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## UNITED NATIONS POPULATION FUND

### THE MULTI-YEAR PLANNING, MANAGEMENT AND FUNDING FRAMEWORK: FOLLOW-UP TO DECISION 98/24 ON UNFPA FUNDING STRATEGY

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## I. THE CONTEXT

### A. Introduction

1. The success achieved in national and international efforts aimed at modifying population trends and improving health conditions for women and children during the last three decades is a compelling and convincing chapter in the history of development. The International Conference on Population and Development (ICPD) held in Cairo in 1994 is a watershed in this evolution. Building on past successes, eliminating undesirable aspects of ongoing programmes such as demographic targets and quotas, and delineating a clear vision of sustainable development for the 21<sup>st</sup> century, the Conference adopted a Programme of Action that strongly reiterates the importance of population and reproductive health issues for development and advocates a human-rights-based, individual-centred, participatory approach to resolving those issues. It is encouraging that practically all countries of the world have embraced this new perspective and have started implementing programmes in line with the ICPD Programme of Action.

2. Many of the elements needed to implement the Programme of Action are already in place: The political and other commitments to implement population and reproductive health programmes are at a high peak in most developing countries; the substantive content of programmes is clear; and the operational components needed to implement such programmes are also well-known. But the lack of resources to implement the new generation of population and reproductive health programmes remains the biggest obstacle. This, of course, applies to UNFPA's operations as well and is limiting its capacity to perform. The Executive Board is aware of this and in fact in its decision 98/24 on the UNFPA funding strategy welcomed the effective role of UNFPA in advocating for and implementing programmes and activities in full accordance with its mandate and the ICPD Programme of Action and emphasized the need for predictable, timely payments and increased funding to enhance the capacity of UNFPA to contribute to the implementation of the ICPD Programme of Action (para. 2).

3. The Executive Director fully concurs with the Executive Board when it stressed, in the same decision, that the UNFPA funding strategy should be based upon a concept of collective ownership, partnership and shared interests with differentiated responsibilities that is programme-driven and that encourages a partnership with programme and donor countries, lending institutions, the private sector and foundations (para. 3).

4. In the same decision, the Executive Board adopted for UNFPA a programme-driven resource goal of \$400 million for 1999, and also decided to review this goal in September 1999 with a view to deciding goals for future years (para. 9). It further decided that UNFPA should develop a multi-

year funding framework that integrates objectives, resources, budget and outcomes, with the objective of increasing core resources, and that takes into account the following principles:

(a) This framework shall maintain the order of priorities and the mandate of UNFPA as determined by the Executive Board;

(b) This framework shall not introduce any conditionality nor result in any distortions in priorities or changes in the current system of resource allocation;

(c) The allocation of additional core resources that may be mobilized by the multi-year funding framework shall be consistent with programming guidelines determined by the Executive Board, and priority must be given to programmes.

5. As requested by the Executive Board in paragraph 13 of its decision 98/24, UNFPA is submitting in this conference room paper its proposals on the multi-year funding framework for consideration by the Board at its second regular session 1999. In preparing this report, the Fund has strictly taken into account the above principles enunciated by the Executive Board and has greatly benefited from the advice and guidance, both formal and informal, provided by the Executive Board members, as well as by partner agencies also working on similar frameworks.

#### B. The background

6. The systematic linking or associating of results with resources is the central consideration in the development of a multi-year funding framework. While programme activities are undertaken continually, the results such activities help to produce are achieved over a period of time, during which both the pace of programme implementation and the commitment of resources must be maintained. Thus, the multi-year funding approach is a useful framework, which, for any given period of time, can help identify results to be achieved and the associated resources required, both for the time period as a whole, as well as for each year of the time period.

7. The successful development of a results<sup>1</sup> framework presupposes, for the organization concerned, as a minimum the existence of a clear mission statement; well-specified results that the organization's activities help to achieve; a programming approach that is capable of identifying the kinds of outputs that the set of programme activities is helping to produce; and a set of commonly-

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<sup>1</sup> Given the multiplicity of definitions and a lack of discipline in the use of these terms, it is necessary to define terms such as results, indicators, outcomes, performance measures etc. Please refer to Annex 1 for definitions of these terms as they are used in this report.

agreed indicators to measure achievement of results as well as performance measures to assess the quantity and quality of outputs that are being produced by programme activities. Equally important is the existence of a multi-year programming cycle, as well as a multi-year plan that includes resource requirements and resource utilization for both the programmes and the associated support budget of the organization for the planning period. Finally, the existence of a management culture that places emphasis on the achievement of results and on assessment of performance is essential.

8. Fortunately, over the last five years or so UNFPA has developed instruments, mechanisms, guidelines, indicators, and management practices that, individually, are supportive of a results-based approach. What is needed is an overall framework to pull these various elements together and to link them in an integrated way.

9. As pointed out earlier, the ICPD dramatically changed the nature, scope, focus and strategy of interventions in population and reproductive health. Immediately following the Conference, UNFPA examined the implications of the Programme of Action for its own operations. In close collaboration with and guidance from the Executive Board, the following elements, all of which are necessary for a results-based approach, have been put in place at UNFPA:

(a) Clear and focused programme priorities that were developed in light of the ICPD and endorsed by the Executive Board in decision 95/15;

(b) A clear and focused resource allocation system based on a country's level of achievement of ICPD goals as measured by indicators and threshold levels endorsed by the Board in decision 96/15;

(c) A mission statement endorsed by the Board in decision 96/28;

(d) A four-year rolling workplan approved each year by the Executive Board that identifies both the resources available during the four-year period for programmes and the resources required for the support budget, giving planned allocations by country categories in line with the new resource allocation approach. In a recent decision, the Executive Board has requested that the work plan be more focused, analytical and outcome-oriented (decision 98/11);

(e) A biennial support budget presentation that is harmonized with those of UNDP and UNICEF;

(f) A mutual interface between the four-year work plan and the biennial support budget;

(g) A programme development process that is based on a programme and sub-programme approach and uses the logical framework (logframe) technique with objectively verifiable indicators for results and outputs;

(h) A comprehensive set of recommendations for operational activities to increase the absorptive capacity and financial utilization related to population and reproductive health programmes in programme countries, based on an independent study carried out in accordance with decision 96/27;

(i) A comprehensive set of criteria for assessing potential executing agencies, based on an assessment of execution modalities for UNFPA-supported programmes;

(j) A process of developing annual workplans for the various organizational units of the Fund and, within such units, individual performance plans for each and every staff member;

(k) A UNFPA workforce planning exercise to define the human resource requirements of the organization;

(l) A monitoring and oversight system encompassing the monitoring and evaluation of programme activities and policy application reviews for assessing policy compliance;

(m) A performance appraisal system that emphasizes staff development and a training programme designed to upgrade specific skills and competencies of all staff at all levels to meet organizational priorities and to strengthen management and leadership skills.

10. The move towards a results-based approach is thus a natural and logical next step of these various policy, programme, operational and management developments that have been undertaken at UNFPA. While the adoption of such an approach is useful and important for all concerned, and linking it with the resources required is essential in ensuring predictability and continuity of the programme pace, the shift towards a results-based approach will take time, require the commitment of all staff at all levels and need support and nurturing during the early stages of its development and implementation.

### C. The process

11. Immediately following the adoption of decision 98/24 on the UNFPA funding strategy, the Executive Director constituted an Inter-Divisional Working Group (IDWG) composed of representatives from all organizational units within UNFPA to help develop proposals for the multi-year funding framework. This Fund-wide team approach, in which inputs were received from

headquarters staff and field offices, has proven to be a very good facilitating mechanism to promote collective ownership and ensure coherence in the content of the framework.

12. The working group has been guided by: (a) a commitment to consultation -- not only within UNFPA, but also with other partners in the United Nations system and with bilateral development and other agencies, NGOs and the academic community; (b) an open-mindedness and willingness to consider new ideas; and (c) a recognition that developing a multi-year funding framework is not an easy task. The process that UNFPA has followed in developing the proposals contained in this report has strengthened the content of the framework, clarified many doubts, identified potential pitfalls, demonstrated the need for being modest in expectations and underscored the uniqueness of the approach to each organization. As part of this process, the working group:

(a) Forged a team-building effort to identify issues that are central to the development of the framework;

(b) Conducted an extensive review of literature on results-based approaches;

(c) Consulted with UNICEF, UNDP, the United Nations Secretariat, other members of the United Nations Development Group (UNDG) and others on their experiences in results-based approaches;

(d) Consulted with the development cooperation and other agencies of Australia, Canada, Sweden, the United Kingdom, the United States of America and others, as well as with NGOs, on their national or institutional experiences in results-based approaches;

(e) Organized a workshop in October 1998 with representatives from UNDP, UNICEF, the United Nations, UNDGO and UNFPA on the basic elements of results-based approaches, with a well-known expert on such approaches as the presenter and resource person;

(f) Presented the basic elements of UNFPA's approach to the multi-year funding framework to the UNFPA Executive Committee in early December 1998;

(g) Organized an internal workshop in mid-December 1998 for a large number of UNFPA staff to build a consensus on results and indicators in the three programme priority areas of UNFPA;

(h) Organized an informal consultation with Executive Board members in mid-January 1999 on UNFPA's approach to the multi-year funding framework;

(i) Conducted a detailed analysis of 40 logframes of UNFPA country programmes and sub-programmes to identify a preliminary list of outputs and associated performance measures in the Fund's three programme priority areas;

(j) Made a detailed presentation to and consulted with UNFPA field representatives, in February 1999, on the elements of the framework, thereby forging their commitment to participate in and contribute to the formulation of the framework. Field staff underscored the need to balance reporting requirements without hampering programme implementation and the crucial role of external factors in programme performance;

(k) Organized a second informal consultation with Executive Board members in mid-March 1999 on the draft of this conference room paper, containing UNFPA proposals;

(l) Conducted an extensive review of the proposals by a wide array of staff members in UNFPA before finally submitting them to the Executive Board.

13. The Executive Director and the senior management of UNFPA are convinced that the Fund must move towards a full-fledged results-based approach through the multi-year funding framework. While UNFPA is committed to implementing the proposals contained in section II of this report, it is also aware that the approach will need to be continually reviewed and revised and that eventually it will help to bring about a new perspective on the conduct of UNFPA activities in the next decade. The Fund plans to guide that transition in close partnership with the Executive Board and other appropriate partners. However, care must be taken to ensure that the approach is implemented in such a way that it does not overburden the system and hamper programme implementation at the country level.

## II. PROPOSALS

### A. Need for a framework

14. Recognizing the value and relevance of a results-based approach that links effective performance to better results, UNFPA is proposing a Multi-Year Planning, Management and Funding Framework that focuses on the consequences of the Fund's actions in pursuing and achieving its aims. The framework builds on UNFPA's efforts to institute a planning and management system that is results-based, emphasizes the importance of decentralizing decision-making processes, and promotes an organizational culture that puts a premium on strengthening partnerships, learning from experience, enhancing accountability in both programme performance and expenditure, and communicating the results and programme performance to its partners and the

wider public. As indicated in section I, and elaborated in later sections, most of the basic elements for the effective design, implementation and monitoring of a results-based framework are already in place.

## B. Components of the framework

15. The UNFPA Multi-Year Planning, Management and Funding Framework has several interrelated components: results and indicators; outputs and performance measures; resource requirements and utilization plan; and the funding system. To ensure a common understanding of key concepts used in this report, UNFPA has utilized the following working definitions:

(a) Result - bottom-line condition of well-being for individuals, families and communities to which UNFPA contributes;

(b) Indicator - a measure that helps quantify the achievement of a desired result;

(c) Output - deliverable for which UNFPA is accountable by the end of a country programme;

(d) Performance measure - measure of the effectiveness of UNFPA's response.

These definitions mark an important distinction in the results-based approach between results and indicators, which have to do with ends, and outputs and performance measure, which have to do with means. Annex 1 explains these and other terms in more detail. Annex 2 provides a schematic representation of the UNFPA approach to the conceptualization of the framework. The following sub-sections describe the contents of these components of the framework and UNFPA's proposals and/or plans for the future.

### 1. Results and indicators

#### Defining results

16. UNFPA's first step in formulating the framework has been to set up a process to identify and reach agreement on the results that UNFPA contributes to through its work worldwide, and the indicators that will help to measure the attainment of these results. Results are by definition not owned by any one agency or system. Improving these basic conditions require the concerted effort of all sectors of the community. The selection of results has entailed a review of organizational priorities approved by the Executive Board and of the goals of country programmes, accompanied



by a process of wide consultation with and participation of development partners in the respective countries.

17. The ICPD Programme of Action marks a new consensus among UNFPA, other United Nations agencies, Governments and NGOs concerning major principles and goals in reproductive health and population. As the lead agency in the implementation of the Programme of Action, UNFPA has an important responsibility to ensure that its own contributions help countries reach their goals in these and closely related areas. UNFPA cannot achieve this alone and thus depends on strong multisectoral partnerships at the country level, including close collaboration with Governments and other national entities, as well as with its partners in the United Nations system, including the World Bank and regional development banks.

18. The Executive Board has endorsed (in decision 95/15) the core programme areas for UNFPA of reproductive health, including family planning and sexual health; population and development strategies; and advocacy. UNFPA's mission statement, endorsed by the Executive Board in decision 96/28, underscores the Fund's commitment to promoting reproductive rights, gender equality and equity, and the empowerment of women.

19. UNFPA and the Executive Board therefore share a strong commitment to a well-defined set of results to which UNFPA contributes at an organizational level. A review of the logframes developed for UNFPA-supported country programmes confirms a close correspondence between the core programme areas approved by the Executive Board and the goals defined for programmes and sub-programmes at the country level.

#### Identifying indicators for results

20. As results are broad statements of what UNFPA and its partners hope to achieve, progress towards these results can rarely be captured by a single indicator. The Fund is therefore committed to selecting a set of indicators that will provide an overall picture of the desired results.

21. As pointed out in paragraph 4 above, Executive Board decision 98/24 stresses that the proposed framework shall not introduce any conditionality nor result in distortions in priorities or changes in the current system of resource allocation. The Executive Board has approved a UNFPA approach to resource allocation that is based on the goals and principles of the ICPD Programme of Action and classifies countries into various categories depending on their level of achievement of three ICPD goals in particular – accessibility of reproductive health services; reduction of infant, child and maternal mortality; and universal education, especially of girls – as measured by seven indicators. The approach is to be reviewed every five years to reflect the progress made in

individual countries towards attaining ICPD goals and to reassess the threshold levels and appropriateness of the indicators.

22. To ensure that there are no changes in the current resource allocation system, these indicators will be retained for the Framework proposed in this paper. Additional indicators that reflect the comprehensive nature of reproductive health, including family planning and sexual health, and encompass population and development strategies and advocacy have been identified through a study of the logframes of UNFPA-supported country programmes.

#### Preliminary results and indicators list

23. Based on the review of UNFPA priorities and goals approved by the Executive Board and the logframe study, the Inter-divisional Working Group developed a preliminary list of results and indicators. This list has been reviewed several times by UNFPA senior management and headquarters staff and has been shared with UNFPA country offices and Country Support Teams to further refine the list and to ensure that the indicators reflect priorities and strategies in the field. This has led to changes in some of the results and indicators, as well as in the priority accorded to the indicators. This process has so far produced four results for the three core programme areas and a number of indicators. An illustrative list of results and indicators is provided in annex 3. As indicated in paragraphs 24 and 25 below, several issues related to aggregation, contribution, attribution and quantification of indicators remain unresolved. The Fund needs to additionally identify indicators to supplement the quantitative ones listed in the annex. The proposed feasibility studies will further examine these issues.

#### Some methodological issues

24. *Setting and monitoring the baselines.* The lack of accurate and timely data for establishing the baselines and recording progress for some relevant indicators of results is a major methodological problem. Maternal mortality, for example, is not captured by most civil registration systems. UNFPA may therefore need to make use of estimates based on surveys and models as well as proxy and process measures. The Fund needs to support efforts, with other partners, to collect and analyse data on maternal mortality. Even when data are available, it may not be possible to see a point-to-point improvement in the baseline, at least not in the short term. The development of more accurate baselines may well show that conditions are worse than previously thought. Moreover, baselines may even be headed in the wrong direction, in which case the best that one may be able to do is to slow down the rate at which things are getting worse. Most of UNFPA's assistance is directed towards the countries that are poorest in terms of economic and human resources and consequently have some of the worst population and reproductive health indicators. Thus, it is not unreasonable to expect that it will take some time to show positive results in these countries.

25. *Qualitative versus quantitative.* The measurement of indicators tends to favour the use of quantitative over qualitative data. The new paradigm of reproductive health goes beyond statistical measurement to place emphasis on such qualitative dimensions as quality of life, individual satisfaction, and various rights. This suggests the need for indicators based on both qualitative and quantitative data. Thus, for example, the contraceptive prevalence rate (CPR) or percentage of births attended by a health professional cannot serve as the only indicators for reproductive health as they do not reflect such dimensions as quality of care and choice of contraception, or many of the other components contained in the comprehensive ICPD definition of reproductive health. Such indicators as CPR and percentage of births attended by a health professional, therefore, need to be supplemented by other indicators.

## 2. Outputs and performance measures

### Determining UNFPA outputs

26. UNFPA has introduced the logframe technique to its programming process in all of its country and intercountry programmes. This process, identifying the goals (results), purposes, outputs and activities, is usually carried out for each of the Fund's three core programming areas and their related performance measures.<sup>2</sup>

27. UNFPA ensures that logframes are developed for country and intercountry programmes. These logframes are used to identify the outputs that constitute UNFPA's contributions to global results and to define the objectively verifiable indicators to measure, qualitatively and quantitatively, goals, purposes and the outputs for which UNFPA is accountable.

28. The country programme logframe is a significant step in institutionalizing a system that enhances accountability, effectiveness, quality and, above all, responsiveness of UNFPA assistance. The logframe technique provides an important opportunity to carry out risk analysis and identify outputs that are most likely to contribute to the achievement of the desired results.

### Defining performance measures

29. The logframe requires setting realistic performance measures for the intended outputs that can be revisited and adjusted regularly during the various phases of the programme. These

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<sup>2</sup> Annex 1, which contains a definition of terms used in the results-based approach, also provides corresponding equivalents in the logical framework (logframe) technique already adopted by UNFPA.

performance measures will help answer the question of how well UNFPA is doing and provide useful information to improve programme implementation and to plan future interventions. In order to meet programme management needs, each UNFPA-supported programme defines for its outputs performance measures for which quality data are available on a regular basis. Both quantitative and qualitative measures are used.

30. All country programmes starting in 1997-1998 have well-defined performance measures that UNFPA country offices will monitor on a regular basis; the logframes have specified the source of the data and method of data collection and, to the extent possible, have included performance baseline data that reflect the level of each performance measure at the time the cycle of assistance commenced.

#### Illustrative examples of outputs and performance measures

31. *In the area of reproductive health*, UNFPA-supported programmes will be accountable for an interrelated set of outputs that cumulatively contribute to the achievement of the result that "all individuals enjoy reproductive health throughout their lives." One of UNFPA's major contributions will be to help countries build national capacity to provide high-quality reproductive health services, including family planning and sexual health, with emphasis on meeting the needs of underserved populations and special groups, including men and youth. Another key concern is to raise public awareness of all forms of violence against women and adolescent girls including sexual violence, female genital mutilation (FGM), and domestic violence, as well as of the means to eradicate these and other harmful practices against women.

32. An illustrative list of UNFPA outputs in the area of reproductive health includes: improved access to services; improved quality of services; increased public knowledge of and attitudes towards reproductive health including family planning and sexual health, with special emphasis on the information and service needs of adolescents; increased access to post-abortion counselling; enhanced capacity to manage and plan programmes; development of comprehensive reproductive health policies and standards of practice; and increased capacity to carry out research on reproductive health, and to collect, analyse and utilize data. The performance measures in this area will be based on the analysis of quantitative and qualitative data of the coverage and utilization of services; number and capacity of service delivery points; client satisfaction; and knowledge, attitudes and practices of target groups, among others.

33. *In the area of population and development strategies*, UNFPA-supported programmes will be accountable for outputs that will contribute to the achievement of a balance between population dynamics and socio-economic development. An illustrative list of outputs in this area includes: updated population and development policies; strengthened national capacity for population and

development planning; improved database and data utilization in planning; a better understanding of the linkages between population and development; and development of indicators.

34. *In the area of advocacy*, UNFPA-supported programmes will contribute to the goals of achieving gender equity and equality; promoting girls' education; eradicating sexual violence and harmful practices including FGM; and building effective partnerships to attain reproductive rights and the empowerment of women in general. Key among these partnerships is the work with mass-media organizations to assist in national, regional and international advocacy campaigns. Intended outputs include improved awareness of sexual and reproductive rights; support for policies to address sexual and reproductive rights; understanding of gender issues at all levels, including the identification of measures to close the gap between men and women in access to health care and social welfare services, to credits, to education, and to employment; and the formulation of gender-sensitive population policies and programmes.

#### Enhancing the linkage between outputs, performance and results

35. *Accountability*. As it is used in this report, accountability is defined as a responsibility for the effective and efficient use of resources to achieve reasonable progress toward programme outputs and to contribute towards achieving desired results. The results-based approach, when institutionalized throughout the organization, will make this accountability a shared responsibility of all staff and an organizational norm.

36. *Determining what works or does not work*. UNFPA will further strengthen the process it uses to define its activities and outputs in its core programme areas. This will be done through a systematic analysis of what actually works to progress towards desired results. To determine "what works" or "what does not work", UNFPA will draw upon a variety of sources, including operational research; annual programme and subprogramme reviews, mid-term reviews, and end-of-programme evaluations; thematic evaluations; and the five-year review of the ICPD Programme of Action. This review process has been indispensable in efforts to link UNFPA contributions to the achievement of global results, as illustrated in annex 2.

37. *Consultation with stakeholders*. The new approach will strengthen what is already a feature of UNFPA programming, i.e., the participation of programme staff at various levels as well as stakeholders in defining programme outputs and performance measures. This is essential to ensuring, among other things, the relevance and utility of the management information system designed to provide data on a regular basis to these users. The institutionalization of performance measures for activities and outputs will guide programme implementation and monitoring throughout the

programme cycle. Timely data on performance measures such as service coverage, utilization and quality assurance can be used to increase programme effectiveness and responsiveness.

38. Decentralization and aggregation of common performance measures. The full decentralization of UNFPA's programme operations will strengthen the strategic management approach that characterizes the Framework by ensuring that decisions about the most appropriate activities, outputs and performance measures are developed at the level closest to the programme beneficiaries. Such decentralization, however, makes it difficult to compare one programme to another or to characterize the outputs of the whole organization by aggregating a handful of indicators. It appears that it is possible to collect comparable data for a given set of common performance measures, but further analysis is required before reaching a consensus on them. Indeed, it will be necessary for UNFPA to carry out feasibility studies in order to be able to determine which common performance measures should be used, how often data should be collected and how comparable the data collected are. Such measures emanating from specific country programmes and the intercountry programme will be aggregated and used according to management needs and practical considerations.

39. Systematic analysis of assumptions and risks. There are many economic, political, social, cultural, and religious factors that may strengthen or impede the achievement of outputs and results, and these need to be taken into account in developing a programming strategy and in determining the desired results. While some of these can be addressed through UNFPA support to capacity-building and advocacy programmes, there will always be some risks that are essentially outside the Fund's control.

#### Results-indicators-output-performance matrix

40. Programmes. From the description presented thus far, it should be stated that the results and output frameworks for UNFPA programmes would yield four results, a number of indicators to measure those results, a set of outputs for each result, and a set of performance measures to assess the outputs. Depending on the desired level of details, the presentation of result-indicator-outcome-performance measure matrix can be adjusted. Table 1 shows an illustrative summary format of such a presentation.

41. Programme support, management and administration. UNFPA performs other tasks and activities that help support its contributions towards reaching desired programme results in the areas of population and reproductive health. These include providing programme support, as well as policy and technical advice; evaluation and oversight; management and administrative support; information support; and resource mobilization. The Fund will build on the existing process of developing work plans for its divisions and units in these areas in order to further develop agreed-

upon performance measures and outputs to be achieved. In this regard, UNFPA will prepare a matrix showing objectives, outputs and performance measures for management aspects, similar to the one illustrated for programmes in table 1.

### 3. Resource requirements and utilization plan

42. The results-indicators-outputs-performance measures matrix can be formulated for both programmes and management for a four-year period, e.g., 2000-2003, by using baselines and benchmarks. Such information can be used to develop a multi-year organization plan.<sup>3</sup> Taking this organizational plan as the basis, UNFPA can estimate the resources required during the plan period from both general/core resources and supplementary resources.

43. As mandated in decision 98/24, the Fund will present a resource utilization plan consistent with programme priorities and current system of resource allocation. The intended distribution of resources according to programme priorities will be indicated, as illustrated in table 2. Likewise, the Fund can also indicate the intended distribution of resources by categories of countries, as illustrated in table 3. In order to show the utilization of total resources during the entire plan period, resources for the support budget will also be included. The information contained in the organizational plan for 2000-2003, taken together, can help demonstrate a results-resources-budgeting approach.

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<sup>3</sup> It should be made clear that this framework can be developed by either starting from given resources and working out the likely results that can be achieved with such resources or starting from a given set of desired results and working out the required resources. The appropriate methodology needs to be decided upon by the Executive Board.

Table 1  
A summary presentation of a results-outputs matrix

UNFPA Goal in Population and Reproductive Health: To strengthen capacity of developing countries in implementing ICPD Programme of Action recommendations as they relate to UNFPA core programme areas.				
UNFPA Programme Priorities	UNFPA contributes, with other partners		UNFPA Fully Responsible	
	Results	Indicators	Outputs	Performance Measures
1. Reproductive Health including family planning and sexual health	1. Individuals enjoy reproductive health, including family planning and sexual health throughout life.	See  Annex 3 for Illustrative Indicators for all three priority areas	See  Paragraphs 32, 33 and 34 for illustrative outputs in three priority areas respectively	To be finalized in future
2. Population and Development Strategies	2. There is a balance between socio-economic development and population dynamics			
3. Advocacy	3. The sexual and reproductive rights of individuals are recognized and reinforced.			
	4. Women and men are treated equally.			



ILLUSTRATIVE FORMAT

Table 2: Resource utilization by programme areas: Estimates 2000-2003 and actual for 1996-1999  
(in millions of US dollars)

Programme Area	Actual (1996-1999) (for illustration only)		Estimate (2000-2003)	
	US\$	%	US\$	%
1. Reproductive Health	661	52		
2. Population and Development Strategies	223	17		
3. Advocacy	166	13		
4. <i>Programme Total</i> (1+2+3)	1,050	82		
5. Support Budget	226	18		
6. <b>Grand Total</b> (4+5)	1,276	100		

ILLUSTRATIVE FORMAT

Table 3: Resource utilization of country activities by country category: Estimates for 2000-2003 and actual for 1996-1999  
(in millions of US dollars)

Country category	Actual (1996-1999) (For illustration only)		Estimate (2000-2003)	
	US\$	%	US\$	%
Group A Countries	478	63		
Group B Countries	204	27		
Group C Countries	30	4		
Transition and Other Countries	44	6		
All countries	756	100		

ILLUSTRATIVE FORMATTable 4: Resources by category: estimates for 2000-2003  
(In millions of US dollars)

Resource Category	Estimate				
	2000	2001	2002	2003	2000-2003
1. General					
2. Supplementary					
3. <b>Grand Total</b>					

#### 4. The funding system

44. As a follow-up to General Assembly resolution 50/227, the Executive Board, in decision 98/24, emphasized the need to strengthen the financial support for UNFPA's core programme in order to enhance its capacity to contribute to the implementation of the ICPD Programme of Action. This decision included the introduction of multi-year funding and the announcement in the Executive Board of voluntary core contributions to UNFPA and payment schedules for the current year.

45. UNFPA, in document DP/FPA/1998/CRP.2 "Mobilizing Resources Now and in the Future", indicated that a future funding system should have the following objectives: (a) to ensure predictable, adequate and stable growth of core resources; (b) to supplement core resources with non-core funding; (c) to expand the donor base; and (d) to increase the amount of resources currently provided by the programme countries themselves.

46. In decision 98/24, the Executive Board emphasized the need for predictable, timely payments and increased funding for UNFPA and designated the second regular session of the Board as a time for all member countries to announce voluntary contributions to UNFPA as follows: a firm funding commitment for the current year; for those in a position to do so, a firm contribution or indication of the contribution for the following year and a firm or tentative contribution for the third year. Member countries were also requested to announce payment schedules for the current year and encouraged to make early payments. At this session, the Board will review the record of actual core contributions as well as the timing of payments made in the previous calendar year. In terms of multi-year pledging, it will be important for planning purposes if member countries could indicate clearly whether their contributions pledged beyond the current year are firm, indicative or tentative.

47. In light of the fact that UNFPA will be submitting its proposals for a multi-year funding framework to the Executive Board at its second regular session 1999, the Executive Director proposes that the first full cycle for the UNFPA funding system begin with the Board's second regular session in 2000. This will allow adequate lead time to begin implementing the new funding system. Thus, for 1999, pledging for UNFPA will be carried out during the year in the context of the 1999 United Nations Pledging Conference for Development Activities that was held in November 1998. In this regard, the Executive Director will be communicating, in due course, with those member states still to pledge in accordance with the currently used procedure. At its third regular session in September 1999 the Executive Board will also review UNFPA's resource goal for future years starting with the year 2000, as noted in paragraph 9 of decision 98/24.

48. With the Board's approval of the Executive Director's proposals for the funding framework at the second regular session 1999 and future resource goals at the third regular

session 1999, UNFPA will prepare the first multi-year plan covering the period 2000-2003, which the Executive Director will present to the Board at its first regular session in January 2000. The linking of programme objectives and results with resources will be a learning process, and the first multi-year plan will be in many ways a pilot test. Nevertheless, UNFPA will give a breakdown of the resource requirements identified in the programme component of the multi-year plan for both general and supplementary resources, as shown in table 4.

49. Once approved, the multi-year plan will form the framework for UNFPA's overall funding strategy for the period 2000-2003, and will be the basis for dialogue with the Executive Board, other member states, foundations, the private sector and other potential partners.

50. The first full round of funding announcements for UNFPA would commence with the Executive Board's second regular session in 2000. In practice, pledging could begin as early as November of the previous year, depending on individual donor preference, and continue until one week prior to the first day of the second regular session the following year. Funding announcements could be submitted to the UNFPA Secretariat in writing or transmitted electronically. Such a process would enable the Board to devote more time to analysing and discussing the results of the pledging process. UNFPA would prepare a brief report for the Board's review on the countries that pledged; the number of years covered by the pledge; the currency of the pledge; the amount in national currency; and the amount in United States dollars or its dollar equivalent. Further details on specific modalities can be worked out based on the lessons learned from the pledging process for UNDP at the second regular in April 1999. UNFPA's goal is to ensure that the funding and pledging modalities will be harmonized for both organizations starting in April 2000.

51. The first full cycle of the funding system for UNFPA will start in January 2000 with the presentation of the Fund's first multi-year plan to the Board. The multi-year plan and relevant background information will be distributed to all members of the Fund, not only to members of the Executive Board, so as to facilitate and ensure the full participation of all member and observer states in the pledging process for UNFPA. Following the discussion of UNFPA's multi-year plan at the first regular session in January 2000, the Executive Board will be expected to reach a consensus on the Fund's programme goals and objectives and corresponding resource requirements for the period 2000-2003. With this consensus in hand, pledging for 2000 would commence and culminate with the second regular session in 2000. This process would be repeated each year on a routine basis.

52. The logical sequencing of the cycle would require that UNFPA make an annual presentation on progress achieved in its contribution to results during the previous year based on the planned objectives and resources provided to the organization. The Fund proposes as a transitional measure to report to the Board at the annual session on the main results

achieved. Since 1999/2000 will be a transition period, the report in June 2000 will be a modified version. Starting in the year 2001, the annual reporting on the implementation of the multi-year plan and the pledging process can be synchronized and taken up by the Executive Board at its second regular session. With the completion of the multi-year cycle, the Executive Director will prepare a comprehensive report surveying the progress made, and the lessons learned, over the four-year period towards fulfilling UNFPA's mission as stated in the multi-year plan.

53. During the annual sessions, the Board will have the opportunity to discuss the implications of the yearly progress reports for the implementation of the multi-year plan. Consideration should be given to the linkage of results to the level of resources available to UNFPA, and adjustments made as required. It is expected that over the course of the first multi-year plan for 2000-2003, UNFPA and the Executive Board will become more knowledgeable about the process of integrating programme objectives and results with resources, which should, in turn, significantly improve the environment for resource mobilization.

### C. Monitoring of and reporting on the framework

#### 1. Monitoring: Existing system and gaps

54. Monitoring and evaluation have been important tools for programme management. There is currently a system of continuous review throughout the programme cycle, including annual programme and sub-programme reviews, mid-term reviews, and end-of-programme evaluations. For those country programmes that started more recently, indicators for programme results, outputs and activities are, in line with current programming guidelines, systematically monitored to measure progress and achievements, based on the logframe analysis approach. Actions necessary to redress problems identified, or to redirect programmes, are taken in a timely manner at the country, regional and global levels, as appropriate. Moreover, certain themes are selected each year for in-depth evaluations, and the findings and recommendations of such evaluations are widely disseminated to provide lessons for developing new programmes and/or adjusting or revising policies.

55. In addition to programme monitoring, policy application reviews and external, management and internal audits help ensure and improve management and accountability. The Fund's Office of Oversight and Evaluation carries out several policy application reviews each year to ensure accountability at all levels of decision-making within UNFPA with respect to compliance with its mandate and policies. This is done by examining the development and implementation of selected programmes. The recommendations of policy application reviews and audits are also followed up to improve programme and office management and ensure compliance with rules and regulations.

56. Such monitoring activities are integral parts of the annual workplans of all organizational units, including country offices. The workplans are an organizational management tool and establish annual objectives, tasks and associated timetables for each unit. Individual Performance Plans (IPPs) of staff are based on these organizational unit workplans, and staff performance is reviewed each year by the Fund's Management Review Group in light of staff members' IPPs.

57. Much of the elements required to monitor the multi-year plan is in place, although some adjustments may be needed. The logframe will be reviewed with a view to harmonizing it with the results-based approach. When organizational outputs are determined and performance measures agreed upon in the coming months (or during the feasibility assessment phase), the adequacy of the existing system can be better judged and adjustments made.

58. What is required further is: (a) to develop a medium-term organizational plan that includes outputs, strategies and accountability norms; and (b) to develop an integrated monitoring system of performance covering programme, organizational units and individual staff, building on the Fund's various existing monitoring mechanisms.

#### Proposed system on components of the framework and multi-year plan

59. Monitoring of the multi-year plan. UNFPA will monitor all components of the multi-year plan. Relevant headquarters units and country offices will be responsible for collecting the data needed for the indicators (to measure results), performance measures (to measure outputs) and cost estimates (to estimate resource requirements).

60. Indicators. Possible baselines for quantitative and qualitative indicators will be established at the beginning of the multi-year plan (for example, 2000-2003), against which data will be compared annually. This comparison will show if there is movement in the baseline in one direction or another. The reasons behind the movement will be analysed – to see what works and does not work – and the relevance of UNFPA's strategies will be reviewed.

61. Performance measures. UNFPA is committed to achieving the outputs that will be produced as a result of the assistance it provides to programme activities, support services, technical knowledge and advice, managerial and administrative services, and advocacy activities. When the multi-year plan is finalized in the coming several months, performance measures will be identified accordingly and monitored annually -- at the country level for country programmes; and at the headquarters level for intercountry programmes and other activities such as those related to policy-making, fundraising and resource utilization, and administrative and management support. The processing and analysis of outputs and performance measures and their aggregations will be done at UNFPA headquarters.

## 2. Reporting

62. The Executive Director will submit two kinds of reports to the Executive Board on the multi-year plan: (a) an annual report on progress made in implementing the multi-year plan as part of her annual report; and (b) a separate and detailed report on the cumulative implementation of the multi-year plan including an assessment of strategies followed and lessons learned at the end of the plan period. The format and content of these reports will be developed in the coming months.

### D. Time-frame

63. The Executive Director proposes the following time-frame:

Second regular session 1999 -	Executive Director submits proposals regarding the multi-year framework.
Third regular session 1999 -	Executive Board decides on resource goals for UNFPA for future years, as per paragraph 9 of decision 98/24
First regular session 2000 -	Executive Director submits the first Multi-year plan, 2000-2003, for approval by the Executive Board, based on approved framework and resource goals
Second regular session 2000 -	Funding announcement session for UNFPA: A report on contributions prepared by UNFPA (becomes routine thereafter).
Annual session 2000 -	Progress report on the multi-year plan by the Executive Director in her annual Report (becomes routine at the second regular session of the Executive Board in following years)

### E. Financial implications

64. As pointed out in previous sections, a set of rigorous and concerted activities is essential in the early phases of the development and implementation of the multi-year funding framework and corresponding multi-year plan. While the basic tools and instruments exist, there is a need to readjust them in order to make them compatible with the results-based

approach. Over a two-to-three-year period, the entire approach can be institutionalized and made part of the programme, operational, and management practices of the organization. In order to institutionalize the results-based approach, however, a number of efforts will be necessary. These include:

- (a) *A major effort at headquarters to complete the conceptualization and operationalization of the approach as well as the preparation of the multi-year plan.* This will include such activities as developing an integrated performance management system; designing the reports; collecting needed information and analysing it; writing the reports and distributing them to relevant parties for feedback and finalization. Starting in June 1999, the work involved will be very intensive and will continue through the next eighteen months;
- (b) *A major consultative and interactive effort with UNFPA country offices.* Judging by the first briefing at The Hague in February 1999, it is clear that several sessions with field office staff are required on both regional and cluster levels. This would entail travel and other related costs during June 1999 – June 2000;
- (c) *Efforts to link outputs and performance measures on one hand and outputs and costing on the other.* Likewise, the country-specific inputs for the preparation of the annual report on the framework need to be worked out with the help of a few country feasibility studies, at least one from each region, and that would entail some additional costs;
- (d) *Collection of materials and information to develop interactive training tools, including manuals, guides and standardized formats for reporting;*
- (e) *An extensive training exercise to train all UNFPA staff at all levels, both at headquarters and in the field, in the basic principles and concepts of the multi-year funding framework and in the development and implementation of the multi-year plan.*

65. Taking these into account, the Executive Director seeks extra-budgetary resources, on a one-time basis, totaling approximately \$1 million, to cover these activities over an 18-month period starting in June 1999. Additional budgetary details are contained in annex 4.

### III. CONCLUSION

66. This report has shown how UNFPA plans to proceed in developing a multi-year funding framework and the corresponding multi-year plan to implement it. Several key points are worth reiterating here. First is the Fund's commitment to the framework. The Executive



Director and the entire UNFPA staff are committed to the results-based approach and consider the multi-year framework as an excellent vehicle to achieve it. Second, UNFPA does not underestimate the challenges the new orientation poses to the organization. Indeed, the Fund understands fully the ramifications of moving to such an approach in terms of organizational culture; programme management, monitoring and evaluation; staff time and commitment; and training requirements, among others. Many of the basic elements for the framework are already in place at UNFPA. But these policies, procedures, tools, mechanisms and practices have to be built upon and strengthened, and linked into a coherent framework. The Fund is confident that it can, and will, develop and implement a Multi-Year Planning, Management and Funding Framework.

67. The Executive Board has a pre-eminent role to play in this process, both as guide and partner. The Board clearly recognizes this dual role, as is evident in decision 98/24 and the interaction between the Board and UNFPA in formal and informal consultations leading up to and following the adoption of the decision. Paragraph 2 of the decision emphasizes the need for predictable, timely payments and increased funding to enhance the capacity of UNFPA to contribute to the implementation of the ICPD Programme of Action; paragraph 3 stresses the need for a funding strategy based on collective ownership and partnership; and, perhaps most importantly, paragraph 11 notes that the objective of developing a multi-year funding framework is to increase core resources. Part (b) of the same paragraph provides for a funding mechanism that will facilitate the multi-year commitment and timely payment of resources.

68. UNFPA is at a crossroads in terms of resources. The trend of declining ODA and its impact on the resource base of UNFPA is limiting the Fund's capacity to meet the growing reproductive health needs of millions of people in developing countries. This is all the more significant in the wake of an ICPD+5 process that has yielded a wealth of lessons learned and proposed actions that can guide the implementation of the Programme of Action over the next five years and beyond. But UNFPA is still hopeful – first, that the ICPD+5 process has succeeded in regenerating the political will and financial commitment witnessed in Cairo; and second, that the multi-year framework will achieve its primary objective of increasing the core resources of UNFPA so that the Fund can continue to play an important role in helping countries to implement the Programme of Action.

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## ANNEXES

### ANNEX 1

#### **UNFPA APPROACH TO A RESULTS-BASED MULTI-YEAR PLANNING, FUNDING AND MANAGEMENT FRAMEWORK: SOME DEFINITIONS AND SELECTION CRITERIA**

##### I. DEFINITIONS

###### A. Results-based budgeting

Start with the results we want for individuals, families and communities and work backward to the means to achieve those results.<sup>4</sup>

###### 1. Result or Outcome

Conditions of well-being for individuals, families or communities.<sup>5</sup> Results are umbrella statements that capture the comprehensive set of needs that must be met to achieve success. By definition, improving these basic conditions of success requires concerted action by all sectors of the community. A result should be specific, free of jargon, compelling, and a matter of common sense.

In the logical framework (logframe) technique adopted by UNFPA as a programming and performance measurement tool GOALS (quality of life improvement) are often expressed as results statements. They reflect the expected impact to which the outputs of the country programme contribute.

###### 2. Indicator or Benchmark

"A measure, for which we have data, that helps quantify the achievement of a desired result".<sup>6</sup> Usually more than one indicator is necessary to measure a result.

The logframe equivalent is the Objectively Verifiable Indicator (OVI) at the Goal level.

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<sup>4</sup>Adapted from Mark Friedman, "A Strategy Map for Results-based Budgeting: Moving From Theory to Practice", The Finance Project, September 1996, p.1.

<sup>5</sup>Adapted from Mark Friedman, "A guide to Developing and Using Performance Measures in Results-based Budgeting", The Finance Project, May 1997, p.1

<sup>6</sup>Friedman, 1996, p.2.

**ANNEX 1 (cont'd)****B. Performance measure**

"A measure of the effectiveness of agency or program service delivery. They have to do with our service response to social problems, not the conditions we are trying to improve. Results and indicators have to do with ends. Performance measures and the programs they describe have to do with means".<sup>7</sup>

The logframe equivalent is the OVI at Purpose and Output levels.

**C. Purposes**

are determined by answering the question "how will this goal be achieved"?

**D. Output**

In a logframe these are the time-bound "deliverables" for which UNFPA is accountable by the end of the country programme/sub-programme (provided the assumptions hold and risks do not materialize).

**E. Activities**

The means through which outputs are achieved.

**II. SELECTION CRITERIA AND CHARACTERISTICS OF RESULTS AND INDICATORS****A. Results**

- Should relate directly to UNFPA's mission and priority programme areas
- UNFPA's work should contribute to these results
- "Not 'owned' by any single agency or system they cross over agency and program lines".<sup>8</sup>

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<sup>7</sup>Ibid., pp.2-3.

<sup>8</sup>Ibid., p.2.

ANNEX 1 (cont'd)

1. Indicators

Suggested criteria for the selection of primary indicators are:

- **Communication power:** powerful, compelling and simple to communicate to a wide range of audiences
- **Proxy power:** going in the same direction as other indicators: has an established relationship with and says something of central importance about the result
- **Data power:** high quality data that allow progress to be charted regularly
- **Gender sensitivity:** ability to discern existing gender differences, issues and equalities, and incorporate these into strategies and actions.

B. Results and indicators list

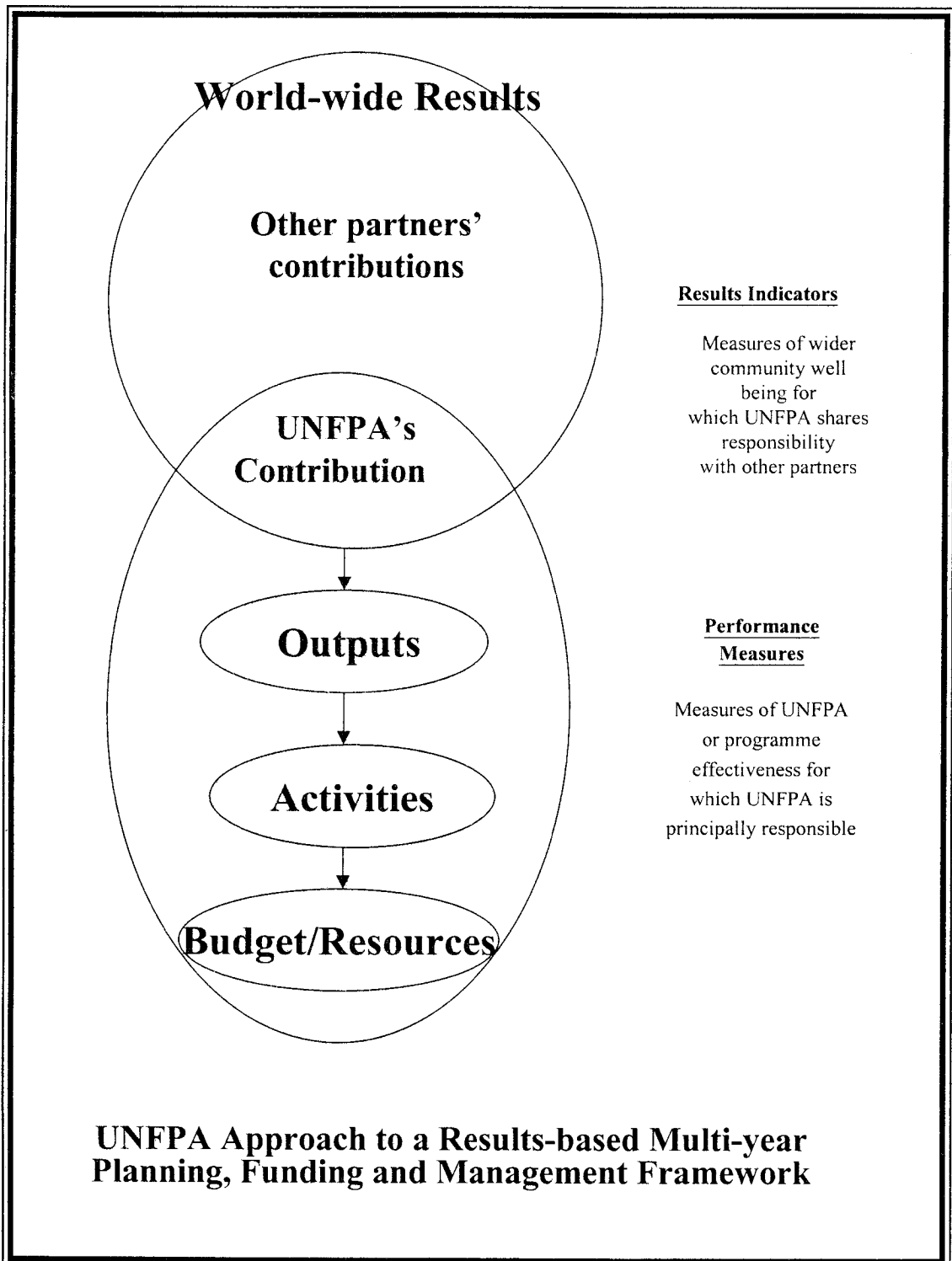
The results and indicators list should be seen as a functioning whole, with different indicators providing checks and balances. The list should be:

- short enough to be **manageable**
- form a **simple, coherent and integrated** framework, with clear relationships between results and indicators
- **sensible and persuasive**
- **strength-based** and emphasizing the importance of positive development
- **politically credible** and recognized as a legitimate community statement embraced by responsible institutions
- **responsive and useful to** a wide range of users.<sup>9</sup>

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<sup>9</sup>Atelia I. Melaville, "A Guide to Selecting Results and Indicators: Implementing Results-based Budgeting", The Finance Project, September 1996, p.7.

**ANNEX 2**



Illustrative List of Results and Indicators

A. Results in three programme priority areas (reproductive health, population and development strategies and advocacy)

- ▶ Individuals enjoy reproductive health, including family planning and sexual health, throughout life;
- ▶ There is a balance between socio-economic development and population dynamics;
- ▶ The sexual and reproductive rights of individuals are recognized and reinforced;
- ▶ Women and men are treated equally.

B. Illustrative indicators of results

The following indicators are illustrative and will be revised and refined with further consultation and on the basis of feasibility studies; they will be supplemented by qualitative indicators to better capture contributions towards achievement of the desired results.

- ▶ Proportion of deliveries attended by trained health personnel;
- ▶ Contraceptive prevalence rate;
- ▶ Proportion of the population having access to basic health services, including reproductive health;
- ▶ Infant mortality rate;
- ▶ Maternal mortality ratio;
- ▶ Births per 1,000 women aged 15-19 years;
- ▶ Gross female enrolment rate at the primary level;
- ▶ Adult female literacy rate;
- ▶ Proportion of women parliamentarians;
- ▶ Proportion of countries that have set up mechanisms to monitor gender violence.

**ANNEX 4**

Estimated Budgetary Requirements for further Development and  
Introduction of Multi-Year Planning, Programme, Funding  
and Management Framework

(June 1999 through December 2000)

<b>Components</b>	<b>Requirements (in US\$)</b>
1. Briefing at regional/cluster and other meetings	70,000.00
2. Training workshops for Headquarters and all field offices	480,000.00
3. Manuals, Guidelines, Interactive tools	50,000.00
4. Feasibility Studies	100,000.00
5. Short-term Staffing and Related Operating Costs	300,000.00
<b>TOTAL</b>	<b>1,000,000.00</b>

