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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
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**REPORT ON THE PERFORMANCE INDICATORS AND PROPOSAL ON
MODIFICATIONS**

Introduction

1. In the course of its consideration of the evaluation of the 2000 business plans of the implementing agencies the Executive Committee noted that the implementing agencies had not reported on their performance relating to their non-weighted non-investment performance indicators pursuant to Decision 26/5. The Executive Committee decided to require the agencies to report their performance to its 35th Meeting, together with any proposals to modify performance indicators (Decision 34/11(a)).

2. This document briefly reviews the background to the development of performance indicators and then addresses the information provided by the agencies.

Background

3. The existing weighted performance indicators were developed through a collaborative effort of all agencies and the Secretariat using the following principles that performance indicators should be: few, but meaningful, in number; equitable and comparable across agencies; and, assessed by data in progress reports. All of the weighted performance indicators were approved at the 22nd Meeting with the weightings added at the 26th Meeting of the Executive Committee.

4. At the request of UNEP, the Executive Committee added two non-weighted non-investment project indicators at the 26th Meeting, i.e., (1) appropriate and timely policies initiated by countries either as a result of networking, training, information exchange, country programme development and/or institutional strengthening and (2) the reduction in ODS consumption over and above that effected by investment projects (Decision 26/5). Also at its 26th Meeting, the Committee requested UNEP to continue to monitor the activities unique to its specific mandate (Decision 26/6).

5. The Executive Committee reviewed the indicators at its 26th and 32nd Meetings and decided to maintain them. However, as part of its decision at the 32nd Meeting, the Committee requested the Secretariat, in co-operation with the implementing agencies and Article 5 countries, to begin to examine and formulate new indicators consistent with the Committee's efforts to develop a strategic plan which incorporates a country-driven approach and submit a report to the Executive Committee at a future meeting (Decision 32/7).

6. The Secretariat plans to propose, in collaboration with the implementing agencies, a set of new indicators per Decision 32/7 pending the results of the Executive Committee's consideration of strategic planning.

Year 2000 Business Plan Achievements for Non-Weighted Non-Investment Performance Indicators

7. As a result of Decision 34/11, all of the implementing agencies provided information on their performance against their 2000 business plan targets for non-investment projects. Nevertheless, the implementing agencies indicated difficulty in targeting and reporting on these two indicators.

Policies initiated from non-investment projects

8. Table 1 presents the year 2000 business plan targets and actual achievements of the four implementing agencies for the non-weighted non-investment project indicator “appropriate and timely polices initiated by countries either as a result of networking, training, information exchange, country programme development and/or institutional strengthening”.

Table 1

APPROPRIATE AND TIMELY POLICES INITIATED BY COUNTRIES EITHER AS A RESULT OF NETWORKING, TRAINING, INFORMATION EXCHANGE, COUNTRY PROGRAMME DEVELOPMENT AND/OR INSTITUTIONAL STRENGTHENING

AGENCY/ITEM	UNDP		UNEP		UNIDO		WORLD BANK	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Number of Countries with Policies Initiated	5 countries	7 countries	3 countries	10-12 countries	1 to 2 countries	3 countries	4 countries	4 countries

9. The information summarised in Table 1 was elaborated by the implementing agencies as follows:

10. UNDP indicated that it has assisted seven countries in developing policies and achieved its target. It noted that it assisted countries in the drafting of legislation or regulations usually associated with the pre-conditions necessary to implement its recovery and recycling projects in the Bahamas, Burundi, Dominican Republic, Gabon and Trinidad and Tobago. It also assisted in the drafting of legislation in Brazil and Paraguay.

11. UNEP indicated that 10-12 countries initiated policies as a result of non-investment activities. This achievement was based on the following:

- 2 countries ratified amendments to the Protocol from network contacts,
- five countries ratified amendments to the Protocol as a result of briefings at network meetings,
- 4 countries put import licensing system in place following policy assistance and training received, and
- one country ratified Protocol amendments due to their involvement in the development of the Pacific Island Country Strategy.

12. UNIDO indicated that legislative measures have been introduced in Egypt, Romania and Syria. UNIDO’s business plan target was to have prepared and introduced at least one package of legislative and administrative measure supporting ODS phase-out, including import licenses for ODS, sector specific bans on ODS use and sanctions upon enterprises not complying with ODS phase-out schedules.

13. The World Bank indicated that it achieved its target. The achievement is based on the following:

- a quota system had been set up in Chile,
- a chemical control order was finalised and implementation begun in the Philippines,
- Tunisia is setting up a system to control ODS imports, and
- a ban on ODS use in manufacturing came into effect on 1 January 2000 in Turkey.

14. The agencies reported that the main problem with this indicator is the difficulty the agency has in claiming responsibility for the initiation of the policy because the ultimate responsibility for the initiation of policies is the Government.

15. The Secretariat has advised that it is important to set a target that the agency plans to accomplish during the year. For example, an agency should know if it plans to assist in the development of policies or legislation or if they have a project to do so that is planned to be completed in the year of the business plan. Following that year, they should report on whether or not they did what they planned. In this way a target could be set and the performance against the target could be assessed.

Reduction in ODS due to non-investment projects

16. Table 2 presents the targets and actual achievements of the four implementing agencies for the non-weighted non-investment project indicator “the reduction in ODS consumption over and above that effected by investment projects”.

Table 2

THE REDUCTION IN ODS CONSUMPTION OVER AND ABOVE THAT EFFECTED BY INVESTMENT PROJECTS

AGENCY	UNDP		UNEP		UNIDO		WORLD BANK	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Amount reduced in ODP tonnes	30 tonnes	31 tonnes	3 tonnes	60 tonnes	5-10 tonnes	47-52 tonnes	20 tonnes	20 tonnes

17. The information summarised in Table 2 was elaborated by the implementing agencies as follows:

18. UNDP indicated that it has phased out a total of 31 tonnes from technical assistance recovery and recycling projects completed in 2000 for the Bahamas and Trinidad and Tobago. This information is consistent with UNDP’s progress report submitted to the 34th Meeting.

19. UNEP reported that there were circumstances in which ODS consumption might be directly phased out by non-investment activities. Some of the cases it cited include: where refrigeration technicians reduced ODS use from better training and increased their use of recovered ODS; where governments implemented import quota systems following policy training; and, where customs authorities limited imports as a result of customs training. It pointed to the implementation of the Jamaican RMP customs training project that resulted in a reduction in CFC in Jamaica from 1999 to 2000 amounting to 60 ODP tonnes. However, this was a Canadian bilateral project (JAM/REF/27/TRA/12) where Canada selected UNEP as its

executing agency and the project has not been reported completed by Canada. Moreover, no phase out was associated with the Canadian approval.

20. UNIDO indicated that it had achieved its target for phase out from non-investment projects. It indicated that Egypt had reduced consumption by 50 tonnes through legislative measures. UNIDO is implementing the institutional strengthening project in Egypt. It indicated that it was difficult to substantiate the achievement although it felt that 5-10 tonnes were due to the institutional strengthening project and the legislative measure introduced with the assistance of the National Ozone Office. It also reported that Korea, DR had phased out 42 ODP tonnes as a result of a promotion and information programme on alternatives to the use of methyl bromide. Although UNIDO received support from the Fund for the project in Korea, DR, (DRK/FUM/25/TAS/09) there was no phase out associated with the original approval.

21. The World Bank indicated that one recovery and recycling project was completed in Malaysia (MAL/REF/18/TAS/77) and claimed a phase out of 2 tonnes. The original project was approved with a phase out of 105 tonnes associated with it. It also indicated that the Thai CFC MAC recovery and recycling project (THA/REF/07/TAS/07) distributed 100 recovery and recycling machines and recovered 18 tonnes. The project was approved with a phase out of 250 tonnes, but the Bank did not report the project completed in its progress report.

22. The main problem that the agencies have experienced in targeting and reporting on this indicator was the difficulty in relating the impact of their actions to a specific phase out amount aside from claiming the national annual consumption reduction not related to the implementation of investment projects. For example, agencies indicated that since they have the institutional strengthening project for a country, if the country's annual consumption was reduced, the reduction was in part due to the fact that they were providing assistance in the implementation of the institutional strengthening project.

23. The Secretariat has advised implementing agencies that the only verifiable phase out due to non-investment projects is from those non-investment projects for which a phase out is indicated at the time of project approval. Technical assistance (for example, recovery and recycling projects) and some training projects (refrigeration training in good practices) have been approved with an associated phase out for implementing and bilateral agencies. For example, UNEP has three training projects with a phase out of 173 ODP tonnes associated with them.

Proposed modifications to performance indicators

24. UNEP was the only agency to propose modifications to the performance indicators. UNDP indicated that it would be helpful to more clearly define the indicators.

25. Concerning weighted non-investment projects, UNEP proposed changing the definitions of the weighted indicator speed of first disbursement but counting the start of projects with pre-conditions (such as a licensing system) once the pre-condition was met. It proposed to change the speed of project completion to be expressed in the number of months from first disbursement. This would require additional tracking on the part of the implementing agencies which might not be available except for new projects. Moreover, the historical information about the agencies'

performance would not be compatible with the new definitions and this experience would be lost in future assessments.

26. Concerning the non-weighted non-investment project performance indicators, UNEP proposed retaining the indicator concerning the initiation of policies in countries and removing the indicator concerning ODS phase out from non-investment projects.

27. UNEP also made recommendations concerning the performance indicators unique to UNEP. These indicators were originally proposed by UNEP. Annex I presents the targets and achievements of UNEP for the performance indicators unique to its mandate.

28. UNEP proposed to retain the indicators: improvement in data reporting and the extent of awareness raising activities as a result of UNEP's activities. However, in the case of the data reporting indicator, data reporting is dependent upon the actions of the country and not usually directly related to an action of an implementing agency. In the case of the awareness raising activities indicator, most institutional strengthening projects have awareness as a component. Moreover, indicators beginning with the words "extent" have been considered qualitative and difficult to assess performance against them.

29. UNEP is proposing to remove the following indicators:

- Update of OAIC Diskette version
- Number of newsletters
- Number of joint/regional activities which Network members are involved
- 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

30. It proposed adding the following indicators:

- Number of countries assisted by UNEP in actual or potential non-compliance
- Number of countries assisted by UNEP that put in place a licensing system
- Feedback received from countries on UNEP's activities

31. In the case of the proposed indicator, feedback received from countries on UNEP's activities, this would be difficult to target.

32. UNEP also indicated that it had received funds from Finland to conduct a study on new performance indicators and would like to propose new indicators following the conclusion of that study. UNDP indicated that it would appreciate the opportunity to contribute to such a study as well as to any recommendations that may emanate from its formulation.

Annex I

**UNEP-SPECIFIC NON-INVESTMENT PERFORMANCE INDICATORS FOR ITS 2000
BUSINESS PLAN**

Item	Targets	Achievement
Update of OAIC Diskette version	1 update	1 CD ROM produced
Number of newsletters	4 newsletters	4 newsletters
Number of joint/regional activities which Network members are involved	1 per region	7 total but did not indicate by region
Improvement over previous years in data reporting and enacting the legislation and policies for ODS phase-out in Networking and institutional strengthening countries	80 per cent of all Network member countries report data	Not provided for the second consecutive year
The extent of awareness-raising activities initiated by the countries as a result of UNEP's publications	UNEP stated that this indicator is qualitative but could be expressed in the number of brochures, awareness raising products produced by the countries	94% of its NOUs have actively participated in there own public awareness activities and other countries benefited from UNEP 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	UNEP stated that this indicator is qualitative	Not provided for the second consecutive year
The extent to which the networks are used by the Agencies and the Secretariat in developing their work or explaining new policies	UNEP stated that this indicator is qualitative and also stated that the results could be reported by the agencies and the Secretariats	Not provided for the second consecutive year
