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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 2024 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 2024 final accounts with the 2024 progress report financial data (progress report) of the IAs and the Secretariat's inventory of approved projects database (Inventory); expenditures reported in the 2024 final accounts and in the progress reports; and a recommendation.

Reconciliation of the income

2. Rounding differences of US $1 were found between the 2024 progress reports of UNDP and UNIDO and the Inventory as shown in table 1.

Table 1. Discrepancies between the 2024 progress reports and the Inventory (US $)*

Agency	Progress report	Inventory	Difference
UNDP	1,101,634,398	1,101,634,397	1
UNEP	498,344,913	498,344,913	0
UNIDO	1,104,202,382	1,104,202,381	1
World Bank	1,362,816,878	1,362,816,879	0

*Including agency support costs.

<u>Net approvals and income in the 2024 final accounts and the progress reports</u>

3. Differences in income between the 2024 final accounts and the progress reports are shown in table 2.

[1] UNEP/OzL.Pro/ExCom/97/1
[2] A full reconciliation of the accounts with the progress and financial reports should be prepared for the last meeting of each year.

Table 2. Differences in income between the 2024 final accounts and the progress reports (US $)

Agency	Progress report*	2024 final accounts	Difference**
UNDP	1,101,634,398	1,102,449,063	(814,665)
UNEP	498,344,913	498,299,691	45,222
UNIDO	1,104,202,382	1,101,990,811	2,211,571
World Bank	1,362,816,878	1,360,637,791	2,179,087

(*) 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 2024 final accounts and the progress reports, and actions to be taken are shown in table 3.

Table 3. Rationale for differences in income between 2024 final accounts and the progress reports (US $)

Row	Explanation	UNDP	UNEP	UNIDO	World Bank
1	Difference between 2024 final accounts and progress reports	(814,665)	45,222	2,211,571	2,179,087
2	Cumulative interest for China's HCFC phase-out management plan (HPMP) included in 2024 final accounts and held by China, and already offset against approvals (no action needed)	959,885			
3	Final interest earned in 2024 and already offset against approvals (no action needed)	(928,741)			
4	Interest income from 2024 and/or prior years (Treasurer to offset against 97th meeting approvals)	(845,811)	(136,654)		
5	Amount withheld for projects: US $163,285 for Qatar (decision 93/36(b)) and US $18,588 for Dominica (decision 95/34) (no action needed)		181,873		
6	2025 core unit funding reflected in 2024 accounts as deferred income (UNIDO to adjust in its 2025 accounts)			2,279,213	
7	Net approvals from the 95th meeting paid in 2025 (no action needed)				24,911,494
8	Cumulative interest accrued during China's stages I and II of the HPMP and stage II of the HCFC production phase-out management plan (HPPMP) reported in the accounts but already offset against approvals. This amount also includes funds returned by China of US $2,787 as per decision 91/70(d)(i) (no action needed)				93,272
9	Final interest income earned in 2023 and already offset against 95th meeting approvals (no action needed)				(705,796)
10	Final interest income earned in 2024 and already offset against 96th meeting approvals (no action needed)				(374,116)
11	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)
12	Payment received from China to the World Bank for stage I of the HPPMP as per decision 84/2(b)(vi) (no action needed)				(133,146)
13	Funds returned by China as interest for the "ODS IV" account (no action needed)				(22,119)
14	Foreign-exchange gains from Thailand chiller project (THA/REF/26/INV/104) (no action needed)				(154,177)
15	Funds returned by Philippines after closure of an ODS phase-out project (no action needed)				(31,849)

Row	Explanation	UNDP	UNEP	UNIDO	World Bank
16	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)
17	Standing reconciling item of Thailand chiller project (THA/REF/26/INV/104)* (no action needed)				(1,198,946)
18	Total (rows 2 to 17)	(814,667)	45,219	2,279,213	2,081,834
19	**Difference (row 1 minus row 18)**	**2**	**4**	**(67,642)**	**97,253**

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

5. Based on the explanations provided, UNDP's difference of US $2 and UNEP's difference of US $4 are rounding differences. UNIDO's difference of US $67,642 and the World Bank's difference of US $97,253 are outstanding reconciling items.

Expenditures reported in the 2024 final accounts and in the progress reports

6. Table 4 shows the differences between the cumulative expenditures reported to the Treasurer in the 2024 final accounts and the funds disbursed and committed as reported in the progress reports for the period 1991 to 2024.

Table 4. Differences in cumulative expenditures between progress reports and 2024 final accounts (US $)

Agency	Progress report*			Cumulative expenditures for 2024 final accounts	Differences**
	Funds disbursed	Funds committed	Total cumulative		
(1)	(2)	(3)	(4) = (2)+(3)	(5)	(6) = (4)-(5)
UNDP	1,014,799,974	3,969,379	1,018,769,352	1,013,891,295	4,878,057
UNEP	421,184,774	21,394,406	442,579,179	422,611,924	19,967,255
UNIDO	987,267,323	32,903,251	1,020,170,573	990,574,903	29,595,670
World Bank	1,319,680,705	42,857,423	1,362,538,129	1,331,704,764	30,833,365

(*) 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 2024 final accounts (US $)

Row	Explanation	UNDP	UNEP	UNIDO	World Bank
1	Difference between progress report and 2024 final accounts	4,878,057	19,967,255	29,595,670	30,833,365
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)	3,969,379	19,993,148	28,598,283	
3	Commitments included in progress report but not in financial statement, as only expenses are included in the financial statement (no action needed)				42,857,423

Row	Explanation	UNDP	UNEP	UNIDO	World Bank
4	Cumulative interest income held by China included in UNDP's progress report and not in UNDP's accounts (no action needed)	959,885			
5	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			
6	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			
7	Amount understated in the 2024 financial statement (UNDP to adjust in its 2025 accounts)	6,018			
8	Amount understated in the 2023 financial statement and adjusted in 2024 accounts (no action needed)	(5,781)			
9	Amount overstated in the 2024 financial statement, representing agency support costs (UNDP to adjust in its 2025 accounts)	(148,798)			
10	Expenditure incurred in 2024 and reflected in progress report in 2024 but recorded in Umoja in 2025 (no action needed)		11,418		
11	Difference between projected and actual agency support costs related to commitments reversed in the progress report in 2024 but reversed by automatic system batch in 2025 (no action needed)		(37,310)		
12	Undepreciated assets included in progress report but not in financial statement, as only expenses are included in IPSAS financial statement (no action needed)			594,364	
13	Expenditure incurred in 2024 and reflected in the financial statement but not in progress report as they are disbursements to special accounts (no action needed)				(444,321)
14	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)
15	Total (rows 2 to 14)	4,878,057	19,967,255	29,192,647	30,833,365
16	**Difference (row 1 minus row 15)**	**0**	**0**	**403,024**	**0**

8. Based on the explanations provided in table 5, UNIDO's difference of US $403,024 is an outstanding reconciling item.

Recommendation

9. The Executive Committee may wish:

(a) To note the reconciliation of the 2024 accounts contained in document UNEP/OzL.Pro/ExCom/97/6;

(b) To request the Treasurer to deduct from future transfers at the 97th meeting:

(i) To UNDP, US $845,811, on account of income from interest reported in its 2024 final accounts that had yet to be offset against new approvals;

(ii) To UNEP, US $136,654, on account of income from interest reported in its 2024 final accounts that had yet to be offset against new approvals;

(c) To request UNDP to make adjustments in its 2025 accounts, US $6,018 representing expenditure that had been reflected in its 2024 progress report but not in the final accounts and US $148,798 representing expenditure that had been overstated in its final accounts;

(d) To request UNIDO to make adjustments in its 2025 accounts, US $2,279,213 representing income that had been recorded in 2024;

(e) To note that the following 2024 outstanding reconciling items would be updated prior to the 97th meeting by relevant implementing agencies:

(i) Differences of US $67,642 in income and US $403,024 in expenditure, between the progress report and the final accounts of UNIDO;

(ii) Differences of US $97,253 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.