

Operational Plan 2011-2015

DFID United Nations and Commonwealth Department (UNCD)

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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 United Nations (UN) and the Commonwealth play important roles in tackling a range of complex global challenges: preventing conflict, tackling climate change, responding to humanitarian disasters, promoting development. They are important at both an international level and in-country. The UN and the Commonwealth both have a high degree of legitimacy and credibility that other multilateral actors cannot match. It is recognised, however, that they are not as effective as they could be. This was a key finding of the Multilateral Aid Review (MAR).

In part as a result of the MAR, the UN and the Commonwealth have embarked on a range of reform measures. However, some UN agencies and parts of the Commonwealth implementing bodies have embraced this reform agenda with less enthusiasm. Therefore, we need to continue to monitor progress and use all opportunities to build coalitions with others to ensure the reforms are moved forward, making sure there is consistency across the board.

DFID's United Nations and Commonwealth Department (UNCD) leads on strengthening the effectiveness and impact of the United Nations organisations we fund, as well as the broader UN Development System that supports them. We manage annual funding of £249 million to 12 UN organisations and UN cross cutting initiatives, £34 million of which is given to 7 Commonwealth programmes. Core funding underpins the basic effectiveness of agencies and thus provides an essential platform for country programmes and the global funds to use the UN to deliver results on the ground.

UNCD includes the UK Representation to Food and Agriculture Organization of the United Nations (FAO), UN World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD) based in Rome, and the UK Delegation to the UN Educational, Scientific and Cultural Organization (UNESCO) in Paris. We work across Whitehall and particularly closely with the UK Missions to the UN in New York, and Geneva. Our work involves engagement with many parts of the UK Government and working closely with a number of other member states.

2) Vision

Overview

Our vision is of a stronger UN and Commonwealth that deliver more effectively for poor people, including in conflict and crisis affected countries. UNCD's aim is to improve the performance and effectiveness of the agencies we support, so that they can provide an effective international platform for DFID country programmes and the global funds to deliver results on the ground. The MAR has underlined certain key areas for improvement: we will especially focus on strengthening UN agency results management, their transparency and their overall Value for Money, whilst looking to mainstream climate change, conflict/fragility and gender issues in their work.

We will focus on a small number of priority issues, balancing the need for policy engagement with the system as a whole (particularly through the UN Development Group) against closer engagement with the most important agencies for DFID. We will use influencing opportunities with both the agencies and UK membership of Boards to:

- Deliver key MAR reforms through stronger relationships with key agencies and more active use of Executive Boards.
- Combine institutional reform (UNCD) and policy objectives (Policy division and CHASE) for coherent messaging.
- Bring country level lessons (DFID Country Offices and advisory networks) into agency and membership influencing.
- Influence improved UN performance and leadership, including efficiencies through greater joint UN working
- Use funding to provide further incentives for change wherever possible.

Alignment to DFID and wider HMG priorities

UNCD will work closely with other government departments both at a Mission level and also in London to deliver our objectives. We will work closely with Policy teams within DFID and across Whitehall to drive forward work on family planning, climate change and gender. We will work closely with the FCO on our Commonwealth work, including the delivery of results through the Queen's Diamond Jubilee Trust.

What we will stop doing

UNCD will:

- Stop engaging with UN agencies that offer poor Value for Money: UN Industrial Development Organisation (UNIDO), International Labour Organisation (ILO) and the UN Human Settlements Programme (UN-HABITAT).
- Replace performance frameworks with four year funding frameworks designed to deliver key MAR reforms.
- Focus on a narrower range of cross system interventions aimed at stronger UN delivery on the ground, particularly in fragile states.
- End DFID central financial support for Delivering as One and push for aspects to be mainstreamed into the UN system
- Agree with FCO and UKMIs a streamlined UNCD role in low priority (for DFID) UN Inter-Governmental work.

3) Results

Headline results

The small selection of indicators included here are selected for their links to the DFID Results Framework but they by no means capture the range and complexity of development and humanitarian issues tackled by UN and Commonwealth organisations.

Pillar/ Strategic Priority	DFID Business Plan Indicators	Latest result (including year)	Previous result (including year)
Poverty, vulnerability, nutrition and hunger	Number of people receiving services from International Fund for Agricultural Development	43.1m (2010)	36.6m (2009)
Health	Number of children benefitting from 2 doses of vitamin A supplement (UNICEF)	350m (2011)	293m (2010)
Health	Number of female condoms procured (UNFPA)	6.2m (2011)	8.3m (2010)
Education	Number of education ministry officials trained and coached in strategic planning and management (UNESCO)	1,075 (2011)	n/a

UNCD’s aim is to improve the performance and effectiveness of the agencies we work with. Our focus will therefore be on addressing the key reform priorities identified by the Multilateral Aid Review (as set out in the table below) and on influencing cross-UN policy developments that impact on agency performance and efficiency.

Outcome	Baseline (2010)	Target (March 2015)
Effective and transparent UN and Commonwealth results management, monitoring, evaluation and reporting systems (MAR Strategic & Performance Management)	No. of agencies assessed as unsatisfactory = 1; weak = 10; satisfactory = 1	No agencies ‘unsatisfactory’ and increase in number ‘satisfactory’. UNICEF & UNDP improve to ‘satisfactory’ & demonstrate strengthened results frameworks in next Strategic Plans (for 2014 onwards).
UN agencies clearly demonstrate improved efficiency and cost control (MAR Cost Control)	No. of agencies assessed as unsatisfactory = 1; weak = 10; satisfactory = 1	No agencies ‘unsatisfactory’ and increase in number ‘satisfactory’. Clear reporting on efficiencies in agency Annual Reports. UNDP improves to ‘satisfactory’.
More effective UN delivery (incl. coordination and leadership), particularly at country level and humanitarian emergencies (MAR Contribution to Results)	No. of agencies assessed as unsatisfactory = 2; weak = 8; satisfactory = 2	No agencies ‘unsatisfactory’ and increase in number ‘satisfactory’. UNDP improves to ‘satisfactory’, UNICEF delivery improves in humanitarian & emergency situations. FAO builds on good humanitarian performance & improves patchy performance elsewhere.
UN agencies are increasingly transparent and accountable, making publicly available info on programmes, audits and evaluations (MAR Transparency & Accountability)	No. of agencies assessed as unsatisfactory = 1; weak = 8; satisfactory = 3	No agencies ‘unsatisfactory’ and increase in number ‘satisfactory’. All UN agencies meet IATI standards.

3) Results (continued)

Evidence supporting results

No single country can address the global challenges of poverty, climate change, insecurity and economic instability. These require an international response. Multilaterals can tackle issues on a scale and in places which the UK, or any other individual country acting alone, cannot reach. The UN, for example, is the custodian of the Millennium Development Goals (MDGs) and its legitimacy and neutrality allow it to play a unique role in securing international peace, security and humanitarian objectives. It is therefore essential that we support the UN and Commonwealth system. Through the MAR, we have identified reform priorities for each of the organisations that we fund. The four key reforms for UNCD relate to: contribution to results, strategic & performance management, cost control and transparency and accountability (although all four reforms will not be relevant to every agency). The theory of change underpinning these results recognises that the UK is just one member of UN and Commonwealth Boards. Any change therefore requires substantial engagement with, and influencing of, Board members, wider stakeholders and the agencies themselves. Through this approach we will secure support for UK reform priorities which will lead to improved performance by the MOs. We will also continue to support the development of cross-UN policy which will strengthen agency performance and efficiency. We expect that by strengthening the organisations this will lead, in turn to better development results going forward.

In our headline indicators we therefore include both measures of reform progress and examples of development indicators related to DFID's Results Framework. However, these development indicators should not be used to assess the effectiveness of UNCD spend as they are by no means comprehensive in terms of MO coverage or mandates. The limited availability of development-related headline indicators for tracking progress also reflects the fact that the MAR generally found the quality of MO's results systems to be weak. This makes it difficult to assess progress in delivering against organisations' strategic plans. Many MOs also struggle to aggregate country or project level results to a central level and to demonstrate their direct contribution to development or humanitarian results. Results frameworks are affected by weak results chains and limited information on outputs, baselines or targets. However, many of the MOs are beginning to address these issues e.g. putting processes in place to improve their organisational results frameworks.

Going forward, our core funding to these organisations will be linked to progress against key reform priorities including improvements to their results systems which will better allow them to demonstrate their impact in the future. As part of this we will use membership of agency boards to encourage them to set ambitious targets and hold them to account for these rather than setting targets ourselves. We will monitor MO progress in delivering these reforms and levels of progress will influence future funding decisions.

Value for Money rationale

The MAR assessed the Value for Money (VfM) offered by the agencies and programmes we fund and identified agencies from which we should exit as well as clear ways the others need to improve to offer better VfM. The reform priorities identified are based on those areas which generally had poorer performance in the MAR and in which substantial improvements are required. Strengthening these areas will lead to better VfM going forward.

4) Delivery and Resources

Projected Changes – Organisational Design and Structure

Summary:

In early 2011, we made substantial changes in how we allocate our staff resources, moving from system-wide policy work towards our agency by agency work. This was in response to the need to devote more staff time to the MAR process and subsequent engagement with agencies on reforms. Now that we have exited from 3 agencies and are embarking on a lighter-touch MAR update in 2013, we are, during 2012, adjusting this balance to create a bit more capacity for cross-systems and policy work within the UN overall. UNCD will continue to be a dynamic department, flexible and positively responding to changes in the wider operating environment or within the UN system by adjusting how we allocate our staff resources.

Detail:

Over the coming three years, UNCD will continue to push for greater value for money and results from our core contributions to UN agencies. To help further this aim, we have created dedicated advisory capacity in some of the key reform areas (Results, Transparency, Governance) to help influence and support agencies to meet their MAR reforms. Our aim is that each agency has made substantive progress with reforms and providing better Value for Money by the time of the MAR update in 2013. This agency by agency work is complemented by our programming work across the UN organisation, with a key event this year being the Quadrennial Comprehensive Policy Review. UNCD has recently taken on programme management of DFID's contribution to the Queen's Diamond Jubilee Trust Fund, without asking for any extra staff and we aim to continue to manage this going forward without additional resources. The 2011 MAR highlighted the need for us to improve our knowledge of UN agencies' performance on the ground and our agency teams have already responded to this need by gathering feedback on country-level performance via vcs and visits. In February 2012, UNCD established the post of Country Engagement Manager. The aim of the post is to focus on working with DFID Country Offices to increase the impact and Value for Money from DFID's bilateral programme spend. We will review in late 2012 the value this post has added and will decide whether to bid for additional resources to further enhance our capacity to engage with Country Offices. We are recruiting a Climate Adviser who will be a shared resource across a number of DFID departments. A key challenge for the team in 2012 will be managing rotations of key staff, including the Head of Department in April 2012, the Deputy Head in July and the Head of UKRep Rome in August. We have already cut one policy post and reallocated the savings to strengthening our teams working on agency reforms. We are undertaking an organisational review in 2012 to determine whether we are making best use of our staff resources.

4) Organisational Design (continued)

Planned programme spend.

Pillar/Strategic priority	2010/11		2011/12		2012/13		2013/14		2014/15	
	Resource	Capital	Resource	Capital	Resource	Capital	Resource	Capital	Resource	Capital
Wealth Creation										
Climate Change										
Governance and Security	15,310,000		17,700,000		2,500,000					
Education										
Reproductive, Maternal and Newborn Health	45,000,000		45,000,000		45,000,000					
Malaria										
HIV/Aids	10,000,000		10,000,000		10,000,000					
Other Health	35,000,000		56,500,000		52,500,000					
Water and Sanitation										
Poverty, Hunger and Vulnerability	32,000,000	18,300,000	20,000,000	13,700,000	37,500,000	33,855,600				
Humanitarian										
Other MDG's										
Global Partnerships	106,672,000		126,400,000		106,660,000					

4) Organisational Design (continued)

Planned Operating Costs

	2010/11 (budget)	2011/12	2012/13	2013/14	2014/15	Total 2011-15
Frontline staff costs - Pay			65,000			
Frontline staff costs - Non Pay			5,000			
Administrative Costs - Pay	£2,073,806	£1,664,588	£1,505,000			
Administrative Costs - Non Pay	£934,343	£842,481	£2,466,000		£783,481	
Total	3008149	2507069	4041000	0	783481	

Figures for 2010/11 to 2014/15 are planned budgets. The 2012/13 figures differ from the previously published Operational Plan as the 2012/13 budget round has now taken place and updated allocations for this year have been agreed. 2013/14 and 2014/15 figures are subject to updates in subsequent years.

4) Organisational Design (continued)

Planned Efficiency savings

Delivering Programme Efficiencies		
Category	Details	Residual cost in the SR period £'000
Strategic Reprioritisation	Stopping funding to the following organisations- Habitat, ILO and UNIDO	£26m
Further examples of Programme efficiency		

	2011/12		2012/13		2013/14		2014/15	
	PAY	Non Pay	PAY	Non Pay	PAY	Non Pay	PAY	Non Pay
Administrative Cost Savings Initiative								
Reduction in Consultancy Payments		136,000		40,000				
Reduction in Travel		42,792		23,000				
Reduction in Training		0		16,000				
Reduction in Estates & Property Costs		40,000						
Reduction in costs as a result of Office Restructuring	227,288							
Other Reductions		55,000	50,000	11,000				
Total	227,288	273,792	50,000	90,000	0	0	0	0

5) Delivering Value for Money

The MAR sets out the challenge facing UNCD to improve the Value for Money of the agencies we fund. Our agencies have weak results frameworks, are not sufficiently transparent, are not sufficiently controlling costs and have variable delivery, particularly in fragile and crisis affected countries. Over the period of Spending Review 2010 we will invest £1.3 billion mainly through core resources. UNCD will work to achieve substantive progress across the four strands of MAR follow-up by 2015.

There are a number of top-level challenges in taking this agenda forward including:

- i) The UN and Commonwealth are highly **political** institutions. Most change can only happen by consensus.
- ii) There are a number of underlying **technical** issues that need to be addressed. Much of what the UN does is difficult to measure.
- iii) UNCD faces **institutional** barriers in agencies that we need to address in order to develop a better understanding of their performance.

To address these challenges UNCD will:

- Use the conclusions of the MAR to build the case for a stronger focus on VfM across our institutions, member states, and with influential stakeholders. We will stop funding the poorer performing institutions and use our money and influence to lever reforms in others. We have strong Ministerial and senior management support to pursue UNCD's VfM agenda but must develop a truly multilateral approach.
- Develop a lighter touch performance monitoring process to allow us to invest more staff time in influencing rather than programme management.
- Build a stronger network of relations with a number of DFID country offices to improve the evidence base of agency performance and results.
- Upgrade our in-house skills and request support from the Procurement Group (PrG) to ensure that we can more effectively assess and monitor the procurement capability of our partners.
- Upgrade our in-house financial skills to raise fraud awareness and more effectively assess and monitor the financial performance of partners
- Negotiate improved Framework Arrangements with key partners to better reflect DFID's demand for better financial, monitoring, reporting and delivery standards and strengthen anti-fraud measures

We have developed new business cases to further drive our value for money agenda that stipulate:

- 1) the results we intend to achieve
- 2) how we will use our finance to leverage better performance and cost control
- 3) how we will use non-financial measures (e.g. ongoing dialogue, our participation in governing bodies, political capital) to leverage change.

6) Monitoring and Evaluation

Monitoring

The Operational Plan (OP) and results framework will be reviewed annually and light touch reviews will also be undertaken at six months intervals. The reviews of the Operational Plan will be led by the Deputy Head of Department with team leaders coordinating input from their teams. Annual reviews of business cases for agency core funding and other funding will provide the detailed results achieved through UNCD spending and provide the basis for monitoring of the Operational Plan. This includes monitoring of MAR reform priorities. Data sources to monitor the business cases and the Operational Plan include annual reporting by agencies to their governing bodies, mid-term reviews of strategic plans and MOPAN reviews. For organisations which were reviewed by the MAR we will also have six monthly feedback on performance from focus DFID country offices.

Evaluation

UNCD's focus will be on working with key Multilateral Organisations (MOs), where necessary, to strengthen the quality of their evaluation functions. This reflects the emphasis we place on MOs' own evaluations in the oversight of our funding. With support from IDO's Senior Evaluation Adviser and evaluation expertise in EvD, we will:

- Provide focused evaluation engagement and advice to key UN agencies to strengthen their evaluation functions – firstly, the UN Population Fund (UNFPA), which is currently undertaking a review of its evaluation policy; and secondly, the Office of the High Commissioner for Human Rights (OHCHR) for whom strengthened evaluation is a MAR reform priority. We will then undertake a prioritisation exercise to identify other agencies for engagement.
- Strengthen our own evaluation skills through seminars, workshops and developing briefing papers to guide engagement on evaluation.
- Act on the findings of the Independent Evaluation of the Delivering As One Pilots (part-funded by UNCD) and of the System-Wide Evaluation, both of which are due to report during 2012. This will inform decisions about our future engagement in these policy areas.
- Provide technical advice and support to the Commonwealth Scholarships Commission Evaluation and Monitoring Committee to deliver a rigorous impact evaluation of its programme by 2014-15.
- Explore options for undertaking an evaluation of our influence during the UN's Quadrennial Comprehensive Policy Review.
- Make effective use of the results of evaluations commissioned by multilaterals and of DFID multi-bi programmes in our engagement with all agencies, to inform annual reviews and, ultimately, in deciding whether to increase or decrease core funding to agencies.
- Engage through the IDO Senior Evaluation Adviser with the UN Evaluation Group which has a guiding role for evaluation in the UN.
- Engage with evaluations presented to Multilateral Organisation Governing Body meetings, raising concerns (bilaterally or through the Board) and using the opportunity to leverage improvements in their evaluation functions and development effectiveness.
- Where relevant, we will continue encouraging staff to work towards gaining accreditation into the Evaluation Cadre.

Building capacity of partners

The above information sets out how we will engage with key agencies to strengthen their evaluation functions. We will also work with agencies to improve their ability to measure and monitor results, and collect relevant data, including by seconding a results adviser to UNDP. In other cases our results/evaluation advisers will work with organisations to share good practice and improve results reporting and evaluation capability.

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 including 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.

Our aim is to increase the transparency of donors, partner countries and multilateral agencies to enhance aid effectiveness by improving transparency. We will introduce full transparency in aid and publish details of all UK aid spending online, and push for similarly high levels of transparency internationally

UNCD will work with UN agencies and their memberships to improve transparency. We will encourage agencies to adopt the standards as set out in the International Aid Transparency Initiative (IATI) adhere to follow-up measures.

We will push for all agencies, our priority ones in particular, to have: an open disclosure policy; easily accessible and up-to-date policy and project documentation; and performance assessments freely shared. We will do this by sharing good examples of disclosure policies across our international division and support agencies in developing their policies, taking into account lessons learnt and good practice across the multilateral system.

We will build alliances with those donors already signed up to IATI (Australia, Denmark, Finland, Germany, Ireland, Netherlands, New Zealand, Norway, Spain, Sweden and Switzerland) and other member states (including Bangladesh, Ghana, Rwanda, Indonesia, Nepal, Viet Nam, Burkina Faso, Malawi, The Dominican Republic and Syria) to build a coalition across memberships to press for agency commitment to IATI standards through governing bodies.

We will promote the reporting and publication of results, building on evidence for agencies' future programme planning.

We will lead by example as a donor country, encouraging a culture of transparency within our department and with our partner organisations. Improving transparency means all staff will need to think transparency every time a decision is made. Assume that every pound, euro and dollar spent will be open to public scrutiny.