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EVALUATION OF THE IMPLEMENTATION OF THE 2007 BUSINESS PLANS

Introduction

1. This document presents the evaluation of the 2007 business plans of the implementing agencies, based on the performance indicators adopted in decision 41/93, the revised weighting in decision 47/51, the targets that were adopted for the 2007 business plans by the Committee through decisions 51/7 to 51/10, and the implementing agencies' progress and financial reports submitted to the 55th Meeting of the Executive Committee. It also presents a trend analysis for each of the nine performance indicators used in previous years' evaluations and the results of the qualitative assessment of the performance of implementing agencies based on input received from national ozone unit (NOU) officers. It concludes with the Secretariat's observations and recommendations.

Analysis of quantitative performance indicators in decision 41/93 with revised weightings adopted in decision 47/51

2. Table 1 presents the quantitative performance indicators and the weightings that were adopted in decisions 41/93 and 47/51 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
		Sub-total	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
		Sub-total	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
		Sub-total	20
		Total	100

3. The performance of the implementing agencies during 2007 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 the number of targets achieved.

Table 2

2007 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	45	41	31	No	35	31	26	No	32	24	24	No	19	19	19	Yes
Individual projects/activities approved	22	22	17	No	30	50	51	Yes	22	7	7	No	4	5	5	Yes
Milestone activities completed	20	24	24	Yes	9	At least 9 milestone activities have been delivered	At least 9 milestone activities have been delivered	Yes	20	29	29	Yes	18	18	18	Yes
ODS phased-out for individual projects in ODP tonnes	1,229	1,344	1,344	Yes	0	0	370.4	Yes	346.2	428	409.8	Yes	1,334	1,116	1,116	No
Project completion	60	60	60	Yes	86	85	85	No	20	16	16	No	10	21	21	Yes
Policy/regulatory assistance completed	4/6 (67%)	5/6 (83.3%)	5/6 (83.3%)	Yes	64 countries or 100% of countries listed in Annex I either received assistance was offered	At least 64 countries have been assisted	At least 64 countries have been assisted	Yes	11	11	11	Yes	9/9	All countries with WB multiyear projects in compliance and targets met per APs submitted and approved	All countries with WB multiyear projects in compliance and targets met per APs submitted and approved	Yes
Speed of financial completion	On time (177)	69	69	No	On time (183)	105	106	No	12 months after operational completion	9.8 months	9.8 months	Yes	11 months	16 months	16 months	No
Timely submission of project completion reports	On time (65)	53	53	No	On time (12)	7	7	No	On Time	On Time	100%	Yes	100%	74%	74%	No
Timely submission of progress reports	On Time	On Time	On time	Yes	On Time	On Time	On Time	Yes	On Time	On Time	On Time	Yes	100%	100%	100%	Yes
Number of targets achieved				5/9				5/9				6/9				6/9

4. Overall, agencies have achieved the following targets:
- (a) Out of a total of nine targets, UNDP has fully achieved five (55.6 per cent) and partially achieved four (of which “individual projects/activities approved” and “timely submission of project completion reports” are almost fully achieved);
 - (b) Out of a total of nine targets, UNEP has fully achieved five (55.6 per cent) and partially achieved four (of which “project completion” has been almost fully achieved);
 - (c) Out of a total of nine targets, UNIDO has fully achieved six (66.7 per cent) and partially achieved three (of which “multi-year tranches approved” and “project completion” have been almost fully achieved); and
 - (d) Out of a total of nine targets, the World Bank fully achieved six (66.7 per cent) and partially achieved three (of which “ODS phased out for individual projects” and “timely submission of project completion reports” have been almost fully achieved).

5. The overall assessment is based on fully achieving the target, i.e., 100 per cent, therefore if there are eight targets and an agency meets 99 per cent of the target, the overall assessment would still be a zero. For this reason a more accurate assessment might take into account partially or almost fully achieved indicators.

6. Some aspects of the implementing agencies’ assessments of their achievements differed from those of the Secretariat. The Secretariat counted one project more than the number stated by UNEP for the performance indicators “individual project approvals” and “speed of financial completion”. The Secretariat’s calculation of a phase-out amount was lower than that of UNIDO, but UNIDO met its target in both cases.

7. UNIDO indicated that MDI strategies should not be counted as part of the assessment of the indicator, “Individual Projects/Activities Approved”, because new decisions were taken after the approval of the agencies’ 2007 business plans that prevented the agency from submitting the strategies for consideration. The target with the MDI strategies was 22, and without those strategies the target would have been eight. UNIDO had seven of these eight projects approved, but agreed to change its assessment to be consistent with that applied to all agencies.

Weighted Assessment of Performance

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

Table 3

WEIGHTED ASSESSMENT OF IMPLEMENTING AGENCY PERFORMANCE IN 2007

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	69%	10	15	74%	11	15	75%	11	15	100%	15
Individual projects/activities approved	10	77%	8	10	170%	10	10	32%	3	10	125%	10
Milestone activities completed	20	120%	20	20	100%	20	20	145%	20	20	100%	20
ODS phased-out for individual projects	15	109%	15	15	Over	15	15	118%	15	15	84%	13
Project completion	10	100%	10	10	99%	10	10	80%	8	10	210%	10
Policy/regulatory assistance completed	10	125%	10	10	100%	10	10	100%	10	10	100%	10
Speed of financial completion	10	39%	4	10	58%	6	10	100%	10	10	55%	6
Timely submission of project completion reports	5	82%	4	5	58%	3	5	100%	5	5	74%	4
Timely submission of progress reports	5	100%	5	5	100%	5	5	100%	5	5	100%	5
2007 Assessment	100		86	100		90	100		87	100		93
<i>2006 Assessment</i>			75			78			93			82

9. UNEP, UNIDO and the World Bank each exceeded two targets and UNDP exceeded three targets. The assessment for 2007 is as follows: UNDP (86), UNEP (90), UNIDO (87), and the World Bank (93). Compared to 2006, the quantitative assessments for 2007 were higher for UNEP, UNDP and the World Bank (an increase in points of 12, 11, and 11, respectively) and slightly below for UNIDO (a drop of six points). All agencies met or exceeded their targets for completing the milestones in multi-year agreements (MYAs)—one of the most critical indicators of progress during the compliance period.

Analysis of other quantitative performance indicators

10. 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.

11. 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. The actual achievements for these indicators are therefore presented for each year.

12. 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 to non-investment projects. Annexes I and II present the historical analyses for investment and non-investment projects, respectively.

13. Annex I shows, *inter alia*, that agencies have had various levels of success in different years. In 2007, the level of ODS phased out for the World Bank was higher than it had been in 2005 and 2006.

14. The target for the amount of funds disbursed was achieved by UNIDO and the World Bank in 2007, and UNDP met 76 per cent of its planned disbursements for that year. UNIDO also reached its target for project completion reports. UNDP and the World Bank met only 82 per cent and 74 per cent of their targets, respectively.

15. The cost of project preparation varied from 0.02 per cent of the cost of the project for the World Bank to 2.09 per cent for UNIDO and 3.58 per cent for UNDP. In general, however, it was either comparable to, or below, the cost in previous years, except for UNDP where the cost of project preparation increased from 0.54 per cent in 2006 to 3.58 per cent in 2007. The achievement of the target of “value of projects approved” decreased for all agencies in 2007.

16. The cost-effectiveness of projects decreased for UNIDO and the World Bank in 2007 and increased from US \$4.99/kg to US \$5.76/kg in 2007 for UNDP. 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 25 months and 40 months for project completion.

17. The indicator “net emissions due to delays” is a cumulative figure. Up until 2007 the total amount had been decreasing for the implementing agencies with the exception of UNIDO. The data shown in Annex I for this indicator takes into account partial phase-out that was not accounted for in previous years.

18. 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”. Prior to 2004, UNEP had achieved a disbursement rate of 93 to 100 per cent for six consecutive years. Since 2004, UNEP has achieved a disbursement rate of 54 per cent (in both 2004 and 2005), 51 per cent (in 2006) and 49 per cent (in 2007).

19. With respect to the “speed” of making the first disbursement, UNEP, as in previous years, was the fastest (8.7 months). This was followed by UNIDO (10.2 months), UNDP (11.7 months), and the World Bank (14.3 months). The speed of non-investment project completion is similar for all agencies and ranges from 31 to 37 months.

UNEP'S CAP Performance in 2007

20. 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 with the 2006 business plans (decision 48/7). Table 4 presents the targets, and the achievements in 2007 measured against those targets.

Table 4

UNEP CAP PERFORMANCE ASSESSMENT FOR 2007

Indicator	Target	UNEP Achievement in 2007	UNEP Assessment
Efficient follow-up to regional network/thematic meetings	100 % implementation rate	Implementation of recommendations was positively reported on in subsequent meetings	Achieved
Effective support to NOUs in their work, particularly guidance to new NOUs	7 such ways/means/products/services; All new NOUs receive capacity building support	See Part III Section B and Annex IV of UNEP's progress report.	Achieved
Assistance to countries in actual or potential non-compliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)	All such countries	24 countries provided with compliance assistance through CAP. See Annex III of UNEP's progress report for details.	Achieved
Innovations in production and delivery of global and regional information products and services	7 such products and services	11 global and regional products and services delivered. For details see Part III Section A –Information Clearinghouse & Public Awareness activities of UNEP's progress report.	Achieved
Close cooperation between CAP regional teams and IAs and BAs working in the regions	5 in each region	More than 5 joint missions/undertakings completed in each region.	Achieved

Special CAP compliance assistance activities in 2007

21. At its 51st Meeting, the Executive Committee was informed that the business plans submitted by the implementing agencies (which include special CAP initiatives and terminal phase-out management plans) could address the phase-out needs identified in the three-year phase-out plan to enable compliance by 2010 (except for some countries that have reported their latest consumption as zero). There are several references in the section of the Consolidated Business Plan (UNEP/OzL.Pro/ExCom/51/6) that indicate how special CAP assistance would be provided to countries for which additional actions might be needed and where no activities had been funded in the business plan. Completion of these CAP assistance activities was a vital aspect of the Multilateral Fund's programmatic activities for compliance assistance.

22. There were 272 special CAP assistance activities in UNEP's 2007 business plan that were not related to projects funded outside the CAP programmatic budget. Of those that were considered special assistance activities, UNEP completed 172 (63 per cent) and did not complete 29 activities (11 per cent) of which 10 were considered ongoing. For the remaining 71 activities (26 per cent), there was insufficient information to determine whether or not they had been completed with special CAP assistance.

Analysis of qualitative performance indicators

23. The Fund Secretariat sent requests to all Article 5 countries for the completion of the questionnaire to assess the qualitative performance of the implementing agencies on 31 May 2008. As at 10 June 2008, 20 countries had provided responses. A total of 30 questionnaires were processed because multiple responses were provided by countries in which more than one agency had implemented projects. The number of questionnaires by agency was: Germany (three), UNDP (seven), UNEP (10), UNIDO (eight) and the World Bank (two). Table 5 presents a summary of the overall ratings.

Table 5

OVERALL QUALITATIVE PERFORMANCE OF IMPLEMENTING AGENCIES

Overall Ratings	Highly satisfactory %	Satisfactory %	Less satisfactory %	Unsatisfactory %
Organization and cooperation	43%	50%	3%	3%
Technical assistance/training	27%	67%	3%	3%
Impact	40%	55%	2%	3%

24. The overall performance compared to last year is similar, although, between 93 and 95 per cent of the questionnaires completed indicated either highly satisfactory or satisfactory performances of the implementing agencies. Only one country gave an unsatisfactory assessment for one agency.

25. Only 17 countries provided responses, although this is an increase from the 12 countries that responded to last year's survey. Nevertheless, given the low rate of response, it is possible that the overall results are not representative and a larger number of responses would be necessary to enable a more accurate assessment on an agency basis. To encourage a greater number of responses in the future, the Executive Committee may wish to request UNEP CAP, through its regional networks, to include an item on the agenda of each of its network meetings addressing reporting requirements of the Executive Committee, including the qualitative performance questionnaire.

SECRETARIAT'S OBSERVATIONS AND RECOMMENDATIONS

OBSERVATIONS

26. The quantitative performance indicators show that the World Bank met 93 per cent of its targets (based on the weighting of the indicators) followed by UNEP (90 per cent), UNIDO (87 per cent) and UNDP (86 per cent). Overall, in 2007 the agencies' performance was slightly higher than it had been in 2006.

27. UNEP indicated that it achieved all of the CAP performance indicators. The Secretariat notes that while 172 special CAP assistance activities were completed in 2007, 29 were not.

RECOMMENDATIONS

28. The Executive Committee may wish to:

- (a) Note the evaluation of the implementing agencies' performance against their 2007 business plans as contained in UNEP/OzL.Pro/ExCom/55/15;
- (b) Request UNEP CAP, through its regional networks, to include an item in the agenda of each of its network meetings addressing reporting requirements of the Executive Committee, including the qualitative performance questionnaire, to ensure a greater response to the survey in future.
- (c) Encourage UNEP to continue to report on the achievement of the special compliance assistance activities and to strive to complete them as planned.

Annex I

**PERCENTAGE OF TARGET ACHIEVED FOR
WEIGHTED INVESTMENT PROJECT PERFORMANCE BY AGENCY
(1996-2007)**

UNDP	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ODS phased out	24%	93%	100%	76%	41%	99%	92%	100%	79%	91%	85%	100%
Funds disbursed	59%	100%	95%	90%	100%	95%	77%	64%	100%	96%	66%	76%
Project completion reports				38%	93%	86%	87%	100%	97%	79%	30%	82%
Distribution among countries				65%	61%	63%	58%	38%	72%	44%	75%	64%
Value of projects approved	100%	100%		100%	80%	100%	99%	65%	73%	82%	83%	77%
ODS to be phased out	74%	100%		100%	92%	96%	77%	44%	89%	70%	100%	100%
Cost of project preparation (% of approvals)		4.4	3	2.7	2.7	1.1	2.54	1.6	3.61	1.44	0.54	3.58
Cost-effectiveness (\$/kg)		6.1	6.3	9.14	6.74	8.3	10.35	7.1	6.27	8.24	4.99	5.76
Speed of first disbursement (months)		13	13	12	13	12.84	12.8	12.8	12.91	12.9	13.0	13.1
Speed of completion (months)	24	29	29.5	32	33	33.6	32.7	32.4	32.41	32.9	33.6	33.9
Net emissions due to delays (ODP tonnes)				8,995	11,350	11,727	9,023	6,466	3,607	4,538	6,619	2,674
UNIDO	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ODS phased out	73%	80%	100%	57%	70%	100%	100%	88%	100%	99%	100%	100%
Funds disbursed	81%	88%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Project completion reports				83%	66%	100%	100%	100%	100%	100%	100%	100%
Distribution among countries				83%	74%	89%	73%	78%	67%	79%	69%	75%
Value of projects approved	99%	99%		100%	93%	99%	97%	68%	82%	100%	100%	92%
ODS to be phased out	42%	85%		100%	72%	100%	100%	37%	89%	100%	47%	91%
Cost of project preparation (% of approvals)		2.2	4.2	2.7	3.8	2.73	3.28	3.64	2.01	0.86	1.83	2.09
Cost-effectiveness (\$/kg)		6.11	6.27	7.78	6.71	5.67	7.28	9.79	3.58	3.10	7.13	6.51
Speed of first disbursement (months)		10	9	8	9	9.29	9.16	9.2	9.06	8.97	9.0	8.9
Speed of completion (months)	20	24	28	26	29	29.85	30.89	31.7	32.35	32.98	33.2	33.5
Net emissions due to delays (ODP tonnes)				4,667	5,899	5,727	5,960	3,503	13,035	1,481	3,864	4,470
World Bank	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ODS phased out	32%	94%	100%	100%	100%	100%	100%	84%	100%	69%	31%	84%
Funds disbursed	64%	77%	88%	97%	100%	74%	100%	100%	73%	100%	100%	100%
Project completion reports				61%	98%	74%	100%	84%	84%	100%	84%	74%
Distribution among countries				75%	79%	67%	79%	65%	71%	93%	79%	92%
Value of projects approved	94%	87%		100%	75%	92%	100%	82%	94%	83%	87%	83%
ODS to be phased out	34%	100%		100%	83%	72%	91%	65%	59%	100%	66%	93%
Cost of project preparation (% of approvals)		2.9	2.7	2.9	5.5	1.26	0.43	0.64	0.16	0.39	0.4	0.02
Cost-effectiveness (\$/kg)		3.6	1.9	2.83	2.96	3.85	4.57	6.12	3.74	1.04	3.33	3.29
Speed of first disbursement (months)		26	26	25	25	25.33	26.28	26	26.02	25.7	25.3	25.0
Speed of completion (months)	37	34	40	37	39	40.09	41.35	41	40.88	40.7	40.3	40.2
Net emissions due to delays (ODP tonnes)				7,352	16,608	21,539	22,324	18,021	8,338	4,843	5,674	2,316

Annex II

**PERCENTAGE OF TARGET ACHIEVED FOR FUNDS DISBURSED, SPEED OF
FIRST DISBURSEMENT AND PROJECT COMPLETION FOR
NON-INVESTMENT PROJECT PERFORMANCE BY AGENCY
(1997-2007)**

UNDP	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Funds Disbursed	100%	98%	100%	100%	93%	61%	100%	100%	100%	92%	100%
Speed until first disbursement (months)	12	6	11	11.29	12	11.4	11	11.44	11.5	11.8	11.7
Speed until project completion (months)	31	24	33	34.16	36	34.7	35	35.36	35.4	36.6	37.3
UNEP	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Funds Disbursed	49%	100%	100%	100%	93%	93%	99%	54%	54%	51%	49%
Speed until first disbursement (months)	5	3	5	6.33	6.87	7.3	7.6	8.49	8.4	8.4	8.7
Speed until project completion (months)	20	15	25	27.9	29.66	30.4	31	31.8	32.4	32.9	33.2
UNIDO	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Funds Disbursed	80%	100%	49%	100%	48%	89%	100%	100%	90%	80%	89%
Speed until first disbursement (months)	7	6.5	6	8	9.15	9.85	9.4	9.34	8.9	9.8	10.2
Speed until project completion (months)	24	11	29	31	33.66	33.84	33.7	33.89	31.9	33.1	33.0
World Bank	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Funds Disbursed	100%	49%	35%	27%	12%	38%	100%	79%	100%	57%	59%
Speed until first disbursement (months)	16	17	5	12	11.95	12.05	13.7	14.58	13.6	14.6	14.3
Speed until project completion (months)	28	32	26	30	29.24	28.85	30	30.39	31	31.5	31.1
