

Operational Plan 2011-2015

DFID Civil Society Department

Updated May 2012

Contents:

Section 1: Context	2
Section 2: Vision	3
Section 3: Results	4-5
Section 4: Delivery and Resources	6-9
Section 5: Delivering Value for Money	10
Section 6: Monitoring and Evaluation	11
Section 7: Transparency	12

Introduction

The UK Government is determined to help reduce the inequalities of opportunity we see around the world today. We believe that promoting global prosperity is both a moral duty and in the UK's national interest. Aid is only ever a means to an end, never an end in itself. It is wealth creation and sustainable growth that will help people to lift themselves out of poverty.

In May 2010, the International Development Secretary, Andrew Mitchell, commissioned the Bilateral Aid Review to take a comprehensive and ambitious look at the countries in which DFID works through our direct country and regional programmes. The review focussed on the best ways for the UK to tackle extreme poverty, ensuring that we make the greatest impact with every pound we spend. In parallel, through the Multilateral Aid Review, DFID assessed how effective the international organisations we fund are at tackling poverty.

On the 1st March 2011, the key outcomes of the reviews were announced, including the results that UK aid will deliver for the world's poorest people over the next four years. The Bilateral Aid Review has refocused the aid programme in fewer countries so that we can target our support where it will make the biggest difference and where the need is greatest. The Multilateral Aid Review findings enable us to put more money behind effective international organisations which are critical to delivering the UK's development priorities. In addition the independent Humanitarian Emergency Response Review looked at how the UK can build on its strengths in responding impartially to humanitarian needs and help ensure future disaster responses can be better prepared and coordinated.

DFID is committed to being a global leader on transparency. In the current financial climate, we have a particular duty to show that we are achieving value for every pound of UK taxpayers' money that we spend on development. Results, transparency and accountability are our watchwords and guide everything we do. DFID regards transparency as fundamental to improving its accountability to UK citizens and to improving accountability to citizens in the countries in which it works. Transparency will also help us achieve more value for money in the programmes we deliver and will improve the effectiveness of aid in reducing poverty.

The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes. The Operational Plans set out the vision, priorities and results that will be delivered in each of our country programmes.

We will concentrate our efforts on supporting achievement of the Millennium Development Goals, creating wealth in poor countries, strengthening their governance and security and tackling climate change. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.

1) Context

The context for Policy Division (PD) is changing. Externally, we know that three quarters of the world's poor now live in middle income countries and that many of these countries are characterised by poor governance; we also know that global challenges such as climate change, fragility and resource scarcity are impacting on the poorest; and that countries like India and China are changing the way development happens and demonstrating they have a critical role to play in solving global problems. At the same time, the deadline for the 2015 Millennium Development Goals is now in our sights with many challenges remaining and increasing pressure to focus on areas that are proving intractable eg. maternal mortality; access to water and sanitation; access to education for girls. This changing global context requires good global leadership - leading by example by demonstrating results and value for money. Internally, the context for PD is also changing. As DFID shifts to spending 0.7% of gross national income by the end of this planning period, and increases its aid footprint, there is an increasing imperative to make the very best investments with our increased resources. Evaluation, value for money assessments and transparency of aid are critical for achieving this. PD's role is to provide a policy function that is at the forefront of ensuring that the UK's development assistance achieves the maximum impact and value for money.

For lasting development and change, the UK Government recognises the value of a **vibrant and active civil society**. Civil society plays a vital role worldwide in supporting citizens to improve their lives. Civil Society Organisations (CSOs) often provide support to disadvantaged groups and geographical regions that governments and official donors fail to reach. Civil society is **more than just Non-Governmental Organisations (NGOs)**. It includes a wide range of non state actors including faith and diaspora groups, community based organisations and others. In the changing global context, CSOs can play an even more vital role in holding governments and others to account, enabling the poor to improve their lives and spreading knowledge, innovation and best practice in development.

Internationally, the role of civil society has been widely recognised - the Accra Agenda for Action specifically mentioned the need to 'deepen engagement with civil society organisations' ... **In the UK**, the Government has stressed the importance of strengthening the 'Big Society' and developed a 'Compact' to shape the relationship between government and civil society.

DFID's priorities, as set out in the DFID Structural Reform Plan, require a multi-sectoral approach to delivery in which CSOs, along with governments and the private sector play a pivotal role. DFID has 5 key objectives for its work with CSOs, to: (i) Deliver goods and services effectively and efficiently; (ii) Empower citizens in developing countries to do things for themselves; (iii) Enable civil society to influence, advocate and hold to account national, regional and international institutions including improving aid effectiveness; (iv) Build and maintain capacity and space for active civil society; (v) Build support for development in the UK.

Civil Society Department (CSD) is part of DFID's Policy Division. CSD's responsibilities cover four key areas of DFID's work: (i) **Programme management** – responsibility for administering the main central funding schemes for civil society (approximately £800m over the 2011-2014 period) with the aim of securing the strongest results and value from this investment; (ii) **Policy linkage** – using DFID/HMG's relationships to improve policy and practice through work with CSOs; (iii) **Relationship management** – acting as a knowledge broker, linking different parts of DFID and UK Government with relevant and effective civil society actors and (iv) **Promoting learning and improved practice**.

As a focal point for DFID's work with civil society, CSD recognises that the changing global context for development will require us to work more closely with Country Offices, other parts of DFID, other Whitehall Departments, UK overseas posts, the Charity Commission and international partners. Our Operational Plan emphasises improved coordination with other donors, and with other key organisations.

2) Vision

We expect Policy Division 's (PD's) work over the planning period to change. Recognising DFID's increasing budget over the next few years, PD's focus will shift much more to increasing the value for money of DFID's aid. PD will shape, drive and deliver policy to transform poor people's lives. It will be the 'go to' place for cutting edge knowledge, innovation and expertise on what works/doesn't work and how to measure impact. It will make sure knowledge, learning and innovation flow across the organisation in a way that DFID staff can absorb and enjoy.

We will use the best ideas, evidence, and analysis to:

- support the delivery of the bilateral programme through: lesson learning across the portfolio; developing expertise on value for money, indicators and unit costs of investments; knowledge sharing and facilitation; capturing experience from innovation; delivering reviews of key portfolios;.
- provide analysis and advice in support of Ministerial policy requests and business plan/Structural Reform Plan priorities;
- continue (but devote less staff time to) promoting change internationally and in international organisations by helping develop HMG policy positions for the G20, G8, international summits, and climate negotiations; and coordinating actions and policy positions with other donors, philanthropic organisations and international bodies;
- engage in Whitehall policy discussions around aid and non aid (e.g. migration);
- build public and parliamentary support for the UK's development effort (PD answers half of all of DFID's Parliamentary Questions);
- deliver selected aid results that are better funded centrally e.g. eliminating polio and neglected tropical diseases; working through the international growth centre and climate knowledge network.

During the Spending Review period, CSD will specifically contribute to three pillars of work: **Delivering the Millennium Development Goals (MDGs); Improving Governance and Security;** and **Delivering Global Partnerships**. Through our contributions in these areas, we will bring about a step change in DFID's work through civil society with a clear focus on **results, value for money, transparency and accountability**. As part of our response to the changing global context for development, CSD will also strengthen its contribution to DFID's cross-cutting priorities on: **women and girls; work in fragile environments; work with private sector; work on climate change and resource scarcity**.

CSD will achieve its objectives by:

Strengthening knowledge, expertise, policy and practice within DFID on the most effective ways of working with civil society (including identifying best practice and key innovations).

Supporting CSOs to more effectively deliver against the MDGs (supporting the scale up of country programmes and work on Global Public Goods).

Increasing the value for money of DFID programme delivery through CSOs

Helping establish the UK as a global leader on working with CSOs on international development.

Alignment to DFID and wider UK Government priorities

Delivery of the MDGs – vital role of CSOs in supporting citizens to improve their lives, delivering services, and holding governments, donors and others to account

Promoting transparency and greater value for money

CSOs contribute in practical ways to: improving the lives of women and girls; helping adaptation to and mitigation of climate change; strengthening partnerships with the private sector in development.

Collaboration on specific high priority issues with other UK Government Departments and offices (FCO, Office of Civil Society - Cabinet Office, UK Charity Commission and National Audit Office);

What we will stop doing

In response to the ten year evaluation of the Civil Society Challenge Fund (CSCF), we will consider options for rationalising DFID's central civil society funding

We will close the 'Additional Support' projects when the administration contract with Tripleline ends at close 2011 .

We will close the Governance and Transparency Fund (GTF) when the existing portfolio of projects ends by March 2014.

We will stop support for poor performing projects and programmes (releasing up to £5m pa to use for higher return investments)

3) Results

Headline results – (First set of annual reports for all Partnership Programme Arrangements (PPAs) will be submitted in June 2012 – these will help to verify whether results are on track and any actions required)

Pillar/ Strategic Priority	Indicator <i>(CSOs will be encouraged to use these indicators, but given the demand led nature of the funds, additional indicators may be used that will contribute to expected results).</i>	Baseline (including month &year)	Expected Results (by end of SR10 period) indicative but dependent on proposals submitted by CSOs
MDG 2 + 3	-Gross and net enrolment in primary education (girls and boys) -Number of children enrolled in primary education (split by sex)	0, March 2011	62,000 education related beneficiaries by end of SR10.
MDG 4	-Number of 1 year old children (disaggregated by sex) immunised against measles -Number of insecticide treated bed nets distributed.	0, March 2011	130,000 health related beneficiaries by end SR10.
MDG 5	-Number/proportion of births attended by skilled health personnel. -Reduce maternal mortality ratio -Universal access to reproductive health.	0, March 2011	2.8 million by end of SR10
MDG 7	-Number of people with sustainable access to improved sanitation facilities -Number of people with sustainable access to clean drinking water sources.	0, March 2011	187,000 water and sanitation related beneficiaries by end SR10.
Governance and Security	Number of citizens/communities/CSOs empowered to monitor government performance and influence government planning/spending e.g. pro-poor budgeting capacity is strengthened in over 80 countries by 2015	100, March 2011	650 civil society organisations and community groups in more than 80 countries by 2015. Target exceeded - 800 CSOs in 100 countries.
Global Partnerships	Higher quality of proposals and funded interventions, contributing to DFID's standard indicators and VfM analyses	0, March 2011	70% of partner CSOs using a variety of DFID indicators and VfM metrics by 2015. Working with GPAF/PPAs. (To be confirmed from first set of Evaluation data from Coffey International, September 2012)
Global Partnerships	Systematic identification and sharing of lessons learned by CSO partners PPA Learning Partnership established, governance structure in place, thematic priorities identified, links to Country Offices, CSCF, GPAF & PPA developing learning questions.	0, March 2011	Lessons learned and/or best practice shared in at least 8 strategic areas by 2015.

3) Results (continued)

Evidence supporting results

CSOs are accepted as an essential part of global partnerships to deliver the MDGs and public goods. CSOs can deliver increased benefits for poor people by improving their effectiveness, specifically by increasing their focus on outcomes and results, transparency, learning, and value for money (VfM). CSOs routinely report on, monitor and evaluate their own projects and programmes and have historically demonstrated results in several areas, including delivering basic services; empowering citizens; innovating; reaching harder to reach excluded groups (such as the disabled, vulnerable children, female headed households and people living with HIV/AIDS); responding quickly and flexibly; leveraging and influencing government spend; leveraging change on a global scale; and influencing DFID's own policies and programmes.

Evidence collected by the National Audit Office (NAO) has indicated that 'engaging with CSOs leads to benefits, in line with development objectives'. Monitoring reports found 80 per cent of CSO projects were largely successful in achieving their intended inputs. Project evaluations commissioned by DFID have also shown that working with CSOs is beneficial, through strengthening the institutional tools and skills of CSOs and others, improving advocacy and delivering services. This is confirmed in DFID's meta-evaluation of its strategic funding of NGOs through Programme Partnership Arrangements (PPAs) in 2010. DFID's Civil Society Portfolio review (2010) concluded that, to achieve a step change in delivering better results and value for money across the portfolio, DFID should strengthen monitoring and evaluation across DFID and the sector and provide clearer guidance to ensure more consistency in approach and lesson learning across DFID. The interventions included in this plan enable DFID to be in a stronger position to get better value from our investment in civil society, to achieve greater coherence and to better articulate outcomes and results.

The MDG results included here are indicative, and provide rough estimates of anticipated numbers of beneficiaries under the MDG pillar, through the Global Poverty Action Fund (GPAF) and the Common Ground Initiative (CGI) over the Spending Review period. As demand led funds, the estimates are subject to change. These figures have been calculated using data from existing service delivery projects managed and planned by CSD.

The Institute for Development Studies (IDS) carried out a systematic review of 100 research studies of citizen engagement in 20 countries in 2010. That work provided evidence for the impact of citizen participation in different kinds of political contexts. The research provided compelling large scale examples of where citizen mobilisation contributed to national level policy change which in turn led to new development outcomes. There is also evidence that participatory democracy and accountability can impact on GDP, growth rates and predictability. IDS's work on transition economies found that in the first six years following a country's sustained introduction of democracy, real GDP growth rates grew from +0.3% in the first year to +4.5% in the sixth year. CSOs also contribute to social capital. As Paul Collier, Robert Putnam and others demonstrate, this is beneficial to enterprise and development, by correcting for market failures, information asymmetry and the free rider problem. Improvements in voice and accountability and government effectiveness will be measured using the Worldwide Governance Indicator (WDI) aggregate scores recorded by the World Bank WDI project.

Value for Money (VfM) rationale

The Civil Society Portfolio Review highlighted significant benefits of central funding (versus funding through country offices), as well as benefits of rationalising funding instruments (Civil Society Portfolio Review, 2010). Central funding enables lower administration costs (less than 2% of the total fund) and spreads risk by acknowledging that some projects will achieve greater long-term impact than others. Costs and benefits of specific projects within the different funds will be considered within the context of upcoming reviews. Projects identified as unlikely to meet their stated targets will be restructured or terminated to increase value for money of the portfolio.

4) Delivery and Resources

While Policy Division (PD) will continue to set the agenda, including for the international community, on key policy themes that can have significant impact on development (climate, wealth creation, health, education, anti-corruption, fragility etc.), our delivery focus will change to be more strongly country-facing – with demands from DFID country offices increasingly shaping Policy Division’s priorities and work programmes, and Policy Division increasingly helping to improve the value for money of bilateral programming. A broad menu will include:

- facilitating the flow of knowledge and information across DFID in thematic areas which require rapid scale-up, new niche areas for DFID or with specific poor/vulnerable groups (e.g. people with disabilities).
- increasing value for money of programme delivery, bringing in learning from elsewhere, advice on unit costs, benchmarking, metrics and indicators, and implementing specific findings from portfolio reviews.
- capturing experience from innovation to contribute to programme design and business cases.
- shaping & strengthening UK/DFID policy that can provide a framework for action at country level e.g. guidance on elections briefing, assessments of cash transfers and getting the most from the UK International Development CSOs.
- looking across the sectoral portfolio to assess the overall coherence.
- provide practical guidance to country offices to operationalise policy themes. In exceptional circumstances, filling staffing gaps on a short term basis in high priority countries where the lack of technical capacity is threatening the ability of the country office to achieve results. These would be agreed with the PD Director.

CSD’s key priorities involve fund management, policy linkage and relationship management (knowledge brokering). Direct results against the MDGs are delivered through a range of central funding schemes, which will be rationalised over the Spending Review period.

CSD’s policy influencing and knowledge management role will be implemented through:

Increased working with country offices on policy areas such as:

- working with civil society in restricted contexts
- working with faith and diaspora groups
- working with civil society in fragile states/ conflict areas

Increased work with DFID policy teams (and teams across Whitehall) on civil society related issues and brokering relationships between policy teams and CSOs (and across CSOs) to ensure mutual lesson learning and sharing of innovation on priority themes

Managing relationships with at least 200 civil society organisations to ensure DFID maintains its strongly respected reputation, and as a means of driving improved value for money, transparency and effectiveness.

Working across the UK Government on improving the relationships and role of civil society, including through Big Society initiatives, the Compact etc.

Influencing at an international level on policy and sharing learning, especially through the Donor Group on Civil Society Effectiveness, leading up to and beyond the High Level Forum on Aid Effectiveness in Busan that took place at the end of 2011.

4) Delivery and Resources (continued)

Planned Programme Spend (Prog totals based on reclaiming 5% deductions from Allocation Letter)

Pillar/Strategic priority	2010/11 (£M)		2011/12 (£M)		2012/13 (£M)		2013/14 (£M)		2014/15 (£M)	
	Resource	Capital	Resource	Capital	Resource	Capital	Resource	Capital	Resource	Capital
Wealth Creation										
Climate Change										
Governance and Security	32		47		41		28		20	
Education	3		5		8		10		6	
Reproductive, Maternal and Newborn Health	1		2		3		4		3	
Malaria	1		2		3		4		3	
HIV/Aids	1		2		3		4		3	
Other Health	1		2		3		4		3	
Water and Sanitation	1		2		3		4		3	
Poverty, Hunger and Vulnerability	1		2		3		4		3	
Humanitarian										
Other MDG's	1		2		3		4		3	
Global Partnerships	129		145		141		137		145	
TOTAL	173	0	212	0	212	0	204	0	190	0

The 2010/11 figures reflect actual outturn as the baseline year before the current spending review period. Figures for 2011/12 to 2014/15 are planned budgets within the spending review period. The 2013/14 and 2014/15 figures are subject to updates in subsequent years.

4) Delivery and Resources (continued)

Planned Operating Costs

	2010/11	2011/12	2012/13	2013/14	2014/15	Total
	£ (000s)	£ (000s)	£ (000s)	£ (000s)	£ (000s)	£ (000s)
Frontline staff costs - Pay	0	229	378	378	378	1363
Frontline staff costs - Non Pay	0	0	25	25	25	75
Administrative Costs - Pay	789	562	541	562	562	3016
Administrative Costs - Non Pay	718	778	756	645	603	3500
Total	1507	1569	1700	1610	1568	7954

The 2010/11 figures reflect actual outturn as the baseline year before the current spending review period. Figures for 2011/12 to 2014/15 are planned budgets within the spending review period. The 2013/14 and 2014/15 figures are subject to updates in subsequent years.

4) Delivery and Resources (continued)

Planned Efficiency Savings

Savings Initiative	2011/12		2012/13		2013/14		2014/15	
	PAY	Non Pay	PAY	Non Pay	PAY	Non Pay	PAY	Non Pay
Reduction in Consultancy	0	120000		72451		39500		39500
Office Restructure	20000	0	0	0	0	0	0	0
Reduction in Travel	0	1000	0	1000	0	1000	0	1000
Reduction in Training	0	0	0	6000	0	0	0	0
Other		100		100		100		100
Total	20000	121100	0	79551	0	40600	0	40600

5) Delivering Value for Money

Following the 2010 Civil Society Portfolio Review, CSD worked with Procurement Group (PrG) to develop a Category Strategy to maximise Value for Money from DFID's work with civil society. The CSO Category Strategy sets a framework through which CSD will drive better VfM through work with civil society over the 2011-2014 period. Priority work in the Category Strategy includes work at four levels:

1. Helping DFID to get better value for money through its work with civil society. For example by providing advice and support to country offices and other parts of DFID on how to work most effectively with **intermediary agents** who manage DFID's civil society funds to improve the cost effectiveness of outsourced fund management as well as getting better value for money from CSO projects.
2. Helping civil society organisations and the 'third sector' to improve value for money. For example by working with umbrella groups (such as Bond) and leading organisations to help them to improve efficiency, effectiveness and economy.
3. By improving the value for money of CSD's expenditure. For example by **rationalising central funds**, leading to increased savings and better VfM. The design of the GPAF enables us to incorporate further funds in future, leading to further VfM improvements. Also by **Introduction of new roles**, such as in the GPAF Fund Manager's terms of reference which requires fund managers to make annual demonstrations of their VfM work, including for fund applicants.
4. Paying particular attention to CSD's expenditure on administration by ensuring that we are rigorous in managing administration and programme costs. CSD has established a reputation within DFID for being at the forefront of analysing functions carried out by external Fund Managers and reallocating the relevant costs from admin to programmes in line with HM Treasury guidance. This allows CSD to take on and manage new funding schemes without a significant increase in the admin resource allocation.

6) Monitoring and Evaluation

Monitoring

- Fund managers are responsible for monitoring all of the projects and reporting back on progress and results.
- The Programme Partnership Arrangements (PPAs) are managed in-house (all other funds externally) and CSD staff specifically manage each of those relationships to ensure that they are properly monitored and deliver the results that are expected. (The contract with Coffey International will enable CSD to propose performance related disbursements in 2012-13 to DFID Ministers)

Evaluation

Evaluation of overall approach: CSD carried out a Civil Society Portfolio Review in 2009-2010 to evaluate and better understand the scale and impact of DFID's work with civil society globally. This work generated a set of recommendations for improvements. CSD has followed on these recommendations including: a revised set of corporate objectives for DFID's work with CSOs; improving fund management globally; strengthening systems for due diligence, monitoring, reporting and evaluations; introducing a new rationalised approach to central funds such as the Global Poverty Action Fund; and working with CSOs to improve the impact and value for money of their work; strengthening systems for capturing innovation and learning. (Carrying out a light touch refresh of the Portfolio Review in mid 2012)

Evaluation of funding mechanisms: Both the GPAF and the Common Ground Initiative (jointly funded with Comic Relief) have separate Learning/Evaluation contracts that will be implemented alongside them, to maximise the value of the grant investments and ensure robust and independent evaluation. The GPAF evaluation manager will also oversee evaluation for the new PPAs, and separately CSD have commissioned evaluations of the 2008-2011 PPAs and of the CSCF - which will continue to shape the future development of CSD's funding strategy. (in 2010-11, 28 PPAs were evaluated plus a meta PPA evaluation and first 10 year CSCF Evaluation completed).

Evaluation of projects: For all funded projects, organisations have to submit an evaluation of how the project is working, how risks are being managed; and how results will be delivered.

Building capacity of partners

A fundamental part of CSD's work, both directly and through intermediaries and country offices, is about building capacity in the many CSOs DFID works with. This includes improving levels of value for money (eg through procurement guidance), driving transparency and encouraging a greater results focused approach through the GPAF and the new approach to the Programme Partnership Arrangements. The due diligence and evaluation managers for both these funding mechanisms will highlight areas for improvement and capacity building, which DFID can then use to support the organisations to improve and thereby produce improved outcomes.

7) Transparency

Transparency is one of the top priorities for the UK Government. We will ensure that we continue to meet our commitments under the UK Aid Transparency Guarantee, publishing detailed information about DFID projects including programme documents and all spend above £500. We will continue to ensure that information is accessible, comparable, accurate, timely and in a common standard with other donors and that we provide opportunities for those directly affected by our projects to provide feedback.

All civil society organisations in direct receipt of DFID funds through our major grant schemes (Partnership Programme Arrangements and the Global Poverty Action Fund) are now required to apply transparency standards in line with the UK Aid Transparency Guarantee to UK funding from 2012/13, making it easier to follow where and how the money is spent.

We anticipate that all organisations receiving DFID Partnership Programme Arrangement (PPA) and Global Poverty Action Fund (GPAF) funding will:

- **by 1/4/2012**, complete “Implementation plans” with strict timelines on when all of the “IATI data items” will be published;
- **by 1/4/2013** will have published all “minimum level of disclosure items” (which includes key project documents, information on expenditure, source of funding and key project descriptors) in line with relevant categories of the International Aid Transparency Initiative (IATI) standards.

Progress (March 2012)

CSD supports the Bond Effectiveness Programme/Better Aid/Open Forum to get CSOs to commit to meet IATI standards and have used our influence **to actively** promote the transparency of civil society organisations working in international development.

Significant progress has been made since the launch of the UK Aid Transparency Guarantee with Oxfam and International HIV/AIDS Alliance already IATI compliant (March 2012). Information provided by Bond shows that other **non-DFID funded civil society organisations** are also changing their practices. More than 60% of all UK international development organisations surveyed are planning to publish information on all of their work. This has enabled UK civil society to be well placed to lead global civil society work on transparency. **DFID’s influence in driving forward the transparency agenda** is widely acknowledged amongst civil society organisations. We will continue working with and monitoring civil society organisations to ensure progress is maintained. CSD is also working with civil society to develop and use tools to improve the **visualisation of aid information**, making it more user-friendly, accessible and ultimately easier for taxpayers to see how and where money is being spent.