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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fortieth Meeting
Montreal, 16 -18 July 2003

PERFORMANCE INDICATORS (DECISION 38/69)

Background

1. At its 32nd Meeting, the Executive Committee recognised the need to change the current performance indicators, requesting “the Secretariat, in co-operation with the implementing agencies and Article 5 countries, to begin to examine and formulate new indicators consistent with the Executive Committee’s efforts to develop a strategic plan which incorporates a country-driven approach and submit a report to a future meeting” (Decision 32/7).
2. At its 38th Meeting, the Executive Committee decided to request the Secretariat in cooperation with the implementing agencies and Article 5 countries to prepare a set of performance indicators for the compliance period in the light of the model three-year phase-out plan and taking into consideration the discussion during the meeting on performance indicators (Decision 38/69a).
3. Implementing agencies did not provide any input to the development of this paper. Despite several requests, UNEP did not provide the results of a study sponsored by Finland to develop performance indicators for non-investment projects. However, comments from Executive Committee members at the 38th Meeting were taken into account.
4. This paper is presented as a concept paper for further consideration of the issue by the Executive Committee.

Measuring performance during the compliance period

5. The main consideration for developing performance indicators is what they are intended to measure: the performance of the country, the overall global performance of the agency, or the assistance an agency provides towards enabling a country to achieve compliance through the implementation of approved projects and other measures.
6. The performance of the country is assessed based on the data they report to the Parties on achieving the control measures, which is beyond the mandate of this paper.
7. The existing performance indicators (see Annex I) attempt to measure the performance of the implementing agencies in achieving their respective business plan targets including project approval and implementation. Since almost all the activities in the 2003 business plan are based on compliance needs, the timely submission for approval of all eligible activities in the business plans is essential. To best allocate limited resources to achieve defined phase-out targets, the values provided in business plans for the costs of activities and the ODP to be achieved should be carefully considered. The existing performance indicators accurately measure project approval targets as well as administrative targets.
8. However, during the compliance period, the implementation of approved but unimplemented projects including multi-year agreements on a country basis is critical. The extent to which agencies assist countries in their compliance effort can be measured through annual progress reports and the progress reports for multi-year agreements.

9. Progress reports include planned completion dates by project and projects milestones that were achieved and those planned for the future. Since the data is provided on an individual project/agreement basis, the data can be compiled on a country basis as was provided in the Secretariat's comments on this year's progress reports.

10. Moreover, assessments using business plan targets and progress report targets yield different results. Based on targets proposed by agencies on a global basis in their business plans, agencies¹ achieved over 100 per cent of their targets for number of projects completed (110 per cent), funds disbursed for projects (105 per cent), and ODS phased out (148 per cent) based on the evaluation of their business plans (UNEP/OzL.Pro/ExCom/40/20, based on Tables 1 and 4). However, based on planned completion dates and estimated disbursement indicated by project in the 2001 progress reports compared to the actual performance in the 2002 progress reports, agencies achieved 44 per cent of the projects they planned to complete, 87 per cent of funds disbursed, and 54 per cent of ODP phased out based on their progress reports (UNEP/OzL.Pro/ExCom/40/13, Annex I).

11. It should be noted that there are 535 investment projects including 33 multi-year agreements, and 483 non-investment projects that are still under implementation. These projects are expected to phase-out some 140,000 ODP tonnes as at the beginning of this triennium.

Observations

12. The Executive Committee approved at its 39th Meeting the performance indicators for 2003, which are the same as those that have been in use previously. Although these indicators continue to enable an assessment of the agencies' performance on a global basis, they might not reflect reality on a project or country basis as indicated in paragraph 10 above.

13. For this reason, a comparison between the last two progress reports' planned and actual achievements may best enable an evaluation of performance of the implementing agencies in implementing activities to assist countries in their efforts to achieve compliance.

14. It has been suggested that Article 5 countries might assess the performance of implementing agencies in assisting them achieve compliance. Additional consideration should be given to determine the best modalities for such assessment in light of the fact that there are over 130 Article 5 countries that would need to be consulted.

15. Another issue considered in previous discussion of performance indicators is the consequence of not achieving performance targets. There have not been any consequences to business plan evaluations with the exception of a slight reduction in the funding shares of the implementing agencies following the evaluation of the 1997 business plans (Decision 25/4), and sending letters to Article 5 countries and heads of implementing agencies on the comparative performance of the agencies following the evaluation of the 1999 business plans

¹ Excluding UNEP due to lack of data but UNEP indicated that it exceeded its target for project completions but achieved 93 per cent of its disbursement target.

(Decision 32/7b). The Executive Committee might continue to consider possible consequences on the basis of the annual evaluation of business plans and progress reports.

Recommendations

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

1. Note the document on performance indicators presented in UNEP/OzL.Pro/ExCom/40/21.
2. Request the implementing agencies to submit proposals for performance indicators to the Secretariat eight weeks prior to the 41st Meeting of the Executive Committee.
3. Request the Secretariat to prepare a paper based on the concepts outlined in UNEP/OzL.Pro/ExCom/40/21, comments provided by members of the Executive Committee during the 40th Meeting, and the input of the implementing agencies.

Annex I

EXISTING PERFORMANCE INDICATORS

Investment Performance Indicators

Category of Performance	Item	Weighting
Implementation	ODP phased out	40
Implementation	Funds disbursed	30
Approval	Distribution among countries	10
Administrative	Project completion reports	20
Administrative	Submission of progress reports	10
Implementation	Speed of first disbursement	
Implementation	Speed of completion	
Implementation	Project completion pursuant to Decision 28/2	
Implementation	Net emission due to delays	
Approval	Value of projects approved	
Approval	ODP to be phased out	
Approval	Cost of project preparation	
Approval	Cost-effectiveness	

Non-Investment Performance Indicators

	Item	Weighted
Implementation	Number of Projects Completed	50
Implementation	Funds Disbursed	30
Implementation	Speed until first disbursement	10
Implementation	Speed until project completion	10
Administrative	Submission of progress reports	10
Implementation	Policies initiated from non-investment activities	
Implementation	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
