

*Note to the reader: This document is prepared on the basis of extracted decisions and texts from Final Meeting report and background documents, relevant to Monitoring and Evaluation issues.*

**Decisions relevant to Monitoring and Evaluation at 88<sup>th</sup> Executive Committee Meeting (extract from Final Report of the Meeting [UNEP/OzL.Pro/ExCom/88/79](#))**

DECISION	AGENDA ITEM	RELATED DOCUMENTS
Decision 88/1	Secretariat activities	<a href="#">UNEP/OzL.Pro/ExCom/88/79</a>
Decision 88/9	Evaluation 6 (b) Desk study for the evaluation of energy efficiency in the servicing sector	<a href="#">UNEP/OzL.Pro/ExCom/88/10</a>
Decision 88/10	Evaluation 6 (c) Draft monitoring and evaluation work programme for the year 2022	<a href="#">UNEP/OzL.Pro/ExCom/88/11/Rev.1</a>
Decision 88/31	Programme implementation 7 (c) 2021 consolidated project completion report	<a href="#">UNEP/OzL.Pro/ExCom/88/12</a>

### **AGENDA ITEM 3: SECRETARIAT ACTIVITIES**

13. During the IAP-88, the Executive Committee considered the report on Secretariat activities contained in documents UNEP/OzL.Pro/ExCom/88/2, Add.1 and Add.2. UNEP/OzL.Pro/ExCom/88/79

14. With respect to the audit of the Multilateral Fund by the Office of Internal Oversight Services, which was contained in document UNEP/OzL.Pro/ExCom/88/2/Add.1, one member was mindful that the audit was an internal UNEP exercise and considered that the issues raised therein could be taken up under other agenda items that had already been scheduled for discussion by the Executive Committee. Another member also considered that certain recommendations merited more in-depth discussion, namely those regarding implementation of the operational policy on gender-mainstreaming for Multilateral Fund-supported projects, the need for more effective analysis of root causes of project implementation delays and for corrective action to address systemic issues and compliance with Executive Committee decisions project completion and reporting and that further action by the Secretariat and/or the bilateral and implementing agencies would be required. He thus proposed to amend paragraph (e) of the Secretariat's recommendation to give due consideration to those matters at the first regular meeting of the Executive Committee in 2022. The Secretariat clarified that the issues raised by the audit and the impact of related action taken should be considered under relevant agenda items to ensure that they were addressed effectively.

15. **With respect to the assessment of the Multilateral Fund by the Multilateral Organization Performance Assessment Network (MOPAN), which was contained in document UNEP/OzL.Pro/ExCom/88/2/Add.2, some members were of the view that discussion, in person, at the 89th or 90th meeting, of the areas for improvement identified by the assessment** was required before a final decision on the way forward and a management response could be taken, specifically in relation to the following issues: the intermediate results framework; the importance of verification and monitoring to ensure the sustainability of the results achieved; **the insufficiently challenging, formative and analytical evaluation function with the Secretariat, including the need for it to be independent from the hierarchy**; the policy on gender-mainstreaming, including its implementation and its interaction with the gender policies of the bilateral and implementing agencies; and the information strategy, including availability of information, especially on lessons learned and in relevant documents and databases, and the accessibility of the website.

16. Responding to comments by Executive Committee members, the Secretariat suggested that the assessment, including the management response to be provided to the MOPAN Secretariat, could be further discussed at the 90th meeting using the document that had been submitted to the 88th meeting. The proposal took account of the large number of policy documents that the Executive Committee would need to discuss at the 89th meeting and the fact that the Executive Committee would need to provide guidance in relation, for example, a potential review of the information strategy of the Multilateral Fund. Furthermore, the Secretariat recalled that the review of the implementation of the operational policy on gender-mainstreaming

for Multilateral Fund-supported projects was due to be presented at the 90th meeting, as requested by the Committee, and that the review could take into account the comments made by the members.

17. Subsequent to the issuance of document UNEP/OzL.Pro/ExCom/88/IAP/2, given the interest shown by members, the potentially heavy workload at the 90th meeting and the fact that it might take the Committee more than one meeting to reach full consensus on a path forward, one member proposed the matter be discussed at the 89th meeting.

18. Subsequently, the Executive Committee decided:

- (a) To note, with appreciation, the report on Secretariat activities contained in document UNEP/OzL.Pro/ExCom/88/2; Audit of the Multilateral Fund by the Office of Internal Oversight Services
- (b) To note the report entitled Audit by the United Nations Environment Programme Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol (Assignment No. AA2021-220-01), conducted by the Office of Internal Oversight Services (OIOS) and attached to document UNEP/OzL.Pro/ExCom/88/2/Add.1;
- (c) To note that the Fund Secretariat and the Treasurer had taken specific action to address the six recommendations contained in the report mentioned in sub-paragraph (b) above;
- (d) To request the Fund Secretariat, the Treasurer and the bilateral and implementing agencies to complete implementation of the recommendations made by OIOS and to include information in that regard in relevant meeting documents;
- (e) To request the Fund Secretariat to communicate to OIOS, through the Executive Director of UNEP, that the Executive Committee had noted the recommendations contained in the OIOS report and the actions that the Fund Secretariat and the Treasurer had taken, and the bilateral and implementing agencies would take, to address them and that the Committee would give further consideration to the recommendations relating to gender-mainstreaming, project implementation delays and **project completion and reporting** under relevant agenda items at the first regular meeting of the Executive Committee in 2022;

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- (f) To note the report on the five key areas of improvement identified in the 2019 Assessment of the Multilateral Fund by the Multilateral Organization Performance Assessment Network, contained in document UNEP/OzL.Pro/ExCom/88/2/Add.2; and
- (g) To defer to the 89th meeting consideration of the report mentioned in sub-paragraph (f) above.

**(Decision 88/1)**

**AGENDA ITEM 6: EVALUATION**

**(b) Desk study for the evaluation of energy efficiency in the servicing sector**

40. During the IAP-88, the Executive Committee considered document UNEP/OzL.Pro/ExCom/88/10.

41. One member considered that the desk study raised a number of relevant issues that the Executive Committee should keep in mind as part of its ongoing efforts to respond to decision XXX/5; noted that the

recommendation of the desk study pertained to the broader question of the findings of the assessment of the Multilateral Fund by MOPAN in relation to the evaluation function; and emphasized that the Executive Committee was set to continue considering how to address energy efficiency while phasing down HFCs, including in the refrigeration servicing sector. On this basis, she proposed that the information contained in the desk study be taken into account by the Secretariat when preparing further information and future reports related to energy efficiency.

42. Subsequently, the Executive Committee decided:

- (a) To take note of the desk study for the evaluation of energy efficiency in the servicing sector contained in document UNEP/OzL.Pro/ExCom/88/10; and
- (b) To request the Secretariat, when preparing further information and future reports related to energy efficiency, to take into account the information and lessons learned contained in the desk study referred to in sub-paragraph (a) above

**(Decision 88/9)**

**(c) Draft monitoring and evaluation work programme for the year 2022**

43. At the formal online 88<sup>th</sup> meeting, on behalf of the Executive Committee, the Chair congratulated Ms. Nuria Castells on her appointment as Senior Monitoring and Evaluation Officer in the Secretariat.

44. Introducing document UNEP/OzL.Pro/ExCom/88/11, the Senior Monitoring Evaluation Officer gave an overview of the draft monitoring and evaluation work programme for 2022. Three evaluation activities were proposed: a desk study for the evaluation of demonstration projects for low global warming potential (low-GWP) alternatives to HCFCs; the second phase of the evaluation of regional networks of national ozone officers; and an evaluation of the enabling activities for HFC phasedown.

45. The Senior Monitoring and Evaluation Officer responded to a question from two members about how the recommendations relating to monitoring and evaluation in the report on the assessment of the Multilateral Fund by MOPAN had been considered during the preparation of the draft work programme. She said that there was no single, specific activity, but rather general efforts to change the institutional mindset, to refresh processes and working methods and to take on board more comprehensively the needs of partners. She had already begun consultations on the matter with the implementing agencies. The desired changes would be implemented in the medium term with a view to making the evaluation function more transformative and strategic and the related lessons learned more analytical than factual.

46. One member stressed the importance of the regional networks of national ozone officers for implementation of the Montreal Protocol and the need to ensure that they were being used to the full. He welcomed the proposal to invert the traditional order of evaluation phases for that activity and to organize field validation missions at the third stage of the evaluation in the second semester of 2022. He considered it more realistic, however, to have the final evaluation report presented at the first meeting of 2023 instead of at the 91<sup>st</sup> meeting as proposed. That would allow greater flexibility in the planning of the field visits. Additionally, such a change might permit the Senior Monitoring and Evaluation Officer to initiate the evaluation of the enabling activities for HFC phase-down earlier than proposed in the draft work programme. He proposed therefore that the terms of reference for that desk study be submitted to the Executive Committee at its 90<sup>th</sup> meeting rather than at the 91<sup>st</sup> meeting. If it turned out that the number of projects already completed was sufficient to allow the conduct of a meaningful desk study, then such a study could be carried out and presented at the last meeting of 2022, given that the results would be relevant for the preparation of Kigali HFC implementation plans (KIPs).

47. In response to a question about the added value of the field validation missions, given that regional network meetings were, for the moment, planned to take place virtually, the Senior Monitoring and Evaluation Officer explained that the missions would take place only if the regional meetings were again held in person. If that were not to happen, the evaluation would be conducted using remote tools and a preliminary report would be produced. That report could then be consolidated whenever it was once again possible to go to the field. The plans for the validation missions would thus be readjusted according to the realities of the evolution of the COVID-19 pandemic at that stage of the evaluation.

48. The Executive Committee agreed to establish a contact group to discuss the matter further.

49. Following the meeting of the contact group on 22 November 2021, a revised draft monitoring and evaluation work programme for the year 2022 was issued, as contained in document UNEP/OzL.Pro/ExCom/88/11/Rev.1.

50. The Executive Committee decided:

- (a) To approve the monitoring and evaluation work programme for 2022 contained in document UNEP/OzL.Pro/ExCom/88/11/Rev.1 and the related budget of US\$ 144,500 outlined in table 2 of that document; and
- (b) To reallocate US \$15,000, for the desk study for the evaluation of demonstration projects for low-global-warming-potential alternatives to HCFCs, from the 2020 budget of the monitoring and evaluation work programme to that of 2022.

**(Decision 88/10)**

## **AGENDA ITEM 7: PROGRAMME IMPLEMENTATION**

### **(c) 2021 consolidated project completion report**

117. During the IAP-88, the Executive Committee considered document UNEP/OzL.Pro/ExCom/88/19.

118. The Executive Committee decided:

- (a) To note the 2021 consolidated project completion report (PCR) contained in document UNEP/OzL.Pro/ExCom/88/19;
- (b) To urge bilateral and implementing agencies to submit, at the 90<sup>th</sup> meeting, outstanding PCRs for multi-year agreements (MYAs) and individual projects or to provide reasons for failing to do so;
- (c) To urge lead and cooperating agencies to coordinate their work closely in finalizing their portion of PCRs to allow the lead implementing agency to submit the completed PCRs on schedule;
- (d) To urge bilateral and implementing agencies, when submitting their PCRs, to report clear and relevant lessons learned, aiming at actionable recommendations for improvements in future project implementation or replicability of good practices; and
- (e) To invite all those involved in the preparation and implementation of MYAs and individual projects to take into consideration the lessons learned from PCRs, where applicable, when proposing and implementing future projects.

**(Decision 88/31)**

*Other Monitoring and Evaluation issues in the document on Secretariat activities related to the audit and the assessment of the Multilateral Fund by the Office of Internal Oversight Services (OIOS) and by the Multilateral Organisation Performance Assessment Network (MOPAN) extracted from document UNEP/OzL.Pro/ExCom/88/2/Add.1 and document UNEP/OzL.Pro/ExCom/88/2/Add.2*

## **SECRETARIAT ACTIVITIES (UNEP/OzL.Pro/ExCom/88/2/Add.1)**

### **Audit of the Multilateral Fund by the Office of Internal Oversight Services (OIOS)**

#### **Background**

1. As part of standard exit procedures put in place by the two former Chief Officers of the Multilateral Fund, the Chief Officer requested UNEP to conduct, prior to his departure on retirement, an audit of the Fund Secretariat, in its role of facilitating the work of the Executive Committee. Upon this request, the Office of Internal Oversight Services (OIOS) conducted an audit of the Secretariat for the Multilateral Fund for the Implementation of the Montreal Protocol (“the Fund Secretariat”), covering the period from January 2018 to December 2020. The objective of the audit, as per OIOS, was to assess the adequacy and effectiveness of governance, risk management and control processes for the provision of services by the Fund Secretariat. It covered risk areas relating to: strategic planning, performance management, and financial management.

2. The audit was conducted from January to May 2021. The methodology used included interviews with key personnel; review of relevant documentation; analytical review of data from Umoja;<sup>1</sup> and sample testing of transactions. Due to constraints imposed by the COVID-19 pandemic, the audit team was unable to travel to Montreal, Canada, the seat of the Fund Secretariat. Therefore, the team relied on information and documentation provided by the Fund Secretariat, in addition to data in Umoja, and a number of online meetings. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

#### **Results of the audit**

3. At the conclusion of the audit, OIOS made the following six recommendations, classified as “important”<sup>2</sup> that would need to be addressed by the Fund Secretariat (five recommendations) and UNEP as the Treasurer of the Multilateral Fund (one recommendation):

- (a) Bring to the attention of the Executive Committee the need to further enhance performance indicators that measure the achievement of outcomes of its gender mainstreaming activities;
- (b) Bring to the attention of the Executive Committee the need to develop an enterprise risk management framework for more effective identification, assessment, and management of risks;
- (c) Bring to the attention of the Executive Committee the need for more effective analysis of root causes for delays in project implementation and take corrective action to address the systemic issues;
- (d) Remind implementing agencies to ensure compliance with the Executive Committee’s decisions on project completion and reporting;

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<sup>1</sup> The Enterprise Resource Planning System of the United Nations.

<sup>2</sup> According to the OIOS classification, “Important recommendations” address those risk issues that require timely management attention; failure to take action could have a high or moderate adverse impact on the Organization. “Critical recommendations” address those risk issues that require immediate management attention; failure to take action could have a critical or significant adverse impact on the Organization.

- (e) Implement its action plan to address the delays in financial closure of projects beyond the twelve-month limit stipulated by the Executive Committee; and
- (f) Develop an action plan to address the long-outstanding advances relating to the Multilateral Fund for the Implementation of the Montreal Protocol and resolve them.

4. After careful consideration of the recommendations and further discussions with the audit team, the Chief Officer, on behalf of the Fund Secretariat, accepted the recommendations from the auditors, provided comments and indicated that by 31 December 2021 all six recommendations would be addressed.

5. The report of the Audit of the United Nations Environment Programme Secretariat for the Multilateral Fund for the Implementation of the Montreal Protocol is attached to the present document.

### Actions taken to address the audit recommendations

6. Table 1 presents, for each of the six recommendations, comments to OIOS by the Fund Secretariat (for recommendations 1 to 5) and the Treasurer (for recommendation 6), the action that has been taken since the finalization of the audit and relevant dates. In line with the established procedures, the Fund Secretariat will inform UNEP of the implementation of the recommendations for it to formally request their closure by OIOS.

**Table 1. Comments and actions taken on the recommendations of the OIOS report**

Recommendation	Comments and actions taken
<p><i>1. The Fund Secretariat should bring to the attention of the Executive Committee the need to further enhance the performance indicators that measure the achievement of outcomes of its gender mainstreaming activities.</i></p>	<p>During the period of the audit, the Fund Secretariat informed the auditors that the policy on gender mainstreaming for Multilateral Fund-supported projects was approved by the Executive Committee at its 84<sup>th</sup> meeting. Immediately after the adoption of the policy, all projects submitted from the 85<sup>th</sup> meeting onwards have included a reference to 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 gender policy. After considering this information, the auditors considered it relevant to maintain Recommendation 1 in their report.</p> <p>In addressing Recommendation 1, on 12 November 2021 the Fund Secretariat sent an official 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.</p> <p>The Executive Committee may also wish to note that 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 89<sup>th</sup> 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.</p>
<p><i>2. The Fund Secretariat should bring to the attention of the Executive Committee the need to develop an enterprise risk management framework for more effective identification, assessment, and management of risks.</i></p>	<p>During the period of the audit, the Fund Secretariat informed the auditors that it had consulted the implementing agencies on whether they had an operational enterprise risk management (ERM) framework in place; the agencies confirmed that they have in place and apply their own ERM frameworks.</p> <p>The Executive Committee may wish to note that UNEP is currently implementing its plan for the development of an ERM<sup>3</sup> framework in line with the UN-Secretariat Enterprise Risk Management and Internal Control Policy and Framework as adopted by the Secretary-General in May 2011, according to which ERM is linked with the accountability framework, the internal control framework, delegation of authority and results-based management.</p>

<sup>3</sup> ERM facilitates effective strategic decision-making as it provides management with the tools to fully understand the root causes of risk and design response strategies. ERM has emerged as a structured and disciplined approach aligning strategy, processes, people, technology, and knowledge with the purpose of evaluating and managing the uncertainties an organization faces as it pursues its objectives.

Recommendation	Comments and actions taken
	<p>In addressing Recommendation 2, the Fund Secretariat will follow relevant UNEP policies and arrangements on this matter, including the designation of two staff members as ERM focal points.</p>
<p><i>3. The Fund Secretariat should bring to the attention of the Executive Committee the need for more effective analysis of root causes for delays in project implementation and take corrective action to address the systemic issues.</i></p>	<p>During the period of the audit, the Fund Secretariat informed the auditors that the causes for delays in project implementation were continuously brought to the attention of the Executive Committee in <i>inter alia</i> the following meeting documents:</p> <ul style="list-style-type: none"> <li>• Report on projects with specific reporting requirements, which presents the reasons for delays and proposes corrective actions by the Governments of the countries concerned and/or the bilateral and implementing agencies;</li> <li>• Tranche implementation delays, which presents an analysis of each of the tranches of multi-year agreement projects that are due but not submitted to the meeting concerned, the reasons for the delays, the impact on compliance with the countries' obligations under the Montreal Protocol, and corrective actions;</li> <li>• Progress reports, during the preparation of which the Secretariat discusses each project with implementation delays in detail with the relevant agency, and proposes corrective measures.</li> </ul> <p>After considering the information contained in the above-mentioned documents, the auditors considered it relevant to maintain Recommendation 3 in their report.</p> <p>In addressing Recommendation 3, on 12 November 2021 the Fund Secretariat sent an official communication to the bilateral and implementing agencies requesting them to expand further on the analysis of root causes for delays in project implementation and provide further evidence that action is being taken to address the systematic issues. These actions will be reflected in the relevant meeting documents addressing delays in project implementation.</p>
<p><i>4. The Fund Secretariat should remind implementing agencies to further enhance compliance with the Executive Committee's decisions on project completion and reporting.</i></p>	<p><b>During the period of the audit, the Fund Secretariat informed the auditors that prior to each meeting of the Executive Committee, the Fund Secretariat hosts inter-agency coordination meetings (IACMs) with the bilateral and implementing agencies. During these meetings, extensive discussions are held addressing relevant matters, including the status of project completion and reporting.</b></p> <p><b>As a result of the discussions with bilateral and implementing agencies, the number of outstanding reports has been reduced (i.e., only 9 reports outstanding for multi-year projects out of the 208 that have been completed; only 3 reports outstanding for individual projects out of 1,856 that have been completed; and 13 reports outstanding for non-investment projects out of 1,234 that have been completed).</b></p> <p><b>After considering this information, the auditors considered it relevant to maintain Recommendation 4 in their report.</b></p> <p><b>In addressing Recommendation 4, on 12 November 2021 the Fund Secretariat sent an official communication to the bilateral and implementing agencies reminding them of the need to further enhance compliance with the Executive Committee's decisions on project completion and reporting.</b></p> <p><b>The Executive Committee may also wish to note that the Fund Secretariat will continue discussing this matter with bilateral and implementing agencies during the IACMs and when discussing relevant meeting documents.</b></p>
<p><i>5. The Fund Secretariat should implement the elements of the action plan to address the delays in financial closure of projects beyond the twelve-month limit stipulated by the Executive Committee.</i></p>	<p>During the period of the audit, the Fund Secretariat informed the auditors that the elements of an action plan to address closure of projects have been in place since the 28<sup>th</sup> meeting, and have been implemented since then. Specifically:</p> <ul style="list-style-type: none"> <li>• Operationally completed projects are closely monitored until the projects are financially closed and balances are returned to the Multilateral Fund;</li> <li>• For projects whose financial closure has gone beyond the twelve-month limit, the Fund Secretariat discusses with the relevant agency the reasons for such delays and agrees on a completion date, and informs the Executive Committee accordingly; and</li> </ul>

Recommendation	Comments and actions taken
	<ul style="list-style-type: none"> <li data-bbox="657 220 1421 304">• A report on balances and availability of resources, providing information on the financial closure and the return of funds from completed projects, is submitted at each meeting of the Executive Committee.</li> </ul> <p data-bbox="657 315 1421 556">In their report, the auditors mentioned that the Fund Secretariat noted that the issue of financial closure of projects is a major concern for the Executive Committee. Therefore, several specific decisions had been adopted by the Executive Committee. The Fund Secretariat has held regular discussions with bilateral and implementing agencies and developed an action plan so that projects that have been completed can be financially closed. As a result of these efforts, a total of US \$32.1 million has been returned to the Multilateral Fund since 2018. These funds have been reprogrammed for additional phase-out activities in Article 5 countries.</p> <p data-bbox="657 567 1421 619">After considering this information, the auditors considered it relevant to maintain Recommendation 5 in their report.</p> <p data-bbox="657 630 1421 787">In addressing Recommendation 5, on 12 November 2021 the Fund Secretariat sent an official communication to the bilateral and implementing agencies reminding them to rigorously implement all the elements of the action plan in place since the 28<sup>th</sup> meeting and adhering to all subsequent decisions, and to financially close all project no later than the twelve-month limit stipulated by the Executive Committee.</p>
<p data-bbox="203 819 625 955"><i>6. UNEP should develop an action plan to address the long-outstanding advances relating to the Multilateral Fund for the Implementation of the Montreal Protocol and resolve them.</i></p>	<p data-bbox="657 819 1421 1029">In addressing Recommendation 6, the Treasurer informed that it has been working closely with the United Nations Office at Nairobi and the UN Headquarters to offset <i>long-outstanding advances</i> from 2015 onwards, against annual expense reports received from the implementing agencies. This exercise will also cover the one-off adjustment made in 2015, to rectify the expense record of some agencies when they converted from the United Nations System Accounting Standards (UNSAS) to the International Public Sector Accounting Standards (IPSAS).</p>



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

**Background**

1. At the 83<sup>rd</sup> 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.<sup>1</sup>

2. At the 86<sup>th</sup> meeting, the Executive Committee considered the Assessment of the Multilateral Fund by MOPAN.<sup>2</sup> 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 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.<sup>3</sup>

6. Following the discussion, the Executive Committee *inter alia* requested the Secretariat to prepare, for the 88<sup>th</sup> 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)).

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<sup>1</sup> UNEP/OzL.Pro/ExCom/82/72 (paragraphs 18 and 22)

<sup>2</sup> UNEP/OzL.Pro/ExCom/86/2/Add.1

<sup>3</sup> UNEP/OzL.Pro/ExCom/86/100 (paragraphs 24-28)

## 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.<sup>4</sup> 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.

## **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 21<sup>st</sup> 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 22<sup>nd</sup> 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 27<sup>th</sup> meeting, approved the monitoring and evaluation work programme for 1999 submitted by the newly appointed (first) Senior Evaluation Officer<sup>5</sup> (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

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<sup>4</sup> The Secretariat also sent its comments to the representative from the Government of Canada, as the Institutional Lead of the Assessment by MOPAN.

<sup>5</sup> At its 24<sup>th</sup> 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.

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.<sup>6</sup> 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,<sup>7</sup> 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 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;<sup>8</sup> 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.

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<sup>6</sup> Excluding project preparation, country programmes, networking, clearing-house activities, and institutional strengthening projects.

<sup>7</sup> Evaluations are usually prepared by independent consultants under the coordination of the SMEO.

<sup>8</sup> 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.