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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
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**EVALUATION OF THE IMPLEMENTATION OF THE 2001 BUSINESS PLANS**

## Introduction

1. Annual business plans contain the implementing agencies' targeted activities by country on what is planned to be implemented from already approved activities and new activities to be submitted for approval during the year of the plan. At the second meeting of the following year, the performance of the business plans is evaluated. This document presents the evaluation of the 2001 business plans of the implementing agencies. It also addresses the possibility of a new performance indicator and concludes with the Secretariat's observations and recommendations.

2. The evaluation is based on:

- (a) the performance indicators adopted by the Executive Committee at its 22<sup>nd</sup> 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 2001 business plans of the implementing agencies (UNEP/OzL.Pro/ExCom/33/10 through 13); and
- (c) the implementing agencies' progress and financial reports submitted to the 37<sup>th</sup> Meeting of the Executive Committee.

## **INVESTMENT PROJECTS**

### **Agency targets and achievements**

3. The performance of the implementing agencies during the 2001 business plan period is assessed against the targets that were set in their business plans or by targets determined by Executive Committee decision.

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 six of 11 targets (55 per cent), the remaining five being partially achieved (however, as noted below, UNIDO determined that it met nine of its 11 targets); and
- (c) The World Bank fully achieved one of 11 targets (9 per cent), the remaining ten being partially achieved.

### Implementation performance indicators

#### ODS phase-out:

6. Implementing agencies phased out 12,591 ODP tonnes of ODS consumption in 2001. Decision 33/4 set a phase-out target of 13,926 ODP tonnes for the Multilateral Fund. This target was not achieved as no agency achieved its phase-out target. UNDP was 3 ODP tonnes below its target; UNIDO about 182 ODP tonnes below its target; and the World Bank 1,150 ODP tonnes below its target.

#### Disbursement:

7. Decision 33/4 also set a disbursement target of US \$118 million for the year 2001 for the Multilateral Fund. Implementing agencies disbursed US \$101,305,066 in 2001. Subsequently, the Fund did not achieve its disbursement target. While UNIDO disbursed about US \$3.2 million over its target, UNDP and the World Bank disbursed US \$1.6 million and US \$14.3 million below their targets, respectively.

8. The speed of first disbursement and completion are based on cumulative figures, and thus they are not expected to change much from year to year as more projects are implemented. Although UNDP achieved both of its speed of delivery targets, UNIDO achieved the speed of completion target but not first disbursement, and the World Bank did not achieve either of its speed of delivery targets.

#### ODS emissions:

9. The net ODS emission due to project delays is an indicator that is intended to measure the impact of current project implementation delays on additional emissions of ODS. Projects with implementation delays contributed to an additional 45,578 ODP tonnes in emissions in 2001 that would not have occurred if the projects were completed on time. UNDP and UNIDO reduced the level of emissions due to delays and both achieved their targets. The World Bank's target was to have net reductions in emission due to the early completion of projects, however, the delay in World Bank projects in 2001 contributed to an additional 25,257 ODP tonnes in emissions of ODS and the Bank did not achieve its target.

Planned approval performance indicators

10. Concerning the target for the value of projects approved from the 2001 business plans, UNDP achieved its target and UNIDO achieved all but US \$176,010 of its target. The World Bank delivered a 2001 programme valued at US \$4,080,962 below its target.

11. The assessment of the performance indicator ODP to be phased out from approved projects shows that UNIDO achieved its target and UNDP achieved all but 162 tonnes of its target. The World Bank had projects approved to phase out 4,477 ODP tonnes below its target.

12. The weighted performance indicator Distribution among Countries shows none of the agencies delivered projects to as many countries as they had planned. This indicator is intended to ensure that the countries included in the business plan receive projects. This indicator does not reward an agency for the number of countries it includes in its business plan although both UNDP and UNIDO had projects in more countries than the World Bank: UNDP had projects approved in 22 out of the 35 countries it planned to receive projects in 2001; UNIDO had projects in 24 out of the 27 countries planned; and the World Bank had projects in 10 out of the 15 countries planned. This indicator does however reward agencies that achieve their target. UNDP achieved 63 per cent of its target; UNIDO, 89 per cent; and the World Bank, 67 per cent.

13. Cost of project preparation is an indicator that has generally amounted to about 3 per cent of the costs of approved projects. However, the targets set by the agencies varied from 2.1 per cent for UNIDO and 2.7 per cent for UNDP to 3.64 per cent for the World Bank. UNIDO did not achieve its target although it had the most difficult target to achieve. Nevertheless, the cost of UNIDO project preparation was almost threefold higher as a percentage of project value approved than that of UNDP and the World Bank.

Table 1

**2001 BUSINESS PLAN INVESTMENT PROJECT TARGETS, ACHIEVEMENT, AND PERCENTAGE OF TARGET ACHIEVED,  
AND NUMBER OF TARGETS ACHIEVED**

Weighted indicators												
ITEM	UNDP				UNIDO				World Bank*			
	Target	Agency Achievement	Calculated Achievement	Meet Target	Target	Agency Achievement	Calculated Achievement	Meet Target	Target	Agency Achievement	Calculated Achievement	Meet Target
ODP phased out	6,000	5,997	5,997	No	2,416.5	2,480	2,241.1	No	5,510	N/P	4,360	No
Funds disbursed	\$35,000,000 (excl. support cost)	\$33,360,000 (excl. support cost)	\$33,358,056 (excl. support cost)	No	\$24,455,000	\$27,671,558 (excl. support cost)	\$27,671,558 (excl. support cost)	Yes	\$54,520,000	N/P	\$40,175,452 (excl. support cost)	No
Project completion reports	100%	86.16%	86.16%	No	100%	100%	100%	Yes	100%	N/P	74%	No
Distribution among countries	35	22	22	No	27	24	24	No	15	N/P	10	No
Non-weighted indicators												
ITEM	UNDP				UNIDO				World Bank			
	Target	Agency Achievement	Calculated Achievement	Meet Target	Target	Agency Achievement	Calculated Achievement	Meet Target	Target	Agency Achievement	Calculated Achievement	Meet Target
Value of projects approved	\$38,779,440	\$40,533,068	\$40,533,068	Yes	\$28,612,173 (excl. support cost)	\$29,091,813	\$28,436,163 (excl. support cost)	No	\$52,220,000	N/P	48,139,038	No
ODP to be phased out	4,514	4,330	4,352	No**	3,684.7	4,214.8	4,645.8	Yes	15,933	N/P	11,456	No
Cost of project preparation	2.7%	1.1%	1.1%	Yes	2.1%	1.7%	2.73%	No	3.64%	1.37%	1.26%	Yes
Cost-effectiveness	\$7.60	\$8.3	\$8.3	No	\$7.51 excl. Mebr \$7.76 incl. Mebr	\$6.45 excl. Mebr \$6.9 incl. Mebr	\$5.67 excl. Mebr \$6.12 incl. Mebr	Yes	\$3.57	N/P	\$3.85 (excl. support cost)	No
Speed of first disbursement	14 months	12.84 months	12.84 months	Yes	9 months	9.22 months	9.29 months	No	25 months	N/P	25.33 months	No
Speed of completion	36 months	33.4 months	33.6 months	Yes	36 months (incl MeBr projects)	27.94 months	29.85 months	Yes	38 months	N/P	40.09 months	No
Net emission due to delays	27,612	12,834	14,381	Yes	14,100	N/P	5,940	Yes	(1,600)	15,300	25,257	No
Number of targets achieved				5/11				6/11				1/11

\* World Bank progress report data that was corrected in 2001 was also corrected in its 2000 progress report data for the purposes of this evaluation.

\*\* The impact from cancelled projects was not included in the evaluation.

14. Implementing agencies calculated different achievements for some performance indicators than the Secretariat. The achievement indicated by the agencies and as calculated by the Secretariat are both presented. 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 and previous years' evaluations. The assessments are based on the Secretariat's calculations for consistency.

### Assessment

15. The Executive Committee determined the relative importance of the indicators at its 26<sup>th</sup> Meeting (Decision 26/4) 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).

16. Table 2 is based on applying the percentage of the performance target achieved times the relative weighting.

Table 2

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

Agency/ Performance Indicator	UNDP			UNIDO			World Bank		
	Percentage of Target Achieved	Weight -ing	Points	Percentage of Target Achieved	Weight -ing	Points	Percentage of Target Achieved	Weight -ing	Points
ODP phased out	99%	40	39	93%	40	37	79%	40	32
Funds disbursed	95%	30	29	100%	30	30	74%	30	22
Project completion reports	86%	20	17	100%	20	20	74%	20	15
Distribution among countries	63%	10	6	89%	10	9	67%	10	7
<b>Assessment</b>			<b>91</b>			<b>96</b>			<b>76</b>

17. UNIDO exceeded two of the four weighted investment project performance targets. The overall assessment is as follows: UNDP (91), UNIDO (96), and the World Bank (76).

## NON-INVESTMENT PROJECTS

18. 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 UNEP's specific mandate per Decision 26/6 and then addresses the targets and the achievements common to all agencies followed by an assessment based on the weightings adopted by the Executive Committee at its 26<sup>th</sup> Meeting.

## UNEP

19. At its last meeting of 2001, the Executive Committee approved UNEP's Compliance Assistance Programme. Since this programme was only approved in December 2001, the impact of the programme is not assessed in this evaluation.

20. 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 performance indicators set out in its business plan (Decision 26/6). At its 33<sup>rd</sup> Meeting, the Committee adopted UNEP's targets for six indicators (Decision 33/7(c)). UNEP assessed its performance against two of these six indicators in its progress report as shown in Table 3.

Table 3

### UNEP-SPECIFIC NON-INVESTMENT PERFORMANCE INDICATORS FOR ITS 2001 BUSINESS PLAN

Item	Targets	Achievement
Number of newsletters	3 newsletters	4 newsletters
Number of joint/regional activities which Network members are involved	2 per region	8 back-to-back workshops (5 on public awareness)
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	Not provided.
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	Not provided.

21. UNEP did not mention its achievements against the following three targets for the third consecutive year: (1) improvement 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, (2) the extent to which UNEP's activities were used in the adoption and adjustment of ODS phase-out strategies by Network countries, and (3) the extent to which agencies and the Secretariat participate in networks. It should be noted that UNEP proposed these indicators to the Executive Committee to address the uniqueness of its programme vis-à-vis the other agencies investment programmes.

22. The Executive Committee may wish to consider a report on these indicators at its 37<sup>th</sup> Meeting from UNEP.

### **Agency Targets and Achievements**

23. The Executive Committee established six performance indicators to measure the performance of all of the implementing agencies on non-investment projects (Decision 26/5).

24. 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 completion), the lower amounts represent better performance.

25. 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 fully achieved four of the six targets (67 per cent);
- (b) UNIDO fully achieved three of the six targets (50 per cent); and
- (c) The World Bank fully achieved two of the six targets (33 per cent); and
- (d) UNEP fully achieved one of the six targets (17 per cent).



Table 4

**2001 BUSINESS PLAN NON-INVESTMENT PROJECT TARGETS AND ACHIEVEMENTS  
(ALL AGENCIES)**

AGENCY	UNDP			UNEP			UNIDO			WORLD BANK		
ITEM	Target	Actual	Per cent	Target	Actual	Per cent	Target	Actual	Per cent	Target	Actual	Per cent
<b>Weighted Indicators</b>												
Number of Projects Completed	11	8	73%	60% of projects approved	62%	100%	3	3	100%	9	1	11%
Funds Disbursed (US\$)	\$1,817,664 (excl. support cost)	\$1,684,702	93%	73% of projects approved	68%	93%	\$971,000	461,385	48%	\$2,300,000	\$281,715 (assumed 13% support cost)	12%
Speed until first disbursement	12 months	10.5 months	100%	6 months	6.87 months	86%	8 months	9.15 months	86%	19 months	11.95 months	100%
Speed until project completion	36 months	35.1 months	100%	17 months	29.66 months	26%	24 months	33.66 months	60%	24 months	29.24 months	78%
<b>Non-weighted indicators</b>												
Policies initiated from non-investment activities	5 countries	8 countries	100%	10 countries	N/p	N/p	At least one country	Policies in 2 –4 countries	100%	2 countries	2 countries	100%
Reduction in ODP from non-investment activities	30 ODP tonnes	125 tonnes	100%	40 ODP tonnes	N/p	N/p	At least one country	65 tonnes	100%	5 ODP tonnes	0 tonne	0%
Number of Targets Achieved			4/6			1/6			3/6			2/6

N/P – Not provided.

26. 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).

### Assessment

27. 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	73%	40	29	100%	40	40	100%	40	40	11%	40	4
Funds disbursed	93%	30	28	93%	30	28	48%	30	14	12%	30	4
Speed of first disbursement	100%	15	15	86%	13	14	86%	15	13	100%	15	15
Speed of project completion	100%	15	15	26%	15	4	60%	15	9	78%	15	12
<b>Overall assessment</b>			<b>87</b>			<b>86</b>			<b>76</b>			<b>35</b>

28. UNDP exceeded two of the four weighted non-investment targets, and UNEP, UNIDO and the World Bank each exceeded one of them. The overall assessment is as follows: UNDP (87), UNEP (86), UNIDO (76), and the World Bank (35).

**PERFORMANCE INDICATOR FOR TIMELY FINANCIAL COMPLETION**

29. Decision 36/4(d) requested the Sub-Committee on Monitoring, Evaluation and Finance to consider the possibility of a new performance indicator for the timely financial completion of projects at its 17th Meeting. Decision 28/7 requires that projects should be financially completed 12 months after the projects are classified as completed per Decision 28/2. If the financial records are not closed within this period, the Executive Committee requires a report to each meeting under the agenda item Completed Projects with Balances.

30. To ensure that balances are returned in a timely fashion, the Executive Committee may need to take a different approach that might be more effective than the reporting requirements or a business plan indicator. The Executive Committee may wish to consider withholding the transfer of funds amounting to the balances from projects completed more than 24 months previously. Such a decision would afford an additional year for financial departments to complete their bookkeeping while ensuring a more timely return of resources to the Multilateral Fund.

## SECRETARIAT'S OBSERVATIONS AND RECOMMENDATIONS

### Observations

31. At its 33<sup>rd</sup> Meeting, the Executive Committee adopted disbursement and phase-out targets for the year 2001 for the Multilateral Fund (Decision 33/4). The overall performance of the Multilateral Fund was below that targeted because neither the disbursement nor the ODP phase-out target was achieved.

32. On an agency basis for investment activities, there was a mixed performance because although both UNIDO (96 points) and UNDP's (91 points) weighted performance was above 90 per cent, UNIDO achieved 6 of its 11 targets and UNDP achieved 5 of its 11 targets. Whilst the World Bank's weighted performance was 76 of 100 points, it fully achieved 1 of its 11 targets and its project implementation delays resulted in 25,257 ODP tonnes of emissions.

33. There was also mixed performance by the agencies in the implementation of non-investment projects. UNDP's weighted performance for non-investment projects was 87 of 100 points and it achieved 4 of its 6 targets, but it completed 3 fewer projects than it planned. UNIDO had a limited number of non-investment activities in 2001 as they completed the 3 planned for completion but achieved 3 of its 6 targets. The World Bank completed 1 of the 9 projects it planned to complete in 2001 and achieved 1 of its 6 non-investment targets.

34. UNEP's non-investment programme was much larger than the non-investment programmes of the other agencies. Although UNEP completed more projects than it targeted, its overall rate of disbursement fell to 68 per cent of approved funds when it had targeted a rate of disbursement of 73 per cent. UNEP's speed of project completion was over 12 months longer than its target of 17 months. It achieved 1 of its 6 targets.

### New performance indicators approved in 2001

35. The Executive Committee approved two new performance indicators after it approved the performance targets for the 2001 business plans. Implementing agencies therefore did not provide targets for the non-weighted indicator for the number of investment projects to be completed in the year of the business plan (Decision 35/14(e)). Therefore this target was not assessed.

36. Decision 34/4(d) added a new performance indicator for the timely submission of progress reports. The target for this indicator was defined in Decision 36/5(e) as 5 points for submission of the report on time and 5 points for submission of revision and responses to questions within five working days after receipt of comments. Although not assessed, the Secretariat would note that implementing agencies provided submissions on time as mutually agreed.

## **Recommendations**

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

1. Note the evaluation of the implementing agencies' performance against their 2001 business plans as contained in UNEP/OzL.Pro/ExCom/37/17.
2. Note UNEP's performance against indicators unique to UNEP's specific mandate.
3. Decide to withhold funds amounting to balances from projects completed over 24 months previously.

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