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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-second Meeting
Montreal, 23 – July 2007

PROVISIONAL 2006 ACCOUNTS

1. This document presents the provisional 2006 accounts of the Multilateral Fund, the four implementing agencies (IAs) and the Secretariat as contained in Schedules 1.1-1.7. The relevant reports and Schedules 1.1-1.7 attached to this document are submitted for information only at this time.

2. The final 2006 accounts of the Fund will be submitted to the 53rd 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 reconciliation of accounts. During this workshop the agencies agreed with the Treasurer to submit their provisional accounts to UNEP on 31 January and the final accounts on 30 September of the year following the accounting period in light of the overlap in the closing of the Accounts between the IAs and UNEP.

Adjustments to IAs Provisional Statements

3. The variance between the 2005 provisional statements and the IAs 2005 final accounts have been recorded by the Treasurer as part of the income of the IAs in 2006. These amounts were reflected in the reconciliation of the 2005 accounts as additional interest reported in the 2005 audited financial statements of the agencies. The total 2005 adjustments amounted to a sum of US\$1,618,785.

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.

Prior period adjustments

4. This adjustment relates mainly to entries made in respect of approvals for bilateral projects granted to Japan at the 47th and 48th Executive Committee Meetings.

Audit

5. The audit of the 2006 financial statements of UNEP has just been concluded by the UN Board of Auditors. There has been no adverse report on the financial statement of the Fund thus far.

Follow up to decision 51/37 on UNEP Support Costs

6. In line with decision 51/37, through which the Executive Committee urged the Treasurer to provide information regarding UNEP support costs in time for the 52nd Meeting, UNEP has decided to return the full amount of US \$143,956 to the Fund and to charge it to its own overhead account. This adjustment is to be reflected in the 2007 accounts.

Recommendations

7. The Executive Committee may wish to:
- a) Take note of the Fund's 2006 provisional accounts;
 - b) Note that the 2006 final accounts of the Fund will be submitted to the Executive Committee at the 53rd Meeting;
 - c) Note the actions taken by the Treasurer to reflect adjustments resulting from the reconciliation of the 2005 accounts exercise;
 - d) Note the return by UNEP of the amount of US \$143,956 to the Fund, previously reported as a programme support cost charge to the Fund.

SCHEDULE 1.1 MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL 2006 STATEMENT OF INCOME AND EXPENDITURE (in US\$) (Thousands of United States dollars)			
INCOME	2006	2005	1991- 2006
Agreed contributions	128,959	123,938	2,055,740
Interest income	13,774	8,006	166,128
Miscellaneous income	14,211	13,043	48,388
TOTAL INCOME	156,944	144,987	2,270,256
EXPENDITURE			
UNEP Managed Activities	13,056	13,374	102,980
UNDP Managed Activities	24,741	27,903	426,652
UNIDO Managed Activities	44,660	38,964	421,449
World Bank Managed Activities	86,149	87,630	764,665
Secretariat	5,754	5,501	54,300
TOTAL EXPENDITURE	174,360	173,372	1,770,046
Excess of income over expenditure	(17,416)	(28,385)	500,210
Prior period adjustments	2,777	(2,773)	349
Net excess of income over expenditure	(14,639)	(31,158)	500,559
Fund balance, beginning of period	515,198	546,356	0
Fund balance, end of period	500,559	515,198	500,559

(i) For ease of monitoring and to avoid delays the Treasurer recorded UNDP, UNIDO and WB-IBRD unaudited expenditures submitted for their accounting periods ended 31 December 2006 based on agreement that they will provide audited expenditures immediately they become available. The Treasurer, also according to the approved practice of the Executive Committee of the Multilateral Fund, recorded expenditures from implementing agencies of US \$130,000 in the current period resulting from the reconciliation of the audited accounts for the periods ending 31 December 2005 and earlier.

(ii) The prior period adjustments relate to correcting entries made in respect of a contribution for bilateral projects from Japan approved in December 2005 but not recorded in 2004-2005.

(iii) Of the total US \$ 185.673 million Voluntary contributions receivable, US \$108.079 million or 58% represent amounts due from countries with economies in transition. The Fund encourages parties to pay their outstanding contributions in full and no write-offs or provisions for doubtful accounts are currently being applied.

(iv) As at 31 December 2006, the Promissory notes included US \$5,354,442 assigned to implementing agencies.

SCHEDULE 1.2		
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL		
2006 STATEMENT OF ASSETS AND LIABILITIES		
(Thousands of United States dollars)		
ASSETS	31.12.2006	31.12.2005
Cash and term deposits	1,774	10,791
Voluntary pledges receivable	185,673	165,179
Inter-fund balance receivable	0	3,750
Other accounts receivable	2,408	0
Other assets - deferred charges	20	3
Promissory notes	41,005	90,929
Operating funds provided to implementing agencies	274,427	252,963
TOTAL ASSETS	505,307	523,615
LIABILITIES		
Deferred credits	4,180	4,465
Reserve for obligations	308	437
Inter-fund balance payable	125	0
Other accounts payable	135	3,516
Advances provided by implementing agencies	0	0
TOTAL LIABILITIES	4,748	8,418
RESERVES AND FUND BALANCES		
Cumulative surplus	500,559	515,197
TOTAL RESERVES AND FUND BALANCES	500,559	515,197
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	505,307	523,615

SCHEDULE 1.3

A. 2006 Expenditures for Account MFL 2336-2211-2661: (Secretariat's Main Account)

			Approved	Actual	Savings/
			Budget	Expenditure	(Deficit)
10	PROJECT PERSONNEL COMPONENT				
	1100	<i>Project Personnel</i>			
	1101	Chief Officer (D-2)	180,432	201,754	(21,322)
	1102	Deputy Chief Officer (Economic Cooperation) (P-5)	165,573	186,709	(21,136)
	1103	Deputy Chief Officer (Technical Cooperation) (P-5)	168,890	254,371	(85,481)
	1104	Senior Project Management Officer (P-5)	160,910	167,654	(6,744)
	1105	Senior Project Management Officer (P-5)	160,910	122,141	38,769
	1106	Senior Project Management Officer (P-5)	160,910	140,180	20,730
	1107	Senior Project Management Officer (P-5)	160,910	169,749	(8,839)
	1108	Information Management Officer (P-3)	142,279	173,094	(30,815)
	1109	Administrative and Fund Management Officer (P-4)	144,370	156,281	(11,911)
	1110	Senior Monitoring and Evaluation Officer (P-5)	160,910	182,570	(21,660)
	1111	Associate Executive Assistant to Chief Officer (P-2)	74,970	89,366	(14,396)
	1112	Associate IT Officer	71,400	43,315	28,085
	1188	Prior Year's Adjustment			
	1199	<i>Sub-total</i>	1,752,464	1,887,184	(134,720)
	1200	<i>Consultants</i>			
	1201	Projects and technical reviews etc	150,000	119,982	30,018
	1299	<i>Sub-total</i>	150,000	119,982	30,018
	1300	<i>Administrative Support Staff costs</i>			
	1301	Admin Assistant (G-8)	73,139	79,738	(6,599)
	1302	Meetings Services Assistant (G-7)	69,206	75,380	(6,174)
	1303	Programme Assistant (G-8)	73,139	72,565	574
	1304	Senior Secretary (Deputy Chief, Economic Cooperation) (G-6)	54,177	56,134	(1,957)
	1305	Senior Secretary (Deputy Chief, Technical Cooperation) (G-6)	54,177	54,081	96
	1306	Computer Operations Assistant (G-7/G-8)	73,139	42,245	30,894
	1307	Secretary (to 2 Programme Officers) (G-6)	57,260	62,210	(4,950)
	1308	Secretary/Clerk, Administration (G-5)	61,425	50,863	10,562
	1309	Registry Clerk (G-4)	46,799	62,015	(15,216)
	1310	Database Assistant (G-8)	73,139	84,655	(11,516)
	1311	Secretary, Monitoring and Evaluation, (G-5/G-6)	54,177	48,100	6,077
	1301-11	<i>Sub-total (support staff costs)</i>	689,777	687,986	1,791
	1333	Executive Committee meetings	600,000	667,513	(67,513)
	1333	<i>Sub-total (conference servicing)</i>	600,000	667,513	(67,513)
	1335	Tempory Assistance	50,000	48,673	1,327
	1388	Prior Year's Adjustment	-	-	0
	1388	<i>Sub-total</i>	-	0	0
	1399	<i>Sub-total</i>	1,339,777	1,404,172	(64,395)

			Approved	Actual	Savings/
			Budget	Expenditure	(Deficit)
	1600	<i>Travel on Official Missions</i>			
	1601	Mission costs	160,000	159,325	675
	1602	Mission costs (Excom 50)	130,000	130,000	0
	1699	<i>Sub-total</i>	290,000	289,325	675
1999	COMPONENT TOTAL		3,532,241	3,700,663	(168,422)
20	SUB-CONTRACTS COMPONENT				
	2100	<i>Sub-Contracts with UN Agencies:</i>			
	2101	Treasury services	500,000	500,000	0
	2199	<i>Sub-total</i>	500,000	500,000	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		500,000	500,000	0
30	MEETINGS PARTICIPATION COMPONENT				
	3300	<i>Assistance to Participants from Developing Countries</i>			
	3301	Travel of Chairman / Vice-Chairman	30,000	11,010	18,990
	3302	Executive Committee meetings - 2005	225,000	160,469	64,531
	3303	Sub-Committee and Informal Sub-group meetings	30,000	2,276	27,724
	3305	Expert Meeting on non-reusable and unwanted ODS	50,000	33,129	16,871
	3399	<i>Sub-total</i>	335,000	206,884	128,116
3999	COMPONENT TOTAL		335,000	206,884	128,116
40	EQUIPMENT COMPONENT				
	4100	<i>Expendables</i>			
	4101	Office stationery etc	15,000	14,131	869
	4102	Software & Computer expendables	9,000	6,026	2,974
	4199	<i>Sub-total</i>	24,000	20,157	3,843
	4200	<i>Non-expendable Equipment</i>			
	4201	Computer, printers etc.	10,000	5,622	4,378
	4202	Others	5,000	206	4,794
	4299	<i>Sub-total</i>	15,000	5,828	9,172
	4300	<i>Rental of premises</i>			
	4301	Rental of office premises	310,000	500,958	(190,958)
	4399	<i>Sub-total</i>	310,000	500,958	(190,958)
4999	COMPONENT TOTAL		349,000	526,943	(177,943)
50	MISCELLANEOUS COMPONENT				
	5100	<i>Operations and Maintenance</i>			
	5101	Computers, printers etc	9,000	4,129	4,871
	5102	Office premises	9,000	4,129	4,871
	5103	Rental of Photocopiers	15,000	13,791	1,209
	5104	Telecommunications equipment	9,000	3,543	5,457
	5105	Miscellaneous equipment rentals	12,000	12,000	0
	5199	<i>Sub-total</i>	54,000	37,592	16,408
	5200	<i>Reporting Costs</i>			

		Approved Budget	Actual Expenditure	Savings/ (Deficit)
	5201			
	5202			
		20,000	19,747	253
	5299	20,000	19,747	253
	5300			
	5301	40,000	41,961	(1,961)
	5302	15,000	15,354	(354)
	5303	5,000	1,025	3,975
	5304	0	0	0
	5305	38,000	6,157	31,843
	5399	98,000	64,497	33,503
	5400			
	5401	10,000	6,675	3,325
	5499	10,000	6,675	3,325
5999	COMPONENT TOTAL	182,000	128,511	53,489
99	PROJECT TOTAL	4,898,241	5,063,001	(164,760)
	<i>Programme Support Costs</i>	317,491	334,772	(17,281)
	GRAND TOTAL	5,215,732	5,397,773	(182,041)
B. 2006 Expenditures for Account MFL 2336-2212-2661: (Monitoring and Evaluation)				
		Approved Budget	Actual Expenditure	Savings/ (Deficit)
	1201	121,152	104,154	16,998
	1202	110,000	87,659	22,341
	1203	115,482	99,579	15,903
	1205	0	0	0
	1601	63,486	63,486	0
	4101	0	0	0
	4201	4,000	0	4,000
	5105	0	0	0
	5201	0	0	0
	5301	2,000	2,000	0
	ACCOUNT TOTAL	416,120	356,878	59,242
C. 2006 Expenditures for Account MFL 2336-2213-2661: (Technical Audits: Production Sector)				
	2300			
	2301	0	0	0
	ACCOUNT TOTAL	0	0	0
D. 2006 Expenditures for Account MFL 2336-2720-2661: (Information Strategy)				
		Approved Budget	Actual Expenditure	Savings/ (Deficit)
	1201	0	0	0
	4102	0	0	0
	4201	0	0	0
	5105	0	0	0
	ACCOUNT TOTAL	0	0	0
	TOTAL FOR ALL ACCOUNTS	5,631,852	5,754,651	(122,799)

SCHEDULE 1.4			
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
UNDP Managed Activities in 1991 - 2006			
INCOME	2006	2005	1991-2006
Cash transferred from the Multilateral Fund	13,579,697	43,931,379	447,808,045
Promissory notes encashment	0	0	31,150,012
Interest and miscellaneous income earned and retained	3,231,000	2,608,285	43,713,238
TOTAL INCOME	16,810,697	46,539,664	522,671,295
TOTAL EXPENDITURE	24,806,241	29,441,798	426,652,104
EXCESS OF INCOME OVER EXPENDITURE	(7,995,544)	17,097,866	96,019,191
NET EXCESS OF INCOME OVER EXPENDITURE	(7,995,544)	17,097,866	96,019,191
Fund balance, beginning of period	104,014,735	86,916,869	0
Add excess of income over expenditure	(7,995,544)	17,097,866	96,019,191
Fund balance, end of period	96,019,191	104,014,735	96,019,191

SCHEDULE 1.5

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

UNEP Managed Activities in 1991 - 2006

INCOME	2006	2005	1991-2006
Cash transferred from the Multilateral Fund	9,724,930	11,672,254	114,007,390
Total transfers	9,724,930	11,672,254	114,007,390
Interest earned and retained	1,005,616	589,961	6,308,555
Other income	25,257	0	25,257
TOTAL INCOME	10,755,803	12,262,215	120,341,202
TOTAL EXPENDITURE	13,086,265	13,658,659	103,175,624
EXCESS OF INCOME OVER EXPENDITURE	(2,330,462)	(1,396,444)	17,165,578
Prior period adjustments	(35,688)	0	(71,722)
NET EXCESS OF INCOME OVER EXPENDITURE	(2,366,150)	(1,396,444)	17,093,856
Fund balance, beginning of period	19,460,006	20,856,450	0
Add excess of income over expenditure	(2,366,150)	(1,396,444)	17,093,856
Fund balance, end of period	17,093,856	19,460,006	17,093,856

SCHEDULE 1.6			
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
UNIDO Managed Activities in 1991 - 2006			
INCOME	2006	2005	1991-2006
Cash transferred from the Multilateral Func	22,332,117	68,800,452	443,155,251
Interest and miscellaneous income earned and retained	2,910,077	1,488,686	29,640,340
Value of Promisory notes received	0	0	0
TOTAL INCOME	25,242,194	70,289,138	472,795,591
TOTAL EXPENDITURE	44,378,908	38,955,235	421,454,613
EXCESS OF INCOME OVER EXPENDITURE	(19,136,714)	31,333,903	51,340,978
NET EXCESS OF INCOME OVER EXPENDITURE	(19,136,714)	31,333,903	51,340,978
Fund balance, beginning of period	70,477,692	39,143,789	0
Add excess of income over expenditure	(19,136,714)	31,333,903	51,340,978
Fund balance, end of period	51,340,978	70,477,692	51,340,978

The 1991-2006 expenditures include a sum of US \$361,967 relating to Miscellaneous expenditures and bank charges pending decision of the Executive Committee.

SCHEDULE 1.7

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

World Bank Managed Activities in 1991 - 2006

INCOME	2006	2005	1991-2006
Cash transferred from the Multilateral Fund	112,118,963	56,689,405	634,118,140
Promissory notes encashed*	0	5,140,137	181,333,627
Interest and miscellaneous income earned and retained (investment income)	4,233,849	3,444,544	64,741,367
TOTAL INCOME	116,352,812	65,274,086	880,193,134
TOTAL EXPENDITURE	86,204,593	87,630,177	764,665,861
EXCESS OF INCOME OVER EXPENDITURE	30,148,219	(22,356,091)	115,527,273
NET EXCESS OF INCOME OVER EXPENDITURE	30,148,219	(22,356,091)	115,527,273
Fund balance, beginning of period**	85,379,054	108,375,370	0
Add excess of income over expenditure	30,148,219	(22,356,091)	115,527,273
Fund balance, end of period	115,527,273	86,019,279	115,527,273

*Promissory notes information provided by 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.