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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-second Meeting
Ouagadougou, 6-8 December 2000

**REPORT ON THE EVALUATION OF THE IMPLEMENTATION OF THE 1999
BUSINESS PLANS: FOLLOW-UP TO DECISION 31/11**

Introduction

1. The Evaluation of the Implementation of the 1999 business plans was presented to the 31st Meeting of the Executive Committee (UNEP/OzL.Pro/Excom/31/14). The document contained an evaluation of the results of the performance of the implementing agencies against the targets of their 1999 business plans and recommendations from the Fund Secretariat.

2. The Fund Secretariat recommended that the Executive Committee consider inter alia, the lack of reporting on all indicators by all agencies, the need to adjust the agency shares on the basis of the results of the evaluation, the need for special funding windows and how to incorporate the conclusions of the evaluation into the strategic planning process. Moreover, in the context of the Consolidated Progress Report (UNEP/OzL.Pro/ExCom/31/8) the Secretariat recommended that a new performance should be added for the timely submission of progress reports since the progress reports of several implementing agencies were submitted very late.

3. At its 31st Meeting, the Executive Committee decided:

- (a) To request members and implementing agencies to communicate to the Secretariat, within 60 days, their views on:
 - (i) The current indicators for the evaluation of the performance of the implementing agencies in achieving the targets in their business plans;
 - (ii) The possible need for new indicators (for example, on assistance provided by implementing agencies to national ozone units and the effective operation of the units) in the light of decisions on strategic planning;
 - (iii) The need for and possible uses of agency shares, including the removal of fixed shares, special funding windows and over-programming;
 - (iv) Potential consequences for agencies not meeting existing and potential new performance targets;
- (b) To request the Secretariat to prepare a report based on the comments received for submission to the 32nd meeting;
- (c) Also to request UNEP to report project implementation status using the indicators required by the decisions of the Executive Committee, bearing in mind that UNEP had not indicated its achievements against its own targets for the following:
 - (i) Policies initiated from non-investment activities;
 - (ii) Reduction in ODP tons from non-investment activities;
 - (iii) The extent to which the networks were used by the agencies and the Secretariat in developing their work or explaining new policies;

- (d) To request the implementing agencies to report on all of the indicators required by the decisions of the Executive Committee.

(Decision 31/11)

4. This document contains a summary of the comments provided by the Executive Committee members and the reports of UNDP and UNEP on missing performance indicators along with the comments of the Fund Secretariat.

SUMMARY OF COMMENTS PROVIDED BY EXECUTIVE COMMITTEE MEMBERS

5. As a follow-up to the Decision 31/11 (a), the Secretariat received written comments from Australia, Bahamas, Brazil, China, Germany, India, and Japan. The comments provided by seven members of the Executive Committee are available upon request. A summary of those comments is provided below per Decision 31/11 (b).

The current indicators for evaluating business plan performance

6. The comments received indicated the need for clarification of some of the existing indicators, and an overall concern about changing the indicators until such time as the Executive Committee reached some decisions about strategic planning. However, one country indicated that the indicators “policies initiated from non-investment projects” and “reduction in ODP from non-investment projects” could be inadequate and may need to be refined. A list of performance indicators for investment projects, non-investment projects, and for projects unique to UNEP is provided in Annex I.

7. Concern was expressed about the apparent inconsistency among the various indicators when for example an agency exceeded its target for ODP phase-out but took two months longer to complete projects than targeted. It was suggested that the Executive Committee might adopt a policy whereby disparities between indicator achievements, should be explained by the implementing agency in question in its submissions to the Committee. It should be noted, however, that targets are set for agency-wide projects and achieving one indicator may not have a direct relationship with achieving another.

8. It was felt that there should be further clarification about ODP to be phased out (ODP in the approved project document) and ODP phased out (ODP resulting from implemented projects). One suggestion was to add a category for the amount of ODP phased out during the course of implementation. It should be noted that the performance indicator, “ODP phased out”, is a weighted indicator for the phase out from approved projects that includes the ODP phased out during the course of implementation. Also, the performance indicator, “ODP to be phased out”, is a non-weighted indicator for the amount of phase out to be generated from projects to be approved during year of the business plan.

9. Another suggestion was to change the method of assessing the performance indicator, “funds disbursed”. Currently, the indicator is calculated on the basis of cumulative disbursement as a percentage of cumulative approvals. A new method for assessing disbursement was

proposed whereby the ratio of disbursement should be compared to historical levels, for example, the ratio of disbursement from 1997-1999 would be compared to that of 1994-1996. It should be noted, however, that the Executive Committee, at its 24th Meeting, modified this “funds disbursed” indicator so that the ratio was based on, for example, disbursement through 1998 as a percentage of approvals through 1997 to account for the initial lag time before disbursement for new approvals.

The possible need for new indicators in the light of decisions on strategic planning

10. Six members suggested a new performance indicator to enable Parties or national ozone units (NOUs) to opine in the assessment of the performance of the implementing agencies’ business plans applicable to their countries. One member suggested adding one indicator to the current list of weighted performance indicators for investment projects for the NOU assessment of the agency’s performance. Another member suggested that if the roles of the NOUs are expanded, a full set of performance indicators might be needed for NOUs. It should be noted, however, that implementing agencies have agreements with countries that are binding and in all cases, NOUs, themselves, are projects administered by implementing agencies.

11. One member suggested an indicator for timely and complete report submission that is linked to agency share allocations since several reports submitted to the 31st Meeting were late and incomplete.

The need for and possible uses of agency shares, including the removal of fixed shares, special funding windows and over-programming

12. There were different views expressed about the use of fixed agency shares. Some members felt that they should be cancelled. Others felt that shares should be adjusted upward or downward depending upon performance.

13. Several members felt that the fate of agency shares is dependent upon the outcome of the strategic planning discussions. Some members suggested that fixed shares for implementing agencies should be replaced with fixed shares depending upon the needs of the country/sector and in terms of tonnes per year. It was also suggested that agency shares should be based on the distribution of projects in the priority areas identified in the strategic plan.

14. One member suggested that windows for low-volume consuming countries (LVCs) and the halon and methyl bromide consumption sectors might be re-established. These windows would direct funding to ensure compliance with the freeze of CFCs, halons, and methyl bromide and would encourage the ratification of the Copenhagen Amendment in the case of methyl bromide. Some members supported the need for a special funding window for the small enterprise sector (SMEs) to ensure that such projects become viable. However, concern was expressed that the operation of special funding windows had not worked well in the past.

Potential consequences for agencies not meeting existing and potential new performance targets

15. Several members expressed the need for addressing the consequences for agencies not meeting their performance targets. One member indicated that the implementing agencies do not respect the current performance indicators due to a lack of a penalty mechanism. It was suggested that a penalty system should be considered that could include: (a) the loss of the ability to over-programme, (b) a reduction in agency shares, (c) a limitation on the sectors in which the agency may work to those where the agency is most effective, and (d) in the case of UNEP, the suspension of future funding increases because UNEP does not have an agency share, per se.

16. Another penalty mechanism suggested was based on completing projects on time. Agencies that did not complete projects on time would not receive approval of further projects (or a change in the agency shares) until the causes for the delays were analysed and possibly removed. In this regard, it was suggested that agencies should aim for project completion within two years (except for demonstration projects, umbrella projects, project preparation, and sector approaches). For demonstration projects with a duration exceeding two years, an interim report on lessons learned should be submitted within the two years. Project preparation should lead to submission of the related projects not later than two meetings after the preparation was approved.

UNEP'S REPORT ON PERFORMANCE INDICATORS THAT WERE MISSING FROM ITS PROGRESS REPORT

17. The Executive Committee requested UNEP to report on performance indicators that were missing from its progress report that was submitted to the 31st Meeting. The following is an excerpt of information circulated by UNEP at the 11th Meeting of the Monitoring, Evaluation and Finance Sub-Committee on the three pertinent indicators mentioned in subparagraph (c) of Decision 31/11.

Appropriate and timely policies initiated by countries either as a result of networking, training or information exchange

18. The target was 3 countries. UNEP indicated that:

- “Malaysia adopted new regulations on halon and refrigeration management following assistance through networking.
- Bahrain issued a Ministerial Order for the control of ODS following discussions in West Asia network and the assistance of the RNC.
- Also in West Asia, the network assisted Yemen in the drafting and submission of its Prime Ministerial order to ban imports of equipment containing or depending on ODS.
- In Latin America and Caribbean, Dominican Republic has adopted a licensing system and a further 9 countries have completed drafts and submitted them to their

- governments for adoption (Antigua & Barbuda, Barbados, Colombia, El Salvador, Guatemala, Guyana, Honduras, Paraguay, St Kitts and Nevis)
- Mongolia, Cameroon, Grenada and Malawi also adopted new control measures during 1999.

19. Therefore, UNEP indicated that “at least 8 countries adopted policies during 1999 following assistance from UNEP through networking, training or information exchange”. UNEP also noted that during the regional network evaluation, 39 Ozone Officers indicated very significant effects of the networks to drafting policies. The Secretariat asked for corroboration of UNEP’s achievements. UNEP indicated that it did not write the policy or hire lawyers to write the policies and that it was difficult to separately measure the influence of UNEP on these countries vis-à-vis others such as the agencies, Secretariats, and NOUs.

Reduction in ODS consumption over and above that effected by investment projects

20. The target was 3 tonnes.

21. UNEP initially provided an assessment of this indicator that attributed phase out to national reductions in consumption for four countries. After further discussion with the Secretariat about this assessment, UNEP noted that one project was completed by UNEP in 1999 that had a phase out of 45 ODP tonnes associated with Argentina’s “National train the trainer programme on good practices.”

The extent to which the networks are used by the Agencies and the Secretariat in developing their work or explaining new policies

22. UNEP did not set a target for this performance indicator.

23. UNEP indicated that “during 1999, the implementing agencies and (to a lesser extent) the Secretariats continued to attend network meetings and reported that they found them useful opportunities to meet countries, provide information, answer questions and solve problems. All networks have requested that the agencies and Secretariats should attend their main meetings. 1999 attendance statistics:

REGION	PARTICIPATION	MISSING
Africa	2 agencies, 2 Secretariats	World Bank
LAC	3 agencies, 2 Secretariats	None
West Asia	2 agencies	UNDP, both Secretariats
SEAP	3 agencies, 2 Secretariats	None
S Asia	3 agencies	Both Secretariats”

UNDP'S REPORT ON PERFORMANCE INDICATORS THAT WERE MISSING FROM ITS PROGRESS REPORT

24. In addition to those performance indicators specifically mentioned in Decision 31/11 (c) for UNEP, the Committee requested that implementing agencies to report on all of the indicators required by the decisions of the Executive Committee (Decision 31/11(d)). UNIDO and the World Bank reported on all of their indicators in their progress report submitted to the 31st Meeting. UNDP's progress report submitted to the 31st Meeting was missing information for "Reduction in ODS consumption over and above that effected by investment projects" and "Appropriate and timely policies initiated by countries either as a result of networking, training or information exchange." UNDP's targets for these two indicators were 20 tonnes and 4 countries, respectively.

25. For the indicator, "Reduction in ODS consumption over and above that effected by investment projects", the target was 4 countries. UNDP indicated that it had directly assisted two countries in policy development in 1999. "In Indonesia, UNDP worked directly with the Government of ODS control and phase-out schedule legislation including advising the Government during meetings in Jakarta in December 1999 that certain provisions would hinder the phase out programme. In Paraguay, UNDP worked directly with the Ozone Office to ensure that the legislation being drafted incorporated the necessary items to support sustainability of the RMP and recovery and recycling programmes, both of which were being prepared".

26. For the "Appropriate and timely policies initiated by countries either as a result of networking, training or information exchange," the target was 20 tonnes. UNDP indicated that there was no phase out from such activities that is directly related to UNDP actions.

Annex I

PERFORMANCE INDICATORS**Investment project performance indicators**

<i>Weighted indicators</i>	<i>Weightings</i>
ODP phased out in from previous approvals (ODP tonnes)	40 points
Funds disbursed (US\$)*	30 points
Satisfactory project completion reports received (percentage)**	20 points
Distribution of projects among countries in business plans (number)	10 points

<i>Non-weighted indicators</i>
Value of projects to be approved (US\$)*
ODP from projects to be approved (ODP tonnes)
Cost of project preparation (per cent of submission)
Cost-effectiveness from projects to be approved (US\$/ODP in kg)
Speed of delivery until first disbursement (months from approval)
Speed of delivery until project completion (months from approval)
Net emission/reduction of ODP resulting from implementation delays/early completion **

*Includes agency support costs of 13 per cent but excludes 15 per cent over-programming

**Not included in business plan but provided subsequently to the Secretariat by fax.

Non-investment performance indicators

<i>Weighted Indicators</i>	<i>Weightings</i>
Number of Projects to be Completed	50 points
Funds Disbursed (US\$)	30 points
Speed of delivery until first disbursement (months from approval)	10 points
Speed of delivery until project completion (months from approval)	10 points

<i>Non-weighted indicators</i>
Appropriate and timely policies initiated by countries as a result of networking, training, information exchange, country programme development and/or institutional strengthening (number of countries)
Reduction in ODS consumption over and above that effected by investment projects (ODP tonnes)

UNEP-specific non-investment performance indicators

Update of OAIC Diskette version
Number of newsletters
Number of joint/regional activities which Network members are involved
Improvement over previous years in data reporting and enacting the legislation and policies for ODS phase-out in Networking and institutional strengthening countries
The extent of awareness-raising activities initiated by the countries as a result of UNEP's publications
The extent to which experience achieved through UNEP's activities is used in the adoption and adjustment of ODS phase-out strategies by Network countries
The extent to which the networks are used by the Agencies and the Secretariat in developing their work or explaining new policies