

## Annex XIX

**PRELIMINARY ASSESSMENT OF THE FINANCIAL MECHANISM OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL**

| GENERAL RECOMMENDATION - ES-4    |                                                                                                                                                                                                                             | CONSIDERED |    | IMPLEMENTED | ONGOING | TIME TO IMPLEMENT |        |      | RECOMMENDED ACTION |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----|-------------|---------|-------------------|--------|------|--------------------|
|                                  |                                                                                                                                                                                                                             | YES        | NO |             |         | SHORT             | MEDIUM | LONG |                    |
| <b>General recommendations</b>   |                                                                                                                                                                                                                             |            |    |             |         |                   |        |      |                    |
| 1                                | Make further structural changes to the ExCom, if necessary to specifically address compliance.                                                                                                                              | X          |    |             | X       |                   |        |      |                    |
| 2                                | Continue to evaluate ExCom structure and consider reduction of annual meeting numbers.                                                                                                                                      | X          |    |             | X       |                   |        |      |                    |
| <b>Technical Recommendations</b> |                                                                                                                                                                                                                             |            |    |             |         |                   |        |      |                    |
| 3                                | Develop a primer to provide background on the Fund for new ExCom members.                                                                                                                                                   | X          |    |             |         | X                 |        |      |                    |
| 4                                | Ensure that results of review of project implementation delay are not only applied to determine project cancellation, monitoring, or removal from the list of delays, but also to inform IAs of how to avoid future delays. | X          |    |             |         | X                 |        |      |                    |
| 5                                | Request the Secretariat to take action to develop prescriptive approaches to address project implementation delays.                                                                                                         | X          |    | X           |         |                   |        |      |                    |
| 6                                | Build on Decision 40/19 and the subsequent report submitted by UNEP (UNEP/OzL.Pro/ExCom/41/Inf.2) to assist countries that consume very low quantities of methyl bromide, CTC, and methyl chloroform.                       | X          |    |             | X       |                   |        |      |                    |
| 7                                | Continue to collaborate with the Secretariat and IAs to maintain effectiveness in dealing with issues of project overlap, ineligible funding, and inflated costs.                                                           | X          |    |             | X       |                   |        |      |                    |
| 8                                | Reclassify ExCom meeting documentation as general distribution.                                                                                                                                                             | X          |    |             |         | X                 |        |      |                    |
| 9                                | Extend performance indicators to bilateral implementing agencies.                                                                                                                                                           | X          |    |             |         |                   | X      |      |                    |
| 10                               | Add performance indicators to address project identification.                                                                                                                                                               | X          |    |             |         |                   | X      |      |                    |
| 11                               | Increase the weighting of the performance indicator "ODS phased-out for individual projects vs. those planned per progress reports."                                                                                        | X          |    |             |         |                   | X      |      |                    |
| 12                               | Continue process of developing qualitative indicators.                                                                                                                                                                      | X          |    |             | X       |                   |        |      |                    |
| 13                               | Share results of performance evaluations with upper management of IA.                                                                                                                                                       | X          |    |             | X       |                   |        |      |                    |
| 14                               | Eliminate selected administrative indicators if relevant administrative problems are resolved.                                                                                                                              | X          |    |             |         | X                 |        |      |                    |
| 15                               | Increase efforts to improve country level data reporting.                                                                                                                                                                   | X          |    |             | X       |                   |        |      |                    |

|    | GENERAL RECOMMENDATION - ES-4                                                                                                                                                                                                                 | CONSIDERED |    | IMPLEMENTED | ONGOING | TIME TO IMPLEMENT |        |      | RECOMMENDED ACTION                                                   |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----|-------------|---------|-------------------|--------|------|----------------------------------------------------------------------|
|    |                                                                                                                                                                                                                                               | YES        | NO |             |         | SHORT             | MEDIUM | LONG |                                                                      |
| 16 | Continue efforts to reduce/avoid project implementation delays.                                                                                                                                                                               | X          |    |             | X       |                   |        |      | OBVIOUS                                                              |
|    | <b>Financial recommendations</b>                                                                                                                                                                                                              |            |    |             |         |                   |        |      |                                                                      |
| 17 | Increase communication between IAs and the Treasurer when promissory notes are transferred, received and encashed.                                                                                                                            | X          |    |             | X       |                   |        |      |                                                                      |
| 18 | Continue to maximize proportion of budget spent on implementation and minimize proportion of budget spent on core components.                                                                                                                 | X          |    |             | X       |                   |        |      |                                                                      |
| 19 | Request IAs to explain significant increases in their core budget expenses.                                                                                                                                                                   | X          |    |             | X       |                   |        |      | OBVIOUS                                                              |
| 20 | Conduct a study regarding the efficiency of IA administration of smaller projects.                                                                                                                                                            | X          |    |             |         |                   | X      |      |                                                                      |
| 21 | Monitor the use of funds for non investment versus investment activities within national or sectoral phase out plans.                                                                                                                         | X          |    |             | X       |                   |        |      |                                                                      |
| 22 | Provide in Table 1 of the status report on contributions and disbursements the incremental income, allocations and provisions, and balance available for new allocations, in addition to the cumulative totals of these financial components. | X          |    | X           |         |                   |        |      |                                                                      |
| 23 | Document the internal procedures and practices of the Treasurer.                                                                                                                                                                              | X          |    |             | X       |                   |        |      |                                                                      |
| 24 | Take action to encourage timely payment by the donor countries.                                                                                                                                                                               | X          |    |             | X       |                   |        |      |                                                                      |
| 25 | Implement internal quality control measures to improve the accuracy of recordkeeping.                                                                                                                                                         | X          |    |             | X       |                   |        |      |                                                                      |
| 26 | Clarify how, when, and what financial data should be accounted and reported by IAs.                                                                                                                                                           | X          |    |             |         | X                 |        |      |                                                                      |
| 27 | Consider engaging an independent auditor to assist with account reconciliation if financial discrepancies persist.                                                                                                                            |            | X  |             |         |                   |        |      | HAS NOT BEEN NECESSARY, UN AUDITING SYSTEM IF NECESSARY              |
| 28 | Continue to analyse the FERM's effect on Fund value.                                                                                                                                                                                          |            | X  |             |         |                   |        |      | CANNOT BE ADDRESSED BY THE ExCom, SHOULD BE ADDRESSED BY THE PARTIES |