

Agenda Item: RATC report

Summary:

Resource Allocation Technical Committee (RATC) Report to BoT

In what follows, RATC shares their reflections and recommendations for the Board on the implementation of the Resource Allocation Model for Stream 1, 2 and 3 in 2022.

To inform these reflections, **RATC** met three times during 2022 to review IPPF's resource allocation model, including the portfolio analysis for each of the three streams and the overview of the process that followed. Likewise RATC members held discussions with the IPPF Secretariat and the Redstone Consultants who provide support in the implementation of the model to get further insights and test their assumptions.

Action Required:

To be noted

RATC continues to be pleased with the process put in place in 2022 by the Secretariat to implement the new 3-year Resource Allocation mode for the three Streams. They were delighted to see the beginning of a data-driven approach on how core funds are allocated to MAs, a process that was not transparent in the past. They also commended the robustness of the review process.

I. EXECUTIVE SUMMARY

Stream 1:

- **RATC recommends** enhanced support from the Secretariat to MAs who will lose unrestricted core funding under the new Resource Allocation Model, for adaptation and organisational strengthening.
- **RATC recommends** capacity building measures be undertaken with MAs to strengthen proposal development and business plan alignment with the Strategy 2028 as well as strengthening governance.

Stream 2:

- **RATC** acknowledges the Stream2's ability to foster more vital Federation-wide collaboration and tackle strategic, systemic and emerging challenges.
- **RATC requests** greater communication on where Stream 2 is working well, and recommends that more awareness is created and information is shared with MAs on how to access the different funding sources and that this information should be shared more frequently.
- **RATC recommends** higher funding allocations for the Consortium Channel, highlighting that current performance indicates it is expected to yield greater success.
- **RATC recommends** the institution of a catalytic fund focusing on building sustainable business models including (but not limited to) on social enterprise to diversity MA income generation, in line with the Strategy 2028's focus on strengthening MA sustainability.

Stream 3:

- RATC recommends to analyze more carefully how Stream 3 links to the larger humanitarian and development portfolios, in recognition of its catalytic role in unlocking greater funding sources.

II. FULL REPORT

Stream 1

- RATC requested that IPPF Secretariat analyses more carefully how MAs that will have lost income under the new Resource Allocation Formula will be affected. RATC notes that for some MAs while they may lose in Stream 1 funding, they will be able to make up through additional grants under Streams 2 and 3. As such **RATC recommends** increased information sharing to the MAs about the different funding streams and enhanced support from the Secretariat to MAs who will lose unrestricted core funding under the new Resource Allocation Model, for adaptation and organisational strengthening.
- Cognizant of the high number of plans that were sent back to MAs for improvements, **RATC recommends** capacity building measures be undertaken with MAs to strengthen proposal development and business plan alignment with the Strategy 2028, as well as strengthening governance.

RATC Reflections on the TRT Report

- RATC noted that the TRT's report was generally positive. RATC were happy to see the feedback from last year's TRT report around improving the number of reviewers with different language skills were taken into consideration.
- **RATC** concurred with the recommendations from the TRT to the management and endorsed the TRT Report.
- **RATC** highlighted they are in strong agreement with the recommendation made by the TRT to institutionalise mandatory review of MA -yearly business plans by Regional Offices.

Stream 2 – Strategic Fund

Role of RACT:

- Oversight for the Stream 2 processes and results
- Oversee development of recommendations for revisions to Stream 2 guidelines/annual portfolio aiming to optimize efficiency, ensure timeliness
- Improve quality and increase the impact of Stream 2 grants

- **RATC** reviewed the Stream 2 Portfolio analysis and recognized the ability of this Stream to foster collaborative actions across the Secretariat while offering the potential for new opportunities for IPPF that address more significant picture/strategic issues. **RATC requests** greater communication of examples where Stream 2 is working well to enhance learning.
- **RATC** noted there has been good uptake and distribution of the new Resource Allocation Model under Stream 2 and acknowledged that this will take time to be implemented across the Federation. As such, **RATC recommends** that information about how to access the different funding channels within Stream 2 is shared with MAs more widely and more frequently.
- RATC has noted the great success achieved by the Consortium Channel at its first grant to the Colombia Consortium despite challenges of being a new funding model. RATC noted that this is pioneering a new way of working that is better for the Federation as a whole. **RATC recommends** ensuring higher funding allocations for the Consortium Channel, highlighting that current performance indicates it is expected to yield greater success.
- **RATC recommends** the institution of a **catalytic fund** focusing on building alternative models for service delivery and income generation may assist in better funds management and unlocking other funds. Such sustainable business models including (but not limited to) social enterprise can help diversify MA income generation, in line with the Strategy 2028's focus on strengthening MA sustainability. This may enhance peer learning and reflections on income-generation opportunities, and their implementation at country-level. RATC however notes that there must be recognition that the scope and capacity to implement such models will vary among MAs, and the need for stable unrestricted funding must continue to be met.

- **RATC recommends** that this is an area which needs additional financial allocation, fitting with the new strategy. As such **RATC recommendations** under Stream 2 to build capacity of MAs to raise funds on their own, recognizing separate funding may incentivise MAs towards this line of thinking.

Stream 3 – Emergency Fund

Role of RATC:

- *Oversee process/ guidelines adopted for release of emergency grants under Stream 3.*
- *Oversee the development of recommendations for revisions to Stream 3 guidelines aiming to optimize efficiency, ensure timeliness, improve quality and increase the impact of Stream 3 grants.*

- The **RATC** commends the apparent success of increased funds allocation in the humanitarian space and the amazing work to grow this portfolio. RATC were also happy to note that more MAs wanted IPPF to take on a bigger role in the humanitarian space.
- **RATC** recommends that the Secretariat analyze more carefully and document how Stream 3 links to the larger humanitarian and development portfolios, in recognition of its **catalytic role** in unlocking greater funding from other donors.

RATC's Role in 2023 onwards

- **RATC** members recognized that given IPPF's new focus of moving into a 3-year funding cycle, there will be a limited role for RATC to have an oversight of the Resource Allocation model. Also cognisant of the great expertise they have now built in understanding the new funding models, **RATC recommends** to continue meeting less frequently, probably once a year to review progress on the implementation.

In conclusion, **RATC** would like to thank BoT and the Secretariat for the work undertaken to launch the new 3-year Resource Allocation system and their receptiveness to discussions on how to improve the process.