

Methodological Note

Performance Factor Analysis for the Midterm Review of the Strategic Plan 2022 – 2025

Updated 5/2/2024

Background

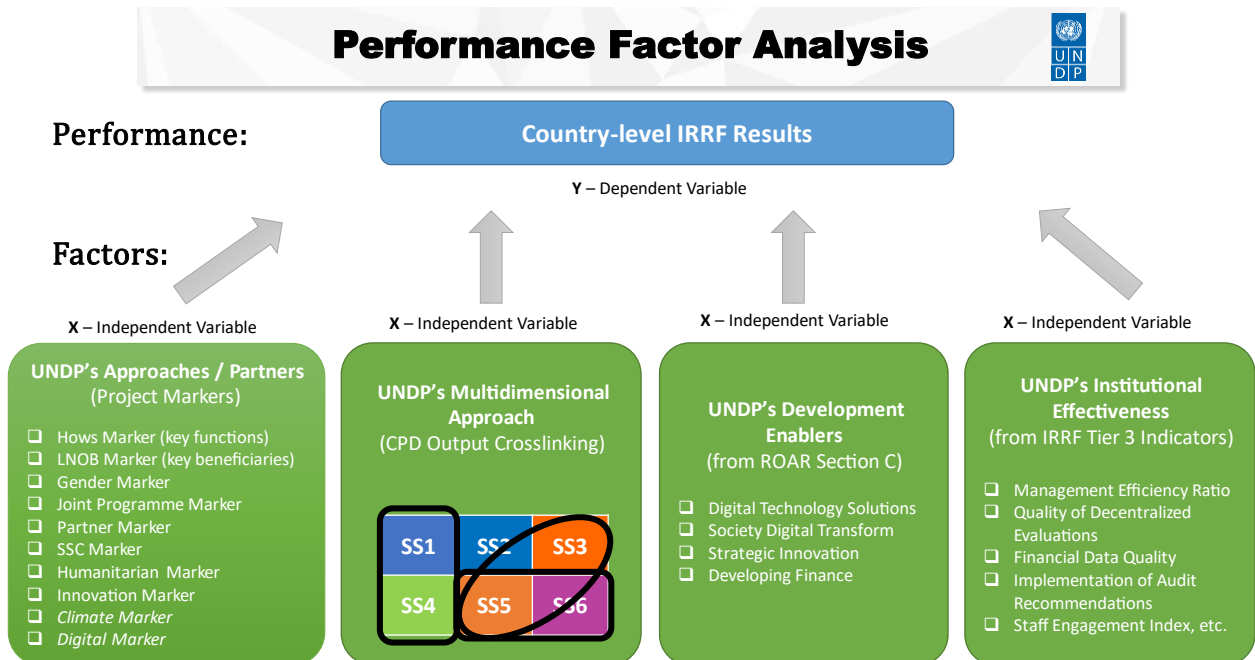
UNDP conducted a Performance Factor Analysis (PFA) for the Midterm Review of the Strategic Plan (SP) for 2018-2021. The analysis investigated country-level performance and potential factors associated with the performance, such as Country Programme Document – SP linkage, intervention approaches, and other organizational and programmatic attributes at country level. The findings from this PFA supported the design of the Strategic Plan for 2022-2025.

With the introduction of development enablers in the SP 2022–2025, UNDP expanded the PFA model during the Midterm Review of the Strategic Plan for 2022-2025, to include additional newly available factors.

PFA Model and Methodology

As shown in the figure below, the PFA will test what types of factors (X – Independent Variables) have contributed to the achievement of development results in 2022-2023 (Y – Dependent Variables).

Figure: PFA Model for the Midterm Review of the 2022-2025 Strategic Plan



Y - Dependent Variables (development results)

Overall Integrated Results and Resources Framework (IRRF) achievement rate per country

This is the aggregated achievement of overall IRRF indicators at country level. Different countries may have different sets of IRRF indicators. The aggregated overall average across indicators, expressed as a percentage number, is used as the dependent variable. Each country has one value for 2022 and one value for 2023.

X - Independent Variables (factors contributed to the achievement of development results)

For each country office, we looked at characteristics that could potentially influence country performance, in the following four main domains:

- UNDP's approaches
 - GEN2 expenses (expenditure on projects that are GEN2-marked, as a proportion out of all expenditure);
 - GEN3 expenses (expenditure on projects that are GEN3-marked, as a proportion out of all expenditure);
- UNDP's multidimensional approach
 - Applying multiple signature solutions to country programme outputs (number of country programme outputs where more than one signature solutions were applied, as a proportion out of all country programme outputs);
- UNDP's development enablers
 - Digital technology solutions (number of country programme outputs that use digital technology solutions, as a proportion out of all country programme output);
 - Digital society transformation (number of country programme outputs that support the development of digital society, as a proportion out of all country programme outputs)
 - Innovation (number of country programme outputs that use innovation enabler, as a proportion out of all country programme outputs);
- UNDP's institutional effectiveness
 - Funding type (proportion of funding from core; proportion of funding from vertical fund);
 - Transparency data quality (number of projects with missing/low-quality information, as a proportion out of all projects);
 - Evaluation quality (qualitative score on evaluation quality);
 - Staff engagement (staff engagement index)

Statistical Analysis

Country-level observations were pooled over 2022 and 2023. A Generalized Linear Latent and Mixed Model was used for the statistical regression analysis.

Findings for all countries:

- *Multidimensional linkage from Country Programme Document (CPD) output to signature solutions*
Evidence shows that offices with more cross-linking from CPD to signature solutions achieved higher performance. The magnitude of change is linear – 10 percentage points (ppt) increase in cross-linking is associated with 2.8 ppt increase in achievement;
- *Innovative enabler*
Evidence shows that offices with more country programme outputs use innovation enablers achieved higher performance. The magnitude of change is linear – for every 10 ppt increase in the proportion of innovative country programme outputs, there is a 1.7 ppt increase in performance.
- *GEN3 expenses*
Evidence shows that offices with more expenses on projects that are GEN3-markered achieved higher performance. The magnitude of change is linear – for every 10 ppt increase in the proportion of GEN3 projects, there is a 5.4 ppt increase in performance.

Additional findings:

- *Vertical funding*
Evidence shows that middle-income countries with more funding from the vertical fund achieved higher performance. The magnitude of change is linear – for every 10 ppt increase in the proportion of vertical funding, there is a 2.6 ppt increase in performance.
- *Staff engagement*
Evidence shows that middle-income countries with high staff engagement index achieved higher performance. The magnitude of change is linear – for every 10 ppt increase in the staff engagement index, there is a 9.5 ppt increase in performance.