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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-seventh Meeting
Bangkok, 16-20 July 2012

PROVISIONAL 2011 ACCOUNTS

1. This document presents the provisional 2011 accounts of the Multilateral Fund, the four implementing agencies (IAs) and the Secretariat as contained in Schedules 1.1 through 1.7.
2. Schedules 1.1 through 1.7 attached to this document contain advanced information on the IAs' and the Secretariat's 2011 accounts and are submitted for information only at this time.

Adjustments to IAs 2010 Provisional Statements

3. The differences between the agencies' provisional and final 2010 financial statements, as reflected in Executive Committee decision 65/50(b) of document UNEP/OzL.Pro/ExCom/65/60, were recorded during the year 2011 as prior year's adjustments. The final 2011 accounts of the Fund will be submitted to the 68th meeting of the Executive Committee following the submission schedule agreed between the representatives of the IAs and the Treasurer at the Workshop on Common Terminology and Procedures for the reconciliation of accounts, during which the agencies agreed with the Treasurer to submit their provisional accounts to UNEP by 31 January and the final accounts by 30 September of the year following the accounting period to which they relate.
4. To address the audit observation on long outstanding contributions of four years and older under the Multilateral Fund, a new practice has been introduced in the accounts to record all outstanding receivables of four years and older as well as other specific contributions unlikely to be collected under a "doubtful accounts receivable" line item. It is anticipated that this new policy would allow for transparent treatment of uncollectable amounts while taking into account the Fund's policy not to write off outstanding contributions. This change in policy has been applied retroactively to the 2010 accounts.

Audit

5. During the months of April and May 2012, the United Nations Board of Auditors, represented by a team from the United Kingdom, performed a final audit of UNEP accounts for the 2010 – 2011

biennium. This included examining the records of the Multilateral Fund. UNEP is currently awaiting the draft report of the audit.

Recommendations

6. The Executive Committee may wish to:
 - (a) Take note of the Fund's 2011 provisional accounts;
 - (b) Note that the 2011 final accounts of the Fund will be submitted to the Committee at the 68th meeting; and that further adjustments will be introduced as required;
 - (c) Note the actions taken by the Treasurer in 2011 to reflect the adjustments resulting from the reconciliation of the 2010 accounts exercise; and
 - (d) Note the Fund's new policy of recording long outstanding contributions of four years and more, as well as other receivables considered uncollectible in the Fund's accounts, under the "doubtful accounts receivable" line item.

SCHEDULE 1.1 MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
2011 STATEMENT OF INCOME AND EXPENDITURE (in US\$)			
(Thousands of United States dollars)			
INCOME	2011	2010	1991- 2011
Agreed contributions	128,349	128,874	2,696,158
Interest income	2,496	3,645	207,635
Exchange gain/(loss)(i)	(4,310)	(6,049)	26,530
Miscellaneous income	(1,109)	1,277	30,866
TOTAL INCOME	125,426	127,747	2,961,189
EXPENDITURE (ii)			
UNEP Managed Activities	18,848	15,526	189,141
UNDP Managed Activities	39,395	25,120	585,221
UNIDO Managed Activities	31,627	25,283	564,569
World Bank Managed Activities	11,200	23,603	1,009,358
Secretariat	6,765	5,887	84,920
TOTAL EXPENDITURE	107,835	95,419	2,433,209
Excess of income over expenditure	17,591	32,328	527,980
Prior period adjustments	(8,949)	(156,904)	(165,253)
Net excess of income over expenditure	8,642	(124,576)	362,727
Fund balance, beginning of period	354,085	478,661	0
Fund balance, end of period	362,727	354,085	362,727

(i) FERM Exchange loss for 2011.

(ii) To avoid delay, the Treasurer, with the approval of the Executive Committee of the Multilateral Fund has adopted the practice of recording UNDP, UNIDO and the World Bank's unaudited expenditures submitted. There is however an agreement that the implementing agencies will provide audited expenditures immediately they become available but not later than 30 September of the following year.

SCHEDULE 1.2		
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL		
2011 STATEMENT OF ASSETS AND LIABILITIES		
(Thousands of United States dollars)		
ASSETS	31.12.2011	31.12.2010
Cash and term deposits	16,069	111,297
Voluntary pledges receivable	187,122	176,371
Less provision for doubtful receivables (i)	-166,233	-163,225
Inter-fund balance receivable		
Other accounts receivable	353	329
Other assets - deferred charges*	126,653	13
Promissory notes	24,844	40,767
Operating funds provided to implementing agencies	305,094	187,012
TOTAL ASSETS	493,902	352,564
LIABILITIES		
Deferred credits*	130,747	3,847
Reserve for obligations	266	150
Inter-fund balance payable	42	44
Other accounts payable	120	759
TOTAL LIABILITIES	131,175	4,800
RESERVES AND FUND BALANCES		
Cumulative surplus	362,727	347,764
TOTAL RESERVES AND FUND BALANCES	362,727	347,764
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	493,902	352,564

* Other assets and Deferred credits include commitments for future years amounting to US \$126,640 (Thousands of United States dollars).

(i) New line item introduced in the 2010-2011 financial period.

It represents 100% of all outstanding receivables over four years old and other specific receivables considered uncollectible.

Of the total US \$187.122 million voluntary contributions receivable (Schedule 1.2), about US \$120.594 million or 64% represent amount due from countries with economies in transition. The Fund encourages parties to pay their outstanding contributions in full and no write-offs are currently being considered.

SCHEDULE 1.3					
A. 2011 Expenditures for Account MFL 2336-2211-2661: (Secretariat's Main Account)					
			Approved	Actual	Savings/
			Budget	Expenditure	(Deficit)
10	PROJECT PERSONNEL COMPONENT				
	<i>1100</i>	<i>Project Personnel</i>			
	1101	Chief Officer (D-2)	230,282	219,713	10,569
	1102	Deputy Chief Officer (Economic Cooperation) (P-5)	227,260	217,547	9,713
	1103	Programme Management Officer (P-3)	150,618	161,925	(11,307)
	1104	Senior Project Management Officer (P-5)	205,366	222,047	(16,681)
	1105	Senior Project Management Officer (P-5)	205,366	190,986	14,380
	1106	Senior Project Management Officer (P-5)	205,366	190,787	14,579
	1107	Senior Project Management Officer (P-5)	205,366	156,314	49,052
	1108	Information Management Officer (P-3)	181,588	196,439	(14,851)
	1109	Administrative and Fund Management Officer (P-5)	184,257	161,818	22,439
	1110	Senior Monitoring and Evaluation Officer (P-5)	205,366	194,739	10,627
	1111	Programme Management Officer (P-3)	150,618	136,733	13,885
	1112	Associate IT Officer (P-2)	91,127	116,435	(25,308)
	1114	Programme Management Officer - (P-3)	150,618	139,414	11,204
	1188	Prior Year's Adjustment			
	<i>1199</i>	<i>Sub-total</i>	2,393,198	2,304,897	88,301
	<i>1200</i>	<i>Consultants</i>			
	1201	Projects and technical reviews etc	57,000	28,551	28,449
	1202	MC2 Consultants	40,200	0	40,200
	1203	MYA Table access & development	5,730	3,900	1,830
	<i>1299</i>	<i>Sub-total</i>	102,930	32,451	70,479
	<i>1300</i>	<i>Administrative Support Staff costs</i>			
	1301	Administrative Assistant (G-8)	86,564	85,651	913
	1302	Meetings Services Assistant (G-7)	81,909	86,525	(4,616)
	1303	Programme Assistant (G-8)	86,564	91,415	(4,851)
	1304	Senior Secretary (Economic Cooperation) (G-6)	46,122	23,050	23,072
	1305	Senior Secretary (Technical Cooperation) (G-6)	64,122	67,601	(3,479)
	1306	Computer Operations Assistant (G-8)	86,564	37,281	49,283
	1307	Secretary (G-6)	67,770	71,315	(3,545)
	1308	Secretary/Clerk, Administration (G-7)	72,700	44,047	28,653
	1309	Registry Clerk (G-5)	55,391	58,220	(2,829)
	1310	Database Assistant (G-8)	104,564	106,581	(2,017)
	1311	Secretary, Monitoring and Evaluation, (G-6)	64,122	65,841	(1,719)
	1313	Secretary, (Senior programme Officer) G-6	64,121	53,710	10,411
	1314	Secretary (Senior Programme Officer) (G-6)	64,121	59,705	4,416
	<i>1301-14</i>	<i>Sub-total (support staff costs)</i>	944,634	850,942	93,692
	1333	60th Meeting of the Executive Committee	346,760	346,242	518
	1334	61st Meeting of the Executive Committee	318,140	317,428	712
	1336	62nd Meeting of the Executive Committee	386,840	384,986	1,854
	<i>1333-34 & 1336</i>	<i>Sub-total (conference servicing)</i>	1,051,740	1,048,656	3,084
	1335	Temporary Assistance	12,000	11,668	332
	1388	Prior Year's Adjustment	-	-	0
	<i>1388</i>	<i>Sub-total</i>	-	0	0
	<i>1399</i>	<i>Sub-total</i>	2,008,374	1,911,266	97,108

			Approved Budget	Actual Expenditure	Savings/ (Deficit)
	1600	<i>Travel on Official Missions</i>			
	1601	Mission costs	302,516	302,433	83
	1602	Network meetings (4)	26,834	17,528	9,306
	1699	<i>Sub-total</i>	329,350	319,961	9,389
1999	COMPONENT TOTAL		4,833,852	4,568,575	265,277
20	SUB-CONTRACTS COMPONENT				
	2100	<i>Sub-Contracts with UN Agencies:</i>			
	2101	Treasury services	500,000	500,000	0
	2102	Corporate consultancies	800,000	160,026	639,974
	2199	<i>Sub-total</i>	1,300,000	660,026	639,974
	2300				0
	2300	<i>Sub-Contracts with Profit Making Institutions</i>			0
	2301	Corporate Consultancies	0	0	0
	2399	<i>Sub-total</i>	0	0	0
2999	COMPONENT TOTAL		1,300,000	660,026	639,974
30	MEETINGS PARTICIPATION COMPONENT				
	3300	<i>Assistance to Participants from Developing Countries</i>			
	3301	Travel of Chairman / Vice-Chairman	15,000	7,184	7,816
	3302	Executive Committee meetings	225,000	207,539	17,461
	3399	<i>Sub-total</i>	240,000	214,723	25,277
3999	COMPONENT TOTAL		240,000	214,723	25,277
40	EQUIPMENT COMPONENT				
	4100	<i>Expendables</i>			
	4101	Office stationery etc (revision initiated to use anticipated savings)	19,500	10,997	8,503
	4102	Software & Computer expendables	11,700	2,619	9,081
	4199	<i>Sub-total</i>	31,200	13,616	17,584
	4200	<i>Non-expendable Equipment</i>			
	4201	Computer, printers etc.	13,000	9,563	3,437
	4202	Others	6,500	629	5,871
	4299	<i>Sub-total</i>	19,500	10,192	9,308
	4300	<i>Rental of premises</i>			
	4301	Rental of office premises	870,282	804,392	65,890
	4399	<i>Sub-total</i>	870,282	804,392	65,890
4999	COMPONENT TOTAL		920,982	828,200	92,782
50	MISCELLANEOUS COMPONENT				
	5100	<i>Operations and Maintenance</i>			
	5101	Computers, printers etc	9,000	7,114	1,886
	5102	Office premises	9,000	1,203	7,797
	5103	Rental of Photocopiers	19,500	749	18,751
	5104	Telecommunications equipment	9,000	857	8,143
	5105	Miscellaneous equipment rentals	16,250	1,442	14,808
	5199	<i>Sub-total</i>	62,750	11,365	51,385
	5200	<i>Reporting Costs</i>			

			Approved	Actual	Savings/
			Budget	Expenditure	(Deficit)
	5201	Executive Committee meetings	17,000	10,492	6,508
	5202	Reporting (others)			0
	5299	<i>Sub-total</i>	17,000	10,492	6,508
	5300	<i>Sundry</i>			
	5301	Communications	65,000	40,478	24,522
	5302	Freight charges	15,000	3,031	11,969
	5303	Bank charges	5,000	1,637	3,363
	5305	Staff training	25,497	4,598	20,899
	5399	<i>Sub-total</i>	110,497	49,744	60,753
	5400	<i>Hospitality</i>			
	5401	Official hospitality	16,000	15,109	891
	5499	<i>Sub-total</i>	16,000	15,109	891
5999	COMPONENT TOTAL		206,247	86,710	119,537
99	PROJECT TOTAL		7,501,081	6,358,234	1,142,847
		<i>Programme Support Costs (budget lines 1100 and 1300)</i>	433,918	410,259	23,659
		GRAND TOTAL	7,934,999	6,768,493	1,166,506
B. 2011 Expenditures for Account MFL 2336-2212-2661: (Monitoring and Evaluation)					
			Approved	Actual	Savings/
			Budget	Expenditure	(Deficit)
	1201	Projects and technical reviews/Customs Trng	12,000	2,450	9,550
	1202	Projects and technical reviews etc./Methyl bromide	18,750	16,000	2,750
	1203	Projects and technical reviews etc./Extending desk study	0	0	0
	1204	Country studies	0	0	0
	1205	Consultants	0	0	0
	1206	Projects and technical reviews etc/evaluation of TPMPs	0	0	0
	1601	Travel on Official business	50,000	18,981	31,019
	4201	Non Expendable Computer Equipment	5,250	181	5,069
	5301	Communications	750	0	750
	ACCOUNT TOTAL		86,750	37,612	49,138
C. 2011 Expenditures for Account MFL 2336-2567-2661: (HCFC Production Sector)					
	1200	<i>Sub-Contracts with Profit Making Institutions</i>			
	1201	Consultants	0	(10,000)	10,000
	ACCOUNT TOTAL		0	(10,000)	10,000
	TOTAL FOR ALL ACCOUNTS		8,021,749	6,796,105	1,225,644

Breakdown of expenditures under 1200 and 2100 BL is available upon request.

BL 1304, 1306 & 1314 allocation used for Temporary recruitment pending filling of the posts.

Savings under BL 1202, 1203, and 2102 will be used in 2012 to complete activities under the respective lines.

Savings under BL 3302, 4201, 4202, 5105, 5303 and 5305 will be combined with 2012 allocations to meet 2012 requirements.

Savings under 1201 and 1202 of the SMEO budget will be used in 2012 to complete activities under the respective lines.

SCHEDULE 1.4			
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
UNDP Managed Activities 1991 - 2011			
INCOME	2011	2010	1991-2011
Cash transferred from the Multilateral Fund	65,960,734	23,621,158	587,025,650
Promissory notes encashment	0	0	31,150,012
Interest and miscellaneous income earned and retained	350,000	467,358	53,226,114
TOTAL INCOME	66,310,734	24,088,516	671,401,776
TOTAL EXPENDITURE	38,488,043	24,555,096	585,221,426
EXCESS OF INCOME OVER EXPENDITURE	27,822,691	-466,580	86,180,350
NET EXCESS OF INCOME OVER EXPENDITURE	27,822,691	-466,580	86,180,350
Fund balance, beginning of period	58,357,659	58,824,239	0
Add excess of income over expenditure	27,822,691	-466,580	86,180,350
Fund balance, end of period	86,180,350	58,357,659	86,180,350

SCHEDULE 1.5			
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
UNEP Managed Activities 1991 - 2011			
INCOME	2011	2010	1991-2011
Cash transferred from the Multilateral Fund	18,776,892	16,881,814	203,396,218
Total transfers	18,776,892	16,881,814	203,396,218
Interest earned and retained	279,358	389,576	9,123,614
Other income	-5,733	13,595	74,693
TOTAL INCOME	19,050,517	17,284,985	212,594,525
TOTAL EXPENDITURE	18,787,381	15,590,824	189,336,551
EXCESS OF INCOME OVER EXPENDITURE	263,136	1,694,161	23,257,974
Prior period adjustments	0	0	0
NET EXCESS OF INCOME OVER EXPENDITURE	263,136	1,694,161	23,257,974
Fund balance, beginning of period	22,994,838	21,300,677	0
Add excess of income over expenditure	263,136	1,694,161	23,257,974
Fund balance, end of period	23,257,974	22,994,838	23,257,974

SCHEDULE 1.6			
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
UNIDO Managed Activities 1991 - 2011			
INCOME	2011	2010	1991-2011
Cash transferred from the Multilateral Fund	84,305,807	52,430,461	657,071,329
Interest and miscellaneous income earned and retained	386,897	229,444	36,326,980
TOTAL INCOME	84,692,704	52,659,905	693,398,309
TOTAL EXPENDITURE	31,340,698	25,581,054	564,574,485
EXCESS OF INCOME OVER EXPENDITURE	53,352,006	27,078,851	128,823,824
NET EXCESS OF INCOME OVER EXPENDITURE	53,352,006	27,078,851	128,823,824
Fund balance, beginning of period	75,471,818	48,392,967	0
Add excess of income over expenditure	53,352,006	27,078,851	128,823,824
Fund balance, end of period	128,823,824	75,471,818	128,823,824

SCHEDULE 1.7			
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
World Bank Managed Activities 1991 - 2011			
INCOME	2011	2010	1991-2011
Cash transferred from the Multilateral Fund	50,170,096	1,350,339	827,419,521
Promissory notes encashed*	0	0	181,333,627
Interest and miscellaneous income earned and retained (investment income)	244,055	387,337	78,413,678
TOTAL INCOME	50,414,151	1,737,676	1,087,166,826
TOTAL EXPENDITURE	11,200,968	23,602,512	1,009,359,006
EXCESS OF INCOME OVER EXPENDITURE	39,213,183	-21,864,836	77,807,820
NET EXCESS OF INCOME OVER EXPENDITURE	39,213,183	-21,864,836	77,807,820
Fund balance, beginning of period**	38,594,637	60,459,473	0
Add excess of income over expenditure	39,213,183	-21,864,836	77,807,820
Fund balance, end of period	77,807,820	38,594,637	77,807,820

*Promissory notes information provided in the World Bank accounts.

** The World Bank restated its Opening Fund balance for 2006 to include unrealized investment income as at the end of 31 December 2005.