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Dear Dr. Tharakan and Mr. Houwelingen,

UNICEF places great importance in the MOPAN assessment, and would like to start by recognizing this invaluable work, emphasizing the importance of a multi-partner assessment approach. We understand that this approach is intended to drive coherence in donor monitoring and evaluation requirements, reducing the fragmented and high transaction costs associated with individual donor assessments. UNICEF looks forward to continue to work together with MOPAN to ensure this more harmonized and efficient assessment approach is strengthened, in line with the Paris and Accra Declarations on Aid Effectiveness, as well as the Quadrennial Comprehensive Policy Review. The resulting coherence will help to improve the efficiency of our joint work for the rights of children throughout the world. This assessment also comes at an opportune time, as these findings will complement the new QCPR and other processes, to help inform the development of our new Strategic Plan 2018 – 2021.

We appreciate recognition of the strengths that the 2016 MOPAN report is highlighting for UNICEF, indicating continuous improvement in areas identified in the previous report:

- Our core commitment to the realization of child rights at the heart of our current Strategic Plan, guiding our work to support the realization of the rights of every child, especially the most disadvantaged, with an emphasis on equity;

- Commitment to organizational transparency;

- Cross-cutting issues of gender mainstreaming, equity, good governance and human rights;

- Our operational agility, including our ability to adjust to needs on the ground; and

- Our focus on the future

We also acknowledge the areas noted for improvement that the report highlights for the organization, identifying several areas which we ourselves have also noted and are continuously working to improve, including:

- Results-based management, and results-based budgeting;

- Clarity on the envisaged differentiation of roles in different operating context in relation to UNICEF's comparative advantage;

- Evaluation coverage levels;

- Knowledge generation;

- Use of country systems; and

- Additional focus and momentum on environmental sustainability.

Consistent with UNICEF's substantive responses of December 14, 2016 to MOPAN's initial report, we would like to reiterate the initiatives the organization has put in place to strengthen a number of areas, including results-based management and results-based budgeting, initiatives that we believe the assessment could have recognized, before rating UNICEF's performance. Our current results framework is developing into an effective tool for organizational performance management. It provides a comprehensive coverage of each of UNICEF's strategic priorities, including on corporate reforms (e.g. implementation of the Quadrennial Comprehensive Policy Review) and is generating high quality information that can be used to demonstrate results and guide the performance management of the organization. Results indicators cover different stages of the results framework (impact, outcome and output). An Evaluability Assessment of the Strategic Plan considered the degree to which the indicators in the results framework were valid and measurable, as well as the extent to which systems were in place to verify performance. Continuous feedback to the Executive Board and subsequent adjustments to our Results Framework point to a dynamic and responsive RBM system in the organization. The mid-term review of the Strategic Plan has been an important vehicle for open discussions on what works and the needed adjustments. At the country office level, there has been significant effort to improve the application of results-based management principles and methods in the design, implementation, monitoring and reporting of programmes. For example, 32 of 34 new Country Programme Documents (CPD) in 2016 were independently assessed to be satisfactory or highly satisfactory on the basis of core results-based management criteria.

Country offices are also required to prepare Strategy Notes as part of the CPD process. This includes articulation of the theory of change underpinning the country programme, key strategies required for the achievement of set results, an analysis of the risks and assumptions as well as related mitigation measures, and a research and evaluation plan for key strategies. Procedures on the results structure have been updated to strengthen the link between results and resources, including through the attribution of costs and funding sources. During the course of 2016, over 3,000 staff have been trained on results-based management processes, and the results of this training will be monitored and reported in future years.

Vis-à-vis results-based management in the highly decentralized modus operandi of the organization, the Field Results Group was created in 2014 to help drive more efficient management and accountability for results, as well as to improve our reporting in support of the work of our regional and country offices. The decentralized nature of our organization is one of our comparative advantages, but also requires us to take into account the strong incentives to relate horizontally at the country level to national priorities, especially in terms of results-based management/budgeting. The Field Results Group provides information and tools for country offices to strengthen their results focus. An example is the e-tools platform, a monitoring platform that aims to improve efficiency in the use of resources for programme delivery. The platform is user-driven and has modules linked to the country programme cycle, with a strong focus on managing the work of implementing partners and monitoring the fulfilment of planned activities. It delivers real-time implementation-related information, thus facilitating the linkage of resources to specific implementation activities – all towards planned outputs and value for money

Based on numerous internal reviews undertaken and past external assessments, we have recognized there is a need to continuously strengthen our results-based budgeting processes. One such step being taken is the development of a new budgeting tool, which will strengthen resource estimation against results at all

levels of the organization. It is also important to analyze the funding model to determine an adequate blend of flexible versus earmarked resources, with a preference for more flexible, predictable funding sources. Resource partners are increasingly earmarking their funding – with over ¾ of UNICEF's funding being earmarked. This in itself limits the capacity for any organization, including UNICEF, to effectively map out and implement results-based budgeting on a large scale. Within this context, we are currently exploring internally and with partners on a multi-year flexible funding approach that will help system-wide efforts to strengthen predictable funding, and in turn, strengthen our own results-based budgeting.

Regarding evaluation, UNICEF is pleased to note that the 2012 MOPAN report on UNICEF found that "evaluation of external results and the dissemination of lessons learned" was a "strength" and that the 2016 report rated the "corporate independent evaluation function" as "Highly Satisfactory" (see p. 114, MI 8.1). However, we also note the concerns in the 2016 report regarding evaluation coverage and the need to better systematize the extraction and dissemination and application of evaluation lessons and evidence.

On evaluation coverage, UNICEF reported a drop in the number of evaluations completed and submitted to the central database from a total of 96 in 2013 to only 80 in 2014, and it is likely that the concern on coverage in the MOPAN report reflects this decline. UNICEF is pleased to report that 91 evaluations were submitted in 2015 and that the provisional figure for evaluations submitted in 2016 is around 100 (subject to ongoing assessment and verification). It therefore appears that, in general terms, coverage has returned to a satisfactory level. There has also been continued progress towards achievement of the target figure for corporate expenditure on evaluation of 1% of programme expenditure, reportedly reaching 0.8% at the end of 2016 (representing expenditure of just over USD 50 million).

Regarding the application and use of evaluation evidence, the evaluation policy requires that each evaluation should be accompanied by a formal management response, setting out follow up activities and commitments. This is a good proxy indicator for the uptake and use of evaluation evidence and UNICEF is pleased to report that a management response was prepared for 95% of the evaluations submitted in 2015. However, UNICEF recognizes that the relevant indicator examined by MOPAN is "Mandatory demonstration of the [use of the] evidence base to design new interventions" (p. 119: MI 8.4) and that this requires a different set of measures. UNICEF will give attention to developing such measures in the context of the new Strategic Plan, which requires generation dissemination and an uptake of evidence in programming for children.

In regards to our work around the envisaged differentiation of roles, we have presented a paper at the Executive Board meetings in 2016. This paper analyzed UNICEF's role and intervention within upper middle income and high income countries. We also have clearly outlined that advocacy and policy work is the main thrust in upper middle income and high income countries, and in least developed countries (LDC), a combination of strategies, including service delivery, is applied.

Another area where we have strengthened our initiatives includes our work in the environment sector. This includes (i) strengthening global evidence and advocacy through publications such as 'Unless we act now – the impact of climate change on children' (2015) and "Clear the air for children" (2016); (ii) strengthening the mainstreaming in country programmes as already showcased by the Mongolia office working on air pollution and the Zimbabwe office working on sustainable energy; and (iii) expediting the greening of UNICEF's Operations. These greening efforts include (a) expanding the reporting on our environmental footprint (e.g. for 2015, we reported on all 141 of our main offices, plus most (230) of our sub-national offices); and (b) investing in measures to reduce our footprint. Finally, the new Strategic Plan pays significant attention to environmental issues and we expect this will be reflected in the corresponding results and resources framework.

These are just a few examples that showcase UNICEF's strive for continuous improvement. We look forward to working with MOPAN partners and others as we further strengthen our work, including with our partners in the field to improve awareness, especially given the low response rate for the surveys implemented at country level. In this regard, we would like to propose that the MOPAN 3.0 approach be strengthened by widening its reach to include: (i) a more holistic interpretation of programme and non-Organisation for Economic Co-operation and Development – Development Assistance Committee countries; and (ii) a more holistic evolution of efficient and effective management practices, including how those are funded and enabled through flexible and predictable resources. We would welcome the opportunity to explore this added value in the interest of continuously improving the MOPAN 3.0 approach.

We also note the continued improvement in methodology from the Common Approach utilized in 2012 to the current MOPAN 3.0 approach. One clear example of the continuous evolution and improvement in the assessment's methodology is the flexibility provided to fine-tune the KPIs and related questions. However, we would also like to identify areas to further strengthen the methodology. As the report indicates, four lines of evidence have been used in the assessment: a document review, a survey, interviews, and consultations. Although more systematic than the approach previously used, the survey, interviews and consultations all generate information on perceptions of organizational performance. This information provides a snapshot at a particular point in time and must therefore be interpreted with caution. The evidence drawn from evaluations compensates for this to a degree, but is itself problematic due to the inherent nature of evaluation evidence. Evaluations inevitably have a time lag, analyzing information from one or two years earlier, which may be assessing activities from an even older period and, therefore, cannot fully address more recent work and management initiatives. This makes it problematic to adequately represent some of the work assessed.

We look forward to working with MOPAN and its membership again on this approach, and more immediately, to taking the findings of the report to build on our strengths and strengthen the areas identified for improvement. Including as we develop our new Strategic Plan. We do this in collaboration with our partners, to become a stronger leader and voice for the realization of children's well-being, especially those most disadvantaged.

Yours sincerely,

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