7 October 2026

Management Response to the MOPAN Assessment of UNCDF (2022–2025)

H.E. Mr. Bargawi,
Ambassador
MOPAN Chair 2026
United Kingdom of Great Britain and Northern Ireland

H.E. Mr. Frank Grütter
Ambassador and Permanent Representative
Switzerland

Ms. Suzanne Steensen,
Head of Secretariat
Multilateral Organisation Performance Assessment Network

Excellencies, dear Mr. Bargawi, dear Mr. Grütter,

Dear Ms. Steensen,

On behalf of the United Nations Capital Development Fund, I thank MOPAN, Switzerland as institutional lead and the assessment team for a rigorous and constructive assessment. Its central findings give us confidence in the direction we have taken and a clear agenda for the work ahead.

UNCDF has set a clear course. Since 2023, we have refocused the institution on its original capital mandate and rebuilt the institutional capacity needed to deliver it. MOPAN recognizes the value of this shift: a distinctive role in taking early risk, developing markets and crowding in larger public and private investment, particularly in least developed countries, small island developing states and fragile settings. These are markets where development needs are urgent, yet capital too often remains out of reach. That is precisely where UNCDF is meant to operate: where risk is high, markets are thin, and conventional finance does not yet move.

The reforms are substantial. The Strategic Framework 2026-2029 concentrates our work on MSME finance, subnational finance and digital finance. Through market systems development and financial sector deepening, these capabilities serve a common purpose: making capital work in markets where it otherwise would not, and doing so in ways that can endure beyond an individual project or transaction. We have separated investment origination, financial oversight and operational controls; adopted a revised enterprise risk management framework and a formal risk appetite statement; strengthened investment procedures; and introduced an integrated budget. The 2025 follow-up audit confirmed implementation of all ten recommendations from the 2023 audit. Taken together, these changes have reset how UNCDF takes decisions, manages risk and accounts for results. These reforms give UNCDF a stronger foundation for taking the risks its mandate requires, with the discipline those risks demand.

We agree with MOPAN that the priority now is delivery. The test is no longer whether the architecture is in place, but whether it produces better choices, faster execution and clearer development results. The assessment recognizes results in government systems, institutional capacity and market development. It also identifies gaps in evidence on additionality, efficiency, women's economic empowerment and the

durability of benefits. We take these findings seriously, including the need for stronger evaluation independence. The annex sets out the corresponding management response. We will sharpen the link between resources, results and management decisions; strengthen the evidence on additionality and longer-term development effects; improve the visibility of portfolio performance; and reinforce the independence and use of evaluation. Our credibility will rest not on the reforms themselves, but on the quality of the decisions, results and evidence they produce.

We also need to become more exacting in how we demonstrate impact. For UNCDF, it is not enough to show that finance was deployed or beneficiaries were reached. We need to show whether markets moved, whether institutions changed, whether additional capital followed and whether those effects endured. Every use of concessional capital should be able to answer a simple question: what happened because UNCDF was there that would not otherwise have happened?

The assessment also identifies a fundamental condition for the UNCDF model to work. An institution mandated to absorb early risk must be financed to do so. That capital must be matched by predictable resources to prepare investments, undertake due diligence and supervise risk throughout their life. These costs arise before fees, interest or investment reflows become available. MOPAN is explicit that achieving sufficient scale and financing these upfront costs are essential to the viability of the model. A capital mandate cannot be sustained through project funding alone. If UNCDF is expected to take risk earlier, hold that risk responsibly and crowd in others, it requires capital that can be deployed and the institutional resources needed to manage that capital well. Capitalization and sustained operational support are therefore integral to the model, not ancillary to it. Predictable, multi-year resources would allow UNCDF to deploy its instruments where they can make the greatest difference and manage them responsibly over time. In return, we commit to the selectivity, transparency and evidence, so that each contribution can be traced to capital deployed and results achieved.

The value of this investment extends beyond UNCDF. A small business seeking its first loan or a local government preparing essential infrastructure can remain beyond the reach of larger financiers. UNCDF can help make those opportunities investable, using concessional capital only where it changes the financing decision and building a credible route for others to follow. Our joint offer with UNDP provides a model; we will extend it to other UN entities, multilateral development banks and development finance institutions through shared pipelines and clear pathways to scale.

Our response will remain faithful to this catalytic role. Financial discipline, development impact and additionality must be considered together, recognizing the purpose of concessional capital in markets where commercial finance is not yet prepared to invest. That also means being disciplined about where UNCDF should not intervene: concessional capital should be used where it changes the financing proposition, not where the market is already prepared to act on acceptable terms.

At a time of pressure on development finance, every concessional dollar must work harder to expand the financing available to countries and take the risks that keep capital away. UNCDF is ready to play its part. The task now is to match that renewed institutional capacity with the capital to deploy it. Management will remain accountable for turning these reforms into measurable performance and for being transparent about where the model is working, where it is not, and what needs to change. For countries too often left at the margins of investment, this is precisely the purpose UNCDF was created to serve.

Sincerely yours,

Pradeep

ANNEX

Purpose and Scope

This annex sets out UNCDF management's response to the sub-indicators ("MIs") of the 2022–2025 MOPAN assessment of UNCDF rated Unsatisfactory ("U"), together with those rated No Evidence ("NE"). It identifies the measures already taken in response to the findings, any further actions being pursued, and their current implementation status.

Ratings are drawn from the MOPAN 3.1 methodology, in which each of the twelve Key Performance Indicators (KPIs) is scored as the average of its constituent MIs. A NE rating means the assessment team could not locate sufficient evidence to assess performance against the indicator. It is therefore a measurement or evidence gap, not in itself an adverse performance rating. NE-rated indicators have therefore been included alongside U-rated indicators to strengthen the relevant corporate evidence base and address areas where UNCDF's performance could not be assessed conclusively.

The tables below are organized by MOPAN performance area and KPI. Only KPIs with at least one U- or NE-rated sub-indicator are included; KPIs for which no MI was rated U or NE are omitted.

Strategic Management

KPI 1 — Organisational architecture and financial framework enable mandate implementation and achievement of expected results

Overall rating: Satisfactory (3.0)

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
MI 1.4	U	No single integrated budget existed for the 2022–2025 cycle; financial planning and reporting ran through separate core, earmarked, capital-account and trust-fund instruments without a unified view mapped to strategic results. Financial reporting also did not show clearly how resources were distributed across strategic priorities or whether individual priorities were adequately funded. High levels of earmarking continued to constrain UNCDF's ability to allocate resources flexibly, while formal mechanisms for steering earmarked resources towards institutional priorities remained limited.	The 2026–2029 Integrated Resources Plan and Integrated Budget — UNCDF's first quadrennial integrated budget — addresses the principal structural gap identified by MOPAN. UNCDF has already reported to the Executive Board the integrated budget for the 2026-2029 cycle, and the EB has taken note of it. The 2026-2029 Strategic Framework and its Integrated Results and Resources Matrix also provide the corporate framework against which available resources are directed towards UNCDF's strategic capabilities and intended results. Building on these systems, UNCDF is now strengthening the corporate-level mapping of resources and expenditures to strategic capabilities and intended results, including through its enhanced results-management and digital architecture. This will provide more systematic visibility over resource distribution, funding gaps and the relationship between expenditure and results. UNCDF will also continue to pursue multi-year, pooled and more flexible funding through implementation of its Resource Mobilization Strategy. This is particularly important given that a significant share of UNCDF resources to date is donor-earmarked and therefore cannot be reallocated internally once committed to specific programmes or purposes.	Ongoing

KPI 2 — Structures and mechanisms support the implementation of global frameworks for cross-cutting issues at all levels in line with the 2030 Sustainable Development Agenda principles

Overall rating: Unsatisfactory (2.47)

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
MI 2.2	U	Environmental and climate cross-cutting integration into corporate systems was assessed as uneven. Climate, clean-energy and biodiversity considerations were reflected in UNCDF's strategic and results frameworks, but largely through classifications rather than dedicated outcome pathways. Performance was not consistently analysed through corporate reporting and evaluation; screening focused primarily on environmental and social risks rather than positive climate and environmental contributions; and evidence of dedicated resourcing and systematic staff capacity development was limited.	UNCDF has already strengthened environmental screening through its project and investment processes. Environmental and social considerations are systematically addressed through UNCDF's Social and Environmental Screening Procedure (SESP) and associated due-diligence and safeguard requirements at project and transaction level. These systems provide the institutional basis for identifying and managing environmental and social risks. The enhanced RBM architecture and corporate digital environment will support systematic traceability from design through implementation and reporting, including the aggregation of relevant environmental and climate results at corporate level, as relevant. UNCDF will also continue to ensure that the corresponding institutional responsibilities, guidance and technical expertise are available to support implementation.	Ongoing
MI 2.5	U	Local/sustainable food systems finance was reflected in the 2022–2025 Strategic Framework and through IRRM classifications and targets. However, it was not supported by a formally approved thematic policy or implementation framework, systematic design screening, clearly identifiable human and financial resourcing, or structured staff capacity development. Corporate evidence also remained stronger on financing reach and enabling conditions than on downstream food-systems outcomes.	The Strategic Framework 2026–2029 is organized around three institutional capabilities — MSME finance, sub-national finance and digital finance — rather than around sector-specific thematic pillars. This represents a deliberate change from the 2022-2025 architecture assessed by MOPAN. Under the new Framework, food-systems interventions are pursued where they are relevant to UNCDF's institutional capabilities and country-level programming, and are designed, monitored and assessed through the applicable project and programme results frameworks. UNCDF therefore does not envisage a separate corporate food-systems policy or implementation framework; the institutional architecture identified in the new Strategic Framework is now in place and is being implemented across UNCDF programming.	Completed

Operational Management

KPI 4 — Organisational systems are cost- and value-conscious and enable financial transparency and accountability

Overall rating: Satisfactory (2.83)

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
MI 4.1	U	Resource-allocation criteria exist but are not consistently and explicitly linked to Strategic Plan priorities, particularly at portfolio level. While UNCDF has established appraisal criteria for individual transactions, it did not yet have systematic comparative criteria, portfolio targets or allocation thresholds to guide prioritisation across countries, capabilities, instruments and partner types. Contextual adaptation occurred primarily through transaction structuring, while the organisation's broader allocation flexibility remained constrained by earmarked funding.	UNCDF has strengthened the framework governing investment and resource-allocation decisions through its Investment Strategy, investment appraisal processes and associated operating procedures. These provide documented criteria covering strategic alignment, development impact, additionality, catalytic potential, financial sustainability, risk and operational readiness. Markets and country prioritization under the Strategic Framework 2026-2029 provides an additional framework for determining where and how UNCDF deploys its capabilities. The MOPAN finding also needs to be understood in the context of UNCDF's funding outlook: the majority of programme resources are earmarked by funding partners and are therefore not available for unrestricted corporate allocation across countries, capabilities or instruments. Where flexible or pooled resources are available, UNCDF applies its institutional and investment criteria to prioritization and allocation. New pooled mechanisms, including the Policy-to-Capital Investment Facility (PCIF) with UNDP, further institutionalise this approach by establishing defined criteria for the allocation of flexible resources. The relevant systems and decision frameworks are therefore now in place and are being applied through UNCDF's programming, pipeline and investment-management processes.	Completed
MI 4.2	U	Evidence points to disbursement variance against planned timelines across the review period, without systematic corporate tracking of the gap.	UNCDF now tracks disbursement against planned timelines as a corporate metric, including variance against plan and the underlying causes of delay. Disbursement and delivery performance are reviewed regularly by management, with agreed benchmarks also used to monitor the time required to progress investments through key stages of the transaction cycle. The integration of this information into UNCDF's enhanced digital portfolio-management environment will further automate and consolidate this monitoring, but the corporate tracking and management-review mechanism identified by the recommendation is already in place.	Completed
MI 4.3	U	No budget document costed individual management results during 2022–2025; systems to track cost from activity to result (outcome) were not in place. The 2026–2029 Integrated Budget represents a shift but does not yet fully cost specific intended results. Financial and results information therefore continued to be managed largely through parallel systems, with limited evidence of progressively stronger results-linked costing during the period assessed.	The 2026-2029 Integrated Budget establishes, for the first time, an integrated corporate view of UNCDF's resources and planned expenditure across the Strategic Framework period. UNCDF will therefore strengthen the mapping of project and corporate expenditure to the relevant Strategic Framework results and, where feasible and meaningful, develop a clearer view of the costs associated with delivering specific management and programme results. This work will draw on financial information in UNCDF's ERP (Quantum) and the enhanced results and portfolio-management architecture being developed in UNCDF's digital platform, with the objective of bringing financial and performance information together more systematically for management analysis, planning and reporting. Given the diversity of UNCDF's interventions and funding modalities, this will focus on decision-useful resource-to-result analysis rather than attributing artificial unit costs to	Ongoing

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
			development outcomes where a direct causal costing relationship cannot reasonably be established.	

Relationship Management

KPI 5 — Operational planning and intervention design tools support relevance and agility in partnerships

Overall rating: Satisfactory

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
MI 5.1	U	Alignment of intervention design to country priorities is not consistently and systematically documented across the portfolio. While interventions generally referenced national priorities and UNSDCFs, the depth and specificity of beneficiary-needs and vulnerability analysis varied, particularly for interventions operating through intermediaries or at market-systems level.	UNCDF has strengthened intervention-design and quality-assurance processes to ensure that alignment with national priorities, UNSDCFs, beneficiary and market needs, and the rationale for the selected intervention are assessed during project and transaction design. These considerations are addressed through project-document review, programme appraisal, transaction scoping and due diligence, and are increasingly linked to project- and transaction-level results indicators. For investment interventions, the development-impact indicators identified during programme and project design are progressively carried through transaction appraisal, legal documentation and monitoring. The enhanced RBM and portfolio-management architecture will further strengthen the traceability of this information across the intervention cycle and allow UNCDF to demonstrate this alignment more systematically at portfolio level. The underlying design and quality-assurance systems are therefore in place; the focus is now on consistent application, documentation and consolidation of the evidence they generate.	Completed
MI 5.5	U	Cross-cutting priorities (gender, environment, food systems) are generally considered through intervention approval processes, but are not consistently carried through into theories of change, outcome-level indicators and monitoring and evaluation plans. Cross-cutting issues are frequently reflected through classifications, disaggregation or narrative reporting rather than through systematic assessment of their contribution to results.	UNCDF has strengthened the treatment of materially relevant cross-cutting issues through its revised programme-design, appraisal and results-management architecture. Theories of change and results frameworks are reviewed through programme quality-assurance processes, while environmental and social considerations are addressed through dedicated safeguard and due-diligence requirements. The 2026–2029 RBM architecture also provides the framework for carrying relevant indicators and disaggregation through implementation and reporting. UNCDF will continue to strengthen the consistency with which materially relevant cross-cutting issues are translated from intervention design into explicit outcome pathways, indicators and monitoring and evaluation arrangements, and subsequently reflected in evaluation and portfolio learning. This will be aligned with the corresponding actions under KPI 2.	Ongoing

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
MI 5.6	U	Sustainability considerations are not consistently documented or assessed at intervention design stage. Although sustainability is generally addressed through institutional ownership, financial viability, enabling policy conditions, capacity and prospects for replication or crowding-in, the depth and structure of this analysis vary. Critical sustainability assumptions are also not consistently translated into measurable indicators, milestones or validation mechanisms within monitoring and evaluation plans.	Sustainability considerations are already assessed through UNCDF's programme-design and appraisal processes and, for investment interventions, through the PIC/IDIC process. These reviews consider, as relevant, institutional ownership, financial viability, partner capacity, enabling policy and market conditions, replication and crowding-in potential, and the prospects for sustained market or financial-sector effects beyond an individual transaction. UNCDF will strengthen the consistency with which these considerations are documented at intervention-design stage and translated into measurable assumptions, milestones and monitoring arrangements. Particular attention will be given to the relationship between time-bound programme interventions and the longer-term nature of the financing instruments and market-system changes they are intended to support, including appropriate transition or exit considerations. Lessons from evaluations and portfolio monitoring will be used to refine this analysis over time.	Ongoing

KPI 6 — Working in coherent partnerships directed at leveraging and catalysing the use of resources

Overall rating: Satisfactory (2.78)

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
MI 6.8	U	UNCDF participates in joint performance reviews and multi-stakeholder dialogue, particularly through joint programmes and partnership governance arrangements. The principal gap identified was the absence of a systematic corporate mechanism to collect, aggregate, analyse and use feedback from UNCDF's sovereign and non-sovereign clients and relevant beneficiaries.	UNCDF already obtains feedback from partners and stakeholders through a range of channels, including programme and partnership governance arrangements, joint performance reviews and independent evaluations, which routinely engage relevant counterparts and beneficiaries. The gap identified by MOPAN is therefore not the absence of feedback, but the lack of a sufficiently systematic corporate approach to consolidating and using such feedback across UNCDF's sovereign and non-sovereign engagements. UNCDF will review its existing feedback channels and strengthen the way relevant client, partner and beneficiary perspectives are captured, analysed and brought into management, programme-design and investment-learning processes. This will include determining where more structured or standardised feedback mechanisms, such as periodic client surveys, would add value, while allowing for adaptation to different intervention types and the practical constraints associated with intermediated financing. This work will be aligned with the relevant evaluation and learning actions under KPI 9.	Ongoing

Performance Management

KPI 7 — Strong and transparent results focus, explicitly geared towards function

Overall rating: Satisfactory (2.53)

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
MI 7.3	U	Targets and indicators do not consistently capture the causal pathway from activities and outputs to higher-order outcomes, and many indicators remain focused on delivery, reach or immediate outputs. Requirements for baselines were not consistently applied in practice, while targets were not routinely reviewed or adjusted during implementation in response to performance evidence or changes in context.	UNCDF's 2026–2029 results architecture strengthens the causal pathways between activities, outputs and higher-order outcomes through the Strategic Framework theory of change, the IRRM and corresponding programme-level results frameworks. Existing RBM guidance requires baselines and targets to be established and reviewed, while annual workplanning and programme-review processes provide opportunities to adjust targets and results frameworks where implementation evidence or changes in context warrant this. UNCDF will focus on reinforcing the consistent application and documentation of these requirements across the portfolio, including clearer justification of baselines and targets, stronger use of outcome-relevant indicators and more systematic recording of any adjustments made during implementation. Recognising that UNCDF frequently operates through financial intermediaries, the depth of outcome measurement will be proportionate to the intervention and to the availability and accessibility of beneficiary-level data. Where direct beneficiary-level measurement is not feasible, UNCDF will seek to draw on appropriate evaluative, sampling or other evidence-generation approaches to assess whether expanded access is contributing to changes in areas such as income, financial resilience, agency and economic decision-making.	Ongoing
MI 7.5	U	Performance data is not systematically used to inform management decision-making or course correction. While management regularly reviews financial delivery and implementation information, routine performance data are not consistently reflected in planning documents, linked to formal intervention adjustments or used to document changes to portfolio priorities, results frameworks or strategic approaches. Corporate performance reviews also remain more strongly focused on financial and operational delivery than on outcome-level performance.	UNCDF already reviews financial, operational, risk and programme-performance information through regular management, business-planning and portfolio-review processes. The area for further strengthening is the systematic use and documentation of outcome-level performance evidence in management decision-making and course correction. UNCDF will strengthen the integration of IRRM and portfolio-performance data into these existing review processes, including clearer documentation of material variances, the management actions taken in response and subsequent follow-up on whether those actions improved performance. Where performance evidence leads to material changes in programme design, workplans, results frameworks or portfolio priorities, the rationale for those adjustments will be recorded more systematically.	Ongoing

KPI 8 — Evidence-based planning and programming applied

Overall rating: Unsatisfactory

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Date
MI 8.1	U	The independence, institutional positioning, and resourcing of the evaluation function were assessed as insufficient. The function did not report directly to the governing body, the evaluation programme was at risk of being influenced by management arrangements, and evaluation resources were not fully protected through core funding.	UNCDF is reviewing the institutional placement, reporting arrangements and resourcing of its evaluation function to further strengthen its independence, consistent with UNEG norms, relevant UN system practice and its status. UNCDF already commissions independent external evaluators for its evaluations, providing an important degree of functional independence in the conduct of individual evaluations. The current review is considering options to further strengthen institutional independence, including the relationship of the evaluation function to UNCDF management and to independent evaluation arrangements within the wider UN system, as well as the predictability and protection of evaluation resources.	Ongoing
MI 8.2	U	Evaluation coverage is uneven across thematic areas, intervention types and financial instruments, without a sufficiently explicit rationale for the depth and periodicity of coverage. Existing evaluation guidance is also not yet fully tailored to UNCDF's growing portfolio of loans, guarantees, blended finance and private-sector-facing interventions, while systematic completion or self-assessment arrangements across country-level operations remain limited.	UNCDF is refining its rolling multi-year evaluation plan to provide a clearer and more risk-based rationale for evaluation coverage across capabilities, intervention types and financial instruments. Evaluation planning will take into account strategic relevance, materiality, risk, the maturity of expected results and the need for appropriate thematic, portfolio and project-level coverage. In parallel, UNCDF is reviewing and adapting its evaluation guidance to better reflect the characteristics of its growing portfolio of loans, guarantees, blended-finance and private-sector-facing interventions, including the assessment of additionality, catalytic effects, market development and sustainability. UNCDF will continue to participate in the AI supported decentralized evaluation quality assessment (DEQA) system conducted by UNDP IEO and presented to the Board in the annual UNDP evaluation report. Through this mechanism, all completed UNCDF evaluations are quality assessed.	Ongoing
MI 8.7	U	Limited systematic evidence that lessons from evaluations (as distinct from other forms of learning) are tracked through to design changes in new interventions. Although evaluation reports and management responses are publicly available, UNCDF does not yet have a sustained mechanism to distil evaluation findings into accessible guidance, systematically disseminate evaluation lessons internally and externally, or demonstrate their application in subsequent programme and investment decisions.	UNCDF will strengthen its management response and action-tracking system for evaluations, including clearer follow-up on the implementation of agreed evaluation recommendations. UNCDF will also undertake periodic analysis of evaluation findings and recommendations to identify recurrent lessons and areas requiring institutional attention. Building on existing evaluation synthesis products and management-response processes, these lessons will be made more accessible to programme and investment teams, and more systematically fed into relevant design, appraisal and review processes. The objective is not to create a separate administrative "lesson tracking" system, but to strengthen the practical feedback loop between evaluative evidence, management action and subsequent programme, investment and strategic decisions, and to document that application more systematically.	Ongoing

Results

KPI 9 — Development and humanitarian objectives are achieved, and results contribute to normative and cross-cutting goals

Overall rating: Satisfactory (2.67)

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
MI 9.2	NE	No evidence available on the profitability of non-sovereign (private-sector-facing) interventions.	UNCDF assess the financial performance and expected financial characteristics of non-sovereign interventions through its investment appraisal and portfolio-management processes, including expected loss, subsidy, fair-value and return considerations, as relevant to the financial instrument deployed. These assessments inform investment committee decisions and subsequent portfolio monitoring. UNCDF does not, however, assess the performance of its non-sovereign portfolio against a commercial profitability objective. Its mandate is to deploy concessional and catalytic capital where market-based financing is insufficient, accepting appropriate levels of subsidy and risk in order to generate development additionality, crowd in capital and support market development. In this context, the relevant corporate question is whether financial performance remains within the parameters approved for the intervention and whether the use of concessional capital is justified by the expected development and catalytic effects. UNCDF will continue strengthening the consolidation of these existing financial and portfolio metrics at corporate level, including through its portfolio-management systems, so that expected and realized financial performance, subsidy and loss experience can be analysed more systematically as the portfolio matures.	Ongoing
MI 9.3	U	Results evidence on women's economic empowerment outcomes demonstrates increased access, participation and availability of gender-responsive products and financing mechanisms, but provides more limited evidence of sustained empowerment outcomes. Existing results frameworks do not consistently assess whether access and participation translate into changes in women's income, financial resilience, agency, economic decision-making, or control over resources.	UNCDF will strengthen the measurement of women's economic empowerment by distinguishing access and participation from the economic and empowerment outcomes to which they are expected to contribute. Where women's economic empowerment is a material objective of an intervention, programme and results frameworks will more clearly articulate the pathway from access or participation to intended economic outcomes and identify appropriate indicators, baselines, targets and sex-disaggregated data. Recognising that UNCDF frequently operates through financial intermediaries, the depth of outcome measurement will be proportionate to the intervention and to the availability and accessibility of beneficiary-level data. Where direct beneficiary-level measurement is not feasible, UNCDF will seek to draw on appropriate evaluative, sampling or other evidence-generation approaches to assess whether expanded access is contributing to changes in areas such as income, financial resilience, agency and economic decision-making.	Ongoing

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Status
MI 9.7	U	No quantified results or downstream outcome evidence (food security, productivity, sustainability) for food systems finance; evaluative evidence supports enabling-conditions claims only, not confirmed transformation.	This finding relates to the thematic architecture of the 2022–2025 Strategic Framework, under which food-systems finance was identified as a distinct priority area. The 2026–2029 Strategic Framework adopts a different institutional model, organised around UNCDF's three core capabilities — MSME finance, sub-national finance and digital finance — rather than sector-specific thematic outcome areas. UNCDF therefore does not maintain a separate corporate food-systems results framework or downstream food-systems outcome target. Where UNCDF interventions support food systems, the relevant development outcomes are defined and measured through the applicable programme or project results framework and evaluated according to the objectives and theory of change of that intervention. The structural issue identified by MOPAN has therefore been addressed through the revised Strategic Framework architecture.	Closed
MI 9.8	NE	No systematic measurement of client perceptions or satisfaction, for sovereign or non-sovereign clients, aggregated at organisational level.	UNCDF already receives client, partner and beneficiary feedback through evaluations, joint programme reviews, governance arrangements and other engagement mechanisms. However, this information is not yet systematically consolidated at organisational level in a way that enables consistent analysis of client perceptions or satisfaction. Linked to the action under MI 6.8, UNCDF will review its existing feedback channels and determine an appropriate and proportionate approach to more systematically capturing, aggregating and analysing feedback from sovereign and non-sovereign clients and, where relevant and feasible, beneficiaries. This will inform whether additional standardised feedback tools are required and how the resulting evidence should be incorporated into management and learning processes.	Not started

KPI 10 — Interventions are relevant to the needs and priorities of partner countries and beneficiaries, as the organisation works towards results in areas within its mandate

Overall rating: Satisfactory (3.0)

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Date
MI 10.2	NE	No systematic evidence base on the financial or non-financial additionality of non-sovereign investments; existing examples (e.g., Municipal Investment Facility, DFS Sierra Leone) are illustrative rather than systematic.	UNCDF has formalized the assessment of financial and non-financial additionality as a standard element of transaction appraisal and investment decision-making. Transaction proposals are assessed against the rationale for UNCDF intervention, including the financing or market constraint being addressed, the concessional or catalytic role of UNCDF capital and the expected effects on market development and financial sector deepening. These assessments provide a systematic basis for documenting expected additionality at entry. Post-investment monitoring and relevant evaluation will,	Completed

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Date
			where appropriate to scope and materiality, assess whether the expected financial and non-financial additionality was realized and what lessons should inform subsequent investment design.	

KPI 11 — Results are delivered efficiently

Overall rating: Unsatisfactory (2.00)

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Date
MI 11.1	**U**	No systematic corporate cost-efficiency metrics (administrative cost ratios, cost-per-transaction, supervision costs); evidence is programme- and country-level only, via the IRRM, which does not include operational-efficiency indicators.	UNCDF already monitors corporate expenditure, delivery and selected operational-efficiency measures through its budgeting and management processes. The remaining gap is a more systematic view of the cost of originating, structuring, supervising and managing different types of interventions and transactions. UNCDF will therefore develop a proportionate set of corporate efficiency metrics, drawing on available financial and portfolio-management data and relevant comparator practice. These may include administrative cost measures and, where data quality permits meaningful analysis, indicative cost-per-transaction or cost-per-intervention measures. Any such metrics will be interpreted in the context of UNCDF's mandate, business model and risk appetite, recognising that the resources required to develop early-stage, catalytic or frontier-market transactions may differ materially from those of larger commercial or multilateral finance institutions.	ongoing
MI 11.2	**U**	No systematic tracking of approval timelines, transaction-processing times, or disbursement lags at corporate level; country-level evaluations consistently show delays in regulatory reform, market development, transaction structuring and institutional-change interventions.	UNCDF now tracks key transaction-processing, approval and disbursement timelines against internal benchmarks, including the time required to progress investments through major stages of the transaction cycle. Management reviews this information regularly, together with the reasons for material delays and variance against planned timelines. The integration of these data into UNCDF's enhanced digital portfolio-management environment will further automate and consolidate this monitoring and enable more systematic analysis across the portfolio. Implementation and evaluation evidence will also continue to inform the realism and sequencing of timelines for interventions involving regulatory reform, market development, transaction structuring and institutional change. The corporate tracking mechanism identified by the recommendation is therefore in place; ongoing digital enhancements will improve its efficiency and analytical value.	Completed

KPI 12 — Results are sustainable

Overall rating: No Evidence

Sub-KPI	Rating	MOPAN Finding	UNCDF Response	Date
MI 12.1	NE	No overall corporate assessment exists of whether UNCDF-supported benefits continue after intervention completion. Programme evaluations provide indicative positive evidence (e.g., LoCAL, guarantee portfolio), but there is no portfolio-wide sustainability assessment.	UNCDF's IMVL work plan already draws on project completion reporting and independent evaluations to assess the sustainability of individual interventions and the continuation of benefits beyond implementation. UNCDF is strengthening this evidence base by developing a more systematic portfolio-level approach to assessing sustainability and longer-term impact across relevant programmes and investment interventions. This work will examine, as appropriate, whether institutional, financial, policy and market-system changes are sustained beyond the immediate intervention period, including whether financing mechanisms continue to operate, capital continues to be mobilised, and intended market or financial-sector effects persist. Findings will be synthesised to inform programme and investment design, portfolio management and future evaluation priorities.	Ongoing