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## INTERNATIONAL PLANNED PARENTHOOD FEDERATION

### Board of Trustees 17-18 November 2020

Refers to agenda item 4

### Agenda Item: Formula for Streams 1

### Summary:

At the General Assembly (GA) meeting in Delhi last November, IPPF's membership recommended that the Federation redesign its approach to allocating unrestricted funding to Member Associations (MAs) with a needs-based formula for Stream 1. The following proposal outlines a needs-based formula on guidance from IPPF members and staff.

### Action Required:

The Board to approve the funding formula developed for allocation of unrestricted core grants to Member Associations for Stream 1, effective 1<sup>st</sup> January 2022, as recommended by the Finance, Audit & Risk Committee (C-FAR)

### **PROPOSING A NEW ALLOCATION FORMULA**

This executive summary covers (1) the context and guiding principles for the formula, and (2) its operations and components. The attached technical appendix covers each part of the formula's working in more detail, and includes a list of frequently asked questions.

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### 1. Context and guiding principles

In Delhi, the IPPF membership voted to allocate Stream 1 unrestricted funding to MAs using a formula "driven by assessments of unmet SRHR needs and burden of disease." The resolution called for the formula to be "context, political and culture specific, and that it reflects the demographic transition in countries as well as the polarization of social economic classes."

IPPF assembled a Resource Allocation Support Team (RAST) to oversee implementation of the GA recommendations. The RAST retained Redstone to advise and create a proposed formula in consultation with IPPF Member Associations.

Redstone released a survey to the Federation, generating over 220 responses. The following themes emerged from the survey, which we have adopted as our guiding principles:

• The formula should recognize different categories of MAs and tailor the approach to their needs (e.g., some MAs are small and rely heavily on IPPF, some are large service providers while other MAs focus primarily on advocacy or CSE and not service provision)

- The formula should use multiple measures of SRHR needs (e.g., unmet need for family planning, maternal mortality rate, HIV incidence, violence against women, women's rights and empowerment, socio-political context)
- The data in the formula should come from objective metrics (e.g., data from the World Health Organization, United Nations, demographic health surveys)
- Performance should influence allocations, but without bias towards the areas MAs focus on (e.g., some MAs focus more on service delivery, while others focus more on CSE or advocacy, and neither should be penalized for their strategic focus)
- The formula should smooth funding shifts between cycles to prevent large jumps

The proposal below adheres to the guidance provided in the surveys. It also builds off the proposal of the Independent Resource Allocation Commission (IRAC), and many individual phone calls and email exchanges we had with MAs who reached out to us with further thoughts. Finally, the formula is based on best practices used by other organizations (e.g., World Health Organization, Global Fund), and Redstone's professional experience advising on resource allocation for other major NGOs.

Based on feedback from the Federation, we also designed the formula to ensure that nobody is left behind. The formula balances the needs of multiple groups that might get left behind, by making sure to consider the needs of the following groups:

- Countries with the highest needs: By its nature, a needs-based formula
  provides the most funding to the countries with the most people in need,
  who may have been under-funded in the prior formula. It uses a broad
  array of need metrics to ensure those suffering from any SRHR needs are
  not overlooked.
- Low-income residents of wealthier countries: The formula uses the GINI coefficient for middle-income countries, and all else being equal, it gives more funding to countries with high levels of inequality.
- MAs with high needs but limited donor interest: The formula provides additional funding to countries with high needs who have relatively little other income.
- Small countries: A funding floor ensures that all eligible MAs, no matter how small, receive a minimum grant size to cover core operating costs.
- Marginalized populations: The MA application required to receive funding asks each MA to describe how it plans to serve marginalized groups, which is tied to receiving the full grant amount.

As a reminder, based on guidance we received from the Federation, the formula itself will fit into a broader allocation process that will occur every three years, to enable longer-term planning. Once the formula gives each MA its indicative planning figure, the MA will submit a business plan showing all of its activities and all of its income sources, and how the proposed unrestricted funding

contributes to that plan. A Technical Review Team will review that business plan to make final allocation decisions, ensuring MAs are making the best use of all funding proposed (further details on this process are available in the new resource allocation guidelines).

The following proposal was shared with the entire Federation in early October for an open comment period. Based on feedback received, we made several adjustments to the proposal: changed the Outcome 1 metric from ER3 to ER1, clarified how the GINI coefficient can impact allocations based on a country's level of inequality, clarified that all need data will be drawn from the most recent year estimates to be as current as possible, and clarified that performance awards will look at an MA's cumulative performance over the prior cycle to even out any unexpected one-year performance bumps.

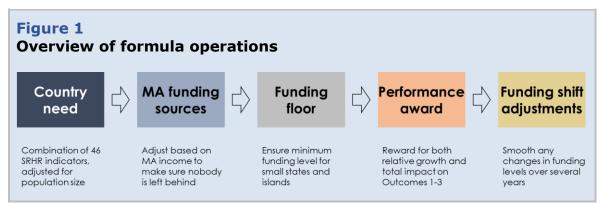
### 2. Overview of formula operations

The following section presents a brief overview of the formula's workings, also summarized in Figure 1. Each of these processes is elaborated on in more detail in the appendix.

### **Country need**

As requested at the GA, the formula is based first and foremost on country need. As requested by members in the survey, it includes multiple measures of SRHR needs and burden of disease, and accounts for varying political and socioeconomic contexts.

Specifically, the formula incorporates 46 data points on diverse aspects of SRHR needs, including unmet need for contraception, maternal mortality rate, adolescent birth rate, HIV and cervical cancer prevalence, HIV treatment rates, and country income and inequality levels. In addition, given IPPF's focus on



advancing rights, the formula includes five indexes with 38 data points evaluating gender dynamics in each country's legal system, workforce, financial system and family life, and data on women's reproductive autonomy and physical safety. The indexes include data based both on formal laws (e.g., formal exclusion or discrimination) and on societal norms and practices (e.g., de facto discrimination and biased public opinion).

These variables are combined to give each country a total need score, which is then adjusted based on the country's relative population size. Table 1 summarizes the need indicators included in the formula.

### Table 1: Proposed need metrics

Area of work (weighting)	Proposed metrics (weighting)	Source; additional notes
Contraception (20%)	Unmet need for contraception (20%)	UN Population Division; includes new estimates for both women in and out of unions
Maternal health (20%)	Maternal mortality rate (20%)	UN Maternal Mortality Estimation Inter- agency Group; can indicate the need for a range of maternal health services beyond family planning
Youth (20%)	Adolescent birth rate (20%)	UN Population Division; can serve as a proxy for the level of need among unmarried or young women
STIs and related diseases (20%)	HIV incidence rate (5%)	UNAIDS; HIV is the only STI with widely available data
	Rate of people with HIV not receiving ART (5%)	UNAIDS; provides detail on the level of unmet need for HIV treatment
	Cervical cancer incidence rate (10%)	World Health Organization; given limited data on other STIs, can serve as a useful proxy for burden of HPV
Gender empowerment and rights (20%)	Gender Inequality Index (10%)	UN Development Programme; Rates gender parity in political representation, workforce participation, and educational attainment
	Social Institutions and Gender Index (SIGI) –Civil Liberties (2.5%)	OECD; Rates gender parity in citizenship rights, political voice, freedom of movement, and access to justice (based on laws, common practices, and societal attitudes)
	SIGI – Access to financial & productive services (2.5%)	OECD; Rates gender parity in access to land and non-land assets, formal financial services, and workplace rights (based on laws, common practices, and societal attitudes)
	SIGI – Physical Integrity (2.5%)	OECD; Rates levels of violence against women, female genital mutilation, missing women, and reproductive autonomy

Area of work (weighting)	Proposed metrics (weighting)	Source; additional notes
	SIGI – Discrimination in the Family (2.5%)	OECD; Rates gender parity in marriage and divorce laws, household responsibilities, and child marriage (based on laws, common practices, and societal attitudes)

### MA funding sources

The formula looks at each MA's holistic funding to identify MAs with disproportionately low levels of other funding, in an effort to direct funds to where they are needed most. This ensures that MAs in countries not prioritized by donors do not get left behind. Shifts are capped to ensure that MAs always have an incentive to increase their fundraising activities, since every new dollar they raise will always make them come out ahead. The Technical Review Team, which reviews all business plans, can reduce funding for any MA that does not have a satisfactory fundraising plan, so as to not reward those who have a lack of other funds due to low fundraising effort or initiative.

### **Funding floor**

At this stage, the formula inserts a funding floor to ensure all eligible countries, no matter how small, get a certain minimum grant. This reflects that there are certain fixed costs to running an MA, regardless of its size, which IPPF should help address. There is also a specific funding floor for Pacific island states, thanks to special funding from the Australian government specifically earmarked to top up core grants in this part of the world.

### Performance award

Finally, the formula calculates a performance award based both on year-overyear growth and overall contribution to IPPF's outcomes. A higher proportion of the performance bonus is based on year over year growth so MA's of all sizes can earn substantial rewards.

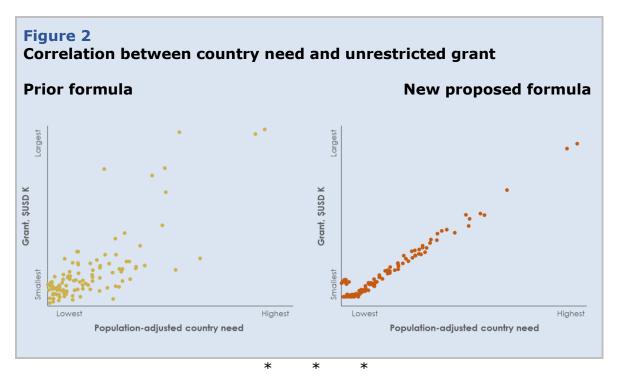
MAs earn performance awards for work on Outcomes 1, 2, or 3 (Champion Rights, Empower Communities, and Serve People). As requested by MAs, the formula does not prioritize one Outcome over the other, since MAs choose to focus on different Outcomes given different country contexts. Instead, it looks at each MA's relative spending across the Outcomes and weights the performance scores for the three Outcomes proportional to the MA's spending.

### Funding shift adjustments

To minimize large funding shifts, as requested by members, the formula will phase in any changes to an MA's allocations over several years. At first, it will do so over a four-year period, from 2022 to 2025 (end of the first three-year cycle using the new formula). This will give MAs significant time to plan for their adjusted allocation levels.

### Result

The prior allocation levels, which had been set over twenty years ago, were not correlated with country need. We are excited to propose a new formula, based on your guidance, that aligns grant amounts with current needs an MA is responding to in a country (see Figure 2). Note that due the small adjustments discussed above to account for other MA income and performance, funding deviates slightly from country need, though need remains the dominant factor.



The attached appendix provides more details on each part of the formula above. Thank you for your input and support as we develop a new allocation formula to meet the Federation's needs.

## ALLOCATION FORMULA TECHNICAL APPENDIX

The following sections provide more details on each part of the proposed formula. A second appendix at the end includes frequently asked questions.

### 3. Country need

### Principles

The formula captures country need while adhering to two key principles members have prioritized: (1) using a broad definition of need, including sociopolitical context, and (2) remaining objective and consistent across all countries and regions. As a result, we sought out metrics that were:

- Available for most countries where IPPF works, to create an objective process that applies to all countries (e.g., some great potential metrics were only available for 30 countries, making them less useful)
- Not highly correlated with each other, which would be duplicative (e.g., contraceptive prevalence rate correlates highly with unmet need for contraception)
- Capture the *need* for IPPF's work (e.g., adverse outcome for women and girls), while being agnostic about *how* that need is addressed (e.g., via service-delivery, advocacy, or CSE, since MAs are best positioned to decide)
- Available from objective, respected institutions (as requested in the member survey), which ensures that updated data will be available in future years to update the formula

### Metrics

We researched available SRHR metrics, including all metrics gathered by the United Nations (UN), the World Health Organization (WHO), World Bank, Organization for Economic Cooperation and Development (OECD), and the US Agency for International Development.

As noted in the table below, the formula includes extensive data on rights, political context, and social context surrounding SRHR in each country, given IPPF's commitment to a rights-based agenda. Those data are compiled from five indexes with over three dozen data points on key areas of gender rights and empowerment.

Whenever the formula is run (typically in preparation for the next three-year cycle) it will use the most recently available need data to remain as current as possible.

Area of work (weighting)	Proposed metrics (weighting)	Source; additional notes
Contraception (20%)	Unmet need for contraception (20%)	UN Population Division; includes new estimates for both women in and out of unions
Maternal health (20%)	Maternal mortality rate (20%)	UN Maternal Mortality Estimation Inter-agency Group; can indicate the need for a range of maternal health services beyond family planning
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### Table 1: Proposed need metrics

Area of work (weighting)	Proposed metrics (weighting)	Source; additional notes
STIs and related diseases (20%)	HIV incidence rate (5%)	UNAIDS; HIV is the only STI with widely available data
	Rate of people with HIV not receiving ART (5%)	UNAIDS; provides detail on the level of unmet need for HIV treatment
	Cervical cancer incidence rate (10%)	World Health Organization; given limited data on other STIs, can serve as a useful proxy for burden of HPV
Gender empowerment and rights (20%)	Gender Inequality Index (10%)	UN Development Programme; Rates gender parity in political representation, workforce participation, and educational attainment
	Social Institutions and Gender Index (SIGI) - Civil Liberties (2.5%)	OECD; Rates gender parity in citizenship rights, political voice, freedom of movement, and access to justice (based on laws, common practices, and societal attitudes)
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	SIGI - Discrimination in the Family (2.5%)	OECD; Rates gender parity in marriage and divorce laws, household responsibilities, and child marriage (based on laws, common practices, and societal attitudes)

The following metrics were considered, but not included, for the reasons listed below:

- Contraceptive prevalence rate (any method and modern method): High inverse correlation with unmet need for contraception
- Proportion of demand satisfied (any method and modern method): High inverse correlation with unmet need for contraception
- Births attended by skilled professional: High inverse correlation with maternal mortality rate
- Fertility rate: High correlation with maternal mortality rate and adolescent fertility rate
- Infant mortality rate: High correlation with maternal mortality rate
- Neonatal mortality rate: High correlation with maternal mortality rate
- LGBTQ rights indicators: High correlation with indexes on women's rights; the most widely available indicator (from Franklin and Marshall College) is relatively recent and its ongoing funding and annual updates are not guaranteed
- Needs among marginalized populations: No reliable data tracks their needs (for example, UNAIDS has data on sex workers, but only for a limited number of countries)
- Prevalence of additional STIs: No widely available data beyond HIV and cervical cancer, which can serve as a proxy for HPV. HIV transmission and incidence rates can serve as a proxy for the spread of other STIs

### Calculation approach

Each of the metrics is normalized from 0 to 1 for all eligible countries, to provide a consistent way of quantifying how each country fared on each metric (for each metric, a country with the highest need would get a score of 1, and the lowest need would get a score of 0).

Each country's normalized scores across all metrics are then summed based on the weighting shown in Table 1. The metrics are grouped into five areas that IPPF works in, and each area of work receives equal weighting, so as not to prioritize one kind of need or one context over others. Areas of work with multiple metrics split the weighting among those metrics.

The country need scores are then adjusted based on country income. Borrowing from the Global Fund's approach, all low-income countries get a multiplier of 100%. Middle income countries get a sliding multiplier between 100% and 70%. In keeping with the GA resolution's call to recognize "polarization of social economic classes," the formula accounts for inequality levels in middle income countries using the GINI coefficient. Countries with high levels of income inequality will therefore get higher allocations, all else equal. A multiplier of 100% would be given to middle-income countries with the lowest incomes and high levels of inequality, while a multiplier of 70% would be given to the wealthiest middle-income countries with the lowest inequality. The sliding multiplier ensures that as country income and inequality levels change, there are no steep funding cliffs (e.g., if a country moves from lower-middle income to upper-middle income, it does not face a cliff).

The need score, with its country income adjustment, is then multiplied by the country's relative population size, using the square root of its population. Using the square root of population builds on common practices used by multinational groups such as the World Health Organization. Doing this spreads funding out more evenly to small countries, and avoids it getting overly concentrated in the handful of most populous countries. The value of a country's need score times its population factor determines its relative share of funding.

### 4. MA income and funding sources

### Principles

Some MAs have little access to other funding (earned or donated) and are dependent on unrestricted core grants for their survival. At the same time, some MAs have access to funds from international donors, their own governments, or earned revenue; these MAs should have an incentive to generate additional funds, and not rest solely on core funds. Most MAs we heard from on this topic wanted to ensure that MAs in countries which are not "donor darlings" are not left behind in global allocations.

The Technical Review Team will closely examine MAs who receive this fundraising increase (and reduce it when needed) to ensure that it is not rewarding MAs who choose not to fundraise, and only helps those who are suffering due to lack of donor attention.

### Metrics and calculation approach

The formula looks at each MA's total income from all funding sources. It then calculates the ratio between the MA's total income and the preliminary size of its unrestricted core grant (from the calculations above). It identifies MAs with relatively low ratios (ones that have raised disproportionately little relative to their need). MAs then get modest adjustments to their core allocations based on their other funding sources, so that MAs with minimal other funding do not get left behind.

The adjustments are designed to be modest and to ensure that for every dollar an MA raises, it

### Figure 3

# Illustrative example of funding adjustment

Country X has significant need, and the formula initially allocates it \$300,000. Despite this need and a hard-working director, it is in a region that donors do not prioritize. As a result, despite all of the work put into fundraising and fee-forservice, it only raises \$500,000 annually from other sources. The formula therefore gives it a slight increase, to \$330,000 in unrestricted funds, to account for its limited other funding.

always comes out ahead – as a way to always encourage more active fundraising.

For an illustrative example of how this adjustment works, see Figure 3.

### 5. Funding floor

After this stage, a funding floor is introduced to make sure all eligible countries, regardless of size, receive a minimum grant amount. This reflects that even for the smallest MAs in small island states there are certain fixed costs for running an MA, which cannot be overlooked.

### 6. Performance award

### Principles

MAs surveyed wanted MA performance to influence allocations, consistent with the recommendations of the IRAC report. While encouraging performance is important, it is difficult to take into account diverse contexts (e.g., country size, legal landscape), diverse resources (e.g., favored by international donors or not), and diverse focus areas (e.g., service delivery, CSE, advocacy). To keep the formula objective, it needs to capture these nuances based on concrete data points, not subjective judgements. Consistent with member feedback, the formula respects each MA's choice about which Outcomes to focus on given each country's unique context. It therefore does not prioritize one Outcome over the other.

The formula is designed to adapt over time, so whenever IPPF adopts different result indicators those can be inserted into the formula to replace the current ones. As of today, we are constrained by the expected results data IPPF collects from MAs. For a discussion of possible future enhancements to the performance metrics, see the Frequently Asked Questions in the appendix.

### Metrics and calculation approach

The formula sets aside 10% of the total funding pool for performance. The performance score considers impact on Outcomes 1-3, using one metric per Outcome, as shown in Figure 4.

### Figure 4

### Performance metrics used

- Outcome 1: ER 1 Successful policy initiatives and/or legislative changes (absolute impact only, since year over year growth is not appropriate for this metric)
- Outcome 2: ER 4 Young people completed CSE programme (Note: the specific metric for ER4 will likely change based on the results of the midterm review)
- Outcome 3: ER 8 Number of couple years of protection

Within each Outcome, the formula rewards both absolute magnitude of impact (relative to the entire Federation) and year over year growth. Within both calculations (growth and total impact) the formula rank-orders MAs in each outcome, assigning the top performers a score of 1, and the lowest performers a score of 0. Each MA's two scores are then summed, with growth accounting for 70% of its performance score and total impact accounting for 30%. The focus on relative growth gives all MAs the opportunity to get rewarded for their progress and does not disadvantage smaller groups.

The formula then combines an MA's three Outcome scores, weighting the scores based on the

### Figure 5 Illustrative example of performance award

Country X focuses most of its funding on Outcome 3. Last year, its CYP numbers increased by 30%, though it is one of IPPF's smaller MAs. Its CSE numbers are small, and only grew modestly. It had one major legislative victory.

Since a 30% increase in CYPs is a significant jump, it would get a high score for Outcome 3. Given that most of its spending is on Outcome 3, this would determine most of its performance award. It would also get a small award for its Outcome 1 victory, though this would contribute less to its total award since it spends less money in this area. percentage of resources devoted to each Outcome to respect each MA's strategic choices (e.g., an MA that spends 80% of its funds on Outcome 3 would have its Outcome 3 score count for 80% of its performance score).

Whenever the formula is run (typically in preparation for the next three-year cycle) it will use each MA's cumulative performance data from the prior cycle. Some MAs noted that occasional unexpected events can skew a given year's performance numbers (e.g., loss of a major funder, natural disaster). Basing performance calculations on

multiple years of data helps ensure that such bumps do not unduly influence performance awards.

Each MA's performance award is capped at 25% of its need-based core grant, to ensure that country need remains the dominant factor determining allocations, as per the GA resolution. For an illustrative example of how this award works, see Figure 5.

### 7. Funding shift adjustments

### Principles

MAs surveyed expressed a clear desire that shifts in funding be introduced gradually, to not create steep changes between years. MAs will find out about the shifts that are in store for them at the beginning of the cycle, giving them multiple years to prepare for the change (e.g., brainstorm with Secretariat staff how to adjust to new funding levels, update other funders).

### Calculation approach

At first, the formula will phase in changes over a four-year period, from 2022 to 2025, to align with the end of IPPF's first three-year cycle using the formula. This will give MAs significant time to plan for their adjusted allocation levels.

To make the shift as smooth as possible, all changes will be phased in linearly over the four years (e.g., a consistent change between each year). In future cycles, IPPF can decide how many years to use for phasing in changes.

### Figure 6 Illustrative example of gradual change

Country Y currently receives \$200,000 per year. The formula gives it a target allocation for 2025 of \$300,000. In the first year the formula is used it will receive \$225,000, and in each successive year it will receive a \$25,000 increase until it reaches \$300,000.

### Figure 7 Illustrative country examples

### Country A

- Need score: Country A's need indicators are relatively consistent, putting it around the 50<sup>th</sup> percentile of countries on most dimensions, including on women's rights and empowerment. Since it has a larger population than most other countries, its population-adjusted need score is relatively high.
- MA funding sources: Country A is not a donor darling and has only \$770,000 in other income despite its hard work. Since most countries with its level of need have significantly more income, Country A gets an additional \$25,000 to its allocation.
- Funding floor: Given Country A's size and need metrics, it does not need the funding floor to boost it up.
- **Performance award:** Country A has seen strong year-over-year growth in its CYP numbers; since it spends 80% of its budget on Outcome 3, this strong performance will have a big impact on its performance award. Country A also has one of the highest CSE numbers across the world; since it spends relatively little money on Outcome 2, this will only give it a small boost for its performance award. Together, these will give it a performance award of \$62,000.
- Funding shift adjustments: The formula proposes that Country A get an increase of \$80,000 between now and 2025. Therefore, every year starting in 2022, it will get a \$20,000 increase.

### Country B

- Need score: Country B's need indicators span a range it is doing better than average in some areas (HIV incidence, adolescent birth rate, cervical cancer) and worse than average in other areas (unmet need for contraception, maternal mortality). It receives low scores on many dimensions of women's rights and empowerment, and ultimately ends up with higher-than-average need levels. However, since it has a very small population (under 5M), its population-adjusted need score is relatively low.
- MA funding sources: Country B gets a reasonable amount of restricted projects and other income, so it does not get an adjustment to account for funding levels.
- **Funding floor:** Given its small population, Country B's original allocation is under the minimum grant size, so the formula raises it up to the minimum.
- **Performance award:** Country B saw a decrease in both its CSE numbers and CYP numbers over the past two years, and its contribution to overall numbers are low, so it does not get a performance reward.
- Funding shift adjustments: The new formula proposes that Country B get a decrease of \$20,000 between now and 2025. Therefore, every year starting in 2022, it will get a \$5,000 decrease.

For an illustrative example of how this award works, see Figure 6. For an illustrative example of how all formula components could play out for two sample countries, see Figure 7.

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We appreciate your feedback as we help develop a transparent, rigorous allocation formula.

## APPENDIX: FREQUENTLY ASKED QUESTIONS

# 1. Why does the formula not allow Secretariat staff to adjust the formula results based on unique features in country context?

We heard a consistent request to make the new formula as objective as possible, and believe that is a wise approach. The formula intentionally uses a broad array of 46 data points to capture nuances in country context. However, beyond that, we do not think it makes sense to let individuals weigh in on which countries have higher or lower need than the formula indicates. Each country is unique, and has some unique circumstances, and if we allow special consideration for some countries, soon there will be special adjustments to all countries, and the objective formula will be overtaken by human adjustments.

That being said, there are still two places where such special considerations can come into play: (1) Regional Directors each have access to a very small amount of discretionary funding from Stream 2 which they can provide to countries with exceptional needs, and (2) The Technical Review Team can evaluate if a given MA has submitted a strong enough plan to justify its funding. While the Technical Review Team cannot make adjustments based on the country's level of need, it can make reductions if it believes a given MA cannot make effective use of the funding.

## 2. Why does the formula not include additional need metrics (such as other STIs, or levels of CSE)?

To create a transparent and objective process, the formula includes only respected metrics that are available for most countries where IPPF works. It does not include multiple variables that are highly correlated with each other, which would be duplicative (e.g., contraceptive prevalence rate correlates highly with unmet need for contraception).

We identified metrics that can capture the *need* for IPPF's work, while being agnostic about *how* that need should be addressed (e.g., via service-delivery, or advocacy, or CSE).

To identify these needs metrics, we researched available metrics, including all metrics gathered by the UN, the WHO, World Bank, OECD, and the US Agency for International Development. We included all metrics widely available and which were not highly correlated with other metrics already included.

### 3. Why does the formula not include need data on vulnerable populations?

We attempted to gather specific need data on marginalized and vulnerable populations, given IPPF's commitment to serving them. Unfortunately, given that these populations by definition receive the least resources and support, there was no reliable information on their needs captured globally, making it impossible to incorporate objective needs metrics (for example, UNAIDS has data on sex workers, but only for a limited number of countries). We still believe it will be important for MAs, who know the nuances of their countries, to include plans for serving these populations in their business plans.

# 4. Why does the formula use Couple Years of Protection (CYP) as its main service metric?

We had many long discussions with SRHR experts on the most appropriate metric for service delivery, acknowledging that each metric has shortcomings and none is perfect. Ultimately, we settled on using CYPs since it can best capture the impact of IPPF's contraceptive services (as opposed to the number of services provided, for instance, where data is sometimes duplicated and of unclear quality).

We heard an important request to improve this metric to ensure it does not lead clinics to push longer-acting contraceptive methods at the expense of client choice. We heard suggestions that the IPES score, or client satisfaction scores, could act as a check on ER8 to ensure longer-acting contraceptive methods do not come at the expense of client choice and dignity. We built a way for the formula to incorporate the IPES score, but given that there are currently concerns with how it is calculated, we suggest not turning this feature "on" until the IPES scores better captures the choice available to any of the MA's clients.

## 5. Why does the formula not consider what percentage of a country's services an MA provides?

We heard some requests to consider what share of a country's market a given MA serves. Unfortunately, there is no reliable data on each country's total market-size for services or CSE, making it impossible to reliably say what share of each country an MA serves. In addition, the small countries and island states who would benefit most from this consideration already benefit from the universal funding floor that helps small nations.