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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-fifth Meeting
Montreal, 29-31 July 1998

REPORT FROM THE TREASURER

The 1997 Accounts of the Multilateral Fund

1. The statements contained in Schedule 1.1 reflect the income and expenditure of the Multilateral Fund for the years 1996 and 1997 and for the period 1.1.1991 to 31.12.1997. The statements contained in Schedule 1.2 reflect the assets, liabilities and fund balance of the Multilateral Fund as at 31 December 1997 and as at 31 December 1996. The statements are consistent with the audited accounts of UNEP for the years 1991 to 1995 and with the certified accounts of UNEP for the biennium 1996-97.
2. Schedule 1.3 provides details of the 1997 expenditures of the Multilateral Fund Secretariat with a comparison to the approved budget for 1997.
3. Schedules 1.4 to 1.8 provide additional financial information in respect of the implementing agencies for the years 1997 and 1996 and for the period 1.1.1991 to 31.12.1997. Schedule 1.8 is a summary table while schedules 1.4 to 1.7 are agency specific tables, all being similar to those provided last year in the presentation of the 1996 accounts.
4. The comparison of disbursements reported by agencies in their progress reports to the Executive Committee and in their financial reports to the Treasurer has not been included this time in schedules 1.4 to 1.8, as part of the information required for this presentation has not yet been made available to the Treasurer. The comparison information will be presented to the 26th Meeting of the Executive Committee. In other respects the reporting format is identical to the one used in the presentation of the 1996 accounts last year.

SCHEDULE 1.1

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

1997 STATEMENT OF INCOME AND EXPENDITURE (in US\$)

INCOME	1997	1996	1991-97
Pledged contributions	150,981,729	149,886,997	804,154,554
Interest income	18,328,786	11,612,277	52,153,991
Miscellaneous income	533,982	263,321	3,319,363
TOTAL INCOME	169,844,497	161,762,595	859,627,908
EXPENDITURE			
UNEP Managed Activities	3,797,090	4,303,410	19,947,876
UNDP Managed Activities	54,493,213	33,209,390	113,840,417
UNIDO Managed Activities	32,796,683	28,256,890	83,186,621
World Bank Managed Activities	55,809,387	40,774,717	151,098,200
Secretariat	2,509,170	2,235,078	16,473,950
Bank charges and Loss on Exchange	36,068	7,514	74,335
TOTAL EXPENDITURE	149,441,611	108,786,999	384,621,399
Excess of income over expenditure	20,402,886	52,975,596	475,006,509
Prior period adjustments to pledged contributions	(16,967,193)	(3,353,820)	0
Net excess of income over expenditure	3,435,693	49,621,776	475,006,509
Fund balance, beginning of period	471,570,816	421,949,040	0
Fund balance, end of of period	475,006,509	471,570,816	475,006,509
Contributions Collected	123,744,827	109,934,612	649,751,760

SCHEDULE 1.2

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

1997 STATEMENT OF ASSETS AND LIABILITIES (in US\$)

ASSETS	31.12.1997	31.12.1996
Cash and term deposits	2,788,866	2,594,959
Pledged contributions receivable	312,571,431	610,733,233
Inter-fund balance receivable	1,473,486	0
Other accounts receivable	443,662	379,387
Other assets - deferred charges	28,697	28,074
Promissory notes	25,130,505	8,559,714
Operating funds provided to implementing agencies	290,074,877	315,541,175
TOTAL ASSETS	632,511,524	937,836,542
LIABILITIES		
Contributions receivable for future years	157,313,204	466,000,002
Unliquidated obligations (Secretariat)	168,913	189,071
Inter-fund balance payable	0	42,838
Other accounts payable	22,898	33,815
TOTAL LIABILITIES	157,505,015	466,265,726
RESERVES AND FUND BALANCES		
CUMULATIVE SURPLUS	475,006,509	471,570,816
TOTAL RESERVES AND FUND BALANCES	475,006,509	471,570,816
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	632,511,524	937,836,542
FUND BALANCE NET OF CONTRIBUTIONS RECEIVABLE	319,748,282	326,837,585
Promissory Notes held by UNEP	25,130,505	8,559,714
Promissory Notes held by the World Bank	46,658,925	88,652,129
Total Promissory notes included in the assets of the Fund	71,789,430	97,211,843
FUND BALANCE NET OF CONTRIBUTIONS RECEIVABLE AND		
NET OF PROMISSORY NOTES	247,958,852	229,625,742

1997 MULTILATERAL FUND SECRETARIAT EXPENDITURES (in US\$)

1	PROJECT PERSONNEL COMPONENT	APPROVED	ACTUAL	SAVINGS/
11	PROJECT PERSONNEL	BUDGET	EXPENDITURE	(DEFICIT)
1101	Chief Officer	111,500	124,103	(12,603)
1102	Deputy Chief Officer, Economist	90,500	112,462	(21,962)
1103	Deputy Chief Officer, Technical Cooperation	90,500	119,626	(29,126)
1104	Economic Affairs Officer	74,500	79,333	(4,833)
1105	Environmental Affairs Officer	74,500	94,934	(20,434)
1106	Project Management Officer	74,500	99,769	(25,269)
1107	Project Management Officer	74,500	95,342	(20,842)
1108	Associate Information Officer	66,500	23,090	43,410
1109	Administration & Fund Management Officer	74,500	79,940	(5,440)
1198	Prior years' adjustments	0	(15,341)	15,341
11	Sub-total	731,500	813,258	(81,758)
12	Consultants			
1201	Consultancies (project reviews etc.)	150,000	95,001	54,999
1298	Prior years' adjustments		(1,350)	1,350
12	Sub-total	150,000	93,651	56,349
130	Administrative support staff			
1301	Administrative assistant (Admin. & Fund)	46,500	28,189	18,311
1302	Meeting Services Assistant	42,500	37,815	4,685
1303	Programme Assistant	45,500	46,892	(1,392)
1304	Senior secretary (Deputy Chief, Economist)	36,000	21,858	14,142
1305	Senior Secretary (Deputy Chief, Techn. Coop.)	36,000	31,652	4,348
1306	Senior Secretary (for 2 Programme Officers)	33,500	0	33,500
1307	Senior Secretary (for 2 Programme Officers)	36,000	32,105	3,895
1308	Secretary	33,500	19,799	13,701
1309	Clerk/Messenger/Receptionist	27,500	21,102	6,398
130	Administrative support staff: Sub-total	337,000	239,412	97,588
1320	Conference servicing costs			
1324	21st Executive Committee Meeting	90,000	92,816	(2,816)
1325	22nd Executive Committee Meeting	90,000	183,061	(93,061)
1326	23rd Executive Committee Meeting	90,000	149,847	(59,847)
1331	Sub-Committee meetings	30,000	5,712	24,288
1398	Prior years' adjustments	0	(30,286)	30,286
1320	Conference servicing costs sub-total	300,000	401,150	(101,150)
13	Sub-total	637,000	640,562	(3,562)
16	Official travel on business			
1601	Staff travel on official business	120,000	137,328	(17,328)
16	Sub-total	120,000	137,328	(17,328)
1	COMPONENT TOTAL	1,638,500	1,684,799	(46,299)

SCHEDULE 1.3

Page 2 of 3

1997 MULTILATERAL FUND SECRETARIAT EXPENDITURES (in US\$)

2	SUB-CONTRACT COMPONENT	APPROVED	ACTUAL	SAVINGS/
21	Sub-contracts with UN agencies	BUDGET	EXPENDITURE	(DEFICIT)
2101	Sub-contracts (information materials)	30,000	0	30,000
21	Sub-total	30,000	0	30,000
23	Sub-contracts with profit making institutions			
2301	Sub-contracts	0	119,000	(119,000)
2398	Prior years' adjustments	0	14550	(14,550)
23	Sub-total	0	133,550	(133,550)
2	COMPONENT TOTAL	30,000	133,550	(103,550)
3	MEETING PARTICIPATION COMPONENT			
33	Participation in meetings/conferences			
3301	Chairman/Vice Chairman	30,000	13,827	16,173
3303	21st Executive Committee meeting	75,000	50,529	24,471
3304	22nd Executive Committee meeting	75,000	76,018	(1,018)
3305	23rd Executive Committee meeting	75,000	65,773	9,227
3313	Sub-Committee meetings	40,000	8,612	31,388
3398	Prior years' adjustments	0	(30,878)	30,878
33	Sub-total	295,000	183,881	111,119
3	COMPONENT TOTAL	295,000	183,881	111,119
4	EQUIPMENT AND PREMISES COMPONENT			
41	Expendable equipment (items under US\$1,500)			
4101	Office supplies	15,000	10,225	4,775
4102	Software and computer expendables	10,000	754	9,246
4198	Prior years' adjustments	0	(13,480)	13,480
41	Sub-total	25,000	(2,501)	27,501
42	Non-expendable equipment			
4205	General non-expendable equipment	20,000	4,657	15,343
4298	Prior years' adjustments	0	0	0
42	Sub-total	20,000	4,657	15,343
43	Rental of premises			
4301	Rental of office premises	257,000	268,897	(11,897)
4398	Prior years' adjustments	0	(143)	143
43	Sub-total	257,000	268,754	(11,754)
4	COMPONENT TOTAL	302,000	270,910	31,090

SCHEDULE 1.3

Page 3 of 3

1997 MULTILATERAL FUND SECRETARIAT EXPENDITURES (in US\$)

5	MISCELLANEOUS COMPONENT	APPROVED BUDGET	ACTUAL EXPENDITURE	SAVINGS/ (DEFICIT)
51	Operation and maintenance of equipment			
5101	Maintenance of equipment	8,000	11,313	(3,313)
5102	Maintenance of offices	6,000	2,708	3,292
5103	Rental of computer equipment	0	2,622	
5104	Rental of photocopier(s)	7,000	10,531	(3,531)
5105	Rental of telecommunication equipment	11,000	6,391	4,609
5198	Prior years' adjustments	0	(6,379)	6,379
51	Sub-total	32,000	27,186	4,814
52	Reporting costs			
5201	Executive Committee meetings reporting	45,000	8,685	36,315
5202	Reporting (others)	20,000	351	19,649
5298	Prior years' adjustments	0	(12,070)	12,070
52	Sub-total	65,000	(3,034)	68,034
53	Sundry			
5301	Communications	30,000	25,573	4,427
5302	Freight charges (documents shipment)	20,000	13,873	6,127
5303	Others	5,000	4,909	91
5303	Staff training	50,000	0	50,000
5398	Prior years' adjustments	0	(8,314)	8,314
53	Sub-total	105,000	36,041	68,959
54	Hospitality			
5401	Official hospitality	7,000	7,898	(898)
5498	Prior years' adjustments	0	(2,782)	2,782
54	Sub-total	7,000	5,116	1,884
5	COMPONENT TOTAL	209,000	65,309	143,691
TOTAL		2,474,500	2,338,449	136,051
Programme support costs		138,905	170,721	(31,816)
GRAND TOTAL		2,613,405	2,509,170	104,235

SCHEDULE 1.4
 MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
 UNEP Managed Activities in 1991 - 1997 (in US\$)

INCOME	1997	1996	1991-97
Cash transferred from the Multilateral Fund	6,744,648	0	24,200,000
Interest earned and retained	288,029	305,567	1,447,277
TOTAL INCOME	7,032,677	305,567	25,647,277
TOTAL EXPENDITURE	3,797,090	4,303,410	19,947,876
EXCESS OF INCOME OVER EXPENDITURE	3,235,587	(3,997,843)	5,699,401
FUND BALANCE			
Fund balance, beginning of period	2,463,814	6,461,657	0
Add excess of income over expenditure	3,235,587	(3,997,843)	5,699,401
Fund balance, end of period	5,699,401	2,463,814	5,699,401
Comparison to progress reporting			
Total expenditure reported to the Treasurer			16,150,786
Less programme support costs			(1,857,947)
Less unliquidated obligations, end of period			(805,354)
Adjustments			0
Net disbursements reported to the Treasurer			13,487,485
Net disbursements reported to the Executive Committee *			13,573,503
Difference			(86,018)
* UNEP reported expenditure of US\$ 14,378,857 less unliquidated obligations US\$ 805 354.			

SCHEDULE 1.5

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

UNDP Managed Activities in 1991 - 1997 (in US\$)

INCOME	1997	1996	1991-97
Cash transferred from the Multilateral Fund	31,250,690	35,267,935	182,000,000
Interest earned and retained	9,961,000	4,007,000	16,253,767
TOTAL INCOME	41,211,690	39,274,935	198,253,767
TOTAL EXPENDITURE	54,493,213	33,209,390	113,840,417
EXCESS OF INCOME OVER EXPENDITURE	(13,281,523)	6,065,545	84,413,350
FUND BALANCE			
Fund balance, beginning of period	97,694,873	91,629,328	0
Add excess of income over expenditure	(13,281,523)	6,065,545	84,413,350
Fund balance, end of period	84,413,350	97,694,873	84,413,350
Comparison to progress reporting			
Total expenditure reported to the Treasurer			59,347,204
Less programme support costs			(7,151,567)
Less unliquidated obligations, end of period			(16,475,000)
Adjustments *			16,436,634
Net disbursements reported to the Treasurer			52,157,271
Net disbursements reported to the Executive Committee			52,131,176
Difference			26,095
* UNDP expenditure for last quarter 1996 and other corrections to be posted into MF accounts in 1997.			

SCHEDULE 1.6

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

UNIDO Managed Activities in 1991 - 1997 (in US\$)

INCOME	1997	1996	1991-97
Cash transferred from the Multilateral Fund	30,063,761	30,032,065	129,000,000
Interest earned and retained	3,147,069	3,550,981	9,865,003
TOTAL INCOME	33,210,830	33,583,046	138,865,003
TOTAL EXPENDITURE	32,796,683	28,256,890	83,186,621
EXCESS OF INCOME OVER EXPENDITURE	414,147	5,326,156	55,678,382
FUND BALANCE			
Fund balance, beginning of period	55,264,235	49,938,079	0
Add excess of income over expenditure	414,147	5,326,156	55,678,382
Fund balance, end of period	55,678,382	55,264,235	55,678,382

SCHEDULE 1.7

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

World Bank Managed Activities in 1991 - 1997 (in US\$)

INCOME	1997	1996	1991-97
Cash transferred from the Multilateral Fund	15,547,172	20,500,000	155,000,000
Promissory notes encashed	62,611,523	13,422,470	76,033,993
Promissory notes transferred, net of encashments	(41,993,205)	50,030,644	46,658,925
Interest earned and retained	4,202,532	3,674,684	18,093,062
TOTAL INCOME	40,368,023	87,627,798	295,785,981
TOTAL EXPENDITURE	55,809,387	40,774,717	151,098,200
EXCESS OF INCOME OVER EXPENDITURE	(15,441,364)	46,853,081	144,687,781
FUND BALANCE			
Fund balance, beginning of period	160,129,145	113,276,064	0
Add excess of income over expenditure	(15,441,364)	46,853,081	144,687,781
Fund balance, end of period	144,687,781	160,129,145	144,687,781
Cash balance, end of period	98,028,855	110,098,501	98,028,855

SCHEDULE 1.8

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Implementing Agency Summary 1991 - 1997 (in US\$ x million)

INCOME	UNEP	UNDP	UNIDO	WB	TOTAL
Cash transferred from the Multilateral Fund	24.2	182.0	129.0	155.0	490.2
Promissory notes encashed	0.0	0.0	0.0	76.0	76.0
Promissory notes transferred, net of encashments	0.0	0.0	0.0	46.7	46.7
Interest earned and retained	1.4	16.3	9.9	18.1	45.7
TOTAL INCOME	25.6	198.3	138.9	295.8	658.6
TOTAL EXPENDITURE	19.9	113.8	83.2	151.1	368.0
EXCESS OF INCOME OVER EXPENDITURE	5.7	84.4	55.7	144.7	290.5
CASH BALANCE, END OF PERIOD	5.7	84.4	55.7	98.0	243.8