



**United Nations  
Environment  
Programme**



Distr.  
Limited

UNEP/OzL.Pro/ExCom/31/14  
25 May 2000

ORIGINAL: ENGLISH

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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-first Meeting  
Geneva, 5-7 July 2000

**EVALUATION OF THE IMPLEMENTATION OF THE 1999 BUSINESS PLANS**

1. This document presents the evaluation of the 1999 business plans of the implementing agencies. The evaluation is based on:

- (a) the performance indicators adopted by the Executive Committee at its 22nd Meeting (Decision 22/18) and as modified by the Executive Committee's decisions at its 26<sup>th</sup> Meeting on the weighted and non-weighted performance indicators for the evaluation of business plans (Decision 26/4-6);
- (b) the performance indicators in the 1999 business plans of the implementing agencies (UNEP/OzL.Pro/ExCom/27/7 through 10) as modified by Decision 27/2 (a, c, and d) and Decisions 27/4-7; and
- (c) the implementing agencies' progress and financial reports submitted to the 28<sup>th</sup> and 31<sup>st</sup> Meetings of the Executive Committee.

2. This document addresses the agencies' performance for investment and non-investment projects and concludes with recommendations for Executive Committee consideration.

## **INVESTMENT PROJECTS**

### **Agency targets and achievements**

3. The performance of the implementing agencies during the 1999 business plan period is assessed against the targets that were set in their business plans.

4. It should be noted that achieving higher amounts represents a better performance than targeted in the case of the indicators (ODP phased out, Funds disbursed, number of Project completion reports, Distribution among countries, Value of projects approved, and ODP to be phased out from new project approvals) but for the other indicators (cost of project preparation, cost-effectiveness, speed of delivery, and net emissions due to delays), the lower amounts represent better performance.

### **Summary**

5. Decision 26/4 established eleven performance indicators for the evaluation of investment project performance of which four are weighted and seven are non-weighted. Table 1 shows that:

- (a) UNDP fully achieved five of the 11 targets (45 per cent), the remaining six being only partially achieved;
- (b) UNIDO fully achieved four of 11 targets (36 per cent), the remaining seven being partially achieved (however, as noted below, UNIDO determined that it met seven

of its 11 targets); and

- (c) The World Bank fully achieved four of 11 targets (36 per cent), the remaining seven being partially achieved (however, as noted below, the Bank determined that it met five of its 11 indicators).

Table 1

**1999 BUSINESS PLAN INVESTMENT PROJECT TARGETS, ACHIEVEMENT, AND PERCENTAGE OF TARGET ACHIEVED, AND NUMBER OF TARGETS ACHIEVED**

ITEM	UNDP			UNIDO			World Bank		
	Target	Achievement	Meet Target	Target	Achievement	Meet Target	Target	Achievement	Meet Target
ODP phased out	6,000	4,588	No	5,422	3,091	No	17,174	23,279	Yes
Funds disbursed	\$40,160,000	\$36,300,000	No	\$27,612,000	31,656,370	Yes	\$52,276,000	\$50,670,000	No
Project completion reports	100%	78/208	No	100%	113/136	No	100%	124/204	No
Distribution among countries	37	24	No	29*	24 UNIDO-27	No	12	9 WB-13	No WB-Yes
Value of projects approved	\$37,459,500	\$43,297,903	Yes	\$21,112,867	\$29,403,639	Yes	\$51,980,000	\$55,559,741	Yes
ODP to be phased out	2,979	4,616	Yes	3,445	4,056	Yes	19,447**	19,447	Yes
Cost of project preparation	3.5%	2.7%	Yes	2%	2.7% UNIDO-1.8%	No UNIDO-Yes	2.8%	2.9%	No
Cost-effectiveness	\$12.60	\$9.14 UNDP-\$8.06	Yes	\$6.12	\$7.78	No	\$2.40	\$3.43	No
Speed of first disbursement	12 months	12 months	Yes	7 months	8 months UNIDO 6-9 months	No	22 months	25 months	No
Speed of completion	30 months	32 months UNDP-29-35 months	No	26 months	26 months	Yes	35 months	37 months	No
Net emission due to delays	5,896 ODP tonne	18,291 ODP tonnes UNDP-N/P	No	5,761 ODP tonnes	4,722 ODP tonnes	Yes	5,550	2,765	Yes
Number of targets achieved			5/11			5/11 UNIDO-6/11			4/11 WB-5/11

\* Adjusted due to Committee's decision concerning Yugoslavia that had been part of UNIDO's target.

\*\*Adjusted due to subsequent change in approval for China Halon Plan phase out.

6. The Secretariat's calculation is based on a methodology that was applied equally to all implementing agencies' data provided in the agencies' progress reports submitted to this meeting. For the assessment where the Secretariat and the agency's calculations make a difference between meeting or not meeting a target, the following explanations are provided:

- (a) For the target, "distribution among countries", the Bank (and UNIDO although UNIDO still did not meet the target), used the number of countries for which projects were submitted and not the number of countries for which projects were approved; and
- (b) For the target, "cost of project preparation", UNIDO used the value of submission and not the value of approved projects.

### **Assessment**

7. The Executive Committee determined the relative importance of the indicators at its 26<sup>th</sup> meeting (Decision 27/4) when it adopted the following weightings for evaluating business plan performance: ODP phased out (40 per cent), funds disbursed (30 per cent), project completion reports (20 per cent), and distribution among countries (10 per cent).

8. Table 2 is based on applying the percentage of the performance target achieved times the relative weighting. It shows that:

- (a) UNDP fully achieved five of the 11 targets (45 per cent), the remaining six being only partially achieved;
- (b) UNIDO achieved four of 11 targets (36 per cent), the remaining seven being partially achieved (however, as noted below, UNIDO determined that it met seven of its 11 targets); and
- (c) The World Bank fully achieved four of 11 targets (36 per cent), the remaining seven being partially achieved (however, as noted below, the Bank determined that it met five of its 11 indicators).

Table 2

**ASSESSMENT OF PERFORMANCE AGAINST TARGETS  
FOR INVESTMENT PROJECTS**

<b>Agency/ Performance Indicator</b>	<b>UNDP</b>			<b>UNIDO</b>			<b>World Bank</b>		
	<b>Percentage of Target Achieved</b>	<b>Weight -ing</b>	<b>Points</b>	<b>Percentage of Target Achieved</b>	<b>Weight -ing</b>	<b>Points</b>	<b>Percentage of Target Achieved</b>	<b>Weight -ing</b>	<b>Points</b>
ODP phased out	76%	40	30	57%	40	23	100%	40	40
Funds disbursed	90%	30	27	100%	30	30	97%	30	29
Project completion reports	38%	20	8	83%	20	17	61%	20	12
Distribution among countries	65%	10	7	83% UNIDO- 93%	10	8 UNIDO- 9	75% WB-100%	10	8 WB-10
<b>Assessment</b>			<b>71</b>			<b>78 UNIDO- 79</b>			<b>89 WB- 91</b>

9. UNIDO and the World Bank each exceeded one of the four weighted investment project performance targets. The overall assessment is as follows: UNDP (71), UNIDO (78), and the World Bank (89).

### **NON-INVESTMENT PROJECTS**

10. The Executive Committee has adopted six performance indicators for non-investment projects applicable to all implementing agents, four of which are weighted and two are non-weighted (Decision 26/5). This section presents a review of the targets and the achievements followed by an assessment based on the weightings adopted by the Executive Committee at its 26<sup>th</sup> Meeting.

### **UNEP**

11. Since most non-investment projects are implemented by UNEP. At its 26<sup>th</sup> Meeting, the Executive Committee requested UNEP, in view of its specific mandate, to continue the monitoring of its activities according to a set of seven additional indicators set out in its business plan (Decision 26/6). UNEP assessed its performance against five of these seven indicators in its progress report.

12. UNEP indicated that it achieved two of targets (OAIC diskette update and publishing of newsletter), did not achieve one of its targets (no joint activities were covered in Latin America), another target was unclear so achievement against the target could not be determined, and UNEP did not mention its achievements against its target to improve over the previous years in data

reporting and enacting legislation although it did set a target of 80 per cent of all Network member countries reporting data.

Table 3

**UNEP-SPECIFIC NON-INVESTMENT PERFORMANCE INDICATORS FOR ITS 1999 BUSINESS PLAN**

<b>Item</b>	<b>Targets</b>	<b>Achievement</b>
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	Africa (3), Asia (1), LAC (0)
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.
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	59 countries have been undertaking regular public awareness using UNEP materials and their own
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
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

**Agency Targets and Achievements**

13. The performance of the implementing agencies during the 1999 business plan period is assessed against the targets set in the agencies' business plans.

14. It should be noted that achieving higher amounts represents better performance in the case of the indicators (number of Projects completed, Funds disbursed, Policies initiated, and Reduction in ODP from non-investment projects) but for the other indicators (Speed until first disbursement and Speed until project completing), the lower amounts represent better performance.

15. Decision 26/5 established four weighted and two un-weighted, non-investment project indicators for the evaluation of non-investment project performance. Table 4 shows that:

- (a) UNDP, UNEP and UNIDO fully achieved three of the six targets (50 per cent); and

- (b) The World Bank fully achieved two of the six targets (33 per cent).

Table 4

**1999 BUSINESS PLAN NON-INVESTMENT PROJECT TARGETS AND  
ACHIEVEMENTS (All Agencies)**

AGENCY ITEM	UNDP			UNEP			UNIDO			WORLD BANK		
	Target	Actual	Per cent	Target	Actual	Per cent	Target	Actual	Per cent	Target	Actual	Per cent
<b>Weighted Indicators</b>												
Number of Projects Completed	10	10 DP-11	100%	60% of projects approved	65%	100%	3 projects	3 projects	100%	6	1 WB-3	17% WB-50%
Funds Disbursed (US\$)	\$2.0 million	\$2.17 million	100%	60% of projects approved	77% of projects approved	100%	\$746,000	\$363,709	49%	\$2.6 million	\$914,985	35%
Speed until first disbursement	12 months	11 months DP-10 –12 months	100%	6 months	5 months	100%	5 months	6 months IDO-6-8 months	80%	17 months	5 months	100%
Speed until project completion	27 months	33 months DP-30-35 months	78%	17 months	25 months UNEP-15 months— country programs	53%	10 months	29 months IDO-9-20 months	0%	32 months	26 months	100%
<b>Non-weighted indicators</b>												
Policies initiated from non-investment activities	4 countries	N/P	N/P	3 countries	N/P	N/P	3 countries	3 countries	100%	4 countries	3 countries	75%
Reduction in ODP from non-investment activities	20 ODP tonnes	N/P	N/P	3 tonnes	N/P	N/P	Target set for 4 countries	Target achieved for 4 countries	100%	20 tonnes	0 tonnes	0%
Number of Targets Achieved			3/6			3/6			3/6			2/6

N/P – Not provided.

16. The Secretariat's calculations were applied in the same manner to all four implementing agencies based on the information contained in their progress reports. The Executive Committee requested implementing agencies to provide information they had been requested to provide in a standardised manner (Decision 24/4). The World Bank indicated that 3 non-investment projects were completed in 1999, but the information in the Bank's progress did not indicate so. UNDP and UNIDO provided ranges of achievements instead of a single figure that could be measured against the single target that had been endorsed by the Committee. UNIDO indicated that its speed until project completion target did not include institutional strengthening. UNEP reported on the speed of completion for country programmes only instead of a speed of completion for all non-investment projects as is the target established by the Committee.

17. UNEP did not mention its achievements against the targets "reduction of 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. These targets were first introduced by UNEP and subsequently applied to all implementing agencies. All implementing agencies except UNEP have indicated a difficulty in measuring these targets.

18. UNEP did not provide achievements against these targets for the evaluation of its 1998 business plan or for the evaluation of its 1999 business plan. At its 24<sup>th</sup> Meeting, the Committee urged UNEP to achieve the same performance level as the other implementing agencies and include in its reports a better description of performance against performance indicators (Decisions 24/6). In its draft 2000 business plan, UNEP did not include these targets, but, the Executive Committee decided that UNEP should provide targets for both its non-weighted performance indicators in its final business plan (Decision 29/15(a)).

19. UNDP also did not provide its achievements against the two non-weighted, non-investment performance indicators, but it indicated that it would provide this information at the 31<sup>st</sup> Meeting. UNIDO and the World Bank provided information for both of the two indicators. The Executive Committee may wish to consider if any action is warranted when performance indicators are not reported on.

### Assessment

20. The same methodology as used to assess investment projects was used to assess non-investment projects. Table 5 presents the assessment for non-investment projects.

Table 5

#### ASSESSMENT OF PERFORMANCE AGAINST TARGETS FOR NON-INVESTMENT PROJECTS

Agency/ Performance Indicator	UNDP			UNEP			UNIDO			World Bank		
	Per Cent of Target Achieved	Weight- ing	Points	Per Cent of Target Achieved	Weight- ing	Points	Per Cent of Target Achieved	Weight- ing	Points	Per Cent of Target Achieved	Weight- ing	Point s
Number of projects completed	100%	40	40	100%	40	40	100%	40	40	17% WB-50%	40	7 WB- 20
Funds disbursed	100%	30	30	100%	30	30	49%	30	15	35%	30	11
Speed of first disbursement	100%	15	15	100%	15	15	80%	15	12	100%	15	15
Speed of project completion	78%	15	12	53%	15	8	0%	15	0	100%	15	15
<b>Overall assessment</b>			<b>97</b>			<b>93</b>			<b>67</b>			<b>48 WB- 61</b>



## SECRETARIAT'S OBSERVATIONS AND RECOMMENDATIONS

### Observations

21. The evaluation of the business plans completes the business planning cycle for 1999 and the results initiate the new business planning cycle for the year 2001 business plans. Implementing agencies are scheduled to submit their draft 2001 business plans to the next Meeting of the Executive Committee (its 32<sup>nd</sup> Meeting). The implementing agencies will need the following information from the Executive Committee in order from them to submit their draft business plans: agency investment project shares, the value and conditions for any special funding windows, and any other guidance for the year 2001 resulting from the Executive Committee's consideration of strategic planning.

22. At its 25<sup>th</sup> Meeting, the Executive Committee decided to adjust the agencies' investment project shares based on the evaluation of the agencies' performance against their business plans of 1997. Shares were adjusted from the following shares (UNDP (30 %), UNIDO (25 %), and the World Bank (45 %) to (UNDP (29 %), UNIDO (22 %), the World Bank (43 %) and aerosol/halon (3 %).

23. At its 28<sup>th</sup> Meeting, the Executive Committee decided to restore the distribution of shares for investment projects to (UNDP (30 %), UNIDO (25 %), and the World Bank (45 %) while removing special funding windows for methyl bromide, SMEs, aerosols and halons (Decision 28/23 (a)).

24. Special funding windows were established to provide an incentive for implementing agencies to target projects in certain under-funded industrial sectors and for certain types of projects. In addition to those funding windows that were removed following last year's evaluation of business plans, the Executive Committee has also established windows for low-volume ODS consuming countries.

25. The 30<sup>th</sup> Meeting of the Executive Committee decided to hold an informal meeting of the Committee on 2 July 2000 to address the strategic planning of the Multilateral Fund and for this topic to be addressed in the agenda of the Executive Committee for formal consideration (Decisions 30/57(a) and 30/62). The results of the informal meeting will precede the Sub-Committee on Monitoring, Evaluation, and Finance's consideration of the evaluation of the 1999 business plans. The Sub-Committee's meeting will precede the Executive Committee's formal consideration of strategic planning. The Sub-Committee may wish to consider recommendations to the Executive Committee on how to incorporate the evaluation of the business plans into the strategic planning process.

### Recommendations

The Sub-Committee on Monitoring, Evaluation, and Finance may wish to recommend to the Executive Committee to consider:

1. UNEP's non reporting status for several performance indicators required by Executive Committee decisions.
2. Implementing agencies using and reporting on different indicators than those required by Executive Committee decisions.
3. If any adjustment in shares is warranted based upon the evaluation of performance against the 1999 business plan targets.
4. If any special funding windows should be established.
5. How to incorporate the conclusions from the evaluation of business plans in the strategic planning process.

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