UNCDF Integrated Results and Resources Matrix

Methodological Note

Introduction

This methodological note accompanies UNCDF’s Integrated Results and Resources Matrix (IRRM) which translates UNCDF’s Strategic Framework 2014 – 2017 into results that allow UNCDF and its stakeholders to monitor and evaluate achievements, learn lessons and hold the organisation accountable for the resources given to it.

The IRRM consists of a detailed planning matrix covering two distinct categories of results:

i. Planned development results, starting with the three programme outcomes that UNCDF aims to contribute to, and the outputs that will lead to their achievement

ii. Improvements in institutional effectiveness within UNCDF which will support the achievement of programme outcomes

This note explains how these results will be measured against the baselines and projected targets set out in the IRRM.

Monitoring and reporting will be supported by a variety of data sources and evidence, using a mixed-methods approach of quantitative and qualitative measurement.

Internal monitoring will be complemented and validated by a results-focused system of qualitative internal self-evaluation and external programme and outcome evaluation. In doing so, UNCDF will attempt where possible to disaggregate data by different variables of interest (for example: gender, geographical region, type of intervention etc).

In some cases where indicators are new, baseline figures are still to be defined. These will be added in the coming months.
## Part A – Development Effectiveness

<table>
<thead>
<tr>
<th>Strategic Outcome 1 - Financing increased for basic services and inclusive growth/local economic development</th>
<th>Outcome indicators</th>
</tr>
</thead>
</table>
| Financial Inclusion Programme Area (FIPA)  
1.a.¹ Net change of domestic savings mobilized by UNCDF-supported Financial Service Providers (FSPs)² (see Output 1.1.2 for measurement formula) |  |
| Local Development Finance Programme Area (LDFP)  
1. b. Net increase in local fiscal space available for local development in sub-national territorial jurisdictions supported by UNCDF ³⁴ |  |
| 1.c.⁵ Gross increase in fixed capital formation comprised of individual projects/investments under $20m located within sub-national territorial jurisdictions supported by UNCDF⁶ |  |

### Output 1.1. - FIPA

<table>
<thead>
<tr>
<th>Output Indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved performance of Financing for development: effect of UNCDF core funding on</td>
</tr>
</tbody>
</table>

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¹ See Output 1.1.2 for measurement formula  
² Financial Service Providers (FSPs) include a range of institutions, including but not limited to: commercial banks, Non-bank financial institutions (NBFIs), credit unions, NGO-MFIs, Mobile Network Operators (MNOs), money transfer companies, and also service providers that use ‘pay as you go’ financing models to provide their products, e.g. clean energy.  
³ Fiscal space is defined as “the sum of financial resources available for improved delivery of basic social and economic services at the local level as a result of the budget and related decisions by governments at all levels without any prejudice to the sustainability of a government’s financial position”. Source: International Monetary Fund, Finance and Development, Vol. 42/2, Back to Basics – Fiscal Space: What is it and How to Get it?, Peter Heller  
⁴ Outputs 1.2.1., 1.2.2, 1.2.3., 1.2.4, 1.2.6, 1.2.8, 1.2.10 contribute to Outcome 1.b  
⁵ This Outcome is captured in national economic accounts according to the expenditure classification found in the 2008 joint EC, IMF, OECD, UN and World Bank System of National Accounts available at http://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf. Where secondary data is not available this is computed through data from UNCDF supported projects, local governments, relevant ministries and the central bank. The System of National Accounts methodology describes how to sum a) central to local capital transfers; b) central capital investment in the locality; and c) private investment contract agreements closed within the fiscal year to form this calculation. To simplify measurement, private agreements will be divided by the term of the project and an annual figure produced. For example a $20m investment project over 4 years will be measured as $5m per year, irrespective of the actual payment schedule. Allowance will be made for major public or private investments that may skew the local economic data (for example an international highway passing through the locality concerned) by citing individual projects over $20m and excluding them from the overall data map if appropriate.  
⁶ Indicators 1.2.7, 1.2.5, 1.2.9, 1.2.12 contribute to Outcome 1.d.
sustainable, healthy, responsible FSPs leveraging UNCDF funds (to be measured in terms of sustainability, portfolio quality, outreach, responsible provision of financial services)

<table>
<thead>
<tr>
<th>resources for financial inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.1 - Change from baseline in value of loan portfolio of UNCDF-supported FSPs (numerator) leveraged by UNCDF core contribution (denominator).</td>
</tr>
<tr>
<td>1.1.2 – Change from baseline in value of savings portfolio of UNCDF-supported FSPs (numerator) leveraged by total UNCDF core contribution (denominator).</td>
</tr>
</tbody>
</table>

**Sustainability:** Improvements in FSP profitability/sustainability; improvements in portfolio quality;

1.1.3 - % of FSPs that have audited financial statements
1.1.4 - % of FSPs making progress toward profitability (return on assets)
1.1.5 - % of FSPs meeting portfolio quality targets (PAR 30 days)

**Responsibly-provided services:**
1.1.6. – % of FSPs that endorse SMART Campaign\(^7\) Client Protection Principles (CPPs) or equivalent

**Indicator description:** These indicators capture the leverage of UNCDF’s resources in catalyzing the mobilization of voluntary savings by sustainable financial service providers (FSPs) that are responsibly providing their services. Sustainability is captured by three proxy indicators (profitability, portfolio quality and transparency (audited financial statements). The responsible finance indicator is intended to capture the fact that services are sustainable and that the service is likely to have the intended benefit to the clients.

**Unit of measure**

| Savings or loans: USD\$ change in savings from baseline; Sustainability is measured by profitability (return on assets) and portfolio quality (portfolio at risk) |

**Data disaggregation (where appropriate)**

| Sex and age |

**Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator:** UNCDF FIPA’s performance based agreements (PBAs) require Financial Service Providers (FSPs) to provide data via the MIX Market on a quarterly basis to MIX Premium Services following industry standard definition of terms and indicators (see [http://www.themix.org/sites/default/files/Indicator\%20Definitions.pdf](http://www.themix.org/sites/default/files/Indicator%20Definitions.pdf))

**Data/ evidence sources:** Data provided by FSPs is validated by audited financial statements and MIX (regression analysis) prior to posting on MIX ([www.mixmarket.org](http://www.mixmarket.org)). Data on UNCDF core resources per project/investment comes from Atlas. Data on endorsement of Client Protection Principles is available from the SMART Campaign (See [http://smartcampaign.org/](http://smartcampaign.org/))

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\(^7\) For more information on the SMART campaign, please see [http://smartcampaign.org/](http://smartcampaign.org/)
**Output 1.2. – LDFP**

Improved performance of sustainable, accountable local governments leveraging UNCDF funds, and improved performance of revenue-generating projects leveraging UNCDF funds. (To be measured in terms of their ability to mobilise, allocate and invest resources for effective, accountable, local development).

**Output Indicators:**

**Financing for development: effect of UNCDF core funding on resources for local development** (mobilize)

1.2.1 Number of local governments demonstrating increases in gross revenue.
1.2.2 Value of domestic private capital invested in projects under 20m at the local level.
1.2.3 Value of fiscal transfers through G2P systems associated with local institutions.

**Effective and sustainable resource allocation through local development institutions:** Increase in number of local governments and local private sector institutions promoting local development.

1.2.4 Number of local institutions that improve performance against the Public Expenditure and Public Accountability (PEFA) indicators.
1.2.5 Number of investment projects appraised.
1.2.6 Number of G2P fiscal transfer systems that incorporate and adopt UNCDF design features involving local-level institutions in planning, targeting, monitoring and redress.

**Transformative sustainable local investments**

1.2.7 Number of local investments in infrastructure and services completed.
1.2.8 Number of UNCDF-supported local institutions that improve performance against investment-related PEFA indicators.
1.2.9 Number of local investments in UNCDF-supported revenue-generating private and public / private infrastructure and services.

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8 Which includes: (1) increase in number of supported local governments and local private sector institutions, (2) increase in transformative local investments; and (3) increase in accountability to local citizens.
9 Refers to sum of gross fiscal transfers and/or budget allocations together with value of gross own revenue of local-level institutions mobilised as a result of UNCDF support.
10 Refers to value of domestic investments in local projects under $20m as a result of UNCDF support (resulting from Local Finance Initiative, Local Economic Development projects, Municipal Finance initiative and other programmes in support of local development).
11 Refers to value of G2P payments flowing through systems designed and implemented with UNCDF support.
12 Refers to the sub-set of PEFA sub-national indicators appropriate for measuring effective resource allocation processes calculated for institutions benefiting from UNCDF support.
13 Refers to revenue-generating projects appraised with the support of LDFP staff including LFI Task Force and to revenue generated projects from UNCDF-supported municipal Capital Investment programmes.
14 Refers to those public and private investments that directly result from a UNCDF initiative.
15 Refers to a sub-set of PEFA sub-national indicators appropriate for measuring effective investment planning and sustainable investments.
meeting financial targets\textsuperscript{16}

\textbf{Increase in accountability to local citizens.}

1.2.10 Number of local institutions that improve performance against accountability-related PEFA indicators
1.2.11 Number of G2P fiscal transfer systems that include locally-accessible redress systems
1.2.12 Number of revenue-generating projects with multi-stakeholder boards

\textbf{Indicator description:} Indicators 1.2.1 – 1.2.3 capture the catalytic effect of UNCDF’s funds in mobilising resources for local development through sustainable public finance.

Indicators 1.2.4 – 1.2.6 capture the efficiency and effectiveness of the allocation mechanisms and processes that are applied to the resources mobilized for local development. These are measured largely through the same indicators that are indicated by the PEFA framework for public financial management and accountability. Where PEFA does not contain relevant indicators, for example in the appraisal of private or public/private projects, the team uses relevant standards from CIP and project finance.

Indicators 1.2.7 – 1.2.9 capture the amount and quality of the investments catalyzed through UNCDF’s intervention. 1.2.8 captures the effectiveness of these investments. This is measured gross due to the technical difficulties in incorporating depreciation, change of use and sales from available accounts for the fiscal year to be measured.

Indicators 1.2.10 – 1.2.12 capture the degree of accountability to the citizen established through the UNCDF intervention. This is measured through objective criteria that can be empirically calculated.

\textbf{Unit of measure} Indicators 1.2.1 – 1.2.12
1.2.2 and 1.2.3 are calculated in US$ and local currency. 1.2.1, 1.2.4, 1.2.6, 1.2.8, 1.2.10 and 1.2.11 are calculated in number of institutions and systems.
1.2.5, 1.2.7, 1.2.9 and 1.2.12 are calculated in number of investments and projects

\textbf{Data disaggregation} (where appropriate) Sex and age

\textbf{Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator:} Indicators 1.2.1 – 1.2.3 contribute to the outcome indicator 1.b. These are adapted at sub-national level by applying principles of fiscal decentralization to the formula on national fiscal space defined by IMF staff position paper (SPN10/11) on Fiscal Space at http://www.imf.org/external/pubs/ft/spn/2010/spn1011.pdf and the considerations in Fiscal Space: Policy Options for Financing Human Development, Rathin Roy and Antoine Heuty, 2011

Indicators 1.2.4, 1.2.6, 1.2.8, 1.2.10, 1.2.11. These indicators are measured through the application of standard best practice benchmarks or appraisal systems to the allocation mechanisms and processes introduced by UNCDF.

Indicators 1.2.5, 1.2.7 and 1.2.12 capture the investment mandate of the organization

\textsuperscript{16} Refers to the financial targets set at the time of financial close and upon which financing was agreed.
Data/ evidence sources:

**Indicators 1.2.1 – 1.2.3** Data provided on local fiscal space is taken from national records cross-referenced with local government data for the territorial jurisdiction concerned. This is also cross-checked with data available to the project regarding UNCDF supported investments through Atlas if appropriate. The formula for the intergovernmental transfer system supported by UNCDF is available in the respective Memorandum of Understanding.

The increase in fiscal space measurement is based on the approved budget figures and not on the outturn captured in the annual accounts because in many LDCs the outturn figures are less readily available and can sometimes be delayed or significantly altered by mid-year budget decisions. Nevertheless, the approved budget figures do indicate the local fiscal space that is considered financially acceptable and that is approved politically. The outturn figures illustrate capacity constraints in fully utilizing this space and are captured in the output indicators as part of the PEFA methodology.

**Indicators 1.2.4, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11** Local and national accounts. Many adopt the same sources as data used for sub-national PEFA – [www.pefa.org](http://www.pefa.org) For the investment projects, the respective LDFP teams will collect the data for the portfolios of CIP and private projects as part of the LDFP rolling pipeline.

**Indicators 1.2.5, 1.2.7, 1.2.9** Data on local gross fixed capital formation is taken from national records cross-referenced with local government data for the territorial jurisdiction concerned and data available to the project regarding UNCDF supported investments through Atlas. The data on private investment of the scale from $1m upwards is usually widely available from sub-national and central governments. The measure is unlikely to capture all improvements to fixed capital assets and land but this is not seen as a significant drawback because the UNCDF indicator is designed to illustrate trends and impact.
## Strategic Outcome 2 - Effective financing mechanisms established to increase resilience to economic and environmental shocks

### Outcome indicators

#### Inclusive Finance

2.a. Number of new products to improve client security, resilience against shocks, and extend the frontiers of inclusive finance as a result of UNCDF support

2.b. Number of clients served by these new products (see Outputs 2.1.1 – 2.1.4 for details)

#### Local Development Finance

2.c. Number of public and private financing systems (designed and piloted) for local infrastructure and services that improves the resilience of local governments and their populations to shocks (increasing resilience of populations, environment, built environment, productive systems)

2.d. Number of local government jurisdictions served by these new systems as they upscale (see Outputs 2.1.1 – 2.1.4 for details)

## Output 2.1 – FIPA

**Improved access to and usage of basic financial services as an effective way to reduce vulnerability and shocks**

2.1.1 Total numbers of active clients served via products that strengthen client resilience to shocks.

2.1.2 Number of product innovations in areas such as youth finance, clean energy finance, agricultural/rural finance, mobile money or cash to electronic transitions

### Indicator description

These indicators capture UNCDF’s contribution to poor and low-income clients’ security and resilience against shocks via innovations in the new products (number and outreach) that serve them, effectively extending the frontier of inclusive finance.

2.1.1. **Total numbers of active clients served via-UNCDF supported products that strengthen client resilience to shocks.** Examples of what FIPA would report on: clients’ savings, MM4P (ability for poor households to transfer funds in an emergency), BTCA (e.g. support to social safety nets), product innovations (extending frontiers to rural areas to increase savings), clean energy (allows poor households to increase savings over time by lowering expenditure on ‘dirty’ energy while contributing to CO2 reduction), etc. (disaggregated by product, gender, youth, and channel by which delivered)

2.1.2 **Number of product innovations in UNCDF-supported FSPs**

This would measure FIPA support to product innovations in youth finance, clean energy finance, agricultural/rural finance, mobile money or cash to electronic transitions. To be measured by the

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17 Outputs 2.2.1, 2.2.2, contributes to Outcome 2.c
18 Output 2.2.3 contributes to Outcome 2.d
number of new or improved products introduced (reported on an annual (net and cumulative) basis for each FSP or other ecosystem actor and each country market they are introduced into). Examples of what FIPA would report on: YouthStart: youth savings accounts; CleanStart: clean energy products.

Unit of measure:
- Number of new products introduced with UNCDF support
- Number of clients served by these products

Data disaggregation (where appropriate)
Sex and age

Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator: UNCDF FIPA’s performance based agreements (PBAs) will require FSPs to provide data via the MIX Market or directly to UNCDF for number of products as well as innovations that are not yet captured by the MIX (e.g. mobile money). UNCDF will actively engage with key stakeholder groups (e.g. CGAP, MIX, GSMA for mobile money) to ensure UNCDF uses industry standard terms and definitions.

Data/ evidence sources: Data provided by FSPs to the MIX is validated by audited financial statements and MIX (regression analysis) prior to posting on MIX (www.mixmarket.org). Data on number of product innovations will be validated by UNCDF in-country and regional technical staff in collaboration with host country regulators.

Output 2.2 – LDFP
Improved access to and usage of public and private local investments as an effective way to reduce vulnerability and shocks

2.2.1 Number of new systems targeting vulnerability and shocks in place
2.2.2 Volume of government to person transfers
2.2.3 Number of innovations in relevant local development finance systems introduced by UNCDF

Indicator description: These indicators capture UNCDF’s contribution to populations located in urban and rural areas to promote and resilience against shocks via innovations in the new products (number and outreach) that serve them, effectively developing local institutions and securing sustainable finance for local resilient infrastructure.

More specifically:

Indicator 2.2.1 - Number of new systems targeting vulnerability and shocks in place. Examples of what LDFP would report on: beneficiaries of financial mechanism for climate resilience investments through fiscal transfers, beneficiaries for new types of food security grants, beneficiaries of project finance that leads to resilient investments financed by local government debt or by private project finance. (disaggregated by product, gender, youth, and by type of mechanism, when possible)

Indicator 2.2.2 - Volume of government to person (G2P) transfers; volume of funds transferred for social protection, social grants, public social transfers with roles for local institutions

Indicator 2.2.3 – Number of UNCDF-supported innovations to local finance systems with reduction of vulnerability and shocks in mind: LDFP’s support to innovations in climate change finance, food security finance, youth and gender support, social protection, local economic development and private
sector for local development. To be measured by the number of new or improved specific designed systems introduced (reported on an annual (net and cumulative) and based on approved project documents or concept notes.

<table>
<thead>
<tr>
<th>Units of measure</th>
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<tbody>
<tr>
<td></td>
<td>- Number of new systems introduced with UNCDF support</td>
</tr>
<tr>
<td></td>
<td>- Volume of funds transferred through these systems</td>
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<tr>
<td></td>
<td>- Number of local governments applying UNCDF designed systems</td>
</tr>
</tbody>
</table>

| Data disaggregation (where appropriate)                              | Sex and age                                                     |

**Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator:** UNCDF LDFP’s performance based agreements (PBAs) will require Local Governments and National authorities to provide data either via national and international groups or directly to UNCDF for number of products as well as innovations that are not yet captured by international standards. UNCDF will actively engage with key stakeholder groups (e.g. CGLU), key donors (e.g. DeLOG) and key technical references (e.g. PEFA, LFS) to ensure UNCDF uses industry standard terms and definitions.

**Data/ evidence sources:** Data provided by national and local authorities is validated by audited financial statements and international standards. Data on number of product innovations will be validated by UNCDF in-country and regional technical staff in collaboration with host country regulators.
<table>
<thead>
<tr>
<th>Strategic Outcome 3: Policy environments fostered that enable sustainable financing for development</th>
<th>Outcome Indicators</th>
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</thead>
<tbody>
<tr>
<td><strong>Inclusive Finance</strong></td>
<td>3. a. Number of improvements to the policy environment and enabling ecosystem, including client protection, resulting from UNCDF advocacy and support</td>
</tr>
<tr>
<td><strong>Local Development Finance</strong></td>
<td>3. b. Policy environment fostered that enables increased financing for local development (public and private)</td>
</tr>
</tbody>
</table>

| Output 3.1: UNCDF-funded diagnostic tools/advocacy initiative provide a key contribution to shaping national governments’ agendas on financial inclusion - FIPA | 3.1.1 Number of diagnostics on financial inclusion completed $^{19}$ |
| | 3.1.2 Number of inclusive finance road maps, action plans or national strategies adopted $^{20}$ |
| | 3.1.3. Number of commitments to the Better than Cash Alliance $^{21}$ to transition cash to electronic payments |
| | 3.1.4. Number of capacity building activities completed by UNCDF to strengthen the capacity of regulators/supervisors, especially to safeguard poor people’s savings. |
| | 3.1.5 Number and quality of approved UNCDF publications (inclusive finance) |

**Indicator description:** These indicators capture the improvements to a country’s policy environment, enabling ecosystem and market development as a result of UNCDF support. They follow from the key steps in the process commencing with a diagnostic that allows policy makers and all market actors to take better decisions based on best available data. The next step in the process is the development of an action plan, road map or national strategy. Commitments to increase the amount of funds paid electronically (vs. cash) are also captured as improvements to the ecosystem. As implementation commences, improvements to the enabling environment come via policy or regulatory changes or

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$^{19}$ **Examples of what FIPA would report on (cumulative and annual net change):** Diagnostics (each country diagnostic: MAP diagnostic: market information; BTCA country digital payment ecosystems improved directly via BTCA initiatives; BTCA: Incremental Net Present Value (NPV) of economy-wide electronic payments as encouraged by BTCA; MM4P diagnostic: identifies activities, initiatives or changes are needed to build more inclusive digital financial services (DFS) ecosystem that is sustainable, affordable and reaches the majority of the population with basic financial services; Financial Diaries that contribute to policy-makers and FSPs understanding of client demand and constraints; Market studies at province or district levels to help commercial banks and MFIs to invest in underserved areas with potential)

$^{20}$ **As a result of diagnostic (MAP, MM4P, BTCA, or that strengthen the capacity of national institutions to meet regional and international goals – e.g. Maya Declaration or the MoneyPacific Goals).**

$^{21}$ Please see [www.betterthancash.org](http://www.betterthancash.org) for more information
strengthening capacity of policy makers via training or south-south exchanges.

| Unit of measure | - Number of diagnostics supported by UNCDF  
|                 | - Number of road maps, action plans or national strategies, including client protection  
|                 | - Number of BTCA commitments  
|                 | - Number of policy changes, including regulations on client protection  
|                 | - Number of capacity building activities for policy-makers  
|                 | - Countries with a recourse/ombudsmechanism for client protection  
|                 | - Number of countries that have addressed client capability through education system, media or other means  
| Data disaggregation (where appropriate) | Non-applicable  
| Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator: Each programme will report (annually and cumulative basis) on diagnostics; roadmaps/strategies; commitments (BTCA); policy/regulatory changes and capacity building of policy-makers via UNCDF internal reporting system for annual report data not captured by the MIX Market.  
| Data/ evidence sources: diagnostics, roadmaps/strategies, and policy changes will be available on public websites for verification (based on host country government agreement to publish). BTCA commitments are available on the Better Than Cash Alliance website: http://betterthancash.org/about/our-members/  

Output 3.2: UNCDF-funded diagnostic tools/advocacy initiative provide a key contribution to shaping national governments’ agendas on local development finance  

3.2.1 Number of local development diagnostics completed  
3.2.2 Number of national strategies or action plans for local development adopted  
3.2.3 Number of policy or regulatory changes on local development finance as a result of UNCDF advocacy on Local Development Finance  

22 Examples of what LDFP would report on (cumulative and annual net change): Diagnostics (each country diagnostic: LOOKING diagnostic; LAFIAS diagnostic; diagnostic of municipal creditworthiness; diagnostic of fiscal decentralisation status; local fiscal space diagnostic; scan of local infrastructure financing market, local procurement diagnostic, local economic development study; diagnostic to define performance based grants criteria; study of local food system; LoCAL scoping study)  

23 As a result of diagnostic (LOOKING, LAFIAS, Municipal Finance) or as a result of upscaling such as a LoCAL phase III. These strengthen the capacity of local institutions to secure access to sustainable finance for local investments and local development that accelerates SDC targets and increases local fiscal space.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>3.2.5.</td>
<td>Number of initiatives to strengthen capacities of national and local actors (training, advocacy, peer to peer learning)</td>
</tr>
<tr>
<td>3.2.6.</td>
<td>Number and quality of approved UNCDF publications (local development finance)</td>
</tr>
</tbody>
</table>

**Indicator description:** These indicators capture the improvement of the policy environment for the financing of sustainable, equitable and inclusive local development. In particular, they capture progress in the policy reforms necessary to increase the efficiency and efficacy of UNCDF’s four local development finance instruments and the approach of mobilizing allocating, investing and making accountable resources for local development through application of those instruments.

The indicators will capture the partial and specific diagnostics implemented for particular purposes. They will also capture the broader LOOKING diagnostic that enables consideration of a national policy for local development and includes analysis of the local economic development environment, the scope for financing infrastructure and services in municipal and peri-urban areas, the Local Public Sector assessment, and PEFA assessment of the local government capacities in the different categories of local government. This is followed by an analysis of policy measures to enhance the sustainable financing of local development. Policy issues surrounding the introduction of the four

These indicators capture the strength of UNCDF LDFP’s generation and sharing of knowledge that come from the lessons learned from UNCDF’s programming that can be shared across LDCs and with others. These come from either public presentations or formal publications. The quality of these publications is captured via the visits to UNCDF’s website.

| Unit of measure | -Number of diagnostics supported by UNCDF  
-Number of road maps, action plans or national strategies for fiscal decentralisation, local private investment that unlocks domestic finance or municipal finance  
-Number of policy changes, including regulations fiscal decentralisation, local economic development, local procurement and municipal finance  
-Number of capacity building activities for policy-makers  
-Number of countries that have fully independent local government external audits |

| Data disaggregation (where appropriate) | N.A |

**Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator:** Each programme will report (annually and cumulative basis) on diagnostics; roadmaps/strategies; MoU signings; policy/regulatory changes and capacity building of policy-makers via UNCDF internal reporting system for annual report data.

**Data/ evidence sources:** diagnostics, roadmaps/strategies, and policy changes will be available on public websites for verification (based on host country government agreement to publish). LoCAL MoUs are available on the website: [http://www.local-uncdf.org](http://www.local-uncdf.org). PEFA assessments are available on the PEFA website [www.pefa.org](http://www.pefa.org)
Part B - Institutional Effectiveness

<table>
<thead>
<tr>
<th>Output 1.1: Improved quality of programming and accountability for results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Programming</td>
</tr>
<tr>
<td>1.1.1 Percentage of programme outcomes that are reported as on-track or achieved</td>
</tr>
<tr>
<td>Evaluation and Accountability</td>
</tr>
<tr>
<td>1.1.2 Annual number of results-based evaluations (project, programme and thematic)</td>
</tr>
<tr>
<td>1.1.3 Implementation rate of agreed actions in evaluation management responses</td>
</tr>
<tr>
<td>Audit</td>
</tr>
<tr>
<td>1.1.4 Percentage of UNCDF’s programmes covered by Office and Audit Investigation (OAI)’s audits annually</td>
</tr>
<tr>
<td>1.1.5 Percentage of audits that are unqualified</td>
</tr>
<tr>
<td>1.1.6 Implementation rate of agreed-upon audit recommendations</td>
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<tr>
<td>Gender Mainstreaming</td>
</tr>
<tr>
<td>1.1.7 Percentage compliance in at least ‘meeting’ UN System-Wide Action Plan gender reporting requirements across the 15 performance categories</td>
</tr>
</tbody>
</table>

**Indicator description:** These indicators capture a range of elements linked to programme effectiveness including quality of programming, number and responses to external evaluation, UNCDF performance in external audit and performance against the UN System-Wide Action Plan to promote gender parity across the UN system.

For the indicators around audit, the targets of 40% of projects come from UNCDF’s audit policy agreed in 2012 whose intention was that a representative sample of its projects were audited each year. The choice of projects to be audited follows a risk assessment model where the chance of projects being audited depends on whether the projects are high-, medium- or low-risk projects.

**Unit of measure**

The indicators measure a mixture of numerical performance as well as a ratios and percentage implementation.

**Data disaggregation (where appropriate)**

For the first indicator on quality of programming, the percentage indicator reported will be an aggregate of ongoing performance of all projects across the Portfolio. For the indicators on audit, projects will be disaggregated according to their risk profile. For the last indicator on gender mainstreaming, the % compliance ratio measures performance against 15 distinct categories relating to a broad range of
organisational and programming effectiveness.

**Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator:** Data will be tracked through quarterly meetings at Headquarters and will culminate in annual reporting in the internal Results-Oriented Annual Report and external Annual Report. The indicators measuring performance in evaluation will be measured via the number of completed evaluations posted to UNCDF’s external website and UNDP’s publicly-accessible Evaluation Resource Center: [http://erc.undp.org/](http://erc.undp.org/)

**Data/ evidence sources:** Please see description above.

<table>
<thead>
<tr>
<th>Output 1.2 Structure of financial resources maximized</th>
<th>Total Resources Mobilised</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.2.1 Levels of core</td>
</tr>
<tr>
<td></td>
<td>1.2.2 Levels of non-core (from development partners)</td>
</tr>
<tr>
<td></td>
<td>1.2.3 Levels of non-core (from private and non-governmental sources)</td>
</tr>
<tr>
<td></td>
<td>1.2.4 % delivery against approved budget</td>
</tr>
<tr>
<td></td>
<td>1.2.5 Optimal mobilisation ratio of non-core resources by core funds for programmes/projects</td>
</tr>
</tbody>
</table>

**Optimised Cost Structure**

1.2.6 Percentage of total UNCDF expenditure related to management activities (management efficiency ratio)  
1.2.7 Percentage of total UNCDF management expenditure spent on travel costs  
1.2.8 Percentage of total UNCDF resources going to capital grants (core)  
1.2.9 Percentage of total UNCDF resources going to capital grants (non-core)

**Indicator description:** These indicators capture a range of elements linked to external resource mobilisation and financial management internally. They include measures of core and non-core resource mobilisation from partner governments and sources in the private and non-governmental sector, including external foundations. They also propose measures of management efficiency in terms of proportion of UNCDF expenditure related to management and proportion of management expenditure spent on travel. It also measures the proportion of UNCDF resources going to capital grants both from core and non-core expenditure.

**Unit of measure**

The indicators are for the most part measured in absolute dollar amounts or in ratio terms.

**Data disaggregation**

(where appropriate) Not applicable

**Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator:** In order to measure these indicators, expenditures associated to management activities and associated costs will be taken away from total UNCDF expenditures. These include executive direction, representation, external relations and partnerships, corporate communications, legal, oversight, audit, corporate evaluation, information technology, finance, administration, security and human
Regarding total UNCDF development activities, we will for the first time identify expenditures related to development activities versus management costs. Furthermore we will differentiate development expenditures financed from core resources than those financed by non-core resources. We will then extract expenditure data by budget account. In so doing, we could extract travel or grant-related expenditures.

**Data/evidence sources:** All financial data will be extracted from UNCDF’s ERP system, the ATLAS General ledger and are published in UNCDF financial statements.

<table>
<thead>
<tr>
<th>Output 1.3</th>
<th>Strengthened human resource management to attract, develop and retain a diversified and productive workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.3.1 Percentage of staff who are female (at all levels)</td>
</tr>
<tr>
<td></td>
<td>1.3.2. Percentage of staff who are female (at P5 level and above)</td>
</tr>
</tbody>
</table>

**Indicator description:** These indicators are intended to capture a number of elements that are key to effective human resource management and UNCDF’s ability to attract, develop and retain a diversified and productive workforce. They focus in on the extent there is gender balance in recruitment of women both overall and in senior technical and management positions.

**Unit of measure:** All measures are intended to be percentages of total staff.

**Data disaggregation (where appropriate):** Gender disaggregation is at the heart of Indicators 1.3.1 and 1.3.2 and the figures will also be broken down via the different functional and geographical units and directorates in the organisation.

**Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator:** Data will be monitored throughout the course of the year, and tallied in time for the annual Results-Oriented Annual Report.

**Data/ evidence sources:** As above.

<table>
<thead>
<tr>
<th>Output 1.4</th>
<th>Improved perception of staff working in UNCDF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.4.1 Percentage of staff surveyed who expressed confidence in leadership and direction</td>
</tr>
<tr>
<td></td>
<td>1.4.2 Percentage of staff surveyed who rate UNCDF favourably on empowerment</td>
</tr>
<tr>
<td></td>
<td>1.4.3 Percentage of staff surveyed who rate UNCDF favourably on engagement</td>
</tr>
</tbody>
</table>

**Indicator description:** UNCDF takes the results of the annual General Staff Surveys very seriously and has chosen to highlight and track key questions around staff trust and confidence in its leadership as well as in UNCDF providing sufficient opportunity for empowerment and engagement throughout the year.

**Unit of measure:** Indicators are measured in percentage terms of total
responses to the Global Staff Survey.

| Data disaggregation (where appropriate) | As with other questions in the Global Staff Survey, UNCDF will pay careful attention to disaggregating results by functional area, geographical office, by gender and type of administrative category of staff in collating and presenting this data. |

Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator. In line with the incidence of the GSS, data on these indicators will be collected on an annual basis and reported in the relevant sections in the Annual Reports.

Data/ evidence sources: See above

| **Output 1.5** Stronger corporate positioning based on robust internal policies, rigorous analytical work, active engagement in multi-lateral processes (including post-2015) and effective corporate Knowledge Management | **External**

1.5.1 Number of multi-partner initiatives in which UNCDF is involved globally or regionally where the organisation influences debate and policy on the basis of its investment mandate (e.g. **Inclusive Finance**: cash to electronic payments; responsible digital finance; youth financial services; client protection. **Local Development Finance**: climate finance, decentralisation and local governance, strengthened productive capacity at local level.)

**Indicator description:** This indicator captures the extent to which UNCDF is successful in participating in multi-partner initiatives in policy topics which are related to its mandate. In accompanying qualitative reporting in annual reports, care will be taken to assess UNCDF’s success in influencing and moving forward policy agendas which are central to its day-to-day work.

**Unit of measure**

Quantitative indicators focused on the number of multi-partner initiatives in which UNCDF participates in a meaningful way. This will be completed by additional qualitative reporting in annual reports.

**Data disaggregation (where appropriate)**

Not applicable

Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator: UNCDF has identified seven policy areas in which it has a clear advocacy agenda: supporting the switch from cash to electronic payments; responsible digital finance; youth financial services and client protection on the inclusive finance side; and climate finance, decentralisation and local governance, and strengthened productive capacity at the local level on the side of local development finance. It is planned to continue work in these areas and aim to be involved in an additional three policy areas in line with UNCDF’s comparative advantage by the end of 2017.

Data/ evidence sources: Please see ‘Unit of Measure’ section above.
## Output 1.6 UNCDF’s mandate in the LDCs better understand and more widely-communicated to target audiences based on implementation of its communications plans

<table>
<thead>
<tr>
<th>Indicator description</th>
<th>1.6.1 Number of monthly unique visitors to its public external website – <a href="http://www.unCDF.org">www.unCDF.org</a></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.6.2 Number of followers on Twitter corporate account</td>
</tr>
<tr>
<td></td>
<td>1.6.3 Number of followers on Facebook corporate account</td>
</tr>
</tbody>
</table>

**Indicator description:** The indicators selected attempt to measure progress in implementing UNCDF’s Communication plans such as the use of web tools, such as the organisation’s external website, and social media, and numbers of users on the corporate Twitter and Facebook accounts. Additional indicators tracking internal communication will be tracked at regular internal meetings.

<table>
<thead>
<tr>
<th>Unit of measure</th>
<th>Number and visitors/users of relevant social media applications</th>
</tr>
</thead>
</table>

| Data disaggregation (where appropriate) | The social media tools are a powerful basis for tracking changes in the growth of corporate account and breaking down followers into demographics so to understand them better. |

**Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator:** Numbers will be tracked on a quarterly basis and reported cumulatively on an annual basis.

**Data/evidence sources:** UNCDF’s Partnerships and Communications Unit will be responsible for tracking progress in implementing UNCDF’s Communications plans which aims at communicating more widely to target audiences UNCDF’s added value; increasing UNCDF’s visibility; supporting Resource Mobilization and Strategic Partnerships; and ultimately helping UNCDF achieving its development objectives.

## Output 1.7 Partnerships Strategy implemented with a view to extending the scale and scope of UNCDF’s work

<table>
<thead>
<tr>
<th>Indicator description</th>
<th>1.7.1 Number of strategic partnerships effectively managed - and new ones developed – leading to contributions to UNCDF core resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.7.2 Number of strategic partnerships effectively managed – and new ones developed - leading to contributions to UNCDF non-core resources</td>
</tr>
<tr>
<td></td>
<td>1.7.3 Number of UNCDF Stakeholder Consultations (informal Executive Board sessions) arranged per year</td>
</tr>
</tbody>
</table>

**Indicator description:** These indicators are intended to capture the depth and reach of UNCDF’s strategy in attracting new partners to work with – both in the development funding arena – but also in terms of new alliances of strategic partners working together to tackle common challenges. The final indicator is intended to make sure that UNCDF keeps itself honest, checking in regularly with its Member State governance on the Executive Board.

<p>| Unit of measure | Indicators are all quantitative in type intended to allow tracking of progress in building and managing partnerships of this type. |</p>
<table>
<thead>
<tr>
<th>Data disaggregation (where appropriate)</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approach to collection of data, measurement and calculation, including definition of key terms in the indicator and how to calculate the indicator:</strong> Numbers will be tracked on a quarterly basis and reported cumulatively on an annual basis.</td>
<td></td>
</tr>
<tr>
<td><strong>Data/ evidence sources:</strong> UNCDF’s Partnership and Communications Unit will be responsible for tracking progress in implementing UNCDF’s Partnership Strategy which will be subject to external oversight in Annual Reports and thereafter at annual meetings of the Executive Board.</td>
<td></td>
</tr>
</tbody>
</table>