UNITED NATIONS

EP

United Nations Environment Programme

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/95/5
23 October 2024

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-fifth Meeting
Montreal, 4-8 December 2024
Item 4(c)(i) of the of the provisional agenda[1]

FINAL 2023 ACCOUNTS

Introduction

1. This document presents the final accounts of the Multilateral Fund for the year ending 31 December 2023. Annex I to the present document consists of the following schedules:

Schedule 1.1	2023 Statement of income and expenditure
Schedule 1.2	2023 Statement of financial position
Schedule 1.3	2023 Secretariat budget performance
Schedule 1.4	Sub-accounts of UNDP managed activities 1991-2023
Schedule 1.5	Sub-accounts of UNEP managed activities 1991-2023
Schedule 1.6	Sub-accounts of UNIDO managed activities 1991-2023
Schedule 1.7	Sub-accounts of the World Bank managed activities 1991-2023

2. Schedule 1.1 provides information on the agreed contributions under the income category. The loss in the fixed-exchange-rate-mechanism in 2023 is US $2,728,407. This schedule also provides the aggregated data on the Secretariat and the implementing agencies' (IAs) expenditure; and the net Multilateral Fund balance as at the end of 2023.

3. Schedule 1.2 presents the status of assessed voluntary pledges receivable amounting to US $32,056,000. This is after reducing from the total aggregate receivables of US$223,618,000 by US $191,562,000, being the provision for doubtful accounts in line with the International Public Sector Accounting Standards (IPSAS).

4. Schedule 1.3 presents actual expenses charged against the Secretariat budget in 2023 as approved by decision 91/6. The Secretariat returns US $296,045 to the Fund at the 95th meeting as saving from its 2023 budget. As per decision 91/9, a budget of US $100,000 and a rephased amount of US $43,000 were approved for the Monitoring and Evaluation work for year 2023. Out of which US $40,000 is rephased to 2024 and US $54,497 is returned to the 95th meeting.

[1] UNEP/OzL.Pro/ExCom/95/1

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.

5. Schedules 1.4 to 1.7 contain the provisional 2023 accounts of the IAs submitted to the Treasurer by the end of January 2024. Since the IAs' final accounts were submitted after the United Nations Environment Programme (UNEP) 2023 accounts were closed, only the provisional accounts submitted by the IAs in January 2024 were recorded in the UNEP final accounts. Table 1 provides the difference between IAs' provisional and final 2023 accounts on aggregate income and expenditure and shall be recorded in the 2024 accounts.

Table 1. Differences between provisional and final 2023 accounts on aggregate income and expenditure (US $)

Agency	Provisional	Final	Difference[2]
Income			
UNDP	1,033,332,565	1,063,664,303	30,331,738
UNEP	433,910,710	453,554,294	19,643,584
UNIDO	1,030,167,649	1,053,590,496	23,422,847
World Bank	1,343,762,783	1,343,762,783	-
Expenditure			
UNDP	990,816,405	991,336,185	519,780
UNEP	394,213,998	396,324,583	2,110,585
UNIDO	965,052,349	964,680,710	(371,639)
World Bank	1,302,519,296	1,302,519,296	-

Report of the United Nations Board of Auditors on the financial statements of the Multilateral Fund for the year ended 31 December 2023

6. The financial report and audited financial statements for the year ended 31 December 2023 and the Report of the Board of Auditors of the Fund of UNEP was submitted to the seventy-ninth session of the United Nations General Assembly (A/79/5/Add.7).[3] The report submitted to the General Assembly included a thorough review of the financial statements of the Multilateral Fund. None of the key findings and recommendations in the report pertain to the Multilateral Fund.

Recommendation

7. The Executive Committee may wish:

(a) To note the final audited financial statements of the Multilateral Fund as at 31 December 2023, prepared in accordance with the International Public Sector Accounting Standards, contained in document UNEP/OzL.Pro/ExCom/95/5; and

(b) To request the Treasurer to record in the 2024 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2023 financial statements and their final 2023 statements reflected in table 1 of document UNEP/OzL.Pro/ExCom/95/5.

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[2] The difference in income between the provisional and final is because of the transfer made following the 93rd meeting.
[3] https://documents.un.org/doc/undoc/gen/n24/194/53/pdf/n2419453.pdf

SCHEDULE 1.1
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

2023 STATEMENT OF INCOME AND EXPENDITURE[(1)]
(Thousands of United States dollars)

INCOME	2023	2022	1991- 2023
Agreed contributions[(2)]	158,169	155,470	4,497,148
Interest income	31,670	4,747	279,870
Exchange gain/(loss)[(3)]	(2,728)	(820)	(32,936)
Miscellaneous income	505	19	33,326
TOTAL INCOME	187,616	159,416	4,777,408
EXPENDITURE			
UNEP Managed Activities[(4)]	21,799	23,140	393,894
UNDP Managed Activities[(4)]	21,838	28,268	969,610
UNIDO Managed Activities[(4)]	43,808	27,501	1,021,247
World Bank Managed Activities[(4)]	10,509	9,976	1,293,482
Secretariat	8,354	7,605	161,982
Increase (Decrease) on bad debt provision	5,089	2,977	8,406
Bank charge	43	32	5,231
TOTAL EXPENDITURE	111,440	99,499	3,853,852
Excess of income over expenditure	76,176	59,917	923,556
Prior period adjustments	0	0	(142,713)
Net excess of income over expenditure	76,176	59,917	780,843
Fund balance, beginning of period	704,667	644,750	0
Changes in net assets [(5)]	217	0	217
Fund balance, end of period	781,060	704,667	781,060

(1) During the 2010-2011 financial period, the Fund changed its accounting policy to start recording a provision for doubtful accounts receivable amounting to 100 per cent of all outstanding receivable over four years old and other specific receivables considered uncollectible. Previously there was no provision for doubtful accounts being made. UNEP believes that this policy results in a more transparent treatment of uncollectible accounts.

(2) Agreed contributions includes: US $1,054,878 voluntary contribution (cost differential) from the Government of Canada.

(3) The exchange loss for 2023 is in respect of the realized FERM loss

(4) In order to allow UNEP to comply with the requirement to issue the financial statements by 31 March of the following year, the Treasurer with the approval of the Executive Committee has adopted the practice of recording UNDP, UNIDO and World Bank unaudited expenditure submitted. There is however, an agreement that the implementing agencies will provide audited expenditures immediately they become available but not later 30 September of the following year.

(5) As at year end, there was a reconciliation difference of $217,505.06 between UNEP's fund balance and the MLF Advance outstanding which was attributable to unrealized gains arising from cash main pool directly recognized to IML net assets.

SCHEDULE 1.2

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

2023 STATEMENT OF ASSETS AND LIABILITIES

(Thousands of United States dollars)

ASSETS	2023	2022
Current Assets:		
Cash and term deposits	519,340	414,499
Voluntary pledges receivable*	32,056	22,958
Inter-fund balance receivable		
Other accounts receivable	144	75
Other assets - deferred charges		
Promissory notes - short term		
Advance or prepayments	174	96
Operating funds provided to implementing agencies - current	89,947	78,237
Other current assets		
TOTAL CURRENT ASSETS	641,661	515,865
Non current Assets:		
Investments	136,019	160,669
Promissory notes - long term		
Operating funds provided to implementing agencies - non current	94,172	99,271
Property, plant and equipment	29	30
TOTAL NON CURRENT ASSETS	230,220	259,970
TOTAL ASSETS	871,881	775,835
LIABILITIES		
Accounts payable and accrued payables	453	288
Employee benefits	193	373
TOTAL LIABILITIES	90,821	71,168
RESERVES AND FUND BALANCES		
Cumulative surplus		
TOTAL RESERVES AND FUND BALANCES	781,060	704,667
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	871,881	775,835

*The Voluntary contribution receivable shown is the gross receivable; US $223,618,000 less the cumulative provision to doubtful account amounting US $191,562,000.

SCHEDULE 1.3
A. 2023 MLF EXPENSES (US$)

Cost Category			Approved 2023 Budget per ExCom decision 91/6	Rephased amount from the 2022 budget	Actual 2023 expenditures (UMOJA)	Unspent balance 2023 (A)+(B)-(C)	Amount to rephase to 2024 budget not to be returned	To be returned to the Fund (D)-(E)	Comments
			A	B	C	D	E	F	
1000		**Employee Salaries & Entitlements [a]**							
	1100	Professional Staff	4,343,094	28,366	3,577,754	793,705	40,178	753,528	
	1200	General Services Staff	596,647	2,005	788,440	-189,788	6,782	-196,569	
Total Employee Salaries & Entitlements			**4,939,741**	**30,371**	**4,366,194**	**603,918**	**46,959**	**556,958**	
2000		**Other Personnel**							
	2101	Temporary Assistance	18,800		8,114	10,686		10,686	
	2201	Consultants & Individual Contractors	75,000		99,272	-24,272	20,240.00	-44,512	
	2303	United Nations Volunteers (UNVs)							
Total Other Personnel			**93,800**	**0**	**107,386**	**-13,586**	**20,240**	**-33,826**	
3000		**Meetings & Travel Costs**							
	3100	**Meeting Costs**							
	3101	Conference Services -ExCom 1	355,800		520,677	-164,877	1,586.46	-166,463	
	3102	Conference Services -ExCom 2	355,800		764,009	-408,209	60,525.30	-468,734	
	3103	Conference Services -ExCom 3		33,628	11,508	22,120		22,120	
	3104	Hospitality	16,800	1,562	30,442	-12,080		-12,080	
	Subtotal Meeting Costs		**728,400**	**35,190**	**1,326,636**	**-563,046**	**62,112**	**-625,157**	
	3200	**Travel**							
	3201	Travel of Chairperson and Vice-Chairperson	15,000			15,000		15,000	
	3202	Travel of Article 5 delegates	157,700		179,240	-21,540		-21,540	
	3203	Staff Travel for Conference Meetings			50,896	-50,896		-50,896	
	3204	Staff Travel on Official Business	258,000	3,982	171,018	90,964		90,964	
Total Meetings & Travel Costs			**1,159,100**	**39,172**	**1,727,789**	**-529,517**	**62,112**	**52,057**	
4000		**Contractual Services**							
	4101	Treasury	500,000		500,000	0		0	
	4102	Knowledge Management System	358,000		339,773	18,227	18,817.98	-591	
Total Contractual Services			**858,000**	**0**	**839,773**	**18,227**	**18,818**	**-591**	
5000		**Operational, Equipment and Supplies**							
	5100	**Supplies, Furniture & Equipment**							
	5101	Non-expendable Computer and ICT Equipment	13,000		15,840	-2,840		-2,840	
	5102	Other non-expendable Supplies & Equipment	5,850			5,850		5,850	
	Subtotal Supplies, Furniture & Equipment		**18,850**	**0**	**15,840**	**3,010**	**0**	**3,010**	
	5200	**Other Operating Costs**							
	5201	Rental & Maintenace of premises [a]	878282		679,675	198,607		198,607	
	5202	Rental of photocopiers and Telecomm Equipment	28,710		7,721	20,989		20,989	
	5203	Telecommunication Costs	45,000		20,983	24,017	571.18	23,446	
	5204	Expendable ICT Equipment & Maintenance	28,630		18,454	10,176		10,176	
	5205	Expendable Stationery & Other Supplies	7,000	2,764	8,393	1,371		1,371	
	5206	Miscellaneous Sundry Supplies and Services	8,500	1,074	4,751	4,823		4,823	
	5207	Staff training and Development	20,137		20,352	-215		-215	
	5208	Umoja Support Costs	115,000		62,200	52,800		52,800	
	Subtotal Other Operating Costs		**1,131,259**	**3,838**	**822,530**	**312,567**	**571**	**311,996**	
Total Operational, Equipment and Supplies			**1,150,109**	**3,838**	**838,370**	**315,577**	**571**	**315,006**	
Total Direct Costs			**8,200,750**	**73,381**	**7,879,511**	**394,619**	**148,700**	**245,919**	
Programme Support Cost			444,577	0	425,531	54,353		50,126	
Total			**8,645,326**	**73,381**	**8,305,043**	**448,972**	**148,700**	**296,045**	

[a] *Personnel and rental of premises actual costs will be reduced by a credit to the overall Multilateral Fund balance; paid through the voluntary contribution from the Government of Canada for the cost differential of having the Fund Secretariat in Montreal, Canada, instead of Nairobi, Kenya.*

MONITORING AND EVALUATION BUDGET

		Approved 2023 Budget per ExCom decision 91/9	Rephased amount from the 2022 budget	Actual 2023 expenditures (UMOJA)	Unspent balance 2023 (A)+(B)-(C)	Amount to rephase to 2024 budget not to be returned	To be returned to the Fund (D)-(E)	Comments
		A	B	C	D	E	F	
	Staff Travel	20,000		4,664	15,336		15,336	
	Consultancy	65,000	43,000	35,492	72,508	40,000	32,508	Decision 93/10 (2024 rephase)
	Support to evaluation function	15,000		8,347	6,653		6,653	
	Total Monitoring and Evaluation	**100,000**	**43,000**	**48,503**	**94,497**	**40,000**	**54,497**	
	Grand Total MFL	**8,745,326**	**116,381**	**8,353,546**	**543,469**	**188,700**	**350,542**	

SCHEDULE 1.4

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

UNDP Managed Activities 1991 - 2023 (US$)

INCOME	2023	2022	1991-2023
Cash transferred from the Multilateral Fund	10,170,787	11,876,563	938,558,853
Promissory notes encashment			31,150,012
Interest and miscellaneous income earned and retained	200,000	200,000	63,623,700
TOTAL INCOME	10,370,787	12,076,563	1,033,332,565
TOTAL EXPENDITURE	21,005,876	27,998,237	990,816,405
EXCESS OF INCOME OVER EXPENDITURE	(10,635,089)	(15,921,674)	42,516,160
NET EXCESS OF INCOME OVER EXPENDITURE	(10,635,089)	(15,921,674)	42,516,160
Fund balance, beginning of period	53,151,249	72,273,413	0
Adjustment on prior period income and expenditure	0	0	0
Add excess of income over expenditure	(10,635,089)	(15,921,674)	42,516,160
Fund balance, end of period	42,516,160	56,351,739	42,516,160

SCHEDULE 1.5

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

UNEP Managed Activities 1991 - 2023 (US$)

INCOME	2023	2022	1991-2023
Cash transferred from the Multilateral Fund	6,711,227	5,946,568	432,601,421
Interest earned	774,944	(167,727)	1,309,289
Other income	0	0	0
TOTAL INCOME	7,486,171	5,778,841	433,910,710
TOTAL EXPENDITURE	19,503,113	18,313,147	394,213,998
EXCESS OF INCOME OVER EXPENDITURE	(12,016,942)	(12,534,306)	39,696,712
Prior period adjustments		0	0
NET EXCESS OF INCOME OVER EXPENDITURE	(12,016,942)	(12,534,306)	39,696,712
Fund balance, beginning of period	51,713,654	53,393,910	0
Add excess of income over expenditure	(12,016,942)		39,696,712
Adjustment on prior period income and expenditure	0	(3,493,307)	0
Fund balance, end of period	39,696,712	49,900,603	39,696,712

SCHEDULE 1.6

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

UNIDO Managed Activities 1991 - 2023 (US$)

INCOME	2023	2022	1991-2023
Cash transferred from the Multilateral Fund	7,440,884	21,279,222	986,013,058
Interest and miscellaneous income earned and retained	1,257,278	553,639	44,154,591
TOTAL INCOME	8,698,162	21,832,861	1,030,167,649
TOTAL EXPENDITURE	43,808,597	28,205,898	965,052,349
EXCESS OF INCOME OVER EXPENDITURE	(35,110,435)	(6,373,037)	65,115,300
NET EXCESS OF INCOME OVER EXPENDITURE	(35,110,435)	(6,373,037)	65,115,300
Fund balance, beginning of period	100,225,735	109,001,351	0
Adjustment on prior year expenditure		(2,716,112)	0
Add excess of income over expenditure	(35,110,435)		65,115,300
Fund balance, end of period	65,115,300	106,285,239	65,115,300

SCHEDULE 1.7

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

World Bank Managed Activities 1991 - 2023 (US$)

INCOME	2023	2022	1991-2023
Cash transferred from the Multilateral Fund	28,136,600	7,450,882	1,248,356,611
Interest and miscellaneous income earned and retained (investment income)	2,209,262	9,053,380	95,406,172
TOTAL INCOME	30,345,862	16,504,262	1,343,762,783
TOTAL EXPENDITURE	10,508,819	19,122,909	1,302,519,296
EXCESS OF INCOME OVER EXPENDITURE	19,837,043	(2,618,647)	41,243,487
NET EXCESS OF INCOME OVER EXPENDITURE	19,837,043	(2,618,647)	41,243,487
Fund balance, beginning of period	21,406,444	24,025,091	0
Add excess of income over expenditure	19,837,043	(2,618,647)	41,243,487
Fund balance, end of period	41,243,487	21,406,444	41,243,487