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EVALUATION OF THE IMPLEMENTATION OF THE 2005 BUSINESS PLANS

This revision is issued to reflect the results of the evaluation of the implementation of the 2005 business plan based on the new weightings adopted at the 47th Meeting. The revisions are highlighted.

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Introduction

1. At its 41st Meeting, the Executive Committee approved performance indicators for use in evaluating the work of implementing agencies, beginning from 2004 (decision 41/93). Weightings were included for each indicator. At the 47th Meeting, the Executive Committee adopted the revised weightings for quantitative performance indicators to apply as of the 2005 evaluation of the performance of multilateral implementing agencies (decision 47/51). The Executive Committee also requested that the Secretariat continue to monitor nine of the pre-existing indicators and adopted specific performance indicators for UNEP's Compliance Assistance Programme (CAP) (decision 41/93).

2. This document presents the evaluation of the 2005 business plans of the implementing agencies. The evaluation is based on the performance indicators adopted in decision 41/93, and the revised weighting in decision 47/51 the targets that were adopted for the 2005 business plans by the Committee through decisions 45/6 to 45/9, and the implementing agencies' progress and financial reports submitted to the 49th Meeting of the Executive Committee. This document also presents a trend analysis for each of the nine performance indicators used in prior year evaluations. It concludes with the Secretariat's observations and recommendations.

Evaluation based on performance indicators in decision 41/93 with revised weightings adopted in decision 47/51

3. Table 1 presents the quantitative performance indicators and the weightings that were adopted in decisions 41/93 and 47/51 respectively, and are applied to all agencies. It also presents the short titles that are used in this document to describe the indicators.

Table 1

PERFORMANCE INDICATORS ADOPTED IN DECISION 41/93, THE NEW WEIGHTINGS ADOPTED IN DECISION 47/51 AND THEIR SHORT TITLES

Type of Indicator	Approved Performance Indicator	Short Title	New Weighting
Approval	Number of annual programmes of multi-year agreements approved vs. those planned	Multi-year tranches approved	15
Approval	Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	Individual projects/activities approved	10
		Subtotal	25
Implementation	Milestone activities completed (e.g., policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	Milestone activities completed	20
Implementation	ODS phased-out for individual projects in ODP tonnes vs. those planned per progress reports	ODS phased-out for individual projects in ODP tonnes	15
Implementation	Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	Project completion	10
Implementation	Percentage of policy/regulatory assistance completed vs. that planned	Policy/regulatory assistance completed	10
		Subtotal	55
Administrative	Speed of financial completion vs. that required per progress report completion dates	Speed of financial completion	10
Administrative	Timely submission of project completion reports vs. those agreed	Timely submission of project completion reports	5
Administrative	Timely submission of progress reports and responses unless otherwise agreed	Timely submission of progress reports	5
		Subtotal	20
		Total	100

4. The performance of the implementing agencies during 2005 is assessed against the targets that were established in their business plans or against targets determined by decisions of the Executive Committee. Table 2 presents the approved targets, measures of progress towards achieving each target, and numbers of targets achieved.

Table 2

2005 PERFORMANCE INDICATOR TARGETS AND ACHIEVEMENT

Item	UNDP				UNEP				UNIDO				World Bank			
	Target	Agency Achievement	Secretariat Assessment	Met Target	Target	Agency Achievement	Secretariat Assessment	Met Target	Target	Agency Achievement	Secretariat Assessment	Met Target	Target	Agency Achievement	Secretariat Assessment	Met Target
Multi-year tranches approved	15	12	12	No	3	4	4	Yes	32	28	28	No	20	18	18	No
Individual projects/ activities approved	49	32	32	No	21	25	25	Yes	30	31	31	Yes	11	7	7	No
Milestone activities completed	15	20.5	15.5	Yes	3	3	3	Yes	16	20	17	Yes	19	19	19	Yes
ODS phased-out for individual projects in ODP tonnes	3,302	1,288	1,288	No	32.9	20	20	No	1,896.4	1,654	1,654	No	6,744	2,376	2,277	No
Project completion	41	39	42	Yes	25	25	24	No	35	28	28	No	55	44	44	No
Policy/ regulatory assistance completed	N/a	N/a	N/a	N/a	65	63	63	No	4	11	11	Yes	N/a	All countries with WB multiyear projects in compliance and targets met per APs submitted and approved	N/a	N/a
Speed of financial completion	On time (179)	173	174	No	On Time	12 of 49 (24%)	12 of 49 (24%)	No	12 months	8 months	8 months	Yes	11 months	9 months	9 months	Yes
Timely submission of project completion reports	On Time (140)	111	111	No	On Time	On Time	On Time	Yes	On Time	On Time	On Time	Yes	On Time	On Time	On Time	Yes
Timely submission of progress reports	On Time	On Time	On Time	Yes	On Time	Not On Time	Not On Time	No	On time	On Time	On Time	Yes	On Time	On Time	On Time	Yes
Number of targets achieved				3/8				4/9				6/9				4/8

5. The overall achievement of targets by agencies is as follows:
- (a) UNDP has fully achieved three of its eight targets (38 per cent). The remaining five have been partially achieved with two (project completion reports and speed of financial completion) of them almost fully achieved. UNDP's own assessment indicated that it had achieved two of its eight targets;
 - (b) UNEP has fully achieved four of its nine targets (44 per cent). The remaining five have been partially achieved with two (project completion and policy and regulatory measures) of them almost fully achieved. UNEP's own assessment indicated that it had achieved five of its nine targets;
 - (c) UNIDO has fully achieved six of its nine targets (67 per cent). The remaining three have been partially achieved with two (ODS phased out from individual projects, and project completion) of them almost fully achieved; and,
 - (d) The World Bank fully achieved four out of its eight targets (50 per cent). The remaining four have been partially achieved.

6. The implementing agencies own assessments differed with some elements of the Secretariat's assessment of their achievements. The Secretariat counted three more project completions than had been indicated by UNDP and one less than reported by UNEP. Both UNDP and UNIDO also included in their targets for the milestones achieved late submissions of multi-year agreements that were not included in the Secretariat's assessment. The Secretariat's calculation of a phase-out amount was slightly below that of the World Bank. Overall, however, differences in 2005 were minor and there was more agreement with the assessment than there had been in 2004.

Weighted Assessment of Performance

7. As noted above, data provided by the implementing agencies' on their achievements for certain performance indicators differ from the Secretariat's assessment in a few cases only. For the sake of consistency, the achievement of performance presented in Table 3 are based on the Secretariat's methodology.

Table 3

WEIGHTED ASSESSMENT OF IMPLEMENTING AGENCY PERFORMANCE IN 2005

Item	UNDP			UNEP			UNIDO			World Bank		
	Weight-ing	% of Target Achieved	Points	Weight-ing	% of Target Achieved	Points	Weight-ing	% of Target Achieved	Points	Weight-ing	% of Target Achieved	Points
Multi-year tranches approved	15	80%	12	15	133%	15	15	88%	13	15	90%	14
Individual projects/activities approved	10	65%	7	10	119%	10	10	103%	10	10	64%	6
Milestone activities completed	26	103%	26	20	100%	20	20	106%	20	26	100%	26
ODS phased-out for individual projects	17	39%	7	15	61%	9	15	87%	13	17	34%	6
Project completion	12	102%	12	10	96%	10	10	80%	8	12	80%	10
Policy/regulatory assistance completed	N/a	N/a	N/a	10	97%	10	10	275%	10	N/a	N/a	N/a
Speed of financial completion	10	97%	10	10	24%	2	10	100%	10	10	100%	10
Timely submission of project completion reports	5	79%	4	5	100%	5	5	100%	5	5	100%	5
Timely submission of progress reports	5	100%	5	5	50%	3	5	100%	5	5	100%	5
2005 Assessment	100		83	100		84	100		94	100		82
<i>2004 Assessment</i>			89			56			89	100		78

8. Because UNEP and UNIDO targeted all nine indicators the weightings adopted in decision 47/51 are applied to the assessment of these two agencies. For UNDP and the World Bank the weightings have been pro-rated with 55 points being allocated for each approval and implementation indicator, and 20 points for each administrative indicator. Points earned are rounded to the nearest whole number.

9. UNEP and UNDP each exceeded two targets and UNIDO exceeded three of its targets. The overall assessment for 2005 is as follows: UNDP (83), UNEP (84), UNIDO (94), and the World Bank (82). UNEP's quantitative assessment for 2005 showed a significant improvement over its 2004 assessment (56). UNDP's assessment in 2005 was slightly below its 2004 assessment, dropping by six points. The World Bank showed marginal improvement (4 points) and UNIDO improved by five points. All agencies met or exceeded their targets for completing the milestones of multi-year agreements—one of the most critical indicators of progress in the compliance period.

UNEP'S CAP Performance in 2005

10. Decision 41/93 also established revised performance indicators that are related to UNEP's CAP. At its 48th Meeting the Executive Committee decided to change these indicators beginning in the 2006 business plans. Therefore, the performance indicators from the 41st Meeting continue to apply for the evaluation of the 2005 business plans. Table 4 presents the targets and the achievements in 2005 measured against those targets.

Table 4

UNEP CAP PERFORMANCE ASSESSMENT FOR THE YEAR 2005

Indicator	2005 Target	UNEP Achievement
Usefulness of the region network/thematic meetings	Overall average of 3 on a 5-point scale.	Average rating was 4.3.
Assistance to countries for data reporting for the purpose of establishing baselines	All countries will have reported baselines.	One country has not reported data for the purpose of establishing a baseline (Methyl Bromide consumption baseline of Serbia and Montenegro).
Assistance with Article 7 data reporting	100% of all countries will have reported Article 7 data. UNEP believes that it can achieve 90%.	141 of 145 Article 5 countries reported Article 7 data for 2004 on time (97%).
Countries in actual or potential non-compliance as per MOP decisions	21 countries in non-compliance as per MOP XVI that will be offered CAP assistance will return to compliance. UNEP believes that a realistic achievement is 16 countries (i.e., 75%).	12 of 21 countries in actual or potential non-compliance returned to compliance (57%). The CAP offered assistance to all Article 5 countries in non-compliance, either through direct communication with a country or through consultation with a lead IAs in a country. In some cases the CAP support was not required as advised by the other IAs.
Countries at risk of becoming in non-compliance as per Article 7 data trends	All countries identified as at risk of non-compliance and that will be offered CAP assistance to be provided specific services by CAP (outside of network meetings). UNEP believes that a realistic achievement is 80%.	84 of 104 countries at risk of non-compliance (as per the Ozone Secretariat evaluation) received the CAP assistance (81%).
Information clearing-house	The following will be based on figures in 2004 Progress Report: (a) 5% increase in subscriptions compared to 2004; (b) 10% increase in visitors compared to 2004; (c) 10% increase in downloads compared to 2004; (d) 5% increase documents disseminated compared to 2004; (e) 10% increase in queries compared to 2004; 10 working days of receipt of query.	(a) Number of newsletter subscriptions: 9,462 (8% increase); (b) Number of discrete visitors (IP addresses) to the web site: 137,900 (1093% increase); (c) Number of PDF documents downloaded from website: 654,715 (33% increase); (d) Number of hardcopy publications disseminated: 28,632 (1% increase); (e) Number of query responses responded to: 20 (60% decrease). Average time for response: 5 days (80% improvement).

11. UNEP largely achieved its CAP targets in 2005, and exceeded its target for “ratings for regional meetings”. It fell one country short of achieving full reporting for the purposes of establishing a baseline. The 97% of all countries that reported Article 7 data exceeded UNEP’s own internal target of 90%. UNEP did not achieve its internal target of enabling 75% of countries in non-compliance to return to compliance, but 57% of such countries did return to compliance. UNEP slightly exceeded its target of providing assistance to 80% of countries at risk of non-compliance. Finally, UNEP met or exceeded its targets for its information clearinghouse programme except with respect to the dissemination of hardcopy publications. In 2004 UNEP’s CAP performance targets had been largely achieved and this performance was sustained throughout 2005.

Analysis of other performance indicators

12. Decision 41/93 also requested the Secretariat to continue to monitor the following performance indicators on the basis of trend analysis in future evaluations of the performance of implementing agencies: ODP phased out, funds disbursed, project completion reports,

distribution among countries, value of projects approved, ODS to be phased-out, cost of project preparation, cost-effectiveness, speed of first disbursement, speed of completion, and net emission due to delays.

13. The targets covering ODP phased out, funds disbursed, project completion reports, distribution among countries, value of projects approved, ODS to be phased out and net emissions due to delays can be determined based on projections in business plans, progress reports, and schedules agreed with the Senior Monitoring and Evaluation Officer. For the other indicators, namely cost of project preparation, cost-effectiveness, speed of first disbursement and speed of completion, implementing agencies do not set targets or projections in either their progress reports or business plans. For these indicators, the actual achievement for each year is presented.

14. It should also be noted that previous performance indicators were divided between investment and non-investment projects. All of the nine indicators are applicable to investment projects, but only the “funds disbursed”, “speed of first disbursement” and “speed of project completion” indicators are applicable for non-investment projects. Annexes I and II present the historical analyses for investment and non-investment projects, respectively.

15. Annex I shows, *inter alia*, that agencies have had various levels of success in different years. In 2005, the level of ODS phased-out for the World Bank was not as high as previously achieved. The target for amount of funds disbursed was achieved by UNIDO and the World Bank in 2005, and UNDP met 96 per cent of its planned disbursements. UNIDO and the World Bank both reached their targets for project completion reports, however UNDP met only 79% of its target.

16. The cost of project preparation varied from 0.39% of the cost of the project for the World Bank to 0.86% for UNIDO and 1.44% for UNDP. In general however, it was either comparable to or below the cost in previous years. In the case of UNDP and UNIDO, the achievement of the target of “value of projects approved” was better in 2005 than in 2004, while the World Bank reached a slightly lower percentage of its target.

17. The cost-effectiveness of projects has decreased since 2003 for all implementing agencies with the exception of UNDP where it has increased to US \$8.24/kg in 2005. The speed of delivery is similar for UNIDO and UNDP, ranging from nine to 13 months for the first disbursement and 33 months for completion. The World Bank’s speed of delivery for the first disbursement is 26 months and for project completion 41 months.

18. The indicator “net emissions due to delays” is a cumulative figure but the total amount has been generally decreasing for the implementing agencies, with the exception of UNDP, where it has increased by around 1,000 ODP tonnes. Net emissions due to delays decreased by 10,520 for UNIDO between 2004 and 2005. The World Bank achieved a reduction of 504 ODP tonnes from 2004 to 2005, but has the largest amount of net emissions due to delays of 17,651 ODP tonnes, compared to 5,354 ODP tonnes for UNIDO and 13,508 ODP tonnes for UNDP.

19. Annex II includes a limited number of indicators that can be tracked. These cover the targets for “disbursement for non-investment projects” and “speed of delivery”. Although the

disbursement rate for UNEP in particular had been close to its target in previous years, it only reached 54 per cent of its target in 2004 and 2005. UNEP's first disbursement in 2005 was the fastest (8.4 months) followed by UNIDO (8.9 months), UNDP (11.5 months) and the World Bank (13.6 months). The speed of non-investment project completion is similar for all agencies and ranges from 31 to 35 months.

SECRETARIAT'S OBSERVATIONS AND RECOMMENDATIONS

Observations

20. 2005 was a critical year for the Montreal Protocol due to the large reductions in the consumption to be met for the major controlled substances (CFCs, halon, CTC). All implementing agencies met their targets for achieving the milestones in their multi-year agreements.

21. The quantitative performance indicators show that UNIDO achieved 94% of its targets, based on the weighting of the indicators, followed by UNEP with 84%, UNDP with 83% and the World Bank with 82%. Overall, in 2005 the performance of the agencies was largely on a par with, or an improvement on, performance in 2004.

22. The CAP programme met UNEP's internal targets for its unique performance indicators.

Recommendations

23. The Executive Committee may wish to note the evaluation of the implementing agencies' performance against their 2005 business plans as contained in UNEP/OzL.Pro/ExCom/49/15/Rev.1 and the overall largely sustained and improved performance of the implementing agencies.

Annex I
PERCENTAGE OF TARGET ACHIEVED FOR
WEIGHTED INVESTMENT PROJECT PERFORMANCE BY AGENCY
(1996-2005)

UNDP	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
ODS phased out	24%	93%	100%	76%	41%	99%	92%	100%	79%	91%
Funds disbursed	59%	100%	95%	90%	100%	95%	77%	64%	100%	96%
Project completion reports				38%	93%	86%	87%	100%	97%	79%
Distribution among countries				65%	61%	63%	58%	38%	72%	44%
Value of projects approved	100%	100%		100%	80%	100%	99%	65%	73%	82%
ODS to be phased out	74%	100%		100%	92%	96%	77%	44%	89%	70%
Cost of project preparation (% of approvals)		4.4	3	2.7	2.7	1.1	2.54	1.6	3.61	1.44
Cost-effectiveness (\$/kg)		6.1	6.3	9.14	6.74	8.3	10.35	7.1	6.27	8.24
Speed of first disbursement (months)		13	13	12	13	12.84	12.8	12.8	12.91	12.9
Speed of completion (months)	24	29	29.5	32	33	33.6	32.7	32.4	32.41	32.9
Net emissions due to delays (ODP tonnes)				18,291	14,136	14,381	13,375	9,322	12,440	13,508
UNIDO	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
ODS phased out	73%	80%	100%	57%	70%	100%	100%	88%	100%	99%
Funds disbursed	81%	88%	100%	100%	100%	100%	100%	100%	100%	100%
Project completion reports				83%	66%	100%	100%	100%	100%	100%
Distribution among countries				83%	74%	89%	73%	78%	67%	79%
Value of projects approved	99%	99%		100%	93%	99%	97%	68%	82%	100%
ODS to be phased out	42%	85%		100%	72%	100%	100%	37%	89%	100%
Cost of project preparation (% of approvals)		2.2	4.2	2.7	3.8	2.73	3.28	3.64	2.01	0.86
Cost-effectiveness (\$/kg)		6.11	6.27	7.78	6.71	5.67	7.28	9.79	3.58	3.10
Speed of first disbursement (months)		10	9	8	9	9.29	9.16	9.2	9.06	8.97
Speed of completion (months)	20	24	28	26	29	29.85	30.89	31.7	32.35	32.98
Net emissions due to delays (ODP tonnes)				4,722	6,563	5,940	6,579.5	5,114	15,874	5,354
World Bank	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
ODS phased out	32%	94%	100%	100%	100%	100%	100%	84%	100%	69%
Funds disbursed	64%	77%	88%	97%	100%	74%	100%	100%	73%	100%
Project completion reports				61%	98%	74%	100%	84%	84%	100%
Distribution among countries				75%	79%	67%	79%	65%	71%	93%
Value of projects approved	94%	87%		100%	75%	92%	100%	82%	94%	83%
ODS to be phased out	34%	100%		100%	83%	72%	91%	65%	59%	100%
Cost of project preparation (% of approvals)		2.9	2.7	2.9	5.5	1.26	0.43	0.64	0.16	0.39
Cost-effectiveness (\$/kg)		3.6	1.9	2.83	2.96	3.85	4.57	6.12	3.74	1.04
Speed of first disbursement (months)		26	26	25	25	25.33	26.28	26	26.02	25.7
Speed of completion (months)	37	34	40	37	39	40.09	41.35	41	40.88	40.7
Net emissions due to delays (ODP tonnes)				2,765	17,422	25,257	24,889	21,807	18,155	17,651

Annex II

**PERCENTAGE OF TARGET ACHIEVED FOR FUNDS DISBURSED, SPEED OF
FIRST DISBURSEMENT AND PROJECT COMPLETION FOR
NON-INVESTMENT PROJECT PERFORMANCE BY AGENCY
(1997-2005)**

UNDP	1997	1998	1999	2000	2001	2002	2003	2004	2005
Funds Disbursed	100%	98%	100%	100%	93%	61%	100%	100%	100%
Speed until first disbursement (months)	12	6	11	11.29	12	11.4	11	11.44	11.5
Speed until project completion (months)	31	24	33	34.16	36	34.7	35	35.36	35.4
UNEP	1997	1998	1999	2000	2001	2002	2003	2004	2005
Funds Disbursed	49%	100%	100%	100%	93%	93%	99%	54%	54%
Speed until first disbursement (months)	5	3	5	6.33	6.87	7.3	7.6	8.49	8.4
Speed until project completion (months)	20	15	25	27.9	29.66	30.4	31	31.8	32.4
UNIDO	1997	1998	1999	2000	2001	2002	2003	2004	2005
Funds Disbursed	80%	100%	49%	100%	48%	89%	100%	100%	90%
Speed until first disbursement (months)	7	6.5	6	8	9.15	9.85	9.4	9.34	8.9
Speed until project completion (months)	24	11	29	31	33.66	33.84	33.7	33.89	31.9
World Bank	1997	1998	1999	2000	2001	2002	2003	2004	2005
Funds Disbursed	100%	49%	35%	27%	12%	38%	100%	79%	100%
Speed until first disbursement (months)	16	17	5	12	11.95	12.05	13.7	14.58	13.6
Speed until project completion (months)	28	32	26	30	29.24	28.85	30	30.39	31
