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EXECUTIVE COMMITTEE OF
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IMPLEMENTATION OF THE MONTREAL PROTOCOL
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Item 4(c)(ii) of the provisional agenda[1]

RECONCILIATION OF THE 2025 ACCOUNTS

1. This document is prepared in collaboration with the Treasurer and the implementing agencies (IAs) in response to decision 38/9(d).[2] It presents the reconciliation of the income as recorded in the 2025 final accounts with the 2025 progress report financial data (progress report) of the IAs and the Secretariat's inventory of approved projects database (Inventory); expenditures reported in the 2025 final accounts and in the progress reports; and a recommendation.

Reconciliation of the income

2. There were no discrepancies found between the 2025 progress reports and the Inventory as shown in table 1.

Table 1. Discrepancies between the 2025 progress reports and the Inventory (US $)*

Agency	Progress report	Inventory	Difference
UNDP	1,122,240,517	1,122,240,517	0
UNEP	521,748,828	521,748,828	0
UNIDO	1,179,475,906	1,179,475,906	0
World Bank	1,374,616,998	1,374,616,998	0

*Including agency support costs.

Net approvals and income in the 2025 final accounts and the progress reports

3. Differences in income between the 2025 final accounts and the progress reports are shown in table 2.

[1] UNEP/OzL.Pro/ExCom/99/1

[2] A full reconciliation of the accounts with the progress and financial reports should be prepared for the last meeting of each year.

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 issuance of the document.

Table 2. Differences in income between the 2025 final accounts and the progress reports (US $)

Agency	Progress report*	2025 final accounts	Difference**
UNDP	1,122,240,517	1,123,470,081	(1,229,564)
UNEP	521,748,828	523,035,882	(1,287,054)
UNIDO	1,179,475,906	1,029,827,576	149,648,330
World Bank	1,374,616,998	1,390,635,622	(16,018,624)

(*) Including agency support costs.
(**) A positive number means more income, while a negative number means less income in the IAs' progress report.

4. The explanations provided by the IAs for the differences in income between the 2025 final accounts and the progress reports, and actions to be taken are shown in table 3.

Table 3. Rationale for differences in income between 2025 final accounts and the progress reports (US $)

Row	Explanation	UNDP	UNEP	UNIDO	World Bank
1	Difference between 2025 final accounts and progress reports	(1,229,564)	(1,287,054)	149,648,330	(16,018,624)
2	Cumulative interest in China's HCFC phase-out management plan (HPMP) not included in 2025 final accounts and held by China, and already offset against approvals (no action needed)	972,007			
3	Interest earned in 2025 and already offset against approvals (no action needed)	(1,125,624)			(1,074,524)
4	Interest income from 2025 and/or prior years (Treasurer to offset against 99th meeting approvals)	(1,075,912)	(1,450,341)		(412,144)
5	Amount withheld for Qatar's stage II of the HPMP (decision 93/36(b)) (no action needed)		163,285		
6	Net 2025 approvals reflected in the 2025 progress report but not yet reflected in the financial statement. It will be reflected in the 2026 financial statement (no action needed)			150,019,361	
7	Funding adjustments associated with the balances from China's stage I of the HPMP, deducted from subsequent fund transfers to UNIDO and recovered from China through contractual arrangements (no action needed)			2,202,720	
8	Balances returned from closed projects recorded in UNIDO's 2025 financial statement but not yet reflected in the progress report (UNIDO to reflect in its 2026 progress report)			(299,790)	
9	Balances carried forward under legacy projects and core unit costs (UNIDO to review and reconcile its financial records with the progress reports and adjust in its 2026 accounts)			(2,273,945)	
10	Net approvals from the 97th meeting paid in 2026 (no action needed)				7,119,840
11	Cumulative interest accrued in China's project accounts already offset against approvals but still owed to the World Bank by China (no action needed)				9,106
12	Refund by China to the World Bank for the halon sector plan per decision 87/24(b), and paid by the World Bank to the Treasurer in 2022 (no action needed)				(8,723,046)
13	Payment received from China to the World Bank for stage I of the HCFC production phase-out management plan as per decision 84/2(b)(vi) (no action needed)				(133,146)
14	Funds returned by China as interest in the "ODS IV" account (no action needed)				(22,119)

Row	Explanation	UNDP	UNEP	UNIDO	World Bank
15	Foreign-exchange gains from Thailand chiller project (THA/REF/26/INV/104) (no action needed)				(154,177)
16	Funds returned by Philippines after closure of an ODS phase-out project (no action needed)				(31,849)
17	Standing reconciling items of bilateral contributions*: (i) Japan (THA/PHA/68/TAS/158--US $342,350); (VIE/PHA/76/TAS/71, VIE/PHA/84/INV/75 and VIE/PHA/87/INV/79--US $261,402); (ii) Sweden (THA/HAL/29/TAS/120--US $225,985); (iii) United States of America (CPR/PRO/44/INV/425--US $5,375,000); (CPR/PRO/47/INV/439--US $5,375,000) (no action needed)				(11,579,737)
18	Standing reconciling item of Thailand chiller project (THA/REF/26/INV/104)* (no action needed)				(1,198,946)
19	Total (rows 2 to 18)	(1,229,529)	(1,287,056)	149,648,346	(16,200,742)
20	**Difference (row 1 minus row 19)**	**(35)**	**2**	**(16)**	**182,118**

* To be closed on completion of the World Bank's Montreal Protocol's activities.

5. Based on the explanations provided, UNEP's difference of US $2 is a rounding difference. UNDP's difference of US $35, UNIDO's difference of US $16 and the World Bank's difference of US $182,118 are outstanding reconciling items.

Expenditures reported in the 2025 final accounts and in the progress reports

6. Table 4 shows the differences between the cumulative expenditures reported to the Treasurer in the 2025 final accounts and the funds disbursed and committed as reported in the progress reports for the period 1991 to 2025.

Table 4. Differences in cumulative expenditures between progress reports and 2025 final accounts (US $)

Agency	Progress report*			Cumulative expenditures for 2025 final accounts	Differences**
	Funds disbursed	Funds committed	Total cumulative		
(1)	(2)	(3)	(4) = (2)+(3)	(5)	(6) = (4)-(5)
UNDP	1,038,950,731	4,323,486	1,043,274,217	1,038,375,656	4,898,561
UNEP	446,123,558	35,002,953	481,126,511	448,276,247	32,850,264
UNIDO	1,025,481,107	36,724,619	1,062,205,726	1,029,437,410	32,768,316
World Bank	1,346,290,817	24,971,931	1,371,262,748	1,355,795,649	15,467,099

(*) Including agency support costs.
(**) A positive number means more expenditure and a negative number means less expenditure indicated in the progress report than in the accounts.

7. Table 5 below provides the explanation for the differences provided by relevant IAs and actions to be taken.

Table 5. Rationale for differences in expenditures between progress reports and 2025 final accounts (US $)

Row	Explanation	UNDP	UNEP	UNIDO	World Bank
1	Difference between progress report and 2025 final accounts	4,898,561	32,850,264	32,768,316	15,467,099
2	Commitments included in progress report but not in financial statement, as only expenses are included in the International Public Sector Accounting Standards (IPSAS) financial statement (no action needed)	4,323,486	32,518,170	33,326,894	24,971,931

Row	Explanation	UNDP	UNEP	UNIDO	World Bank
3	Cumulative interest income held by China included in UNDP's progress report and not in UNDP's accounts (no action needed)	972,007			
4	Savings on prior biennium obligations. Standing reconciling item of reduction of expenditure in financial statement not associated with any specific projects. Increases the fund balance due to the Fund (can only be returned when the Trust Fund is closed)	68,300			
5	Standing reconciling item of reduction of expenditure in financial statement not associated with any specific projects. Increases the fund balance due to the Fund (can only be returned when the Trust Fund is closed)	29,054			
6	Amount understated in the 2025 progress report (UNDP to adjust in its 2026 progress report)	(347,595)			
7	Amount understated in the 2025 financial statement (UNDP to adjust in its 2026 accounts)	(146,863)			
8	Expenditure incurred in 2025 and reflected in progress report in 2025 but recorded in Umoja in 2026 (no action needed)		309,011		
9	Difference between projected and actual agency support costs related to commitments reversed in the progress report in 2025 but reversed by automatic system batch in 2026 (no action needed)		23,085		
10	Expenditures for projects JOR/KIP1/121/UNIDO/TAS/PMU/93 and JOR/KIP1/125/UNIDO/INV/REF/93 reported twice in the progress report (UNIDO to adjust in its 2026 progress report)			1,259,223	
11	Undepreciated assets included in progress report but not in financial statement, as only expenses are included in IPSAS financial statement (no action needed)			450,240	
12	Difference on closed legacy grants (UNIDO to adjust in its 2026 progress report)			(2,268,044)	
13	Expenditure incurred in 2025 and reflected in the financial statement but not in progress report as they are disbursements to special accounts (no action needed)				(9,504,832)
14	Total (rows 2 to 13)	4,898,389	32,850,266	32,768,313	15,467,099
15	**Difference (row 1 minus row 14)**	**172**	**(2)**	**3**	**0**

8. Based on the explanations provided in table 5, UNEP's and UNIDO's differences of US $2 and US $3, respectively, are rounding differences, while UNDP's difference of US $172 is an outstanding reconciling item.

Recommendation

9. The Executive Committee may wish:

(a) To note the reconciliation of the 2025 accounts contained in document UNEP/OzL.Pro/ExCom/99/6;

(b) To request the Treasurer to deduct from future transfers at the 99th meeting:

(i) To UNDP, US $1,075,912, on account of income from interest reported in its 2025 final accounts that had yet to be offset against new approvals;

(ii) To UNEP, US $1,450,341, on account of income from interest reported in its 2025 final accounts that had yet to be offset against new approvals;

(iii) To the World Bank, US $412,144, on account of income from interest reported in its 2025 final accounts that had yet to be offset against new approvals;

(c) To request UNDP to make adjustments:

(i) In its 2026 progress report, US $347,595 representing expenditure that had been understated in its 2025 progress report;

(ii) In its 2026 accounts, US $146,863 representing expenditure that had been understated in its final accounts;

(d) To request UNIDO to make adjustments:

(i) In its 2026 accounts, US $2,273,945 representing balances from projects and core unit costs that requires reconciliation with the 2026 progress report;

(ii) In its 2026 progress report, US $299,790 representing balances that had been recorded in its final accounts but not in the progress report, US $1,259,223 representing expenditure that had been recorded twice in its progress report and US $2,268,044 representing expenditure that had not been recorded in its progress report.

(e) To note that the following 2025 outstanding reconciling items would be updated prior to the 101st meeting by relevant implementing agencies:

(i) Differences of US $35 in income and US $172 in expenditure, between the progress report and the final accounts of UNDP;

(ii) Difference of US $16 in income between the progress report and the final accounts of UNIDO;

(iii) Differences of US $182,118 in income between the progress report and the final accounts of the World Bank;

(f) To note the standing reconciling items as follows:

(i) For UNDP, for unspecified projects, in the amounts of US $68,300 and US $29,054;

(ii) For the World Bank, for the following projects:

a. Bilateral cooperation projects of: Japan (THA/PHA/68/TAS/158) for US $342,350; Japan (VIE/PHA/76/TAS/71, VIE/PHA/84/INV/75 and VIE/PHA/87/INV/79) for US $261,402; Sweden (THA/HAL/29/TAS/120) for US $225,985; United States of America (CPR/PRO/44/INV/425) for US $5,375,000; and United States of America (CPR/PRO/47/INV/439) for US $5,375,000; and

b. The Thailand chiller project (THA/REF/26/INV/104), in the amount of US $1,198,946.