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**United Nations
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**Conference of the Parties to the
Vienna Convention for the Protection
of the Ozone Layer
Eleventh meeting**

Montreal, 20–24 November 2017

**Item 3 (a) of the provisional agenda for the
preparatory segment***

**Combined Vienna Convention and Montreal Protocol
issues: financial reports and budgets of the trust funds for
the Vienna Convention and the Montreal Protocol**

Proposed revision to the approved budget for 2017 and proposed budgets for 2018, 2019 and 2020 of the Trust Fund for the Vienna Convention for the Protection of the Ozone Layer

Addendum

Financial reports for the Trust Fund for the Vienna Convention for the Protection of the Ozone Layer for the fiscal year 2016

Note by the Secretariat

1. The present note provides information supplementary to the note by the Secretariat on the proposed revision to the approved budget for 2017 and the proposed budgets for 2018, 2019 and 2020 of the Trust Fund for the Vienna Convention for the Protection of the Ozone Layer (UNEP/OzL.Conv.11/4).
2. Annex I to the present note presents the certified financial statements for the Trust Fund for the Vienna Convention for the fiscal year 2016. As at 31 December 2016, the cash balance was \$1,566,819, comprising “Cash and cash equivalents” of \$432,451, “Investments” of \$765,677 and “Non-current assets (investments)” of \$368,691.
3. Annex II presents the budget performance report for the Trust Fund for the Vienna Convention for the fiscal year 2016, covering all actual expenditures and commitments against the approved budgets. The report is presented in a consolidated format, in keeping with the revised reporting standards adopted by the United Nations Environment Programme since the implementation of Umoja, the enterprise resource planning system. The budget utilization rate was 75 per cent, primarily owing to savings on staff costs, including savings of \$26,000 budgeted for the Administrative Assistant post, which was charged to the programme support cost budget, and \$21,000 budgeted for the Research Assistant post which was abolished in 2015. In addition, there were cost savings of approximately \$90,000 on the budget lines for promotional activities for the protection of the ozone layer, staff travel and operational expenses resulting from efforts by the Secretariat to manage its financial resources as

* UNEP/OzL.Conv.11/1-UNEP/OzL.Pro.29/1.

tightly as possible in the light of the cash flow concerns experienced with the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer in 2016 and the likelihood of a similar situation occurring in the near future with the Trust Fund for the Vienna Convention.


4. The latest financial report and audited financial statements for the Fund of the United Nations Environment Programme and the report of the Board of Auditors is for the year ending 31 December 2015 and is available at the following link:

http://www.un.org/en/ga/search/view_doc.asp?symbol=A/71/5/Add.7.

5. In both the text and tables of the present note, all references to dollars (\$) are to United States dollars, unless otherwise stated.

Annex I

Certified financial statements for the Trust Fund for the Vienna Convention for the fiscal year 2016

| Trust Fund for the Vienna Convention for the Protection of the Ozone Layer (Fund code: VCL) | |
|--|------------------|
| I. Statement of Financial Performance for the year ended 31 December 2016 (United States Dollars) | |
| Total 2016 | |
| Revenue | |
| Assessed Contributions | 603,000 |
| Investment Revenue | 12,600 |
| Total Revenue | 615,600 |
| Expenses | |
| Employee salaries, allowances and benefits | 461,399 |
| Supplies and consumables | 719 |
| Travel | 4,716 |
| Other operating expenses | 85,408 |
| Programme Support costs | 81,134 |
| Total expenses | 633,376 |
| Surplus/(deficit) for the period | (17,776) |
| II. Statement of Financial Position as at 31 December 2016 (United States Dollars) | |
| Total 2016 | |
| Current Assets | |
| Cash and Cash Equivalents | 432,451 |
| Investments | 765,677 |
| Assessed contributions Receivable | 433,519 |
| Other Assets | 11,089 |
| Total Current Assets | 1,642,736 |
| Non-Current Assets | |
| Investments | 368,691 |
| Total Non-Current Assets | 368,691 |
| Total Assets | 2,011,427 |
| Current Liabilities | |
| Accounts Payable and Accrued liabilities | 1,877 |
| Employee Benefits | 7,573 |
| Advance Receipts | 34,634 |
| Total Current Liabilities | 44,084 |
| Non current Liabilities | |
| Total Liabilities | 44,084 |
| Net of Total Assets and Total Liabilities | 1,967,343 |
| Net Assets: | |
| Accumulated surpluses/ (deficits) - unrestricted | 1,861,024 |
| Reserves | 106,319 |
| Total Net Assets | 1,967,343 |
| III. Statement of Changes in Net Assets for the year ended 31 December 2016 (United States Dollars) | |
| Total 2016 | |
| Net Assets at the Beginning of the Period | 1,985,119 |
| Surplus/(deficit) for the period | (17,776) |
| Total Net Assets at the End of Period | 1,967,343 |
|  4/5-2017 | |
| Annette Waweru Chief United Nations Office at Nairobi ACCOUNTS SECTION Budget and Financial Management Service, UNON | |
| 03/05/2017 | |

Annex II

Budget performance report for the Trust Fund for the Vienna Convention for the fiscal year 2016*

| <i>Budget line</i> | <i>Cost Category</i> | <i>Approved budget for 2016</i> | <i>Actual expenditure as at 31 December 2016</i> |
|---|--|---------------------------------|--|
| 1000 | Employee salaries, allowances and benefits | 554 082 | 462 739 |
| 1328 | Promotional activities for the protection of the ozone layer | 10 000 | |
| 1600 | Staff travel on official business | 30 000 | 4 824 |
| <i>Other operational costs</i> | | | |
| 4100 | Expendable equipment | 8 000 | 2 813 |
| 4200 | Non-expendable equipment | 10 000 | 4 502 |
| 4300 | Rental of premises | 17 500 | 653 |
| 5100 | Operation and maintenance of equipment | 7 500 | 3 011 |
| 5200 | Reporting costs | 7 500 | 1 605 |
| 5300 | Sundries | 40 000 | 22 133 |
| <i>Subtotal: other operational costs</i> | | 90 500 | 34 717 |
| Total direct costs | | 684 582 | 502 280 |
| Programme support costs (13 per cent) | | 88 996 | 81 134 |
| Grand total | | 773 578 | 583 414 |
| Budget utilization rate | | | 75% |

Note:

* This report has been prepared for the purpose of recording actual cash received in 2016. It is based on the modified cash basis of accounting as opposed to the published financial statements that are prepared using the accrual basis in accordance with International Public Sector Accounting Standards. Differences between the total income reported in the two reports are attributable to the two different bases of accounting.