Final Report
2005-08-23

Management Audit

of

the International

Planned Parenthood Federation (IPPF)

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List of Acronyms

AC	Audit Committee
AIDS	Acquired immune deficiency syndrome
APB	Annual programme budget
AR	Africa Region, IPPF
ARO	Africa Region Office, IPPF
AWR	Arab World Region, IPPF
COE	Centres of excellence
DFID	UK Department for International Development
DGIS	Directorate of International Development (The Netherlands)
eIMS	Electronic Integrated Management System
EN	European Network, IPPF
ESEAOR	East and South East Asia and Oceania Region, IPPF
EU	European Union
FD	Finance development
FM	Financial management
FPAB	Family Planning Association of Bangladesh
FPAI	Family Planning Association of India
FPAK	Family Planning Association of Kenya
GBV	Gender-based violence
GC	Governing Council
GS	General Secretary
HIV	Human immunodeficiency virus
HRD	Human resource development
ICPD	International Conference on Population and Development (Cairo, 1994)
IEC	Information, education and communication
IF	Innovation Fund
IMS	Integrated management system
IPF	Indicative planning figure
IPPF	International Planned Parenthood Federation
IPPFAR	International Planned Parenthood Federation Africa Region
IPPFSAR	International Planned Parenthood Federation South Asian Region
ISAG	International Strategic Advisory Group
KAP	Knowledge, attitudes and practices
KIS	Knowledge and information systems
MA	Member association
M&E	Monitoring and evaluation
MAP	Medical Advisory Panel
MC	Membership Committee
MCH	Maternal and child health care
MoU	Memorandum of understanding
MTE	Mid-term evaluation
MTP	Medical termination of pregnancy
NGO	Non-governmental organisation

OD	Organisational development
OECD	Organisation for Economic Cooperation and Development
OEG	Organizational Effectiveness and Governance Division
PPASL	Planned Parenthood Association of Sierra Leone
PPP	Project planning process
QoC	Quality of care
RAS	Resource allocation system
RC	Regional Council
REC	Regional Executive Committee
RHIYA	Reproductive Health Initiative for Youth in Asia
RO	Regional Office
RTA	Review team assessment
SAR	South Asian Region, IPPF
SARO	South Asian Region Office, IPPF
SDP	Service delivery points
SEK	Swedish currency (Krona)
Sida	Swedish International Development Cooperation Agency
SRH	Sexual and reproductive health
STI	Sexually transmitted infection
ToR	Terms of reference
TSU	Technical Support Unit
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNFPA	United Nations Population Fund
USAID	US Agency for International Development
VCT	Voluntary counselling and testing
V2F	Vision 2000 Fund
WHO	World Health Organisation
WHR	Western Hemisphere Region, IPPF

1. Executive Summary

With nearly 32 million visits to its MA clinics and nearly 2.4 million new contraceptive users in 2002, the International Planned Parenthood Federation (IPPF), headquartered in London, UK, is the world's largest voluntary organisation working in sexual and reproductive health. It has 149 national MAs working in 182 countries, serving 24 million clients through more than 6,000 static clinics and 36,000 other service delivery points. It is the only organization of its kind which operates at the grass-roots level through over nine million local volunteers and approximately 33,000 professional staff. IPPF programming revolves largely around a focus on the five As – adolescents/young people, HIV/AIDS, abortion, access, advocacy. There are six regional IPPF offices – in New Delhi, Brussels, Kuala Lumpur, New York, Tunis and Nairobi.

The management audit covers the following areas: organisation, management systems and financial management. For these various fields the management audit gives an analysis of the reliability and relevance of the systems, together with a general assessment of reporting by the IPPF to Sida and of communication within IPPF. The analysis also includes the organisational structure and dimensioning of the Secretariat in relation to its function and tasks.

The management audit is supposed to fit into a dynamic context. This fact has to be taken into account when reviewing IPPF and its management systems. Many initiatives have been undertaken in order to improve performance. In this chapter we will summarize our analysis. Detailed recommendations are given in the final chapter.

Our conclusions can be summarised as follows. IPPF is in a sensitive phase of a comprehensive development process. The progress over the last few years is impressive. The newly implemented management systems are relevant and reliable, generally well developed, known to the personnel and to a large extent applied in practice. At all levels of the Federation there is a high level of dedication and responsibility, coupled with both formal and informal supportive structures. We believe that recent applications to Sida provide a reasonable reflection of actual conditions and can therefore be termed a good foundation for Sida's decision-making in the handling process. There is a good chance that the reporting of results will also be acceptable in the near future.

The IPPF has a long and deeply rooted tradition of international activity and long-term international cooperation. The Federation has a well developed and comprehensive strategic framework that is accompanied by strategic plans at all levels. All MAs have not yet redefined their role according to the five As and there are still some MAs that don't have strategic plans based on IPPFs strategic framework.

The Secretariat has been restructured in recent years, and we believe the IPPF is in the process of creating an effective organisation. The organisational structure of the Secretariat is adequate. When it comes to the dimensioning of the Secretariat there are several gaps between

the organograms and the staffing in reality. It should be noted within this context that an IPPF Governing Council resolution states that Secretariat costs must not exceed US$20 million per annum. Thus for some functions the staffing is too limited. This is most obvious when it comes to monitoring and evaluation.

The Governing Council has adopted an IPPF Policy Handbook. Our assessment is that content of the Handbook and the processes on implementation and reviewing policies are adequate.

The new strategic framework based on the five As involves a shift from the historic roots of IPPF as an organisation mainly for family planning. A process of this kind will take several years. Needless to say, changes will take root much faster at the centre and among the professionals than in all individual branches of MAs and among the volunteers. Where the external dimension is concerned, we find the role, task and mandate of the IPPF is clearly understood by the MAs. Internal interpretation of the mandate appears to be influenced partly by different cultures having to cooperate within the wider context of international development affairs. A common organisational culture based on the five As now seems to be emerging, and moves are being made towards a balance between the historical identity and the present mission and vision for the Federation.

The emphasis of work should be shifted in favour of more monitoring, evaluation, impact analyses and dissemination of experience. IPPF has recognised the need for a more comprehensive system for monitoring and evaluation, and some further improvements when it comes to the interaction between IPPF Governance, the Secretariat and MAs on reporting, dissemination of best practice and knowledge management. IPPF has ensured that a series of steps are in place to address this need, not least the establishment of a new Organizational Effectiveness and Governance Division in Central Office in January 2005.

IPPF, Sida and other major donors should jointly commit to work together in a participatory approach to strengthen sustainability and the capacity of IPPF and its MAs to reach the poor, vulnerable and marginalized. IPPF should present an action plan based on the recommendations in the report. Our recommendations may be summarized in the following ten points:

1. The agreement period between IPPF and Sida should be extended
A major problem is the existing budget process. We recommend that Sida and IPPF consider extending the agreement period to three years. We suggest starting with a two-year period 2006-2007 and evaluating experience of this before a decision is taken on an extension. Sida should identify the most significant questions for the dialoque with IPPF in order to secure sustainability and the capacity of IPPF and its MAs to reach the poor, vulnerable and marginalized. The dialogue should be focused on the action plan developed by IPPF based on this report. We also suggest that Sida use the same timetable as is being used for the so-called frame organisations. That means the agreement would be signed in January instead of later in the year. The application from IPPF would then have to be submitted to Sida earlier than at

present. Since the agreements are suggested to be on a three-year basis in the future, it will be possible to find an alternative timetable.

2. The planning process should be further developed to facilitate the integration of all projects and programmes internationally and nationally including nongrantreceivers
IPPF has clear and focused goals to be achieved over the next decade. One aim with the new Strategic Framework is a deeper integration between the priorities of the MAs and the Federation as a whole. Thus, it is of significant importance to have a planning process that facilitates the integration. IPPF has an excellent tool, the eIMS, which should be used also by non-grant receivers. One aim with the introduction of this common planning tool is the harmonization of terminology in all the phases of the planning and decision process, including monitoring and evaluation.

Our assessment is that eIMS is an adequate and comprehensive system. However, eIMS is a means and not an end in itself. There are a lot of bottlenecks and other problems. In our opinion there should be an assessment to define exactly what has to be done to overcome the problems. eIMS should have as much coverage as possible with the goal of having all MAs using the system. MAs that are non-grant-receivers should also be offered training on the system.

3. Results' reporting should be further developed
In the past, Sida has criticised the lack of impact evaluations, reporting of results and of organisational learning within the IPPF. IPPF has in most cases not shown the effects of their interventions on the target population. Our assessment on the reporting from IPPF to Sida confirms Sida's own criticism on the lack of results' reporting especially at aggregated levels.

For many years, MAs have been carrying out family planning and sexual and reproductive health programmes and related activities. Documentation of these activities in terms of the results achieved has often been limited to service statistics, which principally focus on types of contraceptive distributed and couple years of protection.

Impact analysis for IPPF is notoriously difficult. The MAs have all run different projects and programmes. That has made it difficult to aggregate results information in an impact analysis on a more general level. IPPF should consider the implications on a monitoring and evaluation system covering all levels of the organisation and also including nongrantreceivers.

The general impression is that the reporting has been more activity-related than results-based. The Strategic Framework with its clear objectives will make a change. The framework is already used in the budget process but not so far in the reporting of performance. However, IPPF has now defined 30 global indicators relating to the five As. Two of the seven indicators for Access are the number of MAs conducting programmes aimed at increased access to SRH services by poor, marginalized, socially excluded and/or under-served groups and the number of MAs with rights-based programmes. Thus, it will be possible to evaluate the results against the directives for Swedish involvement in international development co-operation, laid down

in the Policy for Global Development adopted by the Swedish Parliament on December 16, 2003[1]. Sida and IPPF should meet and agree on the concrete level of results' reporting.

IPPF should also further develop its capacity to analyse the impact of different programmes in order to transfer resources to the most effective programmes and MAs.

4. Sida should support the development of IPPF's monitoring & evaluation system

IPPF's reports to Sida are to a very large extent based on the reports from the MAs. The strategy stresses the need for the whole organisation to establish an evaluation system to measure progress in all core areas and incorporate learning into future programme development. Thus it is of significant importance that IPPF has an impact on the way the MAs develop their monitoring and evaluation systems. Data for all the 30 global indicators will be collected during an annual survey of MAs conducted through eIMS and through the existing service-statistic data-collection system.

Monitoring and evaluation of the Capacity Building Framework is vital to its success. The monitoring and evaluation of the framework will be an integral part of the development of the eIMS. Once sufficient initial donor support has been pledged, IPPF will develop an integrated monitoring and evaluation programme. It should be noted that while donors have welcomed the capacity building framework and evaluation concept paper, only limited funding has become available (from the Danish Government). Internally, IPPF is looking to see how it can re-programme existing resources to meet these needs, but this will take time. Therefore Sida should consider taking part in financing the M&E system.

5. IPPF should develop its strategy for institutional learning

Based on a client-rights approach, the IPPF Medical and Service Delivery Guidelines for Sexual and Reproductive Health Services provide clinic staffs with up-to-date, evidence-based guidance on a range of sexual and reproductive issues to ensure those rights are met. The guidelines provide clear guidance to managers and service providers.

Accreditation offers IPPF a strong diagnostic tool to look systematically at capacity development issues within the Federation. Among the first 40 MAs going through the accreditation process only two met all the 65 standards at once. When all support has been exhausted and if the Association still does not comply with one or more of the standards then the Association can be expelled as stated in Section 5 of the Standards.

The Quality of Care initiative, the eIMS and the accreditation system will help to create a culture of self assessment, reflection and improvement. IPPF will build on this to create an evaluation process that will be linked to a knowledge management system in order to develop the Federation into a learning organisation.

[1]The main goal is to create pre-conditions for poor people to improve their living conditions. Swedish support for development should have a rights-based perspective and consistently reflect the experiences and priorities of poor people.

The eIMS should be opened up as a tool for sharing knowledge within the whole Federation. IPPF should develop its capacity to identify best practice and good practice and make use of this knowledge in future prioritisation.

6. A strategy on sustainability and phasing out of IPPF support to MAs should be developed, where exit criteria are linked to performance

Many MAs are to a high degree dependent on IPPF. There is a need for the Federation to elaborate on how exit criteria should be linked to performance. IPPF should develop a resource mobilisation policy and develop guidelines for organising fund raising events and campaigns. IPPF need to develop appropriate mechanisms at various levels to oversee resource mobilisation efforts ensuring effective utilisation, monitoring and accountability.

7. The impact of the restructuring process should be carefully monitored

IPPF CO has been restructured in order to implement the Strategic Framework effectively. The organisational structure and the dimensioning are adequate in relation to its functions and tasks. However, the implementation of an integrated monitoring and evaluation system will require additional staffing.

ROs have built up a solid body of experience to provide technical assistance to MAs in the accreditation process and all operations, from financial and information systems management to service delivery and quality of care.

However, IPPF should further clarify the impact of the restructuring process on the division of responsibilities within the Secretariat. Every staff member should have a work description or a performance contract. The Secretariat Review System will provide regular up to date information on the Secretariat's management and implementation of its work. Thus it will establish a clear link between internal risk assessment, internal audit and controls and the assurance process.

8. A comprehensive internal audit function for the Secretariat (CO and all ROs) should be developed

Our overall assessment is that the Financial Management systems are very well developed and to a large extent implemented. Much emphasis has been laid on developing a management system as a means of promoting good administration, increased transparency and reduced corruption.

IPPF has presented a comprehensive risk management assessment for CO and all ROs. The risk management assessment involves identification of major risks across a wide range of categories including governance, strategic (long-term), operational (day to day), financial, compliance (with constitution, legislation, regulations etc). The risk assessment has for every defined risk included an assessment of impact and likelihood, process in place, action plan and responsibility for action.

The internal audit function of CO covers the whole Secretariat. However, the Internal Audit post has been vacant since April 2004 and has not yet been filled. It is of outmost importance that the internal audit function is adequately staffed.

9. The future strategy for ICON should be clarified
IPPF has its own separate trading company ICON (International Contraceptive & SRH Marketing Limited) to provide a contraceptive marketing and supply service for public sector, social marketing and commercial customers. For 2005 there is a one year transition plan aiming at determining the future of the condom brand and the directions of the company. One question that will be addressed is the objective; should ICON be committed to maximizing profits and providing a revenue stream for IPPF or whether the company should primarily focus on delivering essential services to IPPF and its MAs in the form of contraceptive supply and marketing facilities. A new five year business plan for ICON should be presented. The board of ICON should include greater business competence.

10. The roles of volunteers on all levels should be further developed
IPPF's governance structure is meeting the needs of a large voluntary organisation. The volunteers play significant roles in such an organisation. The volunteers' commitments are often strong and they are working for free in service delivery, advocacy and governance positions. The conflict between the donors' expectations on value for money on the one hand and the volunteers' interest in safeguarding their respective MAs and ROs should be addressed. In the process of professionalizing IPPF it is important also to develop the volunteers' professional skills and capacity as board members and in other roles.

2. The Swedish International Development Cooperation Agency

The Swedish International Development Cooperation Agency (Sida) is responsible for Swedish international development cooperation. Directives for Swedish involvement in international development co-operation are laid down in the Policy for Global Development adopted by the Swedish Parliament on December 16, 2003. For development co-operation the main goal is to create pre-conditions for poor people to improve their living conditions. As emphatically stated by the policy, Swedish support for development should have a rights-based perspective and consistently reflect the experiences and priorities of poor people.

Sida is facing growing demands for efficiency and reports on results in its programmes of international development cooperation. Within the context of its responsibility for exercising control, Sida has been pressed to make follow-ups in order to ensure that development cooperation funds are used efficiently for their intended purposes, regardless of the way in which the funds are channelled. Where the ownership of projects is concerned, Sida's basic approach is that their partners are responsible for implementation. This has the consequence that the partners in cooperation also have the responsibility for exercising internal control.

One important instrument used by Sida when considering grants is the documentation supplied by the organisation in the form of annual reports, plans of operations, applications etc. Management audits have the aim of analysing whether an organisation's internal management and control systems guarantee the quality and accuracy of this type of documentation and, at an overall level, of evaluating whether the organisations have appropriate systems and routines for directing activities towards stipulated goals and ensuring that the activities contribute to the fulfilment of the objectives of Sida.

Over the years Sida has channelled substantial amounts of funding through the IPPF. This funding has been used for Federation programmes within humanitarian assistance as well as development cooperation. During 2004 Sida has supported the IPPF with a total of SEK 100 mn.

3. The International Planned Parenthood Federation

The Federation and its Member Associations
The International Planned Parenthood Federation (IPPF), established in 1952 and headquartered in London, UK, is the world's largest voluntary organisation working in sexual and reproductive health. IPPF has nine million local volunteers and approximately 33,000 professional staff[2]. A board of volunteers governs each of IPPF's 149 member associations (MAs).

IPPF has a Secretariat that carries out the policies and functions as approved by the Governing Council (GC). It is working in 182 countries, serving 24 million clients through more than 40,000 service delivery points. IPPF programming revolves largely around a focus on the five As – adolescents/young people, HIV/AIDS, abortion, access, advocacy.

The MAs are organised into six geographical regions, each with a Regional Council (RC) which elects members of the GC. There are six regional IPPF offices – in New Delhi, Brussels, Kuala Lumpur, New York, Tunis and Nairobi - providing technical support to MAs. Each MA has a volunteer Board of Directors (elected by the membership of the Association) and sends one or more as a delegate to one of six RCs.

In addition to offering services within its 6,000 static clinics, MAs have developed innovative community based approaches in over 36,000 non-clinical outlets to provide services to rural, peri-urban and marginalised groups. In 2002, IPPF saw an average of 87,000 clients per day in its clinical outlets and distributed an average of 280,000 condoms per day.

[2] IPPF (10 June 2005): Report on the Core Contribution from the Government of Sweden. Reporting period 1 January – 31 December 2004.

IPPF has unrestricted funding from 14 countries. The main donors are Japan and Sweden. Among the other donors are Australia, Belgium, Canada, Denmark, Finland, Norway, New Zealand, Great Britain, Netherlands, Germany and Switzerland.

Mission and Vision
IPPFs vision is challenging**: "***IPPF envisages a world in which every woman, man and young person has access to the information and services they need; in which sexuality is recognised both as a natural and precious aspect of life and as a fundamental human right; a world in which choices are fully respected and where stigma and discrimination have no place."*

IPPFs mission:

- *IPPF aims to improve the quality of life of individuals by campaigning for sexual and reproductive health and rights through advocacy and services, especially for poor and vulnerable people.*
- *We defend the right of all young people to enjoy their sexual lives free from ill health, unwanted pregnancy, violence and discrimination.*
- *We support a woman's right to choose to terminate her pregnancy legally and safely.*
- *We strive to eliminate STIs and reduce the spread and impact of HIV/AIDS.*

Each MA has its own mission and vision. One example is the mission and vision of FPAI.

The vision: *"FPA India envisions health, particularly sexual and reproductive health for all, especially marginalized and young people, in the broad context of sustainable development leading towards the alleviation of poverty, stabilization of population, gender equality, and human rights".*

The mission: *"FPA India strengthens a voluntary and non-government commitment to promote sexual and reproductive health and rights including family planning. It supports the rights of individuals to reproductive choices, including legal and safe abortion; works towards reducing the spread and the impact of STIs /HIV/AIDS and increasing access to gender sensitive SRH information, education and services to all especially the young and marginalized and eliminating violence, discrimination, and abuse".*

4. The Management Audit

4.1 The Purpose of the Management Audit

The purpose of the management audit is:

- *to* examine the reliability and validity of existing systems for operational and financial management.

- *to* determine, on the basis of the audit, whether the documentation which is received by Sida under current agreements reflects the real state of affairs and can thus be regarded as satisfactory material on which Sida can base its decisions, and

- *to* provide recommendations to IPPF and its ROs and MAs for their future development.

4.2 The Assignment

4.2.1 The Terms of Reference

The terms of reference are given in full at Appendix 1. In essence, the purpose of this assignment was to carry out a management audit, i.e. to assess IPPF's management systems and its ability to govern and control operations in a manner to ensure that external funds are appropriately utilised, documented and reported. The assignment includes making a survey and studying documentation, making analyses and providing recommendations in general in accordance with the description given in the terms of reference.

The following should be documented:
- Organisation
- Management systems and routines
- Financial management

An analysis and assessment of the areas studied shall be made in respect of reliability and validity, as well as a general assessment of IPPF's reports to Sida and communications within IPPF. The analysis shall also include the organisational structure and size of IPPF.

The assignment shall result in recommendations in respect of the above-mentioned points. The focus of the management audit is on IPPF's routines, organisational structure and systems. Over and above this, the consultant is free to include recommendations that can be considered to be of relevance for furthering the aim of the audit.

4.2.2 Selection of regions and countries for field studies

The management audit shall encompass the entire organisational chain of the IPPF, including the GC and the Secretariat (comprising the Central and Regional Offices) and MAs – and its activities in the field. The assignment therefore includes visits to CO, two ROs and three MAs.

The ROs for Africa and South Asia respectively and the MAs in India, Kenya and Sierra Leone were selected for field studies. Africa is the largest region followed by South Asia. The RO for South Asia was transferred to the region (New Delhi) only half a year ago. The Africa Regional Office was established an inaugurated in Tema, Ghana in 1971, but was registered in Nairobi, Kenya in March 1977. Thus we could study the restructuring of an "old" RO and the implementation of management systems in a new RO.

The selection of MAs was based on the size and importance of the organisation, the level of grants received from IPPF and a risk assessment. In order to be able to follow the entire organisational chain we selected countries in Africa and South Asia. India received more grants than any other country in 2004. Kenya received more grants than any other country in Africa. In both countries the MA is a large and important organisation, with rather low risk. Therefore we also wanted to select a country with high risk. One of the countries with highest risk is Sierra Leone. Sierra Leone received a significant amount of grants in 2004. The MA in Sierra Leone is working in a very difficult context and the administration has been taken over by the RO.

In addition, we wanted to take the accreditation review process into account. According to the first IPPF Five Year Accreditation Plan 2003-2007, Kenya was reviewed in 2003 (and was found to show very high compliance with standards), India will be reviewed in 2005 and Sierra Leone in 2007. Thus we cover countries in all stages of the accreditation process in our sample.

4.3 Execution of the Management Audit

4.3.1 The team

The assignment to perform the management audit was given to Professional Management AB. To cover the different tasks, a multidisciplinary international team was formed with the necessary skills to address the issues raised in the ToR. The team comprised:

Mr Arne Svensson (Team leader) is the President of Professional Management AB. He has 30 years of substantive experience in the administrative reform process of central and local government, including democracy and governance, legislative and parliamentary development, citizen participation, governmental relations, state and local governments, civil society, devolution, decentralisation, organisational development, management and public administration. He has been a senior consultant for more than 600 public and private organisations, including the United Nations, the European Commission and governments around the world. He has published more than 15 books on management issues.

Dr Tony Bennett is a chartered accountant and has a doctoral degree in economics. He has for many years been Interregional Adviser on Financial Management, United Nations Department of Economic and Social Affairs, New York. He has over 30 years of experience in financial management in the private sector and public sector, and in financial management capacity building for accountability, transparency and good governance in developing countries.

Ms Stina Wærn is a senior management consultant with long experience of evaluations of NGOs, private and public sector, i.e. quality aspects, process analysis, management, etc. She has been Director General of IMPOD, a Swedish government authority with the aim of assisting the developing countries with their exports to the Swedish market.

Ms Lina Svensson is a Master of Business Administration. She has worked as a Management Consultant in Professional Management for seven years. Among other assignments she is project leader for a project to develop a monitoring & evaluation system for Sida Civil Society Center.

Ms Barbro Svensson is one of the founders of Professional Management with 19 years of experience from assignments in more than 100 organisations.

4.3.2 Work plan and methodology

A work plan was presented and accepted by Sida and IPPF.

In the survey of management systems and routines, the following has been documented as requested in the terms of reference:

- the mandate of the IPPF;
- relations between the Secretariat and the governing body of IPPF;
- the process of gaining support and the decision-making process vis-à-vis ROs and MAs;
- selection of partners in cooperation;
- planning activities;
- formulation of objectives;
- criteria for and assessment of projects;
- measurement of results;
- reports on deviations;
- monitoring and follow-up of projects;
- evaluation;
- feedback;
- decision-making processes and rules for delegation.

In the survey of systems and routines for financial management the following has been documented as requested in the terms of reference:

- agreements and the follow-up of contractual obligations;
- authorisations;
- fixed assets and inventories;
- transfers of funds and bank and cash balances;
- budgeting;
- audits in all stages of the process, quality of auditors' certificates;
- promotion of good administration, transparency in the handling of funds and promotion of measures to counteract corruption.

In addition the following areas that Sida wished to be studied have been documented:

- the calculation and size of the IPPF's own contributions to projects and programmes that receive support from Sida;

- systems and routines for the storage of important documents and other documents of value;
- the views of IPPF's auditors in their examinations of framework grants from Sida.

In order to be able to assess the organisational structure and the management systems as much relevant documentation as possible was collected. We have reviewed all relevant written documentation. The team also reviewed previous evaluations to get an overview of documented strengths and weaknesses. A bibliography is attached at Appendix II.

Interviews have been held with key persons at IPPF's CO, the ROs for Africa and South Asia and the MAs in India, Kenya and Sierra Leone. In the MAs we have interviewed volunteers, senior management, programme and project officers and staff at clinics. We have visited four clinics (two in Mumbai and two in Nairobi). Also members of IPPF's GC and staff at Sida have been interviewed. A list of persons met and interviewed is attached at Appendix III. We have met with some of these key persons more than once.

On the basis of collected information we have analysed surveyed areas regarding relevance and reliability.

4.3.3 Time schedule and reporting

Professional Management AB carried out this management audit in the period March-July 2005. Members of the team visited the CO 2005-03-21—22 and 2005-05-03--04. The field visits to the regions (including the ROs) in Africa and South Asia were carried out 2005-04-16—22 and 2005-05-11—18 respectively. The MAs in Sierra Leone, Kenya and India have been visited 2005- 03-30—31, 2005-04-20—22 and 2005-05-12—13 respectively.

The management review has been carried out with the close collaboration and cooperation of Sida and IPPF. Oral reports have been made during the review.

To give a possibility to comment on errors and misunderstandings a preliminary draft was sent to Sida and IPPF, at the end of June 2005. We have received written comments from IPPF and Sida. The comments have been carefully reviewed and taken into consideration.

We have made two presentations of the results of the management audit (one for Sida in Stockholm 2005-08-16 and one for IPPF in London 2005-08-02). The final report is submitted to Sida and IPPF 2005-08-23.

The report includes recommendations regarding IPPF's ability to manage funds effectively and provide timely and relevant information/reports to Sida and other stakeholders, and recommendations on appropriate strategies for strengthening systems in order to attain the mission of the IPPF. We have described our findings in chapter 5. Finally we have in chapter 6 drawn some conclusions and submitted recommendations.

5 Findings

5.1 Organisation

5.1.1 IPPF's Governance Structure

Having not changed significantly for 25 years, a task force of six senior volunteers (one from each region) was established in 1996 to examine the effectiveness of IPPFs volunteer governance structure. In 1998 it was decided to streamline the governance structure, cut the costs by one half, introduce gender equity and increase the involvement of young people in the governance of IPPF.

IPPF's current governance structure was adopted in November 1998. At the central level there is a single decision-making body, the General Council (GC), comprising five representatives per region. The IPPF President/Chairperson of GC and IPPF Treasurer are elected by GC members. The Past President/Chairperson of GC is a member of GC without a vote. GC meets twice per year and is responsible for:

- Approving the strategic plan of the Federation;
- Adopting policies;
- Advocating on behalf of the Federation;
- Overseeing IPPF's financial affairs;
- Setting standards and responsibilities of IPPF membership;
- Admitting and expelling members;
- Appointing and appraising the Director-General.

The Minutes of the GC meeting are available for MAs, donors and the general public.

There are two standing committees, the Audit Committee (AC) and the Membership Committee (MC). The AC and MC also meet twice a year. The independence of the AC is strengthened by having four 'outside' members elected by GC from a list of nominated volunteers who are not members of the GC. All of IPPF's six regions are represented on the AC. The President/Chairperson of GC and the IPPF Treasurer are automatic non-voting members of the AC. The AC enables the GC to have confidence that essential financial matters are being independently reviewed.

The MC is responsible for all issues concerning membership of the Federation. These include overseeing the monitoring of members' adherence to constitutional, programme and service, governance and managerial membership standards including the periodic accreditation of IPPF MAs. Members of the MC are nominated by the RCs and elected by GC members. All of IPPF's six regions are represented on the committee. The IPPF Honorary Legal Counsel is also a member of MC albeit without a vote. The Minutes of the MC are not shared with people outside the Council. The decisions are shared only with those affected.

Governance at the regional level of IPPF was also streamlined as part of the reforms of 1998. Within each region, each MA elects volunteer representatives to attend the RC, which meets annually to assist in the initiation and implementation of IPPF's policies and generally governs the affairs of the region. In between RCs, an elected Regional Executive Committee (REC) ensures that decisions made by the Council are acted upon.

At national level each MA at its Annual General Meeting elects from its volunteer members a small number of trustees who form the National Executive Committee. This committee typically meets four to five times a year to oversee the work of the association.

IPPF's Act and Regulations commit the Federation to respect the autonomy of MAs. At the same time, MAs are required to adhere to the Federation's mission and commitment to quality, effectiveness and accountability. Autonomy and diversity are celebrated within IPPF. Conformity to the standards doesn't mean that all MAs should be the same.

The International Medical Advisory Panel (IMAP) advises the Federation on medical issues relating to sexual and reproductive health and reports to GC. Task forces on specific issues can also be proposed by either the GC or the Director-General.

In addition IPPF has its own separate trading company ICON (International Contraceptive & SRH Marketing Limited) to provide a contraceptive marketing and supply service for public sector, social marketing and commercial customers. The Board of the trading company includes IPPF GC representation. The company's business activities comprise:

- *Sale of products* – commercial sales of the condom brand COOL in the countries of Bulgaria, Estonia, Latvia, Lithuania and Moldova, and sales of medical, office and audiovisual equipment on a wholesale basis.
- *Management service fees* – management of the IPPF contraceptive supply chain and logistics service.
- *Administrative/handling/consultancy services* – providing procurement and logistic services to IPPF MAs and other customers including governments and international NGOs. In addition, engagements to provide specific marketing expertise in the form of short-term contracts.

A special emphasis is placed on recruiting young people, women and those marginalized in the society, as volunteers at MA level so that they can be properly integrated into central and regional governance bodies. IPPFs governance addresses the issue of gender equity and ensures at least fifty per cent representation of women in all IPPF governing bodies and committees. The governance structure also ensures at least twenty per cent participation of young people in IPPF decision making at the highest GC level.

The IPPF has a clear identity based on strong values and committed volunteers and staff. The volunteers often have access to high ranking government officials and decision makers and this affords them a significant role in advocating for increased resources and to increase the prominence of sexual and reproductive health in the national health agenda. This level of

access enables IPPF to add its voice to the national debate and raise issues that might not be otherwise debated, such as abortion and SRH for unmarried young people. However, most MAs have started in the capital and then established branches in other cities. MAs must aim at covering the whole country. Therefore volunteers from rural areas must also be able to influence programmes, be board members etc.

The process of accreditation (for details please see 5.1.13) empowers volunteers and staff to systematically reflect on all aspects of their work and identify the support they need to make improvements and better serve their clients. Accreditation has a mutually reinforcing effect, strengthening the Federation and the MAs at the same time. Accreditation provides a means of uniting the Federation through its shared vision and principles by ensuring that MAs, ROs and CO are all committed to IPPF's standards and membership responsibilities.

In November 2004 volunteers on IPPF´s GC initiated a discussion on the roles and responsibilities of volunteers. At the GC in May 2005 it was agreed to address again the concept of voluntarism ant to find ways to increase the number of grassroots volunteers.

5.1.2 The Central Office

IPPF is going through a comprehensive organisational development process that started four years ago[3].

Focal points at CO and RO level have a vital role in supporting and delivering effective capacity building and knowledge management packages and adequate training and handholding to the MAs. Each department of Central Office (CO) works closely with the ROs. The division of responsibility is to some extent determined by the capacity of the RO.

The organogram of IPPF is attached as Appendix IV.

Early in 2004, as part of their regional strategic planning, ROs identified the type of support that they required from IPPF CO. They wanted CO to be a resource centre, to supply existing toolkits and to develop new ones, as well as providing training courses, external expertise, publications and other related capacity building information and tools that ROs can draw on, as and when required. CO should also act as a clearing house for information and learning. Specifically, ROs wanted to be able to access tools, standards, policies, the organization of training, publications, information, database and monitoring and evaluation support. To respond to these needs and others, IPPF CO announced in November 2004 the creation of a new Division called Organizational Effectiveness and Governance that draws together three existing Units: Knowledge, Management and Evaluation, Knowledge Information Systems (including EIMS); and Governance and Accreditation. CO has a series of systems in place aimed at facilitating capacity building, as well as approaches to training and support.

[3] IPPF Annual Report 2003

The ROs report to CO on a regular basis. The internal audit function of CO covers the whole Secretariat. In addition there are performances appraisals on the Regional Directors carried out by the Director-General. CO also takes part in one accreditation review every year per region.

The CO operates special grant funds, such as the Japan Trust Fund and the Innovation Fund, that offer financial and technical assistance to drive forward the implementation of innovative and collaborative approaches.

Concrete experience in improving the quality of SRH services, promoting best practice, integrating new areas such as gender-based violence, HIV/AIDS prevention, treatment and care, emergency contraception, and meeting the needs of underserved groups, is gathered and disseminated through IPPF's Secretariat, particularly its ROs, who also play a central role in the scaling up and replication of these approaches within other MAs in their regions and beyond.

5.1.3 The role of the Regional Offices

For thirty years ROs have been providing technical assistance to the MAs in the region.

In implementing the strategic framework, the ROs undertake an array of activities:

- Resource allocation and mobilization
- Technical assistance, including development of tools and policies
- Performance monitoring, assessment, reporting and feedback
- Monitoring and evaluation of resource utilization
- Developing strategic interventions for improving programme performance
- Institutional capacity building
- Partnership development and advocacy
- Quality assurance and accreditation.

The role of the ROs is catalytic. Each RO makes its own arrangements for the provision of technical support to MAs within its region and therefore there is a wide variety of methodologies in use. The RO shows the way within the context of limited resources, operating as a partner to MAs and striving to build the capacity of the membership.

5.1.4 The Regional Office in Nairobi

The IPPF Africa Region (IPPFAR) plays a key role in promoting sexual and reproductive health, including family planning, in sub-Saharan Africa through its network of MAs in 44 countries with 38,000 local volunteers who are the backbone of service implementation. The MAs in the northern part of Africa are assisted by the RO for the Arab World in Tunis.

In the cooperation with e.g. the African Union or the African Development Bank, it is sometimes a problem that Africa is split into two ROs.

IPPFAR's vision is an African society where every child is a wanted child, every person enjoys good health, and men, women and youth live free from HIV/AIDS. The mission statement is to provide leadership in sexual and reproductive health in sub-Saharan Africa through knowledge sharing, best practice and advocacy on STI/HIV/AIDS, family planning, safe motherhood and safe abortion. IPPFAR has MoUs and cooperative agreements with UNFPA, UNAIDS, the African Union and other leading actors in SRH.

Among the 44 countries in the region, 31 MAs have full membership, 8 are associate members and 5 are observers. Most of the MAs in the region depend on the contribution from IPPF to a large extent (about 65% of the countries).

The organogram of ARO is attached as Appendix V. A general problem for an organisation like IPPFAR is the high turnover of staff. The organogram that we were shown before the field visit was not accurate as a number of posts had become vacant recently. We were told that the reason was that the Government and other NGOs are able to offer higher salaries, which makes IPPFAR a sort of training and transit post.

A new organization structure has been formulated to provide IPPFAR with the operational capacity to carry out its new strategy components effectively. To be phased in as resources become available, the structure reflects the main components of the new strategy through its programmes, partnerships, and finance and administration departments.

The Programmes Department is organized into five specialized components: three content programmes, one services programme and one special unit. The content areas are; STIs/HIV/AIDS, safe motherhood and safe abortion, and family planning. The work of these programmes is underpinned by the work of the fourth, institutional development, which will deliver services and promote quality assurance, externally to the MAs and internally to the three content programmes. Specialization will be evident also in the work of the special services unit, which covers gender, youth, displaced persons and rights, which report to the Director of programmes and work in tandem with the programmes.

Each programme officer at ARO is focal point/desk officer for three MAs. The focal point assists the MAs in finding the best technical support.

ARO is rather weak on resource mobilisation. The Partnerships Department provides a new focus and professionalism to the external communications function to promote IPPFAR's leadership in the region. In particular, it seeks partnerships based on the comparative advantages of IPPFAR and other African institutions in reproductive health care in areas of collaboration. Central to this role are advocacy, resource mobilization and publications.

The Finance and Administration Department includes information technology and translation capacity (given the multilingual nature of IPPFAR's work). Within the RO it provides support to the other departments/units to enable them to perform effectively.

One problem area is the roles of governance and management, which are usually conflicting instead of complementing and supplementing each other. In some cases, the governing bodies have been involved in the management of MAs, resulting in differences in opinion and the termination of contracts of Executive Directors.

Programme implementation has been slow and in some cases, advances for implementing restricted funded projects have not been fully utilised and the balances used for other activities. When restricted funds have been re-programmed into new activities, it is always within the terms of contract and, where appropriate, with the consent of the donor.
Indicators have showed downward trends and there have been concerns about obtaining reasonable value for the resources used by MAs.

During 2003, 12 MAs in the region were identified as having critical governance and management problems. During the second half of 2004, the RO reorganised itself to provide intensive and special support to these MAs. Resident IPPF Administrators were posted to some of the affected MAs and the management of the MAs taken over. During 2005, the IPPFAR is providing intensive support and technical assistance to four MAs (Sierra Leone, Benin, Liberia and Senegal). The assistance that is being offered to the MAs, as part of the intervention process, includes the following:

- Financial resources mobilised outside of the 2004/5 IPF.
- Automating and streamlining the financial accounting systems.
- Review of staffing requirements.
- Development and provision of detailed guidelines and tools including amendment of constitutions, volunteer development, HR and other manuals.
- Training and technical assistance.

ARO has also organised annual meetings to elect a new board, initiated a strategic planning process and then handed over the administration to the new board.

5.1.5 The Regional Office in New Delhi

Seven countries in the South East Asia region are full members. The MA in Afghanistan is on its way to being accepted as an associate member. In addition there are some discussions going on in order to assist Bhutan in a future process to gain membership. The numbers of personnel range from 45 in Maldives and 101 in Sri Lanka to 985 in India, 1323 in Pakistan, and 1606 in Bangladesh. The gender ratio of the existing staff on an average being 1 woman to 1,5 men. The numbers of volunteers is also quite impressive – close to 8000 in Nepal, 3000 in India, 5500 in Bangladesh and 500 in Pakistan. All the MAs in the region have a decentralized structure.

An organogram for SAR is attached at Appendix VI. At present there are 20 staff, organised in five teams (Access, HIV/AIDS, Safe Abortion, Adolescents/Young People, Organizational Development). Each team is also the desk for one or two Centres of Excellence (COE). There is a work plan for every team and each staff member. The teams use different planning

methods. The work plans contain key performance areas, activities, outputs, target countries, timeframes, persons involved and timing. Also, individuals in the same team use different methods. However, the work plan always contains outputs for each activity and time allocated. There is also a summary of the work plans for the support of each country and a budget for each COE.

SAR has strengthened systems and programmes through:

- Strategic planning exercises
- Human resource audit
- Setting up Technical Support Units (TSU)
- Orchestration of vision building exercises
- Propagation of a centre of excellence approach
- Supporting processes for organisational development and change
- Undertaking management audits
- Intensifying projects for greater impact
- Signing a series of MOUs to expand partnerships
- Expanding membership
- Rebranding the organisation through new strap lines, new images, creating "friends of IPPF."

Almost all MAs have focal points working on HIV/AIDS issues, but two out of the seven did not have either a unit or a focal person dedicated for advocacy on SRH. Three out of the five that did have technical expertise had focal points but not dedicated experts. All seven MAs could not identify specific advocacy done on SRH rights and all seven requested external technical support in the area for advocacy[4]. Almost all MAs have focal points for abortion, training and service delivery- usually the same person, but the focus was purely clinical. Only one could give a list of studies/papers conducted by its research and evaluation focal point.

A Technical Support Unit (TSU) has been established. Located in the COs of the MAs with close liaison with the IPPFSARO, the TSU is basically a facilitation team, having experts of national stature in five As, that facilitates quality planning, implementation, monitoring and evaluation of the strategic plan of the association. This team is engaged for 18 months to ensure institutional capacity building. The technical areas, varying among MAs, are HIV/AIDS, safe abortion, advocacy, adolescents, access, behaviour change, communication and organizational development. So far the TSU has:

- Succeeded in building consensus for seeking technical assistance in the aforesaid areas. The HRD audit, programme reviews, vision building workshop and V2F evaluations have produced useful information on the needs and priorities of the MAs.
- Through close consultations with MAs, developed MoUs and ToRs for the aforesaid technical areas.

[4] Advocacy terminology is not translated well in many local communities and advocacy is a relatively new area of focus for IPPF. Therefore the reality and extent of advocacy initiatives undertaken by Member Associations may often be underestimated.

- Fifteen consultants are being jointly selected for TSU and contracts with the consultants have been signed. The break up is as follows: Bangladesh (4), India (3), Nepal (3), Sri Lanka (1), Iran (3) and Maldives (1).
- Five MAs (India, Pakistan, Bangladesh, Iran and Nepal) have indicated that they would prefer to recruit the consultants for the TSUs themselves. Three MAs (Sri Lanka, Maldives and Afghanistan) indicated that they would be interested in SARO recruiting the consultants. It was agreed that a detailed plan on the role and activities that each consultant would undertake along with their budget as well as indicators to monitor their output would be prepared by each MA and submitted to SARO by the end of December 2004. SARO has reviewed the detailed plan and transferred funds to the MAs, initially for three months.

A COE for SAR has the following parameters:
- State of the art information and knowledge on the issue
- Unquestionable capacity to address at least three challenges of the issue
- Strategic partnerships with well defined rationales
- A work place policy that responds to the needs of the issue
- Evidence of impacting a large sphere of influence on the issue.

The results of establishing COEs so far are among others:
- Self selection by MAs of COEs
- Baseline completed on all the five parameters in the seven countries
- TSUs in place in each country
- Study tour on organisational change completed – follow up being closely supported
- Capacity building on M&E initiated
- Capacity building in peer education begun
- Intensive inputs on counselling skills started through restricted project funds
- Capacity building on gender, rights and sexuality scheduled for July 2005
- Mapping of partners begun.

Policy reviews are being planned. A political climate for support is being generated (MoUs, management reviews, changes in personnel, fellowships for journalists, publishing and distribution of positive times and Real Lives etc). SAR will review the vision once a year.

5.1.6 The Member Association in Kenya

Family Planning Association of Kenya (FPAK) started in 1962 with the family planning concept. It is now working with all of the five As and is considering a change of name to indicate this. FPAK has e.g. set up youth-friendly service clubs with a comprehensive set of services including outreach arrangements e.g. drama.

FPAK was the first MA to carry out strategic planning (before IPPF). The Strategic Plan 2005-2009 is the fourth. A mid-term review will be carried out in 2007.

FPAK was awarded the UN Population Award in 2003 and is considered to be one of the best MAs in the region in terms of management capacity and results. IPPFAR has used some of FPAK's staff to provide technical assistance to other MAs. For the last two years, FPAK has had financial problems that were occasioned by the ending of funding from USAID as a result of the implementation of the GAG RULE. Arising from the reduced funding, FPAK closed 3 out of 15 of its clinics in January 2001 and closed a further 3 clinics in March 2005.Currently, FPAK has a total of nine clinics which provide a wide range of services. Two of the clinics have been expanded to provide maternity services. FPAK works on capacity building of staff to offer quality service and has also trained government hospital staff.

FPAK has cut administrative costs and continues to downsize. FPAK has also increased fees and is looking for other donors in order to get back in balance within three years. Ernst & Young has audited the finances of FPAK for the last three years and has confidence in FPAK succeeding with its plans.

We visited two clinics in Nairobi, one of these also with maternity service. The clinics report their work monthly to FPAK. Both clinics seemed to be well run and kept client information to be compiled in monthly reports. Targets for the number of client visits are set and the results are followed up and evaluated.

5.1.7 The Member Association in India

The Family Planning Association of India (FPAI) was established in 1949 and is a founder member of IPPF. Today FPA stands for Fulfilling People's Aspirations as a manifestation of the broader focus. It works closely with NGOs and the government through its 39 branches, 37 clinics and 10 projects.

India is one of the most populous places in the world, contributing around 20 percent of world births and the total population may exceed two billion in the next century. There is a preference for sons, and early marriage and child-bearing. The Indian Government was one of the first to formulate a national family planning programme in 1951, which was later expanded to encompass maternal and child health, family welfare and nutrition. The Government is committed to promoting the small family norm and legislates to support population control and development programmes.

India was one of the first countries after the ICPD to move from a demographically driven approach to a broader reproductive health orientation at the national level. The Government of India has adapted the ICPD programme of action to address national needs. This shift, reflected in the Reproductive and Child Health Programme, is a dramatic departure from nearly five decades of national population policy grounded in population control[5].

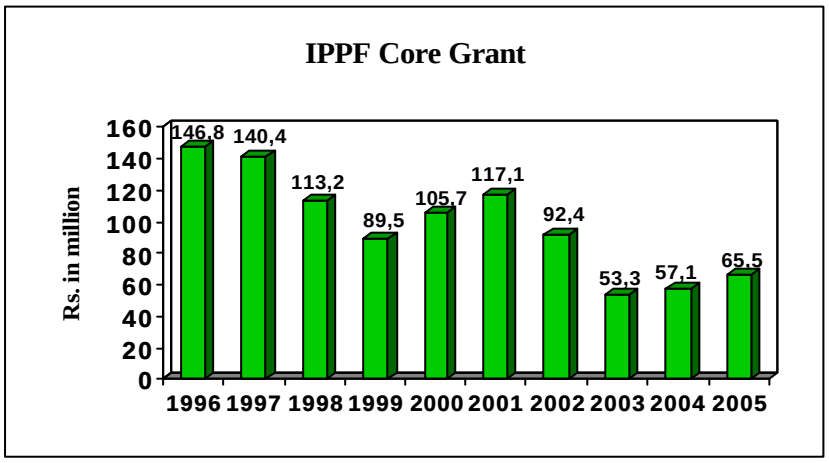
[5] Family Care International: Meeting the Cairo Challenge. Progress in Sexual and Reproductive Health. Implementing the ICPD Programme of Action (1999)

Dedicated volunteers and staff are available in all the strategic areas. With a countrywide network of 119 service outlets guided and supported by teams of over 3000 volunteers and 1135 staff, FPAI is the largest voluntary organisation in the country in the field of reproductive health and family planning[6], including safe motherhood and child survival, women's empowerment, male involvement, adolescent health, and youth development. Through its branches, FPAI in 2003 reached out to more than 800,000 clients of different religions and castes living in urban slums and rural villages.

FPAI is registered under the Public Charitable Trust Act, 1956 and Societies Registration Act. Due to the nature of work, all local donations are entitled to 100% tax exemption.[7]

FPAI has gone through a restructuring process. Cost-cutting measures and efforts made to increase locally generated resources helped FPAI to meet the severe challenges posed by a reduction in core funding from the IPPF.

Diagram 1: IPPFs Core Funding to FPAI

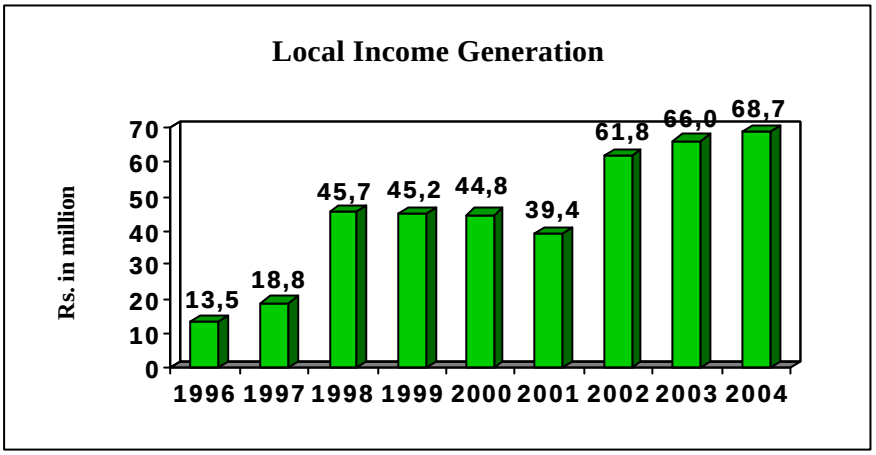


In 2003 the in-country funding accounted for 52 percent of total funding. FPAI is funded by Population Concern, National Lotteries Charities Board (U.K. Lotteries), Ford Foundation, Swiss Trust Fund & Kaufman Foundation, Bernard Van Leer Foundation, Elizabeth Taylor AIDS Foundation, Netherlands Trust Fund, Bill Gates Foundation, Packard Foundation, Japanese Trust Fund, States of Jersey, BMZ Germany, West Wind Foundation, PPFI – A, and Family Health International. As part of restructuring, one community-based and two area projects were phased out while 12 urban family welfare centres were surrendered to the Government. The grant reduction had an impact on quality of care, change in client profile (less below the poverty line, less rural population, less vulnerable groups), lessened image of MA, depletion of material & manpower, discontinuation of projects working in high need areas, disruption in fulfilling strategic priorities and decline in geographical and population coverage. The result of the grant cut is also the early retirement scheme initiated towards the

[6] Annual report 2003
[7] In all other cases, donations in India are eligible only for a 50% exemption

end of year 2002 that culminated with the departure of 605 staff and simplifying the terms of the present contracts in respect of 1135 employees.

Diagram 2: FPAIs local Income Generation



FPAI enables men and women to form local voluntary groups to initiate action for the betterment of their communities. This trail-blazing community approach has resulted in improved health and standard of living, better decision-making powers and self-reliance. FPAI has more than 106,600 grassroots level volunteers and 7658 community-based distributors. More than 31,000 facilitators were given training to promote sexual and reproductive health choices and 1,614,684 persons were reached through wideranging educational programmes. More than 40 percent of persons serviced were young, non-literate and living in marginalized situations.

FPAI will establish a National Resource Centre for Safe Abortion for capacity building, capturing learning and expanding sphere of influence, based in FPA India HQs. This centre will serve as a Centre of Excellence for skills-based training, advocacy, legal aspects, counselling, gender issues, dissemination meetings with Government and other partners, monitoring and evaluation activities and knowledge management.

5.1.8 The Member Association in Sierra Leone

The Planned Parenthood Association of Sierra Leone (PPASL) is one of the MAs that have had severe problems over the past two years. Garnishee order affected (attachment) four separate bank accounts of the PPASL at the Sierra Leone Commercial Bank for payment of a debt of $36,000 (July 2003)[8] and subsequent liquidity problems, non-payment of salaries for up to six months, and resignation/dismissal of key staff, have played havoc with its management processes. Nevertheless, with continuing support from ARO, the Association has maintained its clinical services using its Provident Fund bank account, which was not attached.

[8] The claim appears doubtful as the contract was frustrated and the work was not done, but it has been upheld by the High Court.

IPPF grants have been received up to the final tranche for 2004. As the Association lost its Director of Finance and Administration and Director of Programmes in 2003, and was without an Executive Director (ED) from August 2004, the ARO took over leadership and appointed a succession of IPPF Resident Administrators for short periods.[9] A Sierra Leonean ED has been identified and took up post on 1 April 2005 on probation for six months. Over the last year, the organisation structure and staffing have been reviewed and changes made. A Director of Programmes has been appointed, also on probation. ARO also appointed an overseer of the financial management on a short-term consultancy basis but have a problem with this arrangement. The Annual Programme Budget (APB) for 2005 has been submitted to ARO. Although there is currently no five year strategic plan in line with the 5As, ARO will assist when the restructuring is complete. The Constitution, Bye Laws and Staff Manual have been revised to meet the IPPF standards. The Volunteer Register is being updated and improved and volunteer re-profiling is in process. The head office, Western Region office and model clinic have moved to new locations. The problems are being rectified.

PPASL was founded in 1959 and affiliated to IPPF in 1968. The population planning project became reality in Sierra Leone in 1978, followed by the establishment of a population human resources division to manage population affairs in the country, in the same year. The Population Commission was established in 1982 and a national population policy was formulated in 1988 and adopted in 1989. The emphasis is on the improvement of maternal and child health. Government support for family planning was further enhanced in 1992 with the setting up of a national family planning programme in the Department of Health and Social Services. The National Family Planning Programme was reformulated due to the rebel war emergency in the country. In 1995 a National Reconciliation Committee was set up to look into and address the issues resulting from the war, which has resulted in one-third of the population being internally displaced, with a majority living in camps. Marriage is both universal and early. It is estimated that by age 18 years and over, 90% of the women in their reproductive span have been married. Available data indicates that more young men and women are becoming sexually active in their mid-teens. It is estimated that 23% of all abortions are carried out among the 15-19 age group.

Many men, especially Moslems, have negative attitudes to family planning, and male views are dominant. The unclear relationship between Islam and family planning which militates against the practice of FP is another constraint. There is continuous high infant mortality in areas not covered by the health services and there is an inadequate communications network of roads, postal services, radio and television. Rebel activities in the rural areas affected the implementation of family planning programmes. Inadequate materials and lack of financial resources continue to hamper the PPASL's work.

The National Executive Council, NEC, consists of 15 volunteer members, elected from the branches of PPASL to provide specialist skills in medicine, social science, law, auditing, accounting and education. It meets three times a year.

[9] RAs have come from Eritrea, Ghana and the Gambia. The Ugandan Administrator went to Liberia.

According to the PPASL Constitution, the ED directs the Association's activities subject to its policies as decided by the NEC, serves subject to such terms and conditions as may be decided by the NEC and appoints/dismisses all staff according to policies and procedures of the Association.

5.1.9 The mandate of the IPPF

The objects of IPPF are defined in the International Planned Parenthood Federation Act 1977. Subsidiary powers of IPPF are also defined in the Act. IPPF is a charity registered with the Charity Commissioners. The Act is Parliamentary authority.

The MAs of IPPF are autonomous entities. By entering into membership with the IPPF an Association becomes entitled to certain privileges, but at the same time, voluntarily accepts the standards and responsibilities of membership as defined by the Governing Council from time to time, and agrees to abide by the constitution and policies of IPPF.

The IPPF network consists of MAs which have been admitted as full or associate members. However, it is not always clear why some are full members and others are associates. One non-governmental family planning organisation in each country is eligible for full membership of IPPF provided that the major part of its activities is devoted to the furtherance of the objects of IPPF and provided that it is a national organisation in accordance with some criteria defined in the regulations. The regulation covers issues on membership, governing council, the audit committee, the membership committee, honorary officers of IPPF (the President and the Treasurer), regions of IPPF, the regional executive committee, tenure and the Director-General. The regulations were last amended in May 2004.

Thus the formal mandate of IPPF is clear. However, there are several other dimensions on the questions of mandate externally and internally. What is the mandate of IPPF in the global community?

At the ICPD in Cairo 1994, the concepts of reproductive health and reproductive rights were recognized as central elements of population and development policies and programmes. IPPF played a major role at ICPD and strongly influenced the ICPD Programme of Action[10]. The ICPD Programme of Action defines reproductive health as *"a state of complete physical, mental and social well-being, and not merely the absence of disease or infirmity, in all matters relating to the reproductive system and to its functions and processes."* (§ 7.2) According to the ICPD Programme of Action, reproductive health encompasses sexual health as it *"implies that people are able to have a satisfying and safe sex life …"* (§ 7.2) The ICPD Programme of Action strongly links reproductive health with the respect for reproductive rights, which *"rest on the recognition of the basic right of all couples and individuals to decide freely and responsibly the number, spacing and timing of their children and to have the information and the means to do so, and the right to attain the highest standard of sexual and reproductive health. It also includes the right to make decisions concerning reproduction free of*

[10] IPPF played a major role also in the recent ICPD+10 initiative.

discrimination, coercion and violence" (§ 7.3) Furthermore the ICPD Programme of Action considers freedom from discrimination based on gender as a key component of reproductive rights.

Every second girl who lives in developing countries will be married by her 20th birthday. Early marriage reduces directly – and indirectly through diminished educational attainment – life choices and livelihood opportunities. Early marriage directly compounds the "feminization of poverty" and the intergenerational transmission of poverty. Population Council and IPPF are the non-UN executing partners of UNFPA and UNIFEM's joint proposal for a project of Finding Alternatives to Early Marriage, with exploratory initiatives in Bangladesh and Ethiopia.

There is no explicit SRH goal included in the Millennium Development Goals. However, without universal access to sexual and reproductive health services, the MDGs will not be achieved. IPPF affirms its commitment to promote and defend the right of women and men, including young people, to decide freely the number and spacing of their children, and the right to the highest possible level of sexual and reproductive health. In order to set out the human rights context within which the federation is active, IPPF's member's assembly adopted in 1995 the IPPF Charter on Sexual and Reproductive Rights.

IPPF's role is evidence based advocacy that represents the diversity of experience on the ground from 180 countries. At country level, IPPF's impact is underscored by the tremendous influence of its nine million volunteers who support the MAs and build public and political support for SRH at community and national level worldwide. The effect of this network is that there is an advocate for SRH in almost all communities worldwide. In this respect it outstrips the scope of every other NGO working in the field of SRH. From its field experience, IPPF is able to use its knowledge of what works and what the real situation is in the field, to inform its advocacy messages.

Thus IPPF has a broad mandate in the global context. But how about the identity? Can all the MAs and the volunteers identify themselves with the "new" IPPF? Normally MAs at least mention that they are members of IPPF in their annual reports and from time to time also in their information to the general public. However, in the latest British annual report IPPF is not even mentioned.

The mission was at the outset family planning but is now much broader. This change is reflected in the vision, mission and strategic framework. However, the change is not reflected in the name of the organisation or the governance structure. Family planning continues to be the core business of most MAs for the foreseeable future. All federations have to deal with the delicate balance between accountability and respect for the autonomy of the MAs. By the decision to implement an accreditation system that is compulsory for all MAs, IPPF has been given a far-reaching mandate to standardize and mainstream the entire organisation, at least when it comes to the 65 standards in the system.

The identification with IPPF among staff at CO and ROs is strong. However we found a few gaps at MA level. For instance, we were not able to find any workplace policy on HIV/AIDS in the MAs[11]. None of the MAs in SAR and AR generated information on attitudes of staff toward HIV/AIDS, safe abortion and adolescent issues. However SARO tested an AIDS questionnaire on staff members from three MAs in the region. It showed for example that only 20 % disagreed with the statement *"Employees have a right to know if any of their co-workers have AIDS"*.

Rights-based programme approach was not adopted by the MAs we visited[12]. However, it was mentioned that projects had attempted to incorporate the concept into their programmes. But none of the projects we studied had been monitored or evaluated on the rights aspects. Reduction of stigma and discrimination was addressed in some projects e.g. the HEART[13] project in FPAI. But there were no tools to measure the reduction of stigma and discrimination. None of the MAs studied address the aspects of stigma and discrimination with respect to safe abortion and adolescents. However, there is no international standard for measuring stigma reduction. The HIV/AIDS team at IPPF is working on a human rights index in collaboration with other HIV/AIDS NGOs.

5.1.10 Relations between the Secretariat and the governing body of IPPF

There are several reasons for a strategic consultation within IPPF on the role of volunteers. IPPF is from the outset a popular movement, which over time has become a more and more professional organisation. The cocept of voluntarism will be addressed again as mentioned in section 5.1.1.

To complement the accreditation of MAs, several volunteers suggested in early 2003 that IPPF Secretariat should also be periodically reviewed. IPPF AC expressed its desire in 2004 for a Secretariat accountability system to be developed. A Secretariat Review System has been presented at the AC. The performance of the CO and ROs will thus be monitored as an annual review based on parts of the accreditation system. The assessment consists of 16 key areas in strategic implementation, management and governance. The result of the annual review will be presented to the AC.

A board of volunteers many of whom hold senior positions within national institutions governs each of IPPF's MAs. These volunteers often have access to high ranking government officials and decision makers and this enables them to advocate for increased resources and to increase the prominence of sexual and reproductive health on the national health agenda. This enables IPPF to add its voice to the national debate and raise issues that might not be otherwise debated, such as abortion and SRH for unmarried young people.

[11] The Central Office have a workplace policy and is currently in the process of developing guidelines on the implementation of this policy which will be disseminated to all Regional Offices and Member Associations by the end of 2005.

[12] The terminology 'rights-based approach' often does not translate well in many local communities, however many elements of a rights-based approach (including confidentiality, informed consent, client-based services) are actively implemented by the MAs studied within the audit.

[13] Health Adolescents and Responsible Teens

AC has asked the Director of Organizational Effectiveness and Governance Division to include in the Secretariat Performance Review Process questions in relation to gauging the level of effective cooperation between different parts of the Secretariat as well as whether the volunteer meetings are useful to participants within the review system.

5.1.11 The process of gaining support and the decision-making process vis-à-vis ROs and MAs

Some MAs need handholding or guidance and others need no assistance at all from the Secretariat. ROs have close working relationships with MAs and are best placed to advise them on capacity building, and to judge the appropriateness of interventions. Each RO has its own procedures for assessing needs and providing technical assistance. This individual approach is necessary due to the enormous diversity of cultural settings, religious realities and social, political and economic contexts of the countries.

The programmes of the RO are evaluated every year to assess the progress towards achieving the objectives set in the strategic plan on one hand and their effect on the MA's performance on the other. It will ensure that the activities within the RO have visible and measurable effects on the MA's management, programme implementation, finances and all other aspects of the associations.

Accreditation and the Quality of Care Initiative (QoC) have focal points in each RO for the coordination of training, reviews and follow up which works very effectively. The key objective is to improve programme and institutional performance through strategic reviews of ongoing activities and use the findings to scale up the impact resulting from the work of MAs. This will be done by reviewing annual reports from the different units and departments in the RO, reports of the MAs, questionnaires that MAs fill annually, and interviews with staff.

However, in order to maximize the development and delivery of technical support, there is a need for a central mechanism to gather and analyze best practice, identify the location of knowledge, skills and experiences globally, and to facilitate the dissemination of this information across the Federation. Although IPPF is in the process of developing systems able to provide such a service, it has not, up to now, been able to capitalize fully on the value of its own experience for the greater improvement of its global work.

Obstacles such as the lack of funds, insufficient staffing, and a shortage of core skills in some areas slow down the process, and some ROs are concerned that technical assistance tends to be 'crisis driven' and offered only when a problem emerges. ROs have identified a need for the development of a more durable knowledge management infrastructure, rather than the 'band-aid' approach that the limited resources allow.

In the application to Sida 2004-05 IPPF underlines that *"there are a number of marginalised groups who will be a particular target for IPPF's MAs in the coming years. Displaced people, refugees and those living in conflict and post conflict situations are targets particularly in*

Africa and the Arab World". To illustrate this position we asked questions about IPPFs strategy for South Sudan, the most significant example of a post conflict situation, including many refugees from the ongoing conflict in Darfur, and dependent on Africa/Arab World interaction. What are the pros and cons following today's division of responsibility between the two ROs on the African continent? What is the impact of supporting the Africans in South Sudan from the RO for the Arab World in Tunis instead of offering support from the RO in Nairobi?

In October 2004 AC raised the issue as to whether the accreditation process would be extended to the Secretariat in the future. It was intended that a pilot review would be undertaken in CO and the six ROs in December 2005. In the spring of 2006 AC would receive their first report on the results of the pilot review. The AC supported this move towards a system of internal self assessment which is in line with modern management theory, placing emphasis on demonstrating responsibility and transparency, within an effective evaluation system. The Committee recommended that the review should include questions relating to the level and effectiveness of cooperation between different parts of the Secretariat. The Secretariat performance review process will be further discussed in section 5.1.14.

5.1.12 Selection of partners in cooperation

In each country one association can be MA in IPPF. After dialogue between the association and IPPF the organisation is offered to be an associate member. Some associations have a position as observers first. When the association meets the standards it can become a full member.

MAs have different focus areas. This is used by RO to divide MAs into country clusters.

IPPFAR country clusters for priority programme focus
(adolescent and advocacy issues cut across all other programmatic areas)

HIV/AIDS[1)]	**Family planning**[2)]	**Safe motherhood/ Safe abortion**[3)]	**Institutional capacity building**
Botswana (37.3%)	Angola (5%)	Chad (1,100)	Benin
Burundi (6%)	Burkina Faso (9%)	Ethiopia (850)	Cape Verde
Côte d'Ivoire (7.0%)	Cameroon (8%)	Gambia (540)	Central African Republic
Kenya (6.7%)	Comoros (19%)	Ghana (540)	Democratic Republic of Congo
Lesotho (28.9%)	Congo Brazzaville (No data)	Mali (1,200)	Equatorial Guinea

Malawi (14.2%)	Eritrea (5%)	Nigeria (800)	Gabon
Namibia (21.3%)	Liberia (5.5%)	Sierra Leone (2,000)	Guinea Bissau
Rwanda (5.1%)	Madagascar (12%)	Tanzania (1,500)	Guinea Conakry
South Africa (21.5%)	Sao Tome (27%)	Uganda (880)	Mauritius
Swaziland (38.8%)	Senegal (8%)	Zambia (750)	Mozambique
Zimbabwe (24.6%)			Niger
			Seychelles
			Togo
1) HIV prevalence rates (World Population Data Sheet, PRB, 2004). 2) Percentage of married women using modern contraception (World Population Data Sheet, PRB, 2004). 3) Maternal mortality rate (State of the World Population, 2004; The Cairo Consensus at ten: Population, Reproductive Health & the Global effort to end poverty); abortion rate estimate in SSA is 33% (WHO, UNICEF, UNFPA, 1997; International Family Planning Perspectives, vol. 25, January 1999).			

5.1.13 Accreditation review

IPPFs main operating weakness has been its lack of integrated and strategic management systems. To meet this problem the IPPF accreditation system was launched on 1 January 2003. The driving force behind its accreditation system is to uphold the highest possible standards throughout the Federation. The system is a tool for assessing and reviewing the work of MAs and ensuring international best practice. It covers four main institutional and programmatic areas: programmes and services; constitution; governance; and management:

Programmes and services
- strategic planning
- advocacy
- information and education
- sexual and reproductive health services
- quality of care
- monitoring and evaluation

Constitution
- principles
- membership
- governance

- conflict of interest
- accountability

Governance
- advocacy
- resource mobilization
- stewardship
- strategic planning
- policy setting

Management
- promoting and advancing the Association's mission and objectives
- management of programmes and services
- ensuring efficient financial systems
- recruiting and appraising staff.

The process of developing the guidelines for accreditation was started by the MC with a review of the 1993 *"Standards and Responsibilities of IPPF Membership"* in May 2000. The GC approved the revised Standards in November 2001 and the *"Formats and Procedure for Accreditation"* as recommended by the MC, in May 2003.

The process is managed by ROs, and involves self-assessment, independent assessment by a review team, completion of standard formats, determination of areas of non-compliance, action planning to achieve compliance, follow up (normally for up to12 months), certification by the Regional Director, and approval by the MC. The CO Policies and Governance Division provides guidance and quality control.

Compliance with all 65 standards is required for accreditation as a full member of the IPPF. Normally the review team assessment includes 3-5 checks for each of the 65 standards. At March 2005, 46 reviews had been completed. Out of the 65 standards, several were not initially complied with (mainly with regard to the constitution), but were brought to compliance. One association (Ukraine) had failed to meet the standards and was expelled. A further 90 reviews are planned for 2005-07. Thus, the process provides the IPPF with an instrument for enforcement of standards and the MAs with an incentive for continuous improvement.

Where a MA fails to comply fully with a standard, a follow-up plan of action is drawn up, outlining the steps required to achieve compliance. Grants are available from IPPF to implement these steps. Through this funding IPPF will work to ensure it has a management team at the MA level with the skills and abilities to deliver the strategic framework. The process of follow up and implementation is then undertaken by the MA with the support of the RO.

Many MAs require training to undertake their accreditation reviews. Capacity development activities include:

- Building strategic awareness
- Creating effective communication structures
- Boosting staff morale and motivation
- Creating a robust and lean administrative framework
- Developing management information systems
- Reviewing operational plans
- Developing and implementing financial management practices
- Forming internal audit/control mechanisms.

Once every five years, each MA undergoes the accreditation review. Every RO has an Accreditation Plan for 2003-2007. All the members in the RC meeting of IPPFSAR held in July 2004 agreed to speed up the process and get all the MAs accredited by IPPF as early as possible. Thus the Accreditation Plan of IPPFSAR will be completed by January 2006:

2003: FPA Pakistan (*13 -17 October 2003*)
2004: SHE-Maldives (*17 -20 May 2004*)
FPA Nepal (*27 September to 3 October 2004*)
2005: FPA Sri Lanka (*27 June to 2 July 2005*),
FPA India (*7 -16 November 2005*)
FPA Iran (*23 -29 November 2005*)
2006: FPA Bangladesh (*9 -15 January 2006*)

To illustrate the review process we have selected the three MAs for which it has been completed:

Nepal
The review was based on detailed discussions with senior volunteers, the Chief Executive Officer and all the concerned senior staff of the MA, review of relevant records and documents and observations and interactions with staff, clients and community members during a field visit. The team visited service delivery units at different levels, a Youth Information Centre and project sites. The standards which the FPA did not comply with were identified jointly by the IPPF review team and volunteers and staff of FPA Nepal during the review visit. In order to facilitate adoption of the revised constitution and to strengthen implementation of changes, SARO organized a capacity building workshop (28 March to 3 April 2005). The FPAN agreed with the recommendations and undertook to complete appropriate actions by end of June 2005.

Pakistan
Technical assistance was provided by SARO to facilitate FPAP to take up the follow up actions agreed during the review. FPAP revised the constitution for making necessary provisions to comply with the standards which was approved by the National Council in December 2004. However, on review, it was found that there was still a gap to comply with two standards, which was taken up by the National Council. After FPAP modified the constitution the MA complied with all the 65 membership standards. The Regional Director is

satisfied on compliance with the standards and they have been presented to the MC to recommend for accreditation.

Maldives
Technical as well as financial assistance has been provided to the SHE-Maldives for taking up the actions recommended by the accreditation review team:

1. modify the constitution in conformity with the standards and to make provisions to facilitate SHE to practise/implement the strategic plan developed around the five As
2. establish and implement a monitoring and evaluation system for programmes
3. establish a performance appraisal system for staff
4. put a quality improvement process in place.

A revised draft of the constitution was prepared by the SHE-Maldives and was reviewed at SARO to ensure all the gaps were filled. It was agreed that as there was still a gap to comply with two standards, the constitution will be presented to the Executive Committee to consider necessary modification. At the time of this audit, this had not been done.

Detailed discussions were held separately with each division/programme staff member to understand the existing M&E and quality assessment system/practice. Orientation training on the performance appraisal system and M&E system (concept, methods and tools) was given to all staff. The MA then introduced the M&E system including performance appraisal and assessment of quality of service. The IPPF QoC system (quality design, quality assurance and quality improvement) was also introduced to all concerned staff. All service providers were trained how to use self-assessment tools for assessment of quality, how to conduct client exit interviews, and use of the decision-making tool for counselling SRH clients.

5.1.14 Secretariat Review System

A new staff appraisal system has been introduced for 2005 which incorporates a section of individual objectives whereby staff members, together with their supervisor, will identify three or four main objectives to be achieved over the forthcoming 12 month period. All Regional Directors have a list of key objectives to be achieved within a year and progress is measured during their annual appraisal with the Director General. CO Directors will also be preparing these for 2006.

A Secretariat Review System is planned and will be based upon annual CO and RO self-assessments of their work. The system builds upon the experience and lessons learned from accreditation and eIMS.

Each CO review will cover 17 key areas and each RO review 16 key areas. The review covers the following key areas:

Strategic implementation:

- Strategic planning
- Technical support to regions/MAs

- Advocacy and external affairs
- Resource mobilization
- Accreditation
- Monitoring and reporting

Management:
- Human resource management – structure and staffing
- Annual programme budget
- Financial accountability
- Risk management and internal control
- Management support to MAs/regions

Central governance support:
- Act and regulations
- GC meetings
- Audit Committee meetings
- Membership Committee meetings
- Conflicts of interest

Regional Governance Support:
- Constitutional matters
- Regional Council
- Regional Executive Committee
- Conflicts of interest

CO and ROs will provide objective written supporting evidence in response to questions on these areas. Results will be reviewed by the IPPF internal audit function and shared with the Director-General and, on an exception basis, with IPPF's Audit Committee.

In December 2005, for the first time, the CO and ROs will complete an annual self-assessment questionnaire covering all main areas of IPPFs Strategic Framework. This year, also for the first time, each division of the CO will be holding a staff retreat to discuss the work plan for the Secretariat for 2006. The outcome will be the Secretariat Work programme. This will enable each staff member to prepare an individual twelve-month work plan.

5.2 Management Systems and Routines

5.2.1 Policies and strategies

Policies
IPPF has defined a policy as a set of written rules and guidelines that are recognised and/or approved formally or informally for decision making and matters relating to community and

participating institutions. We have listed policies and guidelines at Appendix II. In this section we will discuss our findings on some of the most important policies.

The GC has adopted an IPPF Policy Handbook. IPPF policies are intended to provide guidance to the whole Federation on a particular subject in order to assist future action by volunteers or staff. The policies should reveal the values and internationally accepted principles of best practice that IPPF wishes to bring to bear on an issue. Through the MAs, approaches such as the community based distribution system[14] and the rights of the client[15] achieve widespread implementation, thereby ensuring that best practice is replicated widely and becomes embedded into mainstream SRH programming across the Federation.

All IPPF volunteers and staff have access to an up-to-date list of IPPF's policies. Responsibility for coordinating the drafting of IPPF policies and ensuring an up-to-date list of policies in the IPPF Policy Handbook lies with the Policy and Governance Unit in IPPF CO.

The IPPF policies are formulated in more general terms than a detailed programme of action and as such are not time-bound in the same way. IPPF policies are expected to have a life expectancy of at least five years but all policies are periodically monitored by volunteers and staff to ensure their continued relevance. IPPF policies sometimes require separate specific detailed procedures which although not part of the policy statement may be necessary to ensure implementation. These procedures can be revised by the IPPF Director-General as requested and must remain consistent with the policy.

In this sub-section we will first summarize our findings regarding the Strategic Framework. Thereafter we will discuss the Medical and Service Delivery Guidelines and the Quality of Care Initiative.

The IPPF Strategic Framework

In November 2002, IPPF's GC approved the development of a new *Strategic Framework*. Planning began at IPPF's 50th Anniversary Symposium that brought together MAs, GC members, donors, health and development experts, academics and individuals to map out a way forward. An International Strategic Advisory Group (ISAG) of global experts met twice during 2003 to help shape the new framework and to discuss the final product, its implementation, organizational aspects, and evaluation. At a strategic consultation in April 2003 the donors appreciated IPPF's efforts to focus on areas where IPPF held an inherent comparative and strategic advantage, as well as focusing on critical issues that others were reluctant to take on, and in which IPPF could play a leadership role.

[14] Community Based Distribution is an approach pioneered by IPPF in the 1970s. This system provides contraceptives, information and education through community outlets in order to ensure access at the village and household level, thereby making services accessible to everyone.

[15] In 1995 IPPF published its Charter on Sexual and Reproductive Rights. It was a breakthrough in enabling institutions worldwide to adopt a rights-based approach to reproductive health services. The Charter is now an industry standard that acts as a practical tool to guide organisations in how to identify and raise awareness of human rights and potential violations of these rights.

The Strategic Framework was further debated at the GC meeting and at a series of workshops. A Global Indicators meeting was held in October 2003. Having been presented at all six IPPF Regional Council meetings, the Strategic Framework 2005-2015 was finally approved at the GC in November 2003.

The Strategic Framework is built around five priority focus areas called the fiveAs:

- **A**ccess: Ensuring access to information and services to improve the sexual and reproductive health with particular focus on marginalised communities
- **A**dolescents/Young People: Providing youth friendly services to meet the needs and rights of young people
- HIV/**A**IDS: Increasing access to prevention, care, support and treatment globally and to reduce barriers that make people vulnerable to infection
- **A**bortion: To advocate for the right to safe abortion services and provide them to the fullest extent permitted by law
- **A**dvocacy: To strengthen recognition of the importance of SRH within the context of international development and to increase resources in support of SRH services.

The first stage of the five-year capacity building programme is supporting the Strategic Framework. ROs will be the main drivers of this process. During 2004, MAs developed their national strategic action plans. These outlined their priorities and, equally importantly, their capacity building needs[16]. Introduction meetings were organised for new volunteers, new executive directors and new staff members. Volunteers engaged in the accreditation process received special training.

The following activities have been the main thrust of the first phase of implementing the Strategic Framework:

- Invest resources in ROs
- Identify MAs at the point of readiness
- Identify core standards in the five As, governance and accreditation, resource mobilization, and monitoring and evaluation:
- Needs assessment
- Innovations Fund
- Develop a Reference Guide
- Mapping of linkages and support frameworks

The rights based approach

In the Vision 2002 Plan, the Federation in 1992 adopted a rights based approach to sexual and reproductive health. Two years later at the International Conference on Population and Development in Cairo in 1994, the international community adopted the notion of sexual and reproductive rights when the 179 governments agreed on a 20-year Programme of Action. Reproductive health, according to the consensus definition agreed on at the ICPD, is complete physical, mental, and social well-being in all matters related to the reproductive system. This

[16] IPPF: Capacity Building: Delivering the Strategic Framework (Concept paper, January 2005)

implies that people are able to have satisfying and safe sex lives and that they have the capacity to have children and the freedom to decide if, when, and how often to do so. Sexual health is part of reproductive health and includes healthy sexual development; equitable and responsible relationships and sexual fulfilment; and freedom from illness, disease, disability, violence, and other harmful practices related to sexuality. IPPF published the Charter on Sexual and Reproductive Rights in 1995. The Charter sets out what is meant by sexual and reproductive rights and uses the language of human rights treaties and international agreements. It is accompanied by guidelines that offer guidance to other NGOs and communities on how to use the Charter to defend and promote SRH rights. It is the only tool of its kind and has become an internationally respected advocacy device. It should be noted that 58 percent of SHR services in the world are provided by NGOs.

The Vision 2000 Strategy was the driving force behind the transformation of the Federation from being principally a provider of family planning services towards incorporating the entire range of sexual and reproductive health services into its programming. For ten years, the Federation worked to achieve the thirteen objectives of Vision 2000 with mixed success. However the evaluation of the strategic plan was poor.

Involving young men in its programmes is seen as essential for ensuring the sexual and reproductive wellbeing of both young men and young women. IPPF is committed to uphold the right of young people to information and education on sexuality; to comprehensive sexual and reproductive health services; to pleasure and confidence in relationships and all aspects of their sexuality and to participate fully as active members of society. IPPF is also committed to the elimination of gender-based violence towards young people. For instance, SARO is presently developing a training manual on men's participation in sexual and reproductive health.

The transition from Vision 2000 to the five As strategy required new skills and new approaches. Therefore in 2004 and 2005, the Secretariat focused on building the capacity of its MAs to incorporate the five As into their programmes and services. The new accreditation system (see section 5.1.13) is dedicated to ensuring that MAs are well governed and managed and that they provide relevant up-to-date information and high quality training and clinical services. There is also an emphasis on capacity building in MAs and the Federation as a whole to develop the skills and technical knowledge to be able to implement the Strategic Framework.

The AR strategy

In early 2002 the AR launched a process of redefining its own objectives and functions at two workshops with representatives of all 44 countries in the region. The draft strategic plan developed in this process was approved by the Regional Executive Committee in April 2002 and reviewed and adopted by the Regional Council at the end of the year.

To ensure its alignment with the Strategic Framework of the IPPF at the global level, the AR took up the planning process again and in early 2004 revisited and refined the strategic plan to

sharpen its perspective and extend its outlook over the five years from 2005 to 2009. The plan required a total restructuring of the ARO so as to provide more effective technical assistance to the MAs.

The Programme Director is responsible for the overall implementation of the plan. The Unit Leaders are responsible for achieving each goal and objective of their respective programmes. The Research and Evaluation Unit is responsible for monitoring the implementation of the plan and providing results to management for decision making.

MAs must have a strategic plan based on the five As. In AR, 50 percent of the MAs already have a plan and the others will finalize the process before the end of 2005. In 2006, all MAs should have an operational plan based on the strategic plan.

The SAR strategy

IPPF is continuously trying to keep the mission, vision and strategy active as steering instruments. For instance, a vision building workshop was held in November 2004[17] by SARO with participants from the seven MAs and Afghanistan. The workshop concluded in a note re-affirming the values that IPPF SARO stood for. All the MAs endorsed a final resolution and agreed to dedicate themselves to at least one core value in the coming years. Some suggestions came from the participants for similar workshops in the future:

- The MAs should be given more homework and come prepared to participate
- Provide some take-away materials for study and recall
- More involvement of volunteers
- More space for discussions.

A Regional Strategic Planning Workshop was organised in December 2004 to bring together staff and volunteers from the MAs in the region and SARO to discuss the challenges and constraints and harmonise the development of the new Strategic Plans. As a continuing part of this process, SARO conducted a human resource audit of the MAs.[18] Information was sought under technical capacity, staff strength and attitudes and perceptions of decision makers of SARO's seven MAs. The questionnaire was prepared and forwarded to the MAs in April 2004.

The FPA India Strategic Plan 2005-2009 contains problem analyses and strategic directions on the five As, supporting strategies for governance & management, knowledge management, capacity building and resource mobilization.

In SAR, four MAs (India, Pakistan, Bangladesh and Sri Lanka) had internal policies in consonance with the policies of the IPPF Strategic Plan. Iran and Maldives had no internal policy, in Nepal there was no consensus and Iran had prepared a policy on safe abortion and gender.

[17] IPPF/SARO: Vision Building Workshop. 17-20 November 2004. Many dreams. One vision. Report.
[18] SARO Human Resource Audit-Synthesis of Responses from the 7 MAs.

Monitoring the Strategic Plan

The Monitoring and Evaluation Plan of the IPPFAR Strategic Plan contains for each of the five As and Resource Mobilization, Institutional Development and Research, Monitoring and Evaluation: (1) programme focus, (2) expected outcomes, (3) sample indicators, (4) frequency and (5) who is responsible. Monitoring will consist of a periodic oversight of the implementation of activities to establish the extent to which input deliveries, work schedules, other required actions and targeted outputs are proceeding according to plan, so that timely action can be taken to correct deficiencies. The status of implementation, including progress toward each of the overall strategic goals, is reported on a quarterly basis. The following key questions are asked:

- Are goals and objectives being achieved or not?
- Will the goals be achieved according to the dates specified in the plan?
- Should the deadlines for completion be changed?
- Do personnel have adequate resources (money, equipment, facilities, training, etc.) to achieve the goals?
- Are the goals and objectives still realistic?
- What can be learned from the monitoring in order to improve future planning activities and also to improve future monitoring and evaluation efforts?

Evaluation of the Strategic Plan

Evaluation attempts to determine as systematically and objectively as possible the relevance, effectiveness, efficiency and impact of activities of the plan in the light of specified objectives for improving both current activities and future planning, programming and decision-making. Two types of evaluation are carried out during the implementation of the Strategic Plan:

1. Mid-Term Evaluation

A Mid-Term Evaluation (MTE) will be conducted during the second quarter of 2007 to ensure that implementation is on the right track and to correct any observed deficiencies, including the revision of objectives and strategies/activities. The objectives of the MTE will include the following:

- To determine whether the strategic plan rationale, goals and objectives are still relevant;
- To review the status of implementation including the reasons for any changes to what had been planned;
- To assess the plan strengths, weaknesses and any constraints to implementation;
- To assess whether the plan is on track to achieve its objectives and propose solutions to ensure that it does;
- To make recommendation to build on strengths, correct weaknesses and improve implementation.

2. Final Evaluation

The final evaluation of the Strategic Plan will be carried out during the last quarter of its implementation and include the following:

- To assess the achievement of the Plan objectives comparing actual and expected results as measured by the Strategic Plan's indicator;

- Identify and document the factors of success or failure;
- Assess the qualitative effects of the Plan on RO, MAs and beneficiaries at grassroots;
- To identify prospects for replication and develop a new Strategic Plan;
- To identify mechanisms to disseminate lessons learned and best practice.

Medical and Service Delivery Guidelines

The IPPF Medical and Service Delivery Guidelines for Sexual and Reproductive Health Services are intended to improve the knowledge, skills and confidence of clinic staff in the delivery of high quality sexual and reproductive health services. Based on a client-rights approach, the Guidelines provide clinic staff with up-to-date, evidence-based guidance on a range of sexual and reproductive issues, including family planning, to ensure those rights are met. In the latest edition the 1997 version has been extensively updated and made consistent with the World Health Organization 2004 Medical Eligibility Criteria for Contraceptive Use and Selected Practice Recommendations for Contraceptive Use. As with past editions, the Guidelines were written with the support and technical expertise of IPPF's International Medical Advisory Panel (IMAP) – a grouping of international experts in the area of sexual and reproductive health. The latest edition has also been expanded to include four new chapters: the normal menstrual cycle, reproductive health screening for well women, safe abortion, and HIM infection and AIDS. The guidelines are written to be easily adapted to the needs and resources of different environments where they will be used. The guidelines can be used as:

- Guide for the delivery of services
- Reference document for assessing quality of care
- Training instrument.

The guidelines can serve as a reference to supervisors in identifying situations which require corrective actions and in identifying training needs. The supervisors can use the guidelines for bringing to the attention of service delivery personnel essential elements of quality of care and proper procedures. The guideline contains the following chapters:

Chapter 1 Clients' rights and providers' needs
Chapter 2 Counselling
Chapter 3 The normal menstrual cycle
Chapter 4 Reproductive health screening for well women
Chapter 5 Hormonal contraception
Chapter 6 Intra-uterine devices (IUDs)
Chapter 7 Barrier methods
Chapter 8 Female and male sterilization
Chapter 9 Fertility-awareness based methods
Chapter 10 Emergency contraception
Chapter 11 Diagnosis of pregnancy
Chapter 12 Safe abortion
Chapter 13 Reproductive tract infections and sexually transmitted infections
Chapter 14 HIV infection and AIDS
Chapter 15 Infection prevention and control mechanisms

The guidelines are currently available in English and will be published in Arabic, French and Spanish in 2005.

All ROs have their own regulations and guidelines. ARO is in the process of developing some guidelines e.g. a technical assistance guideline and a strategic planning guideline.

Quality of Care Initiative
In view of the strategic changes adopted by IPPF focusing on five As, more checks to make it consistent with the IPPF's new Strategic Framework and checks for Quality of Care (QoC) and Service Delivery have been added in the Review Team Assessment format in 2004. The revised RTA format will be used from 2005 on wards.

In each region, two countries (thus 12 MAs in total) were selected to participate in phase 1, followed by 22 MAs for phase 2. A total of 34 countries and MAs participated directly in the programme during the five-year period. The six ROs each received $485,300 and the MAs an average of $86,000 each.

QoC's approach to building skills and bringing about change continues to be a significant learning experience for IPPF in the development of a capacity building framework. QoC means the delivery of services in a way that addresses the rights of clients. Clients have the right to information, access to services, choice, safety, privacy, confidentiality, dignity and comfort when receiving services, continuity of care, and options.

The QoC programme was developed to ensure that the highest possible level of sexual and reproductive health care is provided by MAs' clinical services. It uses an in-depth process of self-assessment and review in quality improvement through a cascade training model, which is effectively transferring knowledge and practical skills through all levels of the Federation; from IPPF's CO to ROs, MAs and service delivery points themselves.

The division of responsibilities in QoC is as follows:

MA Service Delivery Points (SDP):
- Conduct self-assessment
- Conduct client exit interviews
- Develop SDP action plan
- Submit SDP action plan to MA Headquarters

MA Headquarters:
- Consolidates the action plans of all SDPs
- Conducts MA management self-assessment
- Develops MA management action plan
- Develops MA overall action plan and budget

IPPF:

- Provides funding and technical assistance to MAs for implementing their action plans
- Conducts an external assessment of MAs on implementation of their action plans
- Grants MAs a QoC Certificate.

Standards on MA level

The self-evaluation process enables MAs to identify for themselves how best to improve the quality of care in their clinics. Action plans from MAs participating in the QoC have revealed the success of self-assessment in identifying gaps in quality, as the plans were comprehensive, achievable and responsive to local needs and priorities. In many cases, service delivery points began making improvements even before they received funds for their action plans.

MAs planned and allocated their programme budgets using the new strategic framework for the first time in 2005. The APBs are required to demonstrate capacity building at the ground level to achieve the objectives laid out in order to turn vision into a reality. The MAs have also taken note of IPPF's concerns to work closely with young people and address their SRH needs and increase their participation in their programmes and governance.

Some MAs have developed their own guidelines and manuals. For example, the FPAI has developed high quality training modules, innovative service delivery initiatives and needs based IEC strategies. FPAI is a good example of high-quality services. However, IPPF is aware of the fact that the quality is very uneven among MAs. Therefore, for many years IPPF has explored how its MAs can develop high-quality services and service clients better. FPAI has developed a manual – The Essential Service Standards for Reproductive Health: Guidelines/Checklists (2002). This document, written by the Medical Department of FPAI, contains Guidelines on Clinic Management, Contraceptive Methods, Medical Termination of Pregnancy (MTP), Maternal and Child Health Care (MCH), Infertility, Reproductive Tract Infections and Counselling. After the FPAI Medical Advisory Panel (MAP) reviews the document it is approved by the Central Executive Committee. The foreword is written by the President and the introduction by the Chairman of the MAP. It is a comprehensive manual, e.g. the first section comprises 17 chapters on Staff, Clinic Site, Physical Facilities, Equipment, Record Keeping Procedures, Service Delivery Systems, Storage of Contraceptives and Drugs, Handling Emergencies etc.

Providers have certain needs that must be met to enable and empower them to provide high-quality services. These include the need for training, information, adequate physical and organizational infrastructure, supplies, guidance, back-up, respect from clients and managers, encouragement from supervisors, feed-back concerning their performance and freedom to express their opinion concerning the quality of services they provide.

Self-assessment manual
Based on the clients' rights and providers' needs framework, IPPF has developed QoC standards and criteria and a system for quality improvement based on self-assessment.[19] The self-assessment manual is designed to assist the IPPF worldwide network of MAs and other organizations working in the field of sexual and reproductive health to introduce and carry out quality improvement in their service delivery programmes in a participatory and sustainable way.

The manual is aimed at service delivery points and MA managers, supervisors, trainers and volunteers involved in programmes. It provides an overview of the IPPF quality improvement approach and describes the tools and process for carrying out self-assessment both at service delivery points and the management level. It also describes how to develop, implement, monitor and evaluate MAs' QoC action plans.

Training tools on QoC and the quality improvement process were developed in coordination with the manual.[20]

5.2.2 Planning activities

The Strategic Plan will be implemented through the ROs' and MAs' annual programmes. Until 2002, programming, staffing and organograms were done around projects. Interventions were broken down into a number of projects. The new strategic framework has changed the focus to institutional strengthening in order to make IPPF a learning organization with well developed strategic priorities aiming to redefine a development discourse from every region's and MA's perspective.

Electronic Information Management System (eIMS)
With an increased emphasis on monitoring and evaluation, and the continued development of IPPF as a learning organization, eIMS is central to the capacity building process. The eIMS is a result-based planning and reporting system covering the entire Federation, accessible on the Internet worldwide, in four languages – English, French, Spanish and Arabic. It links together strategic planning, financial management and performance monitoring into one system. The system uses a step by step process that ensures that MAs work within a strategic framework and have to define goals, objectives, outputs, outcomes and match a budget to the activities planned. Each quarter, MAs input their progress against each objective and their expenditure into eIMS. The database includes proposed budgets, approved budgets, staff, financial results and programme results. The most remarkable achievements so far are the qualitative analyses. The eIMS is used to integrate M&E in project design and project planning.

Approximately 90 MAs are now in the system. Also associations applying for membership can have access to eIMS (e.g. Afghanistan). However, the access to eIMS is limited. MAs don't have access to data regarding other MAs. For security reasons RO has no access to projects in

[19] Quality of Care – Improvement Process Manual for Service Providers and Managers. Self-Assessment Manual, IPPF, 2005
[20] The training tools are: *IPPF Quality of Care Improvement Process Training and Facilitation Skills Reference Manual, Facilitator's Guide and Participant's Guide.*

other regions. Over 1500 users in 116 countries have been trained in the eIMS. One problem is limited internet access in the MAs both in AR and SAR. Even programme heads were not having access to the Internet in Bangladesh and Maldives in SAR and almost every second country in AR. AR have a lot of problems with eIMS (poor infrastructure/communication system, too few computers and skilled IT-specialists in many MAs and so on). Donors have no access to eIMS[21]. Non-grant-receivers are not using the eIMS. Traditionally these MAs have not reported to IPPF. The reports to donors have always been based only on the MAs that are grant receivers.

The CO has coordinated the development of manuals, back-up reference materials and training programmes to support the ongoing progress of trained users. The experiences of CO's Knowledge and Information Systems (KIS) provide valuable learning for the Federation, particularly regarding mechanisms to spread skills as widely as possible with limited resources.

Planning on the regional level
IPPFAR is the region for which the percentage of MAs submitting their Programme Budget and Annual Reports using eIMS is the lowest. The RO is trying to get as many of the grant receiving MAs as possible on board. To this end collaboration from colleagues in the RO and other MAs is very important.

The Research & Evaluation Unit of IPPFAR assists affiliates in all stages of programme/project development (proposal writing, implementation, data collection, analysis, and the dissemination of results). This assistance includes support in developing a conceptual model and defining clear objectives and indicators at the project design stage, creating a logical framework for each project, applying existing tools and instruments, and developing new evaluation instruments as determined and needed by affiliates and collaborating institutions.

Planning on MA and project level
FPAK has an APB and work plan with activities based on objectives, including indicators that are consistent with the strategic plan. In addition there are business plans for all operations.

Planning is mainly done by the MAs, with support from RO. The eIMS gives guidance without centralizing the project planning as such. Thus the planning activities can be tailored to the context of every country and situation. However, MAs can learn from previous experience. There are a number of examples of replication of successful approaches in adolescent programmes.

[21] While donors have no direct acess to the eIMS, it is used to prepare and compile applications and reports (including the Annual Programme Review) that present the data in a more use friendly manner

Example 1: Reproductive Health Initiative for Youth in Asia, RHIYA
The project under EU/UNFPA Reproductive Health Initiative for Youth in Asia, RHIYA, was designed on the basis of the experience and lessons learnt from the RHI (1st phase). The second phase of the RHIYA in Sri Lanka was launched in April 2003. The project is being implemented by nine national and regional-level NGOs. The IPPF as executing agency and the Family Planning Association of Sri Lanka, FPASL, as main implementing agency will ensure that the project is implemented within the Country Strategic Framework for Sri Lanka under the EU/UNFPA RHIYA in the 312 sub-divisions of the 18 districts in Sri Lanka.[22] The proposed project is aiming to address an important overarching reproductive health problem currently faced by adolescents and youth in the country. The goal of the RHIYA Sri Lanka is *"To have contributed to improved reproductive health status of adolescents and youth living in vulnerable and under-served areas."* A strategy for behaviour change communication has been developed.[23]

Example 2: Community Ownership of Reproductive Health Initiatives (CORHI) Project
From July 1997 until June 2002 the Community Ownership of Reproductive Health Initiatives (CORHI) Project was implemented by the Family Planning Association of Bangladesh (FPAB) with funding from the IPPF Vision Fund. Most of the targets have been met, including the development of 46 local organizations (45 achieved), recruitment of 414 volunteers (414 achieved), increasing the number of new acceptors to 60,000 (53,140 achieved) and providing SRH information to 43,200 young people (achieved 66,914). Unfortunately, no compliance report was available to substantiate quality of care improvements in definitive terms. FPAB needs to review the reported expenditure in order to determine the true cost-effectiveness of the project. The involvement of 2,925 religious and opinion leaders helped the project to overcome strong community resistance to the acceptance of family planning and SRH information and services. Unfortunately, however, the staff retention rate has been low with most of the project staff (61%) and field functionaries (97%) made redundant during the project's no-cost-extension period. This has limited the extent to which FPAB is able to benefit from its investment in the capacity building of staff through the CORHI project.

The CORHI project is an example of the importance of building in sustainability in the project design. Integrated service provision, development of community groups' and stakeholders' involvement in project implementation gave the CORHI project an edge. This should be modelled and disseminated as a good practice[24]. The CORHI project was used as the basis for a 2004 application to the European Commission.

ICON
The Trading Company ICON has a five year business plan. The year 2004 was designed as a year of consolidation following a period of rapid growth, which resulted in an increase in staff resources, adjustments to the staff structure, reviews of the supply chain processes and

[22] EU/UNFPA Reproductive Health Initiative for Youth in Asia. Country Strategic Framework Sri Lanka Project. IPPF
[23] EU/UNFPA Reproductive Health Initiative for Youth in Asia. Sri Lanka. Strategy for Behaviour Change Communication, Next Step. 2005
[24] Vision 2000 Fund Project. Report of the Final Evaluation, September 2004.

procedures and research on new accounting software. It was also the period in which the business set a clear direction in terms of its future portfolio. For 2005 there is a one year transition plan aiming at determining the future of the condom brand and the directions of the company. One question that will be addressed is the objective; should ICON be a profit maker to IPPF or provider of cheap services to MAs. At the end of 2005 a new five year business plan will be discussed.

5.2.3 Formulation of objectives

The directions in the strategic plans at central, regional and country level are concretised in terms of goals, objectives, activities, outcomes and indicators.

IPPF's objectives are aligned with the MDGs that specifically address maternal health, child mortality, empowerment of women and HIV/AIDS critical role in poverty reduction. For each of the five As there are specific objectives defined. For each specific objective one or more indicators and activities are specified. For example one of the specific objectives regarding youth is *"to strengthen MAs' implementation process of the new Adolescent Youth Strategy document in line with the rights-based approach"*. The indicator is *"the number of MAs implementing activities under the strategic objectives outlined in the AYS document using the rights based approach"* and the activity is to "*Mainstream the Youth Strategy document in all MAs*".

The following objectives on Access and Abortion may also serve as examples:
"1. To empower 50% of marginalized and poverty stricken women to exercise their choice and rights to SRH.
2. To improve access of 30% marginalized and poverty affected population to high quality SRH information and services using rights based approach.
3. To increase access to safe abortion to 35% of marginalized and underserved women."

In order to reach those objectives there are projects designed for marginalized groups. For example, FPAI has established a special programme focused on improving the situation for Muslim women, who remain poorer, less educated and less empowered. FPAI has also initiated the involvement of religious leaders as peer educators for the dissemination of messages on adolescent SRH (Muskaan project), which they claim to be an innovative project.

One of the problems to define measurable objectives has been the absence of baseline data. Therefore SARO spent the first quarter of 2005 achieving baseline information on the five As from each of the MAs. The capacity assessment of the MAs was undertaken to obtain baseline data on the five elements of information, capacity, sphere of influence, partnership and policy. The findings will serve as benchmarks, but also they will be used to develop capacity building tools to improve the RHS services delivered by MAs and SARO. The data was obtained through a group interview in each MA and was conducted by senior programme staff from SARO. A questionnaire was prepared and field tested before the actual data collection was launched.

5.2.4 Measurement of results

IPPF collects data to verify outcomes through a number of mechanisms. MAs report back on every activity in their strategic plan through the eIMS and this provides significant data against which to measure progress. They also report service statistics, such as number of client visits, couple year protection and contraceptive distribution through eIMS. An annual survey of all MAs collects information on the types of services they provide and asks for more qualitative outcomes of activities. The IPPF has issued guidelines for reporting of operations in the eIMS. These include a commentary on the impact of operations. There is still a good deal of confusion of impacts with outcomes and outputs, and insufficient baseline data.

Outcome	**Indicator**	**Baseline**[25]	**Target**
Increase in the number of MAs with 20% or more young people (10-25) represented on Boards by sex	% increase	69%	79%
Increase in the number of MAs providing sexuality information and education to young people.	# of MAs providing this information	96	108
Increase in the number of MAs providing SRH services to young people.	# of MAs providing SRH services to young	86	98
Increase in the number of MAs with integrated HIV/AIDS services	# of MAs with integrated HIV/AIDS services	86	98
Increase in number of MAs providing abortion services[26]	# of MAs providing abortion services	74	86
Increase in the number of MAs advocating for policy change in order to reduce restrictions and/or improve access to safe abortion.	# of MAs advocating for abortion policy	37	49
Increase in number of MAs implementing strategies specifically targeting the poor, marginalized, socially excluded and/or underserved by type of strategy and groups.	# of MAs implementing strategies to target the underserved.	64	76

Results may be defined as output, outcome and/or impact. In some cases it has been possible to measure impact in relation to the goals. One example is India, where a much improved organisational structure has been set up in a highly complex country. The effect of this can be seen in the annual report.

[25] Baselines were taken from data collected from IPPF's annual survey of member associations in 2003.

[26] Abortion services refer to post abortion care, post abortion family planning, referrals, medical and surgical abortion, menstrual regulation and counselling. The most common abortion service is the provision of post abortion family planning. The least practiced is the provision of medical and surgical abortion: only 7 member associations reported activities in these areas.

But in most cases, when it comes to capacity building, it is not possible to measure impact against the long-term goals for a project or a programme. At the end of the project it may in these cases be possible to measure output or outcome, but not real impact. OD/capacity building is not an end in itself but a means to better address vulnerability. Both at IPPFAR and FPAK we noted that the programmes and subsequent activities in the Strategic Plans are often given indicators, which rather measure outputs than outcomes or impacts. There seems to be a general ambiguity as to what should be measurable and how.

There has for some time been a discussion between Sida and IPPF on how to improve reporting on results. Our assessment on the reporting from IPPF to Sida confirms the criticism that Sida has formulated when it comes to lack of results reporting[27]. A set of 30 Global Indicators that monitor the implementation of IPPF´s Strategic Framework have been developed. The results of the first survey of all MAs is planned to be presented as part of the 2004 Annual Programme Review. The future reporting of IPPFs performance on the global level is a very important question and it is further discussed in the final chapter[28].

5.2.5 Decision-making processes and rules for delegation

Decision-making is to a high degree a participatory process within IPPF. In most cases decisions are based on consensus. This has its pros and cons. On the positive side is the fact that the governance structure makes IPPF a robust organization. On the negative side, changes take time.

The routines for delegating authorization rights seem adequate and are functioning according to the description of IPPF's internal procedures.

5.2.6 Criteria for and assessment of projects

The identification of new projects is a complex process, not following one single systematic and standardized routine. However, there are specified requirements on project design defined by eIMS. The MAs in most cases identify the new projects. New programmes are based on a process involving all levels. The ROs have important roles in initiating projects and programmes at the regional level especially when several MAs are involved.

For projects that meet the criteria of the Innovation Fund, separate project funding agreements are prepared. These agreements are supplementary to the core grant agreement with each MA. For every new project a MoU is made and there are no disbursements until this is signed.

The Vision 2000 Fund (V2F)
The V2F and its predecessor, the Partnership Challenges Fund (PCF), were established in order to promote the implementation of the Vision 2000 Strategic Plan (1992). In its early

[27] Protocol at Sida's Project Committee meeting on IPPF 2004-11-15.
[28] After finalizing our draft final report we have received IPPFs report 10 June 2005 on the Core Contribution from the Government of Sweden (Reporting period 1 January – 31 December 2004). There are indeed some improvements made. However, our assessment is that our recommendations on result reporting and result analyses are still relevant.

stages the Fund was beset with implementation problems. V2F was strengthened following a review in 1997 with significant changes to systems and communication and the clarification of roles. Implementation rates and project quality gradually improved. In 2000, an analysis identified the limited management capacity of the implementing MAs as an important cause of under-expenditure at the project level. To address this problem project development was done through a joint MA-RO-CO exercise including a participatory management capacity assessment of the MA. Identified weaknesses are then addressed through a pre-project and/or a large capacity building component built into the main project.

V2F achievements have been assessed on the basis of the four objectives of the Fund[29]. The findings might be summarised in the following way:

Objective 1 – Paradigm shift from FP to SRH
V2F aimed to enable MAs to develop innovative activities addressing the objectives of the new Vision 2000 Strategic Plan. The Fund had a significant impact on the development of SRH approaches at the MA level by providing a source of funding which allowed them to experiment with new types of services, new service delivery models and to address the needs of new target groups. As a result, V2F projects were often found to be more dynamic, more effective, better targeted and more willing to tackle sometimes difficult SRH issues such as the sexuality of young people than their core counterparts. MAs often became the recognised leaders on specific SRH issues in their countries. However, while achievements in integrated service delivery and working with youth were apparent, some critical areas of SRH are conspicuous by their absence. Advocacy, rights and gender issues have received limited attention while the issue of abortion is virtually invisible.

Objective 2 – Institutional Strengthening/Capacity Building
For the first projects it was assumed implicitly that large projects would automatically have a positive impact on the overall capacity of the MAs. As this was not the case, a more systematic approach to institutional strengthening was introduced in 2000. In particular, the capacity to deal with restricted funding and to carry out project and proposal development has increased. V2F has succeeded in encouraging MAs to think seriously about the concept and practice of sustainability.

Objective 3 – Documentation and Dissemination
Documentation and dissemination has taken place consistently at project level. However, this has been limited at the regional and global levels with thematic studies being implemented only in the last few years of V2F. Revising the outputs of documentation has also recently taken place to move away from detailed project reports more useful to project managers and towards shorter project summaries and guidelines for use in advocacy and project replication. Identification of global lessons continues to be hampered by a lack of good quality and comparable data at FPA level.

[29] IPPF: Making Sexual and Reproductive Health a Reality: 10 years of the Vision 2000 Fund (October 2003)

Objective 4 - Allocation of funds to countries with high levels of unmet needs

Of the total US$56m allocated to 42 V2F projects in all regions, over 84% has been allocated to projects in category 'A' countries (target 85%). However, MAs often focused on service expansion rather than innovation and management capacity weaknesses had to be addressed prior to implementation for projects to be effective. There was a lack of good quality proposals from category 'A' countries at the same time as good proposals could not be accepted from non-category 'A' FPAs.

Key lessons learnt on project design, supportive systems and global management include:

- Without specific reference, guidelines and support, challenging issues such as gender and abortion can get lost.
- Large projects have the potential to promote greater change at the organisational level but pose significant problems for sustainability and do not guarantee integration of new ideas into the core programme.
- A pre-project phase is an effective way to provide time and resources for planning, allowing the project activities to start on time.
- Technical assistance and close monitoring of projects, particularly in the early stages, can make a huge difference to their effectiveness.
- Strong monitoring and evaluation are crucial to identify problems and respond to the changing environment in which the project operates, as well as to demonstrate achievements and identify lessons learnt.
- As 'earmarked funding' entirely controlled by IPPF, the Fund supported innovation and effective project implementation through its ability to be flexible and respond to changing circumstances at country level.
- Working with category 'A' MAs often (but not always) presents challenges of limited institutional and management capacity. Explicit mechanisms to deal with these challenges must be designed and implemented.
- Systems for proposal development, approval, reporting etc. should be established before money is allocated to projects in order to prevent delays in implementation.
- Producing credible conclusions on the success/failure of project models across MAs requires dedicated time and resources in order to facilitate the establishment of data collection systems, comparable project models, analysis of information collected and production of useful outputs.
- Without the specific establishment of systems to disseminate and integrate lessons learnt at MA, regional and global level, this is unlikely to happen.
- A focus on category 'A' MAs can succeed in concentrating resource allocation to these countries but fails to acknowledge existing and emerging SRH needs in other countries.
- Gaining commitment to and ownership of the objectives of a global initiative (from MA, RO and CO) require transparent mechanisms of accountability (such as the Review Committee).
- The role of each entity (CO including different departments, RO, MA, external partners) must be clearly defined and agreed from the outset.

- Political decision making regarding the approval and funding of projects undermines transparency and accountability and clearly impacts upon the effectiveness of projects.

The Innovation Fund (IF)

The IF is an internal funding mechanism established in 2003 by IPPF to promote ground-breaking initiatives in the five As. The IF encourages and supports MAs to try new approaches and ideas which go far beyond their usual programme. The objectives of the Fund are[30]:

- To develop and test innovative approaches that address the needs of vulnerable and marginalized groups in relation to the five As. Initiatives that deal with more sensitive issues are particularly encouraged.
- To strengthen the capacity of MAs to innovate.
- To integrate gender, rights-based and participatory approaches into all IF initiatives as models of good practice for IPPF.
- To increase the uptake of best practices by capturing and sharing lessons learnt through initiatives supported by IF and other organizations.
- To develop partnerships that contribute to increased ownership and effectiveness of the approaches developed through the IF.

The IF site on the IPPF extranet provides a platform through which any member of staff from the MAs or IPPF Secretariat who is interested in the field of innovation can brainstorm, share innovative ideas, and get feedback from colleagues. This site also provides basic information about the Fund, tools and resources on innovation, project development and monitoring and evaluation, and information on calls for concept papers. It also includes a template for concept papers and a facility for their submission. In addition to being a platform for discussion on innovation, the IF provides financial and technical support for two types of initiative:

- *Wild-cards*: These are random innovative initiatives within the context of the five As. Any MA with an innovative idea that would add value to the MA itself, IPPF and, where possible, the SRH sector, is encouraged to submit a brief concept paper detailing the initiative and explaining the nature of the innovation. Wild-card concept papers can be submitted at any time.
- *Thematic initiatives:* These are initiatives developed around themes identified by the Innovation Fund Technical Committee (IFTC), which is composed of representatives from the CO and ROs. Calls for concept papers are announced on the IF website and through the Innovation Fund Newsletter.

MAs are encouraged to provide a continuous stream of wild-card concept papers. Concept papers not eligible for IF funds may be kept on file in order to access funding from other donors. In exceptional cases funding to non-grant receiving MAs and ROs may be considered. The level of funding varies greatly depending on the nature of the initiatives. Smaller initiatives are encouraged (including smaller seed-money-type projects with a relatively short duration). For initiatives requiring a higher level of funding, in order to be meaningful and

[30] Innovation Fund User's Guide

facilitate organizational learning the upper limit is US$100,000 p.a. for a maximum of three years.

5.2.7 Reports on deviations

The introduction of the accreditation system and the QoC initiative has provided a framework for the systematic assessment of performance and subsequent follow up of activities to improve performance by addressing identified areas of weakness within MAs. These systems are backed up by the technical assistance provided by each RO to build capacity and improve performance both organisationally and programmatically.

A survey carried out by SARO revealed that the data, research reports and policy documents were not updated and mostly they were limited to national level information[31]. The MAs have not evolved systems for tracking users' needs. Few MAs had documented the best practices. Behavioural change and communication was not addressed adequately in the MA. Perceptions of, and commitment to, partnerships was evident amongst all the MAs. However, impact of the partnerships was not assessed. Most of the MAs followed their own internal policy or policy of government. There was no evidence of analysing discrepancy in the IPPF policy and government policy in any of the MAs. MAs took few initiatives to address issues concerning policy except the safe abortion policy and amendments.

Serious political unrest in SAR and AR and devastating floods in SAR have delayed the implementation of strategic plans. In Nepal the continued demand for fresh elections and Maoist insurgency has led to serious political unrest. In Bangladesh a terrorist bomb attack has impacted on the ability to start up project activities.[32]

IPPFAR has reported on severe problems in four MAs (section 5.1.4). At present there is no similar problem in SAR. However, on 3 July 2001 there was an extraordinary meeting of the RC in SAR to discuss the crisis situation at the MA in Bangladesh. The volunteers were divided into two groups and the DG and additional DG were not entrusted with financial and management responsibilities any longer. However, a management audit carried out by SARO in May 2005 shows that the governance situation today is under control.

Our assessment is that IPPF's reporting on deviations seems to be reliable.

5.2.8 Monitoring and follow-up of projects

IPPF has invested significant resources in recent years to improve its systems for monitoring the performance of its MAs. There is commitment from the leadership of IPPF on M&E. However, it has been a very long process to establish global indicators, starting some ten years ago.

[31] Baseline Survey of Capacity Assessment of MA of IPPF South Asia Region, Adolescents, HIV/AIDS, Safe abortion, Advocacy and Access, Summary of Synthesis Report, April 2005

[32] Working towards Safe Motherhood in South Asia combating gender based violence during pregnancy in Nepal and Bangladesh, June - September 2004

Global indicators
In 2003, IPPF worked with external stakeholders to develop a set of global indicators that were tailored to the five As and would measure the extent to which the Federation was moving towards full adoption of the strategy. This is the first time that IPPF has attempted to measure its global progress in the implementation of a strategic plan. The data collected will be used to compare results and assess the cost effectiveness of MAs and interventions.

The global indicators will provide a broader picture of IPPF's work beyond the service statistics that have, until now, been the principal source of quantitative data available. Using these indicators, IPPF will be able to assess to what extent it is achieving its five strategic goals. For example, the abortion indicators will show how many MAs are undertaking advocacy activities, what those activities are and what the outcome was. HIV/AIDS indicators will show to what extent VCT is being introduced into established clinical services and where and how vulnerable groups are being targeted.

The 35 global indicators were developed through extensive consultation with MAs, the International Strategic Advisory Group (ISAG) and IPPF Secretariat staff from ROs and CO, and were agreed by the IPPF Senior Management Team in January 2004[33]. After a pilot test the number of global indicators was reduced to 30. Responses were received from 10 MAs out of 12 who were asked to complete the survey[34]. In order to show progress IPPF will try to stick to these 30 global indicators.

Data for the indicators will be collected in two ways:
- An annual on-line survey questionnaire
- Service statistics tables in the eIMS.

Baseline Study
As a baseline study 102 MAs answered a survey. Some of the results are the following:

- The response showed overwhelming commitment, drive and activities for youth, with young people involved in policy making. However, there were gaps in reaching marginalised groups such as the homeless, street children and young people living with HIV/AIDS.

- Also in HIV/AIDS there was a significant degree of commitment and programmes, but no anti-retroviral treatment and/or treatment of opportunistic infections.

- Some MAs are completely avoiding abortion. Advocacy is at a low level, with few advocating policy changes or improved access. Few MAs offer training or abortion services, but a significant proportion provide post-abortion care and counselling, as well as post-abortion FP.

[33] IPPF Global Indicators for the five "As" of the IPPF Strategic Framework
[34] IPPF: Feedback from Member Associations on the Pilot Test of the Global Indicators Survey

- The Federation works across the whole diversity of human experience, providing services to tribal communities, street children, prisoners, young people in residential care, minority groups such as Roma, sex workers and many other marginalised groups. MAs have a good range of well-established and broad SRH services, with a large training component, but there are gaps in reaching the under-served and marginalised.

- There is some confusion between advocacy and IEC and a reluctance to challenge the 'establishment'. Many MAs follow rather than lead and there has been little work with religious leaders.

- There are two key documents in the planning of follow-up of activities. There are also guidelines for quality development. This paper also includes methods for evaluation and monitoring.

- In all project plans there is some information on follow-up of activities. However, in most cases there are only some general statements and no concrete plans. Indicators are often focused on activities but not the effects of these activities.

Follow up of V2F projects
All projects funded by V2F are subject to a final evaluation. In addition, a mid-term review has been carried out for projects with an approved duration exceeding 36 months. Two of the major aims of the final evaluation are (1) to ascertain that the FPA has ensured the sustainability of the project either through integration with the regular programme or through other sources of funding, and (2) to systematically assess and disseminate lessons learned and catalytic effects from the project. Mid-term reviews are essentially an internal exercise aimed at improving project implementation and ensuring that the project is on the right track to achieve its objectives and to correct any observed deficiencies, including the revision of the project document. Mid-term reviews are conducted as a partnership between the CO, the RO and the FPA.

The team for a final evaluation may include the following participants:
- an external consultant
- a team coordinator with an evaluation background
- a representative from the Central level/V2C (technical/programme)
- a representative from the RO (technical/programme)
- a finance specialist (regional accountant, central level finance, accountant from another FPA or consultant)
- an FPA representative
- a donor representative (depending on donor interest).

The reports are very comprehensive and often go into detail. For example the mid-term review report of the New World for Youth project of The Gambia Family Planning Association (December 2003) contains 67 concrete recommendations.

The QoC project

According to the mid-term review of the QoC project, the project design and structure are excellent. It was appropriate that the grant came to IPPF's CO where a core team, in consultation with regional advisors and MAs, has designed a quality improvement system consisting of a set of standardized tools and processes. The QoC self-assessment is a tool that brings together all clinic personnel – from the top manager to the sweeper – to assess their own needs ("gaps"), the root causes for those gaps, and to identify measures to fill the gaps, which they then put together in an "action plan." This is immensely empowering and has created valuable team spirit dedicated to improving quality. Self-assessment is an appropriate design, given the large number of countries and MAs, the huge number of clinics, the very diverse quality of services, and the extreme divergence of country contexts.

Service delivery clinics, which are providing high quality services but not necessarily committed to follow up action plans, may impact on whether the certification criteria are fully met. Since the fulfilment of an SDP's action plan influences the credibility and certification of the MA itself, a score of at least 85% is required for the MA and also 80% of their SDPs need to have completed their action plans to be eligible for certification of the SDPs. Questions may be raised regarding the objectivity and accuracy of an internal assessment. Although self-assessment tools naturally represent a provider's view, the format does include the opportunity for clients to comment on whether they agree with the provider's assessment regarding their SRH rights. Then the clients also assess the outcomes of the changes.

Follow-up of projects: the example of FPAI and SARO

The follow-up on activities is supposed to be done by the MAs. It is not a responsibility of the ROs. However, it is important to establish procedures within the IPPF that make it possible to gather information from these follow-ups in a systematic way.

The resources for M&E are very uneven in the MAs. Some have no staff dedicated only to M&E. On the other hand, the M&E Department of FPAI consists of the Head of the Department and four staff. We have examined how the MA compiled data from the branches. The branches often lack computers and staff that are properly trained in management and audit.

In April 2005 SARO for the first time organised an M&E workshop for the MAs in the region. It was highly appreciated. There had been no cooperation before between MAs in the region on M&E. In the first two weeks of June 2005, FPAI organised a qualitative analysis workshop for branches and heads of departments. The aim was to further develop scientifically accepted evidence-based qualitative studies. The M&E Department at FPAI wants to have much more discussion and exchange of good practices with the other MAs. Thus, SARO has an important role to play in this respect.

As a follow-up to the workshop in April 2005, MAs agreed to undertake three kinds of activity and SARO agreed to fund these activities:

- Activity 1: Dissemination of learning from the Regional Workshop on M&E. Output 1: Workshops conducted and report prepared
- Activity 2: Consultation meetings organized to design a research proposal on the study proposed in the regional workshop. Output 2: Research proposal developed
- Activity 3: Strengthening the M&E system. Output 3: M&E plan of the MA developed.

The MAs prepared definite work plans[35] to strengthen the M&E system in their associations as follows:

- India: Abortion services in 30 service delivery points
- Nepal: Feasibility study of cost recovery by means of a fee charging scheme.
- Pakistan: Baseline data to assess KAP of young people towards SRH and KAP study and STI/HIV prevalence survey.
- Bangladesh: Situation analysis of religious barriers to HIV work.
- Iran: Two KAP studies on SRH
- Maldives: Assessments of SRH needs.
- Sri Lanka: Mapping exercise of key groups involved in improving health of women/safe abortion services.

FPAI's present Instruction Manual for Quarterly Statistical Reports will be replaced by a new one recently drafted that will be finalized by July 2005. This will be an appendix to an entire M&E system.

IPPF's global indicators do not capture all that is done by the MAs. It is therefore necessary for IPPF to gather additional information in statistical reports. A new format of the quarterly statistical report is developed and has undergone workshop activities. In addition, a new format of the Annual Statistical Report has been introduced. In the new format detailed information is provided on the number of persons that have been reached by services, counselling and IEC programmes respectively for different types of group reached. These groups are people with low per capita income (up to Rs 32,000 annually), homeless people, groups affected by social poverty, vulnerable groups, people who cannot afford to pay for services, internally displaced persons, refugees, migrants, ethnic minorities, street children, marginalized groups, disabled people, truckers/transport business, sex workers/pimps, men having sex with men, intravenous drug users, hotel persons, film industry persons and persons living with HIV/AIDS. One example from FPAI is the Youth Education on Sexuality (YES) project, targeting 70 % of the youth population (212,000) across 316 villages in Kiroli and Kheragarh subdivisions of Agra district.

M&E: the example of IPPFAR

IPPFAR places special emphasis on promoting and strengthening research, monitoring and evaluation of all its programmes by fostering an organisational culture that integrates evaluation into all aspects of project planning and development. The opportunities of using the

[35] The work plan consists of tasks, how and what should be done, person(s) responsible and time frame.

result of monitoring and evaluation analyses as a source of reliable information for future programming are significant. The importance of measuring the effect of each project on its intended beneficiaries, and to replicate successful strategies is easy to demonstrate. The documentation of best practices is a component of the bigger picture of knowledge management that the new strategy tries to emphasise and that the IPPFAR will try to implement.

The objectives of the Research and Evaluation Unit of IPPFAR are[36]

- To strengthen research, monitoring and evaluation capacity in MAs and ARO;
- To strengthen implementation through programme evaluation;
- To facilitate the utilisation of latest information for policy and programme development;
- To disseminate best practices for improved programme performance by affiliates and other stakeholders;
- To enhance the effect of interventions on the population through meaningful operational research.

However, a few MAs in the AR have evaluation departments. The capacity of these should be reinforced while the RO will have to design ways of ensuring that the others are not neglected. The R&E Unit will assist the MAs to put in place M&E and MIS systems to enable them to get access to quick and accurate data that will help in the decision making process. A region-wide management information system/database will be set up to facilitate information exchange on MAs and sharing of programme/project outcomes, best practices and research and evaluation findings. Existing M&E and MIS systems will be reviewed in order to identify gaps and develop relevant ones in line with the needs of the MAs and those of IPPF and other partners of the MAs. Currently identified gaps include:

- Weak capacity in identifying key information to capture.
- Weak capacity in analysing the information to give it a meaning.
- Because of the above two weaknesses, the decision making process is rarely assisted by the relevant information.

We will summarise our comments and recommendations on follow-up, monitoring and evaluation in section 6.3.2.

5.2.9 Evaluation

Internal evaluation

While policies on funding and accounting cover 27 pages in IPPF's Policy Handbook the word evaluation is only mentioned in one paragraph[37]: *"IPPF considers evaluation to be an essential component of improved programme planning, management and financial reporting. Evaluation shall be applied at all levels of operations in consultation with the parties*

[36] Research and Evaluation Strategy for IPPFAR 2005-2009 (IPPF Africa Region Research And Evaluation Unit)
[37] Policy 4.12 in IPPFs Policy Handbook (page 63)

concerned." The strategy stresses the need for the IPPF to establish an evaluation system that includes self-evaluation and peer review to measure progress in all core areas and incorporate learning into future programme development.

Whilst accreditation, eIMS and global indicators are methods of monitoring performance and progress, none of these methodologies can measure how effective the programmes are. Every RO has its own systems and methods of evaluating its own performance and that of its MAs. As a result there is significant learning generated and disseminated intra-regionally. However, IPPF recognises that the lack of a standardised and systematic evaluation function across the Secretariat has meant that the Federation as a whole has neglected to capitalise on its big strength, the wealth of experience of its network, in order to capture learning and best practice for global application.

In both AR and SAR there was only one staff member on evaluation. The CO and the ROs we visited mention the Western Hemisphere Region (WHR) as outstanding when it comes to evaluation. WHR is said to place special emphasis on promoting and strengthening the monitoring and evaluation of all its programmes by fostering an organisational culture that integrates evaluation into all aspects of project planning and development. Many of IPPF/WHR's MAs have evaluation departments and strong traditions of carefully assessing their programmes.

IPPF recognises the lack of a centrally coordinated evaluation function as a critical weakness in the Federation and one which hampers the ability to learn from experiences and therefore to improve. Therefore in 2003, IPPF undertook a review. The recommendations from the external concultant were that IPPF establish a small central evaluation unit, mainly to coordinate a standardised or systematic approach to evaluation and to analyse the output of each region to determine global lessons. However, in order for the function to be effective, the ROs must play the principal implementing role. IPPF is considering ways of establishing this function throughout the Federation and will draw particularly on WHR's work in this area. IPPF has designed a concept paper on M&E and has in April 2005 prepared a preliminary funding proposal that was submitted to the Hewlett, Packard and Gates Foundations for ore than 3 mn USD over three years to create a strong culture of evaluation and knowledge sharing within the Federation. Interest and support have been expressed by the Foundations but to date no financial commitments have been made. Once sufficient initial donor support has been pledged, IPPF will develop an integrated monitoring and evaluation programme. The monitoring and evaluation of the Strategic framework will be an integral part of the development of the eIMS. The IPPF Strategic plan is 2005-2015 and therefore the mid-term evaluation has been tentatively scheduled for 2010.

Evaluation and dissemination activities will include:

- cross-regional information sharing: bringing MAs and ROs together in their common areas of skills to create fora for experience sharing and learning and also to create a supportive network;

- learning captured and analyzed centrally: the reporting system of eIMS and reports from the field will be analyzed to identify common learning themes and to highlight best practice examples;
- recommendations and best practice models: learning from the analysis will be fed back into the review stage of the programme and incorporated into developing training models, materials and toolkits;
- external evaluation of the approach, tools, processes and outcomes: to strengthen and adapt the approach to increase validity and efficiency.

IPPF has also written a compendium of tools which have been developed and used for the mid-term reviews and final evaluations of projects funded by the V2F.[38] Between 1996 and the end of 2003, 42 such evaluations were conducted.[39] The tools can be classified under the following categories:

- General tools to assess project performance and management, participation and partnerships: self-assessment guidelines, interview/discussion guides with project managers/staff, discussion guide with partners, focus group guide with community representatives
- Tools to assess service delivery activities: quality of care checklists, discussion guides with service providers, community-based services (CBS) supervisors and workers, focus group guides with clients and exit interview questionnaire.
- Tools to assess youth activities: discussion guides with youth services providers and with project staff, checklist for youth-friendly services, focus group discussion guides with peer educators and young people (users and non-users of the youth centre), exit interview questionnaires for youth clinic clients, discussion guides with community representatives, parents, teachers and partners.

The team has analysed the evaluations mentioned above. The evaluations that have been carried out are of various kinds and quality. When it comes to measuring results (outputs, outcomes and impact) the IPPF reporting is still weak but there is a growing awareness of the crucial importance of improvement in this field. CO and RO must start demanding qualitative information on outcome an impact. However, the IPPF has in our view addressed the shortcomings in the evaluations previously commenced. We strongly recommend that the framework on monitoring and evaluation is implemented in the way described above.

In the following we have summarized the reviewed evaluations:

[38] V2F Compendium of Evaluation Tools (Jan 2004)
[39] IPPF: List of Mid-Term Reviews and Final Evaluation of Vision 2000 Fund Projects since 1996

Vision 2000 Fund (V2F)
From the start of the V2F, monitoring and evaluation was an integral part of all projects through the requirement to have an evaluation plan, agreed indicators of performance, needs assessments and/or baseline surveys, monitoring visits, regular reporting, mid-term reviews and final evaluations. Mid-term reviews of the V2F projects were coordinated by RO and final evaluations by CO. Mid-term reviews (MTRs) and final evaluations (FEs) were conducted only on the project level but not for the whole programme. The result has been a strengthening of the evaluation systems of recipient MAs with greater attention to project performance and accountability in V2F projects than core funded programmes. MTRs have enabled positive changes to programme design where necessary, while FEs have highlighted transferable lessons learnt. Despite this success, constraints such as poor data collection systems, limited skills among project staff and problems with the design of objectives and indicators (particularly in early projects) have served to limit the depth of analysis.

The quality of care programme (QoC)
QoC is an ownership process and a participatory process with clients. An external review with a community feedback is planned after six months. Before the certificate is issued a full evaluation has to be carried out. Uganda is the first country with a full evaluation certification but this doesn't have any impact on resource allocation within IPPF. By the end of 2005, 46 MAs had gone through the QoC. The certification process focuses on quality of health care. Thus there is no overlapping with the accreditation process. However, the quality of care advisors are also members of the accreditation team. This integrates the processes. The existing QoC programme that assesses and improves the quality of clinical services has been very successful in identifying and rectifying practices in clinical services that restrict access, such as a lack of privacy or an unfriendly reception for young people. By expanding the programme to all MAs, IPPF will ensure that its services are models of accessibility and synonymous with high quality clinical care.

The mid-term evaluation was intended to provide a comprehensive overall assessment of the programme mid-way through the five-year period funded by the Gates Foundation. Its aim was to critically assess the status of implementation, performance and achievements so far and produce recommendations to improve the potential for (a) achieving the specified outcomes within the five-year period and (b) expanding the system of quality improvement to all MAs throughout the Federation following the current five-year grant[40].

Data were gathered through document review, interviews, site observation, participation in programme meetings, and a survey of MAs. A questionnaire was sent to all 12 phase-1 MAs to survey their opinions about the programme and recommendations for modification or fine-tuning. Analysis of those responses (100%) was followed by field visits to three countries in three regions (Poland, Uganda, and Bangladesh). During these visits team members visited and interviewed staff and volunteers of the MAs and providers and clients at a sample of SDPs.

[40] IPPF: Strengthening the Quality of Reproductive Health Care. Report of Mid-Term Evaluation of the IPPF Quality of Care Programme (May – August 2003)

Efforts were made at all steps to conduct the process in ways that were both participatory and contributed to capacity-building.

The MAs' self-assessments and annual reports might include information on impact of the IPPF projects and programmes also after these are finalised. The important question on results reporting will be further discussed in section 6.3.3.

External evaluations
Most donors want an evaluation of the projects funded. The evaluations normally contain salient findings on impact assessment, quantitative assessment of project activities, sustainability of the project activities, major strengths of the intervention project, areas for potential improvement in the future and recommendations. Most of the evaluations on projects conclude that there is a good potential for replication in other parts of the country. A quite common recommendation is the need for systematic planning for phasing out of project activities in order to sustain the outcomes for a longer duration.

As especially successful projects the YES project (Sexuality Education for Adolescents Behaviour Change) and Small Family by Choice Project have been mentioned. With funding from the V2F of IPPF and the Bill and Melinda Gates Foundation, the Small Family by Choice Project has been operational in four districts of Madhya Pradesh for a decade. The project has four main health centres, 28 mobile units, 5989 community-based distributors and local voluntary groups and covers a population of over six million people in 5,330 villages, 28 towns and two cities. Local voluntary groups are independently running 113 developmental centres. The adolescent youth activities include running of 1127 youth counselling centres with 250,000 young people oriented on sexual and reproductive health. In addition more than 12,000 school teachers have been trained in human sexuality. The project has established quality standard norms to ensure quality in the service delivery system. A technical framework on sexual and reproductive health services, checklists on infection prevention and contraception, and protocols for different services has been developed. All the service delivery centres have adopted these protocols. In a constant effort to analyse and improve, 24 quality circles have effectively improved quality performance and enhanced responsiveness, sensitivity and functional competence of service delivery points.[41]

In 2003 The Ministry for Economic Cooperation and Development (BMZ) of Germany, together with Denmark, the Netherlands, Norway and the United Kingdom implemented a multi-donor evaluation of a number of key aspects of the implementation of the Programme of Action of the 1994 International Conference on Population and Development (ICPD) by IPPF and the United Nations Population Fund (UNFPA)[42]. The primary purpose of the evaluation was to assess the performance of UNFPA country offices and MAs of IPPF in selected countries in promoting reproductive rights and health, with the aim of achieving behavioural change and with particular emphasis on adolescents and youth.

[41] Small Family by Choice Project. Annual report 2000 Small Family by Choice Project. Reflections 2001-2003
[42] Addressing reproductive rights and health needs of young people after ICPD: the contribution of UNFPA and IPPF (Draft Outline, undated)

5.2.10 Feed-back

Sida has supported the efforts of the IPPF on how to empower regional and local units and to adapt its systems to different scenarios. However, there is a need for increased efficiency in the division of labour and responsibility between the different levels, between what should be developed and catered for on the global level and what should clearly be owned regionally and locally.

IPPF has in many other ways been active in supporting institutional learning. A few examples:

- FPAI has a documentation centre with resource material covering all the five strategic areas. All the staff have access to the Internet. FPAI has produced a significant amount of information material. An example is a comprehensive sourcebook for educators called "Education in Human Sexuality". FPAI was a pioneer also in this field by (for example) Voices for Choices[43]. For over five decades FPAI has published a monthly newsletter, the "Planned Parenthood Bulletin". From 2005 this has been replaced by a quarterly tabloid called "Aspire". Starting 2002, FPAI has also published a newsletter on clinical information, called "MedPulse: Medical Updates". Six editions were published in 2004 and six are planned for 2005.

- IPPFAR has also drawn on the knowledge and expertise within its network in order to improve performance by creating teams of MAs who can learn from one another. For example, the MAs of South Africa, Ghana, Kenya and Benin form one team. The South African and Ghanaian MAs have exchanged visits to learn from each other's youth programming. AR has organised a regional training workshop for 1-2 M&E staff in 8-10 MAs. In addition in-country training has been organised for three francophone MAs. AR will every year compile the information from all MAs on one theme or topic (2005: Adolescent & HIV/AIDS) and send it to CO and all MAs.

- FPAK has a system of quality progress reports on performance. A review of all programmes and projects is also carried out each quarter as a field supervision exercise.

- FPAI organised in February 2005 a National Conference on Very Young Adolescents (10-14 years) in Reproductive and Sexual Health. The objectives of the conference were to review the current situation and to recommend appropriate strategies.

- AR has involved all staff and the MAs in contributing to the publications: Africa Link (2 issues/year, 1000 copies with available electronic files), IPPFAR News (2 issues/year, 500 copies with available electronic files), YAM Magazine (2 issues/year, 1000 copies with available electronic files).

- AR has had a leadership training programme (3 modules over 10 days) for 40 volunteers and all executive directors.

[43] Dr Mahinder C. Watsa: Voices for Choices, 1991

From 2004, IPPF CO has consolidated its performance management systems and developed a systematic approach to improving performance through capacity building. A framework that sets out a systematic process for capacity building, with standardised tools and training programmes, is under development. If IPPF is able to attract sufficient investment in order to implement the framework it will be mainstreamed across the Secretariat in 2005. The new Organizational Effectiveness and Governance Division at IPPF CO have the improvement of institutional learning as a central part of its mission.

The Secretariat Review Process will help ensure that staff members deliver against key objectives while building personal values and competences. It is an interactive process, which involves continuous communication between managers and staff, as well as coaching and feedback. One important area is knowledge sharing. For people in management positions also, organisation building is a key issue.

There are many good examples of institutional learning within the IPPF. However, there is no explicit strategy for organisational learning either on central or regional level. The new Division for Organizational Effectiveness and Governance (OEG) at CO sees the development of such a strategy as one of their tasks (see Divisional Organigram at Appendix VIII) and are already underway with this work. One example is the projects aiming to protect the rights of women who are at risk of or are experiencing gender-based violence (GBV) with a specific focus on pregnant women.[44] In order to crystallize the project activities a baseline survey is conducted. The baseline information will be the benchmark data to evaluate the impact of the project at the end of the project period.[45] Main objective of the baseline survey is to find out knowledge, attitude and practices among Family Planning Association of Bangladesh (FPAB) health care service providers. IPPF, IPPF SARO, FPAB and Family Planning Association of Nepal (FPAN) convened in Dhaka, Bangladesh to discuss the monitoring and evaluation of the DFID-sponsored Gender-Based Violence programme implemented in Bangladesh and Nepal.[46] In Nepal violence during pregnancy accounts for up to an estimated 15% of all GBV cases in Bangladesh. An estimated 47% of women are reported to suffer from GBV. Women from lower socioeconomic groups are more likely to be at risk of GBV and less likely to be able to access services or the justice system. This project draws heavily on lessons learnt from a highly successful comparable project implemented by IPPF Western Hemisphere Regional Office (WHR), where a groundbreaking 3-year programme to combat GBV with a SHR framework has been spearheaded in partnership with three MAs in Peru, Dominican Republic and Venezuela.

Another example of methods for learning is IPPF/SARO's appointment of an independent consultant to undertake a resource mapping exercise in Nepal in November 2004. A senior

[44] Working Towards Safe Motherhood in South Asia: Combating gender-based violence during pregnancy in Bangladesh and Nepal , July 2003

[45] Terms of Reference (TOR) for conducting a baseline survey on gender-based violence at selected locations at selected locations of Bangladesh

[46] Report of the Monitoring and Evaluation on "Working Towards Safe Motherhood in South Asia: Combating Gender-Based Violence in Bangladesh and Nepal , January 2005

staff member from FPAB shadowed the exercise in Nepal so that a similar exercise could be conducted in Bangladesh.[47]

Another kind of feedback is the recognitions from donors, governments, and so on. The Small Family by Choice Project (1995-2004) that covered 4.35 million people in 3901 villages in India was honoured with the Commonwealth Award for Excellence.

5.3 Financial Management

5.3.1 Agreements and the follow-up of contractual obligations

It is IPPF policy that all regions, MAs and institutions receiving or applying for financial assistance and/or commodities from IPPF shall adhere to specific planning, accounting and reporting procedures regarding financial assistance and/or commodities received from both IPPF and non-IPPF sources, as determined by the GC from time to time.

The terms and conditions of IPPF grants are set out in each Grant Agreement. The standard agreement states the amount of IPPF assistance to be provided to the MA for the ensuing year, separately stating the cash grant and the grant of commodities, in US dollars and in local currency. The MA agrees to use IPPF resources only for projects in its approved Programme Budget, which is attached to the agreement. Any proposed changes have to be approved by IPPF beforehand.

Funding agreements are made in January of each year between the IPPF ROs and MAs. The agreements are maintained by the CO, containing assistance to be provided, terms and conditions of assistance.

The MA also agrees to comply with the IPPF standards and responsibilities of membership (set out in the Accreditation Guide) and the financial regulations (IPPF Financial Handbook and External Audit Manual). In particular, the Association has to provide evidence that it has staff with the necessary skills, that all posts are filled transparently, and that internal controls ensure that assets are safeguarded, waste minimised, reliable information produced and value for money obtained. The Agreement repeats the IPPF standard prohibiting nepotism and requires transparent ongoing registration of the interests of staff and members of the governing body.

Another general problem for IPPF, as well as for all other aid receiving organisations, is the differing requirements from donors regarding format of reports and periodicity. The problem has been brought up in several international fora. The donor organisations have also promised to coordinate their requirements, but so far there are few visible signs of this. Some major funds, such as Gates Foundation QOC, have entirely new manuals and guides produced covering the whole cycle of budget submissions, funding agreements, transfers, reporting,

[47] Working toward Safe Motherhood in South Asia: combating gender based violence during pregnancy in Nepal and Bangladesh, 1st October-31 December 2004

monitoring and evaluation. Even if these procedures are similar to IPPF procedures, they impose enormous additional administrative costs of preparation, fund-specific training and follow up, and should be avoided. Donors to governments have shown great flexibility in aligning themselves to host government procedures and timetables, and it is hoped that donors to IPPF can do the same.

The follow-up of contractual obligations is made through regular reporting to IPPF. The MA has to send the following reports to the relevant Regional Director and to the CO:

- Notices of Cash Grant Received, and Notices of Commodity Arrival – on receipt
- Annual Report – by 31 March
- Auditors' Management Letter, and the MA's responses and Action Plan
- Audited Accounts and Auditors' Report, and Reconciliation to the Annual Report – by 31 May
- Half Year Report – by 31 July
- Programme Budget – by 15 October.

The follow-up of project-specific funding agreements is similar, with the addition of a final report on the project two months after project completion.

At CO, management reports are generated by the new computerised system, eIMS.[48] Summary reports can be produced by country and by region. Donor reports, e.g. global reports on all projects funded by a particular donor, are planned. All the MAs in IPPFSAR are using the eIMS system today. In IPPFAR eIMS is used by 19 countries out of 44. An additional seven countries have made some attempts to use the system and might need further support.

The Funding Agreements for 2005 were signed in time for all the MAs within IPPFSAR. Within IPPFAR 84% were signed on time during the first quarter.

In Sierra Leone, management problems have delayed annual budgets and the completion of IPPF funding agreements. The agreement for 2004 was signed by PPASL on 5 May 2004, while the agreement for 2005 had not been signed at end March 2005. Similarly, the above reports have been late and incomplete.

FPAI have problems with getting the reports from all the Branches in time. This delays completion of the Audited Accounts and Auditors' Report and is consequently delaying the delivery of the Audit Package to IPPF. The Audit Package for 2003 was delivered to IPPF on 9 July 2004 and it is unlikely that FPAI can deliver the package for 2004 on time.

[48] The database covers all projects irrespective of funding and includes proposed budgets, approved budgets, personnel, financial results and programme results.

5.3.2 Authorisations

The Funding Agreement is signed by the President/Treasurer and Executive Director on behalf of the MA, and by the Regional Director on behalf of IPPF, in accordance with the MA Constitution and the IPPF Financial Handbook.

The Grant Agreement is to be signed and accepted by the President and Honorary Secretary or Treasurer in case of Branches and by Chairman, Project Liaison Committee and any of the Project Liaison Committee members in case of projects.

IPPFSARO and IPPFARO are following the *"Overall Financial and Administrative Rules and Authorisations for Expenditure"* that are established by IPPF CO and then applied locally by the Regional Director. Any changes to this document have to be authorised by the Regional Director.

Authorisation limits for purchase orders and payment vouchers are as follows:
CO
Director-General - No limit
Deputy Director-General – $1,000,000
Financial Controller- $1,000,000
SARO
Regional Director – $200,000 (INR 9,000,000)
Financial Controller – $20,000 (INR 900,000)
Programme Manager – Safe Abortion – $10,000 (INR 450,000)
Quality of Care Manager and Governance Advisor – $10,000 (INR 450,000)

At SARO they have a list of authorised signatories to operate accounts, which is approved and signed by the Regional Director. For amounts over INR 45,000, signatures are needed from two of the following: Regional Director, Financial Controller, a Programme Manager.

A Travel Requisition is prepared for any request to travel on IPPF business. A Travel Expense Report is completed, authorised and submitted to the Finance Unit within five working days of completion of the travel. Travel Requisitions and Travel Expense Vouchers are authorised by the Director-General or the Deputy Director-General for the Regional Director where business class travel is involved, by the Financial Controller for the Regional Director, and by the Regional Director for all SARO staff.

5.3.3 Fixed assets and inventories

Fixed Assets[49]

IPPF CO maintains an Asset Register, which is updated monthly. It also maintains asset registers for three regions (Arab World, ESEAO and South Asia). IPPF policy is to capitalise any single item with a value of $1,000 or more. ROs have asset codes for all assets taken to the Fixed Asset Register.

As the South Asia Regional Office was shifted from London to Delhi in 2004, all the fixed assets were purchased for this office in that year. At SARO all assets valued above INR 5,000 have been taken into the Fixed Asset Register. The Register columns cover: item description, location, quantity, RO asset code, serial number, date of purchase, purchase cost in INR, US$ as recorded by CO, IPPF asset number, verified, comments and date noted. An annual physical verification should be performed reconciling the physical assets to the RO register, and also to the record maintained in CO.

FPAI maintains a Fixed Asset Register, both manually and in the computer. The register is updated continuously and they will soon have it all computerized. All the branches have separate registers that contain year of purchase, depreciation, net cost and profit/loss on sale. We found the Fixed Asset Register to be in good order.

At ARO the Fixed Asset Register contains year of purchase, cost, depreciation, as well as location of individual asset. Each asset has its specific code for identification. It is the responsibility of the Administration Officer. The Register is computerized and integrated into the financial accounting system.

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[49] **Note on Accounting Treatment of Fixed Assets Provided by Way of Grant**
Extract from Charities Commission Statement of Recommended Practice:
"79. In addition charities often receive incoming resources by way of grant or donation to fund general or specific activities. Charities are normally entitled to these incoming resources when they are receivable. This is the case even if the resources are received in advance of the performance of the activity and they should not be deferred. Incoming resources may be deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use (eg the receipt in advance of a grant for expenditure in a future accounting period). However, when the conditions for receipt have been met then the charity is entitled to the incoming resources and must recognise them in the Statement of Financial Activities. Incoming resources cannot be deferred simply because the related expenditure has not been incurred.

80. Where either incoming resources are given specifically to provide a fixed asset or a fixed asset is donated (a gift in kind), the charity will normally have entitlement to the incoming resources when they are receivable. At this point, all of the incoming resources should be recognised in the Statement of Financial Activities and not deferred over the life of the asset. As explained in paragraph 79 the possibility of having to repay the incoming resources does not affect their recognition in the first instance. Once acquired, the use of the asset will either be restricted or unrestricted (see paragraph 86). If its use is unrestricted the trustees should consider creating a designated fund reflecting the book value of the asset. The relevant fund will then be reduced over the useful economic life of the asset in line with its depreciation. This treatment accords with the requirements under accounting standards for the recognition of assets and liabilities and provides the most appropriate interpretation of SSAP 4 for charities."

Extract from External Audit Manual:
*"**2.5 Fixed Assets Grants***
The value of fixed assets received as donations should be brought fully into income in the year of receipt. The value of this income shall be calculated as outlined in points 2.4.5 and 2.4.6 above."

PPASL maintains a manual Fixed Asset Register containing details of the year of purchase of each asset, its cost, depreciation, and location. By implication, responsibility for each asset rests with the most senior officer at its location.

At FPAK the Fixed Asset Register contains details relating to year of purchase/donation, cost, depreciation for the year, accumulated depreciation, net book value and the location of the asset. The register does not contain details of the person responsible for each asset, however, such information can be found in subsidiary records at each location/Association's area of operation.

An Inventory of Assets is maintained. Assets are used as per donor wishes. Assets are insured to avoid theft, damage, fire, etc. Medical indemnity insurance covers medico-legal cases as well as legal fees at all SDPs.

Inventories
IPPF stores management is outsourced to Wallis Shipping Co. The stores were not examined by the team. We were informed that stocks of contraceptives are independently verified twice yearly. Some shipments are made direct to MAs. The MA should return a Notice of Commodity Arrival.

The stores management of FPAK is housed in the same building as the FPAK office. We visited the premises and got the impression that they are correctly handled and in accordance with the accounting principles for storage.

In the Planned Parenthood Association of Sierra Leone (PPASL), drugs and contraceptives account for 11% of the Association's total expenditure (2003). Stocks are held by the Logistics/Supplies Officer, assisted by a Stores Clerk, in three congested rooms at the former PPASL head office since mid-March 2005. There is no airconditioning, and many drugs may be losing their effectiveness (e.g. doxycycline, which should be kept at a temperature below 25º). The rooms lack proper shelving and are subject to insect infestation and damp. The systems for requisitioning, receipt, issue (on FIFO basis), stock records, reporting of physical movements, physical verification, and disposal of stock past its expiry date, appear to be working satisfactorily, in accordance with generally accepted accounting principles and the Financial Regulations and Stores Procedures Manual. The financial records, however, stopped in July 2004 when the responsible clerk left. Since then there is no running record of the value of receipts, issues and balances. Some issues are said to be made to private clinics without recovery of cost. These deficiencies are being addressed by the newly appointed Executive Director.

At PPASL there is a need for some changes:
- Move to more suitable premises or renovate premises to provide more storage space, shelving and (where necessary) airconditioning
- Review the list of authorized receivers of drugs, contraceptives, etc. and the pricing policy and procedure for issue to any other organisation, and ensure compliance

- Introduce a simple system to register the expiry date of each consignment on receipt, and take prompt action to segregate any stocks remaining at the date of expiry, and any other items that are damaged or unusable, ready for annual destruction and certification by the Pharmacy Board
- Computerise the Stores Ledger with effect from January 2005, using closing stock balances at December 2004 and Monthly Summaries from the Stores
- Provide training in supply and materials management to Procurement Committee members, stores staff, Clinic Coordinator and (possibly) Regional Coordinators.

5.3.4 Transfer of funds, and bank and cash balances

CO

CO keeps bank accounts in US dollars, euros and pounds. The Financial Controller discourages donors from requiring a separate bank account for each restricted fund. As accounts are segregated on a fund basis, separate bank accounts are unnecessary. A multiplication of bank accounts would require multiple reconciliations and only add to administrative costs. IPPF reconciles each of its bank accounts monthly by hand. There are no problems.

Transfers are made electronically to the bank accounts of MAs, after authorization by the Financial Controller and a Director, and release by the Management or Financial Accountant. Details of bank accounts are maintained on a separate database, and changes are originated from ROs only (two signatories). CO maintains a spreadsheet control of grants. This is being incorporated into the eIMS.

SARO

SARO has one bank account at the Bank of America. According to IPPF SARO Financial Administrative Rules and Authorisations, the bank book and cash book should not be maintained by the same person. The bank book is prepared and maintained by the Accountant and the Petty Cash book is maintained by the Administrative Assistant. At SARO, remittances are completed by the Financial Controller and authorised by the Regional Director

As far as possible payments should be made by cheque for any purchase required for office. Payments out of petty cash are for purchases of goods and services not exceeding INR 5,000 for each voucher. All other payments would ordinarily be made by cheque. Any exception to this is authorised by the Financial Controller. The minimum and maximum limits of petty cash to be maintained by the Administrative Assistant are INR 2000 and INR 10,000 respectively.

Petty Cash is reconciled daily and a report prepared by the Administrative Officer, which is countersigned by any other officer nominated by the RD/FC. A reconciliation report is submitted to the Financial Controller by the Administrative Assistant (every Monday) before submitting the monthly field returns to the CO. Financial Controller or any other officer nominated by RD/FC can conduct a surprise verification of the balance of petty cash at any time.

It should be ensured by the Accountant that all the vouchers are kept properly and there is a proper bill for each transaction. Each voucher should also have a receipt from the person to whom the payment has been made.

The bank book is maintained and prepared by the Accountant and the bank balance is reconciled weekly and a report submitted to the Financial Controller. A monthly reconciliation report should also be prepared by the Accountant and submitted to the Financial Controller before submission of the Monthly Field return to the CO.

PPASL
PPASL has 13 bank accounts, but all except the Provident Fund bank account (and outstation accounts and Vision 2000 revenue account) are unusable as the High Court has issued a garnishee (attachment) order in favour of a creditor (see 5.1.8). IPPF transfers and other revenue are going to the Provident Fund account at present. Legal advice is being obtained on whether future grants can be treated as IPPF funds which PPASL has authority to use as IPPF's agent, in order to prevent sequestration.

PPASL attempts to reconcile its cash book balances on core programmes, Vision 2000 and Provident Fund with the respective bank account monthly. At the end of December, the core programmes were overdrawn, i.e. PPASL was using some of the staff provident fund for operating expenses. A trial reconciliation of the cash book balances on core programmes, Vision 2000 and the Provident Fund showed a shortage of Le 3.372 mn ($1,163) in the bank account at end February 2005.

ARO
ARO has two bank accounts at Citibank N.A. Nairobi. The first main account is the USD account to which all incoming grants are directed to. All foreign payments are made from this account. The second account is the Kenya Shilling account, for which a cash flow is prepared on a monthly basis to meet expenditure obligations in the local currency. The bank books are maintained by the Assistant Accountant and approved by the Finance Manager or her nominee.

ARO maintains a petty cash float of Kenya Shillings 200,000 per month, which is reconciled and replenished on a monthly basis with surprise checks as may be deemed fit. The maximum amount payable from petty cash is Kenya Shillings 5,000.00. On rare occasions the Finance Manager may approve a payment above that limit, but with very explicit explanatory notes. The petty cash vouchers with supporting documents are approved by the Finance Manager/her nominee for the Accounts Clerk (who is responsible for custody of cash) before making cash payments.

It should be noted that all other payments are made by cheque, including bank transfers as well as requests for bank drafts. (Salaries are paid by direct electronic bank transfers)

Unlike SARO, the accounts are consolidated at the year end and quarterly reports are sent to Central Office with monthly remittance to the Regional Office.

ARO prepares bank reconciliations monthly. These are prepared by the Finance Officer and verified by the Finance Manager.

FPAK

The Association has 12 current bank accounts. These consist of one main account, four project accounts and seven other accounts, one for each of the Association's clinics outside the city of Nairobi.

A specific project bank account is opened where there is a specific requirement by a partner/funding agency that a separate bank account be opened to implement an approved project. Where such a requirement is not made in the agreement, the Association's main bank account is used for purposes of receiving and disbursing the project funds.

At the head office in Nairobi, blank cheque books are in the custody of the accountant while the cheques are drawn by the cashier. Each cheque is signed by two signatories whose mandates are approved at the Annual Delegates' Conference and sent to the relevant banks. The signatories consist of both senior staff and volunteers. There are a number of Accounts Assistants who maintain the different cash books for each bank account. Bank and cash book reconciliation statements for each bank account are prepared monthly and verified by the Chief Accountant and approved by the Director of Finance.

At the clinic level, the cheque books are maintained by an accounts clerk. The cheques are signed by senior staff at the clinic who are signatories authorised by the National Executive Committee. Cash books are maintained by the accounts clerks at each clinic. The monthly bank reconciliation reports are submitted to the head office for verification and approval.

FPAI

All accounts are maintained on double entry system (in English) throughout the FPAI. Tailor made financial accounting, budget variance, and salary packages are used at HQ. There is separate identification of specific project grant receipts and disbursements and fund balances. All foreign donations are routed through the Foreign Contribution Regulation Act (FCRA) account.

FPAI headquarters, branches and projects meet their working expenses with the help of funds received from two sources, IPPF funds and non-IPPF funds. Two separate sets of books of account are maintained in respect of these transactions.

FPAI has two bank accounts at the Central Bank of India. FPAI has three bank books, one for each bank account and one for cash. They contain serial number, date, code and cheque number. The cash book is written up daily and is verified and scrutinised at least once a month. Every branch and project has also two bank accounts. The funds of the branches/project are

deposited in a nationalised bank or banks locally in the name of the branch/project. The accounts of the branch/project are audited annually by a registered firm of local chartered accountants. The branch/project sends a duly certified copy of its annual audited accounts to Headquarters. The time frame should be strictly adhered to in order to enable HQ to submit its various reports to IPPF in time. FPAI reconciles the bank accounts every month.

No individual member of the Branch Executive Committee or the Project Liaison Committee or any other volunteer is authorised to draw or receive any advances of money from the Branch/Project account unless specifically authorised to do so.

Interest
At IPPF CO, interest credited on restricted funds is accounted for. The EU requires the right to request repayment of any interest.

At PPASL and FPAI, interest on savings accounts is taken to income.

At FPAK, project funds are generally deposited in current accounts which do not earn bank interest. Where it has been determined that project funds can be temporarily transferred to an interest earning account and interest is received, the treatment of such interest will depend on the provisions of the grant agreement relating to the utilization of funds. Where no specific provisions are made, the amounts will be treated as income. Some funding agencies provide for the interest to be refunded to them or offset against bank charges.

Disbursements
Core funds are distributed in five equal instalments during the year. The January disbursement is made automatically to provide the MA with 'working capital' to continue its operations. The second tranche, in April, is contingent on having its budget approved and the funding agreement signed. The third, in July, is conditional on IPPF's receipt of the MA's audited financial statements and Management Letter. The fourth, in October, depends on receipt of the Half-Year Report, and the fifth is issued in December and depends on receipt of the Annual Programme budget and a projection of cash flows for the following year as well as a final analysis of the working capital situation for the year being funded looking at exchange rate at which receipts during the year were received and the level of reserves on hand to the association.
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Where reports have not been submitted but the defaulting MAs have provided clear explanations as to why the information is delayed and an expected delivery date, the RO can recommend release of 50% of the instalment for the 2nd, 4th and 5th instalments. For the 3rd instalment it is important that the RO is confident that the financial statements have not been qualified before making such a request and the only acceptable reason for allowing 50% of the instalment is auditor delay.

For Innovation Fund projects, the first remittances are sent to the MA as soon as the necessary approval documents (project funding agreement, appropriation, and grant recommendation)

are signed and received at CO. The first remittance covers the first six months' expenditure. The balance is paid on submission of the half-year report, except for 5% which is retained until the final report is received and approved.

Audit of transfer of funds
IPPF CO provides each MA with an annual Cash Grant Certificate (in US dollars). It is issued about February in respect of the previous year. The External Audit Manual requires that the gross amount should be brought to account and any offsets such as bank charges should be charged to their respective accounts. Certificates include any accrued amounts which were not actually remitted, but which relate to the year. The MA should provide the certificate to the external auditors and they should check that funds transfers are appropriately accounted for.

5.3.5 Delegation

Authorization regulations
The Director-General, the Chief Executive of the Federation, is responsible for all acts of the Secretariat. The Director-General is accountable to the GC for actions taken by Secretariat staff in terms of the IPPF Act of 1977. The GC appoints the Director-General (DG) as the chief executive officer, approves the DG's annual work programme and budget, and confirms his or her executive actions.

All staff (Central, Regional and Field Offices) derives their authority by delegation from the Director-General. There is a document that sets out the rules and procedures applying to financial transactions and the limits within which authority is delegated to incur expenditure against the IPPF budget[50]. These rules mostly apply to the IPPF CO although rules and delegation to ROs are stated whenever relevant. Any changes to the document must be authorised by the Director-General.

A budget holder is identified for every project/programme. The holders of certain designated, posts are authorised to incur and approve expenditure as contained in the Approved Programme Budget within specified limits. Those posts and the limits currently applying are shown at an Annex to the rules. A staff member having delegated authority under these provisions may delegate that authority fully or partially to another member of staff. Such a delegation will be notified in writing to the Financial Controller and to the person to whom the authority has been delegated. The delegated authority may be permanent; or temporary, to be exercised only during the primary authority's absence. The notification of delegation must indicate the time, financial or other limits within which it may be exercised. Specimen signatures must be provided where these are not held already by the Finance Unit. Finance Unit records details of all delegations and signatures, and monitors observance.

The CO maintains an up-to-date listing of all authorized staff signatures. This allows them to check that payment requisitions, grant recommendations, appropriations etc have been signed by the correct staff member.

[50] IPPF Secretariat: Overall Financial and Administrative Rules and Authorisations for Expenditure

In SARO they have an authorization list. There is clearly defined authority for signing cheques. Source documents in support of transactions are maintained.

At MA level, the authority for implementing programmes and incurring expenditure derives from the Annual Programme Budget, as passed by the National Executive Council (NEC). Authority is given by the NEC to the Executive Director (ED), who is accountable for all the programmes and activities of the Association, and the financial results. At FPAI expense authorizations are decided by the Budget & Management Committee and Branch Executive Committee meetings.

5.3.6 Budgeting, reporting and follow up

Routines for the budgeting process
At IPPF CO, annual work plans and budgets are prepared over the months August to October, ready for consolidation of RO budgets and approval by the GC by the end of the year (December). At the end of each year, ROs scrutinise the results of the previous year and the new programme budgets entered by MAs. Only when the results and new budgets have been approved by the RO, is funding released to the MAs. Wherever possible, this analysis is undertaken together with the MA in order to analyse performance and to identify problems and weaknesses that hamper performance. From these sessions, the ROs can then plan technical support and assistance for the MA in order to improve performance.

There is an overview of the proposed budget containing all projects' expenditure, income, and surplus, analysed by type of funds: unrestricted core, unrestricted core governance, unrestricted earmarked and restricted. There are also tables that show e.g. actual budget 2003, approved budget 2004 and proposed budget 2005.

Budgets are for one year only, as most donors cannot commit core funds for more than one year at a time.[51] Exceptions are Netherlands (4 years), Finland and Switzerland (3 years), and UK (two years). Some donors ask for IPPF's multiyear plans, but these are not practicable unless, the Financial Controller suggests, at least 60% of donors made three-year projections. Multiyear plans provide some assurance, but they are not contracts and may be revised. The Netherlands Government, for instance, had to make a substantial cut in September 2003 to its four-year pledge at the time of contract renewal.

The predictability of timing of donor disbursements is as important for good financial planning as the period of commitment. For instance, Japan's annual grant arrives in July or August each year. In 2004 Sida provided their grant in December. Other governments have also been late.

A third problem is variation in exchange rates. IPPF receives funds and makes payments in many currencies, but keeps its accounts in US dollars. The recent fall in the dollar has resulted

[51] Longer term commitments are more common for restricted funds, but these represent only 25-30% of the total.

in substantial foreign exchange gains, as donor grants have been exchanged into more dollars.[52]

Normally, budgets are balanced, expenditure equalling income. The GC aims to have a general reserve of at least 25 % of the following year's unrestricted expenditure, as most government grants are received in the second half of the year, while expenditure commitments are continuous. At January 2004, the general reserve was 43% of budgeted unrestricted expenditure, and at January 2005 it was 34%. It was decided to increase expenditures in 2004 and 2005 in order to reduce the general reserve to 25 % (source: budget submissions to GC December 2003 and 2004). Nevertheless, the 2004 and 2005 budgets were still in balance: expenditures of up to $8.3 mn, though anticipated, were not included in the budget. Even if the GC is informed and asked to approve such 'extras' (as was done in the 2004 submission but not in the 2005 submission), they should be integrated into the budget so that it provides a comprehensive picture of IPPF intentions.

Budgeting is complicated by the presence of four different kinds of funds, to which different rules apply. There are (1) unrestricted core funds, which can be used by IPPF for any purpose within their mandate; (2) unrestricted governance funds, which are for the governance costs of administering the organization, cannot be re-allocated to core programmes at CO/RO level; (3) unrestricted earmarked funds, which are internal IPPF funds used for projects under the Vision 2000/Innovation Fund umbrella, or 'designated regional funding'; and (4) restricted funds, which are provided by donors for particular projects only. A single project may have multiple sources of funding. It is not clear why fund accounting requires such complexity (and oxymoron terminology).

Secretariat costs are allocated as far as possible to programme activities. A staff allocation module is used to allocate staff costs, but it will not accept less than 5 % of an officer's time for any project. This restriction implies some inaccuracy but it is according to IPPF also a practical measure. However, it is not clear why entry of less than 5 % should be impracticable.

Despite the uncertainty of donor pledges and exchange rates, CO takes early steps to provide MAs with information on which they can start their budgets. In June, the Director General provides ROs with indicative planning figures (IPFs) for the total core grants to MAs in each region. These are based on best estimates of core funds from governments and foundations for the ensuing year, less a block appropriation for the Secretariat, transfers to contingency fund and other prior charges. For 2005, expected core funds were $64.8 mn, out of which the Secretariat was allocated $19 mn,[53] the Innovation Fund $2 mn and other charges (international activities, transfers to contingency funds) amounted to $4.4mn, leaving $39.4 mn for core grants to MAs.

[52] UK law prohibits charities from undertaking any hedging operations.

[53] This has increased from $15mn in 2000, an apparent annual growth rate of 4.9%. However, there have been cuts in personnel and other costs of the CO. These have been masked by reduced overhead recoveries (re-allocation of overheads to other cost centres). In 2006, savings are expected in accommodation costs, due to the move of the CO from Regents Park to Bermondsey.

The DG controls three 'contingency' funds: the Discretionary Fund (for MA financial hardships and abnormal situations), the Contingency Fund (for unexpected expenditure at any level), and the Emergency Support Fund (for prescribed purposes). In 2004, the Contingency Fund was increased by $100,000 to fund the transfer of SARO from London to New Delhi, and it was anticipated then (in the submission to the GC November 2003) that the need for a Contingency Fund would lapse. In fact, a further $100,000 was provided in the 2005 budget. The general principle is that expenditures that can be foreseen should be explicitly budgeted, and that only unforeseen expenditures, or unforeseen escalations of expenditures, should be charged to contingency.

About August, the Director General advises Regional Directors of their own shares of the Secretariat budget for the coming year, divided between core allocations for programmes and allocations for governance. For 2005, AR got a core allocation of $2.46 mn and a governance allocation of $0.27 mn out of a total (for all regions) of $10.7 mn.

The Secretariat Programme Budget (unrestricted funds) is prepared on the eIMS. All projects must be assigned to one of the five As or to a supporting strategy (accreditation and governance, resource mobilisation, capacity building, or evaluations and knowledge management). ROs are advised to take into consideration the level of detail required for reporting back to donors.

Each MA should prepare Strategic plans, from which the APB is derived. eIMS requires all funds to be recorded. The deadline is end of October. Where project proposals are agreed with donors, the budget must reflect the budget lines of those proposals. All projects and funds should be included, both IPPF and non-IPPF, restricted and unrestricted, and irrespective of how funds are channelled. Double counting of the same funds must be avoided. Separate APBs have to be prepared for restricted funds, such as Vision 2000/Innovation Fund.

The senior management team is responsible for coordinating the MA budget, presenting it to the National Executive Council (NEC) for approval, and submitting it to the RO.

The PPASL Annual Programme Budget for 2005 was prepared by the management team in September 2004. The process involved all head office officers and two senior staff from the regions for 1-2 weeks. The Clinic Coordinator was responsible for the 'Access' budget, the Regional Coordinators for the 'Adolescents' budget, the Director of Programmes for the 'AIDS' budget, and the Advocacy/IEC Manager for the 'Advocacy' and 'Abortion' budgets. The overall budget was passed by the NEC and submitted to ARO in October. Following comments by ARO, and the adoption of the five strategic goals of the IPPF, it was revised and reissued in February 2005 and again in March 2005. All five goals (the five As) are being addressed by the PPASL in 2005. The total projected expenditure for 2005, as per the Funding Agreement is Le 1,151,600 (US$397,092). The budget does not include some non-IPPF sources of funding, such as a World Bank-funded project for sexual and reproductive health care (SHARP). At the time of writing, the budget awaits ARO approval and the issue of the

2005 Funding Agreement. Pending approval, the IPPF grant is being released against a Six-month Activity Plan.

The FPAI budget includes situational analyses, projects, one chapter for each of the five As, and Resource Development, Governance & Management and Formats (summary of all the projects).

The major steps in the budget process:
1. Receive IPF in the month of August from IPPF
2. Allocation of IPF to Branches/Projects/HQ
3. Receive APB from Branches/Projects
4. Compilation of APBs received from Branches/Projects with HQ
5. Submission to IPPF/SARO through eIMS.

FPAI is one of the leading NGOs in India delivering quality SRH services through clinical and non-clinical outlets. In recent years however, core funding has fallen. In this context, resource mobilisation for sustainability has become of the utmost priority. In India we found many success stories at the branch level. FPAI has initiated resource mobilization through various programmes. FPAI Pune Branch raised over INR 8,000,000 towards a building fund. FPAI Madurai Branch was able to construct a four storied, 100 bed FP/RH clinic through fundraising and resource mobilisation. At field visits we were told that clients were asked for a donation at any affordable level instead of having a fixed fee. Even most of the very poor people wanted to contribute a little sum instead of having the services free. They were allowed to get free services but it was a matter of self-respect.

In India all donations to FPAI are eligible for 100% tax exemption. Most of the fundraising efforts at FPAK have been concentrated on writing proposals to potential funding agencies in addition to raising funds from their clinics. In the current Strategic Plan which is operational from January 2005, FPAK has proposed a deliberate strategy for resource mobilization for the Association. They are now in the process of developing their first resource mobilization strategy to guide their resource mobilization efforts. In addition to enhancing the current resource mobilization efforts, they are going to focus on the private sector partnerships and also target non-traditional sources of funding.

The above procedure applies to core (unrestricted) funding of the MA. Supplementary APBs and Project Funding Agreements are required for approved projects. An example is the Innovation Fund to be launched in May 2005, and which replaces the Vision 2000 Fund. The MA submits a project APB to the RO and CO by end-October for the coming year. Activities that are funded through restricted funding are consolidated into the APB and indicated as restricted activity.

During the year, an MA may re-allocate its budget with approval from its NEC. RO has to be informed. Budget reallocations can be made by the NEC within limits (up to 10% from one strategy to another, up to 15% from one project to another or between line items). All

variances over 10% have to be explained in the Annual Report. Large variances in 2003 were picked up by ARO and the respective MAs were warned.

IPPFs Resource Allocation System

At the request of donors IPPF revised its resource allocation mechanism in 1997 so that over a period of time the proportion of resources allocated to those countries with the highest sexual and reproductive health and rights needs were prioritized. In November 1997, the Central Council adopted a Resource Allocation System (RAS) which had the following rules:

- Allocations to IPPF MAs were to be based on reproductive health needs. Consequently, IPPF used the UNFPA categorization: A (high-level needs), B (medium-level needs), C (low-level needs), T (countries in transition in Eastern Europe and Central Asia) and O (other countries with smaller populations or for which complete data were not available). However, IPPF introduced some variations on the UNFPA formula to take into account some MAs' specific circumstances.
- Category A MAs (in the poorest countries) were to have received 70% of IPPF core income by the year 2000 in order to reflect the international consensus.

The 1997 RAS resulted in increasing the percentage of grants to category A associations and in decreasing the allocation of others, as shown in the following table:

Category/Year	**1997**	**1998**	**1999**	**2000**	**2001**	**2004**
A	49.8%	55.3%	60.3%	65.2%	66.6%	69.2%
B	38.2	33.6	29.0	24.7	25.2	26.2
C	6.6	5.8	5.1	4.4	3.6	2.26
T	0.5	1.4	2.4	3.3	2.7	1.68
O	5.0	3.9	3.2	2.5	1.9	0.67

Allocation of resources to each region was based to a certain extent on the number of associations in each category. However, the loss on exchange and the withdrawal of US funding led to decreased funding to all regions, and particularly the European Network. In addition, new MAs have joined IPPF since the adoption of the 1997 RAS (17 in EN and 12 in Africa). In 2004, the allocation by region was as follows:

AR	44.2%
AWR	10.7
EN	2.0
ESEAOR	9.6
SAR	16.6
WHR	16.7

In November 2002, the GC (GC) adopted a resolution requesting the Director General to review the RAS and to revise it in line with the requirements of the new Strategic Framework.

The May 2003 GC meeting provided the Secretariat with the following feedback:

- Needs must be the overriding criterion, but allocation of grants should also take into account the performance of associations.
- In measuring performance, the Secretariat should rely on the judgment of the Regions. However, some GC members thought it would be useful to develop performance standards that could be applied across the Federation.
- Needs defined according to the five As must have an important bearing on allocation of resources to associations.
- Additional resources should be given to associations that are willing to innovate and take risks.
- Capacity-building should be also a funding priority.
- Accreditation should be seen as an empowerment agent for associations and for the Federation as a whole and not as part of the resource allocation process.

In September 2003, the Senior Management Team reviewed many possible alternatives and experimented with the use of a number of indicators in a new Resource Allocation System. The first effort to construct a new RAS had the following characteristics:

- Use of needs-related indicators for the following As: Adolescents, Abortion, AIDS.
- Use of the current amended UNFPA formula as an indicator for Access.
- Classification of MAs into three categories, High (H), Medium (M) and Low (L), according to need under each of these four As.

The analysis of needs per country relating to four of the As (Advocacy was not considered) and the aggregation of the various country scores would produce the following distribution of the IPPF core grants by region[54]:

Region	**4 As-based allocation**	**Comparison with current allocation**
AR	49.8%	+ 5.6%
AWR	8.7%	- 2.0%
EN	7.3%	+ 5.3%
ESEAOR	8.4%	- 1.2%
SAR	5.8%	- 10.8%
WHR	20.0%	+ 3.3%

The IPPF Senior Management Team reviewed these results and concluded that this methodology was inappropriate because it did not take into adequate account the following:

- The associations' existing commitments as they relate to services, clients and staff
- Size of the region
- The volume of technical and financial support received by associations over the past 40 years

[54] IPPF's Resource Allocation System Discussion paper, May 2004

- The number of associations that have joined IPPF since the adoption of the current RAS in1997.

In addition, the SMT regarded the shift in the distribution implied by this methodology to be too radical and not consistent with either the intentions of the GC when it requested a new RAS or with common sense. However, there is the feeling among the SMT members that there is a need for a gradual shift that does take into account the four factors referred to above.

Consequently, based on the SMT review and recommendations, the Director-General proposed that IPPF move toward the following allocation, by region:

AR	44.5%
AWR	10.0%
EN	4.0%
ESEAOR	9.5%
SAR	16.0%
WHR	16.0%

In addition, the DG recommended the following:

- The increases should take effect from January 2005.
- The RAS variables and methodology should serve as the basis for resource allocation within the regions.
- In allocating resources among associations, regions should adopt standardised guidelines relating to performance on the basis of indicators relating to:
    - country situation
    - governance
    - financial management
    - programme content
    - management capacity
- The Regional Councils should discuss this paper and its recommendations and provide their reactions and suggestions so that a final RAS proposal can be prepared for action at the November 2004 GC meeting.

Below is a table showing the net effect of introducing this system in 2005. Although some regions experienced a small % reduction (none exceeding 0.9%), in real terms they obtained an increase due to the increase in unrestricted funding available for supporting Associations.

	2004 Allocation		2005 Allocation	
	%	US$	%	US$
Africa	44.2%	$15,106,023	44.5%	$17,503,334
Arab World	10.7%	$3,651,927	10.0%	$3,933,334
Europe	2.0%	$679,450	4.0%	$1,573,333
ESEAOR	9.6%	$3,277,782	9.5%	$3,736,667
SAR	16.6%	$5,666,561	16.0%	$6,293,334
WHR	16.9%	$5,821,154	16.0%	$6,293,334
	100.0%	$34,202,900	100.0%	$39,333,335

The Secretariat presented a draft paper relating to performance-based resource allocation, which was appended to the RAS paper submitted to GC in November 2004. The split among the regions was calculated from this formula, e.g. AR share was increased from 44.2% of the total in 2004 to 44.5% in 2005. The allocation percentages were proposed by an IPPF Senior Management Team, taking into account: existing regional commitments, size, the amount of support received in the past, and changes in the number of MAs. The numbers were approved by the Governing Council in November 2004. It was recommended to Regional Offices that allocations within regions should be based on each country's needs, as measured using standard indicators relating to adolescents and young people, HIV/AIDS, abortion and access. It has been agreed that higher allocations should be given for better performance, but so far this has not been brought into the allocation system. However, ROs have been mandated to incorporate performance into their funding allocation to MAs. It is envisaged that there will be a process of gradual withdrawal from MAs consistently under-performing in favour of MAs adopting effective work programmes in line with the Strategic Framework. Accreditation ratings, it is agreed, should not be brought into the system.

Reporting and follow-up

With respect to financial reporting, IPPF follows UK generally accepted accounting and reporting practices (GAAP). Its financial statements are prepared on an accrual basis, so donor grants and other income are recognised in the year in which they become receivable and grants to associations are recognised as expenditure in the year in which they become payable. Any grants to MAs unpaid at 31 December are brought to the balance sheet as liabilities. Purchased assets are shown at their historical cost, donated assets at their cost to the donor, plus shipping and handling charges.

Uniform accounting policies are applied to all MAs, as prescribed in the External Audit Manual. MAs may apply UK generally accepted accounting policies (as for IPPF), or US generally accepted accounting principles, or international accounting standards. However, if local laws and standards differ, they take precedence. The Director-General may waive uniform accounting policies for MAs on an exceptional basis.

MAs render their financial statements in both the local currency and in US dollars. Exchange differences arising from translation of dollars to local currency are taken to or from reserve:

they are not counted as income or expenditure. As grants to MAs are based on the local currency equivalent of the commitments in funding agreements, no exchange differences arise with respect to IPPF grants.[55]

IPPF's policy on capitalization is that all expenditure on the acquisition of fixed assets should be capitalized and included in the balance sheet. This applies to both the Secretariat and MAs to the extent that local laws allow. Where a donor requires expenditure on capital assets to be treated as project costs (i.e. not included in the balance sheet), the IPPF policy is still followed, but a separate note is made in the financial statements, reconciling the IPPF fund balance with the donor's fund balance.

At PPASL, all accounting is manual. The general ledger is a bundle of dog-eared sheets, posted from an analysis cash book. The volume of transactions at PPASL head office and the complexity of payroll calculations and FIFO costing of stores issues suggest that it is time to adopt a simple computerised accounting package.[56]

Financial reports are submitted to ARO and SARO quarterly and half-yearly (see 5.3.1 above).

5.3.7 Internal control and audit

Internal Control
Internal controls are embedded in the financial and stores regulations at each level. At Secretariat level (CO and ROs), controls are founded on the IPPF Act, 1977 and Regulations made under the Act. The Act includes the basic requirements (1) to keep proper books of account as necessary to give a true and fair view of the state of affairs of IPPF and to explain its transactions, and (2) to have its accounts audited annually.

All staff members are required to declare potential conflicts of interest between their IPPF duties and any business, professional or personal relationships. In addition, they are expected to be whistle blowers where they know of malpractices. A Whistle blowing Policy was introduced in 2003, and has gone into the Staff Handbook.[57] The identity of whistle blowers is protected. Retaliation against a staff member who provides information is subject to disciplinary procedures.

A feature of MAs is the role of the Honorary Treasurer. Though this officer is a volunteer member of the NEC, s/he is a signatory to all cheques issued by the MA.

Example 1: Sierra Leone
The PPASL has a detailed Financial Regulations and Stores Procedures Manual, which is currently being revised. The revision lays down a satisfactory set of controls, including

[55] The fifth (final) tranche each year is the difference between the annual grant as calculated in local currency at the time the agreement is made, and the sum of the realised amounts in local currency of the first four tranches.
[56] ARO has found that DacEasy is the most appropriate package in English-speaking countries, and can be implemented in countries without local supplier support.
[57] IPPF: Whistleblowing Policy (July 2003)

appropriate segregation of duties. Individual purchases up to Le 200,000 (app. US$70) are authorised by a Purchasing Committee after getting three quotations. Purchases above this limit are made by a Tender Committee which includes two members of the NEC and co-opted technical experts as required.

In PPASL, the Constitution and Financial Regulations Manual sets out the payment process as follows:

1. All payments above a petty cash limit of Le 150,000 (app. $50) must be made by cheque. Any staff member can originate a Cheque Payment Requisition Form.
2. The requisition is authorised by the branch manager, departmental head or other 'authorised user' for a particular activity.
3. The Director, Finance and Administration (DFA) checks the requisition.
4. The Executive Director (ED) approves the expenditure against the appropriate budget.
5. The requisition and all supporting documentation are verified by the Financial Accountant re arithmetic, account coding, budget, supporting documentation and ED authorisation.
6. DFA endorses the requisition.
7. Accounts Section prepares a cheque and payment voucher, and sends these with the requisition and supporting documentation to the cheque signatories.
8. The first signatory is the ED, DFA or Director of Programmes. The second signatory is the Hon. Treasurer or, in his absence, the President or Vice President. Each signatory has to satisfy him/herself as to the correctness and validity of the payment.
9. The Financial Accountant hands over the cheque to the payee, obtains a receipt, and enters all details into the Cheque Register and Cash Book.
10. Supporting documents are stamped 'PAID' and filed with the respective payment vouchers.

Subject to the double role played by the Hon. Treasurer (governance and management), the procedure is satisfactory. However, in PPASL it has not been followed in recent months. The essential check that requisitions are budgeted before they are paid is not being followed, as is evident from the Annual Report for 2004, showing actual expenditure on each item varying from 22% of budget (clinic renovation) to 201 % (clinic repairs and maintenance). Major re-allocations must be justified to ARO and pre-approved.

Example 2: FPAK

In FPAK the internal control systems applied are stipulated in both the Financial Policies and Procedure Manual and the Internal Audit Manual. These are summarized below:

Obtaining of Quotations: Before any purchase process is initiated, at least three quotations are obtained from a list of approved suppliers. The list of suppliers is approved on an annual basis by the Association's Tender Committee.

Selection of Quotations: This process involves evaluating the quotations against the requirements and then selecting the one that best meets the needs of the Association i.e the one which is most advantageous to the Association in terms of price, quantity, quality and other relevant factors.
Issuing of Local Purchases Order (LPO): An LPO is issued to the successful supplier indicating the terms of delivery and payment.
Preparation of payment vouchers against invoices etc: The payment process starts with preparation of payment voucher (PV). The PV has details relating to the person who have verified supporting documents, prepared the PV, verified the coding, authorized and posted the entries in the accounting software.
Cheque Writing: The cheque is only written after the payment has been authorized by the Director of Finance who makes reference to the available budget and codes verified by the Accountant. The cheque is then signed by two authorized signatories.
Keying transactions into the accounting system: The accounting system uses a computerized accounting software, the Sunsystem.
Verifying and posting of entries into the accounting system: This task is performed by the Accountant to ensure that costs are allocated to the correct cost centres before posting.

Example 3: FPAI
In India the Branches get a "Finance Circular" every year from the FPAI with updated instructions for routines regarding reporting and internal control.

Internal audit
At IPPF CO, the Internal Audit post has been vacant since April 2004 and has not yet been filled. IPPF is currently undertaking the third recruitment drive for this post. A series of interviews with potential candidates has taken place but no suitable candidate has been found. In October 2004 a suitable candidate was offered the position but failed to respond. In August 2005 new interviews will be held. KPMG has been working with IPPF to establish a framework for internal audit involving self-assessment, for implementation when an internal auditor is appointed. As the post has no subordinate staff, the framework may make the function more manageable.

The Audit Committee was up-dated on the situation and AC produced a report to the GC. The job description had to be altered to reflect the fact that the internal auditor will now implement and will not have to design the Secretariat Performance Review System. The job description has been up-dated and is currently being advertised.

Due to the vacancy, no internal audit work had been undertaken within the Secretariat, although the Financial Controller has managed to visit three regions (Arab World, ESEAO and Western Hemisphere) and these visits included an element of reviewing overall financial controls and systems. In addition to the above visits he also undertook a visit to ARO on 4/5 November 2004. Between 24 and 28 January 2005 he visited the new office of the SARO in New Delhi, India.

IPPF has an Audit Committee (AC) consisting of six members of its GC, including the IPPF Chairperson, the IPPF Treasurer and four elected members, who must have broad financial and/or auditing experience. The Director General also attends. The AC meets twice a year.[58] It reviews the annual financial statements, reports from internal and external auditors, proposed changes in financial regulations, appointment of auditors, schedules of losses, compensations and other special payments, and any other financial management reports, and makes recommendations to the GC. It also monitors IPPF policies on standards of good business practice, and the Secretariat's identification of risks and steps taken to mitigate the risks.

At present the only regional office which has an Audit Committee is the Western Hemisphere Regional Office and this id due to their separate New York Registration. The IPPF AC acts for all regions as well as the CO.

ROs are without independent and expert internal audit. However, the issue of having full time qualified internal auditors at RO level has been discussed by the IPPF AC. The gap is reduced by CO requirements for Regional Directors to have detailed risk maps and action plans to mitigate risks, by more frequent CO review visits to ROs, by more extensive external audit, and by the accreditation process, which to some extent substitutes for reviews of internal controls.

Four of the 65 standards in the accreditation review relate to financial management:

4.5 The Executive Director shall ensure that operational plans, annual programme budgets, and periodic reports for IPPF and other agencies are prepared in accordance with the guidelines laid down by IPPF and each agency.

4.6 The Executive Director shall ensure that each of the Association's administrative units has clearly defined objectives, goals and targets; and that every staff member understands the Association's role and mission, together with the objectives of his or her unit.

4.7 The Executive Director shall provide effective and efficient management of the Association in all respects; including the maintenance of an effective internal control system.

4.8 The Executive Director shall … ensure that the necessary financial systems and procedures are put in place to account for all income and expenditure and provide due evidence of their use on the purposes for which intended.

Internal audit is responsible for:

- developing a flexible three-year internal audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management;
- submitting that plan to the Audit Committee for review and approval as well as providing periodic updates;

[58] As most members come from abroad, and the current Chairperson is from New Zealand, more frequent meetings would be costly.

- implementing the approved internal audit plan, including as appropriate any special tasks or projects requested by the Audit Committee or Director-General;
- issuing periodic reports to the Audit Committee and the Director-General summarising results of internal audit activities;
- informing the Audit Committee of emerging trends and successful practices in internal auditing;
- assisting in the investigation of significant suspected fraudulent activities within IPPF and notifying the Audit Committee and the Director-General of the results;
- considering the scope of work of the external auditors, as appropriate, for the purpose of providing optimal audit coverage to IPPF at a reasonable overall cost.

Internal audit reports regularly on the results of its work to the Audit Committee by:

- providing regular assessments of the adequacy and effectiveness of the IPPF's systems of risk management and internal control based on the work conducted by internal audit;
- reporting significant control issues and potential for improving risk management and control processes;
- providing information on the coordination with and oversight of other control and monitoring functions (e.g. compliance, security, business continuity, legal, ethics, environment, external audit);
- reporting on management's responsiveness to internal audit findings and recommendations.

IPPF has presented a comprehensive risk management assessment for CO and all ROs[59]. The risk management assessment involves identification of major risks across a wide range of categories including governance, strategic (long-term), operational (day to day), financial, compliance (with constitution, legislation, regulations etc). The risk assessment has for every defined risk included an assessment of impact and likelihood, process in place, action plan and responsibility for action.

There are three areas of activity that are key to an effective relationship between the Audit Committee and internal audit:

- assisting the Audit Committee to ensure that its terms of reference, activities, and processes are appropriate to fulfil its responsibilities;
- ensuring that the terms of reference, role and activities of internal audit are clearly understood and responsive to the needs of the Audit Committee and the GC;
- maintaining open and effective communications with the Audit Committee and the chairperson.

Therefore, internal audit should:

- request that the Audit Committee review and approve the IPPF internal audit terms of reference on a periodic basis;

[59] Audit Committee Meeting 8 October 2004: Risk Management (AC/10.04/DOC/6)

- review with the Audit Committee the functional and administrative reporting lines of internal audit to ensure that the structure in place allows adequate independence;
- assist the Audit Committee in evaluating the adequacy of the personnel and budget, and the scope and results of internal audit activities, to ensure that there are no budgetary or scope limitations that impede the ability of the function to execute its responsibilities;
- inform the Audit Committee that quality assessment reviews of internal audit should be done every five years in order for the function to declare that it meets the Standards for the Professional Practice of Internal Auditing.

MA level
At the MA level, members of the Annual General Assembly (National Council) are volunteers, and are prohibited from receiving payment other than reimbursement of their necessary expenses. Each AGA has an Audit Committee, made up of the Honorary President, the Honorary Treasurer and other volunteer members who have qualifications in accounting, banking, etc. The PPASL Audit Committee meets at least once a year to receive and review the external audit report, and to make recommendations to the ED. The AC of FPAK meets three times every year to discuss with external auditors before and after the conduct of annual audits. It also meets to review the internal audit action plans and status of implementation of both the internal and external audit recommendations

The Audit Department of FPAI consists of a Chief Internal Auditor and an assistant. The Chief Internal Auditor decides if the report is to be sent directly to the President or to the SG.

FPAI is conducting internal audits, financial audits, management audits, medical audits and medical reviews. At least one branch (out of 39) and one project is selected for a field visit every month. The audits and reviews follow a certain format. The reports are shared with the President, SG, ASG, the Branch and other relevant stakeholders. The Financial Audit Reports are distributed to the Budget and Management Committee. At the end of the field visit a meeting is held with the Branch Executive Committee for sharing the observations.

The reports contain analyses and concrete action points (Medical Audit/ Medical Review) and recommendations (Financial Audit/ Internal Audit).

When a project comes to an end the Audit Department decides what to do with fixed assets in order to follow requirements from the donor.

5.3.8 External audit and follow up

Audit requirements for the recipients
The relationship between Internal Audit and the External Auditor takes into account their differing roles and responsibilities. The aim is to achieve mutual recognition and respect, leading to a joint improvement in performance and the avoidance of unnecessary overlapping of work. Where appropriate the Internal Audit and the External Auditor meet to discuss joint audit planning, audit priorities, the scope of the audits and audit findings. Evidence is sought

by the Audit Committee that value for money has been achieved through an integration of the total audit resources available to IPPF.

In the absence of a formal internal audit function the External Auditor continues to carry out work in every region rather than visiting them on a rotational basis. The External Auditor was unable to place any reliance on the work carried out by the previous Internal Auditor as part of the 31 December 2003 audit for the purpose of the external audit of the financial statements as it did not focus sufficiently on the key financial systems and controls.

International Standard on Auditing (ISA 240) on 'The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements' is applicable for accounting periods beginning on or after 15 December 2004. The External Auditor has a responsibility to conduct an audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Auditors plan, perform and evaluate their audit work in order to have a reasonable expectation of detecting material misstatements in the financial statements arising from fraud or error. However, an audit cannot be expected to detect all errors or instances of fraudulent or dishonest conduct. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements will not be detected, even though the audit is properly planned and performed in accordance with Auditing Standards. The primary responsibility for the prevention and detection of fraud remains with those charged with governance of the entity and with management. A whistle blowing policy is in place to assist in the detection of fraud. A limited programme of high level review visits has been carried out to ROs whilst the Internal Auditor position remains vacant. A fraud was detected during 2004 in relation to the pension scheme based in Jersey and is still under investigation.

IPPF CO has recently up-dated an External Audit Manual to assist the MAs and ROs and their external auditors in meeting the special requirements of the IPPF[60]. It takes effect from 2005 and covers (1) the audit of IPPF itself, comprising the CO in London, the non-profit trading subsidiary ICON, and the six ROs, and (2) the audit of MAs. Separate financial statements are prepared, and audit opinions given, for IPPF and for each of the MAs.

IPPF is registered as a UK charity and is subject to the requirements of the Charities Act 1993, as well as its own enabling legislation, the IPPF Act 1977. The auditors, currently KPMG London, present their strategy for audit to the Audit Committee about October each year.[61] The firm bases its audit on an analysis of business risks, drawing partly on IPPF's self-assessment of risks as recorded in the Risk Register, followed by an assessment of the controls in place which mitigate against the risks. The main risks identified for 2004 were:

[60] The original manual was issued in 1992 and the up-dated version was issued in June 2005.

[61] We were not able to interview the external auditor, as KPMG, in common with other leading accounting firms, has a policy of requiring first an assurance that they would not be held liable to Sida or IPPF for any information they may provide (the 'hold-harmless' certificate), and Sida was unable to provide this assurance. This report is based on information from interviews with IPPF personnel and the documents that they provided.

- High dependency on relatively few donors (six donors provided more than 75% of unrestricted grants in 2003)
- Exchange rate movements
- The relocation of SARO (KPMG New Delhi provided assurance on SARO controls)
- A deficit of $13.4 mn on CO pension liabilities at the end of 2003 compared with liabilities of $ 33.0 mn
- Weak budgetary control[62] (before the introduction of eIMS)
- Fraud risk (mitigated by whistle-blowing policy, high-level review visits to ROs, expansion of external audit, appointment of an Internal Auditor, and review of controls on receipts and payments at CO and ROs)
- Terrorist attack (low risk, mitigated by disaster recovery plan)
- Claims on low quality contraceptives (all supplies reviewed and approved by the International Medical Advisory Panel)
- New Statement of Recommended (Accounting) Practice expected for 2006.

KPMG then collates the evidence and issues audit opinions as required by the IPPF Act, the Charities Act and the Statement of Recommended Practice for charities. It follows audit standards issued by the UK Auditing Practices Board. Consequent on the issue of an international audit standard on the responsibility of the auditor to consider fraud (ISA 240), KPMG has included this in its audit programme from 2004, and its report says that it has sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

IPPF requires that each Association should be similarly subject to annual independent and expert audit (Accreditation Standard 1.25), whether or not it is in receipt of an IPPF grant. Appointments are the responsibility of the governing body (i.e. National Council). They are allowed to choose their own auditors, but associations receiving IPPF grants of more than $50,000 a year may choose only from a list of 20 international audit firms. The Association has to obtain the Regional Director's approval of each appointment or re-appointment. The governing body has to receive, review and accept the audit report and financial statements. In addition, the auditors are required to note the operating and control procedures that could be improved and report on them in a Management Letter. There is a problem of balancing audit quality and cost, particularly with smaller associations. MAs complain of the high cost of international audit firms, though the firms may not always observe international standards. Local law may not require external audit where financial turnover is limited, but even so, IPPF expects some form of independent check. Where the association lacks capacity, auditors may be required to prepare the financial statements as well as audit them.

[62] This reflection is not accepted by IPPF. According to IPPF a more accurate wording is "Difficulty in monitoring budgets on a timely and easily understood basis"

According to the Constitution, the Hon. Treasurer is the custodian of the funds of the Association and is responsible for its accounts. In collaboration with the Executive Director and the Director of Finance & Administration, s/he submits the financial statements to the National Executive Council from time to time and the audited financial report to the Annual General Assembly.

FPAI has appointed Ray & Ray Chartered Accountants for over ten years. The decision to appoint the external auditors was taken by the appropriate volunteer body and FPAI have authorization from the Regional Director to use the auditors. The auditors were following the model letter of engagement suggested in the IPPF External Audit Guide.

The audit report for 2003 was unqualified. The audit covered the following:

- Audit of accounts at Headquarters,
- Perusal of audited branch account/branch audit reports, and
- Audit of consolidated financial statements of accounts of the Association as a whole.

In Sierra Leone, a single firm (KPMG Freetown) has been appointed and re-appointed since 1999.[63] PPASL draft the final accounts and the audit team provides details of adjustments in the course of their audit. The audit of the 1999 accounts covered the PPASL main accounts, including Vision 2000 and other restricted funds, and (separately) the staff provident fund. Since then, the provident fund has not been audited. The Auditors (KPMG) use the External Audit Guide. As there is no internal audit, they have to undertake more extensive checks. For 2003, KPMG completed their audit and issued a Management Letter in April 2004. PPASL responses to the Management Letter are taken into account in the final audit report, and followed up in the succeeding year. For 2003, the audit report was not qualified. The audit firm presents the audited financial statements to the NEC.

The MA in Kenya has been audited by Ernst & Young since 2003 when the firm got the appointment through a process of procurement. The Internal auditor at FPAK left the organization at the end of March 2005 and the process for seeking for a replacement has been started. At the end of 2004, accumulated deficit as a result of FPAK operating unfunded clinics was Kenya shillings 57 million. FPAK came up with strategies for clearing this deficit. These strategies were discussed with Ernst & Young and their implementation started in January 2005.

PPASL Management Letter for 2003 contained the following issues:

- The Audit Committee and management should review operations as often as possible and not only meet for the presentation of the Financial Statements.
- PPASL is very much dependent on outside donors and is unable to generate or mobilize local resources.

[63] There is just one other international firm of accountants in Freetown.

- Improper accounting for commodities approved, shipped and received from different donors and for different activities.
- The use of donor restricted funds for other activities should be avoided.
- Bank reconciliation statements have long outstanding items including both receivables and payables.
- There was a concern that outstanding bank deposits had not been credited to the bank account as at 31 December 2003.

The quality of the auditor's certificate
Clean reports were given on 23 May 2004 in respect of the IPPF financial statements for 2003 and on 6 May 2005 for 2004.

At FPAI the audit certificate was similarly unqualified. There is no reason to doubt the quality of the audit certificates.

At PPASL, the audit certificate was similarly unqualified, though several weaknesses were mentioned in the management letter.

At FPAK, there was a clean audit for 2004.

5.3.9 Promotion of good administration, transparency in the handling of funds and promotion of measures to counteract corruption

The accreditation process and the Secretariat review system encourage openness and transparency. As may be observed in other sections much emphasis has been laid on developing management systems as a means of promoting good administration, increasing transparency and counteracting corruption. IPPF has also reoriented its perceptions to see donors as enablers and supporters of a vision rather than as sustenance providers.

The Directors of ICON holding office at 31 December 2004 did not hold any beneficial interest in the issued share capital of the company at 1 December 2003 (or date of appointment if later) or 31 December 2004. According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

5.4 Other areas that Sida wishes to be studied

5.4.1 The calculation and size of the IPPF's own contributions to projects and programmes that receive support from Sida

The current funding of IPPF is highly dependent on a small number of key donors. During 2003 six government donors represented over 75% of unrestricted donations. Reduced support from any of these key donors would have a significant impact on the operations of IPPF. The 2004 unrestricted government income amounted to US$68.5 mn. IPPF saw a major change in

the percentage split between the donors in 2004. Sida became the largest unrestricted donor at 22%, then followed by Japan at 21% (significantly less than a few years ago when they represented 35%), then the UK at 16%, Denmark and Norway at 9%, and then the Netherlands, Canada, Germany, Australia and other governments.

As noted in sub-section 5.2.2 the question of the trading company ICON as a profit maker of IPPF is being addressed. However, the company ended the trading period 1 December 2003 – 31 December 2004 with a pre-tax loss of US$60,278 against an opening period forecast of US$10,000 profit. With expenditure remaining within budget parameters the main income item contributing to the loss was: a planned research consultancy contract with IPPF was not realised resulting in US$42,000 less profit). The previous year saw a profit on ordinary activities before taxation of US$97,034. The turnover in 2004 was US$1,788,729 compared to US$1,190,213 the year before. The amount owed to the parent undertaking is US$220,000. It is obvious that ICON can contribute only to a very limited extent to IPPF's projects and programmes.

IPPF makes annual grants to MAs which derive mainly from the several government contributions, including that of Sida. Sida has provided SEK 69.8 mn each year from 1999 to 2001, rounded up to SEK 70 mn a year from 2002 to 2003, and increased to SEK 100 mn in 2004. As the US dollar has fallen against the SEK since 2001, this has been worth an increasing number of US$, from $8.133mn in 1999, $6.725 mn in 2001 to $14.870 mn in 2004.

As a percentage of IPPF's unrestricted income from governments (not including foundations), Sida has therefore provided:

1999	11.9%	(8.133m / 68.166m)
2000	12.6%	(7.628m/ 60.526m)
2001	11.0%	(6.725m/61.085m)
2002	14.0%	(7.719m/54.951m)
2003	11.9%	(7.170m/60,412m)
2004	21.7%	(14.870m/68.542m)

Sweden has yet to make its financial contribution to IPPF for 2005. Indicative Planning Figures were produced in June 2004 with a figure of SEK85 million. However, this figure has been revised to SEK 100m based on the 2004 grant and informal discussions with the Ministry and Sida.

In order to ensure sustainable and diversified income at all levels of the Federation, IPPF is working on increasing income from new sources of funding (including new commitments for restricted funding from existing donors), developing and implementing strategies to access new funding from European Foundations, US Foundations and UK Trusts and trying to integrate and collaborate with EN, WHR, ESEAOR and MAs in donor countries to undertake advocacy initiatives that target key decision makers among parliamentarians, civil servants, technical agencies and the public to increase overall support for SRH and IPPF. Among the

many other goals is to increase the capacity of staff and volunteers in resource mobilization at all levels of the Federation.

In order for MAs to take advantage of increasing funding opportunities within their own countries, they will need to build skills in a number of areas, including:

- strategic planning for resource mobilization;
- researching prospective donors and funding opportunities;
- preparing funding proposals;
- report writing;
- developing and maintaining relationships with donors;
- advocacy skills for resource mobilization;
- on-going mentoring for advice on proposal writing and relationship marketing.

The MAs of India, Nepal and Sri Lanka are taking initiatives to address legal measures and policy reforms. For instance, legalization of abortion in Nepal and Sri Lanka is advocated by the MAs. Effective partnerships have been worked out to build capacity in some countries (Bangladesh, Nepal, India, Sri Lanka) and attempted in other countries (Iran, Maldives). For such partnerships to deliver results it is important to initiate win-win linkages. Partnerships should be based on common interests and goals. Partners need to be able to support MAs in their advocacy for resource mobilization. MAs should offer partners relevant and appreciable advantages.

Advocacy is problem solving used to protect rights, improve services and remove barriers. The Southern Advocacy project, co-funded by the David and Lucille Packard Foundation, aims to increase the capability of MAs in India, Ethiopia, Pakistan, Nigeria and the Philippines to undertake sustainable resource mobilization through effective advocacy and fund raising activities[64]. A SWOT analysis of the project was carried out in 2004[65]. A workshop was held in January 2005[66]. A mapping exercise is undertaken to identify partners from key relevant national level agencies, local level NGOs, influential policy makers, private sector, networks of NGOs and media persons.

The unrestricted core grants to MAs have increased more than 40 % between 2003 and 2005 to over $39 mn. The total income for SAR is $12.9 mn out of which 34 % comes from IPPF, 15 % is local and 51 % is international. Local income has decreased by 5.7 percent since 2002 through lower contraceptive sales and membership fees. International income is reduced by 59 percent due to USAID's reduced level of support. IPPF's income decreased by 16 percent reflecting the reduced funding available in 2003.

Most of the unrestricted core grants to MAs in SAR (93 %) go to four countries: Bangladesh (25 %), India and Pakistan (24 %) and Nepal (24 %).

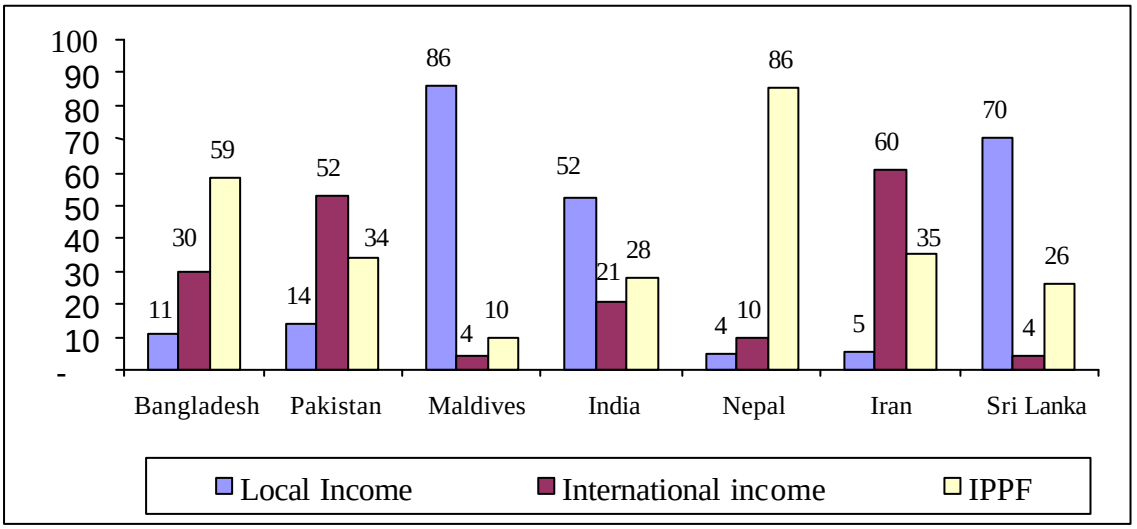
[64] IPPF/SARO: Mapping of partners for Southern Advocacy project (not dated)
[65] IPPF/SARO: Swot analysis (not dated)
[66] Packard et al: Capacity Building Workshop Southern Advocacy project, Dhaka, Bangladesh, 16-18 January 2005

Unrestricted Secretariat Expenditure 2005 by IPPF priority and supporting strategy in percentage:

Description on Priority	ARO	AWRO	ESEAOR	EN	SAR	WHR
Adolescents	14,02	7,64	8,12	2,57	10,12	7,64
Aids	4,70	6,63	1,14	3,37	12,56	2,89
Access	11,44	10,66	4,85	0,00	24,47	10,95
Abortion	2,37	6,63	5,88	3,37	12,48	4,84
Advocacy	5,15	6,63	23,76	12,49	6,67	36,98
Accreditation & Governance	6,59	0,00	19,53	24,43	4,39	4,62
Resource Mobilisation	2,75	0,00	2,90	3,90	3,31	0,00
Capacity Building	45,20	61,81	29,35	49,88	20,87	13,17
Evaluation	7,78	0,00	4,47	0,00	5,13	18,92
Total	100,00	100,00	100,00	100,00	100,00	100,00

Source: IPPF

Analysis of MA Income for 2004, in Percentage:



5.4.2 Systems and routines for the storage of important documents and other documents of value

CO has adequate systems and routines for the storage of important documents and other documents of value.

At the RO in Nairobi these are the routines for some important documents:

- Personnel files: These are the direct responsibility of the Human Resource Manager and staff not authorized have no access to them.
- Company seal: This is the responsibility of the Special Advisor to the Regional Director or his nominee.
- Cheque books: In the custody of the Finance Officer.
- Petty Cash is in the custody of the Accounts Clerk within the Finance Manager's area of responsibility.
- Office Motor Vehicle Log Books: The Finance Officer is responsible for the custody of office vehicle log books.

At FPAI the cheque books, agreements, cash etc are placed in a locked safe controlled by the Director, Finance and Accounts.

At FPAK important documents of the Association are kept in a secure safe at the Association's head office.

At PPASL more attention has to be paid to records management.

5.4.3 The views of IPPF's auditors in their examinations of framework grants from Sida

IPPF auditors do not examine framework grants from Sida, or any other individual donor.

6. Conclusions and Recommendations

6.1 Overall Assessment

The management audit covers the following areas:

- Organisation
- Management systems
- Financial management

For these various fields the management audit gives an analysis of the reliability and relevance of the systems, together with a general assessment of reporting by the IPPF to Sida and of communication within the Federation. The analysis also includes the organisational structure and dimensioning of the Secretariat in relation to its function and tasks.

In this chapter we will summarize our analysis within some areas of significant importance. Detailed recommendations are given in the following sub-sections.

Our conclusions can be summarised as follows. IPPF is in a sensitive phase of a comprehensive development process. The progress so far over the last few years is impressive. The newly implemented management systems are relevant and reliable, generally well developed, known to the personnel and to a large extent applied in practice. At all levels of the Federation there is high level of dedication and responsibility, coupled with both formal and informal supportive structures. We believe that recent applications to Sida provide a reasonable reflection of actual conditions and can therefore be termed a good foundation for Sida's decision-making in the handling process. There is a good chance that the reporting of results will also be acceptable in the near future.

The IPPF has a long and deeply rooted tradition of international activity and long-term international cooperation. The Federation has a well developed and comprehensive Strategic Framework that is accompanied by strategic plans on all levels. All MAs have not yet redefined their role according to the five As and there are still some MAs that don't have strategic plans based on IPPF's strategic framework.

The Secretariat has been restructured in recent years, and in our belief the IPPF is in the process of creating an effective organisation. The organisational structure of the Secretariat is adequate. When it comes to the dimensioning of the Secretariat there are several gaps between the organograms and the staffing in reality. It should be noted within this context that an IPPF Governing Council resolution states that Secretariat costs must not exceed US$20 million per annum. Thus for some of the functions the staffing is too limited. This is most obvious when it comes to monitoring and evaluation. Our recommendations on organisational development will be delivered in section 6.2.

The new Strategic Framework based on the five As involves a shift from the historic roots of IPPF as an organisation mainly for family planning. A process of this kind will take several years. Actually also the previous IPPF Strategic Plan passed in 1992 reflected the shift away from just family planning. Needless to say changes will take root much faster at the centre and among the professionals than in all individual branches in MAs and among the volunteers. Where the external dimension is concerned, we find the role, task and mandate of the IPPF to be clearly understood by the MAs. Internal interpretation of the mandate appears to be influenced by partly different cultures having to cooperate within the wider context of international development affairs. A common organisational culture based on the five As now seems to be emerging, and moves are being made towards a balance between the historical identity and the present mission and vision for the Federation. The issues of policies and strategies are commented on in sub-section 6.3.1.

Sida's basic view regarding the ownership of initiatives means that the partner is responsible for implementation. Accordingly, the partner also incurs administrative responsibility for the control of activities. The purpose of the management audits is to enable Sida to follow up the

ability of IPPF to honour its contractual obligations towards Sida. In management auditing, the analysis must focus on how the organisation works, by scrutinising routines and systems within the organisation, which guarantee the dependability of work and reporting. As we see it, development work within the IPPF ought above all to be aimed at shifting the emphasis of work in favour of more monitoring, evaluation, impact analyses and dissemination of experience. There is a need for a more comprehensive system for monitoring and evaluation, and some further improvements when it comes to the interaction between IPPF governance, the Secretariat and MAs on reporting, dissemination of best practice and knowledge management. These issues are addressed in sub-sections 6.3.2 – 6.3.4.

In addition to these broad issues we also want to submit some conclusions and recommendations on specific questions regarding financial management that have emerged during the management audit. These issues will be covered in section 6.4.

6.2 Organisation

IPPF's governance structure is meeting the needs of a large voluntary organisation. Needless to say, the volunteers play significant roles in such an organisation. Unfortunately the changing roles of the volunteers are almost never emphasised as much as the changes for the professionals in any organisation. It is our impression that this is also the situation within IPPF. We believe there is a need for fine-tuning the governance system when it comes to defining the roles and the cooperation between volunteers and staff. There seems to be some tension in the process of the rapid change to reorient the Federation. The conflict between the donors' expectations on value for money on the one hand and the volunteers' interest in safeguarding their respective MAs and ROs should be addressed.

The importance of the volunteers should not be underestimated. The volunteers' commitments are often strong and they are working for free in service delivery, advocacy and governance positions. They bring much of the spirit, "heart and soul" and institutional memory to the Federation. In the process of professionalizing IPPF it is important also to develop the volunteers' professional skills and capacity as board members and in other roles.
IPPF CO has been restructured in order to implement the Strategic Framework effectively. The organisational structure and the dimensioning are adequate in relation to its functions and tasks. However, the implementation of an integrated monitoring and evaluation system will require additional staffing. It is also of outmost importance that the internal audit function is adequately staffed.

ROs provide technical assistance to MAs in the accreditation process and all operations, from financial and information systems management to service delivery and quality of care. ROs have built up a solid body of experience, and a wide range of tried and tested techniques. Common approaches include missions to MAs to provide on-the-job assistance, regional training workshops, publishing toolkits and arranging 'South-to-South' technical assistance.

The studied ROs (AR and SAR) seem to handle the role as "middlemen" between CO and the local MAs very aptly. All necessary systems are in place and in line with the policies, guidelines and other regulations. IPPFAR have, though, problems with its many MAs: some of these are having financial problems, as well as management problems. Resources have been used by MAs for activities not planned or approved and some MAs have utilised all their working capital and incurred additional costs, which have become significant debt liabilities.

The proactive interventions in some of the MAs from ARO are necessary to gain trust from the general public and the donors. The accreditation process reveals weaknesses also in other MAs that need attention from ROs. However there is a delicate balance between accountability and respect for MA autonomy. ROs and MAs have to work closely together to build partnerships. The eight associations that are associate members in AR have to go through a process to be able to apply for full membership. In addition five countries are in the observation list. These associations have limited funding and are not obligated to follow IPPF's regulations. One question is whether ARO should first consolidate the previous full members before adding more MAs.

The MAs' ownership of the process is important, with the MAs rather than the Secretariat leading the assessment, planning, implementation, monitoring, evaluation and reporting phases of any capacity building programme. However, this will be balanced with appropriate IPPF support to accompany or guide the MAs through the process. It is also important that the MAs gain the capacity to coordinate and if necessary redirect donor interest. Some donors are changing their policies on interaction with the cooperation partners. There has been a shift to bilateral cooperation between donors and MAs (i.e. DFID-Ghana, DGIS-Ethiopia).

The basic principles for the division of responsibilities within IPPF are adequate. The strategies are quite new and improvements in routines and processes are achieved continuously. In our opinion the following should be further discussed within IPPF when it comes to the structure and dimensioning of CO, ROs and MAs in relation to functions and tasks:

- Increased consultations on the restructuring of IPPF's CO and ROs
- Increased consultations on the resource allocation system
- The division of responsibilities between the CO and the ROs.

In our interviews it was pointed out that many staff members still do not have any work descriptions. An alternative is to introduce performance contracts.

IPPF has a trading company - ICON. It is not clear if the objective of having a trading company is to provide MAs with cheap services or if ICON should maximize its profit. Therefore the future strategy for ICON should be clarified before a new five year business plan can be presented. The board of ICON is mainly comprised of IPPF staff and volunteers. IPPF should consider including more business competence in the board.

Based on the findings in section 5.1 we have the following recommendations.

Recommendations:

- The roles of volunteers on all levels should be further developed.
- Every staff member should have a work description or a performance contract.
- IPPF should further clarify the impact of the restructuring process on the division of responsibilities within the Secretariat.
- All ROs should have at least one dedicated evaluation officer with relevant competence.
- A comprehensive internal audit function for the Secretariat (CO and all ROs) should be further developed.
- Benchmarks for reaccreditation and expelling MAs should be established.
- ROs should continue to monitor the performance of MA officers and provide technical assistance to MAs in a similar situation as in Sierra Leone as necessary.
- The future strategy for ICON should be clarified.
- A new five year business plan for ICON should be presented.
- The board of ICON should include greater business competence.

6.3 Management Systems and Routines

6.3.1 Policies and Strategies

The Governing Council has adopted an IPPF Policy Handbook. Our assessment is that content of the Handbook and the processes on implementation and reviewing policies are adequate. However, there are still some gaps to be filled in the Handbook; (1) the roles of volunteers as discussed in section 6.2; (2) monitoring and evaluation (please see section 6.3.2); (3) result reporting and result analyses (please see section 6.3.3); and (4) institutional learning (please see section 6.3.4).

The development of IPPF Strategic Framework is described in section 5.2.1. IPPF has clear and focused goals to be achieved over the next decade. The IPPF Strategic plan is for 2005-2015 and therefore a mid-term evaluation should be scheduled for 2010.

The strategic framework of the five As is an excellent base for the programmatic future for IPPF. However, in our opinion the four supporting strategies that underpin the five As need further attention. These are:

- Monitoring and evaluation
- Governance and accreditation
- Resource mobilisation
- Capacity building

Capacity building at MA and Secretariat level provides the core skills and competencies to enable the implementation of the five As and to encourage innovation in programme design. Some MAs have moved radically from the provision of traditional family planning services to concentrate more on sexual and reproductive health services and the provision of services to other groups. However some MAs continue to focus on traditional family planning with women of reproductive age as their major clientele. In some countries the MA is a major service provider (e.g. Colombia) whilst in others the focus is on advocacy.

Based on a client-rights approach, the IPPF Medical and Service Delivery Guidelines for Sexual and Reproductive Health Services provide clinic staffs with up-to-date, evidence-based guidance on a range of sexual and reproductive issues to ensure those rights are met. The guidelines provide clear guidance to managers and service providers for the planning and performance of tasks which are related to their duties. The focus of the guidelines is on providing services which reach essential standards of quality. Therefore, the quality of services can be assessed by comparing actual performance with the recommendations and instructions contained in the guidelines. Each chapter of the guidelines can serve as the basis for the development of training curricula.

Accreditation offers IPPF a strong diagnostic tool to look systematically at capacity development issues within the Federation. Among the first 40 MAs going through the accreditation process only two met all the 65 standards at once. When all support has been exhausted and if the Association still does not comply with one or more of the standards then the Association can be expelled as stated in Section 5 of the Standards.

The Secretariat Review System will provide regular up to date information on the Secretariat's management and implementation of its work. Thus it will establish a clear link between internal risk assessment, internal audit and controls and the assurance process.

The purpose of the Quality of Care self assessment is to increase the ownership of all stakeholders working at the MA. Clients are brought into the process only once changes have been identified and made. They then assess the outcomes of the changes.

The Quality of Care initiative and the accreditation system will help to create a culture of self assessment, reflection and improvement. IPPF will build on this to create an evaluation process that will be linked to a knowledge management system in order to develop the Federation into a learning organisation.

Many MAs are to a high degree dependent on IPPF. A study in 2001 showed that 17 of the MAs in AR were solely dependent on funding from IPPF. Maybe the situation is not exactly the same today but nevertheless resource mobilisation has to be addressed in a systematic way on all levels. IPPF is in the process of mapping aid flows from major donors (multilateral through IPPF, via embassies to MAs, through governments to MAs). MAs have to take into account that donors have different interests. For example Canada is interested in supporting knowledge management, DFID in HIV/AIDS and others in the provision of services.

In addition, IPPF in its organisational structure and strategy for resource mobilisation has to take into account how the donors are organised and how they cooperate. Sida's vision is to create an optimal balance between an empowered and strengthened field organisation and a supportive organisation at headquarters. More authority will be delegated to the field. Sida will accordingly be an organisation with a strong field, in terms of resources and decision-making powers. In the future there will probably be more contacts and cooperation between the MAs and the Swedish Embassies. Sida HQ will support IPPF at the same time as Swedish Embassies are supporting individual MAs. Thus the prerequisites for the coordination at Sida of the Swedish support will be changed.

Developing resource mobilisation skills at all levels of the Federation to increase the independence of MAs, harness their ability to diversify their income streams and build sustainability is crucial. A strategy on sustainability and phasing out of IPPF support to MAs should be developed, where exit criteria are linked to performance. IPPF should develop a resource mobilisation policy and develop guidelines for organising fund raising events and campaigns. IPPF need to develop appropriate mechanisms at various levels to oversee resource mobilisation efforts ensuring effective utilisation, monitoring and accountability.

Recommendations:

- IPPF should stick to the policies and strategies that are already in place and make sure they are implemented efficiently
- Develop a strategy on sustainability and phasing out of IPPF support to MAs.
- In order to facilitate sustainability, gradual phasing out should be implemented to ensure sufficient lead time for MAs to generate resources to sustain project activities
- IPPF should develop and implement global, regional and local policies on resource mobilisation.
- Develop guidelines for organising fund raising events and campaigns.
- A mid-term evaluation of the Strategic plan should be scheduled for 2010.

6.3.2 Planning, Monitoring & Evaluation

IPPF

Our assessment is that eIMS is an adequate and comprehensive system. However, eIMS is a means and not an end in itself. There are a lot of bottlenecks and other problems discussed in section 5. In our opinion there should be an assessment to define exactly what has to be done to overcome the problems.

In the past, Sida has criticised the lack of evaluations, reporting of results and of organisational learning within the IPPF. IPPF has in most cases not been able to show that interventions have had any kind of effect on the target population. The lack of documentation entails that showcasing achievements to address new donors and partners for more support is hampered.

There have been practical limitations within the Federation as noted in section 5.2.8.

The IPPF is constantly trying to improve its own capacity to measure results and contribute to the MAs' capacity. A major constraint has been the fact that the MA reporting does not generally include enough analysis of results. It is not known whether projects have been successful or not; if objectives have been met; if the project had an impact on the target population or not; what prevented the successful implementation of the project, etc. However, this constraint has partly been overcome internally by the fact that the desk officers at the ROs regularly make field visits and are in a good position to add information to the MA reporting. The importance of their assessment should be neither under- nor overestimated, but we would like to recommend a more systematic approach to documentation of results and the analysis of additional findings.

In a discussion on evaluation of activities it is important to take the timeframe into consideration. Activities and outputs could be monitored during the programme/project timeframe. It is also possible to evaluate if the capacities are available but whether, for example, the volunteers are able to reduce or avoid future problems, make faster and better interventions and reduce the numbers of casualties can often only be evaluated some time after a capacity building project has been finalized. Collective evaluations of the wider capacity building of the MAs would be useful. We suggest an increased use of peer review processes.

Research, monitoring and evaluation are essential to improving the effectiveness of sexual and reproductive health service delivery. Careful programme monitoring allows managers to make appropriate decisions on a day-to-day basis and ensures that programmes are carried out as designed and altered when necessary. Evaluation enables programme managers to understand and demonstrate the results of their work, determine the best strategies for achieving their goals and document lessons learned.

The number of MAs which successfully conduct research, monitoring and evaluation activities on their own is currently limited. Too few MAs have an M&E function or at least a focal person among the staff who is coordinating activities in these areas. For example, only about ten MAs in the AR currently have such a unit or a person. This shows that monitoring and evaluation is far from the highest of priorities of MAs. As a result, ROs experience the following consequences that hamper successful implementation of interventions:

- Monitoring and evaluation of programmes is not carried out on a regular basis.
- Results are not used as input to improve programme implementation.
- No proper documentation of achievements or failures.
- Evaluations are not used for planning new interventions.

Monitoring and evaluation is important for MAs and the Secretariat to improve the implementation of projects and for the better use of resources. Programme officers in charge of coordinating the implementation of activities should know if there are any modifications they need to make in order to achieve the objectives set for the programme. The resources that MAs get have been reduced in the last few years because donor priorities are shifting and because of

competition from new NGOs. Monitoring and evaluation can help MAs in developing good project proposals that attract the attention of donors and also in showcasing success stories.

The lack of dissemination of good practices prevents the MAs from avoiding the same mistakes while planning or designing new projects. Training workshops should be organised by ROs in project design, monitoring and evaluation involving programme staff as well as monitoring and evaluation staff from the MAs. In-house training should also be used. This has a better impact as more staff can be trained in an MA at the same time. This should insure a minimum standard for evaluations conducted internally by MAs and facilitate the use of staff from one MA to assist the RO in conducting evaluations in other MAs. In its effort to enhance the capacity within MAs, ROs should use existing resources within the region.

Monitoring and evaluation of the Capacity Building Framework is vital to its success. Once sufficient initial donor support has been pledged, IPPF will develop an integrated monitoring and evaluation programme. It should be noted that while donors have welcomed the capacity building framework and evaluation concept paper, only limited funding has become available (from the Danish Government). Internally, IPPF is looking to see how it can re-programme existing resources to meet these needs, but this will take time. Therefore Sida should consider taking part in financing the M&E system.

Recommendations:

- eIMS should have as much coverage as possible with the goal of having all MAs using the system.
- MAs that are non-grant-receivers should be offered eIMS and training on the system.
- The eIMS should be opened up further as a tool for sharing knowledge within the whole federation.
- IPPF should carry out an assessment of eIMS after a few years in order to further develop the instrument.
- IPPF should stress the importance of implementing the evaluation framework as planned.
- IPPF should ask Sida for financial support to the integrated monitoring and evaluation programme.
- The forthcoming M&E Handbook might include one or two actual case studies in each of the IPPF's core areas, illustrated in a step-by-step fashion.
- All MAs, not only grant receivers, should report on the global indicators.
- A focus on measuring and reporting results to retain the trust of donors and the general public.
- Advocate for the institutionalising of M&E functions in all MAs.
- Increased use of MAs' self-assessments and annual reports for gathering information for long-term impact analyses.

- Increased use of peer review processes.
- IPPF should develop its capacity to identify best practices and make use of this knowledge in future priorities.
- All evaluations should be available on the IPPF website.

6.3.3 Result reporting and result analyses

For many years, MAs have been carrying out family planning and sexual and reproductive health programmes and related activities. Documentation of these activities in terms of the results achieved has often been limited to service statistics, which principally focus on types of contraceptive distributed and couple years of protection.

The Strategic Framework is used in the budget process but not so far in the reporting of performance. IPPF has now defined 30 global indicators relating to the five As of the Strategic Framework. Data for all indicators will be collected during an annual survey of MAs conducted through eIMS and through the newly revised service-statistic data-collection system.

Results' reporting has been highlighted in the discussions between Sida and IPPF. Therefore our conclusion is that there is a need for clarification on the terminology used by the different parties in order to gain a better understanding on how the reporting should be further developed. Consequently we have chosen to elaborate more in detail on this issue in our report in order to present more concrete recommendations.

The reporting from IPPF to donors is to a high degree based on the reports from the MAs. However, there seems to be some ambiguity when it comes to what kind of reporting donors want to have and what is possible to measure. The global indicators are developed as a means to improve learning and motivation rather than as a donor tool of control. The Annual Programme Review provided to all donors can and should be improved by using the global indicators.

Two of the seven indicators for Access are *"the number of MAs conducting programmes aimed at increased access to SRH services by poor, marginalized, socially excluded and/or under-served groups"* and *"the number of MAs with rights-based programmes"*. Thus, it will be possible to evaluate the results against the directives for Swedish involvement in international development co-operation, laid down in the Policy for Global Development adopted by the Swedish Parliament on December 16, 2003. The main goal is to create pre-conditions for poor people to improve their living conditions. Swedish support for development should have a rights-based perspective and consistently reflect the experiences and priorities of poor people.

We encourage the IPPF to be "imaginative" and holistic in its approach to assessing results. It is important that any process is participatory and that the framework is used to stimulate

discussion in the early planning stages about specific indicators or other options to capture/measure results, particularly in relation to improved capacity to assist vulnerable people. It is vital that the indicators are seen as useful and owned by the MAs, and the EIMS provides them with the tool to do this.

On the other hand the negative aspect of a too decentralised M&E system is that the wide scope of programme results makes them difficult to summarize in a way that fully reflects the totality. Therefore IPPF has made an effort to improve reporting by the global indicators where the organisation captures and analyses the effects and results of the programmes at the global level.

However, there are also practical limitations. Outputs are relatively monitorable and fair measures of the performance of programme managers, whereas outcomes, results and impacts are less easily measured. Also, the latter indicators are often difficult to relate to the corresponding resource inputs, and they are more subject to exogenous and uncontrollable factors such as changes in the operational environment. They are used more for programme evaluation than programme monitoring.

Our understanding is that there are two main problems in reporting:

1. On what level should the results be reported to Sida and other donors (only the global indicators or also some information on project level, programme level, country level and/or regional level)?

2. What kind of results should be reported to Sida and other donors (output indicators, outcome indicators and/or impact indicators)?

In Appendix VII we have discussed results based management at different organisational levels, performance measurement at the project level, project hierarchy levels and types of indicators. This terminology provides the structure around which performance measures or indicators can be constructed. Different types of indicator correspond to each level of the hierarchy.

Indicators on an aggregated (programme) level are generally conceptualised as long-term and significant sector or sub-sector development results. Development objectives differ primarily in perspective as they are viewed more explicitly as the consequence of multiple intermediate outcomes resulting from many different sets of project activities rather than from the perspective of one project. Intermediate outcome indicators on an aggregated level are similar in concept to outcomes from a project but are much more comprehensive. They are inclusive of all outputs from all projects and non-project activities, grouped according to the intermediate outcomes to which they contribute.

More attention should be given to developing good intermediate outcome indicators that are beyond outputs but still can be linked to individual project activities/contributions. A number

of levels of intermediate outcomes between outputs and ultimate impact may be needed to adequately demonstrate and measure the cause-and-effect chain.

While taking a comprehensive approach is the ideal, it may create practical difficulties, in terms of keeping M&E reasonably simple. It is necessary to be clear what is the purpose of the results assessment – will it be used as a monitoring and accountability instrument or a learning tool. Any monitoring/evaluation visits should tie into existing reporting and monitoring expected from the MAs rather than add another layer of work for them.

Recommendations:

- IPPF and Sida (and other donors) should meet and agree on the concrete level of results reporting.
- The Annual Programme Review provided to all donors can and should be improved by using the global indicators.
- Specific and measurable standards for programmes to ensure cost effectiveness, accountability and quality outcomes should be developed in order to further facilitate adherence to a comprehensive framework and attention to cross-cutting themes such as poverty reduction, gender, equity and rights.
- The need for qualitative indicators should be given serious consideration in all projects and programmes.
- Core components (such as rights and poverty reduction) should be integrated and emphasized in the reporting of results more centrally.
- Strengthen effective performance evaluation at MA level.

6.3.4 Feed-back and institutional learning

As demonstrated in sub-sections 5.2.9-10, the more systematic way of working with evaluations has contributed to institutional learning within the IPPF. Sida recognises that the IPPF as a membership organisation has a core responsibility to build the capacity of its members. Thus the IPPF's commitment to and capability in capacity building, through a better demonstration of results is essential. Trust is a key issue for donors.

A greater coherence from the IPPF in its approach to capacity building is emphasised. In this process it is important to identify IPPF's comparative advantages in order both to increase funding from new sources and to keep skilled staff. Methods for institutional learning within the IPPF include demonstrating the results of OD/capacity building, management audits and sharing experience at grass roots level between branches. The importance of strengthening the MAs' volunteer base, representation and management has been stressed. It is important for the MAs' headquarters to manage a bottom-up change process or replicate a branch-level success story. Links to other civil society actors, particularly at grass-roots level, are also vital to improve the sustainability of a MA.

It is necessary to balance the time and resources spent on measuring results against those spent on the actual work. Ending up with an overload of reports does not contribute to learning. In order to provide a practical manual on the various intervention strategies and to give an overview of available tools and methods for local building of branches a handbook is being developed. The handbook, training manuals and other material that the IPPF develops are most certainly important and useful. But the most important role of the CO and the ROs in supporting activities is to act as a link - or a focal point - for institutional learning which makes it possible for the different actors to share ideas and knowledge that will increase the impact of the different initiatives. This role could in our opinion be further strengthened, e.g. ARO will during 2005 have an external evaluation of the progress over the last two years. However there in no workshop planned to disseminate the findings, discuss how to improve project planning etc. The way information is stored, retrieved and shared in the RO is something that should be improved upon.

Documentation of best practices is not conducted by the studied MAs in a systematic way. The main objective of documentation and dissemination of best practices is to increase IPPF's image as an authoritative source of SRH information, provide the latest information on emerging sexual and reproductive health issues and to facilitate continuous improvement of programmes through sharing of evaluation findings.

There is a need to institutionalise experience sharing on an annual basis. One idea is to ask one or two MAs to make presentations on innovative programmes. Amongst other things MAs have to find creative ways to develop more user-friendly clinics to attract the new target groups.

When evaluation research is undertaken, it is often sponsored by non-IPPF affiliated organizations, which more often than not, disseminate the research findings without much credit to MAs and IPPF in general. More importantly, MAs undertake little action-oriented research whose findings contribute to strengthening programme performance. The main objectives of research are to enhance the knowledge of all stakeholders on some sexual and reproductive health issues.

It is important to identify research topics that are worth investing resources in time and money. Topics which will not add any value to the five As should be avoided.

IPPF should institutionalise documentation of best practices.

A new template and content management tool for the website has been developed in the last two year and will now be operational. This will facilitate the dissemination of best practices within the Federation.

Recommendations

IPPF should consider further improvements in the following areas:

- Institutionalise modern knowledge management practices at both the CO and RO levels.

- Systematic sharing of lessons of experience through e.g. south-south learning and twinning arrangements should be institutionalized within the Federation.
- MAs should be offered assistance in a systematic way on working on strategies and methods for institutional learning.
- IPPF should further develop its capacity to analyse the results of different programmes in order to transfer resources to the most effective programmes.
- The possibility of integrating the best practices from projects and programmes into IPPF's policies and practices should be more systematic.
- Young people should be more involved in the process of project development, implementation and governance rather than acting solely as target groups/recipients of the project activities.
- The network established through projects should be expanded and strengthened to act as a means of sharing experiences and best practices.
- A plan should be in place to retain qualified and trained staff beyond the restricted funding period to minimize loss of institutional capacity.
- A web page with best practices from various projects should be developed for learning, advocacy and resource mobilization purpose.
- The potential for sustainability should be carefully identified at the outset in projects/programmes with their long-term impact discussed with the community beforehand.
- Improved capacity of MAs to undertake research, monitoring and evaluation activities at project and programme levels.
- Develop a database which provides accurate information on MAs.
- Develop an evaluation information dissemination system for sharing lessons learned.
- Organise regional workshops on the follow up of the Strategic Framework.

6.4 Financial Management

We have in section 5.3 summarised our findings on the Financial Management System. Our overall assessment is that FM is very well developed and to a large extent implemented. Much emphasis has been laid on developing a management system as a means of promoting good administration, increased transparency and reduced corruption. We have no recommendations on changes in this area. We have no recommendations to IPPF when it comes to *Authorisations* (section 5.3.2), *Fixed assets and inventories* (section 5.3.3) and *Delegation* (section 5.3.5). However we have in section 5.3.3 made some concrete suggestions how to meet the problems in Sierra Leone.

In this section we will summarise our conclusions on other parts of the FM system.

6.4.1 Agreements and the follow-up of contractual obligations

It has been discussed to have agreements between IPPF and Sida for two or several years instead of one year. Since Sida does not make its final decision until late during the year, IPPF only has a few months to use the funds. The extended administrative routines can thereby affect the success of the projects. We recommend that Sida and IPPF consider extending the agreement period to three years. We suggest starting with a two-year period 2006-2007 and that this experience is evaluated before a decision is taken on an extension.

We also suggest that Sida use the same timetable as is being used for the so-called frame organisations. That means the agreement would be signed in January instead of late in the year. The application from IPPF would then have to be submitted to Sida earlier than at present.

In section 5.3.1 we described the procedures on reporting, agreements and financial assistance. A general problem for IPPF is the differing requirements from donors regarding format of reports and periodicity. Another problem is that some of the MAs have difficulties in finishing the reports, agreements and budgets in time.

Recommendations:

- Sida and IPPF should extend the agreement period to a two-year period (2006-2007). After evaluation an extension to a three year agreement period should be considered.
- Sida should identify the most significant questions for the dialoque with IPPF in order to secure sustainability and the capacity of IPPF and its MAs to reach the poor, vulnerable and marginalized.
- The dialogue should be focused on the action plan developed by IPPF based on this report.
- Sida and IPPF should use the same timetable as is used for the so-called frame organisations.
- The donor organisations to coordinate their requirements regarding format of reports and periodicity.

6.4.2 Transfer of funds, and bank and cash balances

In sub-section 5.3.4 there is a detailed report on our findings on transfer of funds, and bank and cash balances at CO, ARO, SARO, FPAI, FPAK and PPASL. In addition we have included our findings on interest, disbursements and audit of transfer of funds. We have found it all to be in good order.

IPPF CO provides each MA with an annual Cash Grant Certificate. Certificates include any accrued amounts which were not actually remitted, but which relate to the year. The MA

should provide the certificate to the external auditors and they should check that funds transfers are appropriately accounted for.

Recommendation:
- The certificate should distinguish funds remitted, and funds remaining due to the MA.

6.4.3 Budgeting, reporting and follow up

A major problem identified in sub-section 5.3.6 is the existing budget process. Budgets are for one year only, as most donors cannot commit core funds for more than one year at a time. Budgeting is complicated by the presence of four different kinds of funds, to which different rules apply.

Normally, budgets are balanced, expenditure equalling income. In the budgets for 2004 and 2005 expenditures of up to $8.3 mn, though anticipated, were not included in the budget. Even if the GC is informed and asked to approve such 'extras', they should be integrated into the budget so that it provides a comprehensive picture of IPPF intentions.

One problem is variation in exchange rates. IPPF receives funds and makes payments in many currencies, but keeps its accounts in US dollars. The recent fall in the dollar has resulted in substantial foreign exchange gains, as donor grants have been exchanged into more dollars.

The new resource allocation system is not understood and accepted by all MAs. Among other issues there are different opinions on whether performance should be a criterion for resource allocation.

A staff allocation module is used to allocate staff costs, but it will not accept less than 5% of an officer's time for any project. This restriction implies some inaccuracy.

Recommendations:
- All anticipated expenditure for a year should be classified and included in the budget, including expenditure intended to run down a general reserve.
- Contingency funds should not be increased for anticipated expenditure; rather, the expenditure should be budgeted and made transparent.
- Allocation of staff costs to be more accurate.
- The need for four different kinds of funds should be discussed and if possible simplified.
- The resource allocation system should be discussed further.
- The MA budget should be comprehensive, including all projects and all sources of funds, even if some sources require separate budgets.

- Providers of funds should be encouraged to adopt IPPF procedures for budgeting, transfer, accounting, reporting and audit, so as to reduce duplication of systems and high transaction costs.
- Cheap accounting packages should be used, e.g. at PPASL, to computerise accounting (cash book, general ledger, payroll and stores ledger).

6.4.4 Internal control and audit

IPPF CO has been without an Internal Auditor since January 2004. As described in chapter 5.3.7, the ROs are also without independent and expert internal audit. The gap is reduced by CO requirements for Regional Directors to have detailed risk maps and action plans to mitigate risks, by more frequent CO review visits to ROs, by more extensive external audit, and by the accreditation process.

However, CO review visits to ROs, more extensive external audit, and accreditation of selected MAs do not sufficiently compensate for the lack of systematic and resident internal audit. If it is not possible to fill the post of Internal Auditor at CO other solutions have to be discussed. One alternative is to have a group of full-time qualified internal auditors one at each RO, also serving the MAs, and reporting to the IPPF Audit Committee.

When funding decreased, a few MAs stopped paying taxes deducted from staff salaries and contributions to pension funds instead of closing clinics and reducing staff. Therefore ARO now requests all MAs to show that taxes are paid before they receive new grants. IPPF is not liable for MAs' interest and penalties. Sometimes the availability of technical support from IPPF is important for MAs negotiating with governments.

The IPPF AC meets twice a year. More frequent meetings would be costly as most members come from abroad. In chapter 5.3.7 we founded that the PPASL Audit Committee meets only once a year.

The PPASL has a detailed Financial Regulations and Stores Procedures Manual, which is currently being revised. The revision lays down a satisfactory set of controls, including appropriate segregation of duties.

Recommendations:

- The post of Internal Auditor at CO to be filled.
- The methodology of internal audit should be further developed.
- At the MA level, Audit Committees should meet more often and pro-actively follow up on the management letters of external auditors.
- Complete the revision of the Manual, including the proposed computerised system for accounting and stores, and provide familiarisation training to all officers affected.

6.4.5 External audit and follow up

The CO has recently developed an External Audit Manual to assist the MAs and ROs and their external auditors in meeting the special requirements of the IPPF. In sub-section 5.3.8 we found that there is a problem of balancing audit quality and cost, particularly with smaller associations. Local law may not require external audit where financial turnover is limited, but even so, IPPF expects some form of independent check. Where the MA lacks capacity, auditors may be required to prepare the financial statements as well as audit them.

Recommendations:

- ROs to review the quality of audit certificates and management letters.
- ROs to be more pro-active in getting MAs to change their auditors where they fall short.