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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-eighth Meeting
Rome, 20-22 November 2002

PERFORMANCE INDICATORS

1. This document was prepared pursuant to Decisions 32/7 and 36/53 regarding the development of new performance indicators consistent with the compliance phase of Article 5 countries and the strategic reorientation of the Multilateral Fund.
2. The document presents a review of the evolution of the existing performance indicators and performance indicators during the compliance period.

Evolution of the existing performance indicators

3. The existing performance indicators (provided in Annex I) comprise 10 weighted and 10 non-weighted indicators for investment and non-investment projects, as well as those performance indicators specific to UNEP's activities.
4. While the performance indicators were intended as a tool to evaluate the performance of the implementing agencies' business plans with respect to meeting targets such as ODS phase-out, approval of projects in business plans, rate of funds disbursed, etc, there has not been any consequence for an agency not meeting the targeted indicators (with the exception of a slight reduction in the share of the implementing agencies following the Committee's evaluation of the agencies' performance against their 1997 business plan targets).
5. Another type of performance indicators is that inherent in the multiple-year agreements which have a series of planned actions associated with the annual work programmes. The key performance indicator in such agreements is the annual ODS reductions to be achieved. Release of annual funding tranches is contingent in the fulfilment of a set ODS reduction targets.

Performance indicators during the compliance period

6. The operation of the Multilateral Fund during the compliance period will focus on the approval and implementation of multiple-year ODS phase-out agreements, where needed; completion of approved but unimplemented projects; the approval and implementation of RMPs pursuant to Decision 31/48, the implementation of UNEP's Compliance Assistance Programme (CAP) to provide ongoing assistance in a country's compliance efforts, and the approval and implementation of institutional strengthening project to assist National Ozone Units in their management of the country's phase-out efforts.
7. At its 37th Meeting, the Executive Committee decided that a 3-year phase-out plan should be developed based on the results generated by the compliance-oriented model (UNEP/OzL.Pro/ExCom/37/66 and Corr.1/Rev.1) and the status of compliance (UNEP/OzL.Pro/ExCom/37/18 and Corr.1). The 3-year phase out plan is being submitted for the consideration of the Executive Committee at its 38th Meeting (UNEP/OzL.Pro/ExCom/38/58). The 3-year phase-out plan targets the compliance needs of Article 5 countries, which must be achieved within a specific time frame. The implementing agencies will be requested to prepare their annual business plans on the basis of the Executive Committee's consideration of the 3-year phase-out plan.

8. While some of the existing performance indicators will still be relevant to the new approach for business planning and should be maintained, new performance indicators commensurate with the 3-year phase-out plan will have to be introduced taking into account the consequences of non-achievement.

Recommendation

The Executive Committee may wish to request the Secretariat in co-operation with the implementing agencies and Article 5 countries to prepare a set of performance indicators for the compliance period in the light of the 3-year phase-out plan and taking into consideration the discussion during the meeting on performance indicators.

Annex I

EXISTING PERFORMANCE INDICATORS

Investment	
Item	Weighting
ODP phased out	40
Funds disbursed	30
Project completion reports	20
Submission of progress reports	10
Speed of first disbursement	
Speed of completion	
Project completion pursuant to Decision 28/2	
Net emission due to delays	
Value of projects approved	
ODP to be phased out	
Distribution among countries	10
Cost of project preparation	
Cost-effectiveness	
Non-Investment	
Item	Weighted
Number of Projects Completed	50
Funds Disbursed	30
Speed until first disbursement	10
Speed until project completion	10
Submission of progress reports	10
Policies initiated from non-investment activities	
Reduction in ODP from non-investment activities	
UNEP Specific Non-Investment Performance Indicators	
Item	
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	
