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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-ninth Meeting  
Port Ghalib, Egypt, 10-14 November 2009

**RECONCILIATION OF THE ACCOUNTS**

**(DECISIONS 57/38 AND 58/39)**

1. This document contains four sections: Section I: Background; Section II: Reconciliation of the Income as recorded in the 2008 Accounts with the Implementing Agencies' Progress Report Financial Data and the Fund Secretariat's Inventory of Approved Projects and outstanding 2006 reconciling item; Section III: Expenditures Reported in the Accounts and in the Progress Report; and Section IV: Recommendations.

### **Section I: Background**

2. Following the 38<sup>th</sup> Meeting and the submission of the 2001 accounts of the Fund, the Executive Committee requested that a full reconciliation of the accounts with the progress and financial reports should be prepared for the last meeting of each year (decision 38/9 (d)). The Secretariat in collaboration with the implementing agencies and the Treasurer has conducted this exercise every year and reported the results annually to the last meeting of the year with outstanding reconciling items not resolved in the course of a given year being carried over to the following year.

3. In November 2007, the 2006 reconciliation of the accounts exercise was presented to the 53<sup>rd</sup> Meeting of the Executive Committee and concluded that the reconciliation of the 2006 accounts would have been completed, with the exception of two reconciling items for UNEP, which were resolved at the 57<sup>th</sup> Meeting, and one for the World Bank that needed to provide an explanation of a US \$303 excess in its income for the Treasurer to offset this amount from future transfers. At the 57<sup>th</sup> Meeting the World Bank indicated that it was still investigating the US \$303 in approved projects and suspected that it could be attributed to an adjustment in the progress report. That amount therefore remained an outstanding item from the 2006 reconciliation of accounts and needed to be revisited on the occasion of the 2008 reconciliation of accounts exercise at the 59<sup>th</sup> Meeting.

4. The 2007 reconciliation of the accounts exercise was carried out in November 2008 and identified one outstanding reconciling item for the World Bank relating to a shortfall of US \$2,686,741 in the Bank's income, in addition to the outstanding 2006 reconciling item of US \$303. The World Bank explained that it was the result of a double deduction on transfers of funds to the Bank for its approved projects. The Treasurer confirmed that the amount of US \$1,176,270 had been indeed deducted twice from the World Bank's transfer, but was not in a position to confirm the double deduction of the remaining US \$1,510,471, and further verification was required before refunding the amount to the World Bank. By decision 57/38 it was noted that the 2006-2007 reconciliation of the accounts exercise is pending a report from the World Bank on the amount of US \$303, and a report from the Treasurer to the 59<sup>th</sup> Meeting verifying that the amount of US \$1,510,471 which had been deducted twice from the transfers that had been made to the Bank.

5. This document presents the 2008 reconciliation of the accounts exercise and addresses the World Bank's outstanding items from the 2006 and 2007 reconciliation exercises.

### **Section II: Reconciliation of the Income as recorded in the 2008 Accounts with the Implementing Agencies' Progress Report Financial Data and the Fund Secretariat's Inventory of Approved Projects and outstanding 2006 reconciling item.**

6. Adjustments are proposed to be effected in the UNEP/UNON 2009 accounts in consultation with the implementing agencies and the Treasurer subject to the decision of the Executive Committee.

#### **Progress Report Financial Data and the Inventory of Approved Projects**

7. As shown in Table 1 the Progress Report Financial Data of the implementing agencies is in accordance with that of the Secretariat's Inventory of Approved Projects with the exception of UNEP. Since the ultimate source of the implementing agencies' approvals is the inventory maintained by the

Secretariat, it is suggested that the 2008 approved amount of US \$2,252,679,065 as per the inventory be used for the purpose of the 2008 reconciliation of the accounts exercise.

Table 1

**COMPARISON BETWEEN PROGRESS REPORTS AND INVENTORY OF APPROVED PROJECTS (US \$)**

<b>Agency</b>	<b>2008 Progress Report – Total Funds Approved including Support Costs</b>	<b>Inventory – Total Funds Approved including Support Costs</b>	<b>Difference</b>
UNDP	564,948,567	564,948,556	-11
UNEP	158,710,777	158,534,376	-176,401
UNIDO	536,163,867	536,163,869	2
World Bank	993,032,260	993,032,264	4
<b>Total</b>	<b>2,252,855,471</b>	<b>2,252,679,065</b>	<b>-176,406</b>

8. Table 1 shows a US \$(11) difference between the inventory and the approvals reported in the UNDP progress report. UNDP advised that the discrepancy is due to a rounding difference. Where the difference is higher than US \$5 it is recommended that the agencies align their figures to the inventory maintained by the Secretariat or justify the discrepancy. It is therefore recommended that UNDP align its records of approved projects as reported in the progress report to the Secretariat's before the next reconciliation of the accounts exercise.

9. The discrepancy of US \$(176,401) between UNEP's records and the Secretariat's inventory is due to the fact that the return of the 2007 compliance assistance programme (CAP) project GLO/SEV/50/TAS/276 as per decision 55/8(i) had been recorded in the Secretariat inventory at the 55<sup>th</sup> Meeting. However, UNEP explained that in order to ensure that all charges related to this project are cleared and recorded, UNEP did not record the return of the balance in its progress report at the 55<sup>th</sup> Meeting but waited till the 57<sup>th</sup> and 58<sup>th</sup> Meetings and effected the return against the project not knowing that it had been already recorded in the inventory of approved projects as a return to the 55<sup>th</sup> Meeting. UNEP agreed to revise its balance report to the 59<sup>th</sup> Meeting with the revised returns for project GLO/SEV/50/TAS/276.

10. At the 57<sup>th</sup> Meeting, by decision 57/38 (f)(i) the Committee decided *inter alia* that the 2006-2007 reconciliation of the accounts exercise is pending reports to be submitted to the 59<sup>th</sup> Meeting from the World Bank, on the amount of US \$303, which the Bank suspected could be attributed to an adjustment in the progress report. In its report to the 59<sup>th</sup> Meeting, the Bank was able to reconcile its records on approved projects with that of the Secretariat. Table 1 shows the World Bank's records on approved projects are reconciled with the Secretariat's inventory with the exception of a rounding difference of US \$4. With this adjustment of the US \$303, the 2006 reconciliation of the accounts exercise on approved amounts is therefore completed.

Net Approvals in Progress Reports and 2008 Income Accounts of the Implementing Agencies

11. The net approved funds in the progress report and the income in the 2008 accounts of the Fund cover the same period. However, as shown in Table 2, there are differences between the two reports.

Table 2

**DIFFERENCES BETWEEN THE PROGRESS REPORTS AND 2008 ACCOUNTS OF THE FUND – FUNDS APPROVED AND INCOME (US\$)**

(1)	(2)	(3)	(4)	(5) = (3)-(2)	(6) = (4)-(2)
<b>Agency</b>	<b>2008 Progress Report – Total Funds Approved including Support Costs</b>	<b>Aggregate Income for 2008 Accounts of the Fund (Provisional as reported by the Treasurer)</b>	<b>Aggregate Income for 2008 Accounts of the Fund (per Final statements)</b>	<b>Difference between Provisional Accounts and Progress Report</b>	<b>Difference between Final Accounts and Progress Report</b>
UNDP	564,948,567	564,948,566	565,453,408	-1	504,841
UNEP	158,710,777	159,016,484	159,037,276	305,707	326,499
UNIDO	536,163,867	536,607,849	536,607,849	443,982	443,982
World Bank	993,032,260	1,003,668,778	1,003,668,778	10,636,518	10,636,518
<b>Total</b>	<b>2,252,855,471</b>	<b>2,264,241,677</b>	<b>2,264,767,311</b>	<b>11,386,206</b>	<b>11,911,840</b>

Note: A positive number in the last column means more income was reported in the agency's accounts than indicated in the progress report. A negative number means less income was reported in the agency's accounts than indicated in the progress report.

12. The Table 3 explains the differences between the progress reports and the agencies' aggregate income in the 2008 final accounts indicated in Table 2.

Table 3

**RATIONALE FOR DIFFERENCES BETWEEN NET APPROVALS IN PROGRESS REPORTS AND INCOME IN THE 2008 FINAL ACCOUNTS OF THE FUND (US\$)**

Row	Comments	UNDP	UNEP	UNIDO	World Bank
1	Difference between Agency Audited Accounts and Progress Report	504,841	326,499	443,982	10,636,518
2	Interest of the 4 <sup>th</sup> quarter of 2008	504,841	20,792	441,642	-1,212,820
3	Interest accrued in 2008 that was not reflected in the progress report. This amount shall be reflected in the 2009 accounts		468,471		
4	CAP 2007 unobligated balance deducted from income from the 55 <sup>th</sup> Meeting but not returned by UNEP and is still reflected in the Progress Report. The balance from this project was returned during the 57 <sup>th</sup> Meeting		-176,401		
5	Gains due to Exchange rate in 2008		13,637		
6	Miscellaneous income of the 4 <sup>th</sup> quarter of 2008			2,354	
7	Thailand Chiller Project (THA/REF/26/INV/104)				-1,198,946
8	Chile Halon Transfer (CHI/HAL/42/TAS/156)				64,500
9	Investment Income – Adjustments				-8
10	Standing reconciling item of Sweden bilateral (THA/HAL/29/TAS/120)*				-225,985

Row	Comments	UNDP	UNEP	UNIDO	World Bank
11	Standing reconciling item US bilateral (CPR/PRO/44/INV/425)*				-5,375,000
12	Standing reconciling item US bilateral (CPR/PRO/47/INV/439)*				-5,375,000
13	Total (Rows 2 to 12)	504,841	326,499	443,996	-13,323,259
<b>14</b>	<b>Difference</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>-2,686,741</b>

\*Standing reconciling items to be closed on completion of the Bank's MP activities.

13. Table 3 shows that all agencies were able to reconcile their 2008 income with approved amounts as per the inventory, including the World Bank that was able to justify the US \$2,686,741 discrepancy and UNIDO with a minor discrepancy of US \$14 additional income in its 2008 accounts.

14. UNDP explained that the difference of US \$504,841 between the 2008 progress report and the 2008 financial statement represents the difference in interest income between the 2008 provisional and UNDP final financial statements, which had been deducted by the Treasurer from the 57<sup>th</sup> Meeting approvals in April/May 2009.

15. Row 1 also shows that UNEP's 2008 final accounts reflect US \$326,499 more income in its financial statement than in its progress report. UNEP explained that it is related to interest reported in the financial statement and not reflected in its progress report as well as gains due to Exchange rate in 2008 and interest accrued in the 4<sup>th</sup> quarter of 2008 not reflected in the PR. It is also due to the 2007 CAP project GLO/SEV/50/TAS/27 unobligated balance deducted from 55<sup>th</sup> Meeting approvals but not returned by UNEP in its progress report.

16. With respect to UNIDO, row 1 shows the total difference between the net approvals in the progress reports and the income in the 2008 final accounts of the fund for UNIDO amounting to US \$443,982. This difference is largely due to the 4<sup>th</sup> quarter of 2008 interest of US \$441,642 plus a miscellaneous income of US \$2,354 reported in 2009, which had not yet been netted off the approvals amount transferred by the Treasurer. UNIDO reported an outstanding reconciling item of US \$14 yet to be explained.

17. With respect to the World Bank, row 1 shows a difference of US \$10,636,518 between net approvals in the Bank progress reports and income in the 2008 final accounts of the Fund. Out of this amount, US \$1,212,820 corresponds to the interest earnings in the last quarter for October to December 2008, which was accounted for in the 57<sup>th</sup> Meeting approvals in March 2009.

18. US \$1,198,946 represents the refund made against the chiller concessional loan project for Thailand. This amount had been deducted from the World Bank's income by the Treasurer in 2008 and represents a loan repayment of the balance of the project amounting to US \$1,198,947 as noted in decision 55/2 (a)(ii). This amount was deducted from the 54<sup>th</sup> Meeting approvals in May 2008. Hence there is a total US \$8 difference in interest earnings reported during 2007 and early 2008.

#### *Standing reconciling items*

19. The World Bank reported the same standing reconciling item of US \$5,375,000 for a bilateral contribution received in 2006 from the United States of America towards the US-China Accelerated Production Phase-out projects (CPR/PRO/44/INV/425). The Bank added another amount of US \$5,375,000 related to the Accelerated Production Phase-out US bilateral project for China (CPR/PRO/47/INV/439). This project was approved at the 47<sup>th</sup> Executive Committee Meeting. Both amounts will remain standing reconciling items in the accounts because the World Bank has included

them as part of its income in the 2006 and 2008 accounts, whereas it is not included in the Secretariat's list of approved projects for the World Bank because it is a bilateral contribution.

20. The Bank also reported the same sum of US \$225,985 that was a standing reconciling item in previous annual reconciliations of accounts. It is a Swedish bilateral contribution approved at the 29<sup>th</sup> Executive Committee Meeting and has been treated in a similar manner as the bilateral contribution received from the United States. Consequently, both will remain as standing reconciling items since they cannot be treated as normal income from the Multilateral Fund in the Bank's progress report.

21. The amount of US \$2,686,741 is an outstanding reconciling item from 2007 on which the Executive Committee, by decision 57/38(d), agreed "to request the Treasurer to return US \$1,176,270 to the World Bank". Through decision 57/38 (f)(ii), the Committee decided that the 2006 - 2007 reconciliation of the accounts exercise was pending a report to the 59<sup>th</sup> Meeting from the Treasurer verifying that the amount of US \$1,510,471 had been deducted twice from the transfers that had been made to the World Bank. As a follow-up to decision 57/38 (f)(ii) the Treasurer organized a conference call with the Bank and the Secretariat and requested it to prepare a detailed background report.

22. The Bank's report showed that after taking into account the amount of US \$1,176,270 returned to the Bank by decision 57/38(d), the remaining balance of US \$1,510,471 is broken down into three items:

- (a) US \$870,549 relates to the gains on promissory notes that were deducted twice by the Treasurer. The Bank was able to produce a satisfactory report to the Treasurer showing the historical records on promissory notes issuance and encashment and reflecting that a gain of US \$870,549 had been reported twice in 2006 and 2007 by the Bank, which led the Treasurer to deduct this amount twice from the transfers on approved amounts due to the Bank. The Treasurer concurs to the recommendation that this amount should be returned to the Bank;
- (b) US \$640,225 represents an unrealized investment loss. Extensive discussion took place between the Secretariat, the Bank and the Treasurer to understand the reason for this discrepancy. The World Bank explained that it is due to the fact the Bank team made an adjustment for the unrealized investment income loss twice instead of once, in the context of the reporting on quarterly interest earnings in 2006 and in the 2005 reconciliation. During the 2005 reconciliation, the figure of US \$640,226 appeared as an excess. Due to a lag in time the 2005 financial statement did not contain this unrealized investment income, but the 2006 financial statement did. The Treasurer subsequently picked that amount up when calculating the amount owed to the Bank from the 51<sup>st</sup> Meeting's approvals. As the 2006 Financial Statement was adjusted for this loss, the interest reported to the Treasurer was also reduced by US \$640,225. Instead of reporting that net interest earnings were US \$877,282 for October to December 2005, the Bank reported US \$237,057. During the consultation process both the Secretariat and the Treasurer were under the impression that there has been a change in the Bank investment policy that could have contributed to the discrepancy. The Bank also confirmed that the investment policy has always been the same but rather the accounting in the financial statement has changed from a "cash receipts and disbursements basis of accounting" to a "modified basis of accounting." The adjustment needed in reporting on the interest income to the Treasurer to accommodate the new accounting is what led the Bank to account for the US \$640,226 twice. Additional reports were provided by the Bank which indicating that since the Bank's financial statements were prepared on a cash basis, investment income included only realized investment income. The unrealized investment

gain/losses were accumulated in separate general ledger (GL) codes in the trust fund ledger and were not considered for the purpose of financial statement preparation. In January 2006, the World Bank decided to merge both the realized and unrealized GL codes into a single GL code and investment income, therefore, include both realized and unrealized investment gains/losses. The unrealized investment income accumulated in the separate GL code over the period was merged with the realized investment income. Based on the report provided to the Treasurer by the World Bank and the clarification on the bank changes in its accounting system a refund of US \$640,225 to the Bank is recommended as endorsed by the Treasurer; and

- (c) Finally the US \$303 is an amount to be returned to the Fund as a 2006 reconciling item after the World Bank aligns its records on approved projects with the inventory of the Secretariat. The World Bank has fulfilled this requirement, and the Treasurer shall offset this amount against future transfers.

23. The World Bank had further identified an amount of US \$64,500 that refers to the adjustment relating to the Chile halon technical assistance project (CHI/HAL/42/TAS/156) that was transferred to UNDP, along with support costs. However, funds were deducted twice through decision 51/10(b) on the World Bank's business plan and decision 52/2(b) and (c) on balances.

24. An investment income of US \$8 had been identified as a reconciling difference by the World Bank in the last reconciliation exercise of 2007. This is a small amount of investment income that was earned by the World Bank in June 2007 but had been excluded from the quarterly reporting of investment.

### Section III: Expenditures Reported in the Accounts and in the Progress Report

25. The Table 4 sets out the differences between the cumulative expenditures provisionally reported to the Treasurer in the 2008 accounts of the Fund, and the sum of the funds disbursed and funds obligated as reported to the Fund Secretariat in the annual progress reports of the implementing agencies for the period 1991 to 2008.

Table 4

#### EXPENDITURES (US\$)

(1)	PROGRESS REPORT			(5)	(6)
	(2)	(3)	(4)		
	Funds Disbursed including Support costs	Funds Obligated including support Costs	Total Cumulative Expenditures {(2)+(3)}	Total Cumulative Expenditures reported to the Treasurer*	{(4)-(5)}  (See Note)
UNDP	481,767,282	3,660,980	485,428,263	479,114,820	6,313,443
UNEP	128,801,012	5,929,152	134,730,164	134,881,208	-151,044
UNIDO	454,837,918	26,486,529	481,324,447	481,335,442	-10,995
World Bank	936,541,872	55,992,859	992,534,731	942,127,628	50,407,103

Note: A positive number in the last column means more expenditure was indicated in the progress report than in the accounts of the Fund. A negative number means less expenditure was indicated in the progress report than in the accounts.

\*As per the Treasurer's records reported in provisional/final accounts.

26. Table 5 summarises the differences in the expenditures reported in the agencies' progress report and the accounts of the Fund.

Table 5

**RATIONALE FOR DIFFERENCES IN EXPENDITURES REPORTED IN PROGRESS  
REPORTS AND THE ACCOUNTS OF THE FUND (US\$)**

	<b>UNDP</b>	<b>UNEP</b>	<b>UNIDO</b>	<b>World Bank</b>
1. Difference between Agency Accounts and Agency Progress Report	6,313,443	-151,044	-10,996	50,407,103
2. Funds allotted to cover 2009 & 2010 administrative commitments. Earned and reported in progress report, not yet disbursed per 2008	5,936,967		-11,204	
3. Difference between provisional and final 2008 financial statements to be recorded by UNDP in 2009 based on the final 2008 financial statement submitted by UNDP	297,686			
4. Project level errors identified and removed from 2008 progress report not adjusted in 2008 financial statement. To be adjusted by UNDP in 2009 accounts	-18,567			
5. Standing reconciling item is reduction of expenditure in financial statements not associated with any specific projects. Increases the fund balance due to MLF but can only be returned when the trust fund is closed*	68,300			
6. Standing reconciling item is reduction of expenditure in financial statement is not associated with any specific projects. Increases the fund balance due to MLF but can only be returned when the trust fund is closed*	29,054			
7. Prior year obligations closed after the submission of the Provisional Accounts Statement		-42,065		
8. Adjustment as a result of the 2006 Reconciliation		-110,884		
9. Committed value for approved projects				50,407,103
10. Outstanding reconciling items		1,905	208	
11. Rounding difference	3			
<b>Total (Rows 2 to 11)</b>	<b>6,313,443</b>	<b>-151,044</b>	<b>-10,996</b>	<b>50,407,103</b>

\* Standing reconciling item that can be returned when the trust fund is closed

UNDP

27. Row 2 represents funds allotted to cover 2009 and 2010 administrative commitments earned and reported in progress report, not yet disbursed per 2008 financial statement. UNDP explained that even though this amount is considered to be earned and reported in the progress report, it was not yet disbursed as per the 2008 financial statements. In the past UNDP explained that these are funds allocated to cover future administrative commitments. The same justification was provided by UNDP during the 2006 - 2007 reconciliation exercise.

28. Row 3 represents the difference between the provisional and final 2008 financial statements to be recorded by UNDP in 2009 based on the final 2008 financial statement submitted by UNDP. Row 4 is a 2008 reconciling item related to an error identified and removed from the 2008 progress report to be adjusted by UNDP in its 2009 accounts as suggested by UNDP.



*Standing reconciling items*

29. Rows 5 and 6 show the sums of US \$68,300 and US \$29,054 that will remain as standing reconciling items for UNDP till closure of the MLF funded projects and cannot be associated with any specific project. It is to be noted that by reducing its expenditures by these two amounts in its financial statement UNDP has, in theory, taken the required action to return these amounts to the Fund.

UNEP

30. UNEP shows fewer expenditures in its progress report than in the 2008 financial statement by US \$151,044 explained by an adjustment at accounts closure not reflected in the progress and in provisional reports in 2008. Of this amount US \$110,884 is a reconciling item in UNEP's 2006 account. As per UNEP's update given during the 57<sup>th</sup> Meeting, this adjustment had been done in the 2008 accounts and related to additional programme support costs (PSC) for institutional strengthening projects for which PSC were no longer charged. The PSC were automatically generated by UNEP's accounting system and thus reflected higher PSC in UNEP's financial statements than those reported in the progress report. The details of the projects that generated these PSC were identified, to ensure that this adjustment does not generate additional differences when the automatic PSC procedure is run in the UNEP Integrated Management Information System (IMIS). UNEP took the necessary action to reflect this adjustment in the Financial Statement submitted by it for the 2008 Accounts.

31. US \$42,065 was prior year's obligations closed after the submission of the provisional accounts statement. This amount has been reflected in the progress report and the financial statement but not in the provisional accounts due to timing of the report submission.

32. The only outstanding reconciling item in UNEP's accounts is US \$1,905. This relates to a 2009 Meeting participants cost inadvertently posted in 2009. The amount is thus reflected in the progress report for 2008 and in the financial report for 2009. This has resulted in a difference between the 2008 progress report and the 2008 financial statements.

UNIDO

33. With respect to UNIDO, it has reported more expenditure of US \$10,996 in its 2008 financial statement compared to its 2008 progress report. UNIDO indicated that the difference is mostly due to support cost differences amounting to US \$11,204 not reflected in the progress report. These adjustments will be made by UNIDO before the end of 2009. The additional US \$208 remains as a reconciling item for UNIDO to be revisited at the next reconciliation of the accounts exercise.

World Bank

34. Regarding the World Bank, US \$50,407,103 relates to the fact that the World Bank uses a cash basis of accounting where disbursements are not recorded in its financial statements until such payments are made, while they are reflected in its progress reports. Therefore its progress report will always reflect a higher expenditure than its final statement. The progress report's disbursement figures are primarily made up of figures reported to the World Bank by their financial agents and client countries (in the case of some sector and national ozone depleting substance phase-out plans), whereas expenditures in the financial statement represent the funds that flow out of the Bank into the special accounts (and eventually to the beneficiary). At any given time, there will be a higher total expenditure level in the accounts than in the progress report because of the time lag between disbursement to the special accounts and disbursement to the beneficiary.

**Section IV: Recommendations**

35. The Executive Committee may wish to:

- (a) Note:
  - (i) The reconciliation of the accounts as presented in UNEP/OzL.Pro/ExCom/59/56;
  - (ii) That the World Bank has adjusted its inventory of projects by US \$303 and the 2006 standing reconciling item from World Bank on the US \$303 on approved projects is closed;
  - (iii) That all agencies have completed their 2006 reconciliation at approvals, income and expenditures level;
- (b) Note with appreciation the report provided by the World Bank on the outstanding 2007 reconciling item of US \$1,510,471;
- (c) Request the Treasurer to return the amount of US \$1,510,471 to the World Bank based on:
  - (i) The double reporting and deduction by the Treasurer of US \$870,549 of the promissory note gains;
  - (ii) The double reporting and deduction by the Treasurer of US \$640,225 on the unrealized investment loss; and
  - (iii) US \$303 return to the Fund from the Bank.
- (d) Note the following outstanding reconciling items in the 2008 reconciliation of the accounts exercise:

UNDP

- (i) An additional amount of US \$11 in UNDP's records of approved projects to be aligned to the 2008 approved projects as per the Secretariat's Inventory;
- (ii) US \$18,567 expenditures reported by UNDP as a project level error adjusted in the progress report but not adjusted in the 2008 accounts;

UNEP

- (iii) A shortfall of US \$176,401 against project GLO/SEV/50/TAS/276 in the progress report approved amounts to be adjusted as reported in the UNEP balance reports to the 59<sup>th</sup> Meeting;
- (iv) A shortfall of US \$1,905 in the 2008 expenditures in the accounts reported as expenditure in the 2009 accounts;

UNIDO

- (v) US \$14 surplus in UNIDO's income;
- (vi) A US \$208 shortfall in 2008 final expenditures;

World Bank

- (vii) The 2008 standing reconciling item of US \$5,375,000 in the World Bank's income related to the US Bilateral project in China (CPR/PRO/47/INV/439) on Accelerated Production Phase-out.

- (e) Request the implementing agencies to carry 2008 adjustments in 2009 as follows by:
  - (i) Recording the amount of US \$297,686 related to UNDP 2008 expenditures in 2009;
  - (ii) Recording of the amount US \$504,841 related to UNDP's 2008 interest income in 2009.

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