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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-ninth Meeting
Montreal, 7-11 March 2022
Postponed to 16, 18 and 20 May 2022 (part I) and
16-18 June 2022 (part II)¹

Addendum

SECRETARIAT ACTIVITIES

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

Introduction

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 as part of its 2019 assessment cycle. The Executive Committee agreed to support the proposed collaboration between the Secretariat and MOPAN in its assessment of the Multilateral Fund.²

2. In 2019, MOPAN assessed the performance of the Multilateral Fund. The assessment looked at the Fund's organizational effectiveness (strategic, operational, relationships and performance aspects) and the results it achieves against its objectives. The final report of this first MOPAN assessment of the Fund was submitted to the Secretariat on 22 December 2020.

3. The assessment identified several key strengths of the Multilateral Fund, i.e., being a uniquely focused organisation with an extremely clear set of internationally 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 Due to coronavirus disease (COVID-19), part I of the 89th meeting will be held online while part II will be held in person.

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

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

4. MOPAN also identified in its assessment five areas for improvement, i.e., 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; the need to improve the communications function, including an updated, user-friendly website, that would enhance public information and accountability; 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 greater attention for verifying and ensuring the sustainability of results achieved.

5. At the 86th meeting, the Executive Committee considered the MOPAN Assessment of the Multilateral Fund.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, and views were expressed by Committee members on the areas for improvement that had been identified in the MOPAN assessment report.

6. After the exchange of views, the Executive Committee requested the Fund Secretariat to prepare, for consideration at its 88th meeting: (i) a report that responded to the five key areas of improvement identified in the 2019 MOPAN assessment report, providing information and draft recommendations on those areas of improvement, including an estimate of the resources needed to address them; (ii) a draft management response from the Executive Committee to the MOPAN Secretariat on the mentioned assessment (decision 86/2(c)).

7. The Secretariat submitted to the 88th meeting document UNEP/OzL.Pro/ExCom/88/2/Add.2, presenting each of the five areas for improvement identified in the assessment report, including the comments that had been provided by the Secretariat to the assessment, as well as the draft management response to the MOPAN Secretariat on the Assessment of the Multilateral Fund as Annex I to the same document.

8. During the intersessional approval process for the 88th meeting (IAP-88), some members were of the view that an in-person discussion at the 89th or 90th meeting about the areas for improvement identified by the assessment would be required to provide future direction of the Executive Committee before the Secretariat finalised a management response.

9. Following 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 consensus on a path forward, one member proposed the matter be discussed at the 89th meeting. Subsequently, the Executive Committee decided to note the report that responded to the five key areas of improvement identified in the 2019 MOPAN Assessment, contained in document UNEP/OzL.Pro/ExCom/88/2/Add.2; and to defer to the 89th meeting consideration of the report (decision 88/1).

10. The Secretariat in its reflection on ways to address the five areas for improvement identified in the MOPAN assessment, after holding internal consultations and taking into account the comments made during the IAP-88, arrived at a revised set of observations including possible actions, under the relevant areas for improvement, as detailed below. The Secretariat is therefore submitting an updated document (UNEP/OzL.Pro/ExCom/89/2/Add.1) for the consideration of the Executive Committee. The Executive Committee may wish to use the present document as a reference for further discussion and assessment of

³ UNEP/OzL.Pro/ExCom/86/2/Add.1

the follow-up actions including the management response from the Executive Committee to the MOPAN Secretariat.

Areas for improvement

1. 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.

Background and context

11. The MOPAN assessment addresses the evaluation function under “Evidence-based planning and programming” which focuses on the positioning of the Evaluation function within the MLF structure, attention to quality, accountability and putting learning into practice.

12. The Executive Committee identified the need for an evaluation function as early as in 1997 with the first Senior Monitoring and Evaluation Officer (SMEO) being recruited in 1999. Since then, both the practice of evaluation and the requests from member states in different UN organisations in terms of accountability through the existence of professional and independent evaluation function have evolved. The MOPAN assessment presents an opportunity to build on its findings and recommendations to foster the development of a more transformative and analytical evaluation function to fit for purpose. The observations put forward by the Secretariat aim to address the areas for improvement observed by MOPAN and will contribute to a strengthened and more independent evaluation function consistent with the mandate from the Executive Committee.

Observations by the Secretariat

13. The Secretariat noted that the MOPAN assessment addressed the following specific areas of improvement to ensure the full effectiveness of the evaluation function within the Secretariat:

- (a) The timing and relevance of topics proposed for evaluation;
- (b) The independence of the evaluation function as necessary to fulfil its mandate;
- (c) The need for the evaluations to become more analytical; and
- (d) The lessons learnt from the evaluations to be better monitored and reported.

14. The Secretariat acknowledges the pertinence of these findings and will work to address the issues and develop a plan for improving the performance of the detected weaknesses in the area of evaluation. The assessment also refers to the absence of a stand-alone annual report of the SMEO’s monitoring and evaluation activities. The Executive Committee could consider whether they would wish to request that a summary of annual activities on monitoring and evaluation, including key findings of evaluations, be prepared on an annual or bi-annual basis.

15. The Secretariat further recognizes that the evaluation function within the Secretariat, while being independent, is linked to the overall Secretariat structure. To ensure independence of the evaluation function and at the same time ensuring that the SMEO carries out the function in line with the Secretariat mandate, the SMEO will continue to maintain overall responsibility for identifying and designing the work programme, selecting experts to undertake the evaluations and the general approach for mission travel within the funding available under the work programme, among others. The Secretariat will review the

processes that may affect the independence of the evaluation function with a view to identifying opportunities to further ensure this independence. As part of this process, the practice of the Secretariat to produce a management response to evaluations could be introduced.

16. Further, as MOPAN observed, there is room to improve the quality and approach of evaluations, including greater methodological transparency. Methods should be aligned with latest developments of the evaluation community as developed by the United Nations Evaluation Group (UNEG) and there should be an increased follow-up on how the recommendations feed into the work of the Fund and its bilateral and implementing agencies. The SMEO will explore methodological enhancements in the practices of undertaking evaluation, and would propose, when applicable, new modalities, in addition to the current model of a two-phased approach of desk-study as a preliminary step for a fully-fledged evaluation. These elements could contribute to make the evaluation function more transformative and analytical.

17. The existing tool for the SMEO to collect lessons learned from project implementation is closely related to the use of Project Completion Reports (PCRs). PCRs are intended to support the SMEO's function through the analysis of lessons learned reported by bilateral and implementing agencies. The meaning of lessons learned to be used for evaluation goes beyond the merely descriptive statements on achievements during the implementation of a project. The SMEO will work closely with bilateral and implementing agencies to facilitate the development of more meaningful lessons learned information to be included in PCRs. The SMEO will also identify options to establish a clearer and more user-friendly approach to capitalize on lessons learned. This would facilitate in-depth analysis of the lessons learned from types and groups of projects, which would be helpful in future project design and implementation, as well as for the identification of potential areas for relevant thematic evaluations to be proposed to the Executive Committee.

18. The proposals outlined above will be presented by the SMEO when submitting the work programme for the evaluation function to the 91st meeting. The information would be organised in a draft time-bound costed proposal of an action plan addressing the areas for improvement.

2. Results 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.

3. Information and communications functions

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

Background and context

19. One conclusion of the assessment team is that while the Multilateral Fund has a strong focus on results as outlined in the Montreal Protocol schedule, it might be beneficial to develop a results framework for the Multilateral Fund separate from the Montreal Protocol control schedule. This framework could include a clear set of performance goals and indicators for the Multilateral Fund as a whole, which would

also address its relevance in other areas of social, economic and environmental stewardship. This is associated with another MOPAN observation on the need for an improved communications function to enhance broader dissemination of results and accountability. Noting that these two areas for improvement are closely related, the Secretariat's observations take into account concomitant actions that would complement both.

Observations by the Secretariat for areas 2 and 3

20. The Secretariat recognizes that the present results framework focuses clearly on compliance with the Montreal Protocol obligations by all Article 5 countries. In terms of an evolving understanding of the impact of Multilateral Fund-supported activities on areas of social, economic and environmental stewardship, and with guidance from the Executive Committee, there would be benefit for the Secretariat to develop a results framework with clearly defined objectives, actions and deliverables, and performance indicators.

21. To this end, the Secretariat will:

- (a) Review the current Multilateral Fund indicators, actions and deliverables as well as other scorecards used by similar entities to develop a results framework that identifies objectives and performance indicators that demonstrate the results of Multilateral Fund-supported activities across Montreal Protocol-related and other areas of social, economic and environmental stewardship more effectively;
- (b) Develop a list of indicators for investment and non-investment projects, institutional strengthening, and capacity-building projects and other activities, also taking into account how the work of the Multilateral Fund, within the context of its primary objective, contributes to the 2030 Agenda and the Sustainable Development Goals (SDGs); and
- (c) Develop a scorecard that fits the operations of the Multilateral Fund based on the above and make it available by the 92nd meeting.

22. The Secretariat also recognizes the need to review the current information and communications functions and to update the Information Strategy for the Multilateral Fund.⁴ To assist the Secretariat in this regard, a diagnostic and feasibility study of existing database and website/information requirements is being undertaken, which is expected to be completed by the 91st meeting.

23. The information and communications functions will aim to:

- (a) Support the development of knowledge management systems that will efficiently organize, integrate and analyse the data and information available in the Secretariat to capture lessons learned that would be useful in transforming current workflows for better efficiency and reporting;
- (b) Facilitate dissemination of the Multilateral Fund's achievements through a revamped website and social media engagement;
- (c) Update the information technology platforms and tools currently in use to facilitate improved reporting and monitoring; and

⁴ The current information strategy was approved by the Executive Committee at its 39th meeting in March 2003, and has not been updated since then.

- (d) Make evaluation products visible to facilitate the use of the learning, replicability and implementation of recommendations.

24. The Secretariat proposes to present the updated information strategy for consideration of the Executive Committee at its 91st meeting. The updated strategy will take into account the results of the diagnostic and feasibility study, and will include a detailed plan on information and knowledge management, website/information technology requirements, resources needed, and clear implementation timelines.

4. 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

Background and context

25. The operational policy on gender mainstreaming for Multilateral Fund-supported projects was agreed by the Executive Committee at the 84th meeting.⁵ At that meeting, the Executive Committee 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. At the same meeting, the Executive Committee also requested the Secretariat to review the implementation of the operational policy on gender mainstreaming, and to prepare a report for consideration of the Executive Committee at its 89th meeting.⁶

26. Immediately after the adoption of the operational policy, the Secretariat 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

27. The Secretariat will review the implementation of the operational policy on gender mainstreaming and will prepare a report for consideration of the Executive Committee at its 90th meeting in line with decision 84/92(e). The report will refer to how bilateral and implementing agencies have applied the operational policy throughout the project cycle, and how such implementation has contributed to achieving the objective of that policy, as well as performance indicators used by the agencies that measure the achievement of outcomes of gender mainstreaming activities in project proposals. This report will also take into account Recommendation 1⁷ of the report of the audit of the Secretariat of the Multilateral Fund conducted by the Office of Internal Oversight Services submitted to the 88th meeting⁸, which requested to

⁵ Decision 84/92

⁶ The 89th meeting in this context referred to the first regular meeting of the Executive Committee in 2022, i.e., the 90th meeting in accordance with the contingency plan for conducting Executive Committee meetings due to the COVID-19.

⁷ 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.

⁸ UNEP/OzL.Pro/ExCom/88/2/Add.1

further enhance the performance indicators that measure the achievement of outcomes of gender mainstreaming activities.

5. 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

Background and context

28. One of MOPAN's key findings was that mechanisms were in place to ensure high-quality review of project proposals. As part of its review, the Secretariat carefully considers the long-term sustainability of projects and activities funded under the Multilateral Fund. Similarly, bilateral and implementing agencies consider risk and partner capacity as part of their project preparation and implementation.

29. Ensuring the sustainability of the phase-out achieved has been an increasing focus of the review of project proposals for funding by the Secretariat and by 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));
- (c) To ensure long-term sustainability of proposed activities in the refrigeration servicing sector, Article 5 countries and implementing agencies have *inter alia* increasingly focused on strengthening local capacity and institutions to provide training programmes to a larger number of refrigeration technicians or customs officers; modifying the curricula of training institutes, vocational schools and/or customs authorities; updating the code of good servicing practices and introducing systems to certify the competency of technicians to implement good installation and servicing practices; extending training to cover the handling of alternative technologies to HCFCs, particularly those based on flammable refrigerants; and promoting/facilitating the adoption of standards related to the refrigeration servicing sector. The products and capacity built on local institutions through these activities are expected to remain beyond the total HCFC phase out and help sustain it; and
- (d) 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.

30. The Secretariat and the Executive Committee also carefully consider partner capacity outside the review of project proposals (e.g., the Executive Committee will consider a review of institutional strengthening projects, including funding levels, under agenda item 5 at the present meeting), and the capacity of Multilateral Fund institutions to tackle new challenges (e.g., the Executive Committee will consider under agenda item 6 at the present meeting document UNEP/OzL.Pro/ExCom/89/5, which includes *inter alia* a recommendation to request the Secretariat to prepare an analysis related to the capacity of the Multilateral Fund institutions and Article 5 countries to address HFC phase-down, for the first meeting of the Executive Committee in 2023).

31. The Executive Committee will consider under agenda item 4 of the present meeting, an overview of current monitoring, reporting, verification and enforceable licensing and quota systems that had been developed with support from the Multilateral Fund (document UNEP/OzL.Pro/ExCom/89/3). That document includes observations for the Executive Committee's consideration that could enhance the monitoring, reporting, verification, and enforcement (MRVE) mechanisms supported under the Fund, including those related to post-programme verification and monitoring.

Observations by the Secretariat

32. The Secretariat looks forward to any guidance on how MRVE mechanisms supported under the Multilateral Fund might be strengthened following the Executive Committee's consideration of document UNEP/OzL.Pro/ExCom/89/3.

33. The Secretariat will also seek opportunities in future meeting documentation to further highlight how the sustainability of relevant activities will be ensured, including by further clarifying how partner capacity, risks and critical assumptions were considered.

Management response

34. In order to prepare a substantive response to the MOPAN Secretariat, which will include actions being taken and to be taken by the Executive Committee and the Secretariat in response to the assessment and their progress where applicable, the Secretariat proposes to submit the draft management response for consideration of the Executive Committee at its 92nd meeting, in line with prior guidance provided by the Executive Committee.

Recommendation

35. The Executive Committee may wish:

- (a) To note the report contained in document UNEP/OzL.Pro/ExCom/89/2/Add.1 that outlines observations and actions proposed by the Secretariat on the five key areas of improvement identified in the 2019 Assessment of the Multilateral Fund by the Multilateral Organization Performance Assessment Network (MOPAN);
- (b) To request the Senior Monitoring and Evaluation Officer to include the actions to enhance the evaluation function outlined in paragraphs 13 to 18 above in the monitoring and evaluation work programme for the year 2023 for consideration of the Executive Committee at the 91st meeting;
- (c) To request the Secretariat:
 - (i) To develop a scorecard that fits the operations of the Multilateral Fund and make it available by the 92nd meeting;

- (ii) To update the information strategy of the Multilateral Fund including a detailed plan on information and knowledge management, website/information technology requirements, resources needed, and clear timelines for implementation, and to submit it for consideration of the Executive Committee at the 91st meeting;
 - (iii) To explore opportunities to further highlight how the sustainability of activities supported by the Multilateral Fund will be ensured, including by further clarifying in the documents submitted by the Secretariat how partner capacity, risks and critical assumptions are considered; and
 - (iv) To prepare, for consideration at its 92nd meeting, a draft management response from the Executive Committee to the Secretariat of the Multilateral Organization Performance Assessment Network on their assessment of the Multilateral Fund, conducted in 2019, in line with prior guidance provided by the Executive Committee.
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