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**United Nations
Environment
Programme**

**Twenty-Ninth Meeting of the Parties to
the Montreal Protocol on Substances
that Deplete the Ozone Layer**

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 and 2019 for the Trust Fund for the
Montreal Protocol on Substances that Deplete the Ozone Layer**

**Financial reports for the trust fund for the Montreal Protocol on
Substances that Deplete the Ozone Layer and for the earmarked
contributions that support the activities of the Ozone Secretariat**

Note by the Secretariat

Addendum

1. The present report is an addendum to document UNEP/OzL.Pro.29/4, which contains in its annexes the proposed revision to the approved 2017 budget and the proposed 2018 and 2019 budgets of the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer.
2. Annex I to the present addendum sets out the certified financial statements of the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer for the fiscal year 2016. As at 31 December 2016, the cash balance was \$2,486,685, comprising “Cash and cash equivalents” of \$686,507, “Investments” of \$1,215,086 and “Non-current assets (investments)” of \$585,092. That cash balance level was due to a number of parties paying their prior year outstanding contributions, their 2016 contributions and their 2017 contributions in advance. Total contributions received in 2016 amounted to \$5,143,088, of which \$659,598 was towards 2017 contributions. The Secretariat wishes to acknowledge with appreciation the efforts made by parties in response to the appeal made in mid-2016 to augment the depleted cash balance.
3. Annex II presents the certified financial statements for earmarked contributions that support the activities of the Ozone Secretariat for the fiscal year 2016.
4. The Secretariat wishes to express its sincere thanks and acknowledge the importance of the earmarked contributions made by parties in 2016 in support of the activities of the Ozone Secretariat. The breakdown of the earmarked contributions is presented in annex III. The total amount received was \$1,198,347, of which \$482,019 was to support meeting organization costs, \$129,245 was to

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

support travel of meeting participants from parties operating under paragraph 1 of Article 5 (Article 5 parties) to Montreal Protocol meetings, \$271,150 was to support the work of the assessment panels, \$259,563 was to support developing countries in participating in meetings for the work on hydrofluorocarbons and \$56,370 was to support the participation of the Co-Chair of the Refrigeration, Air Conditioning and Heat Pumps Technical Options Committee in its meetings and in the Technical and Economic Assessment Panel meetings, for the three years between 2016 and 2018.

5. Annex IV shows the budget performance report for the Trust Fund for the Montreal Protocol 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 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 74 per cent, primarily owing to savings of \$482,019 in meeting organization costs, which were covered by earmarked contributions (see annex III), savings of \$30,700 owing to administrative staff costs charged to the programme support cost budget, savings of \$80,480 on staff travel and savings of \$70,000 on operational costs resulting from efforts by the Secretariat to manage its financial resources as tightly as possible in the light of the cash flow concerns experienced in 2016.

6. The Secretariat fully utilized the programme support cost budget allocation in 2016 to cover the cost of staff in administrative roles and to fund the upgrading of the Secretariat website, a project being implemented in 2017.


7. 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.

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



Annex I

Certified financial statements for the Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer for the fiscal year 2016

Trust Fund for the Montreal Protocol on Substances that Deplete the Ozone Layer. (Fund code: MPL)	
I. Statement of Financial Performance for the year ended 31 December 2016 (United States Dollars)	
	Total 2016
Revenue	
Assessed Contributions	4,276,934
Investment Revenue	16,587
Other miscellaneous revenue	1,043
Total Revenue	4,294,564
Expenses	
Employee salaries, allowances and benefits	1,074,647
Non-employee compensation and allowances	112,517
Grant and other transfers	25,000
Supplies and consumables	1,771
Travel	840,074
Other operating expenses	2,244,483
Programme Support costs	720,763
Total expenses	5,019,255
Surplus/(deficit) for the period	(724,691)
II. Statement of Financial Position as at 31 December 2016 (United States Dollars)	
	Total 2016
Current Assets	
Cash and Cash Equivalents	686,507
Investments	1,215,086
Assessed contributions Receivable	2,359,391
Advance transfers	54,529
Other Assets	53,634
Total Current Assets	4,369,147
Non-Current Assets	
Investments	585,092
Total Non-Current Assets	585,092
Total Assets	4,954,239
Current Liabilities	
Accounts Payable and Accrued liabilities	85,266
Employee Benefits	16,494
Advance Receipts	678,899
Total Current Liabilities	780,659
Non current Liabilities	
Total Liabilities	-
Net of Total Assets and Total Liabilities	4,173,580
Net Assets:	
Accumulated surpluses/ (deficits) - unrestricted	3,157,756
Reserves	1,015,824
Total Net Assets	4,173,580
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	4,898,271
Transfer to reserves	(61,290)
Change in reserves	61,290
Surplus/(deficit) for the period	(724,691)
Total Net Assets at the End of Period	4,173,580
 Annette Waweru Chief United Nations Office at Nairobi ACCOUNTS SECTION BUDGET AND FINANCIAL MANAGEMENT SERVICE, UNON Management Service	
	03/05/2017

Annex II

Certified financial statements for earmarked contributions that support the activities of the Ozone Secretariat for the fiscal year 2016

Support of the Activities of the OZONE Secretariat (Fund code: QOL)	
I. Statement of Financial Performance for the year ended 31 December 2016 (United States Dollars)	
	Total 2016
Revenue	
Voluntary Contributions	944,994
Investment Revenue	770
Total Revenue	945,764
Expenses	
Non-employee compensation and allowances	111,100
Grant and other transfers	88,912
Travel	192,031
Other operating expenses	394,250
Programme Support costs	94,609
Total expenses	880,902
Surplus/(deficit) for the period	64,862
II. Statement of Financial Position as at 31 December 2016 (United States Dollars)	
	Total 2016
Current Assets	
Cash and Cash Equivalents	101,610
Investments	179,906
Voluntary Contributions Receivable	401,366
Advance transfers	71,229
Total Current Assets	754,111
Non-Current Assets	
Investments	86,629
Total Non-Current Assets	86,629
Total Assets	840,740
Current Liabilities	
Accounts Payable and Accrued liabilities	88,912
Other Liabilities	640,821
Total Current Liabilities	729,733
Non current Liabilities	-
Total Liabilities	729,733
Net of Total Assets and Total Liabilities	111,007
Net Assets:	
Accumulated surpluses/ (deficits) - unrestricted	111,007
Total Net Assets	111,007
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	46,145
Surplus/(deficit) for the period	64,862
Total Net Assets at the End of Period	111,007
 United Nations Office at Nairobi ACCOUNTS SECTION Budget and Financial Management Service	
 Annette Waweru Chief ACCOUNTS SECTION BUDGET AND FINANCIAL MANAGEMENT SERVICE, UNON	14/06/2017 <i>ANN</i>

Annex III

Earmarked contributions received in 2016 that support the activities of the Ozone Secretariat by donor and purpose*

	<i>Purpose</i>	<i>Country</i>	<i>Currency</i>	<i>Amount</i>	<i>United States dollars equivalent</i>
1	Support for organization of Montreal Protocol meetings.	Austria	EUR	20 000	21 858
		Denmark	DKK	200 000	30 024
		Italy	EUR	130 000	142 077
		Norway	NOK	500 000	61 060
		Rwanda	USD	150 000	150 000
		Children's Investment Fund Foundation	USD	77 000	77 000
		Subtotal:			
2	Support for Article 5 participants (least developed countries) in Montreal Protocol meetings.	Finland	EUR	20 000	22 198
		France	EUR	15 000	16 760
		Netherlands	EUR	50 000	54 945
		Sweden	SEK	300 000	35 342
Subtotal:				129 245	
3	Support for the work of the assessment panels of the Montreal Protocol. First tranche of a total grant of 600,000 euros for the period 2016–2018.	European Union	EUR	250 000	271 150
4	Support to developing countries in participating in meetings for work on hydrofluorocarbons (95 per cent of a total grant of 250,000 euros).	European Union	EUR	237 500	259 563
5	Support for the participation of the Co-Chair of the Refrigeration, Air Conditioning and Heat Pumps Technical Options Committee in its meetings and in Technical and Economic Assessment Panel meetings for the period 2016–2018.	Italy	EUR	50 000	56 370
Total					1 198 347

* 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.

Annex IV

Budget performance report for the Trust Fund of the Montreal Protocol for the fiscal year 2016**

		<i>Approved budget for 2016</i>	<i>Actual expenditure as at 31 December 2016</i>
1000	Employee salaries, allowances and benefits	1 293 194	1 113 385
1200	Consultants	85 000	81 716
1300	Meeting costs		
1321	Conference Services costs – Open-ended working group meeting (OEWG37, 4–8 April 2016, Geneva)	600 000	390 138
1322	Conference Services costs – preparatory meetings and Meeting of the Parties (MOP28, 3–7 October 2016, Kigali)	625 000	390 345
1323	Communication costs of Article 5 party assessment panel members and organization costs of panel meetings	70 000	25 398
1324	Conference Services costs – Bureau meetings (meeting of the Bureau to MOP27 held during MOP28, 3–7 October 2016, Kigali)	25 000	20 000
1325	Conference Services costs – 56th and 57th Implementation Committee meetings (held back-to-back with OEWG38, Vienna, and MOP28, Kigali, respectively – budget shared equally between the two meetings)	125 000	78 409
1326	Conference Services costs – Montreal Protocol informal consultation meetings	10 000	10 000
1332	Conference Services costs – resumed thirty-sixth meeting of the OEWG	80 000	–
1333	Conference Services costs – additional five-day OEWG and two-day back-to-back extraordinary Meeting of the Parties (OEWG38, 15–23 July 2016, Vienna)	870 000	522 000
5401	Hospitality	25 000	20 020
	Subtotal: Meeting costs	2 430 000	1 456 310
3300	Travel of Article 5 parties and experts		
3301	Article 5 party travel – assessment panel meetings	450 000	240 256
3302	Article 5 party travel – preparatory meetings and Meeting of the Parties (MOP28, 3–7 October 2016, Kigali)	375 000	328 966
3303	Article 5 party travel – OEWG meeting (OEWG37, 4–8 April 2016, Geneva)	325 000	295 738
3304	Article 5 party travel – Bureau meetings (Meeting of the Bureau to MOP27 held during MOP28, 3–7 October 2016, Kigali)	20 000	14 263
3305	Article 5 party travel – 56th and 57th Implementation Committee meetings (held back-to-back with OEWG38, 15–24 July 2016, Vienna, and MOP28, 3–7 October 2016, Kigali, respectively – budget shared equally between the two meetings)	125 000	54 253
3306	Article 5 party travel – informal meeting consultations	10 000	–
3312	Article 5 party travel – additional five-day OEWG and two-day back-to-back extraordinary Meeting of the Parties (OEWG38, 15–23 July 2016, Vienna)	435 000	406 922
	Subtotal: Travel of Article 5 parties and experts	1 740 000	1 340 398
1600	Staff travel		
1601	Staff travel on official business	210 000	140 127
1602	Conference Services staff travel on official business	15 000	4 393
	Subtotal: Staff travel	225 000	144 520
	Other operational costs		
4100	Expendable equipment	18 000	12 134
4200	Non-expendable equipment	25 000	23 887
4300	Rental of premises	41 870	34 129
5100	Operation and maintenance of equipment	20 000	15 714
5200	Reporting costs	75 000	39 632
5300	Sundry	40 000	24 758
	Subtotal: Other operational costs	219 870	150 254
	Total direct costs	5 993 064	4 286 582
	Programme support costs (13 per cent)	779 098	720 763
	Grand total	6 772 162	5 007 346
	Budget utilization rate		74%

** The budget performance report has been prepared for the purpose of comparing the authorized budget to the expenditures during the reporting period. This report 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 expenditures reported in the two reports are attributable to the two different bases of accounting.