47<sup>th</sup> meeting to withhold the amount of US\$100,000 from the next transfers of US\$500,000 to UNEP pursuant to the agreement with UNEP pending the report from the Secretariat on the issue related to the P5 position to the 48<sup>th</sup> meeting of the Executive Committee.

I kindly request that clarifications regarding the P5 level appointment be provided to the Fund Secretariat by 20 January 2006 since this may require amending the Agreement to revise the financial obligations associated with the staffing level.

On behalf of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, I take this opportunity to renew my sincere appreciation for the support you have been providing to the work of the Executive Committee during my tenure in 2005.

  
Paul Krajcik  
Chairman of the Executive Committee



ANNEX II  
**United Nations Environment Programme**

برنامج الأمم المتحدة للبيئة · 联合国环境规划署  
 PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT · PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE  
 ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

Our Ref. 06 (057)

27 March 2006

Dear Mr. Krajnik,

Thank you for your letter dated 19 December 2005 in which you requested a clarification regarding the P5 level appointment for the Fund Secretariat. I do apologise for the delay in responding to you.

I have carefully considered your concerns in the light of the agreement between UNEP as the Treasurer and the Executive Committee of the Multilateral Fund and the Executive Committee decision 42/42 you referred to.

According to the Agreement the Executive Committee agreed to remunerate UNEP in its capacity as Treasurer, US\$ 500,000 annually for services provided as per the agreement taking into account the functions described in Appendix I of the Agreement. I believe this leaves UNEP with the responsibility to determine how these services will be best delivered and how the functions listed will be carried out. Accordingly, the indicative breakdown provided to you can only be considered indicative.

While the Secretariat of the Montreal Protocol has dutifully followed the request of the Executive Committee and regularly liaised with UNEP/UNON on the status of the P4 and P5 positions referred to in your decision 42/42, I have not been given any indication that there is any dissatisfaction on the part of the Executive Committee on the service delivery by UNEP as the Treasurer. However, considering that the Executive Committee decided to withhold US\$ 100,000 from the annual payment, I would very much appreciate a clarification from you whether there is any area of the agreed services or functions you are not satisfied with to enable me to take necessary corrective action.

I look forward to your response and trust that we can find a common understanding on this issue.

Yours sincerely,

Klaus Töpfer  
 Executive Director

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 Ms: Nolan

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 Secretariat of Multilateral Fund for the Implementation  
 of the Montreal Protocol  
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cc: Ms. Maria Nolan, Chief Officer  
 Multilateral Fund Secretariat