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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-eighth Meeting
Montreal, 15-19 November 2021¹

Addendum

SECRETARIAT ACTIVITIES

**Assessment of the Multilateral Fund by the Multilateral Organisation Performance
Assessment Network**

Background

1. At the 83rd meeting, the Chief Officer informed the Executive Committee of a request from the Chair and Head of the Secretariat of the Multilateral Organization Performance Assessment Network (MOPAN), to assess the Multilateral Fund in its next assessment cycle (i.e., 2019). The Executive Committee agreed to support the proposed collaboration between the Secretariat and MOPAN in its assessment of the Multilateral Fund.²
2. At the 86th meeting, the Executive Committee considered the Assessment of the Multilateral Fund by MOPAN.³ After a presentation of the work of MOPAN by the representative of the Government of Canada (as the institutional lead for the MOPAN assessment), the assessment report was then presented by three representatives of MOPAN.
3. In its assessment, MOPAN identified, as five areas of strength of the Multilateral Fund, being a uniquely focused organisation with an extremely clear set of mandated and achievable targets; having achieved (or on track to achieve) the vast majority of the targets set under the Montreal Protocol for Article 5 countries; making efficient use of a relatively small budget and limited staff; and being staffed with dedicated and technically-focused professionals ensuring high quality review of project proposals and

¹ Online meetings and an intersessional approval process will be held in November and December 2021 due to coronavirus disease (COVID-19)

² UNEP/OzL.Pro/ExCom/82/72 (paragraphs 18 and 22)

³ UNEP/OzL.Pro/ExCom/86/2/Add.1

monitoring, resulting in long-established and trusting relationships between Secretariat staff, Executive Committee members and bilateral and implementing agencies.

4. MOPAN also identified, as five areas for improvement, the evaluation function being insufficiently challenging, formative and analytical; the need for a results framework, separate from the Montreal Protocol control schedule, that includes a clear set of performance measures for the Multilateral Fund itself; greater attention for verifying and ensuring the sustainability of results achieved; the slower than expected recognition for the need to address gender equality as a cross-cutting issue, despite the existence of gender policies in each of the implementing agencies; and the need to improve the communications function (including an updated, user-friendly website) that would enhance public information and accountability.

5. Further to the presentation by MOPAN Secretariat, views were expressed by Committee members on the areas for improvement *inter alia* the need to follow up the recommendations for improvements with evaluation, and verification and ensuring the sustainability of results; the inappropriateness to link the question of the sustainability of the Multilateral Fund to a single event, i.e., the unexpected increase in global emissions of CFC-11, and to make the claim of the source of the emissions in the report; the additional time required to study the report in more detail; and the request for a report on the matter by the Fund Secretariat.⁴

6. Following the discussion, the Executive Committee *inter alia* requested the Secretariat to prepare, for the 88th meeting, a report that responded to the five key areas of improvement identified in the 2019 Assessment of the Multilateral Fund by MOPAN, providing information and draft recommendations on those areas of improvement, including an estimate of the resources needed to address them; and a draft management response from the Executive Committee to the MOPAN Secretariat on the assessment (decision 86/2(c)).

Scope of the document

7. In line with decision 86/2(c), the Secretariat has prepared the present document.

8. Executive Committee members may wish to note that before the final document of the Assessment of the Multilateral Fund was concluded, upon a kind request by the MOPAN Secretariat, the Fund Secretariat reviewed a draft of the Assessment and provided comments in the various sections of the document.⁵ The Fund Secretariat expressed its appreciation for the professional and collegial working relationship with MOPAN, and offered to have a bilateral discussion with the MOPAN Secretariat on the methodology used and potential flexibility of adapting it to the type of organization to be assessed in future.

9. Executive Committee members may wish also to note that the Fund Secretariat has given due consideration to the observations, comments, key findings and areas of improvement of the Assessment and incorporate them, as needed, in its daily work.

10. Accordingly, the present document presents each of the five areas for improvement identified in the Assessment, it includes comments that were provided by the Fund Secretariat to the draft (final) version of the Assessment as well as additional information where required, suggests actions for further improvements, and a recommendation.

11. The draft management response to the MOPAN Secretariat on the Assessment of the Multilateral Fund is presented in Annex I of the present document.

⁴ UNEP/OzL.Pro/ExCom/86/100 (paragraphs 24-28)

⁵ The Secretariat also sent its comments to the representative from the Government of Canada, as the Institutional Lead of the Assessment by MOPAN.

Evaluation function

The evaluation function is insufficiently challenging, formative and analytical. Evaluations tend to present findings rather than providing analysis and explanations for these findings. Lesson learning is tacit rather than explicit and systematic.

12. In addressing this area of improvement, the Secretariat considers relevant to briefly recall the process followed by the Executive Committee for strengthening the monitoring and evaluation capacity at the Secretariat:

- (a) At its 21st meeting, decided that there should be a modest strengthening of the Secretariat in order to provide a measure of monitoring and evaluation capacity, and requested the Secretariat to work with the implementing agencies to explore ways in which standardized monitoring and evaluation components could be included in project proposals and to propose standardized guidelines for the content of project completion reports (decision 21/36 (c)); and
- (b) At its 22nd meeting, approved the first work programme and work plan on monitoring and evaluation of the Multilateral Fund for a twelve-month period between 1997-1998 (decision 22/19); and
- (c) At its 27th meeting, approved the monitoring and evaluation work programme for 1999 submitted by the newly appointed (first) Senior Evaluation Officer⁶ (decision 27/11).

13. Since the establishment of monitoring and evaluation functions, the Executive Committee has considered all the annual monitoring and evaluation work programmes submitted by the Senior Monitoring and Evaluation Officer (SMEO), which include proposed evaluation studies and associated budget for their implementation and different monitoring tasks. Following careful review and revision, as necessary (frequently in contact group meetings), the Executive Committee approved the work programmes.

14. Monitoring of projects involves periodic reporting to assess progress or lack thereof. Project completion reports (PCRs), using standardized formats for different types of projects approved by the Executive Committee, are mandatory for the majority of the projects approved.⁷ The reports analyse the project implementation and formulate lessons learnt. They are collected from the bilateral and implementing agencies, and presented by the SMEO to the Executive Committee in a consolidated document at each of its meetings. In its decision on this document, the Executive Committee invites all those involved in the preparation and implementation of projects to take into consideration the lessons learned from PCRs, if relevant, when preparing and implementing future projects. For ease of reference for the Executive Committee, the Secretariat, the bilateral and implementing agencies and Article 5 countries, the lessons learnt are collected in a database and are accessible through a search engine.

15. Similarly to the work programme of the SMEO, subjects for evaluation,⁸ including their terms of reference and the methodology to be used for data collection and analysis, are substantively discussed by the Executive Committee before their approval. The resulting evaluation reports *inter alia* present an analysis on whether the objectives were achieved; provides information on strengths and limitations of the projects being evaluated; identify causes of success or failure in reaching the proposed targets; formulate lessons learnt and sets of recommendations for actions. All findings are supported by explanations, and results are substantiated by analysis of findings in desk studies and country reports. Regarding the

⁶ At its 24th meeting, the Executive Committee decided that a consultant should be employed until the Monitoring and Evaluation Officer could take up the post. The Senior Evaluation Officer joined the Secretariat on 1 February 1999.

⁷ Excluding project preparation, country programmes, networking, clearing-house activities, and institutional strengthening projects.

⁸ Evaluations are usually prepared by independent consultants under the coordination of the SMEO.

recommendations related to the projects evaluated, the Executive Committee invites bilateral and implementing agencies to apply, when appropriate, the lessons learned based on the findings of the evaluation.

16. Lessons learnt, although not explicitly, are systematically applied during project review process and policy development;⁹ the Secretariat takes into account lessons learnt from relevant evaluations when discussing with bilateral and implementing agencies project submissions ranging from technologies to implementation; when drafting guides for the preparation of project proposals (e.g., stages of phase-out plans); and when designing new policies (e.g., gender mainstreaming policy; or the guidelines for funding stage II of HPMPs which include the up to 40 per cent additional funding for implementation of foam projects in small- and medium-sized enterprises resulting from the lessons learnt from implementation of stage I of HPMPs).

Observations by the Secretariat

17. The Secretariat notes the concern of the assessment team and recognizes that part of this could be resolved by way of organizing, presenting and documenting information, including lessons learnt, in relevant documents and databases. The Secretariat also notes that the evaluation guide and formats for PCRs that were developed for stand-alone projects have been revised and updated focussing on multi-year agreements. In this regard, in presenting the work programme and resulting documents (i.e., desk studies, case studies, evaluation and PCR reports), the SMEO will continue to give due consideration to the observations raised in the Assessment.

Result framework

The results framework focuses on long-term Montreal Protocol targets. The Multilateral Fund collects data and reports on a range of medium-term targets and indicators applicable to implementing agencies and recipient countries, but for the Fund as a whole, there is no intermediate results statement, nor a 'classic' results framework that would also address the quality or sustainability of results. There is no corporate scorecard of any sort, neither annual nor for the replenishment triennium. Monitoring and reporting is less developed for institutional strengthening and capacity building than it is for investment projects. A results framework, separate from the Montreal Protocol Control Schedule, that includes a clear set of performance measures for the Multilateral Fund itself may be beneficial.

18. The Multilateral Fund provides assistance to Article 5 countries to enable their compliance with the control measures specified under the Montreal Protocol. While the Montreal Protocol's control schedule includes reductions in production and consumption of controlled substances according to a specified schedule, multi-year agreements may specify annual consumption or production targets that are more stringent than those specified under the Protocol. Unless otherwise decided by the Executive Committee, independent verification reports are required to demonstrate compliance with those annual targets.

19. The Executive Committee has implemented a variety of mechanisms to carefully monitor (short-, medium- and long-) term targets to ensure the successful and continuous implementation of projects and activities that enable Article 5 countries' compliance with the obligations under Montreal Protocol. For example:

- (a) Each year, the Executive Committee considers annual progress reports submitted by bilateral and implementing agencies that include all the projects that have been approved

⁹ For example, retrofitting of non-flammable-based refrigeration equipment with flammable refrigerants, a practice that was being promoted at the beginning of the phase-out of HCFCs, was stopped based on demonstrated risk associated with that practice.

under the Fund, with emphasis on the on-going projects. The Secretariat reviews each progress reports based on established milestones including, *inter alia*, signing of agreements, date of release of first disbursement, status of procurement and installation of equipment, status of services provided, including training of refrigeration technicians and customs officers, level of disbursement of approved funds, the operational and financial completion of the project, and return of balances from completed projects. The Secretariat seeks to resolve potential issues identified and proposes follow-up actions for further monitoring (through additional status reports and reports on projects with implementation delays);

- (b) Each year, the Executive Committee considers the consolidated business plan which provides an overview of approved and planned activities for the subsequent three years, as well as an update on the status of implementation of the business plan, and an evaluation of the performance of implementing agencies against their prior year's business plans. The consolidated business plan process has *inter alia* allowed the Executive Committee to equitably distribute the funding available to all Article 5 countries being assisted;
- (c) Progress in the implementation of both investment and non-investment activities are carefully assessed; tranche implementation plans must include an explanation of how recommendations in the verification report¹⁰ will be addressed. As necessary, follow up actions are monitored on an annual or meeting basis through reports on projects with specific reporting requirements; and where targets are not met, the Executive Committee takes relevant actions, including application of financial penalties;
- (d) Each institutional strengthening (IS) renewal request,¹¹ and capacity-building activities contained therein, has a detailed progress report of the previous phase, and achievements measured against performance indicators. Every progress report and plan of action of IS projects is considered by the Executive Committee; views expressed by the Executive Committee on IS projects are communicated to each Government. Furthermore, IS projects are monitored under annual progress reports and subject to additional reporting as required.

20. The Executive Committee also submit annually to the Parties to the Montreal Protocol, a comprehensive report of the activities undertaken by the Multilateral Fund on its achievements.

Observations by the Secretariat

21. The Secretariat notes the concern of the assessment team and recognizes that several of the documents considered by the Executive Committee are technical and very detailed, making it difficult to appreciate the comprehensive results framework that has been developed by the Committee. This framework has allowed compliance with the Montreal Protocol obligations by all Article 5 countries or, in those rare cases of non-compliance, have been able to rapidly return to compliance. Evidence of results achieved beyond compliance so far includes more robust regulatory frameworks; better control on trade of substances controlled under the Protocol; strengthened institutions, such as technical/vocations training centres for technicians and schools/institutions for customs authorities, and competence-based certification of refrigeration technicians. Notwithstanding the continued constraints of the COVID-19 pandemic, the Executive Committee has continued to monitor the progress in implementation of projects and activities, and approved additional funding for continued implementation. For various reasons, including concerns expressed by members due to the unexplained emissions of CFC-11, meeting documents on funding tranche requests associated with phase-out plans include a section describing how the sustainability of the phase-out achieved will be ensured and maintained. While milestones and indicators may be more difficult to define

¹⁰ Verification reports provide an additional, and independent, assessment of progress.

¹¹ IS projects are the only documents that have to be submitted with a cover page signed by relevant authorities.

for non-investment project, such projects are subject to the same monitoring as investment projects. The Secretariat will seek opportunities in future meeting documentation to further emphasize and clarify intermediate results and the quality and sustainability of those results.

Sustainability

Multilateral Fund programme proposals do not explicitly analyse areas such as partner capacity, risks or the critical assumptions which underpin sustainability. Verifying and ensuring the sustainability of results achieved requires greater attention from the Multilateral Fund

22. The Secretariat considers that a key success of the Multilateral Fund is the long-term sustainability of the projects and activities funded under the Fund. Funding under the Montreal Protocol is based on a commitment by the Article 5 country concerned to sustainably and permanently reduce the consumption and production of controlled substances.

23. To ensure such sustainability, risk assessment and assessment of partner capacity are an integral part of project preparation, implementation and completion undertaken by the bilateral and implementing agencies and the project review by the Secretariat. Approved funding is transferred in full to the four implementing agencies (i.e., UNDP, UNEP, UNIDO and the World Bank) for implementation of the projects approved by the Executive Committee. It is to be noted that implementing agencies have in place and apply their own enterprise risk management and internal control frameworks, in accordance with UN and other relevant rules and procedures.

24. One of the milestones of the Multilateral Fund has been the capacity building provided to Article 5 countries to implement all the requirements under the Montreal Protocol. The Executive Committee approved the first institutional strengthening (IS) project at its 6th meeting; since then, that support has continued given the critical role those projects play in the implementation of Montreal Protocol-related activities. National ozone units have become a key partner in the implementation of the Montreal Protocol, and IS projects have become one of the pillars of the Multilateral Fund.

25. Since the approval of the first activities funded by the Multilateral Fund at the 4th meeting, the Executive Committee has given due consideration to activities that could ensure the long-term sustainability of the phase-out of controlled substances that has been achieved by Article 5 countries. Particular emphasis has been given to strengthen policy and regulatory frameworks to facilitate compliance with the Protocol; over the years, Article 5 countries have established and strengthened their national licensing and quota systems accompanied by other control regulations, which has contributed to the reduction of the supply of controlled substances. In support of the regulatory framework and its enforcement, continuous assistance has been provided for training of customs and law enforcement officers as part of each country's national ODS phase-out plan; and for Article 5 countries that produce controlled substances, capacity-building has been provided to ensure controls on the levels of production, including licensing and quota systems, and controls on exports for which non-controlled uses of such substances remain.

26. When preparing project proposals, bilateral and implementing agencies always discuss technology selection with enterprises, including the capacity of those enterprises to successfully implement the new technology. Similarly, in reviewing project proposals the Secretariat always considers the capacity of the manufacturing enterprises to safely manufacture equipment with a proposed alternative technology based on the use of flammable or mildly flammable substances, as well as the capacity of the technicians to safely install, maintain, and service equipment based on flammable refrigerants. Furthermore, the Secretariat considers policy mechanisms that might be used to mitigate risks to the successful uptake of new technology, which are particularly relevant when another non-ozone depleting substance but high-global-warming potential-based technology is already broadly available in the market.

27. In support of the sustainability of projects, verifications submitted under multi-year agreements provide important and independent information related to: risk assessment; an assessment on the operation of import/export licensing and quota system and other monitoring systems in place; and confirmation of a country's compliance with the targets specified in its Agreement with the Executive Committee. Independent verifications have provided useful recommendations to Article 5 countries to improve the existing licensing and quota systems and the procedures to operate them in a reliable manner. The Secretariat is directly involved in reviewing the findings and recommendations contained in a verification report, and bring relevant issues to the attention of the Executive Committee for decision. In several cases, funding of subsequent tranche requests is subject to confirmation of the Government concerned that the recommendations set out in the verification report have been fully implemented.

Observations by the Secretariat

28. Ensuring the sustainability of the phase-out achieved has been an increasing focus of the Executive Committee, as shown in the following few examples:

- (a) When preparing requests for funding for plans for complete HCFC phase-out in the manufacturing sector, bilateral and implementing agencies together with Article 5 countries, should include the necessary regulatory measures to ensure the sustainability of complete HCFC phase-out in that specific sector, such as policies banning the import and/or the use of HCFC (decision 79/25);
- (b) Bilateral and implementing agencies were requested to provide information on how the country would implement the domestic policy framework to support and sustain introduction and the scaling up of the new technology and/or practice in projects in the context of projects directed to end-users to transition to low-global-warming potential alternatives and/or reduce use of controlled substances (decision 84/84(c)(i)); and
- (c) All new stages of HCFC phase-out management plans include a description of the Government's plan and actions to monitor the sustainability of the HCFC reductions upon completion of the stage, including regulatory measures, enforcement actions and regular monitoring of consuming sectors, importers, distributors and other stakeholders; and tranche requests include a section describing the sustainability of the phase-out achieved.

29. The recent report of the unexpected emissions of CFC-11 have cast a shadow on the achievements of the Montreal Protocol, and led several members to question the risk assessments undertaken, and the sustainability of the phase-out achieved. On that basis, the Secretariat was requested to develop a document that would include an overview of current monitoring, reporting, verification and enforceable licensing and quota systems that had been developed with support from the Multilateral Fund. In response to this request the Secretariat submitted the document to the 83rd meeting. While the document was discussed at the 83rd and 84th meetings, the Committee was unable to take a decision on the subject. In line with the agreed procedures for conducting its meetings under the COVID-19 pandemic, the Executive Committee will discuss the document at its 89th meeting (to be held in March 2022). In addition, the Executive Committee will consider a desk evaluation of sustainability to be presented by the Senior Programme Evaluation Officer. The Secretariat looks forward to any guidance the Executive Committee may provide following its consideration of those documents, and will seek opportunities in future meeting documentation to further clarify the risk assessment undertaken and emphasize how the sustainability of relevant activities will be ensured.

Gender equality

The Multilateral Fund has been relatively slow to address gender equality as a cross-cutting issue, despite the existence of gender policies in each of the implementing agencies. A new gender policy

has been approved by the Fund. While a strict focus on the mandate of the Fund is creditable, implementing agencies should be encouraged to ensure that all their own policies and minimum standards are applied in addition to those required by the Fund

30. Gender equality as a cross-cutting issue under the Multilateral Fund has been considered recently by the Executive Committee:

- (a) At the 81st meeting, considered the desk study for the evaluation of gender mainstreaming in Montreal Protocol projects¹² and *inter alia* invited bilateral and implementing agencies to take into account the information in the desk study; requested the bilateral and implementing agencies to apply their own institutions' gender policies to the projects and activities approved under the Multilateral Fund, when relevant; and requested the Secretariat to prepare a discussion document for the 83rd meeting, outlining possible objectives and elements of a potential gender policy for the Multilateral Fund;¹³
- (b) At the 83rd meeting, noted the elements for a potential gender policy for the Multilateral Fund,¹⁴ and requested bilateral and implementing agencies to apply their corporate gender policies in the preparation and implementation of projects funded by the Multilateral Fund, and the Secretariat, in consultation with bilateral and implementing agencies, to prepare a document for consideration at the 84th meeting, presenting a draft policy on gender mainstreaming for Multilateral Fund-supported projects and how such a policy could be operationalized;¹⁵
- (c) At the 84th meeting, agreed on the operational policy on gender mainstreaming for Multilateral Fund supported projects (November 2019), and requested bilateral and implementing agencies to apply the operational policy throughout the project cycle, beginning with projects proposed for consideration at the 85th meeting and to provide, when available, gender-relevant information in reports on ongoing projects approved prior to the 85th meeting.¹⁶

31. Immediately after the adoption of the operational policy, the Secretariat has updated all guides for the preparation of project proposals to include a section on gender mainstreaming. All projects submitted for consideration of the Executive Committee from the 85th meeting onwards have included information on the implementation of the gender policy including, in several cases, indicators and outcomes of the activities being proposed as well as achievements, in line with the policy.

Observations by the Secretariat

32. As indicated in the assessment report, the implementation of the operational policy on gender mainstreaming for Multilateral Fund post-dated the time period for the assessment and could not be taken into account in the scoring and rating. The Secretariat notes the concern of the assessment team and draws the attention to the two occasions where the Executive Committee requested bilateral and implementing agencies to implement their corporate gender policies in the preparation and implementation of Multilateral Fund-funded projects (decisions 81/7(c) and 83/68(b)).

33. The Executive Committee may also wish to refer to Addendum I of the present document containing the Audit of the Multilateral Fund by the Office of Internal Oversight Services, in particular to the recommendation related to further enhancement of the performance indicators that measure the

¹² UNEP/OzL.Pro/ExCom/81/9

¹³ Decision 81/7

¹⁴ UNEP/OzL.Pro/ExCom/83/45

¹⁵ Decision 83/68

¹⁶ Decision 84/92

achievement of outcomes of its gender mainstreaming activities. In addressing this recommendation, on 12 November 2021 the Secretariat sent a communication to the bilateral and implementing agencies, informing them of the need to further enhance the performance indicators that measure the achievement of outcomes of gender mainstreaming activities and to report as per the indicators in future project proposals. In this regard, the Executive Committee may wish also to encourage bilateral and implementing agencies to ensure that all their own policies and minimum standards are applied in addition to those required by the Multilateral Fund.

34. Furthermore, in line with decision 84/92(e), the Secretariat will review the implementation of the operational policy on gender mainstreaming and will prepare a report for consideration by the 89th meeting. The report will refer to performance indicators used by the agencies that measure the achievement of outcomes of gender mainstreaming activities in project proposals.

Information strategy

Although publicly available, Multilateral Fund documentation is not clear and accessible to outsiders. Fund policies, plans and progress are embedded in multiple detailed technical reports connected to Executive Committee meetings. The addition of an improved communications function – and an updated, user-friendly website – would enhance public information and accountability

35. The Secretariat prepares documents for each Executive Committee meeting. These documents are written to be accessible to the Executive Committee which is responsible to consider, discuss and take appropriate action, i.e., to adopt policies or approve funding for projects; to bilateral and implementing agencies, which submit reports and projects on behalf of Article 5 countries and are consulted throughout the review process; and to the national ozone units, which are in charge of Multilateral Fund-funded projects in their countries. As the mandate of the Multilateral Fund is to assist Article 5 countries to comply with their obligations under the Montreal Protocol, the majority of the meeting documents and/or reports are by necessity very technical in nature, as they describe technical changes required to introduce a new technology and assess the incremental costs associated with those changes, or describe industrial processes and practices upon which relevant policy decisions are adopted.

36. The Executive Committee may wish to recall that the Multilateral Fund website is part of the information strategy of the Multilateral Fund¹⁷ which was developed at the 39th meeting. The purpose of the strategy was linked to the Multilateral Fund's compliance-driven mission and focused on delivering key messages about the Fund to three target audiences: government policy and decision makers, especially in Article 5 countries; national ozone officers and the beneficiaries of the Fund; and global policy makers and those who influenced them. It was stated that the strategies of the Multilateral Fund, its implementing agencies, and the Ozone Secretariat should continuously aim at complementarity and avoid duplication. At its 40th meeting, the Committee approved the workplan¹⁸ and an one-off budget for the implementation of the strategy¹⁹ including the enhancement/establishment of two websites: a public website (basic content included was presented in the workplan) for public audiences to serve as the main public awareness tool of the Multilateral Fund; and a secure intranet/extranet to serve as a communications platform for the Executive Committee, the Secretariat, and bilateral and implementing agencies.

37. The communications function at the Secretariat is carried out by the Information Officer, among other functions, in accordance with decisions of the Executive Committee and the policies of the Multilateral Fund. The clearing house function of the Multilateral Fund is carried out by UNEP as implementing agency. The Multilateral Fund sees producing knowledge products has a significant role based on Fund activities and as such funding is provided to UNEP Compliance Assistance Programme for

¹⁷ UNEP/OzL.Pro/ExCom/39/41

¹⁸ UNEP/OzL.Pro/ExCom/40/49

¹⁹ Decision 40/53

this task. Other knowledge products are produced by the Fund Secretariat, such as guidance for preparation of various types of project proposals, or factsheets of demonstration projects, in accordance with decisions of the Executive Committee.

Observations by the Secretariat

38. The Secretariat notes the concern of the assessment team and recognizes that the information strategy and the Multilateral Fund website, developed by the Secretariat in 2003, could be outdated and need to be reviewed and brought up to date. In this regard, the Secretariat will review the information strategy and present an updated strategy for consideration at the 91st meeting. The Secretariat recommends deferring consideration of possible additional resources that may be needed to implement that strategy until after the Executive Committee has considered the document on an analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities (decision 84/86(b)(i)) in order to have a comprehensive assessment of possible additional resources the Secretariat may require.

Recommendation

39. The Executive Committee may wish:

- (a) To note the report that responded to the five key areas of improvement identified in the 2019 Assessment of the Multilateral Fund by the Multilateral Organization Performance Assessment Network (MOPAN), contained in document UNEP/OzL.Pro/ExCom/88/2/Add.2;
- (b) To note that the Secretariat had taken specific actions to address the observations by MOPAN on the five areas of improvement mentioned in sub-paragraph (a) above;
- (c) To encourage bilateral and implementing agencies to consider the findings and observations identified in the Assessment mentioned in sub-paragraph (a) above, when submitting relevant documents for consideration by the Executive Committee; and
- (d) To request the Secretariat to communicate to the Secretariat of MOPAN the management response on the Assessment of the Multilateral Fund, contained in Annex I to the present document.

Annex I

RESPONSE OF THE FUND SECRETARIAT TO THE 2019 MOPAN INSTITUTIONAL ASSESSMENT OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Introduction

1. The Multilateral Fund Secretariat (Secretariat) expresses its appreciation to the Secretariat of the Multilateral Organisation Performance Assessment Network (MOPAN) and the assessment team for their professionalism and support, and to the Government of Canada as the institutional lead country for the assessment.
2. The Secretariat notes with appreciation, the comprehensive presentation given by the Secretariat of MOPAN to Executive Committee members at its 86th meeting held on-line in March 2021. As recorded in the report of the meeting, several members expressed their gratitude to MOPAN for its assessment report and presentation thereof; and following the discussion on this matter, the Executive Committee *inter alia* requested the Secretariat to prepare, for the 88th meeting (to be held in November 2021), a report that responded to the five key areas of improvement identified in the 2019 Assessment of the Multilateral Fund, providing information and draft recommendations on those areas of improvement.
3. The Secretariat recognizes and appreciates the value of the MOPAN Assessments as a diagnostic snapshot of organizational performance, and thus as a constructive learning tool for assessed organizations. The Secretariat welcomes this first MOPAN assessment of the Multilateral Fund, which overall highlights very positive findings and identifies areas of improvement, which the Executive Committee and the Secretariat have already started to review and address.

Key findings

4. The Secretariat welcomes the key findings of the assessment, including that the Multilateral Fund, and hence the Executive Committee, can be credited with making a significant contribution to the phasing out of controlled substances under the Montreal Protocol, and to very large and positive environmental, human health and climate change mitigation impacts. It also notes that the Fund has supported positive change in national policies, legislation and regulatory systems; interventions have been relevant and well aligned with country priorities, and partnerships between the Multilateral Fund and National Ozone Units have been key to the successful implementation of the Montreal Protocol. Further, it recognizes that the Multilateral Fund has an extremely clear and defined long-term vision based on the Montreal Protocol control schedule; that the organisational architecture is effective and enduring; and that the Fund has maintained a single-minded focus on its mandate, which is to enable the Article 5 countries' compliance with their obligations under the Montreal Protocol.
5. The Secretariat would highlight that the success of the Multilateral Fund can be attributed to a variety of factors, including the guidance provided by the Executive Committee; the continuous funding provided to the Multilateral Fund by non-Article 5 Parties; the close collaboration and partnership between the Secretariat and the bilateral and implementing agencies; and the key role and support by all Article 5 governments in implementing Multilateral Fund supported activities. The Secretariat agrees that the single-minded focus on the Multilateral Fund's mandate is an important asset that has contributed to its success, while also noting the important climate, environmental and social benefits that have also been achieved through Multilateral Fund-supported activities.
6. The assessment found that the Multilateral Fund has been slow to address gender as a cross-cutting issue. In this regard, at its 84th meeting, the Executive Committee affirmed the importance of gender

mainstreaming in Multilateral Fund-supported projects, and approved the operational policy on gender mainstreaming. Project documents now include a section describing how the gender mainstreaming policy will be implemented; in addition, the Secretariat will present a review of the implementation of the operational policy on gender mainstreaming at the 90th meeting, including opportunities to strengthen its implementation.

7. The assessment also found four other areas of the Multilateral Fund that should be strengthened, including the evaluation function, which is insufficiently challenging, formative and analytical; that a results framework, separate from the Montreal Protocol control schedule, that addresses intermediate results and includes a clear set of performance measures may be beneficial; the need for assessment of risk and partner capacity, and ensuring the sustainability of results achieved; and that an improved communications function, including an updated, user-friendly website, would enhance public information and accountability. The Secretariat of MOPAN may wish to note that, as further detailed in document UNEP/OzL.Pro/ExCom/88/2/Add.2, the Executive Committee is actively taking steps to address each of those weaknesses.

MOPAN methodology

8. The Secretariat appreciates the professionalism of the MOPAN assessment team, and echoes the appreciation expressed by Committee members of the Executive Committee following MOPAN's presentation of the report findings. The Secretariat notes that the methodology used (MOPAN 3.0*) is quite advanced, and uses both key performance indicators, and numerous micro-indicators. MOPAN may wish to consider adapting its methodology to the characteristics of the organization being assessed, particularly for highly specialized and technically-focused organizations, such as the Multilateral Fund.

Conclusion

9. The Secretariat appreciates the opportunity to engage in its first assessment by MOPAN and welcomes the external perspective on the Multilateral Fund's organizational performance through the assessment report. The Secretariat is committed to build on the Fund's recognized strengths and to address the areas for improvement identified.
