

Stream 1 Guidelines for Resource Allocation

1. Background

1.1 Context

As part of its governance reform, IPPF is revising how it allocates unrestricted funding across the Federation. An Independent Resource Allocation Commission (IRAC) spent several months exploring strategies and conducting extensive stakeholder outreach, resulting in a commission report endorsed by the General Assembly (GA) and Governance Council (GC) in December 2019. Those recommendations included splitting unrestricted funding into three separate streams: at least 80% to Stream 1 for unrestricted core support, up to 15% to Stream 2 for a strategy fund, and up to 5% to Stream 3 for emergency response.

Building on those recommendations, IPPF sought to further develop guidelines for each of the proposed streams. It established a Resource Allocation Support Team (RAST), which selected Redstone Strategy Group as an independent entity to develop guidelines and a formula for Stream 1 funding to Member Associations (MAs) and to make recommendations on the process for approving Stream 1 budgets for the unified Secretariat.

These guidelines build on extensive consultation with the Federation. A survey was released to the Federation and generated over 220 responses (see summary of results in Appendix A). We also held 30 in-depth consultations with IPPF staff, MA directors, and stakeholders (see themes from MA interviews in Appendix B, and full list of consultations in Appendix C). Finally, we conducted desk research on the allocation processes at other organizations (e.g., the Global Fund, GAVI).

1.2 Principles

Several principles inform the design of the new allocation process. These principles were mentioned in the IRAC report and reinforced in interviews with MAs and in the survey. They are listed in relative rank order based on the survey:

- **Transparent:** Members should understand why they received the amount of funding they did through a process that all can understand and access.
- **Contextualized:** The process should be based on objective universal criteria while also reflecting local contexts, needs, and member activities.
- **Impactful:** The process should direct resources to where they can best advance IPPF's goals, such as MAs with highest potential to perform and deliver results.
- **Inclusive:** The process should not penalize smaller or still developing MAs, or those serving more marginalized communities.
- **Predictable:** Members should be able to make multi-year plans based on stable funding and should not have steep year-to-year funding shifts.

The proposal below incorporates these principles, noting where there are tradeoffs between them that need to be addressed.

2. The allocation process

2.1 Overview

As per IRAC recommendations, the allocation for Stream 1 will involve both a formula for setting intended unrestricted core funding allocations and an MA budget planning and approval process to identify the intended use of the unrestricted core and other funds.

Once fully implemented, the allocation and planning process will occur every three years. The timing of these three-year cycles will align with IPPF's six-year strategic plans, with the first three-year cycle occurring in 2022 to guide 2023-2025 budgets. Processes for 2021 and 2022 budgeting are described in section 4 "The roll-out and review timeline."

2.2 MA eligibility

MAs in low income, lower-middle, and upper-middle income countries will be eligible to apply. In line with the GA resolution from New Delhi, MAs in high-income countries will not be eligible for Stream 1; IPPF will seek to secure other resources to support vulnerable and marginalized populations in those countries (e.g., via Stream 2, restricted grants).

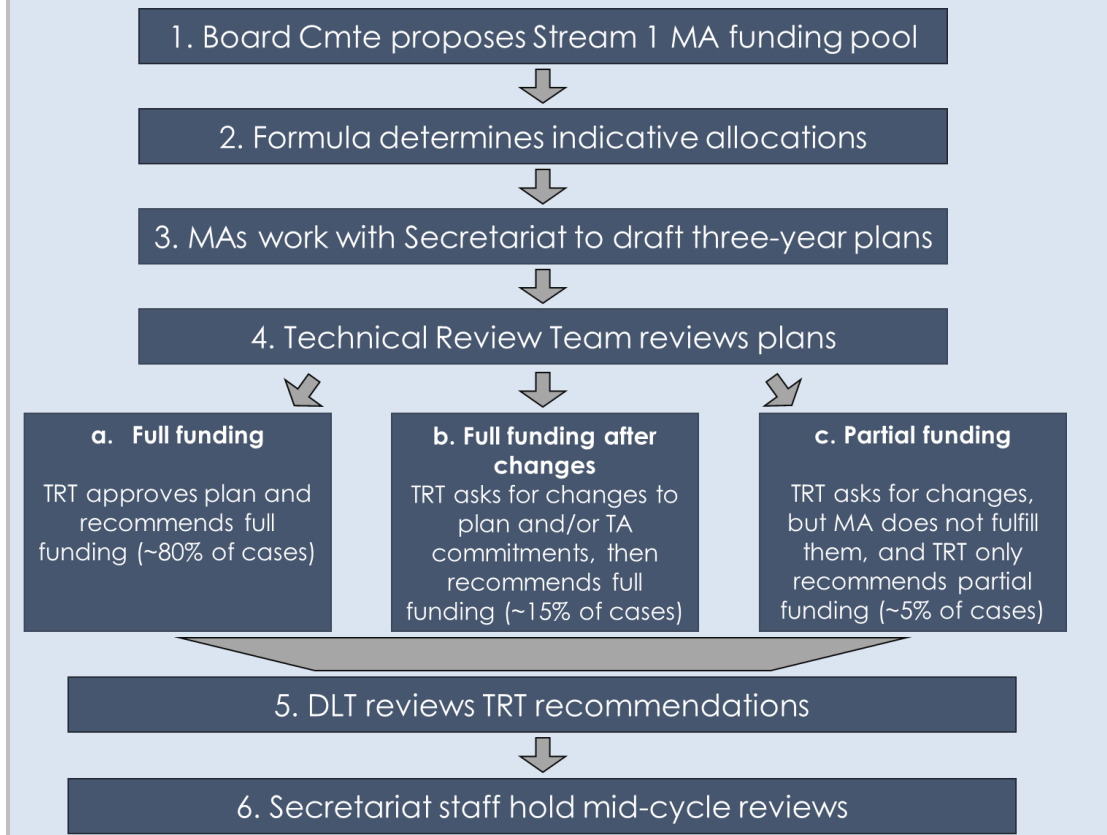
Collaborative Partners will also be ineligible for Stream 1.

These eligibility changes will not take effect immediately. High-income countries that received core grants in prior years will remain eligible for 2021 funding. Collaborative Partners that previously received grants will remain eligible for 2021 and 2022 to give time to those interested and able to work towards getting accredited.

2.3 Funding application & approval process

The allocation process will unfold as follows every three years (and as shown in Figure 1):

Figure 1
The three-year allocation process



- 1. A Board Committee proposes Stream 1 MA funding pool:** The Board Committee overseeing allocation decisions will recommend the percent of unrestricted funds to go to Stream 1 (at least 80%) and how Stream 1 funds will be split between MAs and the Secretariat. It will also review the formula and these splits periodically to ensure they are still serving IPPF’s needs, and make any tweaks needed between cycles (e.g., adjusting the formula to give greater weight to MA performance). It will pass its recommendations to the full Board for approval.
- 2. The formula determines indicative allocations:** A formula will determine the maximum funding for which each MA is eligible. MAs will be notified of this amount so they can craft plans to maximize value of the available funding.
- 3. MAs work with Secretariat staff to develop three-year plans:** Regionally focused Secretariat staff will support MAs in drafting and refining their three-year plans. This will include reviewing drafts and suggesting substantive changes to strengthen the plans. Further, these Secretariat staff will be invited to submit comments, endorsements, or concerns about the plans to the TRT. To ensure transparency, these comments would be visible to the relevant MA.
- 4. The Technical Review Team (TRT) reviews the plans and makes funding recommendations:** The TRT will evaluate whether plans are technically sound, reflect IPPF priorities, and include appropriate targets. It will also review MAs’ report on progress against IPPF’s standard results indicators in the context of its prior year’s budget. The aim of these reviews is

to support MAs in identifying growth areas, not to penalize them for shortcomings. The TRT's internal operations are described in more detail in section 3, "Technical Review Team review process".

Based on the TRT's review, applications will receive one of three results. All results and their rationales will be documented and shared with the MA for transparency:

- a. Full funding recommendation:** TRT approves the plan, and full funding is recommended. Most applications can be reviewed quickly, particularly those under \$200K, with little feedback or further review required (~75-80% of MAs)
- b. Full funding after changes or commitments:** TRT requests that the MA adjusts the plan and accept technical assistance. Assuming the MA agrees to these requests and documents them in its plan, the TRT will recommend full funding. After one year, regionally focused Secretariat staff will evaluate whether MAs have implemented the requested changes. MAs will only retain full funding in subsequent years if they have implemented the requested changes. (~10-15% of MAs are expected to get initial approval contingent on changes or assistance)
- c. Partial funding recommendation:** In a handful of cases, an MA might not agree or be able to make the changes that the TRT recommends. In these cases, the TRT will recommend a reduced funding amount and will document its rationale and share it with the MA. The TRT is expected to reduce funding to address weak or ineffective program plans, not issues of fraud or compliance, which are better addressed through the membership process. If the MA makes significant changes during the cycle (e.g., new program plan with new leadership), it could re-apply for full funding. (~5-10% of MAs will be given partial funding)

5. The Director's Leadership Team (DLT) reviews the TRT's

recommendations: The TRT will pass its recommendations to the DLT. The DLT is largely expected to support the TRT's proposed allocations, since Secretariat staff will have provided input through the TRT. The DLT review will focus on portfolio-wide questions. It will only make country-specific adjustments in extenuating circumstances (and in such cases, it will document its rationale to ensure transparency). Following DLT approval, MAs will be notified of their funding.

All MAs will be able to view final grant amounts for all other MAs but will only see any reductions and rationales for their own grants.

6. Secretariat staff hold mid-cycle reviews and flag major issues for TRT

review. Regionally focused Secretariat staff will have formal check-ins with MAs at one-year increments. They will evaluate how MAs are doing relative to their plans using written materials the MAs already compile for IPPF (e.g., annual performance metrics, budget updates), and with consideration of MA and country context. These mid-cycle reviews should add minimal administrative burden for MA and Secretariat staff. However, they will provide a structured opportunity for Secretariat staff to ensure MAs are on track and identify any areas where MAs need further support.

In most cases, MAs will be found to be on track, or will require modest guidance to course correct. In rare cases, if the MA is not implementing its plan faithfully or effectively, this might warrant a grant reduction for subsequent years. In such cases, Secretariat staff will bring this to the attention of a TRT subcommittee (which will only deal with plan quality and implementation, not issues of fraud or membership standing). That subcommittee will pass along its recommendations to the DLT, who will determine whether to reduce funding for the remainder of the cycle. The rationale for any reduction will be documented.

The process above incorporates best practices from other organizations as identified by IRAC, such as UNDP's three-stream system with one stream for core funding and the Global Fund's combination of a formula and an application reviewed by a technical committee.

3. Technical Review Team review process

3.1 Overview

The TRT aims to minimize bureaucracy while identifying and supporting any MAs that have challenges to address. Since regionally focused Secretariat staff will help MAs draft and revise strong plans, most applications should get approved by the TRT without any changes. The TRT review is designed to evaluate an MA's organization-wide program and budget, not just its plans for the core funding. To that end, the program and budget MAs submit will reflect organization-wide activities and funding.

When the TRT identifies MAs with significant challenges, its primary orientation will be towards helping the MA find a successful path forward – not penalizing it for its gaps. To this end, we expect that most challenges the TRT identifies will be solved through mutually agreeable adjustments to plans and technical assistance, leaning on regional secretariat staff for support where necessary. Grant reductions will be considered an action of last resort.

Since the TRT's role is to evaluate MA plans, it can only propose reductions from the formula amount if a plan has gaps. It cannot propose increases for strong plans since the amount the formula proposes assumes an MA has a strong plan. Additionally, since the formula will allocate all available Stream 1 funding, any further increases would come at the expense of funding to other MAs.

The TRT will aim to operate efficiently using the knowledge within IPPF, while ensuring objectivity. This builds on feedback from the survey, MA interviews, and donor consultations to ensure the process is as objective as possible.

3.2. TRT composition and governance

The TRT will include 12 Secretariat staff (at least four of whom do not have a regional focus), and four external SRHR experts. The TRT will report to the DLT for all day to day matters and will send its recommendations to the DLT for review. However, the TRT will also be accountable to the Board committee for its high-level operations. In practice, this might involve the Board committee asking for a learning report on trends observed in the business plans or asking to review a sample of decisions to ensure objectivity. However, the Board committee is not otherwise expected to review the details of country by country decisions or other TRT operations.

One of the external experts will chair the TRT. The chair will assign which reviewers receive which applications, and which experts sit on any sub-committees. Other than that, the chair will not have additional authority or voting power.

The TRT will also review Stream 2 funding applications to ensure allocations are coordinated across the two streams.

3.3 Review process

For each MA application received, the TRT will carry out the following steps:

- 1.** Each application will receive an initial review.
 - Grants under \$200K: Initial review by one Secretariat reviewer who does not focus on the MA's region
 - Grants of \$200K or over: Initial review by two Secretariat reviewers – one who specializes in that region, and one who does not
- 2.** The initial reviewer(s) will use a structured rubric to review applications, which will require ratings on defined criteria. At the end of the rubric, each reviewer will say if the application should receive either (a) full funding, (b) full funding pending changes/commitments, or (c) reduced funds.
 - Grants under \$200K: If the reviewer sees no major issues with the application, it will not require further review. If the reviewer thinks the plan requires changes or reduced funding, a second reviewer will join, and they will follow the steps outlined just below for grants of \$200K or over.
 - Grants of \$200K or over (or smaller grants where the first reviewer flagged issues):
 - If the two reviewers agree on the outcome, it will not require further review.
 - If the reviewers agree the plan needs modifications or commitments, they will work with the MA and regionally focused Secretariat staff to make the necessary changes. They will then pass along a recommendation on whether the modified plan deserves full funding or not.
 - If the reviewers disagree on their assessment of the original or modified plans, one of the external experts will join and break the tie on how to proceed.
- 3.** Once all applications have been reviewed by their initial reviewer(s), some subset of the decisions will be reviewed by a broader group. Specifically:
 - The four external experts, as a group, will review all funding reductions. This will ensure that reductions are made consistently across reviewers. It will also give the decision more credibility so that if MAs challenges it, there has been external review. There should be a small number of plans and should not result in further adjustments.
 - If necessary, a sub-committee of five individuals (with at least two external representatives) will review any particularly tricky cases. These will include any decisions that a prior reviewer asks to be reconsidered, or any cases the external experts flag for additional review (e.g.,

reductions that seemed too severe, plans that received too little scrutiny, or countries with particularly large grants). Decisions will require a majority vote of the sub-committee.

3.4 Extent of shifts from formula amounts

To ensure the formula retains a central role in allocations, the TRT will be asked to not reduce grants for more than 15% of MAs.

For each MA, the reduction in grant amount will rarely exceed 20% of the proposed amount; however, in extenuating circumstances the TRT can notify the DLT that it feels a larger reduction is necessary and propose that reduction.

3.5 Unallocated funds

Leftover funds from reductions will be split between two uses:

- (1) redistribute proportionally across the entire portfolio, and
- (2) save for future Stream 1 needs that might arise (e.g., new MAs that join mid-cycle).

The DLT will decide the split between these two uses.

4. Variations by grant size

The TRT's processes will be tailored to the size of the grant to keep the level of effort for MAs and reviewers proportional to the grant size. Application materials will build off existing data MAs collect and report to the extent possible (e.g., IPPF Expected Results, objective, and outcomes, and PRISM fields). The process defines three tiers of grants, and notes how the process for each will differ across two dimensions – application materials and review process:

4.1 Application materials

- **Grants under \$200K:** Applications will be brief (e.g., 3-5 pages). They will cover organization-wide plans, including a brief background on country and MA context, program areas, high-level organization budget (income sources by category and expenses by activity area), investments across different outcome areas, and projected targets tied to IPPF Expected Results and the strategic framework. Application will only need to provide a general sense of how core funds will be used (e.g., staff, office costs), and will state the added value provided by these funds.
- **Grants between \$200K and \$500K:** These grants will require a slightly more detailed application (e.g., 5-7 pages) covering organization-wide plans. This will include the items above, as well as the implementation strategies used, and key challenges and plans for addressing them. Application will only need to provide a general sense of how core funds will be used (e.g., staff, office costs), and will state the added value provided by these funds.
- **Grants over \$500K:** These applications will require the same level of detail as grants over \$200K covering organization-wide plans. They will also require a detailed budget and activity plan to show how all or most core funds will be used (e.g., a specific CSE project) and speak to the added value of these funds.

4.2 Review process

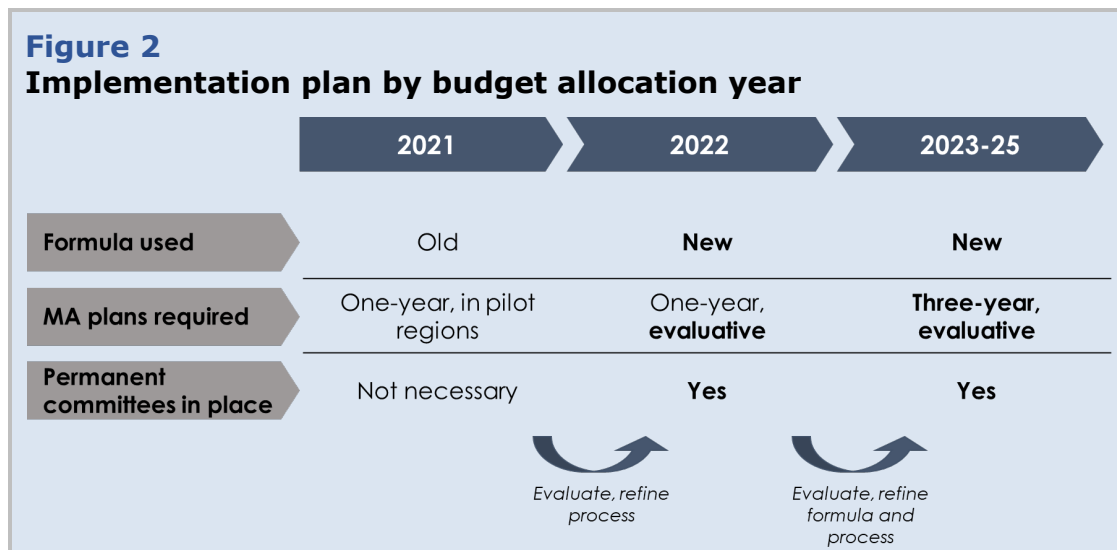
- **Grants under \$200K:** Initial review will only require one reviewer, not two. Reviewer will be encouraged to only ask for follow-up information on items that appear to be serious issues. In cases where IPPF provides over 75% of MA budget, reviewer will be encouraged to look more closely at MA plans to ensure they are reasonable.
- **Grants between \$200K and \$500K:** Initial review will require two reviewers. Reviewers will focus on identifying plans or MAs that have significant issues, not asking strong MAs to fine tune plans or provide additional clarifications. Reviewers will be reminded that 80% of plans are expected to be approved without modifications.
- **Grants over \$500K:** Reviewers will follow a similar process as for grants over \$200K. Reviewers can ask more specific questions (e.g., about integration of services), and ask for more specific outcomes for core-funded activities given the larger grant size.

5. Implementation timeline

The new approach and formula will be rolled out in stages to ease the transition and help MAs and Federation staff gain comfort with it. Funding for 2021 and 2022 will happen in one-year cycles, and 2023-2025 will represent the first full three-year cycle. Figure 2 summarizes the implementation schedule over the next three years. The sections below outline those processes, and the timelines expected for each.

5.1 2021 allocation: new process (simplified) using old formula

The 2021 allocation, occurring in the second half of 2020, will be a first



opportunity to pilot the new process. Secretariat staff will use existing formulas and processes, including Performance Based Funding as currently applied, to determine MA allocations. However, the Secretariat **will not** hold back any of the MA funds for technical support or other uses.

In addition, select pilot regions (likely WHR and SAR) will require their MAs to submit business plans, which will be reviewed as part of the allocation process. This will allow some MAs and Secretariat staff to gain experience with the new

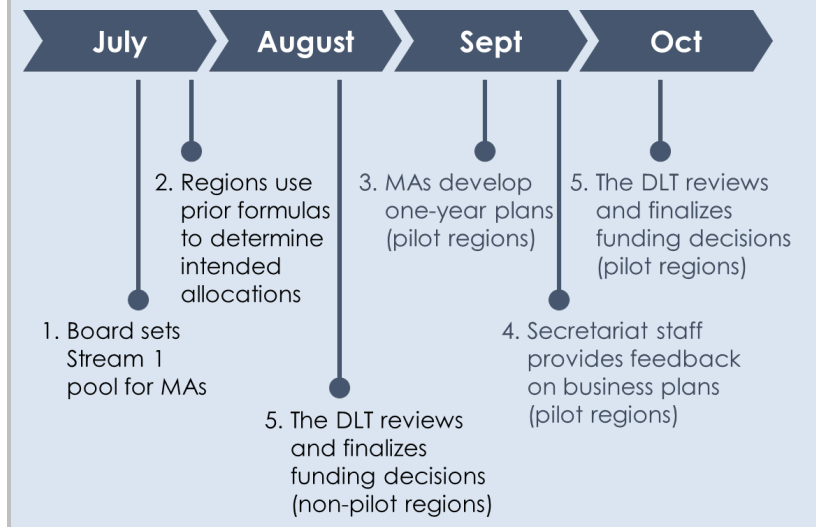
process and identify any areas for improvement before it is rolled out Federation-wide in 2021 for the 2022 allocation.

The timeline is summarized in Figure 3 and described below. The steps align with the process steps laid out in section 2.3 (Figure 1).

The process for 2021 is:

1. Board sets Stream 1 MA funding pool (July 2020). The board will determine the percentage split within Stream 1 between MA funding and Secretariat funding.

Figure 3
2021 allocation timeline, occurring in 2020



2. Regions use prior formulas to determine intended allocations (July 2020). Secretariat staff in each region will produce Stream 1 funding allocations by applying the same formula and process as in past years, including adjustments such as Performance Based Funding (without holding back any funds for technical support or capacity building). Previously funded CPs and high-income MAs are eligible for 2021 funding.

Steps 3 and 4 are only in regions piloting the business plans (likely WHR and SAR).

3. MAs develop one-year plans (August to mid-September 2020). The plans should contain the same sections as the three-year plan described earlier, although some elements may be shorter to reflect the single year of funding. Secretariat staff will support MAs in drafting these plans, to give both MAs and Secretariat staff experience.

4. Secretariat staff provides feedback on business plans (late September 2020). Regional staff will evaluate and provide written feedback on the plans, playing the role that the TRT will play once it is established. Regional staff will use this process to decide if some MAs deserve reduced allocations (e.g., if a plan has significant gaps that an MA will not address). Any funds held back will be used either as funding for those MAs to receive outside (non-IPPF provided) support, or reallocated proportionally to all MAs.

5. The DLT reviews and finalizes funding decisions (August and October 2020). The DLT will review the allocation and make any modifications in a transparent process, documenting any changes to funding with accompanying explanation. MAs will then be notified of their funding amounts. For regions not piloting the business plans, allocations can be finalized in August. For regions piloting the business plans, allocations will be finalized in October.

At the November 2020 board meeting, the new formula for Stream 1 will be reviewed and approved. Between November 2020 and May 2021, the Board Committee will review the 2021 budget process and suggest any revisions for 2022. The TRT for the 2022 budgeting process will be recruited by May 2021.

5.2 2022 allocation: new process (full) using new formula

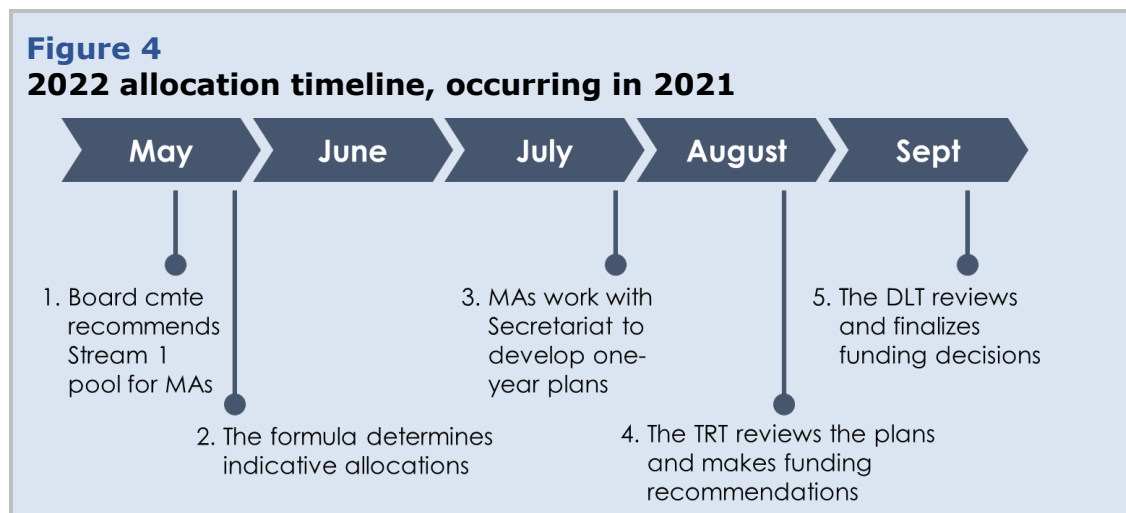
The 2022 allocation will provide an opportunity to test the new approach in its entirety, but in a one-year cycle to enable any needed modifications before entering a three-year cycle. By the time the 2022 process launches in May, the Board Committee will have been assembled, the allocation process reviewed and any revisions made, and the TRT assembled. The steps are summarized in Figure 4 and outlined below, noting any items that might be unique to the one-year pilot period. Otherwise, all details outlined in Section 2 are assumed to apply below:

1. Board Committee proposes Stream 1 MA funding pool (May 2021).

The Committee will make any recommendations needed, such as the allocation to Stream 1, and the split between MAs and Secretariat in Stream 1. The full Board will then approve.

2. The formula determines indicative allocations (May 2021).

If the new formula entails large funding shifts for individual MAs, these will be phased in over multiple years to avoid steep funding changes. Previously-funded



CPs will remain eligible for 2022 funding, but MAs in high-income countries will not be eligible.

3. MAs work with Secretariat staff to develop one-year plans (July 2021).

Organizations will submit a plan to apply for the funding amount proposed by the formula. They will have two months to create this plan.

4. The newly formed TRT reviews the plans and makes funding recommendations (August 2021).

The review will have the power to either recommend full funding (~80% of cases), full funding once an MA commits to certain changes or technical assistance (~15% of cases), or partial funding if an MA fails to make the requested changes (~5% of cases).

5. The DLT reviews the TRT's recommendations (September 2021).

After the DLT review in September, MAs will receive notification about their allocation amounts.

5.3 2023-2025 allocations: new process, new formula, three-year cycle

During the first half of 2022, the Board Committee will review the process and formula and suggest any final revisions. As IPPF revises the metrics it collects organization-wide, the updated metrics will be integrated into MA plans, reporting requirement, and the formula.

The timing of the steps for the 2023-2025 allocation will follow the same schedule described for the 2022 allocation, with the primary distinction that plans will be for three years rather than one.

A sub-committee of the TRT will convene in years 2 and 3 to check in on any MAs that were required to make improvements to receive full funding in future years. The Secretariat will also perform its mid-cycle check-ins with all MAs and refer any with serious issues who might need grant reductions to the TRT sub-committee, who will then send them along to the DLT.

Appendix A: Federation survey results

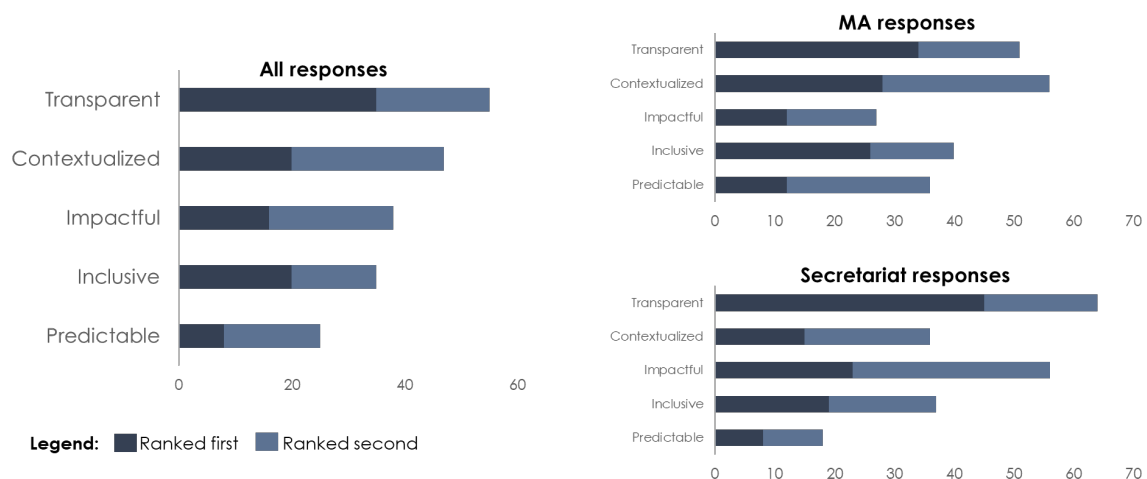
As part of the consultation process, we posted a survey at ippfischanging.org that was open from June 5 to 18. The survey received over 220 responses from across the Federation. Below is a summary of the key takeaways, followed by question-by-question results. *Numbers in the summary represent percent of respondents who agreed or strongly agreed with a given statement; they represent Federation-wide totals unless a sub-group is specific (e.g., MAs or Secretariat). Numbers shown on the charts may not add up to 100% due to rounding.*

Survey key takeaways:

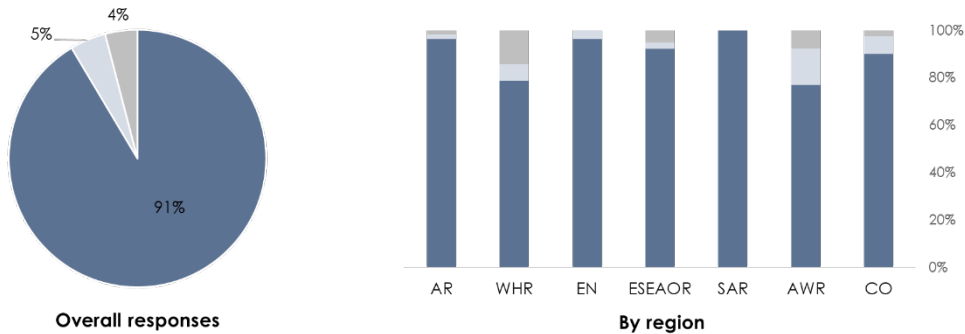
- Respondents wanted the process to recognize different categories of MAs and tailor the approach to their needs (91%)
- Respondents supported using multiple measures of SRHR needs (96%), and using objective metrics for the formula (69%)
- Both MAs (76%) and Secretariat staff (84%) wanted performance to affect allocations
- Respondents wanted the process to smooth funding shifts between cycles, to prevent large funding shifts (89%)
- MAs wanted transparency about their own allocations and the reasons for any adjustments (98%), but only some wanted these details shared with other MAs (62%)
- Both MAs (81%) and Secretariat staff (86%) supported external representation on the review committee, and most agreed that the committee should only be able to make modest adjustments relative to the formula allocations (68%)
- Respondents felt that the Secretariat should work with MAs to help develop three-year plans (92%)

Q1: How would you prioritize the following principles to guide the allocation process?

% of survey respondents who ranked each factor first and second

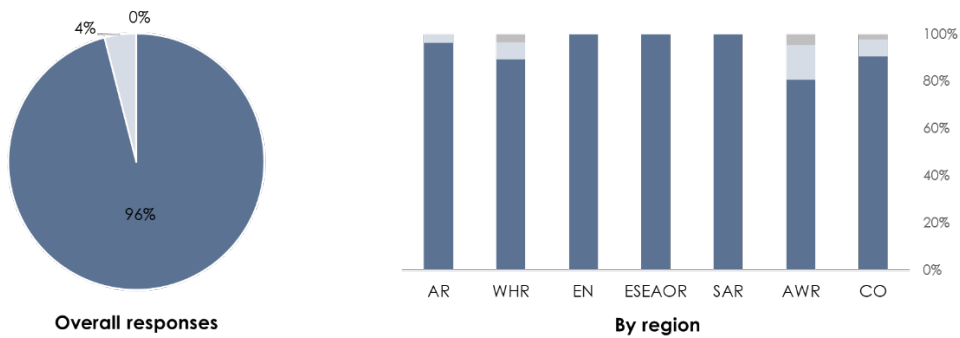


Q2: The process should recognize different categories of MAs, and tailor the allocation approach based on their different needs (e.g., small MAs that rely heavily on IPPF, MAs in lower-income countries, MAs that do not provide services)



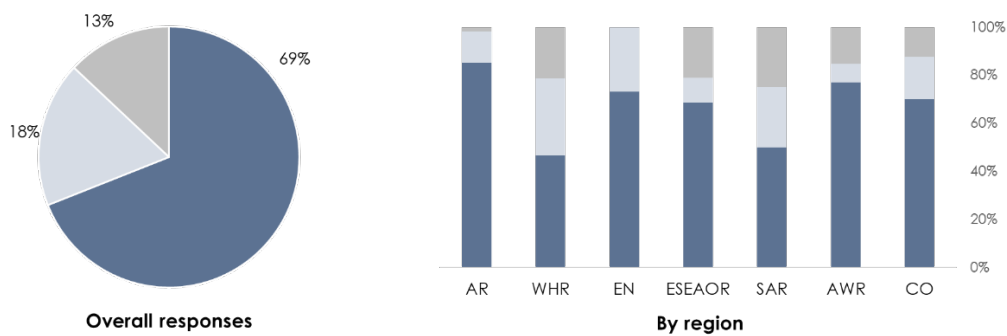
Legend: Agree Neutral Disagree

Q3: The formula should consider multiple dimensions of SRHR needs (e.g., maternal mortality rate, HIV/AIDS prevalence, teen fertility rate, gender inequality index), not only unmet need for contraception



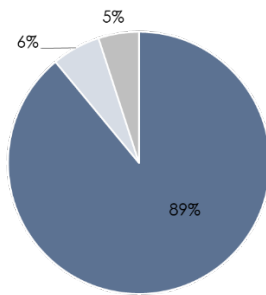
Legend: Agree Neutral Disagree

Q4: The formula should be based on objective metrics (e.g., data from the World Health Organization, World Bank, demographic health surveys)

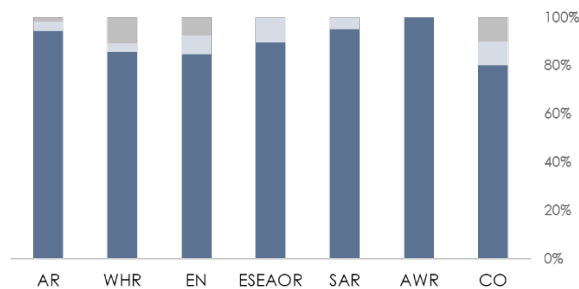


Legend: Agree Neutral Disagree

Q5: If that level of country need shifts either up or down between three-year cycles, the process should gradually smooth this shift to prevent large funding changes from one cycle to the next



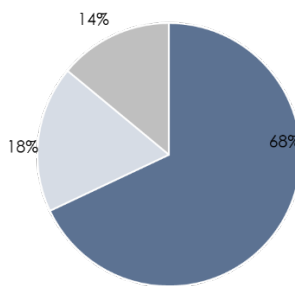
Overall responses



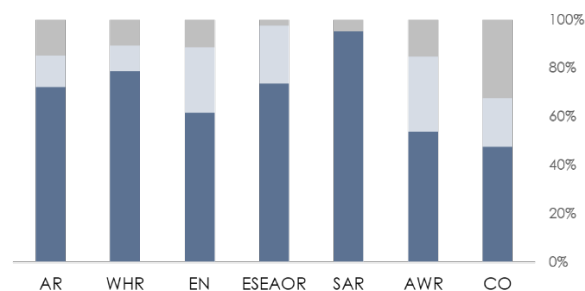
By region

Legend: Agree Neutral Disagree

Q6: The technical expert committee reviewing funding should not be able to shift the funding determined by the formula by more than a modest amount (e.g., 5-10%)



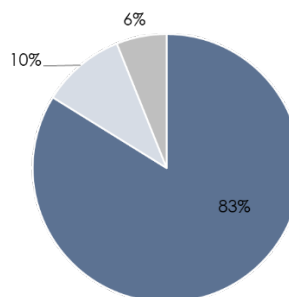
Overall responses



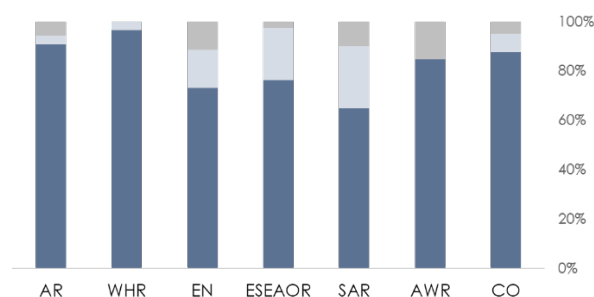
By region

Legend: Agree Neutral Disagree

Q7: The technical expert review process should include external input (for example, as members of the technical expert committee or auditing the committee's results) to increase objectivity



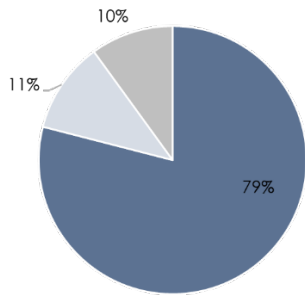
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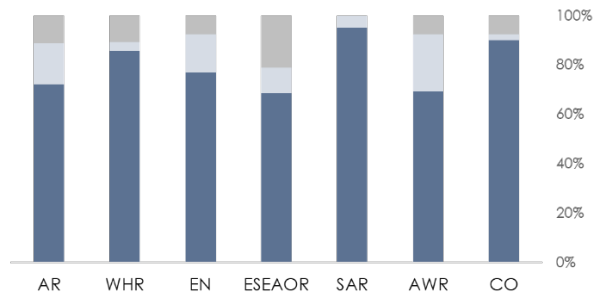
By region

Legend: Agree Neutral Disagree

Q8: Allocations should consider MA track record and be substantially reduced for MAs with significant performance issues



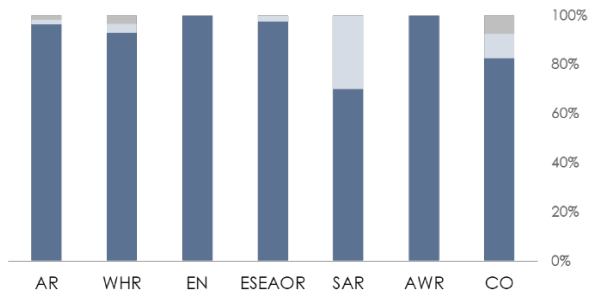
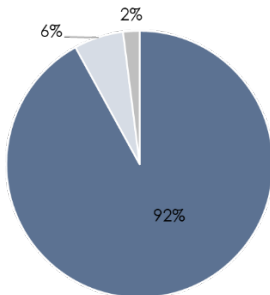
Overall responses



By region

Legend: Agree Neutral Disagree

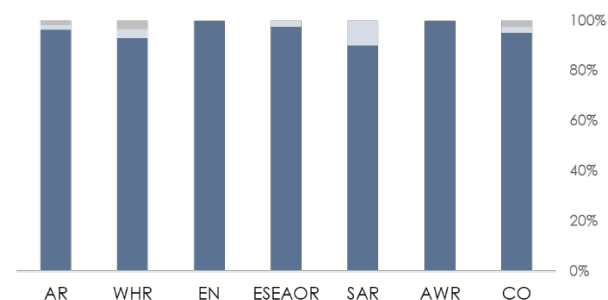
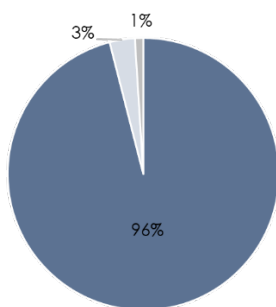
Q9: To help MAs develop their three-year plans, regional Secretariat staff should review drafts and work with MAs to address any gaps regional staff see in the plans



By region

Legend: Agree Neutral Disagree

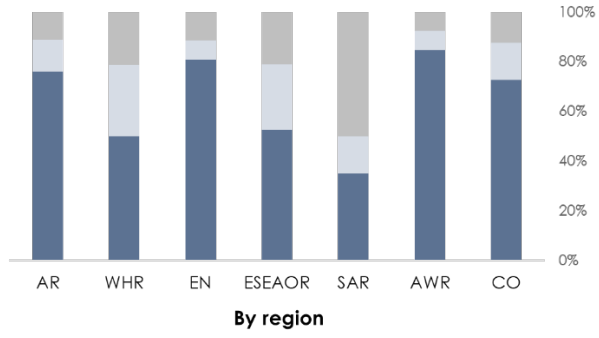
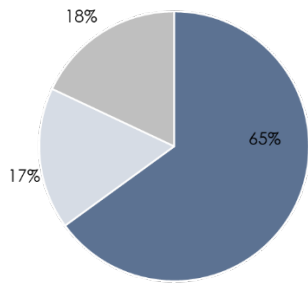
Q10: Each MA should see its own allocation from the formula, along with any adjustments made by the review team, and the rationale for those adjustments



By region

Legend: Agree Neutral Disagree

Q11: Formula results and adjustments for all MAs should be publicly shared with all other MAs, so everyone can see everyone else's funding levels and adjustments



Legend: Agree Neutral Disagree

Appendix B: Themes from MA interviews

As part of developing a new resource allocation formula and process, we interviewed a dozen IPPF member associations (MAs). These interviews served as a precursor to the survey sent out to MAs and Secretariat staff and enabled us to get a deeper and more nuanced understanding of how MAs think about the survey questions. The set of MAs interviewed were diverse in terms of region, language, size, reliance on IPPF, and areas of activity; at the same time, we do not expect 12 MAs to be perfectly representative of the Federation and rely on the survey results to draw any definitive claims. This appendix covers the key themes we heard in the interviews.

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1. MAs hope for a transparent process that encourages performance

When asked about the overall principles the new approach should prioritize, most MAs focused on increasing transparency and rewarding performance.

A transparent process would ensure allocation results are fair and eliminate the discretion and potential for bias that currently exists. Several MAs said they have no idea why they currently receive the allocations they do; understanding their current allocation would help MAs trust the system more. To quote one MA, "Many MAs in the region have lost trust in the regional office. You could find individual regional directors allocating resources...If you were perceived to be friendly to the regional director, you got more money. If you were seen to be stubborn, you got less money."

On performance, there was wide MA support for a system that rewarded strong performance. They felt this would ensure IPPF's funding was used to make the biggest impact and had specific suggestions on how to properly measure performance, described below. As one MA put it, "This cannot be political. Many decisions inside the Federation are taken from a political point of view and not from a results point of view."

In addition to transparency and performance, many also acknowledged the value of flexibility, predictability, accountability, and not leaving smaller MAs behind. In particular, many appreciated that the three-year cycle would help with predictability.

2. The formula should account for country need, MA performance, MA fundraising and country income

We asked MAs to assign rough weightings to different potential formula factors. On average, they felt that country need should be the largest factor determining allocation size (~40% weight), followed by MA performance (~30%). They believed the rest should be determined by MA fundraising capacity (~20%) and country income (~10%). The following shares key perspectives on the merits and challenges of each of those possible factors:

- **Country need:** All MAs agreed this should be the dominant factor, in line with the IRAC recommendations and the General Assembly vote in New Delhi. They said need should be defined broadly, to include factors beyond unmet need for family planning (to include maternal health and STIs for example). Some mentioned that they would like need measures to be further tailored to reflect the country's political climate and the needs of marginalized and vulnerable populations specifically, while recognizing that

it is difficult to measure this population consistently and reliably across countries.

- **MA performance:** There was strong support for adjusting allocations based on performance, and many felt that a subset of the metrics from the Annual Performance Review could be used to this end. MAs noted that performance needs to be assessed based on context, including size of country's unmet need, size of MA budget, and prior performance. Several cautioned against measuring performance against targets MAs set in their three-year plans since that might encourage setting artificially low targets. One MA noted that performance should still be able to boost allocations for the largest MAs, and not cap them out, so they have an incentive to perform.

Some also wondered whether performance metrics could include services to vulnerable or marginalized populations, client satisfaction scores, or additional qualitative measures, acknowledging that these are much harder to access accurately and collect consistently. Finally, there were questions about whether performance could also track internal organizational management and compliance, or whether those questions were best addressed through the membership and accreditation process.

- **MA fundraising:** Most MAs agreed that MAs with significant other income should receive less core unrestricted funding so that funds could go to where they are needed most. They said the formula should be set up so that MAs are never incentivized to not fundraise, and that raising external funds always makes an MA come out ahead. However, several MAs felt that fundraising should not be a factor at all since incorporating it benefits those who do not put in the effort to fundraise themselves.
- **Country income:** Most MAs agreed that lower-income countries should receive more funding. However, some noted that given the high levels of inequality in relatively wealthier countries, it did not make sense to account for country income in the formula. MAs agreed that to the extent income is used, it should not create steep cliffs based on designated categories, and should instead be tied to the actual shifts in a country's GNI per capita (e.g., if a country gets re-classified from lower-middle income to upper-middle income, it will not create a funding cliff).

One MA mentioned that MAs who must allocate funds internally across different geographies might model their internal allocations on the global formula IPPF develops.

3. Secretariat assistance will be critical for assembling strong three-year plans

MAs were eager to have Secretariat staff support in drafting their three-year plans. They said they would value substantive feedback about the direction of their work, not just small edits.

Most have only had experience drafting one-year plans, though some had drafted multi-year plans for specific donors or for their own strategic planning. Based on those experiences, they suggested that these plans should include each MA's goals, objectives, outcomes, indicators, budget, activities, justification of approach, and measurement and evaluation plan.

MAs also mentioned that for a three-year time horizon, they can predict their overall budgets, but cannot predict in detail what core funds will be spent on. They said that to increase flexibility, they would appreciate IPPF reviewing their overall program budget, and leaving them discretion about which parts of that budget get filled with core unrestricted funding.

4. The TRT should be primarily comprised of internal staff with some external voices

Half of MAs, a clear plurality, wanted the TRT to have a majority of internal experts and a few external experts. Other proposed TRT compositions included completely internal experts, an even split of internal and external experts, a majority of external experts, or a majority of MA representatives. Some also proposed ensuring youth representation on the TRT.

MAs noted that Secretariat staff can make the most informed judgements since they know the country dynamics and MA capacities and issues. They also mentioned that this could help streamline the process and reduce bureaucracy. At the same time, many acknowledged some outside voice could help ensure a fully objective process. "Inside the federation, there is so much knowledge... but I would do that with the help of an external counselor," one MA said. Another added, "[We need] someone external to bring balance. Sometimes when you are all insiders, you fail to see very far. You fail to see past the front door."

To increase the objectivity of the process, some suggested that internal representatives include technical experts from each region and Central Office staff, who were assumed to be more objective than senior regional staff. "There are very good technical people at the regional and central offices," expressed one MA.

5. The TRT should prioritize feedback and dialogue with MAs; it is not clear if and how its power to adjust allocations should be bounded

MAs felt that the most valuable part of the TRT's review will be the dialogue and recommendations it provides to MAs. In some cases, this will lead to MAs implementing mutually-agreed-upon adjustments to plans; in other cases, this will lead to MAs committing to technical assistance. MAs stressed that the TRT should always first try to support the MA to strengthen its plan, and only resort to funding reductions as a last resort.

Views differed on whether the TRT should be limited on how much funding it could adjust, and if so, what the limit should be. Some suggested it not adjust more than 5% of funding, others suggested it adjust up to 20%, and others suggested it have unlimited power, so long as its changes were justified. One MA argued "There should be no limit. What we need at the end is a better way of doing things." Some suggested that in cases where an MA's plan were bad enough to require a very large adjustment (e.g., over 20%), the issue should be addressed through another channel, such as accreditation, rather than the allocation process.

6. The process should be highly transparent, universally sharing all MA allocation amounts and reasons for any adjustments to one own's allocation

MAs were interested in creating a highly transparent process. All agreed that every MA should be able to view (1) the final allocation amount for all other MAs, and (2) any adjustments the committee made to its own allocation, and the

rationale for those adjustments (e.g., reduced by 5% since no clear plan on CSE). Half of MAs wanted to take transparency further, letting all MAs see the adjustments and rationale for adjustments for peers.

7. The process for Secretariat allocations should also ensure accountability and a focus on serving MAs

MAs appreciated that the new approach for Secretariat budgeting would require a three-year plan and review of the Secretariat budget. They liked that this would introduce similar principles of accountability to the Secretariat, and perhaps free up more resources to go straight to MAs. Specifically, they suggested that the Secretariat be held accountable on specific performance indicators (e.g., fundraising, advocacy support), and for specific measures of support to MAs (e.g., portion of funds spent on TA for MAs).