

Stream 2: Strategic Fund Resource Allocation Model Guidelines

1. Background

The IPPF formula-based allocation model for unrestricted income has remained relatively unchanged since it was first introduced in 1997. From June to October 2019 an independent commission conducted a review of the IPPF model for allocating unrestricted resources. A key objective of the review was to propose a new model that would make the most effective and strategic use of the unrestricted funding available. To this end, the model sought to ensure improvements in the following three distinct areas:

- It should be more **transparent**,
- It should offer greater **predictability of funding**,
- It should deliver **greater accountability** for its use.

In its final report, the Independent Resource Allocation Commission (IRAC) proposed a stream-based model that separated unrestricted funds into three distinct streams, (please see Annex 2). The proposal followed an extensive consultation process. Over the course of this consultation, an overwhelming percentage of members and staff (93% of all surveyed) agreed that “IPPF should have a **special fund to respond to strategic issues.**”

Recommendation 1.4. of the Commission report called for the introduction of a separate Stream 2 to support **strategic initiatives**. The purpose of the stream is to fund “areas of the strategy that require additional support” and that will help IPPF deliver on its strategic outcomes.

Stream 2 allows IPPF to respond with agility to a constantly shifting social, political, and economic environment toward meeting the Sexual and Reproductive Health and Rights (SRHR) needs of the most under-served people. It was agreed that up to 15% of IPPF’s core income would be allocated to Stream 2. This new funding mechanism is described as the “**Strategic Fund**”. The Commission made specific reference to the Business Plan and its processes as a template for the stream.

It is expected that in the future as the Fund demonstrates its ability to successfully respond to emerging priorities, it may generate donor interest and projects may also attract restricted and other funding.

2. Strategic Fund Guidelines

2.1. Purpose

The purpose of the **Strategic Fund** is to develop initiatives in the areas of the Strategic Framework that require additional support and that will help IPPF deliver on its strategic outcomes. The Fund closely aligns with the Strategic Framework (2016-2022), the IPPF Business Plan (2019-2021) and IPPF's current Reform Agenda (2019-2020), offering a cohesive and flexible unrestricted funding mechanism.

The **Strategic Fund** provides agility and the ability to react swiftly to strategic changes and emerging opportunities. The Fund leverages the critical expertise and delivery capacities of Member Associations (MAs)¹ and/or Collaborative Partners (CPs), helping to close gaps where they exist, allowing for regional or multi/country approaches. Like the Business Plan, the Strategic Fund is MA-centric and seeks to build on existing MA capacities.

We recognise that much has been done already to address the challenges through existing projects and programmes under the Strategic Framework. The **Strategic Fund** is designed to take this further by focussing on new exciting and innovative approaches. This is not about more of the same, but radical new approaches with different actors and collaborations.

The **Strategic Fund** will have two funding streams. One to support **consortium-based grants** led by MAs or CPs, and a second one providing **rapid response grants** for a single MA or CP that will be recommended by Regional Offices for emerging issues at the national or sub-national level.

Unlike the Business Plan, IPPF Regional Offices will not be eligible to receive funding from the Strategic Fund themselves but will be available to provide advice and technical support to MAs and CPs as requested.

2.2. Objectives

Goal: To develop strategic initiatives in the areas that require additional support to ensure the effective delivery of IPPF's Strategic Framework.

1. To deliver responsive and targeted action, as well as innovative approaches to address emerging strategic needs, challenges, or opportunities, following a solution-oriented approach to deliver on the Strategic Framework.
2. To forge greater cross-federation collaboration, capacity building and learning through consortia and strategic partnerships.
3. To better utilise, grow and share leadership among the Federation membership and collaborative partners.

There will be no eligibility limitations on the income status of the home country of the applicant, so long as the outcomes a) benefit marginalised populations; and b) are of strategic benefit to the Federation. Applicants will be required to explain how their proposal addresses these two criteria.

¹ The term Member Associations (MA) includes both full MAs as well as Associate MAs throughout this paper.

IPPF will establish clear accounting processes to ensure OECD DAC and non-OECD DAC donor funding are accounted for separately, thereby ensuring that funding from OECD DAC donors are allocated according to the requirements.

2.3. Principles

The guidelines are developed based on the following set of principles:

Principle	Description
1. Secretariat as enabler	<ul style="list-style-type: none"> - Encouraging new partnerships/consortia within the Federation - Coordinating, sharing lessons learned and best practices on key learning themes
2. Agile & light touch	<ul style="list-style-type: none"> - Online application process - Phased / stage-gated projects with decision points to proceed / course correct / terminate project depending on findings - Downstream M&E requirements (e.g. development of a Theory of Change (ToC) approach - Streamlined modified Results Framework Agreement (RFA) to reduce operational requirements e.g. Financial variance tracking at higher budget category, broader eligible cost allowances
3. Competitive	<ul style="list-style-type: none"> - Funds will be awarded through a competitive proposal-based approach
5. MA-centric, equitable	<ul style="list-style-type: none"> - Reactive grant-making (the MAs determine areas of strategic focus for them, aligned with the strategic framework not via a pre-specified focus) - MA peer review (e.g. through the Regional Forums) and support for concept development and initial selection
6. Replicability	<ul style="list-style-type: none"> - Projects would be expected to be potentially replicable within/beyond the region within a reasonable timeframe
7. Transparency	<ul style="list-style-type: none"> - Use online platform, ensure concept peer review and feedback of anonymised applications
8. Additionality	<ul style="list-style-type: none"> - Ensure funds support initiatives that would be difficult to support from other sources
9. Capacity strengthening	<ul style="list-style-type: none"> - Capacity strengthening is a learning process in which every partner contributes expertise and knowledge and develops them further. Capacity to be extended from wherever it is found in the Federation for the benefit of all.
10. Accountability	<ul style="list-style-type: none"> - Funds are managed effectively, underachievement is flagged, and corrective measures are taken promptly - Ensuring Value for Money (VfM) for donors

2.4. Thematic Focus

The **Strategic Fund** will support strategic initiatives or innovative approaches that are currently not delivered to achieve the goals of the Strategic Framework (SF) (2016-2022), or acceleration plans for underperforming areas related to the SF outcomes. For illustrative purposes, these may include:

- Projects to address underlying challenges and barriers, e.g. opposition attacks, detrimental legislation or research.
- New technology that can improve quality of care for Sexual Reproductive Health Services (SRH) services.
- Difficult to fund activities such as abortion and some youth services, for example, Comprehensive Sexuality Education (CSE) where gaps exist, or where there are clear strategic advantages in doing so.
- Emergency preparedness activities to strengthen SRH service delivery in humanitarian settings.

It is expected that the broad thematic areas will be approved by the *Policy, Strategy and Investment Committee* of the Board. From time to time, a more *proactive* approach may be taken when the RATC Board Committee or IPPF's Directors Leadership Team (DLT) proposes specific priority areas which could otherwise be neglected.

In future funding rounds, we expect MAs will engage with potential partners at IPPF's Global/Regional Assemblies to refine and align strategic priorities and more collaboratively develop ideas for strategic initiatives. This could also improve peer support and shared learning.

Cross-cutting Areas

It is expected that all programmes will cover the following cross cutting areas:

Reach the hardest to reach. To ensure no one is left behind, we need to reach those hardest to reach, including:

- How to reach marginalised groups: disabled people, people living in very remote areas or mobile populations, migrants, prison populations and sex workers, people who inject drug and LGBTIQ populations and integrating services to prevent and treat HIV/STI infection.
- How to reach the poorest (including both rural and urban poor), facing barriers to access information and services and where there is a need to promote and protect their sexual and reproductive health and rights.

Capacity Development. The stream will request that applicants budget for any capacity needs, where required, and/or source it from within the Federation. For example, the growing number of IPPF centres of excellence will soon be able to provide technical assistance in certain areas. In the same vein, the applicants applying to this stream will be asked to demonstrate how learning, skills and broader capacity can be shared to other stakeholders within the Federation.

Sustainability. We need to ensure we are building the foundations for sustainable, long-term delivery as well as scaling-up and mainstreaming SRHR.

To do so, programmes under the Strategic Fund will need to consider how to make Members of the Federation more sustainable and more independent of government and donors which in turn will ensure that they are less vulnerable to political and funding fluctuations.

Innovation and experimentation with new ways of working will be encouraged as part of the Strategic Fund. Innovation will be defined both as creating new ways of working and introducing improvements or adjustments on the basis of lessons learned.

2.5. Granting Channels

In line with the principle of agility, the **Strategic Fund** will offer only two funding channels, both shaped to maximise outcomes by reducing bureaucracy and process.

1. Rapid Response/Opportunity Grants

These grants will be managed by IPPF Regional Offices² to offer grants to MAs and CPs to meet shifting demands of a rapidly evolving SRHR landscape; as well as to respond to emerging priorities in their region to support SRHR at the local level. This channel is purposed to catalyze rapid and targeted national and/or subnational action.

The size of each grant will be up to USD 30,000 and the timeframe will be agreed in discussion with the applicant and the Regional Office however the duration is expected to be no longer than 24 months.

Grant disbursement will be managed through the Regional Office. These grants will allow release of small funds quickly and at low transactional cost to support emerging movements or opportunities that appear for MAs to react in a timely way. Some illustrative themes that could be covered under this grant include:

- To amplify existing and support new MA actions for immediate response to opposition attacks but also to seize unexpected opportunities to advance SRHR.
- To support MAs to address organizational challenges.
- Seed funding for the implementation of innovations, piloting new approaches.

All MAs would be informed on the fund availability and eligibility criteria will be defined following consultation with the MAs in the region to maximize usefulness. Proposals could be submitted throughout the year.

To apply for Rapid Response/Opportunity Grants, the following steps will be taken:

1. Regional Offices will inform all MAs/CPs on the availability of this funding mechanism and proposals will be accepted on a rolling basis.
2. MAs/CPs will submit proposals with a focus on rationale, context and scope, with clear expected results and expected outcomes along with a budget.
3. Proposals will be reviewed on a rolling basis by Regional Director (or Regional Director's delegate) in line with agreed upon criteria.

² The figure allocated to each region will be agreed by the Directors Leadership Team (DLT) and is expected to be in average around USD125K per year per region. How the unspent funds would be used and where the funds would be kept will be determined by DLT.

2. Consortium Grants

IPPF recognises that the problems facing the poorest, marginalized and most excluded people and the challenges underlying those problems, are complex and interconnected. No single actor has all the answers. Coalitions and collaboration bring new and creative ideas, innovation, better results and opportunities through working together, sharing knowledge and skills.

It is expected that a consortium-led approach will realise the following benefits:

- strengthen the Federation wide collaboration,
- will be transformative in shaping greater solidarity and
- will be an effective tool for Federation-wide learning.

Both **multi country** as well as **single country** consortium applications will be eligible to apply but preference will be given to multi country programmes. **Consortium Grants** will lead the way in building new pathways of collaboration and engagement within the Federation by creating diverse coalitions to address complex policy and practice challenges. It is for this reason that, it is proposed that preference will be given to programmes that cover more than one country and region.

It is proposed that the **Consortium Grant** seeks to bring together MAs, CPs as well as non-IPPF entities to implement strategic programmes to advance IPPF's Strategic Framework. IPPF recognises that external partners may also key to tackling key strategic challenges and can be included in the partnership. These should be local organisations with a clear scope of work that a) clearly contributes to the advancement of IPPF's Strategic Framework and b) that cannot be effectively delivered by an MA or CP alone.

We envisage the consortia will produce rigorous and influential practical evidence, knowledge and learning. Evidence and learning produced by the consortia will be used to implement and scale up these innovative solutions to deliver real change to the lives of the poor, marginalized and under-served.

Consortia composition. The specific composition of each of the consortia will be determined by the specific SRHR challenges to be addressed, and this must be demonstrated in proposals.

IPPF recognises a gap in funding to local consortia made up of a variety of national and sub-national organisations. Resultantly for non-IPPF consortium partners a preference will be provided for small specialised local partners such as CSOs, social enterprises or research bodies which operate at the national and sub-national level. This will ensure lasting partnerships are developed in the country beyond the duration of the programme.

Recognising the time, it takes to get large consortia up and running and delivering towards the outcomes, the proposed programme duration is anticipated to be at least 2 years but as a preference it may be longer.

Consortium that can demonstrate effectiveness and impact will have the opportunity to apply for further funding beyond the first programme cycle if there is a demonstrated need.

2.6. Eligibility Criteria

The following parameters should be considered to help guide consortia formation:

- The lead applicant may be either an MA or CP.
- If choosing to work with non-IPPF partners, a preference will be to teams with small specialised, local partners.
- Applications must be submitted via a lead applicant on behalf of the consortium.
- A MA or CP is only eligible to become a lead applicant under one Consortium Grant. However, a MA or CP acting as lead applicant for one consortium may additionally be a consortium partner in one other consortia.
- If a MA or CP is not a lead applicant, it may be a consortium partner in a maximum of two consortia.
- It will be up to the consortia to make the case for the size of consortium they feel is most appropriate, balancing variety of experience and expertise in addressing a strategic challenge with value for money.
- The consortia that includes a mentoring component for fellow MA participants will be encouraged and will have a competitive advantage in competing for the funds.

Multi-country specific eligibility criteria

- Multi-country applications will be expected to include other IPPF MAs/CPs in their consortium and at least half of consortia members must be from within the Federation.
- At least 70% of grant funding must be down streamed by the lead applicant to MAs/CPs in their consortium.

The Strategic Fund encourages partnerships where each partner has ownership. This should be made transparent with a clear description of the roles and responsibilities of these partners in formulating and implementing the programme and in decision-making processes within the consortium. Formation of a steering committee for managing consortia is strongly encouraged to ensure equal ownership/participation for all partners.

2.7. Process

Summary Table: Strategic Funding Granting Process

	Who is eligible	Purpose of funding	Timeline	Funding available	Duration of funding
Rapid Response/ Opportunity Grants	All MAs or CPs	To rapidly respond to significant emerging challenges in a country	Applications accepted on a rolling basis. MAs/CPs submit request on an as-needs basis for immediate funding.	Grant size up to USD 30K maximum, depending on need, from an overall annual pot of approx USD 125k per RO	Up to 24 months
Consortium Grants	All MAs or CPs	To address key strategic challenges for the Federation that are not adequately funded via other means in advancing the SF	Annual call for proposals. Submission deadline in Q3 in each cycle with funding award decision in December. Programmes start Q1 of following year.	Grant size approx between USD 3-4million per consortium (depending on available funding to be announced when the call is made)	First round will be for 2 years (2021-2022) covering the current Strategic Framework. Future rounds are expected to be 3 years.

Grant Management

Drawing on learnings from the Business Plan, the **Strategic Fund** should involve a minimum of central management and transactional costs, eliminating unnecessary process. Once awarded, the grantees should be considered responsible for the implementation and financial management of the programme.

Nonetheless, IPPF Secretariat maintains ultimate accountability to donors, as such the Technical Review Team³ (TRT) will retain the Fund's overall oversight capacity, including financial oversight and will also ensure that evidence generated, and lessons learned benefit the Federation as a whole. Grant performance will be measured

The grants will be managed through an online grant making portal to allow proposal submissions, proposal evaluations, grant awarding and grant making/disbursement information all to be included on one database with full transparency across the Federation. Questions would be submitted by applicants via the portal and responses would be shared transparently on the portal to ensure all applicants benefit from the additional information and clarity.

We argue that all grant making mechanisms (across Secretariat) should move to an online portal model. We need a dynamic system to bring efficiencies and reduce unnecessary and burdensome bureaucracy.

Monitoring & Evaluation

While reporting to IPPF should be on an annual basis; as project manager, the lead applicant will be required to outline a clear programme monitoring structure that enables early identification of problems and facilitates rapid and clear responses.

The IPPF Secretariat will be involved in evaluating results and will work with the project teams to share lessons learned across the Federation. IPPF's annual performance report will be another mechanism to disseminate programme achievements and lessons learned.

³ The team structure will be established in Q3 2020 as part of the on-going efforts to build a Unified Secretariat.

Working with a Theory of Change (ToC) Approach

Agility/flexibility is a major key principle underpinning this funding channel. It is closely linked to working with a **ToC**, which is a flexible planning instrument. The ToC describes the outcomes of the proposed programme and the process by which they will be achieved, including the assumptions on which this process is based. If during implementation it becomes apparent that certain assumptions are not correct, certain interventions are not leading to the envisaged results or contexts are changing radically, the interventions or strategies will need to be adapted, though continuing to be informed by the outcomes and objective set out in the ToC.

Flexibility also requires a reliable risk analysis which, in view of the changing context in which MAs/CPs work, will have to be reviewed on a regular basis in order to enable prompt identification and mitigation of new and changing risks. The flexibility will characterise the relationship between the consortium partners as well.

2.8. Review Process for Consortia Grants

Two-staged Proposal Process

A two-stage proposal process is recommended, with the first stage consisting of a very simple and straightforward concept note with shortlisting of the strongest ideas. This should have the overall effect of minimising workload for MAs, as it will help ensure MAs do not dedicate significant resources to developing full proposals that are unlikely to be successful. The successful concept notes will then be invited to submit a full consortium proposal.

In the second stage, the assessment of the applications will be done by the Technical Review Team (TRT) which serves the BoT's Resource Allocation Technical Committee (RTAC). It will compare scores, weigh risk factors on an application by application basis, and provide a final score and recommendation. For transparency, the scoring methodology will be included with the call for proposals and published on the portal.

All panellists and experts under the TRT must clearly declare any conflicts of interest (CoI). Where perceived conflicts exist, they will be discussed and recorded. Where consequential CoI exists, the panellist will recuse themselves. A consequential CoI is defined as placing a person or an organisation in a position to derive direct benefit from actions or decisions made in their official capacity.

TRT will assess the strength and relevance of programmes/projects from eligible applicants based on the following requirements:

Consortium Grants Requirements:

- 1. Consortia approach:** clear ideas and approaches demonstrating why this specific consortium is the most effective way to address this/these specific strategic challenge/s.
- 2. Skills, capacity and governance:** clearly demonstrate the collective consortium and individual component skills and capacity to deliver the impact and outcomes as set out in the Theory of Change. Set out clear governance arrangements for the consortium, clear risk strategy and a clear demonstration of financial management capacity and fiduciary risk.

3. Quality of evidence, learning and adaptation: clearly demonstrates the collective consortium and individual component's ability to produce rigorous practical evidence, knowledge and learning.

4. Innovation: demonstrates how the consortium will try new approaches.

5. Gender equality: clearly demonstrates on how the programme will give due consideration to gender equality throughout its activities in order to support gender equality.

6. Value for Money: demonstrates how the programme will demonstrate effectiveness, efficiency, economy and equity.

If an application is approved, the lead application is the grant recipient and, as such, bears full responsibility for implementation of the proposed activities and compliance with the obligations in respect of the grant and partnership agreement. IPPF will support standardised sub-contracting templates for lead applicants to adapt in formalising grant agreements with consortium partners.

Annexes

Annex 1: Definition and Composition of Consortia

Consortium here means a formal coalition of IPPF MAs/CPs, with a lead responsible for management of the programme. Consortium partners receive and manage project funds and are required to report on the use of those funds. They will be bound by contractual agreements to deliver their agreed areas of work. Consortia will have clearly defined management and governance structures which clarify decision-making and accountability. Consortium partners should be involved in strategic decision-making on programme direction, for instance via representation in project governance structures.

Consortia programmes may require more complex and involved management structures. This will be recognised in the proposal process and factored into assessment. Lead applicants will be required to list all consortium members and outline their proposed programme management structure in their applications and proposed budgets will be assessed to ensure value for money.

The lead will be accountable to IPPF for programme performance reporting, risk and financial management. They will be responsible for the grant award arrangements with other consortium members (including due diligence) and the overall governance of the consortium, including how the consortium manage and mitigate risk including fiduciary risk. We encourage the creation of a steering committee to manage consortia. This approach aligns with the Secretariat's role as an enabler in allowing lead applicants to build their capacity in consortium management but will also ensure that MAs that may not have the capacity to lead complex projects will have the opportunity to build their capacity in a particular area of expertise and gain additional project experience by taking part in such partnerships.

Applicants will be required to explain in the proposal narrative how the scope of work of each consortium partner complements that of the other partners and how they will work together to advance IPPF's strategic outcomes.